Raytheon Technologies

1Q 2020 Earnings Conference Call

May 7, 2020

Forward-Looking Statements

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

This presentation 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 rates, R&D spend, 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 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 construction and in both the commercial and defense segments of the aerospace industry, levels of air travel, financial condition of commercial airlines, and the impact of weather conditions, pandemic health issues (including COVID-19 and its effects, among other things, on global supply, demand and distribution capabilities as the COVID-19 outbreak continues and results in an increasingly prolonged period of disruption to air travel and commercial activities generally, and significant restrictions and limitations on businesses, particularly within the aerospace and commercial airlines industries) 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 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's businesses or the integration of RTC with other businesses 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 may be suspended 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 awards 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 or the U.K.'s withdrawal from the European Union, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (16) the effect of changes in tax (including U.S. tax reform enacted on December 22, 2017, which is commonly referred to as the Tax Cuts and Jobs Act of 2017), environmental, regulatory and other laws and regulations (including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anti-corruption 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; (17) 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 at all 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; (18) 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 outbreak; (19) the expected benefits to RTC of the separation transactions; (20) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes; and (21) the risk that dissynergy costs incurred in connection with the separation transactions will exceed legacy UTC's or legacy Raytheon's estimates. 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.

COVID-19 Update and Response

- Employee health and safety
- Business continuity for customers and supply chain
- Community and medical industry support
- Positioning for the future

Raytheon Technologies employee building face shields in East Hartford, CT

Taking immediate actions to drive $2B of cost reduction and $4B of cash conservation

Raytheon Technologies: Focused A&D Company

Creates the world's most advanced aerospace and defense systems provider

Serves customers worldwide through a platform-agnostic, balanced and diversified portfolio

Delivers breakthrough technologies at an accelerated pace across high-value areas of A&D

Attractive financial profile with strong balance sheet and long-term cash flow generation

Raytheon Technologies Portfolio

Collins Aerospace

Pratt & Whitney

Raytheon Intelligence & Space

Raytheon Missiles & Defense

Industry leading segments positioned for long-term value

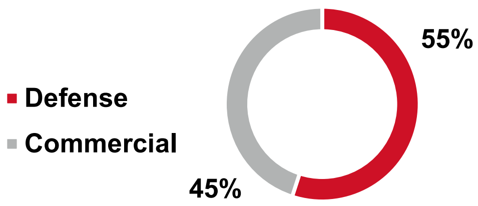
Strong Financial Profile

Flexible Balance Sheet and Ample Liquidity

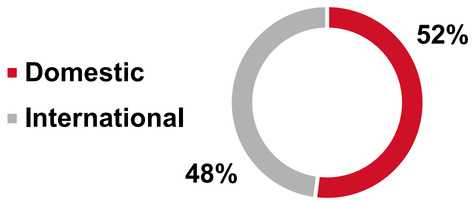
- Strong balance sheet
  - RTX Cash ~$8.5B as of April 3, 2020
  - RTX Net debt ~$25B as of April 3, 2020
- Investment grade credit rating
- Additional liquidity sources
  - $5B revolving credit facility
  - New short term $2B revolving credit facility
  - Anticipated divestiture proceeds ~$2B+ in 2020
  - $18B - $20B capital return to shareowners over 4 years

Balanced and Diversified Portfolio

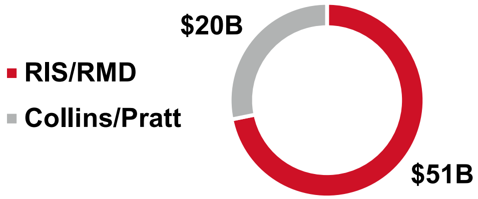
Sales[1]



Sales[1]



Defense Backlog[2]



Cost and Cash Initiatives

- $2B of immediate cost and $4B of cash actions
  - Capex ~$875M
  - E&D ~$450M
  - Merit deferrals
  - Temporary pay reductions
  - Discretionary spending
- On track to achieve Rockwell Collins $600M of gross cost synergies
- On track to achieve Raytheon Technologies $1B+ of gross cost synergies by year 4

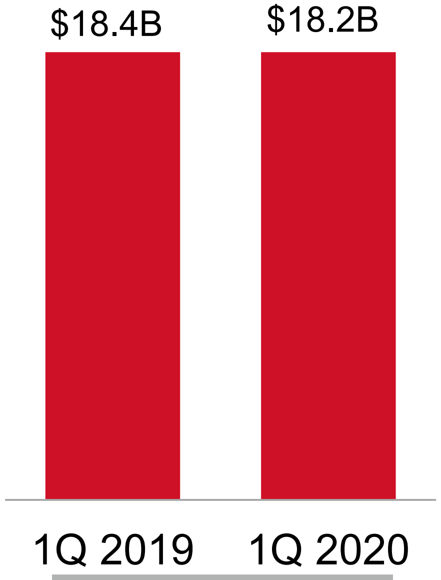
Financial flexibility to weather the current environment while paying a competitive dividend

1: Pro forma sales split for 2019; 2: As of the end of 1Q 2020

1Q 2020: Raytheon Technologies

Sales

Down 1%

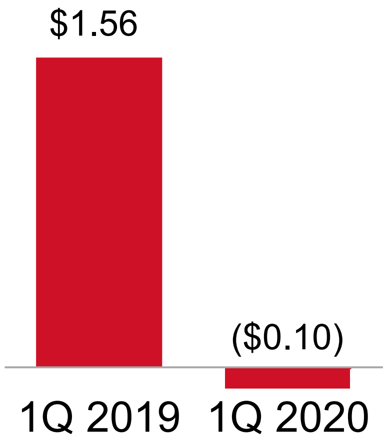


Organic*	flat
FX	(1) pt.

EPS

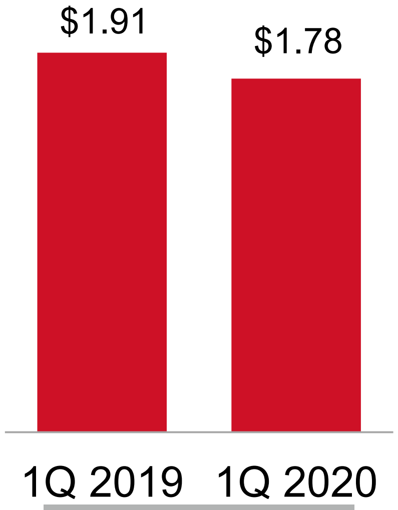
GAAP

Down 106%



Adjusted*

Down 7%

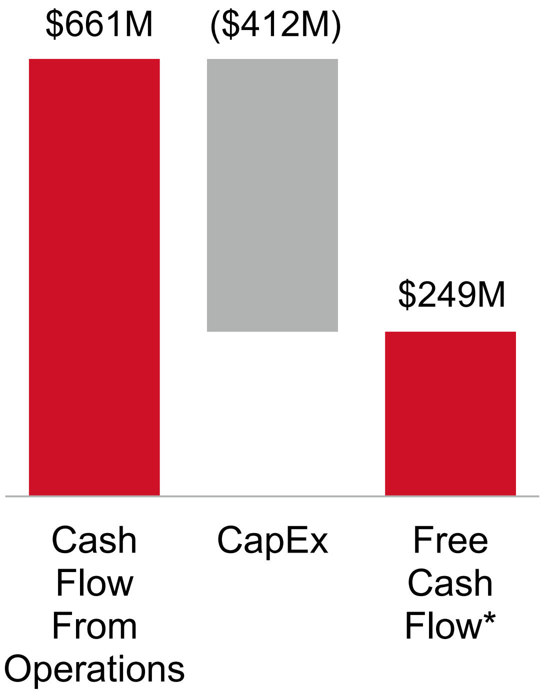


($0.35)	($1.88)

Restructuring/ Other items gain/(charge)

Cash Flow

(attributable to common shareowners)

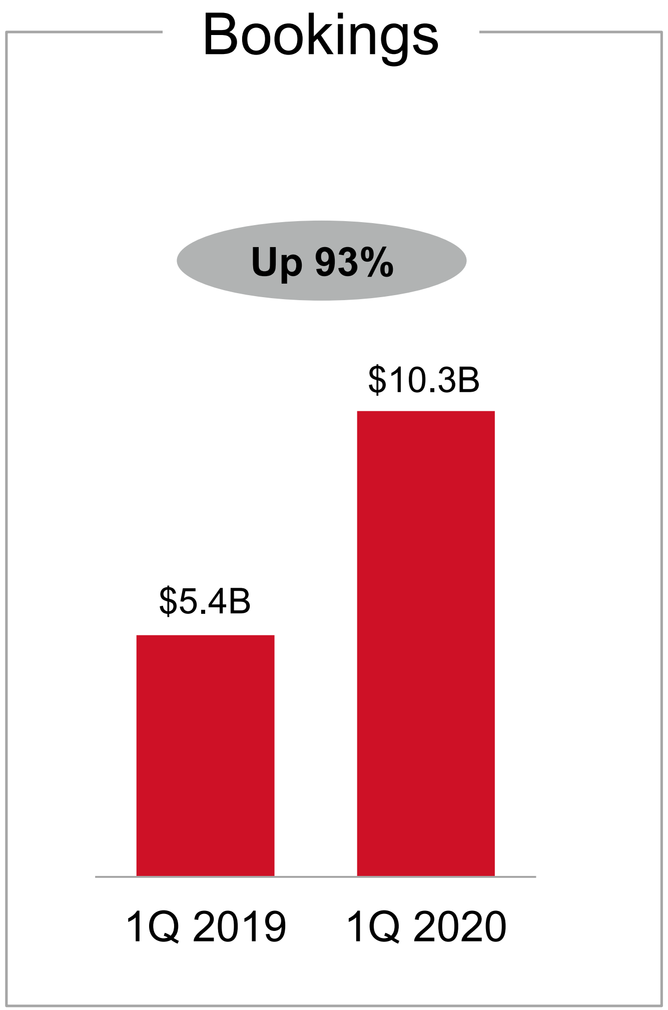


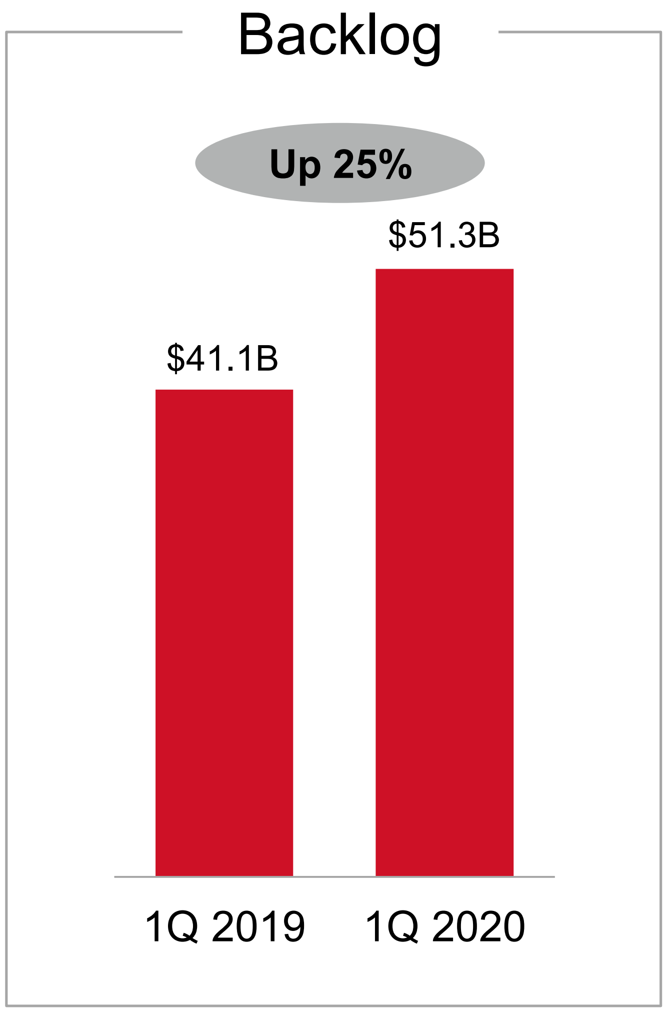
Adjusted EPS and free cash flow exceeded expectations

Note: Raytheon Technologies first quarter 2020 results reflect United Technologies standalone results including Otis and Carrier

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

1Q 2020: Raytheon Company





Record backlog of over $51 billion and strong book-to-bill ratio of 1.44

Note: Raytheon Company first quarter 2020 results are not included in the Raytheon Technologies first quarter results

Collins Aerospace Segment Highlights

1Q 2020

($ millions)

	Reported	Adjusted*	YOY Var.*
Sales	6,438	6,438	(1%)
Operating Profit	1,092	1,138	3%
ROS	17.0%	17.7%	0.8 pts.

- Organic sales* down 1%
- Reported sales down 1%
  - Commercial OEM down 12%
  - Commercial aftermarket up 3%
  - Military up 10%
- Adjusted operating profit* up 3%
  - Drop through on commercial aftermarket and defense volume
  - Synergy capture
  - Favorable contract settlements
  - Unfavorable commercial OEM volume and mix
  - COVID-19 related charges

Collins Aerospace Systems announced that three of the world's top aerial firefighting agencies are equipping their helicopters with the company's newest rescue hoist, the Goodrich 44318. With its advanced technologies, the Goodrich 44318 is Collins Aerospace's latest, most advanced rescue hoist. The new hoist can stay on the line longer for transport or rescue missions, features a 600-pound max lift load, and allows operators to continuously rescue multiple victims without a cool-down period.

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

Pratt & Whitney Segment Highlights

1Q 2020

($ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,351	5,351	11%
Operating Profit	439	439	(2%)
ROS	8.2%	8.2%	(1.1) pts.

- Organic sales* up 12%
- Reported sales up 11%
  - Commercial OEM up 25%
  - Commercial aftermarket up 4%
  - Military up 16%
- Adjusted operating profit* down 2%
  - COVID-19 related charges
  - Unfavorable Commercial aftermarket mix
  - Continued GTF cost reduction
  - Military engines growth driven by F135 and aftermarket

The U.S. Air Force, aboard C-17 powered by P&W F117 engines, transported nearly 1 million test swabs to the United States in support of the government's response to the coronavirus pandemic.

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

Raytheon Segment Highlights

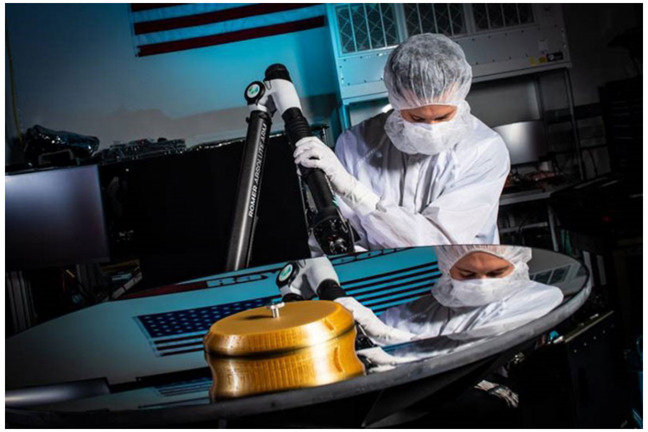
Raytheon Intelligence & Space Pro Forma 1Q 2020*

($ millions)

Sales	3,575
Operating Profit	379
ROS	10.6%

Highlights

- ~$350M on the Force Element Terminal (FET) Development program for the U.S. Air Force
- ~$350M on the GPS Next-Generation Operational Control System



RIS is developing the imaging payload for Maxar's WorldView Legion, a fleet of six Earth-observation satellites, that will offer a more accurate and timely view of the ground.

Raytheon Missiles & Defense Pro Forma 1Q 2020*

($ millions)

Sales	3,854
Operating Profit	573
ROS	14.9%

Highlights

- ~$500M to provide advanced Patriot® air and missile defense capability for the Kingdom of Bahrain
- ~$2B on SM-3 IB multiyear for the Missile Defense Agency
- Selected by U.S. Air Force for Long-Range Standoff Weapon (LRSO) - $10B+ life of program

The Lower Tier Air and Missile Defense Sensor, or LTAMDS, is a next-generation radar that will defeat advanced threats like hypersonic weapons. It simultaneously detects and engages multiple threats coming from any direction, ensuring there are no blind spots on the battlefield.

*See Appendix for additional information regarding the basis of presentation for these pro forma financials.

Current Environment

Tailwinds

- Military program growth
- Alignment to National Defense Strategy
- Raytheon Technologies cost synergies
- Rockwell Collins cost synergies
- Cost reduction actions

Headwinds / Monitoring

- Macro environment/COVID-19 impact
  – OEM production levels
  – Revenue Passenger Miles
  – Airline financial condition
  – Fleet groundings
- 737 MAX
- ADS-B mandate

Expect to provide an update on 2020 outlook in connection with July earnings call

Additional Raytheon Technologies Q2-Q4 2020 Items

Adjusted Tax Rate	~22%
Interest Expense	$1,075M - $1,125M
Corporate Expense and Other Unallocated Items*	$250M - $300M
FAS/CAS Operating Adjustment	$1,090M - $1,150M
Amortization/Acquisition Accounting Adjustments	~$1.8B
Non-Service Pension Benefit	$785M - $815M
Shares Outstanding	~1,525M
Capex Spending	$1.5B - $1.7B
Quarterly Dividend Rate	47.5 cents per share

* Under the new segment reporting method, the majority of corporate expenses will be allocated to the segments. This amount represents the residual corporate and LTAMDS expenses. See Appendix for details.

2020 Priorities

- Support employees, customers and suppliers
- Technology and product innovation
- Execute integration and deliver synergies
- Disciplined capital deployment and maintain strong liquidity
- Structure the business for long-term success

Maintain financial strength and flexibility

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Appendix

Use and Definitions of Non-GAAP Financial Measures

Raytheon Technologies Corporation’s (“RTC”) reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

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

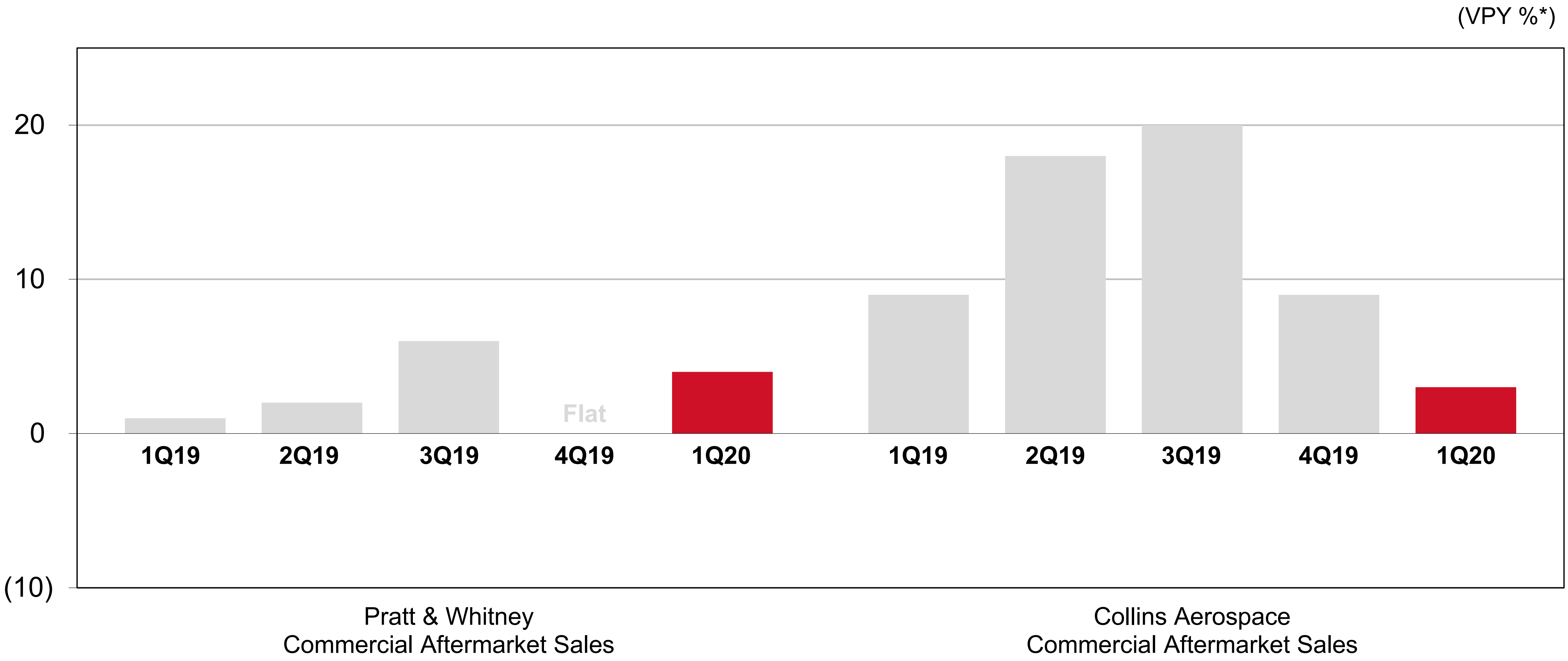
Adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share (“EPS”), adjusted diluted weighted average shares outstanding, and the adjusted effective tax rate are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (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 represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted diluted weighted average shares outstanding represents diluted weighted average shares outstanding (a GAAP measure), excluding stock awards which were anti-dilutive during the quarter ended March 31, 2020 as a result of the net loss from operations. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of net sales, operating profit and margins similarly reflect continuing operations, excluding restructuring and other significant items. Management believes that the non-GAAP measures just mentioned are useful in providing period-to-period comparisons of the results of the Company’s ongoing operational performance.

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 EPS, adjusted operating profit, adjusted effective tax rate, organic sales and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations, operating profit, the effective tax rate, sales and expected cash flow from operations) 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.

Raytheon Technologies: Commercial Aero Aftermarket



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% VPY for Pratt & Whitney is on a reported basis. 2019 % VPY Collins Aerospace is on an organic basis, and 2020 % VPY Collins Aerospace is on a reported basis.

1Q 2020: Raytheon Technologies Sales Reconciliation

	Total Growth	Organic	FX
Otis	(4%)	(2%)	(2%)
Carrier	(10%)	(9%)	(1%)
Pratt & Whitney	11%	12%	(1%)
Collins Aerospace	(1%)	(1%)	0%
Total RTC	**(1%)**	**0%**	**(1%)**

Raytheon Technologies: P&W Engine Shipments to Customers

	2019					2020
	Q1	Q2	Q3	Q4	FY	Q1
Military	39	58	53	65	215	48
Large commercial*	189	173	165	219	746	211
Pratt & Whitney Canada**	524	593	607	631	2,355	466

*Large commercial excludes industrial engine shipments.
**Excludes APUs.

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Raytheon Technologies: Segment Data – GAAP

RAYTHEON TECHNOLOGIES CORPORATION

SEGMENT DATA - Reported	2020	2019				
($ Millions except per share amounts)	Q1	Q1	Q2	Q3	Q4	YTD 2019
Otis						
Net Sales	2,966	3,096	3,348	3,307	3,362	13,113
Operating Profit (a),(v),(w),(ff),(gg)	371	426	515	508	499	1,948
Operating Profit %	12.5%	13.8%	15.4%	15.4%	14.8%	14.9%
Carrier						
Net Sales	3,888	4,323	4,962	4,822	4,501	18,608
Operating Profit (a),(s),(t),(v),(w),(hh),(ii)	363	529	836	685	647	2,697
Operating Profit %	9.3%	12.2%	16.8%	14.2%	14.4%	14.5%
Pratt & Whitney						
Net Sales	5,351	4,817	5,150	5,283	5,642	20,892
Operating Profit (a)	439	433	424	471	340	1,668
Operating Profit %	8.2%	9.0%	8.2%	8.9%	6.0%	8.0%
Collins Aerospace Systems						
Net Sales	6,438	6,513	6,576	6,495	6,444	26,028
Operating Profit (a),(d),(u),(v),(w),(jj)	1,092	856	1,172	1,167	905	4,100
Operating Profit %	17.0%	13.1%	17.8%	18.0%	14.0%	15.8%
Total Segments						
Net Sales	18,643	18,749	20,036	19,907	19,949	78,641
Operating Profit	2,265	2,244	2,947	2,831	2,391	10,413
Operating Profit %	12.1%	12.0%	14.7%	14.2%	12.0%	13.2%
Corporate, Eliminations, and Other						
Net Sales:						
Other	(433)	(384)	(402)	(411)	(398)	(1,595)
Operating Profit:						
General corporate expenses (a)	(115)	(98)	(124)	(113)	(180)	(515)
Eliminations and other (a),(b),(c),(e),(f),(g),(h),(l),(m),(n),(w),(x),(y),(kk),(ll)	(343)	(101)	(239)	(232)	(360)	(932)
Consolidated						
Net Sales	18,210	18,365	19,634	19,496	19,551	77,046
Operating Profit	1,807	2,045	2,584	2,486	1,851	8,966
Operating Profit %	9.9%	11.1%	13.2%	12.8%	9.5%	11.6%
Non-service pension (benefit) cost (o),(z)	(188)	(208)	(216)	(303)	(161)	(888)
Interest expense, net (p),(j),(s),(t),(mm), (nn)	1,040	431	360	401	419	1,611
Income from operations before income taxes	955	1,822	2,440	2,388	1,593	8,243
Income tax expense (j),(q),(r),(aa),(bb),(cc),(dd),(oo)	(941)	(397)	(441)	(1,131)	(326)	(2,295)
Effective Tax Rate	98.5%	21.8%	18.1%	47.3%	20.5%	27.8%
Income from operations	14	1,425	1,999	1,257	1,267	5,948
Net income	14	1,425	1,999	1,257	1,267	5,948
Less: Noncontrolling interest in subsidiaries' earnings (ee)	(97)	(79)	(99)	(109)	(124)	(411)
Net (loss) income attributable to common shareowners	**(83)**	**1,346**	**1,900**	**1,148**	**1,143**	**5,537**
Net (loss) income attributable to common shareowners:						
Income (loss) from operations	(83)	1,346	1,900	1,148	1,143	5,537

	Q1	Q1	Q2	Q3	Q4	YTD 2019
Operations						
(Loss) Earnings per share - basic	(0.10)	1.58	2.22	1.34	1.33	6.48
(Loss) Earnings per share - diluted	(0.10)	1.56	2.20	1.33	1.32	6.41
Total EPS attributable to common shareowners						
Total basic (loss) earnings per share	(0.10)	1.58	2.22	1.34	1.33	6.48
Total diluted (loss) earnings per share	(0.10)	1.56	2.20	1.33	1.32	6.41
Weighted average number of shares outstanding (millions)						
Basic shares	858.4	853.2	854.4	855.1	856.4	854.8
Diluted shares	865.8	860.7	863.7	864.1	867.0	863.9

	Q1	Q1	Q2	Q3	Q4	YTD 2019
Effective Tax Rate - ops	98.5%	21.8%	18.1%	47.3%	20.5%	27.8%

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Raytheon Technologies: Segment Data – Notes

The earnings release and conference-call discussion adjust 2020 and 2019 segment results for restructuring costs as well as certain significant non-recurring and/or non-operational items.

The following restructuring costs and significant non-recurring and/or non-operational items are included in current and prior year GAAP results and have been excluded from the adjusted results (non-GAAP measures) presented in the earnings release and conference-call discussion.

(a) Restructuring costs as included in 2020 and 2019 results:

	2020	2019				
	Restructuring Costs	Restructuring Costs				
	Q1	Q1	Q2	Q3	Q4	YTD 2019
Operating Profit:						
Otis	(6)	(25)	(15)	(4)	(10)	(54)
Carrier	(5)	(33)	(30)	(34)	(29)	(126)
Pratt & Whitney	-	(14)	(3)	-	(116)	(133)
Collins Aerospace Systems	(6)	(39)	(17)	(27)	(19)	(102)
Total Segments operating profit	(17)	(111)	(65)	(65)	(174)	(415)
General corporate expenses	(2)	(1)	(1)	(1)	(3)	(6)
Eliminations and other	-	-	-	-	-	-
Total consolidated operating profit	(19)	(112)	(66)	(66)	(177)	(421)
Non-service pension costs	-	-	-	-	(4)	(4)
Total UTC Net Income	(19)	(112)	(66)	(66)	(181)	(425)

(b) Q1 2019 Approximately $9 million of transaction and integration costs related to merger agreement with Rockwell Collins.

(c) Q1 2019 Approximately $181 of costs related to amortization of Rockwell Collins inventory fair value adjustment.

(d) Q1 2019 Approximately $25 million of unfavorable charges associated with the loss on the sale of a business at Collins Aerospace Systems.

(e) Q1 2019 Approximately $55 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(f) Q2 2019 Approximately $10 million of transaction and integration costs related to merger agreement with Rockwell Collins.

(g) Q2 2019 Approximately $26 million of transaction costs related to merger agreement with Raytheon.

(h) Q2 2019 Approximately $154 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(i) Q2 2019 Approximately $58 million of favorable pre-tax interest related to tax settlements.

(j) Q2 2019 Approximately $264 million of favorable income tax adjustments related to several tax settlements.

(k) Q2 2019 Approximately $100 million of unfavorable income tax expenses related to the Company's separation of its commercial businesses.

(l) Q3 2019 Approximately $11 million of transaction and integration costs related to merger agreement with Rockwell Collins.

(m) Q3 2019 Approximately $25 million of transaction costs related to merger agreement with Raytheon.

(n) Q3 2019 Approximately $132 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(o) Q3 2019 Approximately $98 million of pre-tax charges associated with pension curtailment.

(p) Q3 2019 Approximately $5 million of favorable pre-tax interest related to tax settlements.

(q) Q3 2019 Approximately $8 million of favorable income tax adjustments related to several tax settlements.

(r) Q3 2019 Approximately $517 million of unfavorable income tax expenses related to the Company's separation of its commercial businesses.

(s) Q3 2019 Approximately $108 million of charges related to an investment impairment at Carrier.

(t) Q3 2019 Approximately $34 million of charges related to a consultant contract termination at Carrier.

(u) Q3 2019 Approximately $1 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(v) Q4 2019 Approximately $43 million of pre-tax charges for costs associated with pension plan amendment.

(w) Q4 2019 Approximately $265 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(x) Q4 2019 Approximately $10 million of transaction and integration costs related to merger agreement with Rockwell Collins.

(y) Q4 2019 Approximately $32 million of transaction costs related to merger agreement with Raytheon.

(z) Q4 2019 Approximately $25 million of pre-tax charges associated with pension curtailment.

(aa) Q4 2019 Approximately $6 million of favorable income tax adjustments related to several tax settlements.

(bb) Q4 2019 Approximately $141 million of unfavorable income tax expenses related to the Company's separation of its commercial businesses.

(cc) Q4 2019 Approximately $21 million of favorable income tax adjustments related to the 2018 U.S Tax Reform Legislation.

(dd) Q4 2019 Approximately $29 million of favorable income tax adjustment associated with the Company's separation of its commercial businesses.

(ee) Q4 2019 Approximately $7 million of unfavorable Noncontrolling interest associated with the Company's separation of its commercial businesses.

(ff) Q1 2020 Approximately $67 million of costs related to an asset impairment at Otis.

(gg) Q1 2020 Approximately $24 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(hh) Q1 2020 Approximately $71 million of costs related to an investment impairment charge at Carrier.

(ii) Q1 2020 Approximately $17 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(jj) Q1 2020 Approximately $40 million of costs related to an intangible impairment at Collins Aerospace Systems.

(kk) Q1 2020 Approximately $230 million of pre-tax charges associated with the Company's separation of its commercial businesses.

(ll) Q1 2020 Approximately $29 million of transaction costs related to merger agreement with Raytheon.

(mm) Q1 2020 Approximately $660 million of unfavorable pre-tax interest associated with the extinguishment of debt associated with the Company's separation of its commercial businesses.

(nn) Q1 2020 Approximately $6 million of unfavorable pre-tax interest related to debt issuance costs associated with the Company's separation of its commercial businesses.

(oo) Q1 2020 Approximately $605 million of unfavorable income tax expenses related to the Company's separation of its commercial businesses.

Raytheon Technologies: Segment Data – Adjusted

RAYTHEON TECHNOLOGIES CORPORATION	Ex Rest & Significant non-recurring and non-operational items	Ex Rest & Significant non-recurring and non-operational items				
SEGMENT DATA - Adjusted (Unaudited)	**2020**	**2019**				
($ Millions except per share amounts)	Q1	Q1	Q2	Q3	Q4	Q4 YTD
Otis						
Net Sales	2,966	3,096	3,348	3,307	3,362	13,113
Operating Profit (a),(v),(w),(ff),(gg)	468	451	530	512	521	2,014
Operating Profit %	15.8%	14.6%	15.8%	15.5%	15.5%	15.4%
Carrier						
Net Sales	3,888	4,323	4,962	4,822	4,501	18,608
Operating Profit (a),(s),(t),(v),(w),(hh),(ii)	456	562	866	861	689	2,978
Operating Profit %	11.7%	13.0%	17.5%	17.9%	15.3%	16.0%
Pratt & Whitney						
Net Sales	5,351	4,817	5,150	5,283	5,642	20,892
Operating Profit (a)	439	447	427	471	456	1,801
Operating Profit %	8.2%	9.3%	8.3%	8.9%	8.1%	8.6%
Collins Aerospace Systems						
Net Sales	6,438	6,513	6,576	6,495	6,444	26,028
Operating Profit (a),(d),(u),(v),(w),(jj)	1,138	1,101	1,189	1,195	957	4,442
Operating Profit %	17.7%	16.9%	18.1%	18.4%	14.9%	17.1%
Total Segments						
Net Sales	18,643	18,749	20,036	19,907	19,949	78,641
Operating Profit	2,501	2,561	3,012	3,039	2,623	11,235
Operating Profit %	13.4%	13.7%	15.0%	15.3%	13.1%	14.3%
Corporate, Eliminations, and Other						
Net Sales:						
Other	(433)	(384)	(402)	(411)	(398)	(1,595)
Operating Profit:						
General corporate expenses (a)	(113)	(97)	(123)	(112)	(177)	(509)
Eliminations and other (a),(b),(c),(e),(f),(g),(h),(l),(m),(n),(w),(x),(y),(kk),(ll)	(84)	(37)	(49)	(64)	(68)	(218)
Consolidated						
Net Sales	18,210	18,365	19,634	19,496	19,551	77,046
Operating Profit	2,304	2,427	2,840	2,863	2,378	10,508
Operating Profit %	12.7%	13.2%	14.5%	14.7%	12.2%	13.6%
Non-service pension (benefit) cost (o),(z)	(188)	(208)	(216)	(205)	(190)	(819)
Interest expense, net (p),(j),(s),(t),(mm), (nn)	374	431	418	406	419	1,674
Income from operations before income taxes	2,118	2,204	2,638	2,662	2,149	9,653
Income tax expense (j),(q),(r),(aa),(bb),(cc),(dd),(oo)	(476)	(478)	(641)	(645)	(349)	(2,113)
Effective Tax Rate	22.4%	21.7%	24.3%	24.2%	16.3%	21.9%
Income from operations	1,642	1,726	1,997	2,017	1,800	7,540
Net income	1,642	1,726	1,997	2,017	1,800	7,540
Less: Noncontrolling interest in subsidiaries' earnings (ee)	(97)	(79)	(99)	(109)	(117)	(404)
Net (loss) income attributable to common shareowners	**1,545**	**1,647**	**1,898**	**1,908**	**1,683**	**7,136**
Net (loss) income attributable to common shareowners:						
Income (loss) from operations	1,545	1,647	1,898	1,908	1,683	7,136

	Q1	Q1	Q2	Q3	Q4	Q4 YTD
Total EPS Impact of Restructuring & Significant non-recurring and non-operational items	(1.88)	(0.35)	-	(0.88)	(0.62)	(1.85)
Operations						
(Loss) Earnings per share - basic	1.80	1.93	2.22	2.23	1.97	8.35
(Loss) Earnings per share - diluted	1.78	1.91	2.20	2.21	1.94	8.26
Total EPS attributable to common shareowners						
Total basic earnings per share	1.80	1.93	2.22	2.22	1.97	8.35
Total diluted earnings per share	1.78	1.91	2.20	2.21	1.94	8.26
Weighted average number of shares outstanding (millions)						
Basic shares	858.4	853.2	854.4	855.1	856.4	854.8
Diluted shares	865.8	860.7	863.7	864.1	867.0	863.9

	Q1	Q1	Q2	Q3	Q4	Q4 YTD
Effective Tax Rate - ops	22.4%	21.7%	24.3%	24.2%	16.3%	21.9%

RTC: Segment Adjusted Operating Profit Reconciliation

Raytheon Technologies Corporation
Reconciliation of Reported (GAAP) to Adjusted (Non-GAAP) Results
Adjusted Operating Profit & Operating Profit Margin

(dollars in millions - Income (Expense))	Quarter Ended March 31, (Unaudited) 2020	2019
Otis		
Net sales	$ 2,966	$ 3,096
Operating profit	371	426
Restructuring	(6)	(25)
Asset impairment	(67)	—
Costs associated with the Company's separation of its commercial businesses	(24)	—
Adjusted operating profit	$ 468	$ 451
Adjusted operating profit margin	15.8 %	14.6 %
Carrier		
Net sales	$ 3,888	$ 4,323
Operating profit	363	529
Restructuring	(5)	(33)
Investment impairment	(71)	—
Costs associated with the Company's separation of its commercial businesses	(17)	—
Adjusted operating profit	$ 456	$ 562
Adjusted operating profit margin	11.7 %	13.0 %
Pratt & Whitney		
Net sales	$ 5,351	$ 4,817
Operating profit	439	433
Restructuring	—	(14)
Adjusted operating profit	$ 439	$ 447
Adjusted operating profit margin	8.2 %	9.3 %
Collins Aerospace Systems		
Net sales	$ 6,438	$ 6,513
Operating profit	1,092	856
Restructuring	(6)	(39)
Loss on sale of business	—	(25)
Amortization of Rockwell Collins inventory fair value adjustment	—	(181)
Intangible impairment triggered by COVID-19 impacts	(40)	—
Adjusted operating profit	$ 1,138	$ 1,101
Adjusted operating profit margin	17.7 %	16.9 %

(dollars in millions - Income (Expense))	Quarter Ended March 31, (Unaudited) 2020	2019
Eliminations and other general corporate expenses		
Operating profit	$ (458)	$ (199)
Restructuring	(2)	(1)
Transaction and integration costs related to acquisition of Rockwell Collins, Inc.	—	(9)
Costs associated with the Company's separation of its commercial businesses	(230)	(55)
Transaction expenses associated with the Raytheon Merger	(29)	—
Adjusted operating profit	$ (197)	$ (134)
RTC Consolidated		
Operating profit	$ 1,807	$ 2,045
Restructuring	(19)	(112)
Total significant non-recurring and non-operational items included in Operating Profit above	(478)	(270)
Consolidated Adjusted operating profit	$ 2,304	$ 2,427

Raytheon Technologies

Raytheon Technologies: Reported EPS Reconciliation

Reconciliation of Diluted Earnings per Share to Adjusted Diluted Earnings per Share

(dollars in millions except per share amounts)

	2020	2019				
	Q1	Q1	Q2	Q3	Q4	Total
Diluted (loss) earnings per share attributable to common shareowners	$ (0.10)	$ 1.56	$ 2.20	$ 1.33	$ 1.32	$ 6.41
Net (loss) income attributable to common shareowners	$(83)	$1,346	$1,900	$1,148	$1,143	$5,537
Adjustments to net income from operations attributable to common shareowners:						
Restructuring costs	(19)	(112)	(66)	(66)	(177)	(421)
Otis - Costs associated with the Company's separation of its commercial businesses	(6)	-	-	-	(9)	(9)
Otis - Costs associated with pension plan amendment	-	-	-	-	(3)	(3)
Otis - Incremental costs associated with the Company's separation of its commercial businesses	(18)	-	-	-	-	-
Otis - Asset impairment	(67)	-	-	-	-	-
Carrier - Investment impairment	(71)	-	-	(108)	-	(108)
Carrier - Consultant contract termination	-	-	-	(34)	-	(34)
Carrier - Costs associated with the Company's separation of its commercial businesses	(6)	-	-	-	(6)	(6)
Carrier - Costs associated with pension plan amendment	-	-	-	-	(7)	(7)
Carrier - Incremental costs associated with the Company's separation of its commercial businesses	(11)	-	-	-	-	-
Collins Aerospace Systems - Asset Impairment/Subsequent loss on sale	-	(25)	-	-	-	(25)
Collins Aerospace Systems - Amortization of Rockwell Collins inventory fair value adjustment	-	(181)	-	-	-	(181)
Collins Aerospace Systems - Costs associated with the Company's separation its commercial businesses	-	-	-	(1)	-	(1)
Collins Aerospace Systems - Costs associated with pension plan amendment	-	-	-	-	(33)	(33)
Collins Aerospace Systems - Intangible impairment	(40)	-	-	-	-	-
Rockwell Collins Transaction & Integration costs	-	(9)	(10)	(11)	(10)	(40)
Raytheon transaction costs	(29)	-	(26)	(25)	(32)	(83)
Corporate costs associated with the Company's separation of its commercial businesses	(230)	(55)	(154)	(132)	(250)	(591)
Other significant non-recurring and non-operational items included in non-service pension	-	-	-	98	(29)	69
Debt issuance costs associated with the Company's separation of its commercial businesses	(6)	-	-	-	-	-
Debt extinguishment costs associated with the Company's separation of its commercial businesses	(660)	-	-	-	-	-
Interest on tax settlements	-	-	58	5	-	63
Income tax benefit on restructuring costs and significant non-recurring and non-operational items	140	81	36	24	108	249
U.S Tax Reform Legislation	-	-	-	-	21	21
Tax adjustment resulting from the Company's separation of its commercial businesses	-	-	-	-	29	29
Other significant non-recurring and non-operational gains (charges) recorded within income tax expense	(605)	-	164	(510)	(135)	(481)
Other significant non-recurring and non-operational gains (charges) recorded within Noncontrolling interest	-	-	-	-	(7)	(7)
Total adjustments to net income from operations attributable to common shareowners	(1,628)	(301)	2	(760)	(540)	(1,599)
Adjusted net income from operations attributable to common shareowners	1,545	1,647	1,898	1,908	1,683	7,136
Less: Impact of total adjustments on diluted earnings per share	$ (1.88)	$ (0.35)	$ -	$ (0.88)	$ (0.62)	$ (1.85)
Adjusted diluted earnings per share - Net income from operations attributable to common shareowners (Non-GAAP)	$ 1.78	$ 1.91	$ 2.20	$ 2.21	$ 1.94	$ 8.26
Effective Tax Rate	98.5%	21.8%	18.1%	47.3%	20.5%	27.8%
Less: Impact on effective tax rate	-76.2%	-0.1%	6.2%	-23.0%	-4.1%	-6.0%
Adjusted effective tax rate	22.4%	21.7%	24.3%	24.2%	16.3%	21.9%

Raytheon Technologies

Reconciliation of the Former Raytheon Company's Historical Segments to the Post-Merger Segments

($ in millions, except percentages)	Q1 2020 Sales	Q1 2020 Operating Profit	Q1 2020 ROS
Raytheon Intelligence & Space			
Intelligence, Information and Services	1,731	142	
Space and Airborne Systems	1,894	244	
Corporate allocations	-	(1)	
Intracompany eliminations	(50)	(6)	
Pro Forma – Raytheon Intelligence & Space	3,575	379	10.6%
Raytheon Missiles & Defense			
Integrated Defense Systems	1,722	337	
Missile Systems	2,151	239	
Corporate allocations	-	(1)	
Intracompany eliminations	(19)	(2)	
Pro Forma – Raytheon Missiles & Defense	3,854	573	14.9%

Basis of presentation for Raytheon Company pro forma financials

As supplemental information to aid with the bridge from the former Raytheon Company's historical segments to the new post-merger segments, we have presented first quarter 2020 pro forma segment information. For Raytheon Intelligence & Space, this pro forma presentation combines the historical Raytheon Intelligence Information and Services, and Space and Airborne Systems segments, adjusted for any intercompany transactions between these segments as well as the allocation of certain corporate items to the segment. For Raytheon Missiles & Defense, this pro forma presentation combines the historical Raytheon Integrated Defense Systems and Missile Systems segments, adjusted for any intercompany transactions between these segments as well as the allocation of certain corporate items to the segment. For avoidance of doubt, this pro forma information is not intended to be, and is not, prepared consistent with the unaudited pro forma combined financial information in Exhibit 99.2 to Raytheon Technologies' Current Report on Form 8-K filed April 8, 2020 with the U.S. Securities and Exchange Commission, which provides the pro forma financial information required by Item 9.01(b) of Form 8-K, prepared in accordance with Article 11 of Regulation S-X.

Raytheon Technologies: Key Data

($ millions)

	1Q 20	1Q 19
Free cash flow	249	1,137
Debt/capital*	53%	52%
Net debt/capital*	48%	48%
Capital expenditure	412	363
Share repurchase	47	29
Acquisitions**	10	19

*Adjusted to reflect the accounting for non-controlling interests.
**Includes debt assumed.

Raytheon Technologies: Free Cash Flow Reconciliation

($ millions)

	1Q	
	2020	2019
Net income attributable to common shareowners from continuing operations	(83)	1,346
Depreciation & amortization	980	942
Change in working capital	(887)	(445)
Other	651	(343)
Cash flow from operations	661	1,500
Capital expenditures	(412)	(363)
Free cash flow	249	1,137
Free cash flow as a % of net income attributable to Common shareowners from continuing operations	NM	84%

RIS & RMD 2020 Outlook

	Pre-Merger Outlook	*% growth*	Q1 Actuals	Pre-Merger Q2-Q4 Outlook	*% growth*	'Stub Period' Mar 30-Apr 2	Divestiture	Purchase Accounting/ Synergies	COVID-19 Impact	RTX Q2-Q4 Outlook
Sales ($ billions)										
RIS	15.2-15.5	***6-8%***	(3.6)	11.6-11.9	***6-8%***	(0.2)	(0.1)	(0.2)	(0.1)	11.0-11.3
RMD	16.5-16.8	***6-8%***	(3.9)	12.6-12.9	***5-7%***	(0.2)		(0.3)	(0.1)	12.0-12.3
Elims	(1.4)-(1.5)		0.5	(0.9)-(1.0)						(0.9)-(1.0)
Total RIS & RMD	**30.3-30.8**	***6-8%***	**(7.0)**	**23.3-23.8**	***6-8%***	**(0.4)**	**(0.1)**	**(0.5)**	**(0.2)**	**22.1-22.6**
Profit ($ millions)										
RIS	1,630-1,680	**1-4%**	(379)	1,251-1,301	**3-7%**	(20)	(16)	(120)	(10)	1,085-1,135
RMD	2,290-2,350	**11-14%**	(573)	1,717-1,777	**7-10%**	(25)		(227)	(15)	1,450-1,510
Elims	(170)-(175)		38	(132)-(137)		1				(130)-(135)
Total RIS & RMD	**3,750-3,855**	**6-9%**	**(914)**	**2,836-2,941**	**4-8%**	**(44)**	**(16)**	**(346)**	**(25)**	**2,405-2,510**

Numbers may not add due to rounding

RTX Financial Reporting Presentation Notes

Collins Aerospace Systems	• Includes legacy Collins Aerospace Systems segment (and continues to include Collins' Mission Systems business) • On a recast basis, 2019 would exclude ~$620M of acquisition accounting adjustments and include ~$200M of corporate expense allocation
Pratt & Whitney	• Includes legacy Pratt & Whitney segment • On a recast basis, 2019 would exclude ~$290M of acquisition accounting adjustments and include ~$150M of corporate expense allocation
Raytheon Intelligence & Space	• Includes legacy Raytheon Company segments Intelligence, Information and Services; and Space and Airborne Systems
Raytheon Missiles & Defense	• Includes legacy Raytheon Company segments Missile Systems and Integrated Defense Systems
Total Segment Profit	
Eliminations and Other	• Includes legacy Raytheon Company's Forcepoint segment
Corporate Expenses and Other Unallocated Items	• Includes residual corporate expenses and LTAMDS expense, a corporate project • Includes Raytheon merger restructuring costs, merger expenses, etc. (excluded from adjusted operating profit and adjusted EPS)
FAS/CAS Operating Adjustment	• Includes legacy Raytheon Company CAS to FAS service expense adjustment only; Pratt and Collins include FAS pension service expense in their segment operating profit
Acquisition Accounting Adjustments	• Includes deal-based amortization of intangibles; fair value asset step up, and loss contracts / parity reserve (excluded from adjusted operating profit and adjusted EPS)
Total Operating Profit	

Non-Service Pension Benefit	• Consists of non-service pension benefit (expense) for legacy UTC and Raytheon Company

Adjusted EPS	• Consistent with UTC's legacy approach of excluding significant and nonrecurring items • Excludes Raytheon merger restructuring costs, merger expenses, etc. • Excludes acquisition accounting impacts