

L3HARRIS[®]

SECOND QUARTER 2024 EARNINGS PRESENTATION

JULY 25, 2024

Forward-Looking Statements; Non-GAAP Measures



Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions and estimates of future performance and economic conditions. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include, but are not limited to, statements about 2024 guidance, 2024 supplemental information, 2026 financial framework, capital allocation priorities, future product deliveries and other statements regarding the business growth outlook and financial performance guidance that are not historical facts. The company cautions investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. The company's consolidated results, future trends and forward-looking statements could be affected by many factors, risks and uncertainties, including but not limited to those included in our Q2 earnings release or other filings with the SEC, which are available on our investor relations webpage at www.l3harris.com/investors. The forward-looking statements are made as of the date of this presentation, and the company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Persons reading this presentation are cautioned not to place undue reliance on forward-looking statements.

This presentation also contains non-GAAP financial measures (“NGFMs”) within the meaning of Regulation G promulgated by the SEC, including adjusted segment operating income and margin, adjusted free cash flow, organic revenue, non-GAAP EPS, pension adjusted non-GAAP EPS, net debt to adjusted EBITDA and effective tax rate on non-GAAP earnings, each of which is defined in our Q2 earnings release, except for pension adjusted non-GAAP EPS and net debt to adjusted EBITDA which are reconciled in this presentation. A reconciliation of each NGFM is available in our Q2 earnings release. A reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort because of inherent difficulty in forecasting and quantifying the comparable GAAP measures and the applicable adjustments and other amounts that would be necessary for such a reconciliation, as described in our Q2 earnings release.

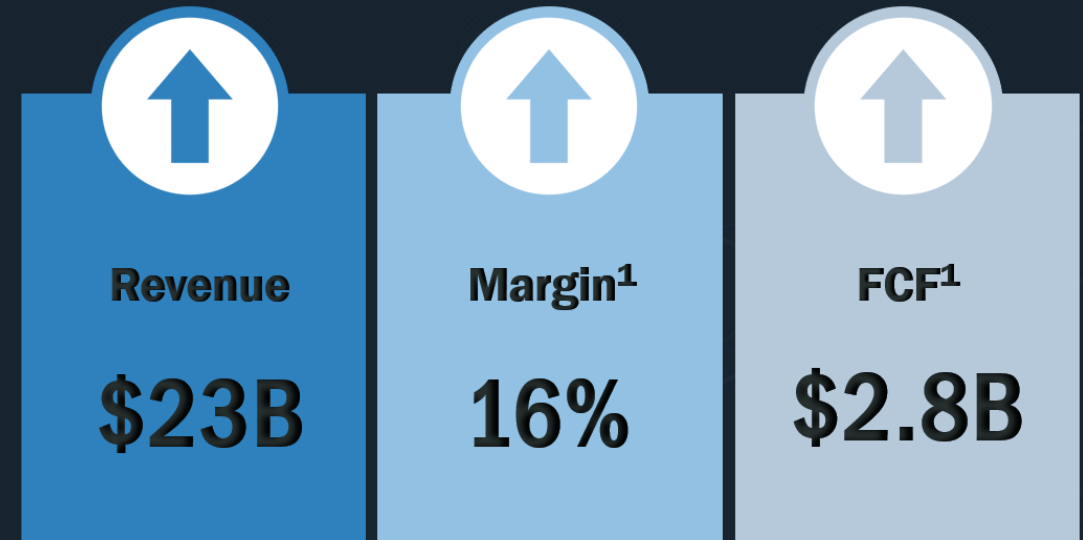


REAFFIRMING COMMITMENT TO DRIVE SHAREHOLDER VALUE

STRONG FOUNDATION FOR GROWTH

- ⊕ Portfolio focused on national security and technology
- ⊕ Driving profitable growth through program excellence and LHX NeXt
- ⊕ Capital deployment priorities: fund the business, pay down debt and return excess cash to shareholders
- ⊕ Strong and experienced leadership team and Board of Directors

2026 FINANCIAL FRAMEWORK



1) NGFM - a reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort.

KEY HIGHLIGHTS



NEXT GENERATION INTERCEPTOR

- > Aerojet Rocketdyne will provide propulsion for the Missile Defense Agency's Next Generation Interceptor (NGI), enhancing the Ground-based Midcourse Defense system against long-range ballistic missile threats



ELECTRONIC-TIME FUZES IDIQ

- > Awarded ~\$900 million IDIQ from the U.S. Army contract to deliver Electronic-Time Fuzes, crucial for replenishing the nation's critical munitions inventory and supporting U.S., ally, and partner missions over five years



MIDS-JTRS TERMINALS

- > Awarded ~\$1 billion IDIQ contract, with an initial task order of \$123 million, for production, retrofits, development, and sustainment of Multifunctional Information Distribution Systems (MIDS) Joint Tactical Radio Systems (JTRS) terminals for the Navy, Air Force, and NATO customers. This contract is part of our recently acquired Tactical Data Link (TDL) product line



ARTEMIS RS-25

- > Modernized four RS-25 engines for NASA's Artemis IV mission, enhancing them with modern flight computers for the SLS Block 1B configuration and reducing costs by over 30%

The appearance of U.S. Department of Defense visual information does not imply or constitute DOD endorsement.

SECOND QUARTER RESULTS & 2024 GUIDANCE



STRONG SECOND QUARTER PERFORMANCE...

- ⊕ Awarded \$5.2B in orders, resulting in a book-to-bill of 1.0x
- ⊕ Revenue up 13% year-over-year, 1% organically¹, primarily from the Aerojet Rocketdyne acquisition and organic growth in Communication Systems segment
- ⊕ Increased adjusted segment operating margin¹ to 15.6% up 80 bps, from improved operational performance and partially driven by LHX NeXt cost savings; Non-GAAP earnings per share (EPS)¹ up 9% to \$3.24
- ⊕ Adjusted free cash flow¹ (FCF) increased due to operating income growth and improved working capital

...DRIVING INCREASE TO GUIDANCE

- ⊕ Revenue: \$21.0B to \$21.3B
 - Up from prior guidance of \$20.8B - \$21.3B
- ⊕ Adjusted segment operating margin¹: 15.2% - 15.4%
 - Up from prior guidance of >15%
- ⊕ Non-GAAP EPS¹: \$12.85 - \$13.15
 - Up \$0.15 - \$0.10 from prior range of \$12.70 - \$13.05
- ⊕ Adjusted FCF¹: ~\$2.2B

1) NGFM - reference the 2Q24 earnings release for a reconciliation to comparable GAAP measure.

SECOND QUARTER 2024 FINANCIAL RESULTS



\$5.2B

Orders

1.0x

Book-to-Bill

\$32B

Total Backlog

\$5.3B

Revenue

\$825M

Adjusted Segment
Operating Income¹

15.6%

Adjusted Segment
Operating Margin¹

\$3.24

Non-GAAP EPS¹

\$714M

Adjusted Free
Cash Flow¹

\$221M

Dividends

\$89M

Share Repurchase

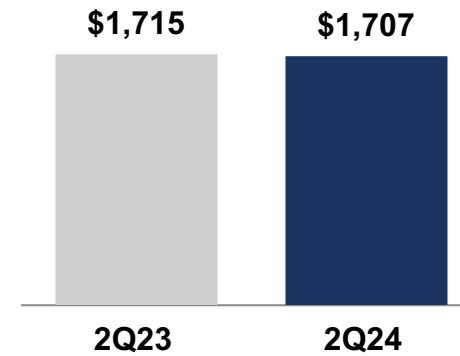
1) NGFM - reference the 2024 earnings release for a reconciliation to comparable GAAP measure.

SPACE & AIRBORNE SYSTEMS

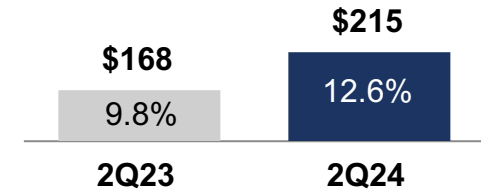


(\$ millions)

Revenue



Operating Income and Margin



2Q24 DRIVERS

Revenue: flat
+ Space Systems
+ Intelligence & Cyber
- Airborne

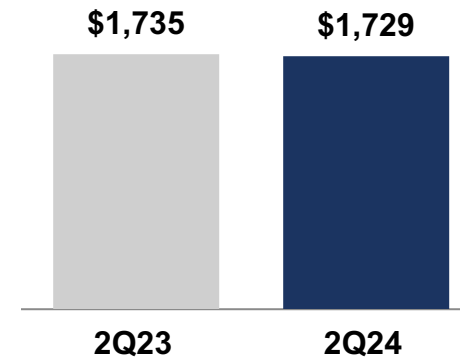
Margin: increased 280 basis points
+ Operational performance
+ LHX NeXt
+ Prior year non-cash charge

INTEGRATED MISSION SYSTEMS

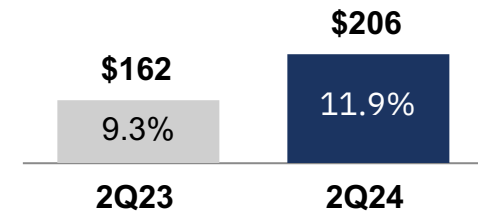


(\$ millions)

Revenue



Operating Income and Margin



2Q24 DRIVERS

Revenue: flat
+ Maritime
- Commercial Aviation

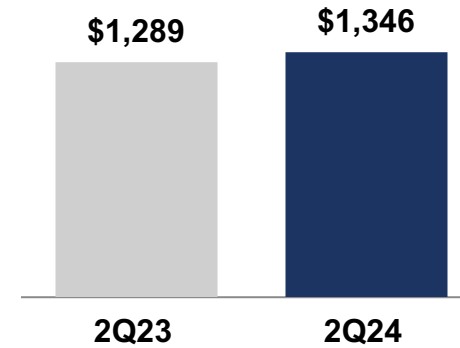
Margin: increased 260 basis points
+ Program performance
+ LHX NeXt

COMMUNICATION SYSTEMS

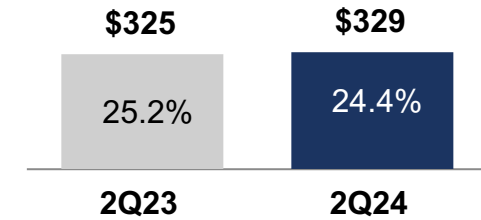


(\$ millions)

Revenue



Operating Income and Margin



2Q24 DRIVERS

Revenue: increased 4%
+ Tactical Communications
+ Broadband Communications

Margin: decreased 80 basis points
+ LHX NeXt
+ Favorable adjustment related to legal settlements
- Domestic tactical mix
- Timing of software sales

AEROJET ROCKETDYNE



(\$ millions)

Revenue

\$581

2Q24

Operating Income and Margin

\$75

12.9%

2Q24

2Q24 DRIVERS

+ Results are attributed to program execution across Missile Solutions and Space Propulsion and Power Systems

2024 GUIDANCE



Consolidated

Revenue <hr/> \$21.0B - \$21.3B <i>(Prior: \$20.8B - \$21.3B)</i>	Adjusted segment operating margin¹ <hr/> 15.2% - 15.4% <i>(Prior: >15%)</i>
Non-GAAP EPS¹ <hr/> \$12.85 - \$13.15 <i>(Prior: \$12.70 - \$13.05)</i>	FCF¹ <hr/> ~\$2.2B

Segment

	Revenue	Operating Margin ¹
SAS	~\$7.0B	low 12% <i>(Prior: ~12%)</i>
IMS	\$6.5B - \$6.7B <i>(Prior: \$6.4B - \$6.6B)</i>	mid 11% <i>(Prior: low-mid 11%)</i>
CS	\$5.3B - \$5.4B	mid 24% <i>(Prior: low-mid 24%)</i>
AR	\$2.4B - \$2.5B	high 11%

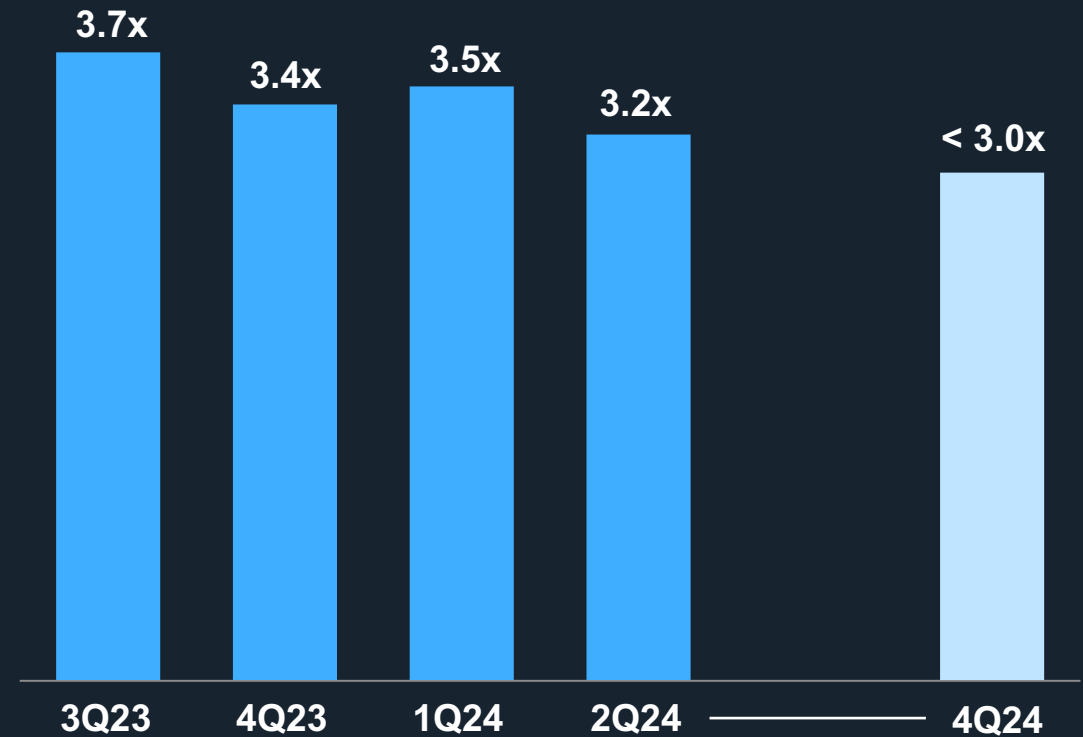
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CAPITAL ALLOCATION PRIORITIES



- ⊕ Invest in the business
 - Capex: ~2.0% of revenue
- ⊕ Pay down debt to <3.0x leverage
- ⊕ Pay competitive dividend
 - Increased 23 consecutive years
 - Target payout: 35% - 40% of FCF
- ⊕ Return 100% of excess cash after de-levering
 - \$3.6B repurchase authorization as of 2Q24

NEAR-TERM <3.0x LEVERAGE TARGET



2024 SUPPLEMENTAL INFORMATION



	<u>Current</u>	<u>Prior</u>
FAS/CAS operating adjustment	~\$30 million	~\$30 million
Non-service FAS pension income	~\$310 million	~\$310 million
Net FAS/CAS pension*	~\$340 million	~\$340 million
Net interest expense*	~\$660 million	~\$650 million
Effective tax rate on non-GAAP earnings ¹	13.0% - 13.5%	13.0% - 13.5%
Average diluted shares	Flat	Flat - up slightly
Capital expenditures	~2% sales	~2% sales

*Interest expense is expected to increase ~\$100 million versus the prior year, from higher debt that funded the acquisitions of Aerojet Rocketdyne and TDL in 2023. The company expects pension income to decrease ~\$80 million year-over-year primarily due to lower CAS pension recovery.

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PENSION ADJUSTED EPS



	1Q 2023	2Q 2023	3Q 2023	4Q 2023	Full Year 2023	1Q 2024	2Q 2024	Full Year 2024
Non-GAAP EPS¹	\$2.86	\$2.97	\$3.19	\$3.35	\$12.36	\$3.06	\$3.24	\$12.85 - \$13.15
<i>YoY Growth %</i>						7.0%	9.1%	5.2%*
FAS/CAS operating adjustment	0.10	0.10	0.12	0.17	0.50	0.03	0.03	~0.14*
Non-service FAS pension income	0.35	0.35	0.36	0.36	1.42	0.36	0.37	~1.41*
Pension Adjusted Non-GAAP EPS	\$2.41	\$2.52	\$2.71	\$2.82	\$10.44	\$2.67	\$2.84	\$11.30 - \$11.60
<i>YoY Growth %</i>						10.8%	13.3%	8.0% - 11.0%

*Based on EPS Mid-point

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LEVERAGE RECONCILIATION



(In millions)	2024	Quarter Ended			Four
		1Q24	4Q23	3Q23	Quarters
Short-term debt	\$ 2,102				
Current portion of long-term debt, net	617				
Long-term debt, net	10,533				
Total debt	13,252				
Less cash and cash equivalents	547				
Net debt (A)	\$ 12,705				
Net income	\$ 367	\$ 285	\$ 126	\$ 382	\$ 1,160
Adjustments:					
Income taxes	23	5	(50)	18	(4)
Net interest expense	172	176	171	159	678
Depreciation and amortization	319	320	350	310	1,299
EBITDA	\$ 881	\$ 786	\$ 597	\$ 869	\$ 3,133
Significant and/or non-recurring items included in net income					
Gain on sale of property, plant and equipment	—	—	(27)	—	(27)
Merger, acquisition, and divestiture-related expenses	21	40	30	56	147
Asset group and business divestiture-related losses, net and impairment of goodwill and other assets	38	—	373	—	411
LHX NeXt implementation costs	48	127	47	33	255
Total significant and/or non-recurring items included in net income	\$ 107	\$ 167	\$ 423	\$ 89	\$ 786
Adjusted EBITDA (B)	\$ 988	\$ 953	\$ 1,020	\$ 958	\$ 3,919
Net Debt to Adjusted EBITDA ratio (A) / (B)					<u>3.2x</u>