



**TEXTRON**

# Vertical Research Partners Industrials Conference

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## Forward-Looking Information

Certain statements in today's discussion will be forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the risks and uncertainties set forth under our full disclosure located at the end of this presentation and included in our SEC filings.

## Textron

### Leading Branded Businesses

#### Textron Aviation

36%



Cessna Aircraft  
Beechcraft  
Hawker

#### Bell

26%



Bell Helicopter

#### Industrial

26%



Specialized Vehicles  
Tools & Test  
Jacobsen  
Kautex

#### Textron Systems

11%



Weapon & Sensor Systems  
Unmanned Systems  
Marine & Land Systems  
TRU Simulation + Training

#### Finance

1%



Textron Financial

## 2015 Revenue \$13.4B

## Commitment to Future Growth



***Scorpion Hybrid ISR/Strike Aircraft***



***Cessna Citation Latitude, Longitude & Hemisphere***



***Bell 525 Relentless***



***Able Aerospace***

**Investing for future growth organically  
and through acquisitions**

# Textron Aviation

*\$4.8 Billion (2015 Revenue)*



**Broader selection of products, larger service footprint**

# Textron Aviation

Beechcraft



Hawker

TEXTRON AVIATION



**Broadest product line in general aviation**

# One Citation Leads to Another



Citation Latitude  
**2,700 nm**  
EIS 2015



Citation Longitude  
**3,400 nm**  
EIS 2017



Citation Hemisphere  
**4,500 nm**  
First Flight 2019

\*Range with 4 passengers



- **Designed to have cruise speeds of up to 285 knots and full fuel payload of 1,100 pounds. With a planned range of 1,600 nautical miles at high speed cruise with one pilot and four passengers**
- **Expected EIS in 2019**
- **Largest cabin in segment**
- **Seats up to 8 passengers**
- **New customer segment for Textron Aviation**



# **TEXTRON** *Scorpion ISR/Strike Jet*

- **Designed for air defense, irregular warfare, border patrol, maritime surveillance, emergency relief, training and counter-narcotics mission sets**
- **Operating cost under \$3,000/hr**
- **700+ flight hours complete**
- **Production version expected to fly Q3 2016**
- **Signed CRADA with U.S. Air Force for Airworthiness Accreditation**
- **Selected by QinetiQ & Thales for U.K. ASDOT bid**



## Bell Helicopter

*\$3.5 Billion (2015 Revenues)*

### Military

*~\$2.0 Billion; 58%*



**V-22 – Osprey**

**AH-1Z - Viper**

**UH-1Y - Venom**

*Installed Base: ~3,000*

### Commercial

*~\$1.5 Billion; 42%*



**206L4**

**429**

**407**

**Huey II**

**412**

*Installed Base: ~10,000*

**Great platforms with future growth opportunities**

## Military Programs

### V-22

- **MYP II currently in production; 83 aircraft scheduled 2016 – 2019**
- **MYP III - Navy COD mission; 44 aircraft; Pursuing Air Force Search & Rescue and FMS opportunities**



### H-1

- **U.S. Program of Record: 160 UH-1Y's & 189 AH-1Z's**
- **171 aircraft delivered through end of 2015**
  - 125 UH-1Y
  - 46 AH-1Z
- **Significant foreign military interest**

## Japan UH-X Program

- **Selected by Japan to team with Fuji Heavy Industries on co-production contract**
- **Program calls for 150 transport aircraft delivered over 20 years beginning in 2021**
- **Based on militarized version of Bell 412EPI model; includes development for modifications to Japanese specs**
- **Replacing aging fleet of Bell Hueys**
- **Potential for additional export aircraft sales**



**Supports 412 platform well into the future**

## Bell V-280 Valor



- Speed - 280 KTAS
- Combat Range - 500-800 nm
- Non-rotating, fixed engines
- Passengers - 4 crew + 11 troops

- Third Generation Tiltrotor
- Army's Joint Multi Role/Future Vertical Lift (FVL) Technology Demonstrator (JMR/TD) program
- Full flight simulator demonstrating hands-on capabilities of the V-280
- First flight expected in 2017
- Pursuing foreign military opportunities
- Leading Aerospace Companies Comprise Team
  - Lockheed Martin
  - General Electric
  - Moog
  - GKN
  - Meggitt
  - Eaton
  - Astronics
  - Lord
  - IAI
  - Spirit
  - TRU

**Unmatched Speed, Range, Payload, and Value**

## Bell Expansion into New Categories



### Bell 525 Relentless

- **Best-in-class payload range capability**
- **Best-in-class cabin and cargo volumes coupled with flexible cabin layout options**
- **Fly-by-Wire "ARC Horizon" Cockpit System provides unparalleled situational awareness increasing safety margins**

### Bell 505 Jet Ranger X

- **Cost-competitive, entry-level aircraft**
  - **Best-in-class awareness with fully integrated glass cockpit and superb exterior visibility**
  - **Safety enhancing design features to reduce pilot workload, improve situational awareness, and deliver superior auto rotation capabilities**



## Industrial

*\$3.5 Billion (2015 Revenue)*



**Kautex**  
**\$2,078 million**



**Specialized Vehicles**  
**\$1,021 million**



**Tools & Test**  
**\$445 million**

**Focused on new products, cost productivity  
and geographic expansion**

## Industrial – Driving Growth by Investing in New Products



**Jacobsen Truckster XD**



**Greenlee AirScout**



**Bad Boy Stampede  
900 4x4**

**New products drive growth and profitability**



# TEXTRON

## Industrial – Driving Growth Through Acquisitions



HD ELECTRIC COMPANY



## Textron Systems \$1.5 Billion (2015 Revenue)

45% Unmanned Systems



Unmanned Systems



CUSV



Command & Control Technologies

12% Marine & Land Systems



Tactical Wheeled Vehicles



Marine

26% Simulation, Training & Other



TRU Simulation + Training



Geospatial Solutions & Advanced Information Solutions

17% Weapon & Sensor Systems



Air-to-Ground Weapons



Unattended Ground Sensors



Intelligent Networked Ground Systems



Electronic Systems



Lycoming Engines

## Air Transport Simulation



*IcelandAir Cockpit*

## Business & Military Simulation



*C13 Flight Simulator*

## Training Centers and Services



## Mission & Maintenance Training



*B-1B Weapon System Trainer*

## Recent Milestones

- Selected to Develop Full Flight Training Suite for the Boeing 777Max & 777X
- Avianca Selects TRU Simulation + Training to Provide Flight Training Suite for the Airbus A320neo
- Selected by Qingdao Airlines for the delivery of one Airbus A320 full flight simulator and one A320 Flat Panel Trainer (FPT)

## Customers



**New business established in 2013 to pursue attractive growth market**

## Finance Segment

(1% of 2015 Textron Revenues)

### YE15

- Finance receivables: \$1.1B
- Shareholder's Equity: \$175M



Supporting purchases of Textron-manufactured products

## Summary

- **Strong brands, solid top-line growth outlook**
- **Investing in new product development and innovation to support growth**
- **Advance execution and operational performance**
- **Strong cash flow generation and improving profitability**

## Forward-Looking Information

Certain statements in this release and other oral and written statements made by us from time to time are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which may describe strategies, goals, outlook or other non-historical matters, or project revenues, income, returns or other financial measures, often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “guidance,” “project,” “target,” “potential,” “will,” “should,” “could,” “likely” or “may” and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. In addition to those factors described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q under “Risk Factors”, among the factors that could cause actual results to differ materially from past and projected future results are the following: Interruptions in the U.S. Government’s ability to fund its activities and/or pay its obligations; changing priorities or reductions in the U.S. Government defense budget, including those related to military operations in foreign countries; our ability to perform as anticipated and to control costs under contracts with the U.S. Government; the U.S. Government’s ability to unilaterally modify or terminate its contracts with us for the U.S. Government’s convenience or for our failure to perform, to change applicable procurement and accounting policies, or, under certain circumstances, to withhold payment or suspend or debar us as a contractor eligible to receive future contract awards; changes in foreign military funding priorities or budget constraints and determinations, or changes in government regulations or policies on the export and import of military and commercial products; volatility in the global economy or changes in worldwide political conditions that adversely impact demand for our products; volatility in interest rates or foreign exchange rates; risks related to our international business, including establishing and maintaining facilities in locations around the world and relying on joint venture partners, subcontractors, suppliers, representatives, consultants and other business partners in connection with international business, including in emerging market countries; our Finance segment’s ability to maintain portfolio credit quality or to realize full value of receivables; performance issues with key suppliers or subcontractors; legislative or regulatory actions, both domestic and foreign, impacting our operations or demand for our products; our ability to control costs and successfully implement various cost-reduction activities; the efficacy of research and development investments to develop new products or unanticipated expenses in connection with the launching of significant new products or programs; the timing of our new product launches or certifications of our new aircraft products; our ability to keep pace with our competitors in the introduction of new products and upgrades with features and technologies desired by our customers; pension plan assumptions and future contributions; demand softness or volatility in the markets in which we do business; and cybersecurity threats, including the potential misappropriation of assets or sensitive information, corruption of data or operational disruption.