



Q4 2020 Earnings Call Presentation

January 27, 2021

The data in this package should be read in conjunction with the Textron earnings release and accompanying tables.

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Forward-Looking Information

Certain statements in this package and other oral and written statements made by Textron from time to time are 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 "Forward-Looking Information" in our fourth quarter 2020 earnings release. Additional information on risks and uncertainties that may impact forward-looking statements is discussed under "Risk Factors" in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

Key Data – Q4 2020

	Q4 2020	Q4 2019
Revenues	\$3.7B	\$4.0B
Segment Profit	\$324M	\$340M
EPS	\$1.03	\$0.87
Adjusted EPS*	\$1.06	\$1.11
Manufacturing Cash Flow Before Pension Contributions*	\$467M	\$650M
Pension Contributions	\$12M	\$15M

*Adjusted EPS and Manufacturing cash flow before pension contributions are non-GAAP measures that are defined and reconciled to GAAP in our earnings release.

Key Data – Full Year 2020

	Full-Year 2020	Full-Year 2019
Revenues	\$11.7B	\$13.6B
Segment Profit	\$751M	\$1,270M
EPS	\$1.35	\$3.50
Adjusted EPS*	\$2.07	\$3.74
Manufacturing Cash Flow Before Pension Contributions*	\$596M	\$642M
Pension Contributions	\$47M	\$51M

*Adjusted EPS and Manufacturing cash flow before pension contributions are non-GAAP measures that are defined and reconciled to GAAP in our earnings release.

Textron Consolidated Net Debt

(\$ amounts in millions)

	Full-Year 2020	Full-Year 2019
Cash	\$2,254	\$1,357
Finance Group Debt	662	686
TXT Mfg. Group Debt	3,707	3,124
Total Debt	4,369	3,810
Net Debt	\$2,115	\$2,453

Q4 2020 Revenue Growth

	Revenue Growth	Organic Growth	FX Impact Un(Fav)	Organic Growth Before FX
Textron Aviation	(9.8%)	(9.8%)	-	(9.8%)
Bell	(9.4%)	(9.4%)	-	(9.4%)
Textron Systems	(10.5%)	(10.5%)	-	(10.5%)
Industrial	(6.6%)	(6.6%)	(1.4%)	(8.0%)
Manufacturing	(9.0%)	(9.0%)	(0.3%)	(9.3%)
Finance	(31.6%)	(31.6%)	-	(31.6%)
Total Segments	(9.1%)	(9.1%)	(0.3%)	(9.4%)

Organic Growth includes revenue changes resulting from volume, price, and foreign exchange as compared to the corresponding period in the prior year. For our segments that contract with the U.S. Government, volume represents changes in revenue related to these contracts.

Finance Segment Key Statistics

	<u>Q4 2020</u>	<u>Q3 2020</u>
60+ Delinquency	\$29M	\$33M
Non-accrual	\$93M	\$58M
Finance Receivables	\$779M	\$725M
Shareholders' Equity	\$165M	\$164M

Outlook – Full Year 2021

Adjusted EPS*	\$2.70 - \$2.90
Manufacturing Cash Flow Before Pension Contributions*	\$600M - \$700M
Pension Contributions	~\$50M

*Adjusted EPS and Manufacturing cash flow before pension contributions are non-GAAP measures that are defined and reconciled to GAAP in our earnings release.

Segment Outlook – Full Year 2021

Segment	Revenue	Profitability
Textron Aviation	~\$4.5B	~5.5%
Bell	~\$3.1B	~12.5%
Textron Systems	~\$1.4B	~12.5%
Industrial	~\$3.4B	~6.0%
Finance	~\$50M	~\$10M

Pension Outlook – Full Year 2021

	<u>2021E</u>	<u>2020</u>
Discount Rates – U.S. Plans	2.70%	3.45%
Total Pension Cost/(Income)	~(\$30M)	~\$33M
Assumed Long-Term Rate of Return	7.25%	7.75%
Pension Contributions	~\$50M	\$47M

Outlook – Full Year 2021

<i>(\$ amounts in millions)</i>	<u>2021E</u>	<u>2020</u>
Research & Development	~\$600	\$549
<i>% of Mfg Revenues</i>	<i>4.7%</i>	<i>4.7%</i>
CapEx	~\$400	\$317
Depreciation	~\$360	\$325

Outlook – Full Year 2021

<i>(\$ amounts in millions)</i>	<u>2021E</u>	<u>2020</u>
Corporate Expenses	~\$120	\$122
Interest Expense, net for Manufacturing Group	~\$135	\$145
Income Tax Rate (from continuing operations)	~18.0%	(9.6%)



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