



TEXTRON

Q3 2016 Earnings Call Presentation

October 20, 2016

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



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 third quarter 2016 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 - Third Quarter, 2016

| | Q3 2016 | Q3 2015 |
|--|---------------|---------------|
| Revenues | \$3.3B | \$3.2B |
| Segment Profit | \$310M | \$312M |
| Adjusted EPS from Continuing Operations* | \$0.61 | \$0.63 |
| Manufacturing Cash Flow Before Pension Contributions* | \$94M | \$116M |
| Pension Contributions | \$12M | \$16M |

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



Q3 2016 Sales Growth

| | Sales Growth | M&A Impact | Organic Growth | FX Impact Unfav./ (Fav.) | Organic Growth Before FX |
|-------------------------|--------------|---------------|----------------|--------------------------|--------------------------|
| Textron Aviation | 3.4% | (1.5%) | 1.9% | - | 1.9% |
| Bell | (2.9%) | - | (2.9%) | - | (2.9%) |
| Textron Systems | (1.7%) | (2.3%) | (4.0%) | - | (4.0%) |
| Industrial | 7.0% | (5.1%) | 1.9% | 0.5% | 2.4% |
| Manufacturing | 2.1% | (2.1%) | - | 0.1% | 0.1% |
| Finance | 17.6% | - | 17.6% | - | 17.6% |
| Total Segments | 2.2% | (2.1%) | 0.1% | 0.1% | 0.2% |

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Finance Segment Key Statistics

(\$, millions)

| | <u>Q3 2016</u> | <u>Q2 2016</u> |
|-----------------------------|----------------|----------------|
| 60+ Delinquency | \$85 | \$57 |
| Non-accrual | \$90 | \$99 |
| Finance Receivables | \$1,013 | \$1,027 |
| Shareholders' Equity | \$161 | \$153 |



Outlook – Full Year, 2016

Adjusted EPS from Continuing Operations*

\$2.65 - \$2.75

Manufacturing Cash Flow Before Pension Contributions*

\$500M - \$600M

Pension Contributions

~\$60M

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

