



Use of U.S. DoD visual information does not imply or constitute DoD endorsement

# L3HARRIS CY2019 FOURTH QUARTER RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND REGULATION G DISCLOSURES

[L3HARRIS.COM](http://L3HARRIS.COM) | [#L3HARRIS](https://twitter.com/L3HARRIS)



# L3HARRIS

# Regulation G Disclosures



To supplement our condensed consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), we provide additional financial measures that exclude or include amounts, or are subject to adjustments, so as to be different from the most directly comparable financial measures calculated and presented in accordance with GAAP. L3Harris management believes that these non-GAAP financial measures, when considered together with the GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. L3Harris management also believes that these non-GAAP financial measures enhance the ability of investors to analyze L3Harris' business trends and to understand L3Harris' performance. In addition, L3Harris may utilize non-GAAP financial measures as guides in its forecasting, budgeting, and long-term planning processes and to measure operating performance for some management compensation purposes. Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP follows:

# Reconciliation of Non-GAAP Financial Measures – Earnings Release Information



## L3Harris Adjusted EBIT Margin Percentage Guidance

(\$ in billions)

	CY20 Guidance Range	
	Low end	High end
Revenue from product sales and services (B)	\$ 18.98	\$ 19.35
Net income	\$ 1.81	\$ 1.95
Net interest expense	0.26	0.26
Income tax expense	0.30	0.32
L3Harris Merger integration costs	0.16	0.16
Amortization of acquisition-related intangibles	0.69	0.69
Additional cost of sales related to the fair value step-up in inventory sold	0.01	0.01
Adjusted EBIT (A)	\$ 3.23	\$ 3.39
Adjusted EBIT margin percentage (A) / (B)	17.0%	17.5%