



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



L3HARRIS CY2020 FOURTH QUARTER **EARNINGS CALL PRESENTATION**

January 29, 2021

Forward-Looking Statements



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: revenue, earnings per share, margin, free cash flow, segment and other guidance for 2021; cost synergies, integration expenses, tax rate, average shares outstanding, capital expenditures and other supplemental financial information for 2021; statements regarding margin expansion, increased target cost synergies, free cash flow target, potential share repurchase amounts, focused portfolio shaping, innovation and priority R&D investments, capital returns; program, contract and order opportunities and awards and the value or potential value and timing thereof (including from revenue synergies); and other statements regarding outlook or 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: actual impacts related to COVID; risks related to disruption of management time from ongoing business operations due to the combination of L3 and Harris; risks related to the inability to realize benefits or to implement integration plans and other consequences associated with the combination; the risk that any announcements relating to the combination could have adverse effects on the market price of the company's common stock; the risk that the combination could have an adverse effect on the company's ability to retain customers and retain and hire key personnel and maintain relationships with suppliers and customers, including the U.S. Government and other governments, and on its operating results and businesses generally; the loss of the company's relationship with the U.S. Government or a change or reduction in U.S. Government funding; potential changes in U.S. Government or customer priorities and requirements (including potential deferrals of awards, terminations, reductions of expenditures, changes to respond to the priorities of Congress and the Administration, budgetary constraints, debt ceiling implications, sequestration, and cost-cutting initiatives); a security breach, through cyber attack or otherwise, or other significant disruptions of the company's IT networks and systems or those the company operates for customers; the level of returns on defined benefit plan assets and changes in interest rates; risks inherent with large long-term fixed-price contracts, particularly the ability to contain cost overruns; changes in estimates used in accounting for the company's programs; financial and government and regulatory risks relating to international sales and operations; effects of any non-compliance with laws; the company's ability to continue to develop new products that achieve market acceptance; the consequences of uncertain economic conditions and future geo-political events; strategic transactions, including mergers, acquisitions, divestitures and spin-offs and the risks and uncertainties related thereto, including the company's ability to manage and integrate acquired businesses and realize expected benefits, the potential disruption to relationships with employees, suppliers and customers, including the U.S. Government, and to the company's business generally and potential tax, indemnification and other liabilities and exposures; performance of the company's subcontractors and suppliers; potential claims related to infringement of intellectual property rights or environmental remediation or other contingencies, litigation and legal matters and the ultimate outcome thereof; downturns in global demand for air travel and other economic factors impacting the company's commercial aviation products, systems and services business; risks inherent in developing new and complex technologies and/or that may not be covered adequately by insurance or indemnity; changes in the company's effective tax rate; significant indebtedness and unfunded pension liability and potential downgrades in the company's credit ratings; unforeseen environmental matters; natural disasters or other disruptions affecting the company's operations; changes in future business or other market conditions that could cause business investments and/or recorded goodwill or other long-term assets to become impaired; and the company's ability to attract and retain key employees, maintain reasonable relationships with unionized employees and manage escalating costs of providing employee health care. The declaration of dividends and the amount and timing thereof and the level and timing of share repurchases will depend on a number of factors, including the company's financial condition, capital requirements, cash flow, results of operations, future business prospects and other factors. There can be no assurances that the company's cash dividend rate will continue to increase or that the company will complete any or all share repurchases under the new authorization, which authorizes open market purchases, private transactions, transactions structured through investment banking institutions and any combinations thereof. The timing, volume and nature of share repurchases are subject to business and market conditions, applicable securities laws, and other factors, and are at the discretion of the company and may be suspended or discontinued at any time without prior notice. Further information relating to these and other factors that may impact the company's results, future trends and forward-looking statements are disclosed in the company's filings with the SEC. The forward-looking statements contained in this presentation 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.

Execution of strategic priorities



Solid 2020 results

- Organic¹ revenue up 2.9%...core U.S. up 6.8% and international up modestly
- EPS² of \$11.60, up 13%...margin² expansion of 120 bps to 18.0%
- Adjusted FCF² of \$2,686M...returned \$3,015M to shareholders; 8-day operational working capital improvement
- Funded B:B of 1.04; funded backlog up 3.4% and total backlog up 7.6%, on an organic¹ basis

2021 Guidance...consistent with medium-term framework

- MSD organic revenue growth...well-positioned DoD portfolio, revenue synergies, and international penetration
- Continued margin expansion...increased net synergy savings target to \$320M - \$350M and further e3 traction
- \$2.8B - \$2.9B adjusted FCF² shows progress toward \$3B target in 2022...supporting double-digit bottom-line growth over the medium-term

Long-term value creation...focused portfolio shaping, innovation and capital returns

- Exit non-core businesses with portfolio shaping in latter stages...still cumulative 8-10% of revenue to be divested with all proceeds earmarked for share repurchases
- Priority R&D investments...open architecture, multi-function, SW-defined technologies for multi-domain C5ISR
- New \$6B share repurchase program and 20% dividend increase

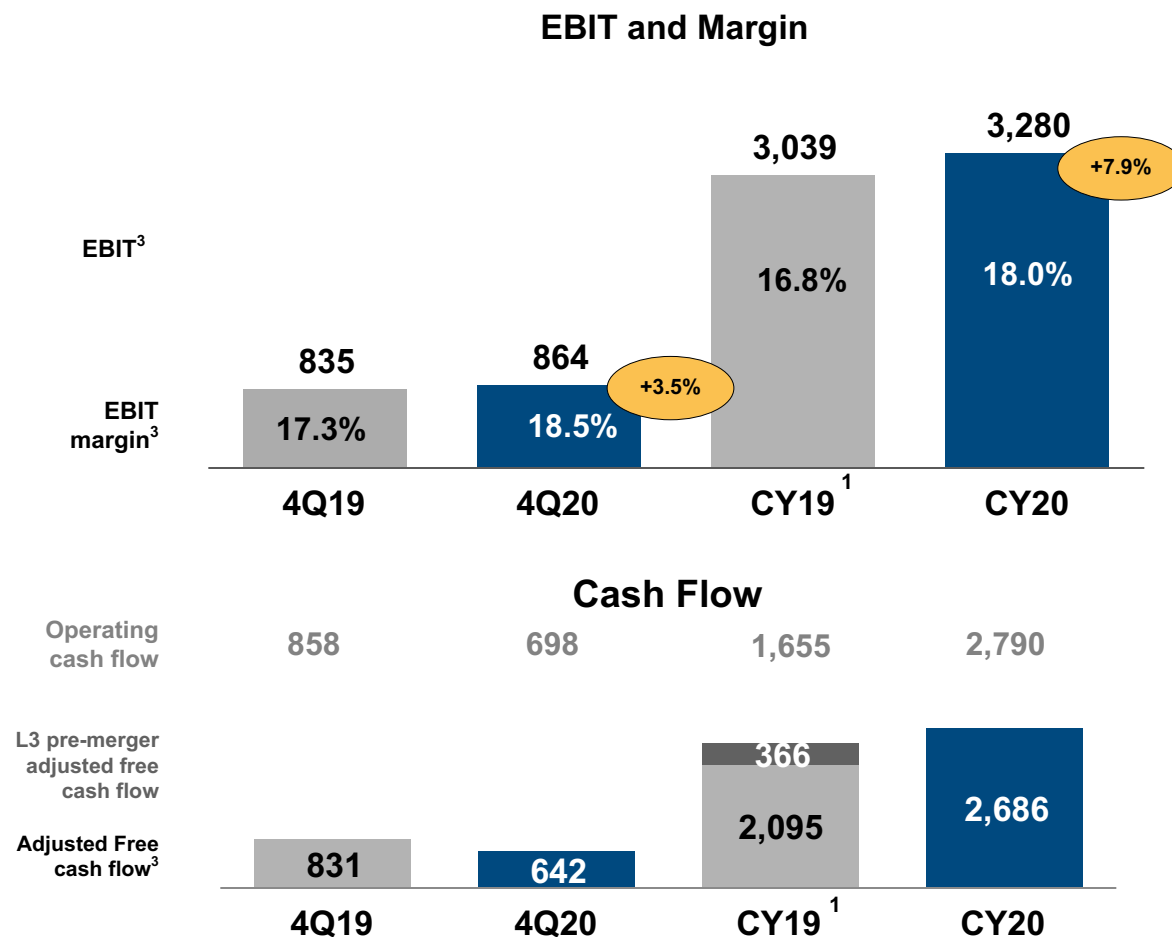
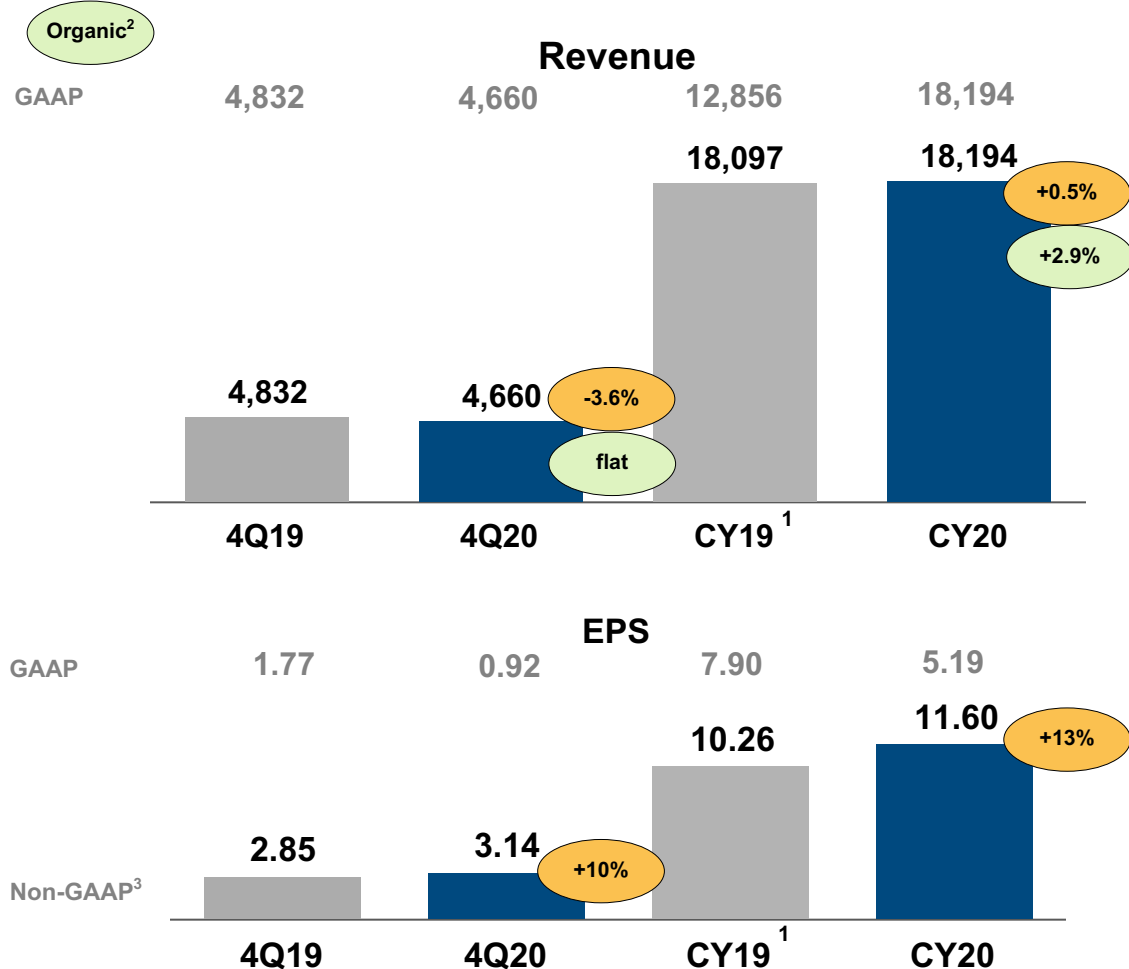
¹Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; core U.S. and international revenue growth also excludes Commercial Aviation Solutions and Public Safety sectors; and organic backlog calculations exclude prior-year period backlog attributable to divested businesses; refer to non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and the L3Harris investor relations website

²Non-GAAP EPS, adjusted EBIT, adjusted EBIT margin, and adjusted free cash flow (FCF) are NGFMs; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Solid 4Q20 and CY20 financials



(\$ million, except per share amounts)

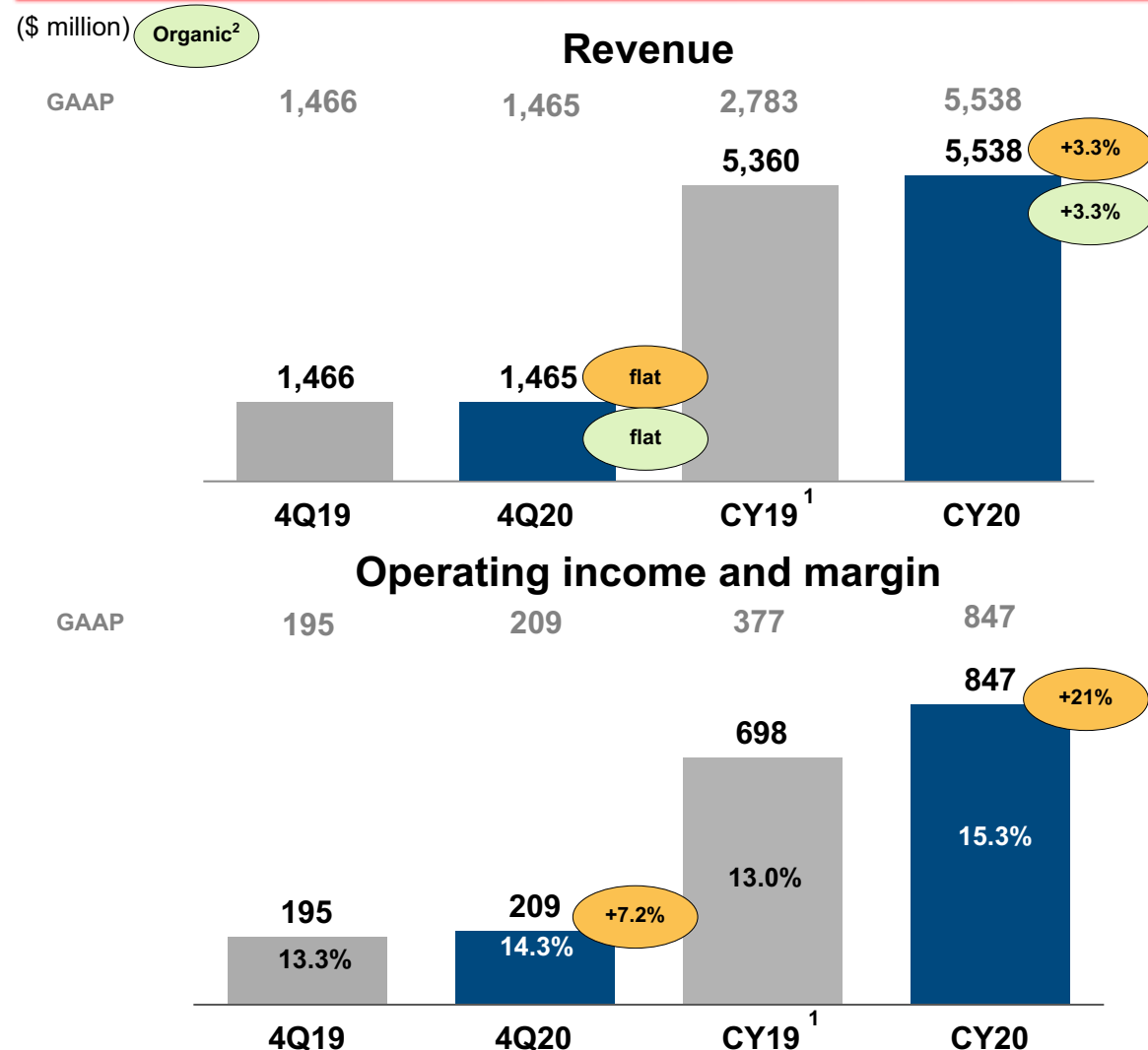


¹Represents pro forma or adjusted pro forma results, combining actual GAAP results for 3Q19 and 4Q19 (which occurred following the L3Harris merger) with corresponding results for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020; with "adjusted" referring to such result as adjusted for certain item(s) indicated in non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and L3Harris investor relations website.

²Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

³Non-GAAP EPS, adjusted EBIT, adjusted EBIT margin, and adjusted free cash flow (FCF) are NGFMs; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Integrated Mission Systems

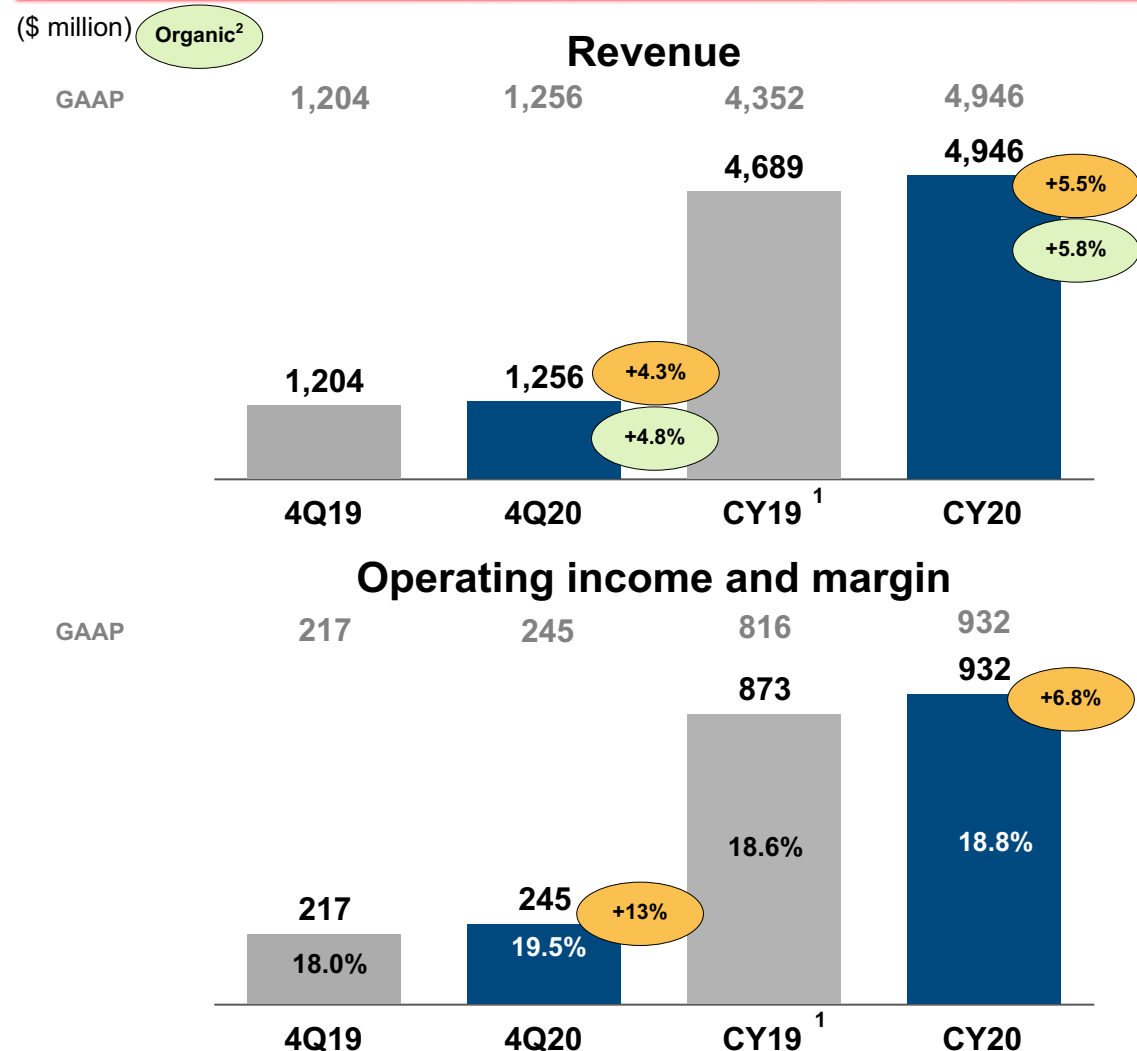


- 4Q20 revenue flat and CY20 up 3.3%
 - 4Q20: Strong growth in Maritime from a ramp on manned and classified platforms, offset by moderate decline in ISR due to aircraft timing and Electro Optical due to program timing
 - CY20: Double-digit growth in Maritime and low-single-digit growth in ISR
- 4Q20 operating income up 7.2% and CY20 up 21%
- 4Q20 margin expanded 100 bps to 14.3% and CY20 expanded 230 bps to 15.3%
 - Operational excellence, integration benefits and cost management
- Funded B:B 1.04 for 4Q20 and 1.17 for CY20

¹Represents pro forma or adjusted pro forma results, combining actual GAAP results for 3Q19 and 4Q19 (which occurred following the L3Harris merger) with corresponding results for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020; with "adjusted" referring to such result as adjusted for certain item(s) indicated in non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and L3Harris investor relations website.

²Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Space & Airborne Systems

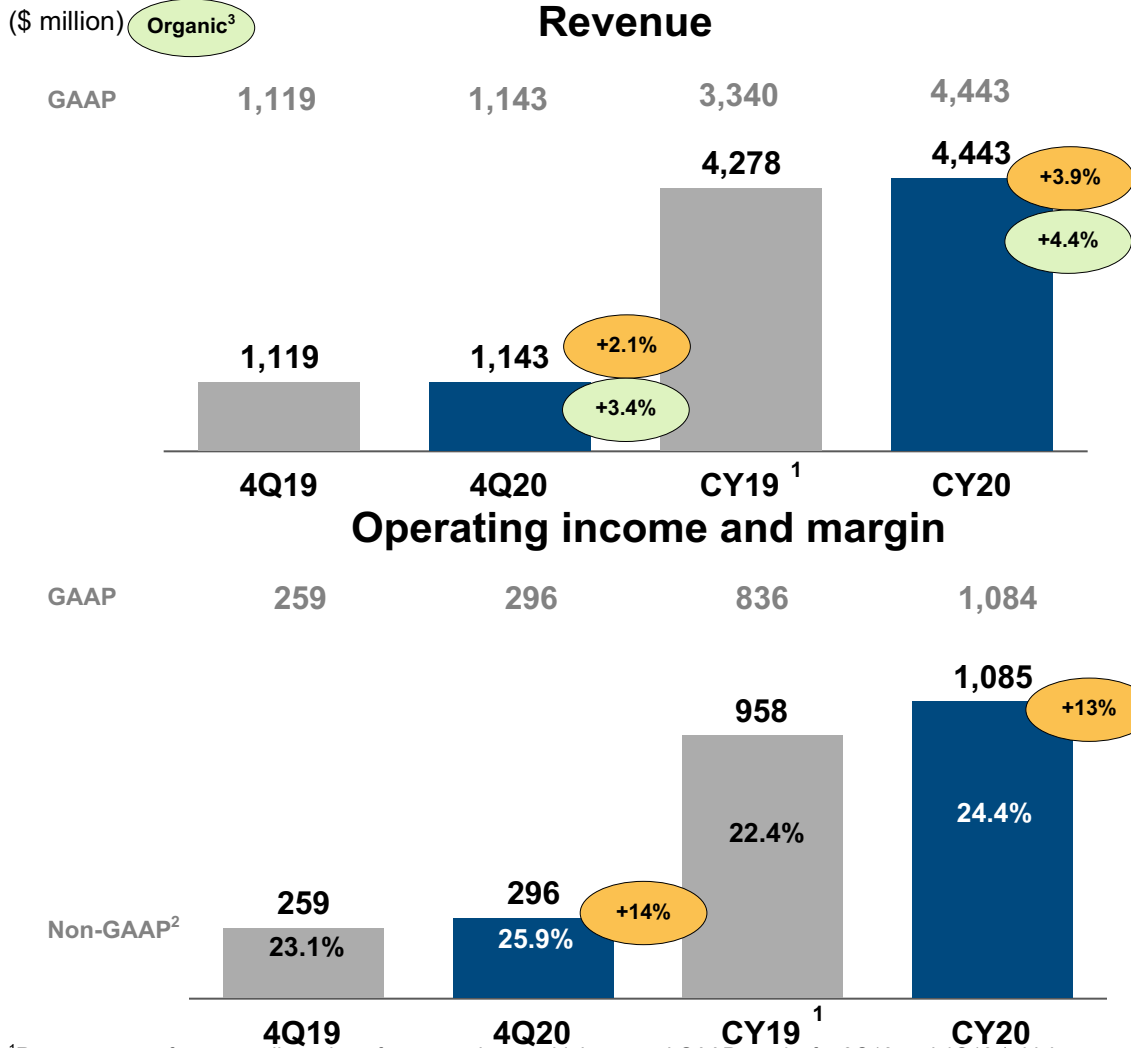


- 4Q20 revenue up 4.3% and up 4.8% on an organic² basis; CY20 up 5.5% and up 5.8% organically²
 - 4Q20: F-35 ramp in Mission Avionics and growth in Space from recent wins, more than offset a low-single-digit decline in Intel & Cyber due to program timing
 - CY20: F-35 ramp in Mission Avionics and classified growth in Intel & Cyber, partially offset by program transition timing in Space and Electronic Warfare
- 4Q20 operating income up 13% and CY20 up 6.8%
- 4Q20 margin expanded 150 bps to 19.5% and CY20 expanded 20 bps to 18.8%
 - Cost management, operational excellence and integration benefits, net of program mix
- Funded B:B 0.81 for 4Q20 and 0.99 for CY20

¹Represents pro forma or adjusted pro forma results, combining actual GAAP results for 3Q19 and 4Q19 (which occurred following the L3Harris merger) with corresponding results for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020; with "adjusted" referring to such result as adjusted for certain item(s) indicated in non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and L3Harris investor relations website.

²Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Communication Systems



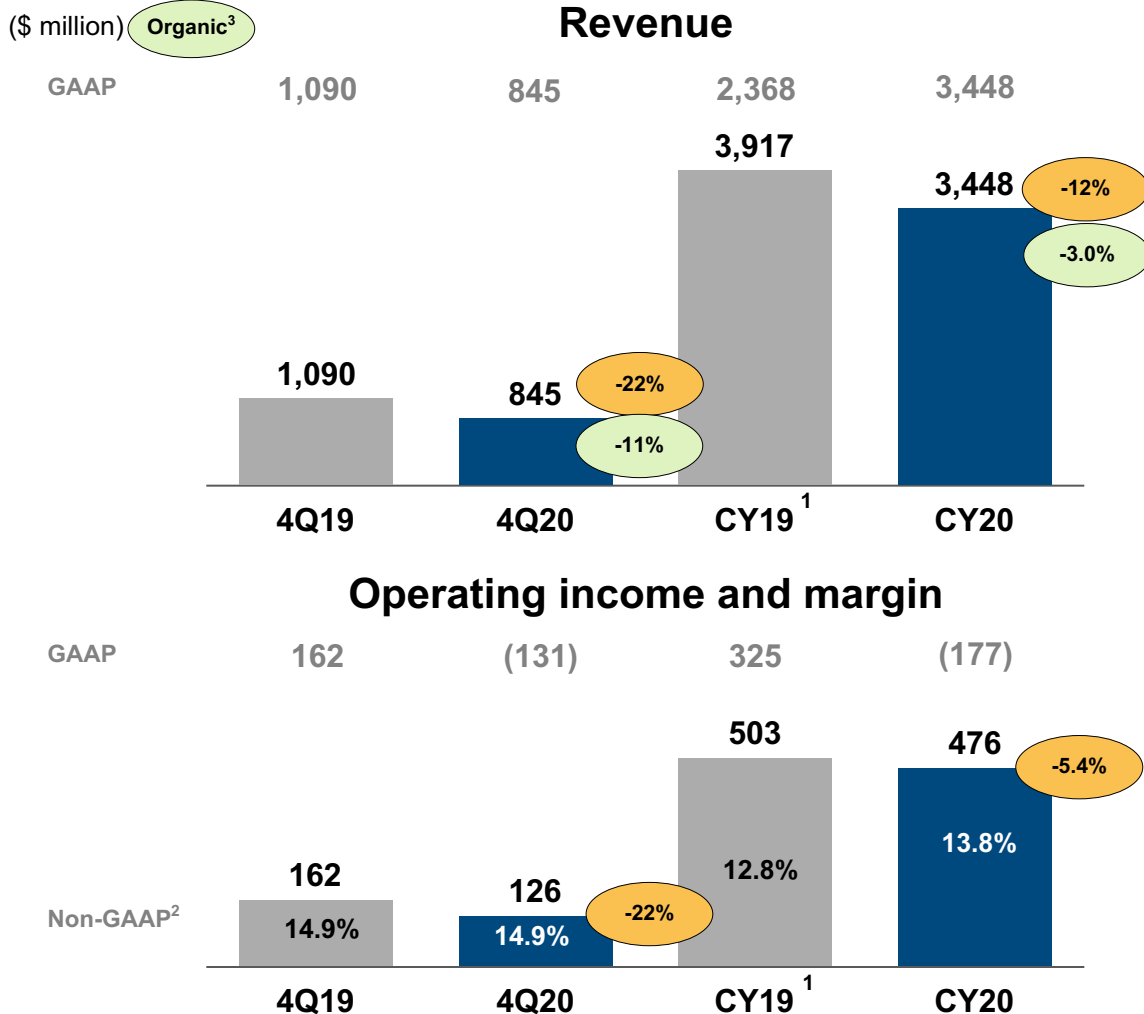
- 4Q20 revenue up 2.1% and up 3.4% on an organic³ basis; CY20 up 3.9% and up 4.4% organically³
 - 4Q20: DoD and International Tactical up 17%, partially offset by lower demand in Public Safety due to COVID and international program timing in Integrated Vision Solutions (IVS)
 - CY20: DoD and International Tactical up 13% primarily from ramp on DoD modernization...also benefiting IVS; 17% decline in Public Safety as expected
- 4Q20 operating income up 14% and CY20 up 13%
- 4Q20 margin expanded 280 bps to 25.9% and CY20 expanded 200 bps to 24.4%
 - Operational excellence, integration benefits and cost management
- Funded B:B 0.95 for 4Q20 and 0.94 for CY20

¹Represents pro forma or adjusted pro forma results, combining actual GAAP results for 3Q19 and 4Q19 (which occurred following the L3Harris merger) with corresponding results for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020; with "adjusted" referring to such result as adjusted for certain item(s) indicated in non-GAAP financial measure reconciliations (NGFMs) in other quarterly earnings materials and L3Harris investor relations website.

²Non-GAAP CY20 operating income and margin exclude COVID-related charges; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

³Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Aviation Systems



- 4Q20 revenue down 22% and down 11% on an organic³ basis; CY20 down 12% and down 3.0% organically³
 - Commercial aviation performance in-line with expectations
 - Growth in Defense Aviation, from ramp on classified programs and combat propulsion systems, and Mission Networks from higher FAA volume
- 4Q20 non-GAAP² operating income down 22% and CY20 down 5.4%
- 4Q20 non-GAAP² margin flat at 14.9% and CY20 expanded 100 bps to 13.8%
 - Operational excellence, integration benefits and cost management more than offset COVID-related headwinds
- Funded B:B 0.89 for 4Q20 and 1.03 for CY20

¹Represents pro forma or adjusted pro forma results, combining actual GAAP results for 3Q19 and 4Q19 (which occurred following the L3Harris merger) with corresponding results for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020; with "adjusted" referring to such result as adjusted for certain item(s) indicated in non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and L3Harris investor relations website.

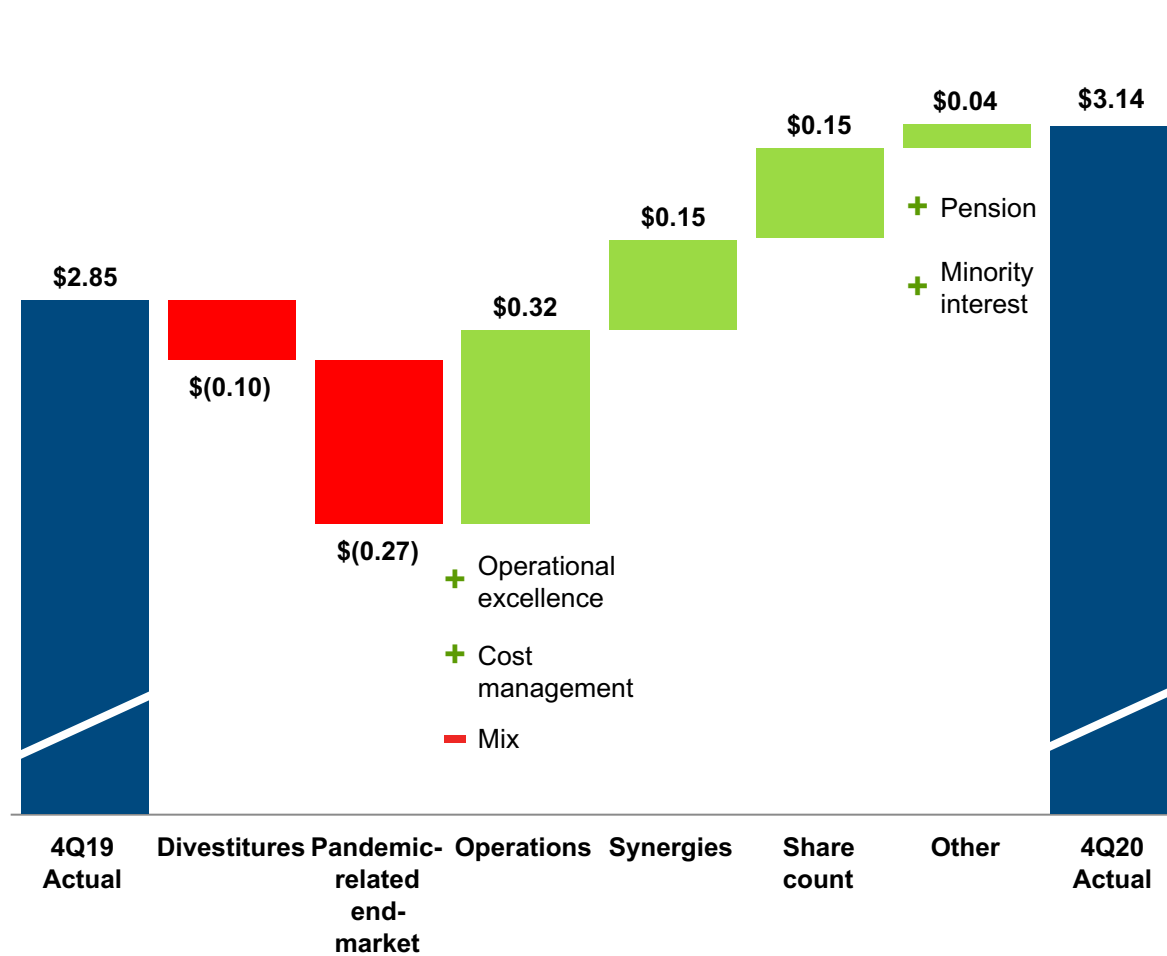
²Non-GAAP 4Q20 and CY20 operating income and margin exclude COVID-related charges and adjustments (including impairment of goodwill and other assets related to commercial aviation business); refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

³Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

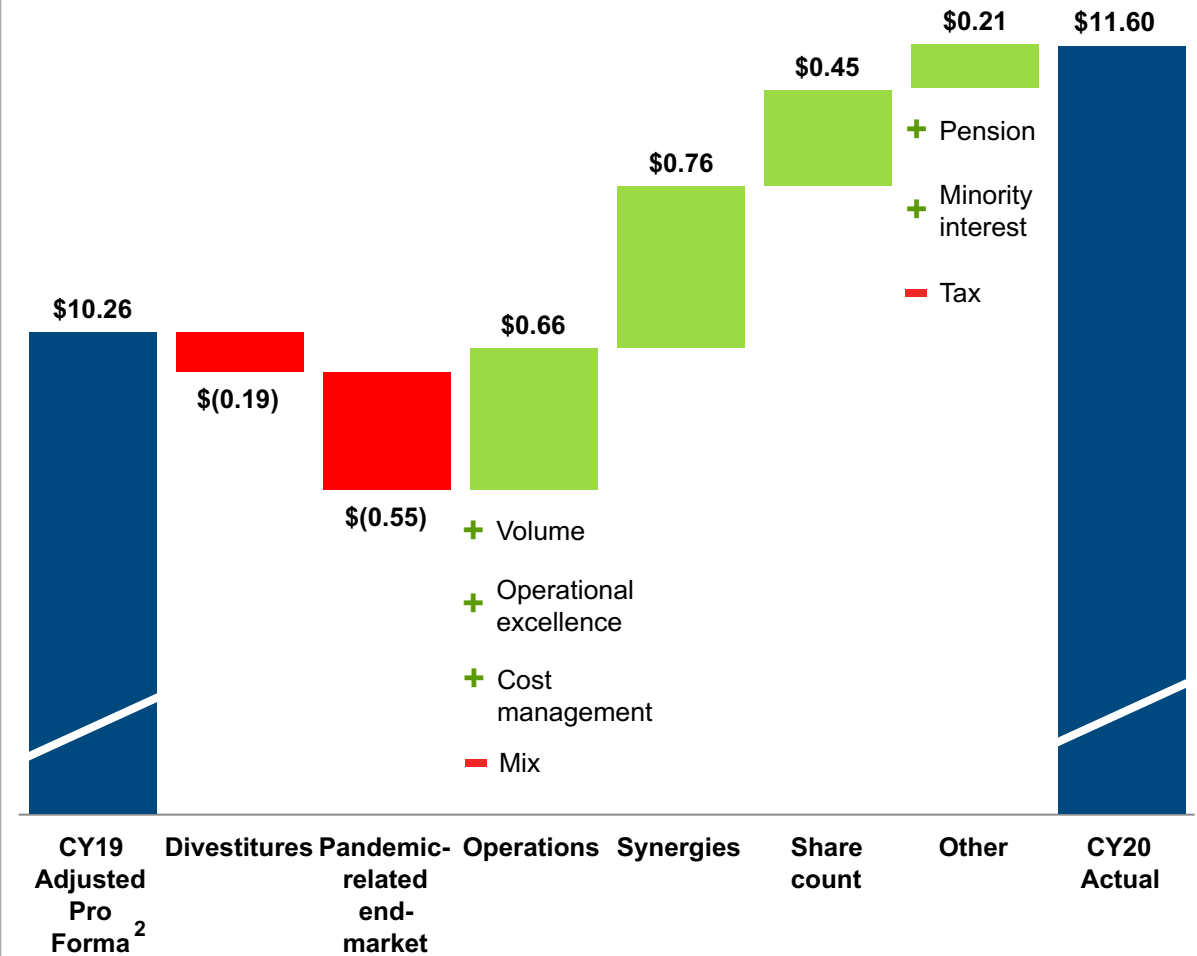
Non-GAAP EPS¹ bridges



4Q20 Year over year



2020 Year over year



¹Non-GAAP EPS, adjusted EBIT, adjusted EBIT margin, and adjusted free cash flow (FCF) are non-GAAP financial measures (NGFMs); refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

²Represents actual GAAP EPS for 3Q19 and 4Q19 (which occurred following the L3Harris merger) combined with EPS for 1Q19 and 2Q19 (preceding the L3Harris merger) in pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed on May 4, 2020, and then adjusted for certain item(s) indicated in NGFM reconciliations in other quarterly earnings materials and L3Harris investor relations website.

2021 full-year guidance



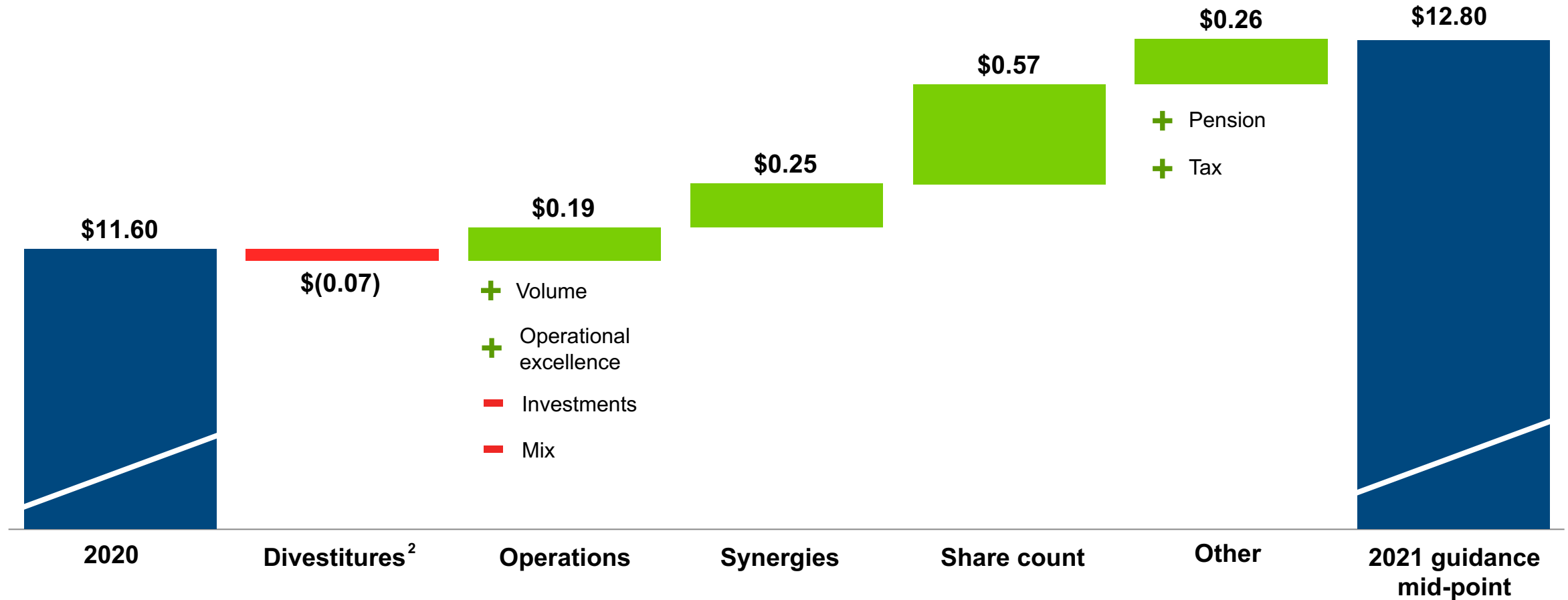
Total L3Harris	
Organic revenue ¹	Margin ²
up 3.0 - 5.0%	18.00 - 18.50%
EPS ²	FCF ²
\$12.60 - \$13.00	\$2.8 - \$2.9B

By Segment		
	Organic revenue ¹	Margin
IMS	up 4.0 - 6.0%	15.25 - 15.75%
SAS	up 4.0 - 6.0%	18.25 - 18.75%
CS	up 2.5 - 4.5%	24.25 - 24.75%
AS	up 1.0 - 3.0%	13.75 - 14.25%

¹Organic revenue growth excludes revenue attributable to each divested business for the portion of the prior-year period equivalent to the portion of the current-year period following the date the business was divested; refer to non-GAAP financial measure (NGFM) reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

²Non-GAAP EPS, adjusted EBIT, adjusted EBIT margin, and adjusted free cash flow (FCF) are NGFMs; refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Non-GAAP 2021 guidance EPS¹ bridge



¹Non-GAAP EPS, adjusted EBIT, adjusted EBIT margin, and adjusted free cash flow (FCF) are non-GAAP financial measures (NGFMs); refer to NGFM reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

²Represents divestitures announced to date.

Appendix



Other financial information



(\$ million except noted)

	<u>4Q19</u>	<u>4Q20</u>	<u>CY20</u>	<u>CY21 Guide</u>
Incremental cost synergies (net)	\$50	\$40	\$205	\$50 - \$80
Net interest expense	\$65	\$64	\$254	~\$255
Integration expenses, net of gains and losses ¹	\$68	\$28	\$128	\$75 - \$100
Effective tax rate (non-GAAP)	16.9%	17.0%	17.0%	16 - 17%
Average diluted shares outstanding ² (million shares)	222.1	211.2	215.9	~206
Capital expenditures	\$89	\$174	\$368	~\$375

¹Represents costs associated with achieving gross synergy targets.

²CY21 amount does not reflect effect of additional share repurchases associated with net proceeds from potential divestitures.

Supplemental L3Harris DoD and International Tactical Communications history



(\$ million)

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Orders	289	488	371	486	450	458	515	469
Sales	407	435	401	435	454	477	460	510
DoD	189	195	193	227	270	279	209	236
<i>y/y growth %</i>	54%	37%	33%	32%	43%	43%	8%	4%
International	218	240	208	208	184	198	251	273
<i>y/y growth %</i>	0%	1%	9%	(4)%	(16)%	(18)%	21%	32%
Funded Backlog¹	1,034	1,079	1,049	1,100	1,096	1,077	1,132	1,091

¹Funded backlog includes the impact of foreign currency translation.