

**Table 1**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**(Unaudited)**

(In millions, except per share amounts)	Quarter Ended	
	April 2, 2021	April 3, 2020
Revenue from product sales and services	\$ 4,567	\$ 4,626
Cost of product sales and services	(3,213)	(3,298)
Engineering, selling and administrative expenses	(801)	(812)
Business divestiture-related losses	(15)	(3)
Impairment of goodwill and other assets	(62)	(324)
Non-operating income	117	95
Interest income	3	5
Interest expense	(69)	(68)
Income from continuing operations before income taxes	527	221
Income taxes	(60)	(26)
Income from continuing operations	467	195
Discontinued operations, net of income taxes	(1)	(1)
Net income	466	194
Noncontrolling interests, net of income taxes	2	23
Net income attributable to L3Harris Technologies, Inc.	\$ 468	\$ 217
<b>Net income per common share attributable to L3Harris Technologies, Inc. common shareholders</b>		
Basic		
Continuing operations	\$ 2.27	\$ 1.00
Discontinued operations	(0.01)	—
	\$ 2.26	\$ 1.00
Diluted		
Continuing operations	\$ 2.25	\$ 0.99
Discontinued operations	—	—
	\$ 2.25	\$ 0.99
Basic weighted average common shares outstanding	206.7	217.3
Diluted weighted average common shares outstanding	208.5	219.3

**Table 2**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**BUSINESS SEGMENT INFORMATION**  
**(Unaudited)**

(In millions)	Quarter Ended	
	April 2, 2021	April 3, 2020
<b>Revenue</b>		
Integrated Mission Systems	\$ 1,451	\$ 1,370
Space and Airborne Systems	1,236	1,192
Communication Systems	1,112	1,094
Aviation Systems	814	1,011
Corporate eliminations	(46)	(41)
	\$ 4,567	\$ 4,626
<b>Income From Continuing Operations Before Income Taxes</b>		
<i>Segment Operating Income (Loss):</i>		
Integrated Mission Systems	\$ 240	\$ 201
Space and Airborne Systems	240	221
Communication Systems	281	250
Aviation Systems	128	(177)
Unallocated corporate expenses	(40)	(25)
L3Harris Merger-related integration expenses	(21)	(31)
Amortization of acquisition-related intangibles	(164)	(145)
Business divestiture-related losses	(15)	(3)
Impairment of goodwill and other assets	(62)	(5)
Pension adjustment	(111)	(97)
Non-operating income	117	95
Net interest expense	(66)	(63)
	\$ 527	\$ 221

**Table 3**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

(In millions)	Quarter Ended	
	April 2, 2021	April 3, 2020
<b>Operating Activities</b>		
Net income	\$ 466	\$ 194
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of acquisition-related intangibles	164	145
Depreciation and other amortization	87	85
Share-based compensation	33	16
Share-based matching contributions under defined contribution plans	57	71
Qualified pension plan contributions	(2)	(2)
Pension and other postretirement benefit plan income	(92)	(80)
Impairment of goodwill and other assets	62	324
Business divestiture-related losses	15	3
(Increase) decrease in:		
Accounts receivable	213	(164)
Contract assets	(272)	(110)
Inventories	61	40
Prepaid expenses and other current assets	(85)	(29)
Increase (decrease) in:		
Accounts payable	15	253
Contract liabilities	9	(47)
Other	(70)	(166)
Net cash provided by operating activities	661	533
<b>Investing Activities</b>		
Net additions of property, plant and equipment	(64)	(48)
Other investing activities	3	(10)
Net cash used in investing activities	(61)	(58)
<b>Financing Activities</b>		
Net proceeds from borrowings	1	245
Repayments of borrowings	(1)	(1)
Proceeds from exercises of employee stock options	10	33
Repurchases of common stock	(700)	(700)
Cash dividends	(209)	(183)
Other financing activities	(1)	(6)
Net cash used in financing activities	(900)	(612)
Effect of exchange rate changes on cash and cash equivalents	—	(24)
<b>Net decrease in cash and cash equivalents</b>	<b>(300)</b>	<b>(161)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,276</b>	<b>824</b>
<b>Cash and cash equivalents, end of quarter</b>	<b>\$ 976</b>	<b>\$ 663</b>

**Table 4**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**

(In millions)	April 2, 2021	January 1, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 976	\$ 1,276
Receivables	1,096	1,344
Contract assets	2,577	2,437
Inventories	904	973
Inventory prepayments	110	61
Other current assets	262	246
Assets of disposal groups held for sale	1,414	35
Property, plant and equipment	2,136	2,102
Operating lease right-of-use assets	782	766
Goodwill	18,252	18,876
Other intangible assets	7,265	7,908
Other assets	816	936
	\$ 36,590	\$ 36,960
<b>Liabilities</b>		
Short-term debt	\$ 2	\$ 2
Accounts payable	1,373	1,406
Contract liabilities	1,189	1,198
Compensation and benefits	328	496
Current portion of long-term debt, net	12	10
Liabilities of disposal groups held for sale	173	13
Defined benefit plans	1,811	1,906
Operating lease liabilities	737	734
Long-term debt, net	7,066	6,943
Other liabilities	3,417	3,411
Equity	20,482	20,841
	\$ 36,590	\$ 36,960

**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND REGULATION G DISCLOSURE**

To supplement our condensed consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), we provide additional measures of income from continuing operations per diluted common share, net income, net income margin, net cash provided by operating activities, revenue and segment operating income (loss), adjusted to exclude certain costs, charges, expenses and losses or other amounts. 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:

**Table 5**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Adjusted EBIT and Adjusted EBIT Margin**  
**(Unaudited)**

(In millions)	Quarter Ended	
	April 2, 2021	April 3, 2020
Revenue from product sales and services (B)	\$ 4,567	\$ 4,626
Net income	\$ 466	\$ 194
Adjustments:		
Discontinued operations, net of income taxes	1	1
Net interest expense	66	63
Income taxes	60	26
L3Harris Merger integration costs	21	31
Restructuring charges and other items	—	6
Amortization of acquisition-related intangibles	164	145
Additional cost of sales related to the fair value step-up in inventory sold	—	15
Business divestiture-related losses	15	3
Other divestiture-related expenses	7	—
Impairment of goodwill and other assets related to divestitures and the impacts of COVID	62	324
Total adjustments	396	614
Adjusted EBIT (A)	\$ 862	\$ 808
Adjusted EBIT margin percentage (A) / (B)	18.9 %	17.5 %

**Table 6**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Income from Continuing Operations per Diluted Common Share Attributable to Common Shareholders**  
**(Unaudited)**

	Quarter Ended	
	April 2, 2021	April 3, 2020
Income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders	\$ 2.25	\$ 0.99
Adjustments:		
L3Harris Merger integration costs	0.10	0.14
Restructuring charges and other items	—	0.03
Amortization of acquisition-related intangibles	0.79	0.66
Additional cost of sales related to the fair value step-up in inventory sold	—	0.07
Business divestiture-related losses	0.07	0.02
Other divestiture-related expenses	0.03	—
Impairment of goodwill and other assets related to divestitures and the impacts of COVID	0.30	1.47
Noncontrolling interests portion of adjustments	—	(0.12)
Total pre-tax adjustments	1.29	2.27
Income taxes on above adjustments	(0.36)	(0.46)
Total adjustments after-tax	0.93	1.81
Non-GAAP income from continuing operations per diluted common share	\$ 3.18	\$ 2.80

**Table 7**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Free Cash Flow and Adjusted Free Cash Flow**  
**(Unaudited)**

(In millions)	Quarter Ended	
	April 2, 2021	April 3, 2020
Net cash provided by operating activities	\$ 661	\$ 533
Net additions of property, plant and equipment	(64)	(48)
Free cash flow	597	485
Cash used for L3Harris Merger integration costs	33	48
Adjusted free cash flow	\$ 630	\$ 533



**Table 8**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Organic Revenue and U.S. and International Government Revenue**  
**(Unaudited)**

(In millions)	Quarter Ended April 3, 2020		
	As Reported	Adjustment (A)	Organic
Revenue from product sales and services			
Integrated Mission Systems segment	\$ 1,370	\$ —	\$ 1,370
Space and Airborne Systems segment	1,192	(5)	1,187
Communication Systems segment	1,094	(13)	1,081
Aviation Systems segment	1,011	(123)	888
Corporate eliminations	(41)	—	(41)
	<u>\$ 4,626</u>	<u>\$ (141)</u>	<u>\$ 4,485</u>

(In millions)	Fiscal Year Ended January 1, 2021		
	As Reported	Adjustment (A)	Organic
Revenue from product sales and services			
Integrated Mission Systems segment	\$ 5,538	\$ —	\$ 5,538
Space and Airborne Systems segment	4,946	(7)	4,939
Communication Systems segment	4,443	(41)	4,402
Aviation Systems segment	3,448	(147)	3,301
Corporate eliminations	(181)	—	(181)
	<u>\$ 18,194</u>	<u>\$ (195)</u>	<u>\$ 17,999</u>

(In millions)	Quarter Ended	
	April 2, 2021	April 3, 2020
Revenue from product sales and services	\$ 4,567	\$ 4,626
Adjustment for divestitures (A)	—	(141)
Commercial Aviation Solutions sector (B)	(93)	(180)
Public Safety sector	(90)	(115)
Other commercial revenue (C)	(210)	(208)
	<u>\$ 4,174</u>	<u>\$ 3,982</u>

(A) Adjustment to exclude revenue attributable to each business divested in fiscal 2020

(B) Excludes revenue from the airport security and automation business divested on May 4, 2020

(C) Excludes Commercial Aviation Solutions and Public Safety sectors

**Table 9**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 First Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Segment Operating Income (Loss)**  
**(Unaudited)**

(In millions)	Quarter Ended April 3, 2020		
	As Reported	Adjustment (A)	Non-GAAP
<b>Segment Operating Income (Loss)</b>			
Aviation Systems	\$ (177)	\$ 324	\$ 147

(A) Adjustments for COVID-related charges for restructuring and impairment of goodwill and other assets