

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

(In millions, except per share amounts)	Quarter Ended		Three Quarters Ended	
	October 1, 2021	October 2, 2020	October 1, 2021	October 2, 2020
Revenue from product sales and services	\$ 4,229	\$ 4,463	\$ 13,464	\$ 13,534
Cost of product sales and services	(2,921)	(3,152)	(9,385)	(9,625)
Engineering, selling and administrative expenses	(793)	(817)	(2,485)	(2,484)
Business divestiture-related gains (losses)	27	(10)	192	(62)
Impairment of goodwill and other assets	—	—	(207)	(394)
Non-operating income	111	96	314	296
Interest expense, net	(67)	(62)	(198)	(190)
Income from continuing operations before income taxes	586	518	1,695	1,075
Income taxes	(107)	(87)	(336)	(171)
Income from continuing operations	479	431	1,359	904
Discontinued operations, net of income taxes	—	(1)	(1)	(2)
Net income	479	430	1,358	902
Noncontrolling interests, net of income taxes	2	(4)	4	24
Net income attributable to L3Harris Technologies, Inc.	\$ 481	\$ 426	\$ 1,362	\$ 926
<b>Net income per common share attributable to L3Harris Technologies, Inc. common shareholders</b>				
<b>Basic Earnings Per Share</b>				
Continuing operations	\$ 2.41	\$ 2.00	\$ 6.70	\$ 4.31
Discontinued operations	—	—	—	(0.01)
	\$ 2.41	\$ 2.00	\$ 6.70	\$ 4.30
<b>Diluted Earnings Per Share</b>				
Continuing operations	\$ 2.39	\$ 1.99	\$ 6.64	\$ 4.27
Discontinued operations	—	(0.01)	—	(0.01)
	\$ 2.39	\$ 1.98	\$ 6.64	\$ 4.26
Basic weighted average common shares outstanding	199.5	213.4	203.3	215.5
Diluted weighted average common shares outstanding	201.6	215.1	205.2	217.3

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

(In millions)	Quarter Ended		Three Quarters Ended	
	October 1, 2021	October 2, 2020	October 1, 2021	October 2, 2020
<b>Revenue</b>				
Integrated Mission Systems	\$ 1,336	\$ 1,372	\$ 4,281	\$ 4,073
Space and Airborne Systems	1,284	1,249	3,807	3,690
Communication Systems	1,030	1,094	3,269	3,300
Aviation Systems	625	792	2,248	2,603
Corporate eliminations	(46)	(44)	(141)	(132)
	\$ 4,229	\$ 4,463	\$ 13,464	\$ 13,534
<b>Income From Continuing Operations</b>				
<i>Segment Operating Income (Loss):</i>				
Integrated Mission Systems	\$ 222	\$ 213	\$ 691	\$ 638
Space and Airborne Systems	242	231	735	687
Communication Systems	271	273	839	788
Aviation Systems	90	100	253	(46)
	825	817	2,518	2,067
<i>Unallocated Items:</i>				
L3Harris Merger-related integration expenses	(34)	(27)	(75)	(95)
Amortization of acquisition-related intangibles	(155)	(176)	(475)	(529)
Additional cost of sales related to fair value step-up in inventory sold	—	—	—	(31)
Business divestiture-related gains (losses)	27	(10)	192	(62)
Other items	(8)	(2)	(61)	(19)
Impairment of goodwill and other assets	—	—	(125)	(19)
Unallocated corporate department expense	(2)	(21)	(59)	(51)
	(172)	(236)	(603)	(806)
Pension adjustment	(111)	(97)	(336)	(292)
Non-operating income, net	111	96	314	296
Income from continuing operations before interest and income taxes ("EBIT")	653	580	1,893	1,265
<i>% of total revenue</i>	<i>15.4 %</i>	<i>13.0 %</i>	<i>14.1 %</i>	<i>9.3 %</i>
Interest expense, net	(67)	(62)	(198)	(190)
Income from continuing operations before income	586	518	1,695	1,075
Income tax expense	(107)	(87)	(336)	(171)
Income from continuing operations	479	431	1,359	904
Discontinued operations, net of income taxes	—	(1)	(1)	(2)
Net income	\$ 479	\$ 430	\$ 1,358	\$ 902

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

(In millions)	Three Quarters Ended	
	October 1, 2021	October 2, 2020
<b>Operating Activities</b>		
Net income	\$ 1,358	\$ 902
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of acquisition-related intangibles	475	529
Depreciation and other amortization	248	239
Share-based compensation	100	71
Share-based matching contributions under defined contribution plans	165	168
Qualified pension plan contributions	(5)	(7)
Pension and other postretirement benefit plan income	(275)	(241)
Investment and asset impairment charges	244	394
Business divestiture-related (gains) losses	(192)	62
(Increase) decrease in:		
Accounts receivable	233	(35)
Contract assets	(615)	(98)
Inventories	(108)	139
Prepaid expenses and other current assets	(38)	(18)
Increase (decrease) in:		
Accounts payable	270	(2)
Contract liabilities	56	(94)
Other	(51)	83
Net cash provided by operating activities	1,865	2,092
<b>Investing Activities</b>		
Net additions of property, plant and equipment	(200)	(194)
Proceeds from sales of businesses, net	1,598	1,002
Other investing activities	2	(10)
Net cash provided by investing activities	1,400	798
<b>Financing Activities</b>		
Net proceeds from borrowings	5	249
Repayments of borrowings	(12)	(257)
Proceeds from exercises of employee stock options	94	39
Repurchases of common stock	(2,875)	(1,850)
Cash dividends	(618)	(546)
Other financing activities	(7)	(8)
Net cash used in financing activities	(3,413)	(2,373)
Effect of exchange rate changes on cash and cash equivalents	(2)	—
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(150)</b>	<b>517</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>\$ 1,126</b>	<b>\$ 1,341</b>

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

(In millions)	October 1, 2021	January 1, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 1,126	\$ 1,276
Receivables, net	1,027	1,344
Contract assets	2,813	2,437
Inventories	1,024	973
Inventory prepayments	50	61
Assets of businesses held for sale	155	35
Property, plant and equipment, net	2,044	2,102
Operating lease right-of-use assets	788	766
Goodwill	18,207	18,876
Other intangible assets, net	6,796	7,908
Other assets	988	1,182
	<u>\$ 35,018</u>	<u>\$ 36,960</u>
<b>Liabilities and Equity</b>		
Short-term debt	\$ 2	\$ 2
Accounts payable	1,608	1,406
Contract liabilities	1,174	1,198
Compensation and benefits	368	496
Current portion of long-term debt, net	11	10
Liabilities of businesses held for sale	60	13
Defined benefit plans	857	1,906
Operating lease liabilities	792	734
Long-term debt, net	7,053	6,943
Other liabilities	3,499	3,411
Equity	19,594	20,841
	<u>\$ 35,018</u>	<u>\$ 36,960</u>

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

(In millions)	Quarter Ended October 2, 2020			Three Quarters Ended October 2, 2020		
	As Reported	Adjustment (A)	Organic	As Reported	Adjustment (A)	Organic
<b>Revenue from product sales and services</b>						
Integrated Mission Systems segment	\$ 1,372	\$ —	\$ 1,372	\$ 4,073	\$ —	\$ 4,073
Space and Airborne Systems segment	1,249	—	1,249	3,690	(7)	3,683
Communication Systems segment	1,094	(8)	1,086	3,300	(41)	3,259
Aviation Systems segment	792	(173)	619	2,603	(323)	2,280
Corporate eliminations	(44)	—	(44)	(132)	—	(132)
	<u>\$ 4,463</u>	<u>\$ (181)</u>	<u>\$ 4,282</u>	<u>\$ 13,534</u>	<u>\$ (371)</u>	<u>\$ 13,163</u>

(In millions)	Fiscal Year Ended January 1, 2021		
	As Reported	Adjustment (A)	Organic
<b>Revenue from product sales and services</b>			
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	(588)	2,860
Corporate eliminations	(181)	—	(181)
	<u>\$ 18,194</u>	<u>\$ (636)</u>	<u>\$ 17,558</u>

(A) Adjustments to exclude 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.

**Table 6**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 Third Quarter Summary**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

**Operating Income, Adjusted EBIT and Adjusted EBIT Margin, and Income from Continuing Operations Per Share  
(Unaudited)**

(In millions, except per share amounts)	Quarter Ended					
	October 1, 2021			October 2, 2020		
	As Reported	Adjustments <sup>1</sup>	Adjusted	As Reported	Adjustments <sup>1</sup>	Adjusted
<b>Revenue</b>						
Integrated Mission Systems	\$ 1,336	\$ —	\$ 1,336	\$ 1,372	\$ —	\$ 1,372
Space and Airborne Systems	1,284	—	1,284	1,249	—	1,249
Communication Systems	1,030	—	1,030	1,094	—	1,094
Aviation Systems	625	—	625	792	—	792
Corporate eliminations	(46)	—	(46)	(44)	—	(44)
	\$ 4,229	\$ —	\$ 4,229	\$ 4,463	\$ —	\$ 4,463
<b>Income From Continuing Operations</b>						
<i>Segment Operating Income (Loss):</i>						
Integrated Mission Systems	\$ 222	\$ —	\$ 222	\$ 213	\$ —	\$ 213
Space and Airborne Systems	242	—	242	231	—	231
Communication Systems	271	—	271	273	—	273
Aviation Systems	90	—	90	100	3	103
	825	—	825	817	3	820
<i>Unallocated Items:</i>						
L3Harris Merger-related integration expenses	(34)	34	—	(27)	27	—
Amortization of acquisition-related intangibles	(155)	155	—	(176)	176	—
Business divestiture-related gains (losses)	27	(27)	—	(10)	10	—
Other items	(8)	8	—	(2)	2	—
Unallocated corporate department expense	(2)	—	(2)	(21)	—	(21)
	(172)	170	(2)	(236)	215	(21)
Pension adjustment	(111)	—	(111)	(97)	—	(97)
Non-operating income, net	111	7	118	96	—	96
EBIT	653	177	830	580	218	798
<i>% of total revenue</i>	<i>15.4 %</i>		<i>19.6 %</i>	<i>13.0 %</i>		<i>17.9 %</i>
Interest expense, net	(67)	—	(67)	(62)	—	(62)
Income tax expense	(107)	(9)	(116)	(87)	(38)	(125)
Income from continuing operations	479	168	647	431	180	611
Discontinued operations, net of income taxes	—	—	—	(1)	—	(1)
Net income	\$ 479	\$ 168	\$ 647	\$ 430	\$ 180	\$ 610
<b>Per Share Information</b>						
Diluted weighted average common shares outstanding	201.6	201.6	201.6	215.1	215.1	215.1
Income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders <sup>2</sup>	\$ 2.39	\$ 0.82	\$ 3.21	\$ 1.99	\$ 0.85	\$ 2.84

<sup>1</sup> Non-GAAP EPS, non-GAAP segment operating income, adjusted EBIT and adjusted EBIT margin are NGFMs; refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

<sup>2</sup> The adjustment to non-GAAP EPS includes the per share impact of the adjustments in the table above and the noncontrolling interest portion of these adjustments.

**Table 7**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 Third Quarter Summary**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

**Operating Income, Adjusted EBIT and Adjusted EBIT Margin, and Income from Continuing Operations Per Share**  
**(Unaudited)**

(In millions, except per share amounts)	Three Quarters Ended					
	October 1, 2021			October 2, 2020		
	As Reported	Adjustments <sup>1</sup>	Adjusted	As Reported	Adjustments <sup>1</sup>	Adjusted
<b>Revenue</b>						
Integrated Mission Systems	\$ 4,281	\$ —	\$ 4,281	\$ 4,073	\$ —	\$ 4,073
Space and Airborne Systems	3,807	—	3,807	3,690	—	3,690
Communication Systems	3,269	—	3,269	3,300	—	3,300
Aviation Systems	2,248	—	2,248	2,603	—	2,603
Corporate eliminations	(141)	—	(141)	(132)	—	(132)
	<u>\$ 13,464</u>	<u>\$ —</u>	<u>\$ 13,464</u>	<u>\$ 13,534</u>	<u>\$ —</u>	<u>\$ 13,534</u>
<b>Income From Continuing Operations</b>						
<i>Segment Operating Income (Loss):</i>						
Integrated Mission Systems	\$ 691	\$ —	\$ 691	\$ 638	\$ —	\$ 638
Space and Airborne Systems	735	—	735	687	—	687
Communication Systems	839	—	839	788	—	788
Aviation Systems	253	82	335	(46)	396	350
	<u>2,518</u>	<u>82</u>	<u>2,600</u>	<u>2,067</u>	<u>396</u>	<u>2,463</u>
<i>Unallocated Items:</i>						
L3Harris Merger-related integration expenses	(75)	75	—	(95)	95	—
Amortization of acquisition-related intangibles	(475)	475	—	(529)	529	—
Additional cost of sales related to fair value step-up in inventory sold	—	—	—	(31)	31	—
Business divestiture-related gains (losses)	192	(192)	—	(62)	62	—
Other items	(61)	61	—	(19)	19	—
Impairment of goodwill and other assets	(125)	125	—	(19)	19	—
Unallocated corporate department expense	(59)	—	(59)	(51)	—	(51)
	<u>(603)</u>	<u>544</u>	<u>(59)</u>	<u>(806)</u>	<u>755</u>	<u>(51)</u>
Pension adjustment	(336)	3	(333)	(292)	—	(292)
Non-operating income, net	314	39	353	296	—	296
EBIT	1,893	668	2,561	1,265	1,151	2,416
<i>% of total revenue</i>	<i>14.1 %</i>		<i>19.0 %</i>	<i>9.3 %</i>		<i>17.9 %</i>
Interest expense, net	(198)	—	(198)	(190)	—	(190)
Income tax expense	(336)	(45)	(381)	(171)	(207)	(378)
Income from continuing operations	1,359	623	1,982	\$ 904	\$ 944	\$ 1,848
Discontinued operations, net of income taxes	(1)	—	(1)	(2)	—	(2)
Net income	<u>1,358</u>	<u>623</u>	<u>1,981</u>	<u>902</u>	<u>944</u>	<u>1,846</u>
<b>Per Share Information</b>						
Diluted weighted average common shares outstanding	205.2	205.2	205.2	217.3	217.3	217.3
Income from continuing operations attributable to L3Harris Technologies, Inc common shareholders <sup>2</sup>	\$ 6.64	\$ 3.01	\$ 9.65	\$ 4.27	\$ 4.20	\$ 8.47

<sup>1</sup> Non-GAAP EPS, non-GAAP segment operating income, adjusted EBIT and adjusted EBIT margin are NGFMs; refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

<sup>2</sup> The adjustment to non-GAAP EPS includes the per share impact of the adjustments in the table above and the noncontrolling interest portion of these adjustments.



**Table 8**  
**L3HARRIS TECHNOLOGIES, INC.**  
**CY'21 Third Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Free Cash Flow and Adjusted Free Cash Flow**  
**(Unaudited)**

(In millions)	Quarter Ended		Three Quarters Ended	
	October 1, 2021	October 2, 2020	October 1, 2021	October 2, 2020
Net cash provided by operating activities	\$ 484	\$ 757	\$ 1,865	\$ 2,092
Net additions of property, plant and equipment	(76)	(86)	(200)	(194)
Free cash flow	408	671	1,665	1,898
Cash used for L3Harris Merger integration costs	26	55	84	146
Cash used for income taxes paid related to taxable gains and losses resulting from sales of businesses	239	—	239	—
Adjusted free cash flow	\$ 673	\$ 726	\$ 1,988	\$ 2,044