

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

(In millions, except per share amounts)	Quarter Ended		Fiscal Year Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue from product sales and services	\$ 4,350	\$ 4,660	\$ 17,814	\$ 18,194
Cost of product sales and services	(3,053)	(3,261)	(12,438)	(12,886)
Engineering, selling and administrative expenses	(795)	(831)	(3,280)	(3,315)
Business divestiture-related gains (losses)	28	11	220	(51)
Impairment of goodwill and other assets	—	(373)	(207)	(767)
Non-operating income	125	105	439	401
Interest expense, net	(67)	(64)	(265)	(254)
Income from continuing operations before income taxes	588	247	2,283	1,322
Income taxes	(104)	(63)	(440)	(234)
Income from continuing operations	484	184	1,843	1,088
Discontinued operations, net of income taxes	—	—	(1)	(2)
Net income	484	184	1,842	1,086
Noncontrolling interests, net of income taxes	—	9	4	33
Net income attributable to L3Harris Technologies, Inc.	\$ 484	\$ 193	\$ 1,846	\$ 1,119
Net income per common share attributable to L3Harris Technologies, Inc. common shareholders				
Basic				
Continuing operations	\$ 2.48	\$ 0.92	\$ 9.17	\$ 5.24
Discontinued operations	—	—	—	(0.01)
	\$ 2.48	\$ 0.92	\$ 9.17	\$ 5.23
Diluted				
Continuing operations	\$ 2.46	\$ 0.92	\$ 9.09	\$ 5.19
Discontinued operations	—	(0.01)	—	—
	\$ 2.46	\$ 0.91	\$ 9.09	\$ 5.19
Basic weighted average common shares outstanding	195.1	209.4	201.3	214.0
Diluted weighted average common shares outstanding	196.8	211.2	203.2	215.9

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

(In millions)	Quarter Ended		Fiscal Year Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue				
Integrated Mission Systems	\$ 1,558	\$ 1,465	\$ 5,839	\$ 5,538
Space & Airborne Systems	1,286	1,256	5,093	4,946
Communication Systems	1,018	1,143	4,287	4,443
Aviation Systems	535	845	2,783	3,448
Corporate eliminations	(47)	(49)	(188)	(181)
	\$ 4,350	\$ 4,660	\$ 17,814	\$ 18,194
Net Income				
<i>Segment Operating Income (Loss):</i>				
Integrated Mission Systems	\$ 259	\$ 209	\$ 950	\$ 847
Space & Airborne Systems	235	245	970	932
Communication Systems	253	296	1,092	1,084
Aviation Systems	77	(131)	330	(177)
	824	619	3,342	2,686
<i>Unallocated Items:</i>				
Unallocated corporate department expense, net	2	(18)	(57)	(69)
L3Harris Merger-related integration expenses	(53)	(38)	(128)	(140)
Amortization of acquisition-related intangibles	(152)	(180)	(627)	(709)
Additional cost of sales related to fair value step-up in inventory sold	—	—	—	(31)
Business divestiture-related gains (losses)	28	11	220	(51)
Impairment of goodwill and other assets	—	(113)	(125)	(132)
Other items	(7)	22	(71)	10
	(182)	(316)	(788)	(1,122)
Pension adjustment	(112)	(97)	(445)	(389)
Non-operating income, net	125	105	439	401
Income from continuing operations before interest and income taxes ("EBIT")	655	311	2,548	1,576
<i>% of total revenue</i>	<i>15.1 %</i>	<i>6.7 %</i>	<i>14.3 %</i>	<i>8.7 %</i>
Interest expense, net	(67)	(64)	(265)	(254)
Income from continuing operations before income tax expense	588	247	2,283	1,322
Income taxes	(104)	(63)	(440)	(234)
Income from continuing operations	484	184	1,843	1,088
Discontinued operations, net of income taxes	—	—	(1)	(2)
Net income	\$ 484	\$ 184	\$ 1,842	\$ 1,086
<i>% of total revenue</i>	<i>11.1 %</i>	<i>3.9 %</i>	<i>10.3 %</i>	<i>6.0 %</i>

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

(In millions)	Fiscal Year Ended	
	December 31, 2021	January 1, 2021
Operating Activities		
Net income	\$ 1,842	\$ 1,086
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of acquisition-related intangibles	627	709
Depreciation and other amortization	340	323
Share-based compensation	129	94
Share-based matching contributions under defined contribution plans	219	216
Qualified pension plan contributions	(6)	(8)
Pension and other postretirement benefit plan income	(376)	(321)
Investment and asset impairment charges	244	767
Business divestiture-related (gains) losses	(220)	51
Gain on sale of property, plant and equipment	—	(22)
(Increase) decrease in:		
Accounts receivable	217	(250)
Contract assets	(820)	(116)
Inventories	(68)	60
Prepaid expenses and other current assets	23	57
Increase (decrease) in:		
Accounts payable	430	173
Contract liabilities	178	14
Other	(72)	(43)
Net cash provided by operating activities	2,687	2,790
Investing Activities		
Net additions of property, plant and equipment	(335)	(277)
Net proceeds from sales of businesses	1,729	1,040
Proceeds from sale of asset group	10	—
Other investing activities	(10)	(12)
Net cash provided by investing activities	1,394	751
Financing Activities		
Net proceeds from borrowings	6	901
Repayments of borrowings	(13)	(931)
Payments of interest rate derivative obligations	—	(113)
Proceeds from exercises of employee stock options	97	56
Repurchases of common stock	(3,675)	(2,290)
Cash dividends	(817)	(725)
Other financing activities	(11)	(10)
Net cash used in financing activities	(4,413)	(3,112)
Effect of exchange rate changes on cash and cash equivalents	(3)	23
Net (decrease) increase in cash and cash equivalents	(335)	452
Cash and cash equivalents, beginning of year	1,276	824
Cash and cash equivalents, end of year	\$ 941	\$ 1,276

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

(In millions)	December 31, 2021	January 1, 2021
Assets		
Cash and cash equivalents	\$ 941	\$ 1,276
Receivables, net	1,045	1,344
Contract assets	3,021	2,437
Inventories	982	973
Inventory prepayments	48	61
Assets of disposal group held for sale	—	35
Property, plant and equipment, net	2,101	2,102
Operating lease right-of-use assets	769	766
Goodwill	18,189	18,876
Other intangible assets, net	6,640	7,908
Other assets	973	1,182
	\$ 34,709	\$ 36,960
Liabilities		
Short-term debt	\$ 2	\$ 2
Accounts payable	1,767	1,406
Contract liabilities	1,297	1,198
Compensation and benefits	444	496
Current portion of long-term debt, net	11	8
Liabilities of disposal group held for sale	—	13
Defined benefit plans	614	1,906
Operating lease liabilities	768	734
Long-term debt, net	7,048	6,943
Other liabilities	3,439	3,413
Equity	19,319	20,841
	\$ 34,709	\$ 36,960

Table 5
L3HARRIS TECHNOLOGIES, INC.
CY'21 Fourth Quarter Summary
SUPPLEMENTAL BUSINESS SEGMENT INFORMATION
AS RECLASSIFIED FOR SEGMENT CHANGES
(Unaudited)

Effective 2022, L3Harris streamlined its business segments from four to three business segments and updated its segment reporting and accounting policies for pension and other postretirement benefit ("OPEB") income or expense to better align its presentation of business segment information with industry peers. The following business segment information reflects the impact of the segment changes described above and is presented as supplemental information.

(In millions)	Quarter Ended		Fiscal Year Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue				
Integrated Mission Systems	\$ 1,850	\$ 1,764	\$ 7,042	\$ 6,793
Space & Airborne Systems	1,501	1,477	5,965	5,823
Communication Systems	1,018	1,143	4,287	4,402
Other non-reportable businesses (A)	22	321	683	1,347
Corporate eliminations	(41)	(45)	(163)	(171)
	<u>\$ 4,350</u>	<u>\$ 4,660</u>	<u>\$ 17,814</u>	<u>\$ 18,194</u>
Net Income				
<i>Segment Operating Income (Loss):</i>				
Integrated Mission Systems (B)	\$ 258	\$ (54)	\$ 866	\$ 205
Space & Airborne Systems (B)	178	207	761	762
Communication Systems (B)	239	286	1,043	1,035
Other non-reportable businesses (A)(B)	4	49	104	160
	<u>679</u>	<u>488</u>	<u>2,774</u>	<u>2,162</u>
<i>% of total revenue</i>	<i>15.6 %</i>	<i>10.5 %</i>	<i>15.6 %</i>	<i>11.9 %</i>
<i>Unallocated Items:</i>				
Unallocated corporate department expense, net	2	(17)	(57)	(69)
L3Harris Merger-related integration and transaction expenses (C)	(53)	(38)	(128)	(140)
Amortization of acquisition-related intangibles	(152)	(180)	(627)	(709)
Additional cost of sales related to fair value step-up in inventory sold	—	—	—	(31)
Business divestiture-related gains (losses)	28	11	220	(51)
Impairment of goodwill and other assets	—	(113)	(125)	(132)
Other items	(7)	21	(71)	10
FAS/CAS operating adjustment (D)	33	34	123	135
	<u>(149)</u>	<u>(282)</u>	<u>(665)</u>	<u>(987)</u>
Non-operating income, net	125	105	439	401
EBIT	655	311	2,548	1,576
<i>% of total revenue</i>	<i>15.1 %</i>	<i>6.7 %</i>	<i>14.3 %</i>	<i>8.7 %</i>
Interest expense, net	(67)	(64)	(265)	(254)
Income taxes	(104)	(63)	(440)	(234)
Income from continuing operations	484	184	1,843	1,088
Discontinued operations, net of income taxes	—	—	(1)	(2)
Net income	<u>484</u>	<u>184</u>	<u>1,842</u>	<u>1,086</u>
<i>% of total revenue</i>	<i>11.1 %</i>	<i>3.9 %</i>	<i>10.3 %</i>	<i>6.0 %</i>

Note A — Includes the results of divested businesses through the date of divestiture.

Note B — Adjusted to remove FAS pension and OPEB income and to include CAS pension and OPEB cost.

Note C — Includes change in control charges.

Note D — Represents the difference between the service cost component of FAS pension and OPEB income and total CAS pension and OPEB cost and replaces the "Pension adjustment" line item previously presented, which included the non-service cost components of FAS pension and OPEB income.

L3HARRIS TECHNOLOGIES, INC.
CY'21 Fourth 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 6
L3HARRIS TECHNOLOGIES, INC.
HISTORICAL NON-GAAP BUSINESS SEGMENT INFORMATION
AS RECLASSIFIED FOR SEGMENT CHANGES
(Unaudited)

Effective 2022, L3Harris streamlined its business segments from four to three business segments and updated its segment reporting and accounting policies for pension and OPEB income or expense to better align its presentation of business segment information with industry peers. The following non-GAAP business segment information reflects the impact of the segment changes described above and is presented as supplemental information.

(In millions)	Quarter Ended		Fiscal Year Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue				
Integrated Mission Systems	\$ 1,850	\$ 1,764	\$ 7,042	\$ 6,793
Space & Airborne Systems	1,501	1,477	5,965	5,823
Communication Systems	1,018	1,143	4,287	4,402
Other non-reportable businesses (A)	22	321	683	1,347
Corporate eliminations	(41)	(45)	(163)	(171)
	<u>\$ 4,350</u>	<u>\$ 4,660</u>	<u>\$ 17,814</u>	<u>\$ 18,194</u>
Net Income***				
<i>Segment Operating Income***:</i>				
Integrated Mission Systems***(B)(C)	\$ 258	\$ 203	\$ 948	\$ 859
Space & Airborne Systems (B)	178	207	761	762
Communication Systems (B)	239	286	1,043	1,035
Other non-reportable businesses (A)(B)	4	49	104	160
	<u>679</u>	<u>745</u>	<u>2,856</u>	<u>2,816</u>
<i>% of total revenue***</i>	<i>15.6 %</i>	<i>16.0 %</i>	<i>16.0 %</i>	<i>15.5 %</i>
<i>Unallocated Items***(D):</i>				
Unallocated corporate department expense, net	2	(18)	(57)	(70)
FAS/CAS operating adjustment (E)	33	34	123	135
	<u>35</u>	<u>16</u>	<u>66</u>	<u>65</u>
Non-operating income, net***(F)	122	103	475	399
Adjusted EBIT***	836	864	3,397	3,280
<i>% of total revenue***</i>	<i>19.2 %</i>	<i>18.5 %</i>	<i>19.1 %</i>	<i>18.0 %</i>
Interest expense, net	(67)	(64)	(265)	(254)
Income taxes***(G)	(120)	(136)	(501)	(514)
Income from continuing operations***	649	664	2,631	2,512
Discontinued operations, net of income taxes	—	—	(1)	(2)
Net income***	<u>649</u>	<u>664</u>	<u>2,630</u>	<u>2,510</u>
<i>% of total revenue***</i>	<i>14.9 %</i>	<i>14.2 %</i>	<i>14.8 %</i>	<i>13.8 %</i>

***Non-GAAP financial measure; refer to the notes below for reconciliations.

Note A — Includes the results of divested businesses through the date of divestiture.

Note B — Adjusted to remove FAS pension and OPEB income and to include CAS pension and OPEB cost.

Note C — Adjusted to exclude (1) impairment charges totaling \$634 million and \$82 million for fiscal years 2020 and 2021, respectively, related to goodwill and other assets and (2) restructuring charges and other items totaling \$20 million for fiscal year 2020.

Note D — Adjusted to exclude (1) L3Harris Merger-related integration, transaction and other expenses and losses totaling \$140 million and \$128 million for fiscal 2020 and fiscal 2021, respectively; (2) amortization of acquisition-related intangibles totaling \$709 million and \$627 million for fiscal 2020 and fiscal 2021, respectively; (3) additional cost of sales related to the fair value step-up of inventory sold totaling \$31 million for fiscal 2020; (4) net business divestiture-related gains of \$220 million for fiscal 2021 and a net business divestiture-related loss of \$51 million in fiscal 2020; (5) charges for the impairment of goodwill and other assets totaling \$132 million and \$125 million for fiscal 2020 and fiscal 2021, respectively; and (6) other items totaling \$10 million and \$71 million fiscal 2020 and fiscal 2021, respectively. Refer to the corresponding line item within “Unallocated items” in Table 5 for quarterly amounts for each adjustment.

Note E — Represents the difference between the service cost component of FAS pension and other postretirement benefit plan income and total CAS pension and other postretirement benefit plan cost and replaces the “Pension adjustment” line item previously presented, which included the non-service cost components of FAS pension and other postretirement benefit plan income.

Note F — Adjusted to exclude (1) a pension plan settlement losses totaling \$1 million for fiscal 2021; (2) a debt extinguishment gain of \$2 million for fiscal 2020; and (3) a \$35 million charge for the impairment of an investment in an unconsolidated subsidiary for fiscal 2021.

Note G — Adjusted for the tax effect of above adjustments.

Table 7
L3HARRIS TECHNOLOGIES, INC.
CY'21 Fourth Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Organic Revenue
(Unaudited)

(In millions)	Quarter Ended January 1, 2021			Fiscal Year Ended January 1, 2021		
	As Reported	Adjustments (A)	Organic	As Reported	Adjustments (B)	Organic
	Revenue					
Integrated Mission Systems segment	\$ 1,465	\$ —	\$ 1,465	\$ 5,538	\$ —	\$ 5,538
Space & Airborne Systems segment	1,256	—	1,256	4,946	(7)	4,939
Communication Systems segment	1,143	—	1,143	4,443	(41)	4,402
Aviation Systems segment	845	(281)	564	3,448	(604)	2,844
Corporate eliminations	(49)	—	(49)	(181)	—	(181)
	\$ 4,660	\$ (281)	\$ 4,379	\$ 18,194	\$ (652)	\$ 17,542

(In millions)	Fiscal Year Ended December 31, 2021		
	As Reported	Adjustments (C)	Organic
	Revenue	\$ 17,814	\$ (640)

(A) Adjustment to exclude revenue attributable to each divested business for the remaining portion of the quarter ended January 1, 2021 that is equivalent to the balance of the quarter ended December 31, 2021 following the date the business was divested.

(B) Adjustment to exclude revenue attributable to each divested business for the remaining portion of calendar 2020 that is equivalent to the balance of fiscal 2021 following the date the business was divested.

(C) Adjustment to exclude revenue attributable to each divested business for fiscal 2021.

Table 8A
L3HARRIS TECHNOLOGIES, INC.

CY'21 Fourth Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Segment Operating Income, Adjusted EBIT and Adjusted EBIT Margin, and Income from Continuing Operations Per Share Attributable to Common Shareholders
(Unaudited)

(In millions, except per share amounts)	Quarter Ended					
	December 31, 2021			January 1, 2021		
	As Reported	Adjustments ¹	Adjusted	As Reported	Adjustments ¹	Adjusted
Revenue						
Integrated Mission Systems	\$ 1,558	\$ —	\$ 1,558	\$ 1,465	\$ —	\$ 1,465
Space & Airborne Systems	1,286	—	1,286	1,256	—	1,256
Communication Systems	1,018	—	1,018	1,143	—	1,143
Aviation Systems	535	—	535	845	—	845
Corporate eliminations	(47)	—	(47)	(49)	—	(49)
	<u>\$ 4,350</u>	<u>\$ —</u>	<u>\$ 4,350</u>	<u>\$ 4,660</u>	<u>\$ —</u>	<u>\$ 4,660</u>
Net Income						
<i>Segment Operating Income (Loss):</i>						
Integrated Mission Systems	\$ 259	\$ —	\$ 259	\$ 209	\$ —	\$ 209
Space & Airborne Systems	235	—	235	245	—	245
Communication Systems	253	—	253	296	—	296
Aviation Systems	77	—	77	(131)	257	126
	<u>824</u>	<u>—</u>	<u>824</u>	<u>619</u>	<u>257</u>	<u>876</u>
<i>Unallocated Items:</i>						
Unallocated corporate department expense, net	2	—	2	(18)	—	(18)
L3Harris Merger-related integration expenses	(53)	53	—	(38)	38	—
Amortization of acquisition-related intangibles	(152)	152	—	(180)	180	—
Business divestiture-related gains (losses)	28	(28)	—	11	(11)	—
Impairment of goodwill and other assets	—	—	—	(113)	113	—
Other items	(7)	7	—	22	(22)	—
	<u>(182)</u>	<u>184</u>	<u>2</u>	<u>(316)</u>	<u>298</u>	<u>(18)</u>
Pension adjustment	(112)	—	(112)	(97)	—	(97)
Non-operating income, net	125	(3)	122	105	(2)	103
EBIT	655	181	836	311	553	864
<i>% of total revenue</i>	<i>15.1 %</i>		<i>19.2 %</i>	<i>6.7 %</i>		<i>18.5 %</i>
Interest expense, net	(67)	—	(67)	(64)	—	(64)
Income from continuing operations before income taxes	588	181	769	247	553	800
Income taxes	(104)	(16)	(120)	(63)	(73)	(136)
Income from continuing operations	484	165	649	184	480	664
Discontinued operations, net of income taxes	—	—	—	—	—	—
Net income	<u>\$ 484</u>	<u>\$ 165</u>	<u>\$ 649</u>	<u>\$ 184</u>	<u>\$ 480</u>	<u>\$ 664</u>
<i>% of total revenue</i>	<i>11.1 %</i>		<i>14.9 %</i>	<i>3.9 %</i>		<i>14.2 %</i>
Per Share Information						
Diluted weighted average common shares outstanding	196.8	196.8	196.8	211.2	211.2	211.2
Income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders ²	\$ 2.46	\$ 0.84	\$ 3.30	\$ 0.92	\$ 2.22	\$ 3.14

¹ Non-GAAP EPS, non-GAAP segment operating income, non-GAAP income from continuing operations, non-GAAP net 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.

² 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 8B
L3HARRIS TECHNOLOGIES, INC.

CY'21 Fourth Quarter Summary

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

**Segment Operating Income, Adjusted EBIT and Adjusted EBIT Margin, and Income from Continuing Operations Per Share
Attributable to Common Shareholders
(Unaudited)**

(In millions, except per share amounts)	Fiscal Year Ended					
	December 31, 2021			January 1, 2021		
	As Reported	Adjustments ¹	Adjusted	As Reported	Adjustments ¹	Adjusted
Revenue						
Integrated Mission Systems	\$ 5,839	\$ —	\$ 5,839	\$ 5,538	\$ —	\$ 5,538
Space & Airborne Systems	5,093	—	5,093	4,946	—	4,946
Communication Systems	4,287	—	4,287	4,443	—	4,443
Aviation Systems	2,783	—	2,783	3,448	—	3,448
Corporate eliminations	(188)	—	(188)	(181)	—	(181)
	<u>\$ 17,814</u>	<u>\$ —</u>	<u>\$ 17,814</u>	<u>\$ 18,194</u>	<u>\$ —</u>	<u>\$ 18,194</u>
Net Income						
<i>Segment Operating Income (Loss):</i>						
Integrated Mission Systems	\$ 950	\$ —	\$ 950	\$ 847	\$ —	\$ 847
Space & Airborne Systems	970	—	970	932	—	932
Communication Systems	1,092	—	1,092	1,084	—	1,084
Aviation Systems	330	82	412	(177)	653	476
	<u>3,342</u>	<u>82</u>	<u>3,424</u>	<u>2,686</u>	<u>653</u>	<u>3,339</u>
<i>Unallocated Items:</i>						
Unallocated corporate department expense, net	(57)	—	(57)	(69)	—	(69)
L3Harris Merger-related integration expenses	(128)	128	—	(140)	140	—
Amortization of acquisition-related intangibles	(627)	627	—	(709)	709	—
Additional cost of sales related to fair value step-up in inventory sold	—	—	—	(31)	31	—
Business divestiture-related gains (losses)	220	(220)	—	(51)	51	—
Impairment of goodwill and other assets	(125)	125	—	(132)	132	—
Other items	(71)	71	—	10	(10)	—
	<u>(788)</u>	<u>731</u>	<u>(57)</u>	<u>(1,122)</u>	<u>1,053</u>	<u>(69)</u>
Pension adjustment	(445)	—	(445)	(389)	—	(389)
Non-operating income, net	439	36	475	401	(2)	399
EBIT	2,548	849	3,397	1,576	1,704	3,280
<i>% of total revenue</i>	<i>14.3 %</i>		<i>19.1 %</i>	<i>8.7 %</i>		<i>18.0 %</i>
Interest expense, net	(265)	—	(265)	(254)	—	(254)
Income from continuing operations before income taxes	2,283	849	3,132	1,322	1,704	3,026
Income taxes	(440)	(61)	(501)	(234)	(280)	(514)
Income from continuing operations	1,843	788	2,631	1,088	1,424	2,512
Discontinued operations, net of income taxes	(1)	—	(1)	(2)	—	(2)
Net income	<u>\$ 1,842</u>	<u>\$ 788</u>	<u>\$ 2,630</u>	<u>\$ 1,086</u>	<u>\$ 1,424</u>	<u>\$ 2,510</u>
<i>% of total revenue</i>	<i>10.3 %</i>		<i>14.8 %</i>	<i>6.0 %</i>		<i>13.8 %</i>
Per Share Information						
Diluted weighted average common shares outstanding	203.2	203.2	203.2	215.9	215.9	215.9
Income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders ²	\$ 9.09	\$ 3.86	\$ 12.95	\$ 5.19	\$ 6.41	\$ 11.60

¹ Non-GAAP EPS, non-GAAP segment operating income, non-GAAP income from continuing operations, non-GAAP net 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.

² 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 9
L3HARRIS TECHNOLOGIES, INC.
CY'21 Fourth Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Free Cash Flow and Adjusted Free Cash Flow
(Unaudited)

(In millions)	Quarter Ended		Fiscal Year Ended		2022 Guidance
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021	
Net cash provided by operating activities	\$ 822	\$ 698	\$ 2,687	\$ 2,790	\$2,405 - \$2,505
Additions to property, plant and equipment	(135)	(174)	(342)	(368)	~ (330)
Proceeds from sale of property, plant and equipment, net	—	91	7	91	—
Free cash flow	687	615	2,352	2,513	2,075 - 2,175
Cash used for L3Harris Merger integration costs	34	27	118	173	~ 75
Net cash paid for income taxes associated with business divestitures	37	—	276	—	—
Adjusted free cash flow	\$ 758	\$ 642	\$ 2,746	\$ 2,686	\$2,150 - \$2,250

Table 10
L3HARRIS TECHNOLOGIES, INC.
CY'22 Guidance

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Income from Continuing Operations per Diluted Common Share Attributable to Common Shareholders and Adjusted EBIT Margin (Unaudited)

(In millions)	2022 Guidance
Income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders	\$10.75 - \$11.05
Adjustments:	
L3Harris Merger integration costs	~ 0.18
Amortization of acquisition-related intangibles	~ 3.12
Noncontrolling interest portion of adjustments	~ (0.02)
Total pre-tax adjustments	~ 3.28
Income taxes on above adjustments	~ (0.68)
Total adjustments after-tax	~ 2.60
Non-GAAP income from continuing operations per diluted common share	<u><u>\$13.35 - \$13.65</u></u>
(In millions, except revenue guidance)	2022 Guidance
Revenue guidance (midpoint of range) (A)	\$17.5 billion
Net income (B)	\$2,100 - \$2,145
Adjustments:	
Net interest expense	~ 265
Income taxes	~ 320
L3Harris Merger integration costs	~ 35
Amortization of acquisition-related intangibles	~ 605
Total adjustments	~ 1,225
Adjusted EBIT (C)	<u><u>\$3,325 - \$3,370</u></u>
Net income margin percentage (B) / (A)	12.00% - 12.25%
Adjusted EBIT margin percentage (C) / (A)	19.00% - 19.25%