

# **L3HARRIS** **INVESTOR** **OVERVIEW**

CALENDAR 2021 Q4 RESULTS  
REPORTED JANUARY 31, 2022



# 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 statements regarding: the company's plans, strategies, focus areas, priorities and objectives for future operations or results, including revenue growth, driving a high performance culture and margin expansion, disciplined allocation of capital, and company, segment and other guidance for 2022; cash generation, share repurchases, dividends, opportunistic M&A, multiple levers for growth and value creation, threat and budget and revenue environments, demand for capabilities and solutions, research and development spend, pipeline, guidance, trends, drivers supporting medium-term outlook, and supply chain delays and related impacts and expectations; new products, services or developments; future economic conditions or performance; the outcome of contingencies; 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; 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, debt ceiling implications, budgetary constraints, government shut down and continuing resolution impacts, 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, fluctuations in the price of raw materials, or a significant increase in inflation; 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, including supply chain disruption impacts; 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, including due to the U.S. Government's failure to modify or repeal the provisions in the Tax Cuts and Jobs Act of 2017 that eliminate the option to immediately deduct research and development expenditures in the period incurred; 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 and maintain reasonable relationships with unionized employees. 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. The timing, volume and nature of share repurchases also 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.

# L3Harris Technologies overview



# L3HARRIS™

L3Harris Technologies is an agile global aerospace and defense technology innovator, delivering end-to-end solutions that meet customers' mission-critical needs.

Revenue<sup>1</sup>:  
**\$17.2B**

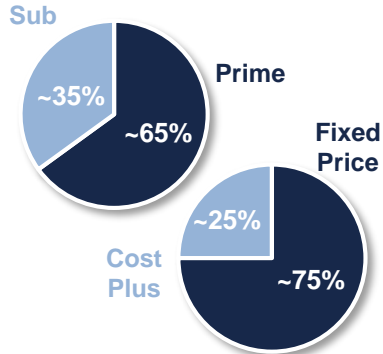
Segment margin:  
**16%**

LHX EBIT<sup>2</sup>:  
**\$3.4B**

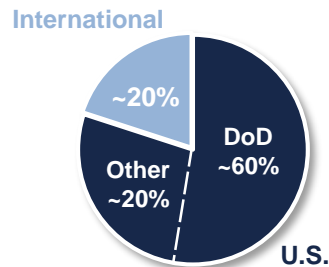
FCF<sup>2</sup>:  
**\$2.75B**

## Creating a leading global defense technology company

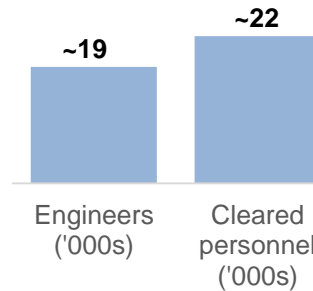
### Diversified business mix<sup>1</sup>



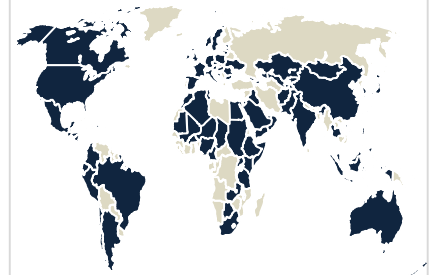
### Strong customer relationships<sup>1</sup>



### Talent and culture of innovation



### Global reach...serving over 100 countries



<sup>1</sup>2021 organic revenue, business mix (Prime / Sub, Cost Plus / Fixed Price), and customer revenue (DoD, International, Other) exclude revenue attributable to divested businesses in 2021; refer to non-GAAP financial measure (NGFM) reconciliations and disclosures in quarterly earnings materials available on the L3Harris investor relations website.

<sup>2</sup>2021 adjusted EBIT and adjusted free cash flow (FCF) are NGFMs; refer to NGFM reconciliations and disclosures in quarterly earnings materials available on the L3Harris investor relations website.

# Three well-positioned segments



## Integrated Mission Systems



**ISR:** Advanced integrated signals, communications, and electronic intelligence and targeted mission systems for aircraft platforms

**Maritime:** Power, electrical, imaging, communication, and sensor systems for manned platforms; integrated unmanned vessels (surface and undersea)

**Electro Optical:** Advanced Electro-Optic / Infrared, laser imaging, and sensor systems

**Defense Aviation:** Precision weapon systems and components, tactical UAVs, and next-gen systems

**Commercial Aviation Solutions (CAS):** Commercial aircraft avionics and pilot training



## Space & Airborne Systems



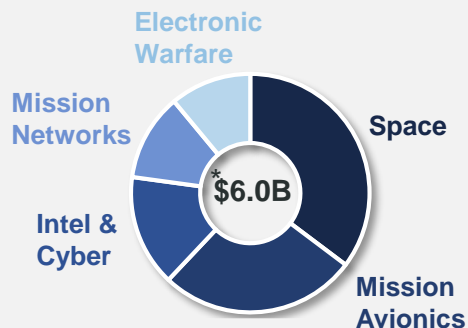
**Space:** Payloads, sensors and full-mission solutions for intelligence, surveillance & reconnaissance, missile defense, positioning, navigation & timing, and weather; ground-based space surveillance networks

**Mission Avionics:** Sensors, processors, hardened electronics, release systems and antennas for aircraft platforms

**Intel & Cyber:** Situational awareness, optical networks and advanced wireless solutions

**Mission Networks:** Communications and networking solutions for air traffic management

**Electronic Warfare:** Threat warning and countermeasures for airborne, ground and maritime platforms



## Communication Systems



**Tactical Communications:** Tactical radios for U.S. and international defense customers, and battlefield management networks

**Broadband Communications:** Secure mobile networked equipment and integration

**Integrated Vision Solutions:** Full suite of helmet and weapon mounted integrated systems

**Public Safety:** Radios and equipment for public safety and professional communications

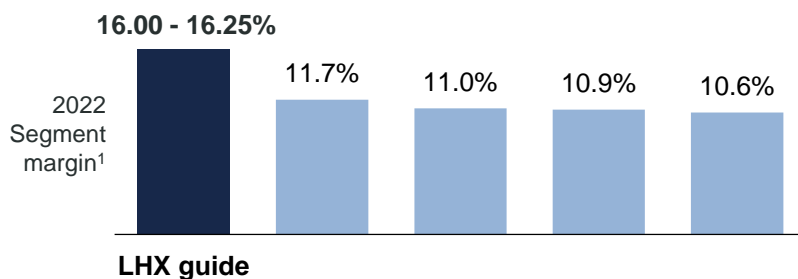


\* Revenue figures reflect 2021 results and are reclassified to reflect the new business segment structure effective for fiscal 2022. Refer to L3Harris' Current Report on Form 8-K/A filed January 18, 2022 and disclosures in 4Q 2021 earnings materials available on the L3Harris investor relations website for additional information.

# A leading financial profile



## Leading margin with expansion opportunity...



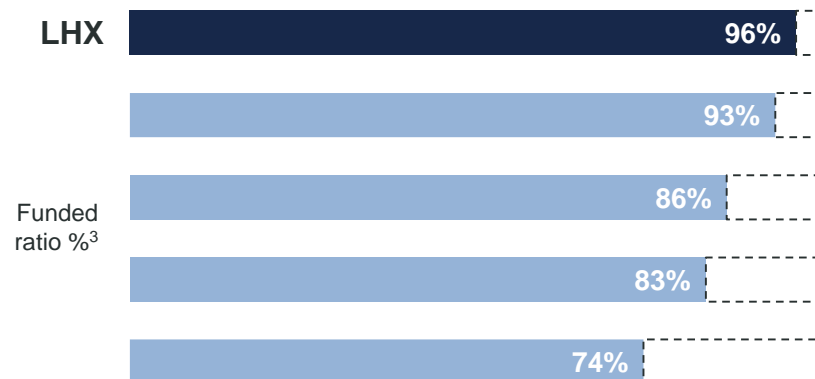
## ...and high cash conversion versus peers



## Strong balance sheet...



## ...with pension relatively well-funded



<sup>1</sup>Peers based on 2022E consensus revenue and segment operating profit; LHX based on guidance

<sup>2</sup>Peers based on 2022E consensus FCF excluding R&D tax capitalization and net income; LHX based on guidance excluding R&D tax capitalization

<sup>3</sup>Represents LHX, NOC, and LMT 2021 pension funded status, and GD and RTX 2020 pension funded status

# Strategic focus areas



**Grow revenue...innovate, disrupt, and expand**



**Drive high performance culture and expand margins**



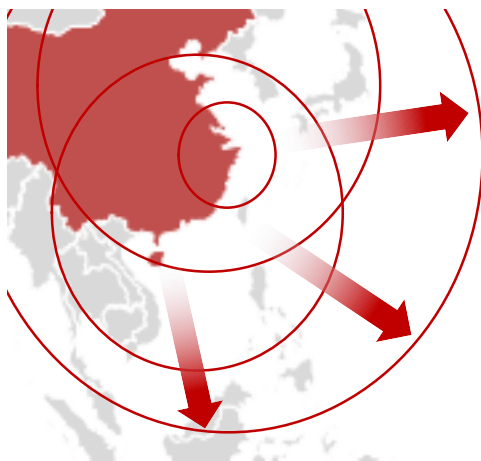
**Disciplined allocation of capital**



# A growing need for L3Harris offerings...

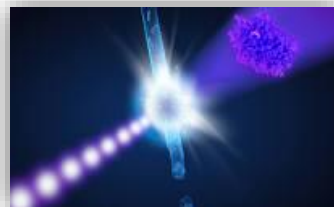
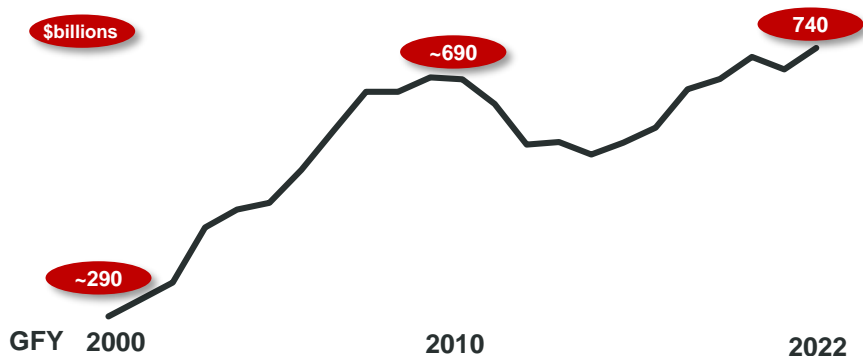


Threats rapidly evolving...



...drive demand for agile, advanced, and affordable solutions

...and DoD budgets<sup>1</sup> plateauing with competing priorities...



Resilient Communications



Resilient Space



Networked and Multi-Function Systems<sup>2</sup>



ISR capabilities



Survivability



Autonomy

<sup>1</sup>Source: U.S. Office of Management and Budget (OMB) historical tables; represents 051 DoD Base, OCO and MilCon funding. GFY 2022 represents the National Defense Authorization Act (NDAA). Outlook contingent on future defense budget appropriations.

<sup>2</sup>Graphic source: U.S. DoD



# ...As “The Trusted Disruptor” with leading positions in all domains



2021 Organic Revenue



- Signals intelligence (SIGINT)
- Electro-Optical / Infrared turrets
- Unmanned aircraft
- Multi-function processing
- Electronic warfare
- Datalinks and waveforms



- Radio communications
- Battle management systems
- Night vision systems
- SATCOM terminals
- Fuzing & ordnance systems



- End-to-end responsive satellite systems
- Exquisite payloads
- Hyperspectral sensors
- Space control & situational awareness
- Space warfighting effects



- Power and electrical distribution systems
- Integrated bridge & navigation
- Communication and sensor systems
- Unmanned vessels (surface & undersea)



- Complex mission solutions
- Specialized communications
- Global intelligence and cyber solutions



Networks and multi-domain operations

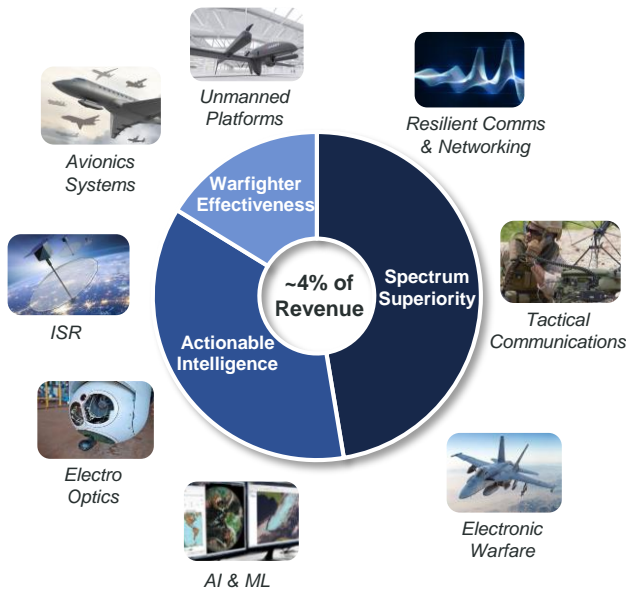


# Positioned to navigate a shifting revenue environment



## Invest in innovation

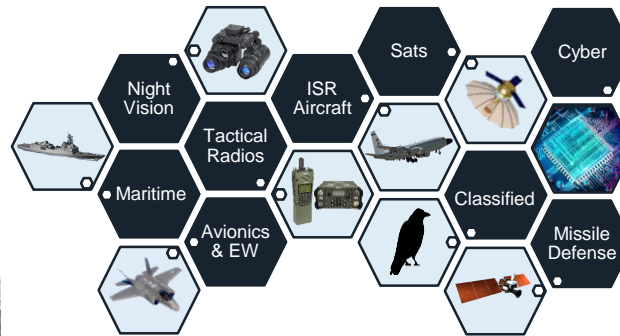
Industry-leading R&D investments driving internal capabilities...



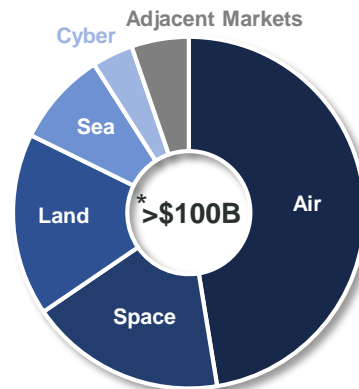
...while also making investments in partnerships and companies

## Bid, win and “prime” more programs

Broad and advanced capabilities...



...create a large opportunity set

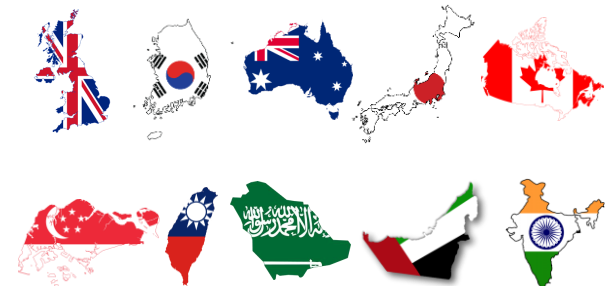


## Expand internationally

Demand for L3Harris capabilities...



...supporting global modernization with integrated solutions in 10 focus countries



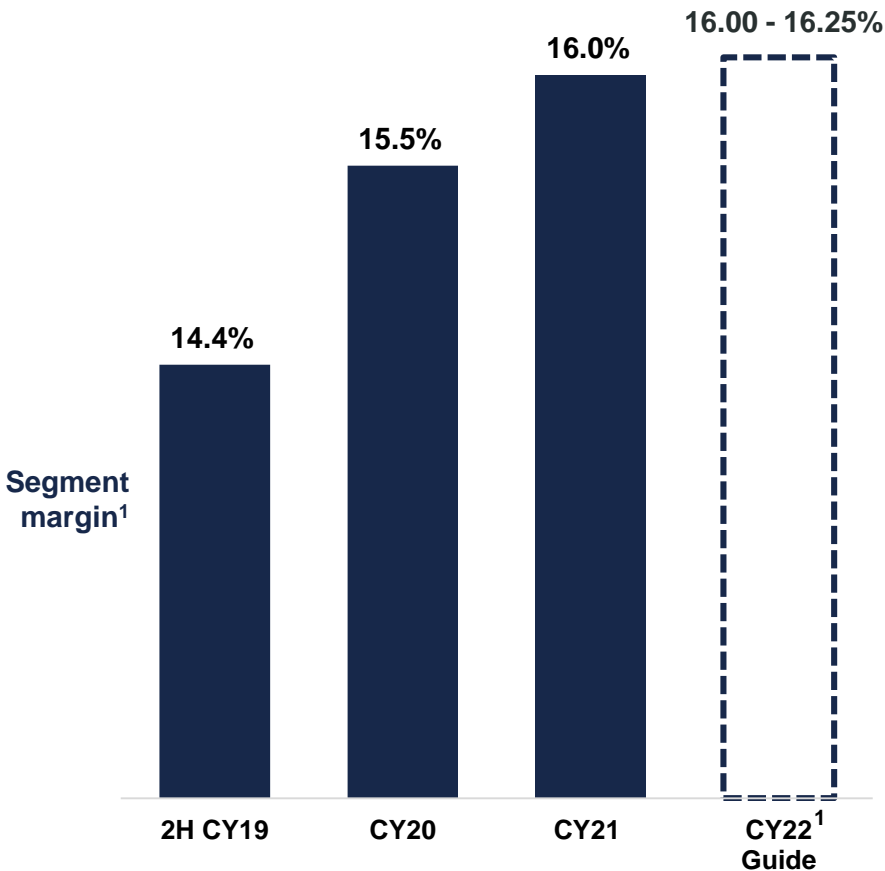
Drives differentiated and sustainable growth

# Stable and rising margins ahead



Upward trajectory to-date...

...with acceleration of e3 driving next phase of cost opportunities

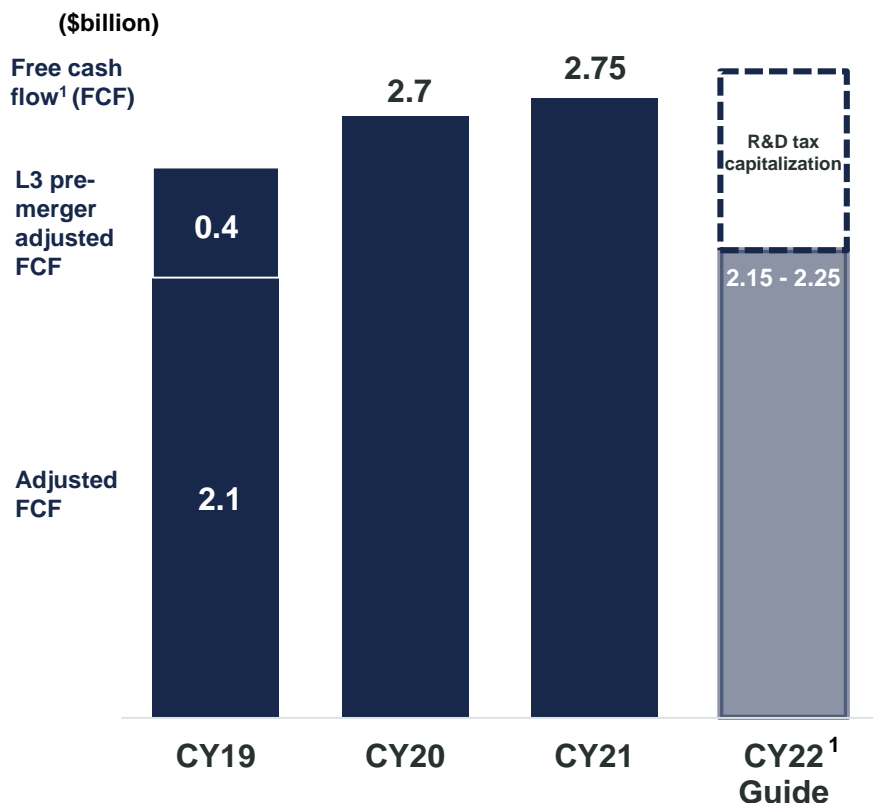


<sup>1</sup>Reflects new segment reporting and accounting policies for pension and OPEB income and expense effective for fiscal 2022. Refer to L3Harris' Current Report on Form 8-K/A filed January 18, 2022 and disclosures in 4Q 2021 earnings materials available on the L3Harris investor relations website and at the end of this briefing for additional information. CY22 guidance provided January 31, 2022.

# Cash generation to remain robust



## Efficient cash conversion...



Maintain FCF conversion of 100%+

## ...with supportive outlook

- Continued EBIT growth
- Opportunity to reach ~40 days of working capital from 52 at CY21 year-end...focus on optimizing inventory management and terms
- CapEx discipline...~2% of revenue
- Pension well-funded at 96%...no expected contributions<sup>2</sup> over medium-term

<sup>1</sup>Adjusted FCF guidance (CY22) assumes a provision in the Tax Cuts and Jobs Act of 2017 that went into effect on January 1, 2022 requiring companies to capitalize and amortize R&D expenditures over five years (~\$2 billion) rather than deducting such expenditures in the year incurred is not modified, repealed or deferred beyond 2022, resulting in additional cash income tax payments of \$600 million to \$700 million. Adjusted FCF excludes cash income taxes paid or avoided related to taxable gains and losses resulting from sales of businesses, and also reflects the types of adjustments and/or exclusions presented in the FCF and Adjusted FCF NGFM reconciliation in other quarterly earnings materials. CY19 first half reflects separate company reported results. Refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website. Guidance provided January 31, 2022.

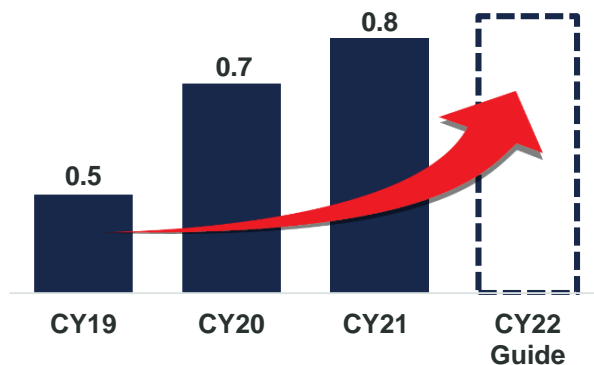
<sup>2</sup>Excludes moderate pension contributions for international plans.

# Disciplined allocation of capital



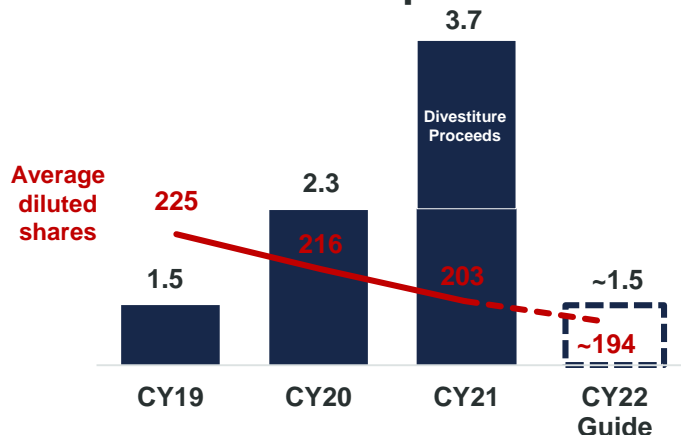
(\$billion, except share count in millions)

## Dividends



- Announced 20% increase in January 2021...3rd raise since merger for ~50% cumulative increase
- Target dividend at 30-35% payout of FCF over medium-term
- Significant dividend increases ahead

## Share Repurchases<sup>1</sup>



- \$6B share repurchase authorization in January 2021...
- ...majority consumed through 2022 from cash generation and divestiture proceeds...
- ...enabled by strong leverage at 1.6x Net Debt / EBITDA<sup>2</sup> and no expected pension funding<sup>2</sup>

Will be opportunistic with M&A...ample balance sheet capacity

<sup>1</sup>CY19 average diluted shares is on a pro-forma basis. CY22 guidance provided January 31, 2022; refer to 4Q 2021 quarterly earnings and related materials on the L3Harris investor relations website.

<sup>2</sup>Net Debt / EBITDA is a non-GAAP financial measure (NGFM); refer to NGFM reconciliations at the end of this investor briefing. Also, cash flow excludes moderate pension contributions for international plans.

# Multiple levers for growth and value creation



## Top-line growth

- R&D spend driving internal innovation
- Investments in external partnerships / companies
- Bidding, winning, and “priming” more programs
- International expansion

**Differentiated and sustainable growth**

## Margin expansion

- Operational excellence acceleration
- Factory optimization
- Engineering excellence
- Supply chain savings
- Overhead management

**Best in class margins**

## Cash generation and efficient capital allocation

- Continued EBIT growth
- Working capital and capex discipline
- Capital returns...share repurchases and dividends
- Balance sheet optionality

**Focused on FCF<sup>1</sup> growth and deployment**

**Execution on strategic focus areas to drive bottom-line growth**

<sup>1</sup>Adjusted free cash flow (FCF) is a NGFM. Adjusted FCF guidance (2022) assumes a provision in the Tax Cuts and Jobs Act of 2017 that went into effect on January 1, 2022 requiring companies to capitalize and amortize R&D expenditures over five years (~\$2 billion) rather than deducting such expenditures in the year incurred is not modified, repealed or deferred beyond 2022, resulting in additional cash income tax payments of \$600 million to \$700 million. Adjusted FCF excludes cash income taxes paid or avoided related to taxable gains and losses resulting from sales of businesses, and also reflects the types of adjustments and/or exclusions presented in the FCF and Adjusted FCF NGFM reconciliation in other quarterly earnings materials. Refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

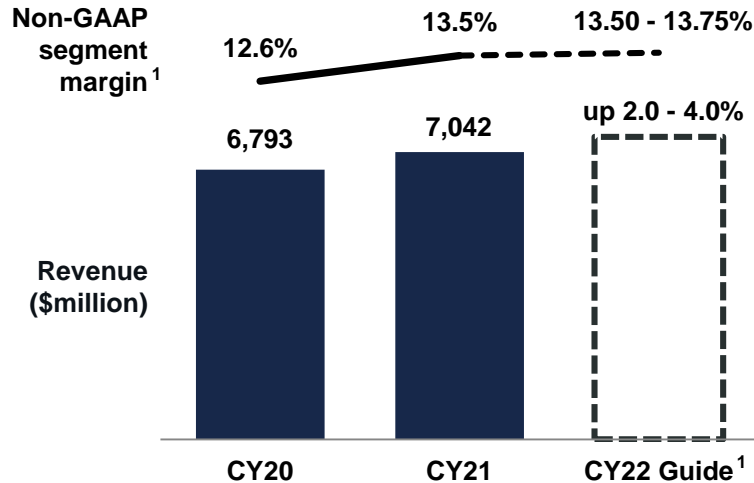
# INTEGRATED MISSION SYSTEMS



# Integrated Mission Systems overview



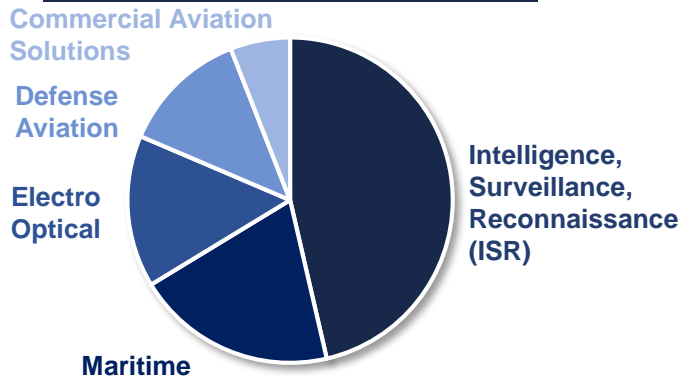
## Segment financials



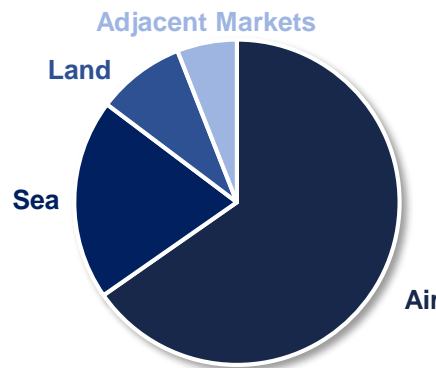
## Drivers supporting medium-term growth

- Geopolitical conflict and tighter budgets increase global demand for affordable ISR solutions
- Advances in missionized business jets and greater focus on multi-mission, multi-modal, configurable sensor systems
- Strong growth in U.S. and international shipbuilding, supplemented by shift to unmanned platforms
- Ability to leverage leading Electro-Optical position in air to expand into land and sea domains
- Near-peer threats driving demand for next-gen weapon systems
- Managed downturn in Commercial Aerospace caused by COVID-19...right sized cost for recovery

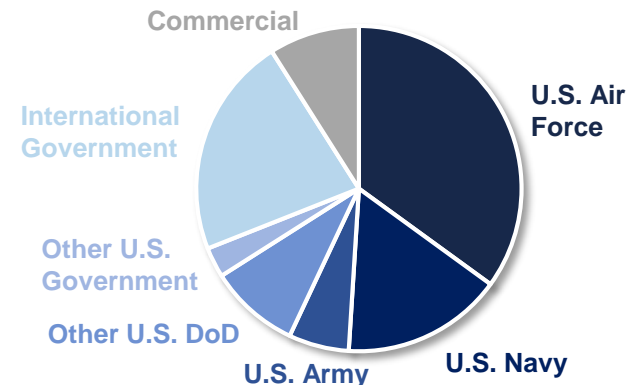
## Businesses



## Domains



## Customers



Segment financials are reclassified to reflect the new business segment structure and new segment reporting and accounting policies for pension and OPEB income and expense effective for fiscal 2022. Refer to L3Harris' Current Report on Form 8-K/A filed January 18, 2022 and disclosures in 4Q 2021 earnings materials available on the L3Harris investor relations website for additional information.

<sup>1</sup>Segment operating margin is a NGFM; refer to NGFM reconciliations and disclosures in quarterly earnings materials available on the L3Harris investor relations website. Guidance provided January 31, 2022.



# Discriminating signals intelligence, communications and modernization capability



## *The world's most advanced ISR Aircraft*



RC-135  
USAF Rivet Joint



Special Purpose Aircraft



International (UK and KSA)

~25 Aircraft

\$800M-\$1B/  
year

Rivet Joint Signals Intelligence

## *The nation's highest priority missions*



VC-25  
Air Force One



C-40  
Executive Transport



E-4B  
Nuclear Command, Control & Communications



E-6B

~50 Aircraft

\$300M-\$400M/  
year

National Command Authority Communications

## *The world's most prolific transport aircraft*



EC-130H  
Compass Call



C-130J  
USCG, USMC



C-130H  
Global Maintenance



C-130H  
Avionics Modernization  
Program

100s of  
Aircraft

\$125M/  
year

C-130 Maintenance & Modernization

60-year enterprise programs providing foundation for future growth

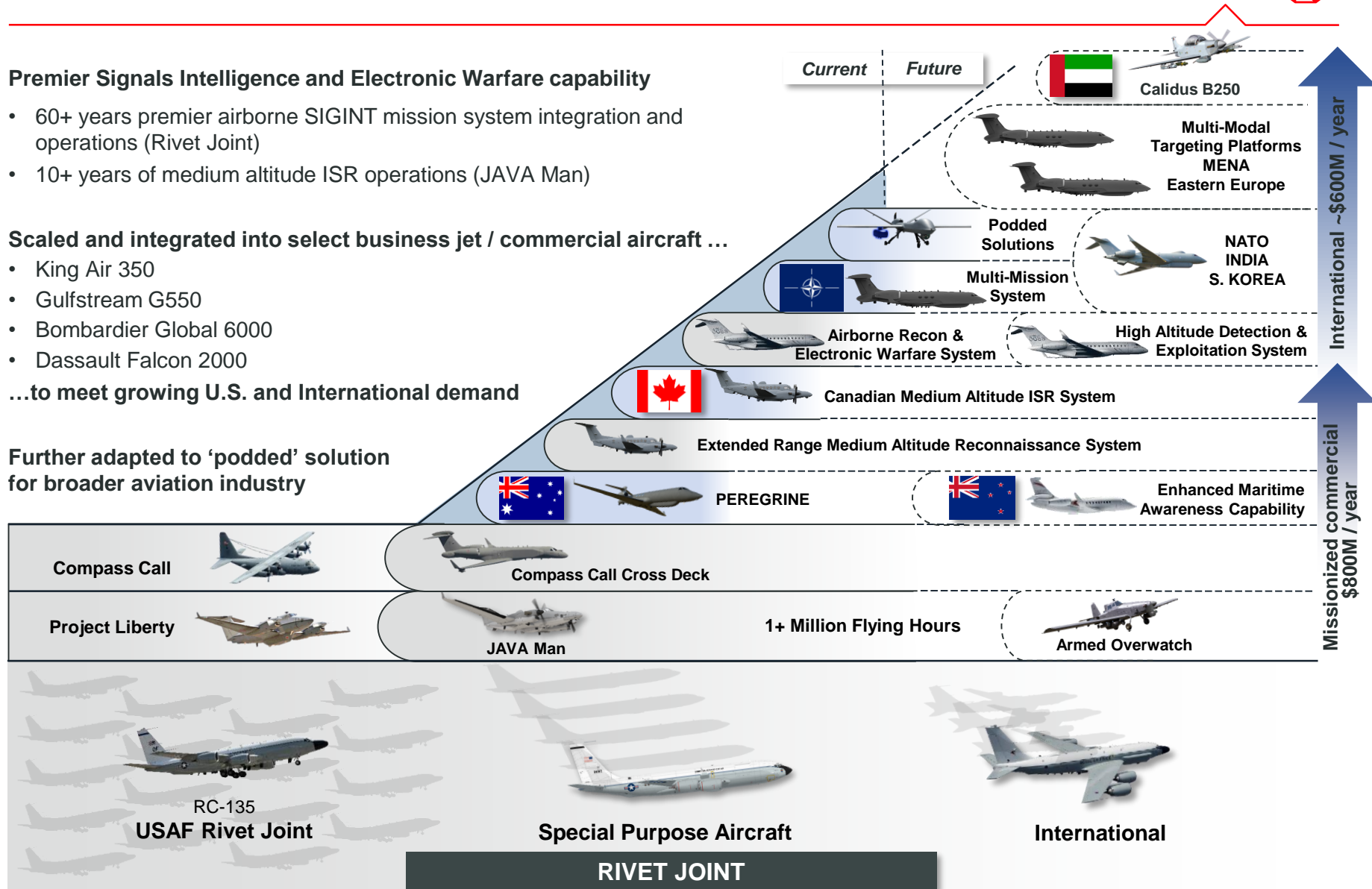
- 60+ years premier airborne SIGINT mission system integration and operations (Rivet Joint)
- 10+ years of medium altitude ISR operations (JAVA Man)

**Scaled and integrated into select business jet / commercial aircraft ...**

- King Air 350
- Gulfstream G550
- Bombardier Global 6000
- Dassault Falcon 2000

**...to meet growing U.S. and International demand**

## Further adapted to 'podded' solution for broader aviation industry



# Mission system provider and integrator

## U.S. Navy surface ship and submarine programs



Communication Systems



Mast Mounted Sensors



Flight Deck Equipment



Integrated Bridge & Navigation



Acoustic Sensors

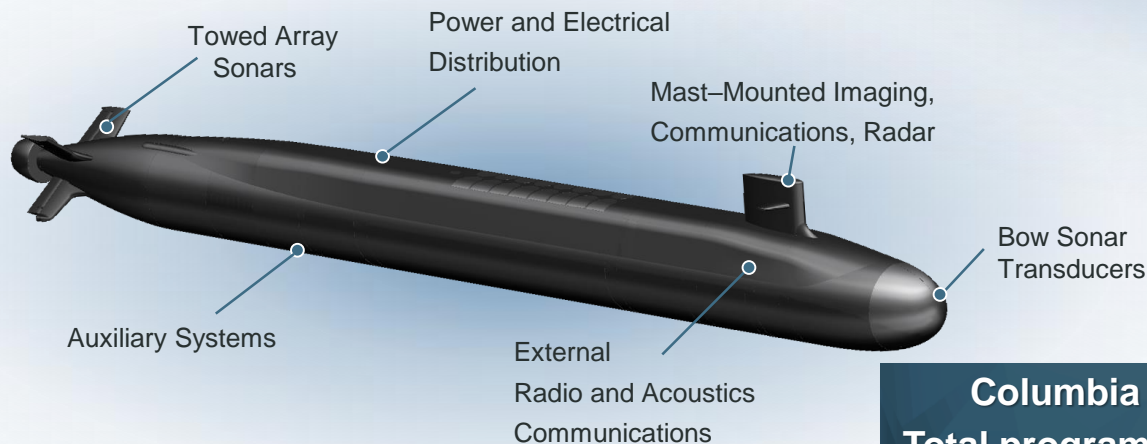
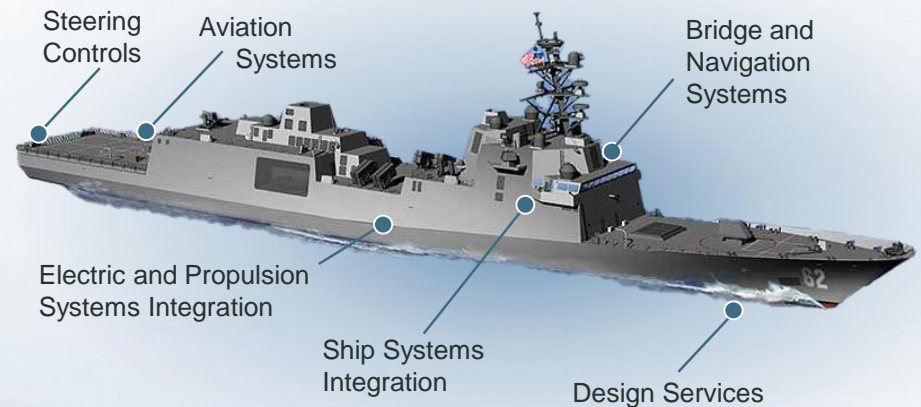


Power Management



Hybrid Electric Drive

**Constellation-class Frigate**  
Total program value: **~\$1B**  
20 ships + development + services



**Columbia Submarine**  
Total program value: **~\$2.5B**  
12 ships + development + services

# Maritime platforms

*From systems provider to systems integrator for U.S. and international navies*



## Maritime opportunity driven by:

- Higher content on new ship classes
- Evolving Systems Integrator role
- Growth in size of U.S. Navy
- International expansion
- Airborne ISR to Maritime



Saudi Future Frigate



Indigenous Defensive Submarine



Canadian Surface Combatant



SEA 5000 Frigate



Taiwan Frigate

Leveraging strength of U.S. programs for international growth



SSBN-826  
Columbia



FFG-62  
Constellation

Key system provider / integrator on Navy's newest programs

On every new construction Naval platform



SSN-774  
Virginia



DDG-51  
Arleigh Burke



CVN-78  
Ford



LCS  
Freedom



LCS  
Independence



LHA-8  
America

Airborne ISR networked across naval platforms



# Maritime capability

## Unmanned, seabed acoustics and naval networks



### Discriminating capability:

- Over 100 L3Harris USV's operating around the world in survey, maritime security, & mine counter measures - *no one else has as much experience*
- Commanding lead in autonomy
- Strong competitive position for next-gen
- Prime for undersea test ranges & seabed systems in growing segment



### Navy's next-gen unmanned and network links

### Navy's Seabed Acoustic Systems provider



Seabed Systems



Undersea Tracking and Training Ranges

### Key provider of unmanned capability to U.S. and International Navies



Medium Unmanned Surface Vessel



Maritime Mine Counter Measures



Iver 4 Unmanned Undersea Vehicle



XLUUV

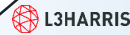
# Expanding Electro-Optical capabilities

## Land, Maritime, Unmanned domains

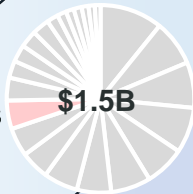


### Driving growth through:

- Differentiating capabilities: Extensive service footprint, proven reliability, superior performance, and global product portfolio
- New platform captures
- Capitalizing on L3Harris synergies
- Strengthening relationships
- Displacing incumbents on current platforms
- Expanding land, maritime and international



L3HARRIS



Highly fragmented with significant growth opportunity



Saudi High-Speed Interceptor (HSI) Vessels Upgrade



Shipboard Panoramic Electro-Optical Infrared



Tactical Reconnaissance System (Switzerland)



Optionally Manned Fighting Vehicle

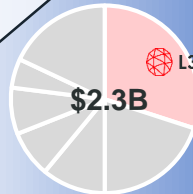


IM-SHORAD Air Defense

Investing to Capture Maritime and Land Domain



L3HARRIS



Industry leading airborne sensor provider



MX Product line

World Class Electro-Optical Technology



Future Attack Reconnaissance Aircraft



Future Tactical Unmanned Aerial System



MQ-9B



AC-130J Gunship



Special Operations



Shadow Unmanned

# Defense Aviation enhances the battlefield



## Supporting the battlefield today...

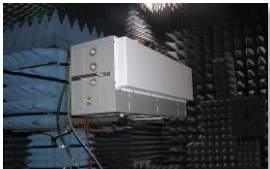
**Weapons Sensors**



**High Performance ISR Sensors**



**Radar Systems**



**GPS and Navigation Systems**

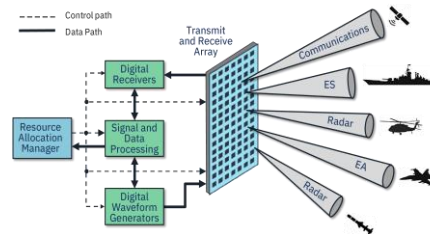


**Unmanned Systems**



## ...and driving future capability

### Advanced Mission Systems

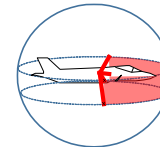


#### Multi-Function Apertures

- Converges Radar, EW, SIGINT & Communications
- Enterprise-wide applications
- Leader in defining the open system standards and enabling critical technology



#### Distributed Aperture Systems

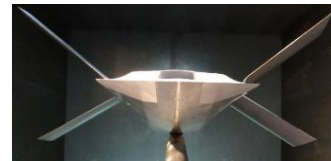


#### Infrared Search and Track Systems

### Advanced Weapon and Unmanned Systems



- Precision guided munitions
- Air-launched multi-effects unmanned systems
- Advanced tactical unmanned systems



Increasingly contested environments driving need for precision engagement technologies



# Stabilizing Commercial Aerospace exposure



Significant downturn for air traffic in 2020,  
with stability in 2021...

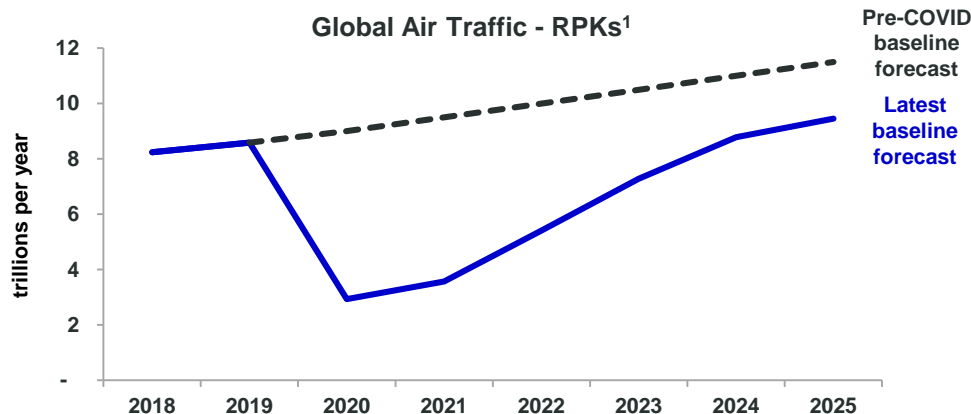
...LHX managed headwind via right-sized cost  
structure to position for continued recovery

Revenue of \$400M+ on a LTM basis



Products ~60% of revenue

Training ~40% of revenue



1. Source: IATA and Jefferies Revenue Passenger Kilometers (RPK) estimates

- Optimized cost structure...facility consolidation and overhead reduction
- Revenue growth in Q2 to Q4 of 2021... expect double-digit growth in 2022
- Growth over the medium-term expected to align with market recovery...
- ...with margin expansion following the revenue improvement

# SPACE & AIRBORNE SYSTEMS



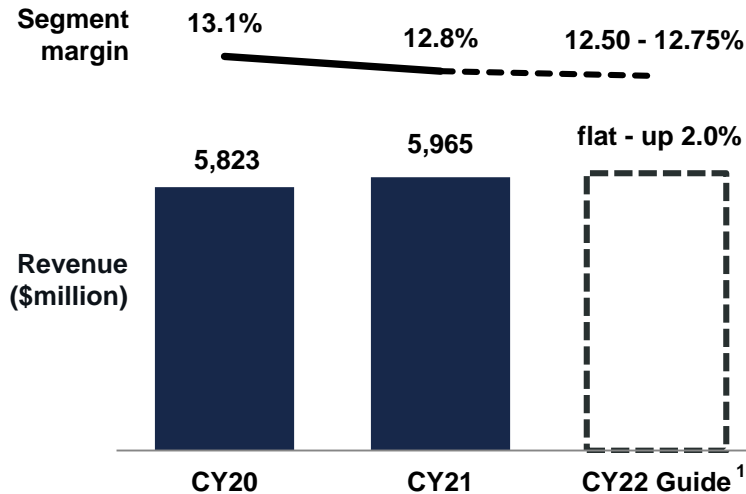
L3HARRIS



# Space & Airborne Systems overview



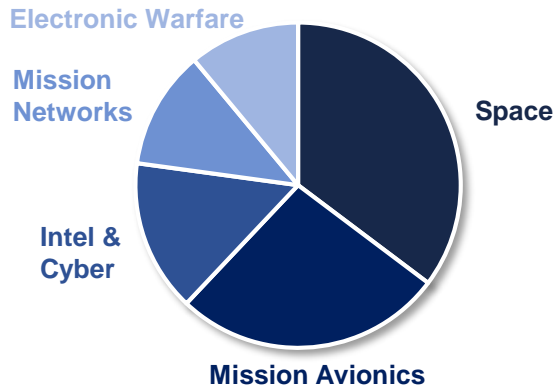
## Segment financials



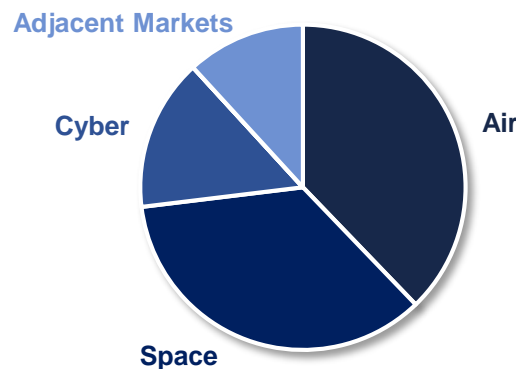
## Drivers supporting medium-term growth

- Space, air and cyber domains remain priorities to counter near-peer threats
- Space transitioning to warfighting domain...enhanced focused on leading payload and full-mission solution capabilities
- Wins on key prototype satellites...positioned to convert into multi-billion-dollar constellations
- Air shifting from permissive to contested environment...open-architecture and multi-function solutions for next-gen platforms
- Increased demand for cyber warfighting capabilities
- Evolving FAA regulations and mandates for next-gen airspace...positioned to expand into other U.S. branches and internationally

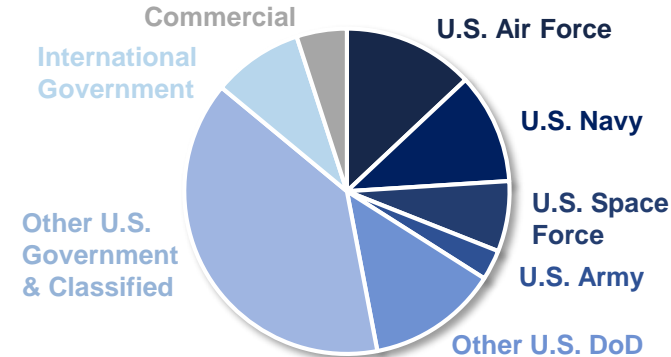
## Businesses



## Domains



## Customers



Segment financials are reclassified to reflect the new business segment structure and new segment reporting and accounting policies for pension and OPEB income and expense effective for fiscal 2022. Refer to L3Harris' Current Report on Form 8-K/A filed January 18, 2022 and disclosures in 4Q 2021 earnings materials available on the L3Harris investor relations website for additional information.

<sup>1</sup>Guidance provided January 31, 2022 – refer to 4Q 2021 quarterly earnings and related materials on the L3Harris investor relations website.

# Space threats require a resilient and responsive architecture



## Exquisite Solutions

750

60-year legacy of providing high performance mission payloads



## Ground

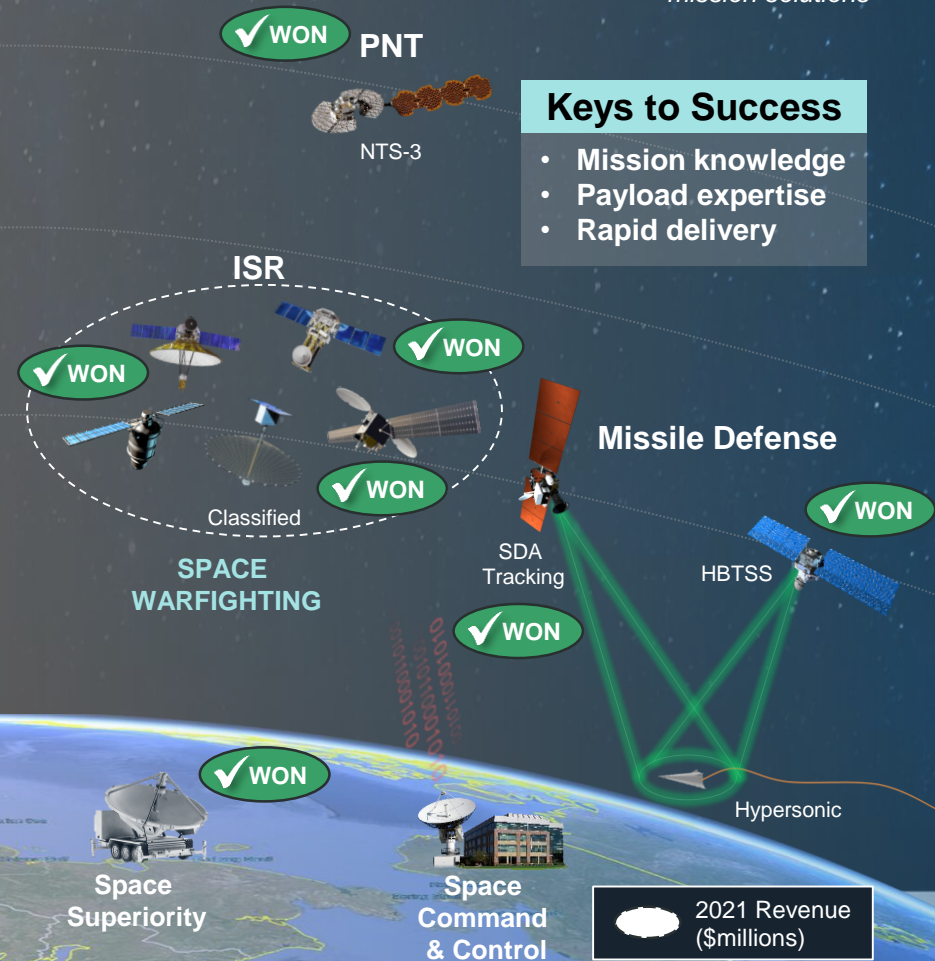
825

Expanding from space tracking to space warfighting

550

## Responsive Solutions

Augmenting Exquisite Systems with rapid delivery of end-to-end mission solutions



### Keys to Success

- Mission knowledge
- Payload expertise
- Rapid delivery

2021 Revenue (\$millions)

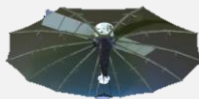
# Customer acquisition strategies centered on selecting the mission capabilities, not the platform



## INTELLIGENCE, SURVEILLANCE & RECONNAISSANCE

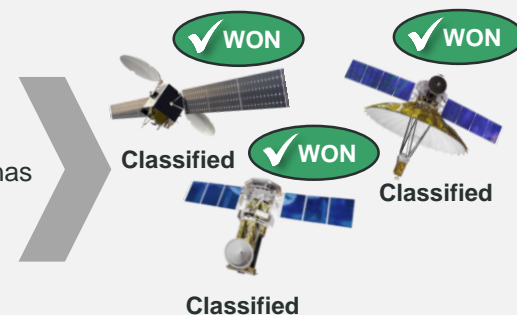


Optical Telescope  
Assembly



Phased Array  
Fed Reflector

- Over 60 years delivering high priority mission solutions
- Leading EO/IR and RF mission payload provider
- Leading provider of reflector and hybrid phase array antennas
- Space Domain Awareness provider to USSF
- Delivered USSF's first operational space control system



## POSITION, NAVIGATION, & TIMING



Mission  
Data Unit



L-Band Transmitter,  
TT&C Transponder

- Over 40 years developing advanced GPS technologies
- Payloads and components on every U.S. GPS satellite
- Provide the heart of the system – the Mission Data Unit
- Recently awarded GPS IIIF SV 11-16 all digital payload



## WEATHER & MISSILE DEFENSE

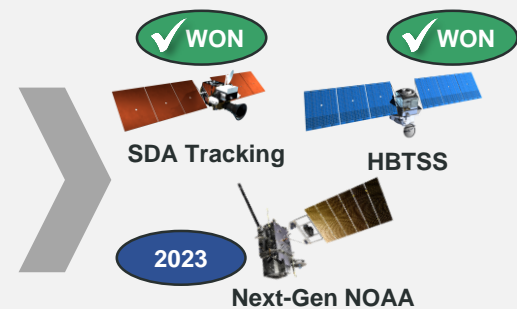


Advanced Baseline  
Imager (ABI)



Cross-Track  
Infrared Sounder (CrIS)

- Over 55 years delivering EO/IR solutions for weather
- 75+ weather and climate payloads...advancing with recent study awards
- Advanced mission algorithms and open architecture
- Purposeful R&D to transition EO/IR capability to missile tracking mission set



12 prime awards in the last 18 months

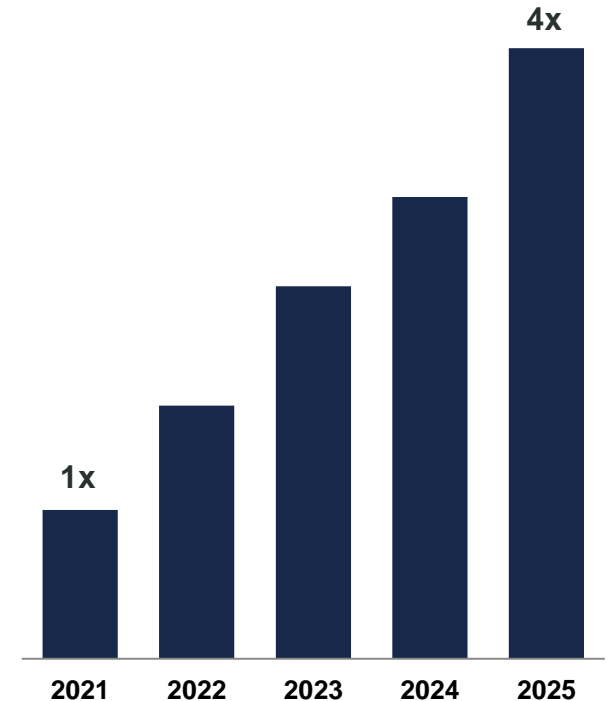
# Driving to full operational constellations and rapid factory production



## INTELLIGENCE, SURVEILLANCE & RECONNAISSANCE



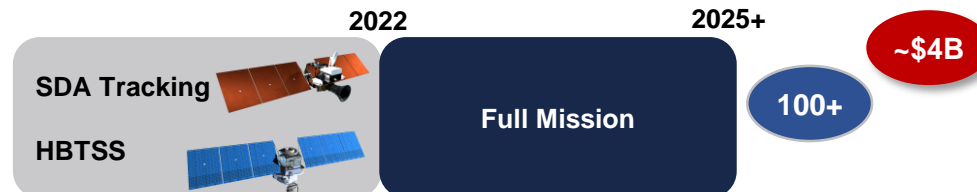
## SATELLITE DELIVERIES PER YEAR



## POSITION, NAVIGATION, & TIMING



## MISSILE DEFENSE



*Factory business model with constellations on 3-5 year technology refresh cycle*

Phase 1 Prototype
  Potential Value
  Operational Constellation
  Number of Satellites

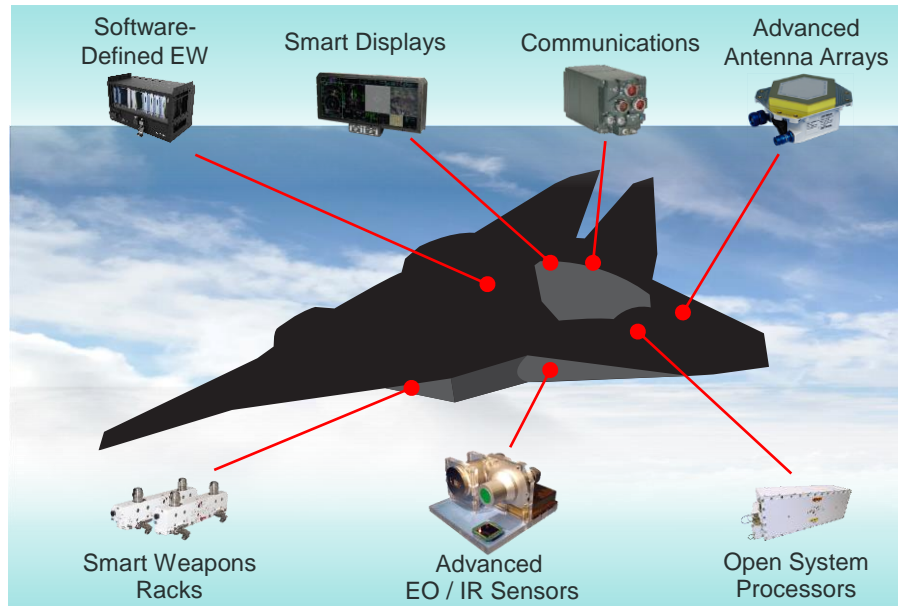


# Modernizing existing airborne platforms for the fight, while creating advanced capabilities for future platforms



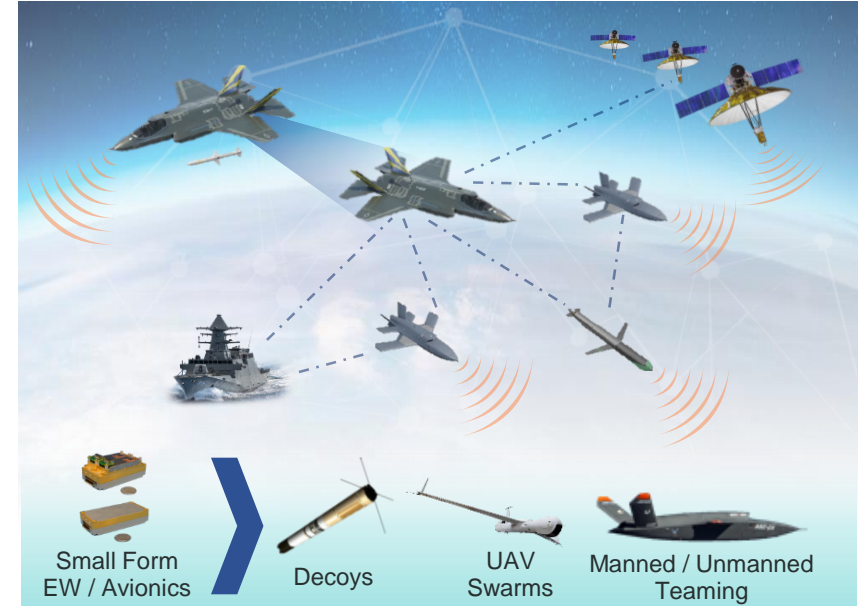
## NEXT-GENERATION PLATFORMS Open architecture modular electronics

\$10B+

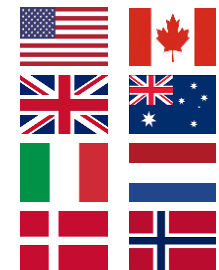


## INTEGRATED MULTI-DOMAIN NETWORKS Small form electronics enabling networked distributed ops

\$4B+



## Modernization of key in service platforms Maintaining relevance for the future fight



● Potential Value  
● Future Revenue



# Cyber capabilities to counter hardened problem set



## Strategic Missions

Complex mission solutions for classified customers



## Tactical Missions

Advanced RF solutions for specialized communications



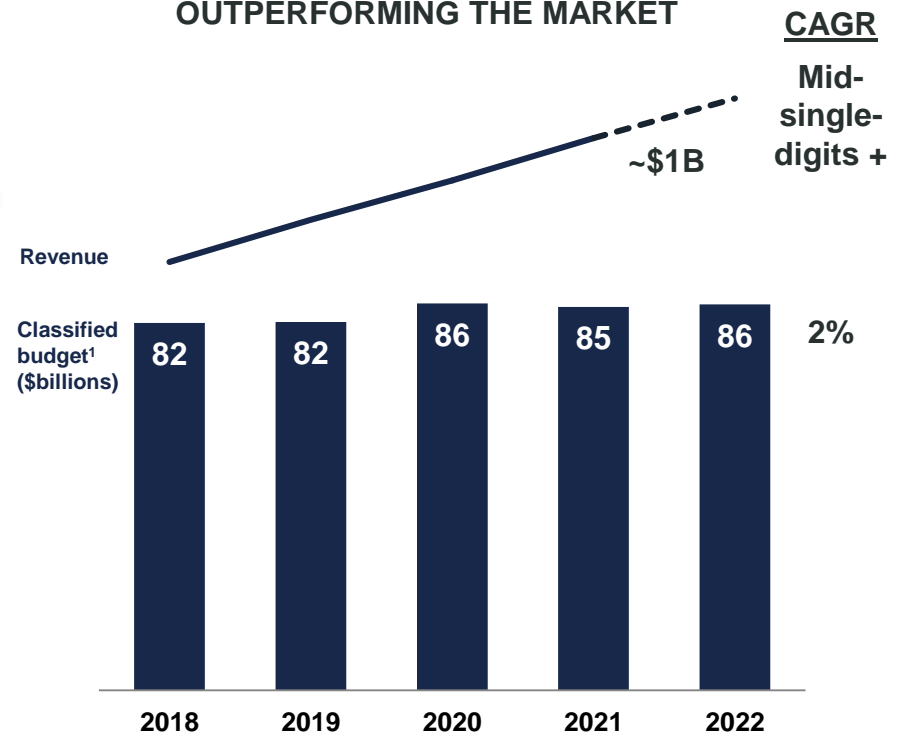
## International

Specialized solutions for national defense customers

**Design, build, and operate solutions for the most complex cyber and intelligence needs**

- 2,500 employees, 5 countries
- 30 years mission experience
- Intelligence, defense, and law enforcement

## CYBER BUSINESS OUTPERFORMING THE MARKET



<sup>1</sup>Represents U.S. intelligence budget including National Intelligence Program (NIP) and Military Intelligence Program (MIP). 2022 represents the President's Budget Request (PBR).

# Leveraging trusted FAA partnership and performance



**20+ years delivering resilient and secure infrastructure “as a service”...**

*LHX owned and operated infrastructure*



Dual optical backbone, dark fiber interconnections



Nation-wide surveillance network, 700+ ground sites



24/7/365 redundant network and security operations centers

**...and proven performance on programs...**

*Sustained revenue from portfolio of long-term programs*

## FAA (domestic)



Data Comm Integrated Svcs



FAA Telecom Infrastructure



System Wide Information Mgmt



Surveillance Broadcast System Services



Common Support Services - Weather



VSCS Voice Switch and Control System



Operational and Supportability Implementation System

## International



Enterprise Modernization Program (Australia)



India FTI

**...combine to enable growth**

*Strong pipeline of opportunities*

## COMMUNICATIONS

**FTI recompet, FENS (FAA Enterprise Network Services)**

**DoD cross-domain strategic networks**



## SURVEILLANCE

**SBS on-contract growth** – Wide-area Multilateration (WAM), space-based ADS-B

**Surveillance expansion** into low-cost non-cooperative services for FAA, DoD, DHS

**SBS recompet, SBIS (Surveillance Broadcast Information Services)**

## INFORMATION MANAGEMENT

**FAA Vision 2025** driven evolution to info-centric enterprise and trajectory-based operations

**Sensor agnostic data fusion, management and distribution**

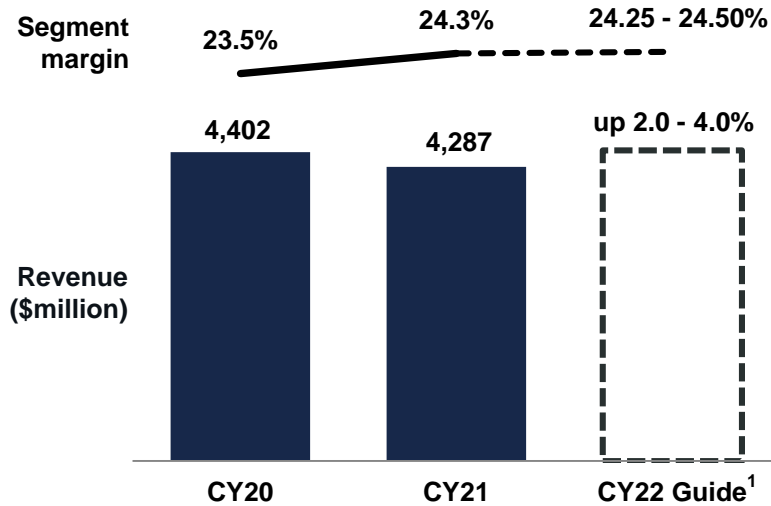
# COMMUNICATION SYSTEMS



# Communication Systems overview



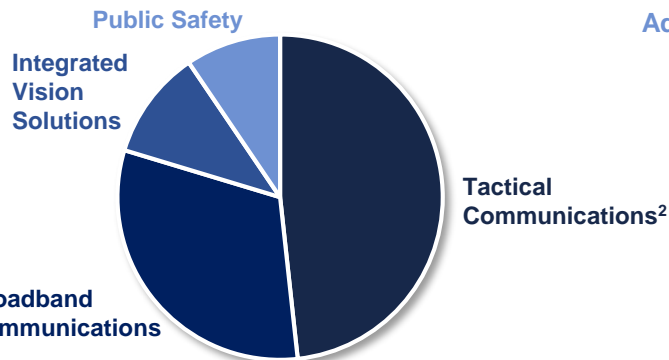
## Segment financials



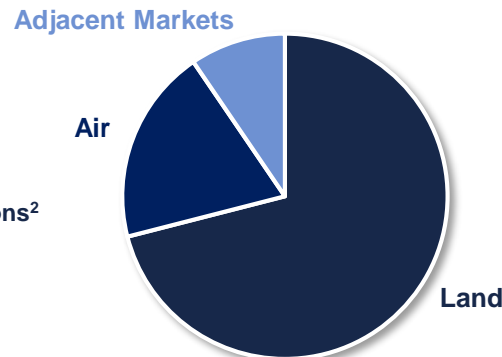
## Drivers supporting medium-term growth

- Increased focus on warfighter effectiveness and resilient communications
- Ramping multi-billion-dollar U.S. DoD and international radio and night vision modernization
- Demand for connected air and ground information networks... leverage incumbent position to drive spectrum superiority
- Managing delivery delays stemming from global supply chain disruptions...assuming mid-2022 recovery

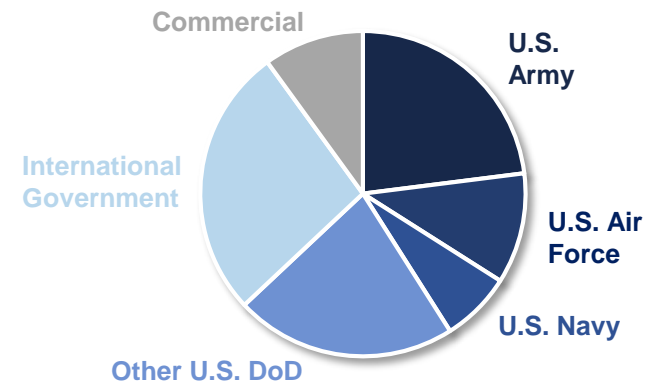
## Businesses



## Domains



## Customers



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<sup>1</sup>Guidance provided January 31, 2022 – refer to 4Q 2021 quarterly earnings and related materials on the L3Harris investor relations website.

<sup>2</sup>Tactical Communications includes the Global Communications Solutions business.

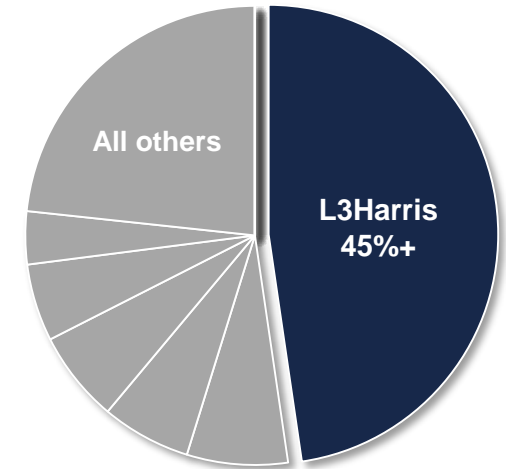
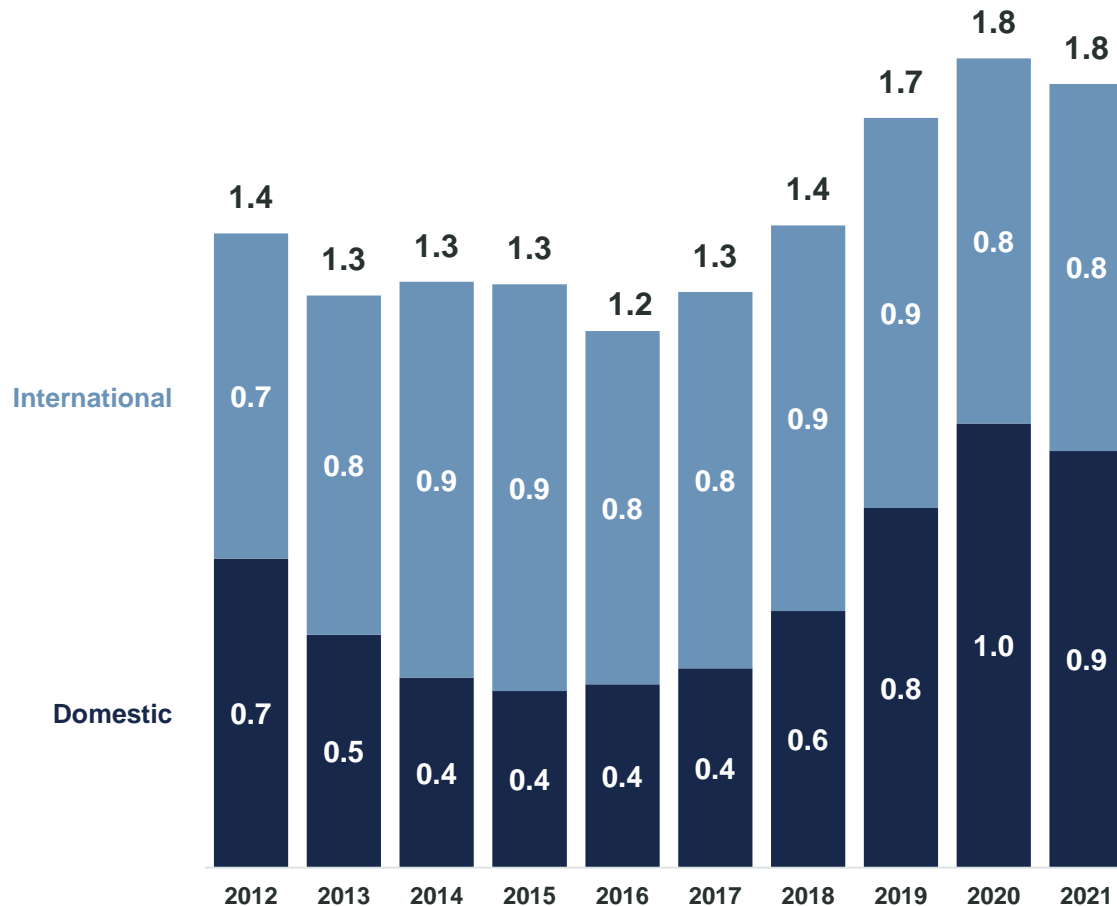
# Global leadership



(\$billion)

## Historical growth in L3Harris Tactical Communications...

...led to L3Harris as **#1** provider  
in DoD and international



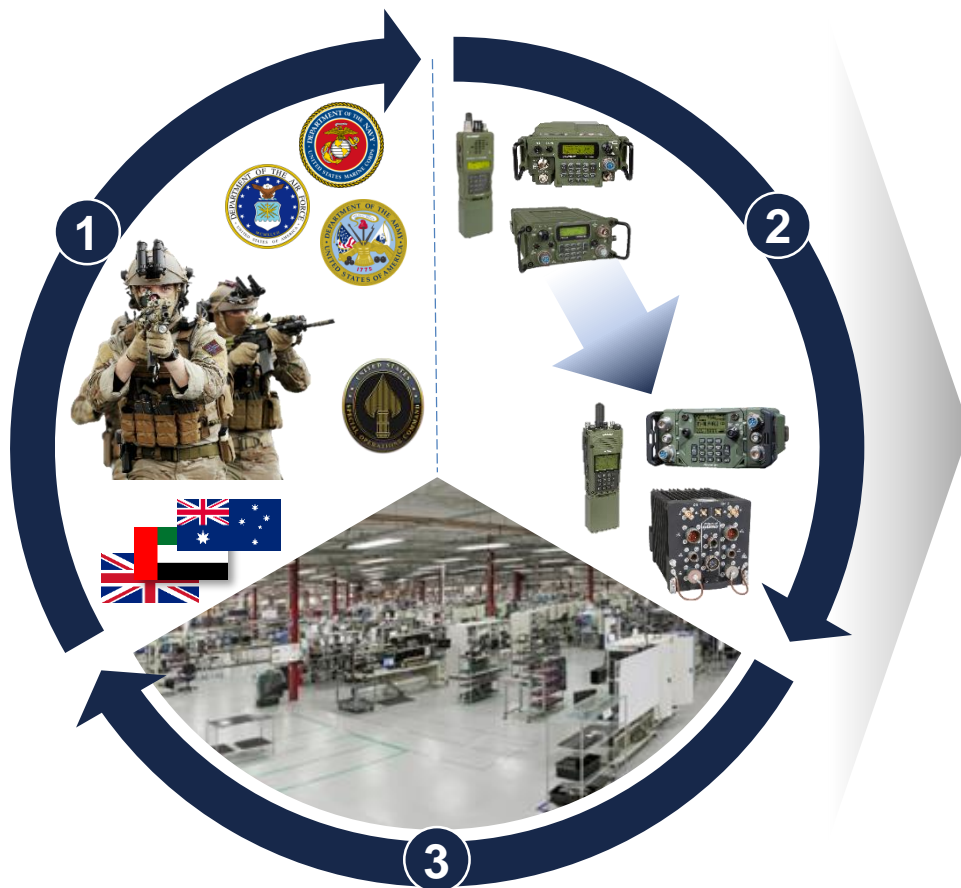
**~\$3.5B**  
*Ground Tactical segment*

Source: 10-K and company estimates. Excludes Global Communications Solutions business.

# #1 position driven by commercial model



## Commercial business model...



## ... enabled competitive edge

- 1 Global customer intimacy**
  - Anticipating and driving requirements
  - Extensive distribution network
  - Large installed base
- 2 Continuous innovation**
  - Investment of internal R&D...supports opportunities to expand into adjacencies
  - Leverage common platform
  - Broadest, combat proven product portfolio
  - Unmatched portfolio of waveforms
- 3 Cost excellence**
  - Product cost reduction while increasing capabilities
  - Footprint consolidation into one world-class manufacturing facility
  - Global supply chain

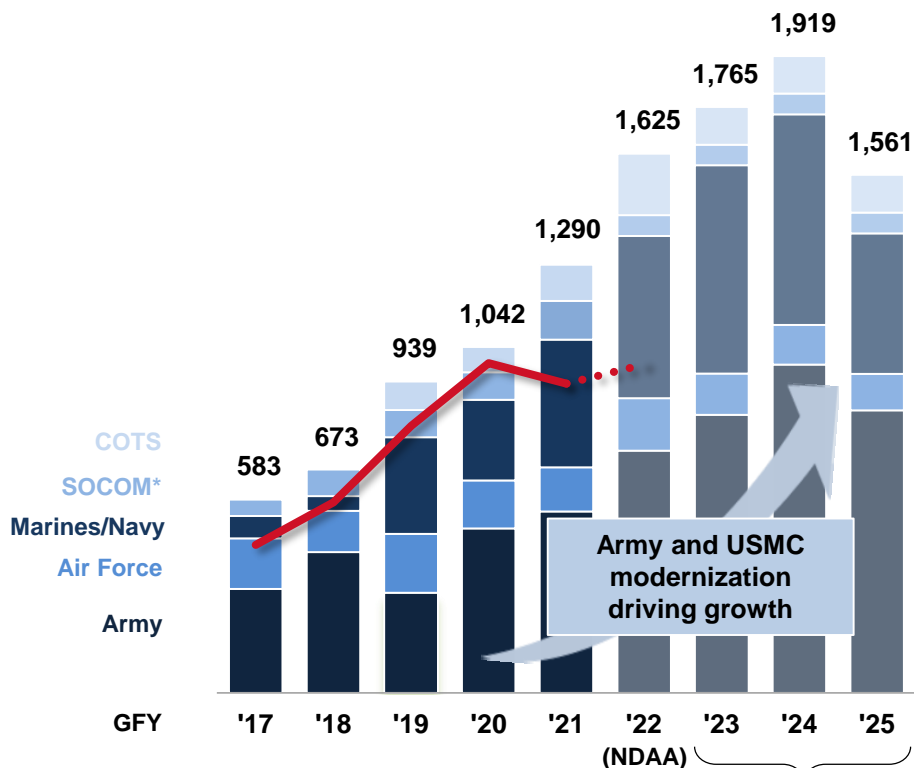
# Executing on well-funded DoD modernization priority...



DoD Tactical Radio modernization spend set to be ~\$7B through mid-decade...

...with LHX awarded positions on all major U.S. tactical radio contracts<sup>1</sup>

(\$million)



\$390M IDIQ  
Single-award



**SOCOM Tactical Comms (STC)**  
2-channel multiband handheld

\$255M IDIQ  
Single-award



**SOCOM Tactical Comms**  
2-channel multiband manpack

\$765M IDIQ  
Single-award



**Navy and USMC tactical radios**  
HF and next-gen 2-channel radios

\$750M IDIQ  
Single-award



**USMC tactical radios**  
2-channel multiband handheld

\$383M IDIQ  
Single-award



**USMC tactical radios**  
Long Range HF Manpack

\$3.9B IDIQ  
Multi-vendor



**Army Rifleman Radio**  
1-channel, 2-channel Leader radio

\$12.7B IDIQ  
Multi-vendor



**Army HMS Manpack**  
2-channel multiband manpack

GFY21 President's Budget Request

◆ LHX CY DoD Revenue

\*SOCOM GFY23-25 equal to GFY22 President's Budget Request

<sup>1</sup>IDIQ's represent the maximum potential spend over the duration of the contractual period of performance, and budget cap may not be met.



# ...and maintaining international leadership

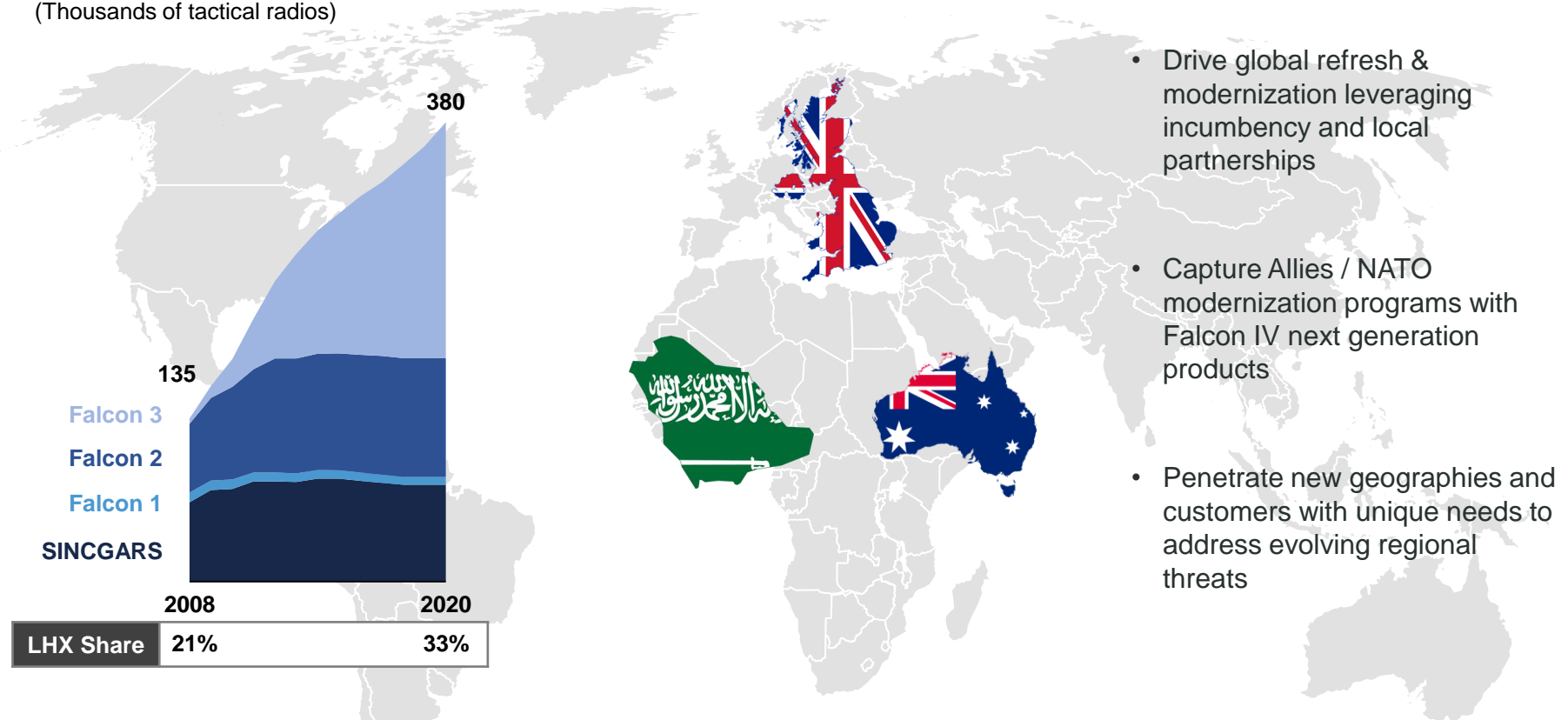


## L3Harris' growing share of the international installed base...

(Thousands of tactical radios)

## ...with multi-billion-dollar modernization pipeline

## Growth strategy



- Drive global refresh & modernization leveraging incumbency and local partnerships
- Capture Allies / NATO modernization programs with Falcon IV next generation products
- Penetrate new geographies and customers with unique needs to address evolving regional threats

LHX's large and growing installed base in over 100 countries will continue to add stable and repeatable revenue

# Tightly managing supply chain delays



## Global supply chain disruptions creating shortages for electronic components...



- Sourcing environment for global electronic components deteriorated significantly in late Q3'21...
- ...forcing delivery delays in product-based businesses within CS, and primarily at Tactical Communications
- Normalization in the broader electronic component market not expected until mid to late 2022

## ...and impacting 2021 and 2022 financial results...



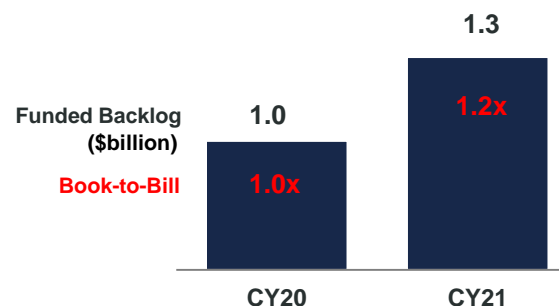
- ~\$200M revenue impact to CS / LHX in 2021
- Expect ~\$200M revenue impact in 1H'22, with partial recovery in 2H'22, and the balance coming in 2023...
- ...resulting in an incremental ~\$100M impact for 2022



- Delivering higher e3 performance to offset volume impacts
- Met deliveries on all key U.S. DoD modernization programs...expect this trend to continue

## ...but outlook reinforced by strong backlog<sup>1</sup>...

- Demand for LHX products remains strong...no anticipated impact to bookings nor win-rates at Tactical Communications



## ...while LHX aggressively working mitigation actions

- Increasing visibility into lower tiers of supply chain
- Establishing longer-term agreements with key suppliers
- Working with U.S. Government as well as international partners to establish defense-priority designations
- Engaging in supplier relationship management at all levels, including C-suite
- Redesigning and reworking products with alternative components, where possible
- Selectively holding higher levels of inventory to meet demand

1. Represents funded backlog, and includes impact of foreign currency translation

# Incumbency position and technology in Broadband Communications...



## Leverage strong incumbent position in networked communications and integration...

Primary platforms driving ~\$1B in annual revenue



Grey Eagle/Predator



Apache



Rover 6



Global Hawk



U-2

## ...and investment in innovation...



**Waveforms and advanced networking**  
adaptive low probability of detect,  
intercept and anti-jam waveforms



**Next generation modems**  
High rate data transfer, software  
upgradable, autonomous capability



**Multi-domain capabilities**  
Multi-path resilient system solutions  
providing multi-role capacity &  
interoperability

## ...to drive spectrum superiority

### Assured Communications

Advanced tactical datalinks, networked-  
collaborative weapons, free-space optics (FSO)



**Weapons datalinks**  
**Contested comms**  
**Strategic/tactical FSO**

### Spectrum Convergence

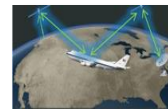
Convergence of communications,  
electronic warfare, cyber and ISR



**Next Generation Jammer**  
**Low-Band**

### Mission Networks

Advanced software defined networking  
ensure connectivity autonomously using all  
available resources across all domains  
(space, air, land, sea, cyber)



**Senior leader communications**  
**Advanced battle management**

# ...and integrated & networked vision market

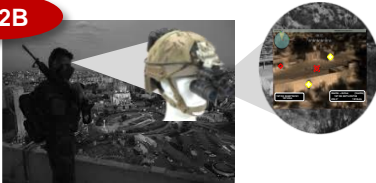


**L3Harris has grown into an industry leader...**

- **Leading edge Night Vision technology**
- **Full suite of electro-optic / infrared day / night fighting equipment for the dismounted warfighter**
- **Bundled portfolio solutions for U.S. DoD, federal law enforcement, and trusted allies**
- **Integrated warfighter solutions including wirelessly connected sensors, lasers and near-eye displays**
- **Large installed base and global reach**
- **Strong lifecycle support**

**...and expanding market share by capturing solid positions on strategic programs**

~\$2B



**ENVG-B**

(Sole source award for Phase I,  
and majority share award on  
Program of Record)

>\$170M



**Land 53 Tranche 2  
Land 159**

~\$100M



**Aviator Night Vision  
Imaging System III IDIQ**

# ESG



# L3Harris committed to ESG



## Environmental

### 2026 Goals<sup>1</sup>



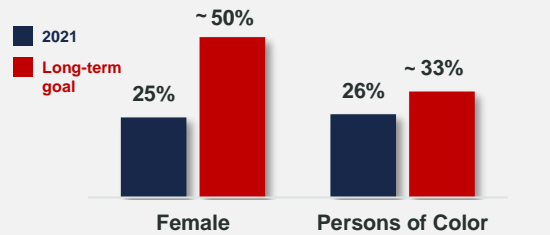
Long-term renewable energy power purchase agreement achieved commercial operation

- Up to 100 megawatts of capacity
- Lowers GHG emissions



## Social

Dedicated to fostering a diverse and inclusive work environment...



...and committed to our global communities through STEM education, mission-aligned programs and community development



>1,100 community projects completed in 2021



## Governance

Board of Directors elected annually by shareholders

- 11 of 13 directors are independent
- Diverse mix of backgrounds, skills and experience

Unwavering commitment to the highest ethical standards...underpinned by core values:



### ESG

steering committee formed...elevating our focus on sustainability

100%

score on the Human Rights Campaign Corporate Equality Index 2020

100%

of employees trained on anti-corruption policies and procedures

<sup>1</sup>Over a baseline year of 2019



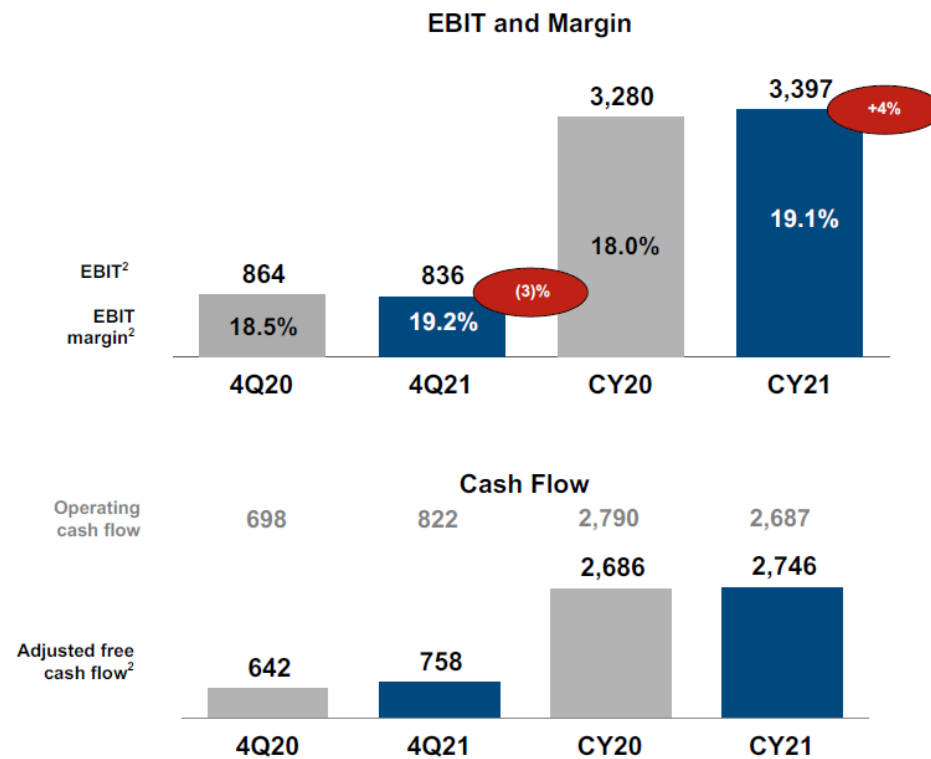
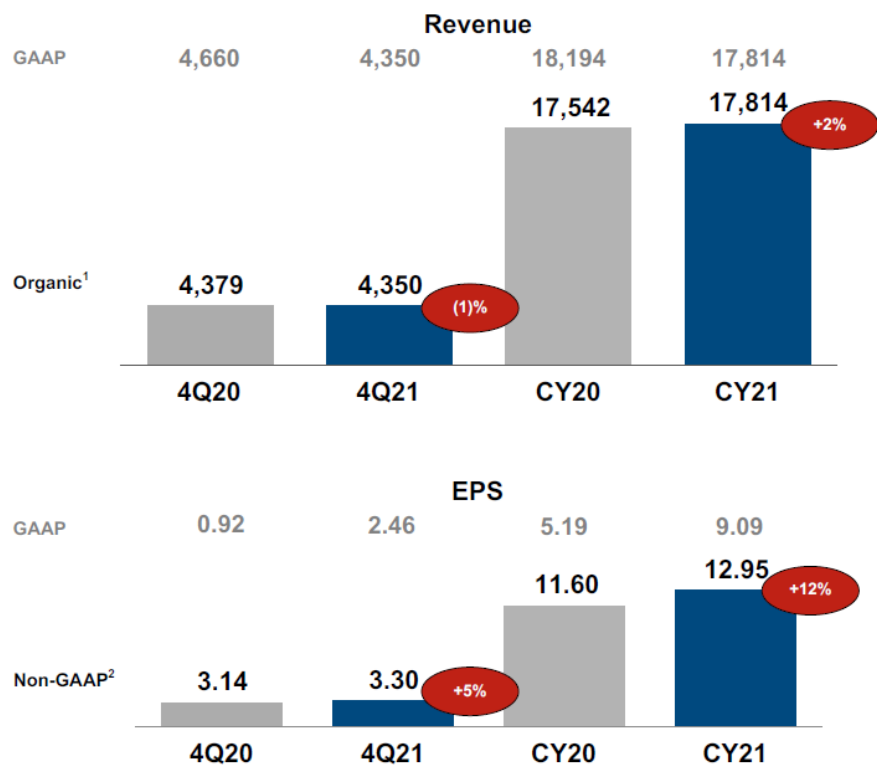
# FOURTH QUARTER CALENDAR 2021 RESULTS



# L3Harris 4Q21 and CY21 financials



(\$million, except per share amounts)



<sup>1</sup>Organic revenue and organic revenue growth 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; refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

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

# 2022 full-year guidance



## Total L3Harris

### Revenue

**\$17.3B - \$17.7B**  
(up 1.0 - 3.0%)<sup>1</sup>

### Segment margin

**16.00 - 16.25%**  
(prior year of 16.0%)

### EPS<sup>2</sup>

**\$13.35 - \$13.65**  
(prior year of \$12.95)

### FCF<sup>2</sup>

**\$2.15B - \$2.25B**  
(includes \$600M - \$700M  
R&D tax capitalization)

## By Segment

### Revenue

### Margin

#### IMS

**\$7.1B - \$7.3B**  
(up 2.0 - 4.0%)

**13.50 - 13.75%**  
(prior year of 13.5%)

#### SAS

**\$6.0B - \$6.1B**  
(flat - up 2.0%)

**12.50 - 12.75%**  
(prior year of 12.8%)

#### CS

**\$4.4B - \$4.5B**  
(up 2.0 - 4.0%)

**24.25 - 24.50%**  
(prior year of 24.3%)

<sup>1</sup>Organic revenue growth excludes revenue attributable to divested businesses in fiscal 2021; refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

<sup>2</sup>Non-GAAP EPS and adjusted free cash flow (FCF) are NGFMs. Adjusted FCF guidance (2022) assumes a provision in the Tax Cuts and Jobs Act of 2017 that went into effect on January 1, 2022 requiring companies to capitalize and amortize R&D expenditures over five years (~\$2 billion) rather than deducting such expenditures in the year incurred is not modified, repealed or deferred beyond 2022, resulting in additional cash income tax payments of \$600 million to \$700 million. Adjusted FCF excludes cash income taxes paid or avoided related to taxable gains and losses resulting from sales of businesses, and also reflects the types of adjustments and/or exclusions presented in the FCF and Adjusted FCF NGFM reconciliation in other quarterly earnings materials. Refer to NGFM reconciliations and disclosures in other quarterly earnings materials and the L3Harris investor relations website.

# 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 – Segment Operating Income and Margins since the L3Harris Merger



	Two Quarters Ended January 3, 2020			Fiscal Year Ended January 1, 2021			Fiscal Year Ended December 31, 2021		
	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted
<b>Revenue</b>									
Integrated Mission Systems	\$ 3,521	\$ —	\$ 3,521	\$ 6,793	\$ —	\$ 6,793	\$ 7,042	\$ —	\$ 7,042
Space & Airborne Systems	2,806	—	2,806	5,823	—	5,823	5,965	—	5,965
Communications Systems	2,129	—	2,129	4,402	—	4,402	4,287	—	4,287
Other non-reportable businesses	893	—	893	1,347	—	1,347	683	—	683
Corporate eliminations	(86)	—	(86)	(171)	—	(171)	(163)	—	(163)
	<u>\$ 9,263</u>	<u>\$ —</u>	<u>\$ 9,263</u>	<u>\$ 18,194</u>	<u>\$ —</u>	<u>\$ 18,194</u>	<u>\$ 17,814</u>	<u>\$ —</u>	<u>\$ 17,814</u>
<b>OI</b>									
Integrated Mission Systems	\$ 421	\$ —	\$ 421	\$ 205	\$ (654)	\$ 859	\$ 866	\$ (82)	\$ 948
Space & Airborne Systems	360	—	360	762	—	762	761	—	761
Communications Systems	473	—	473	1,035	—	1,035	1,043	—	1,043
Other non-reportable businesses	83	—	83	160	—	160	104	—	104
	<u>\$ 1,337</u>	<u>\$ —</u>	<u>\$ 1,337</u>	<u>\$ 2,162</u>	<u>\$ (654)</u>	<u>\$ 2,816</u>	<u>\$ 2,774</u>	<u>\$ (82)</u>	<u>\$ 2,856</u>
<b>Margin</b>									
Integrated Mission Systems	12.0 %		12.0 %	3.0 %		12.6 %	12.3 %		13.5 %
Space & Airborne Systems	12.8 %		12.8 %	13.1 %		13.1 %	12.8 %		12.8 %
Communications Systems	22.2 %		22.2 %	23.5 %		23.5 %	24.3 %		24.3 %
	<u>14.4 %</u>		<u>14.4 %</u>	<u>11.9 %</u>		<u>15.5 %</u>	<u>15.6 %</u>		<u>16.0 %</u>

# Reconciliation of Non-GAAP Financial Measures – Net Debt to Adjusted EBITDA Ratio



## Net Debt to Adjusted EBITDA Ratio

(Dollars in millions)

	December 31, 2021
Short-term debt	\$ 2
Current portion of long-term debt, net	11
Long-term debt, net	7,048
Total debt	7,061
Less cash and cash equivalents	941
Net debt	\$ 6,120
Income from continuing operations before income taxes	\$ 2,283
Net interest expense	265
Depreciation and amortization	967
EBITDA	\$ 3,515
Net Debt to EBITDA ratio	1.7
Adjustments:	
L3Harris Merger integration costs	128
Business divestiture-related gains	(220)
Impairment of goodwill and other assets	207
Other items	71
Non operating income adjustments	36
Total adjustments	222
Adjusted EBITDA	\$ 3,737
Net Debt to Adjusted EBITDA ratio	1.6