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L3HARRIS CY2020 FIRST QUARTER EARNINGS CALL PRESENTATION

May 5, 2020

Forward Looking Statements



Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions and estimates of future performance and economic conditions. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include but are not limited to: revenue, earnings per share (and related bridge), margin, free cash flow, segment and other guidance for calendar 2020; cost synergies, integration expenses, tax rate and other supplemental financial information for calendar 2020; statements regarding strategic priorities, including regarding seamless integration, targeted cost synergies, increasing outlook for net synergies, flawless execution, margin expansion, operational excellence, growing revenue, differentiated technology and innovation, target percentage of revenue for research and development investment, reshaping the portfolio, high margin and high growth businesses, future sale transactions, maximizing cash flow, shareholder friendly capital deployment, potential share repurchase amounts and timing, and free cash flow target; potential mitigation of COVID-19 risks; potential federal stimulus benefits; incremental divestiture proceeds and availability of the revolving credit facility; anticipated liquidity of more than \$3.5 billion; potential program and contract opportunities and awards and the potential value and timing thereof; 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 the COVID-19 pandemic; risks related to disruption of management time from ongoing business operations due to the combination of L3 and Harris; risks related to the inability to realize benefits or to implement integration plans and other consequences associated with the combination; the risk that any announcements relating to the combination could have adverse effects on the market price of the company's common stock; the risk that the combination could have an adverse effect on the company's ability to retain customers and retain and hire key personnel and maintain relationships with suppliers and customers, including the U.S. Government and other governments, and on its operating results and businesses generally; the loss of the company's relationship with the U.S. Government or a change or reduction in U.S. Government funding; potential changes in U.S. Government or customer priorities and requirements (including potential deferrals of awards, terminations, reductions of expenditures, changes to respond to the priorities of Congress and the Administration, budgetary constraints, debt ceiling implications, sequestration, and cost-cutting initiatives); a security breach, through cyber attack or otherwise, or other significant disruptions of the company's IT networks and systems or those the company operates for customers; the level of returns on defined benefit plan assets and changes in interest rates; risks inherent with large long-term fixed-price contracts, particularly the ability to contain cost overruns; changes in estimates used in accounting for the company's programs; financial and government and regulatory risks relating to international sales and operations; effects of any non-compliance with laws; the company's ability to continue to develop new products that achieve market acceptance; the consequences of uncertain economic conditions and future geo-political events; strategic transactions, including mergers, acquisitions, divestitures and spin-offs and the risks and uncertainties related thereto, including the company's ability to manage and integrate acquired businesses and realize expected benefits, the potential disruption to relationships with employees, suppliers and customers, including the U.S. Government, and to the company's business generally and potential tax, indemnification and other liabilities and exposures; performance of the company's subcontractors and suppliers; potential claims related to infringement of intellectual property rights or environmental remediation or other contingencies, litigation and legal matters and the ultimate outcome thereof; downturns in global demand for air travel and other economic factors impacting our commercial aviation products, systems and services business; risks inherent in developing new and complex technologies and/or that may not be covered adequately by insurance or indemnity; changes in the company's effective tax rate; significant indebtedness and unfunded pension liability and potential downgrades in the company's credit ratings; unforeseen environmental matters; natural disasters or other disruptions affecting the company's operations; changes in future business or other market conditions that could cause business investments and/or recorded goodwill or other long-term assets to become impaired; and the company's ability to attract and retain key employees, maintain reasonable relationships with unionized employees and manage escalating costs of providing employee health care. 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.

COVID-19 risk mitigation



Ensuring the safety of our workforce

- Mandated work from home for those who can
- Staggered shifts, partitioned work stations and enforced stringent cleaning protocol
- Implemented health screenings at most locations and provided personal protective equipment

Engaging customers and supply chain

- L3Harris and its suppliers deemed essential to national security
- Flowing down over \$100 million in cash to supplier base, aided by progress payment increase from 80% to 90%
- Potential tax deferral benefits through CARES Act

Solidifying healthy balance sheet

- \$2B credit revolver largely available and \$663M in balance sheet cash at Q1, with leverage at ~2.0x
- Incremental ~\$1B in divestiture proceeds received
- Anticipate liquidity of more than \$3.5B by Q2-end

L3Harris strategic priorities update



1 Execute seamless integration...\$500M in gross cost synergies

- Cost synergies ahead of plan...increasing outlook to \$165M net synergies in 2020, versus prior \$115M
- Plan to achieve \$300M net (\$500M gross) in 2021 intact...1 year ahead of schedule

2 Drive flawless execution and margin expansion...e3 operational excellence

- 170 bps of adjusted EBIT margin¹ expansion in 1Q
- Raised full-year margin guidance by 25 bps to 17.5%
- Continued progress on working capital...2-day improvement sequentially

3 Grow revenue...invest in differentiated technology and innovation

- Mid-single-digit revenue growth in 1Q
- R&D continued priority with ~4% of revenue target intact
- 41 revenue synergy proposals to date...3 additional down-selects in 1Q

4 Reshape portfolio to focus on high margin, high growth businesses

- Airport security and automation business sale closed May 4, 2020
- Still targeting total divestitures of 8-10% of revenue
- Effort is ongoing...committed to maximizing value

5 Maximize cash flow with shareholder friendly capital deployment

- \$533M adjusted FCF² in 1Q with \$883M in capital returned to shareholders
- \$1.7B repurchases in year...including divestiture proceeds
- Maintaining \$3B FCF target for 2022

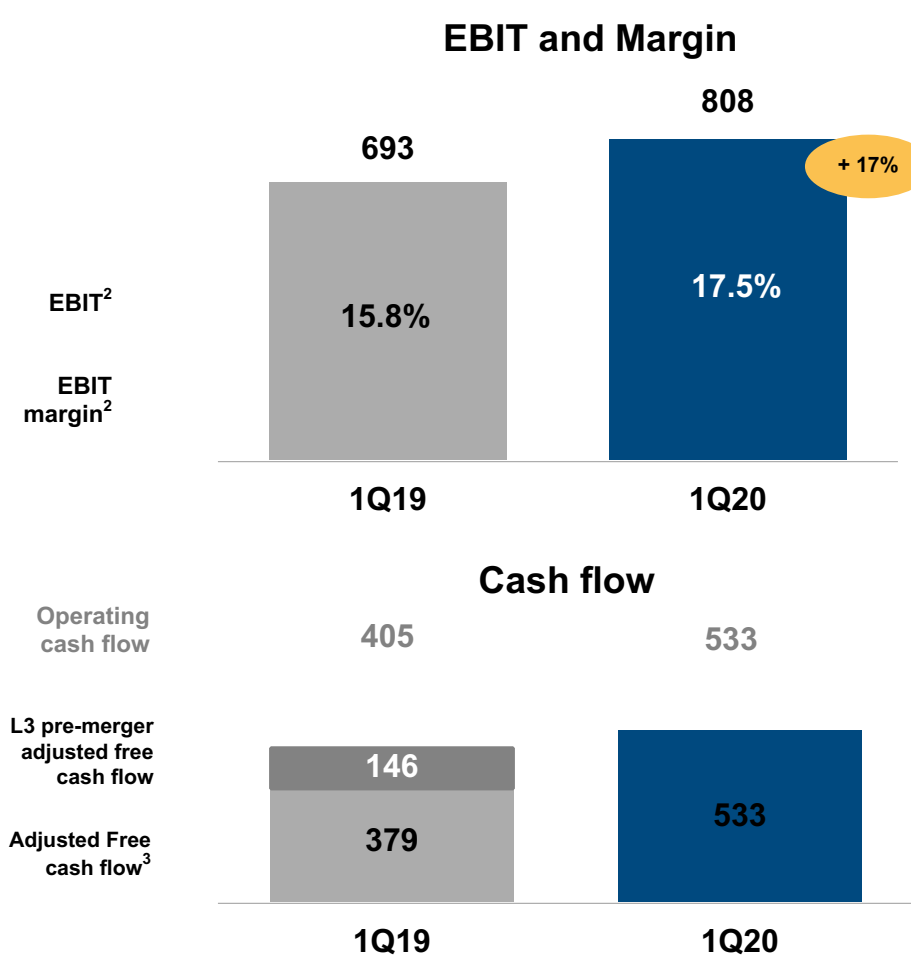
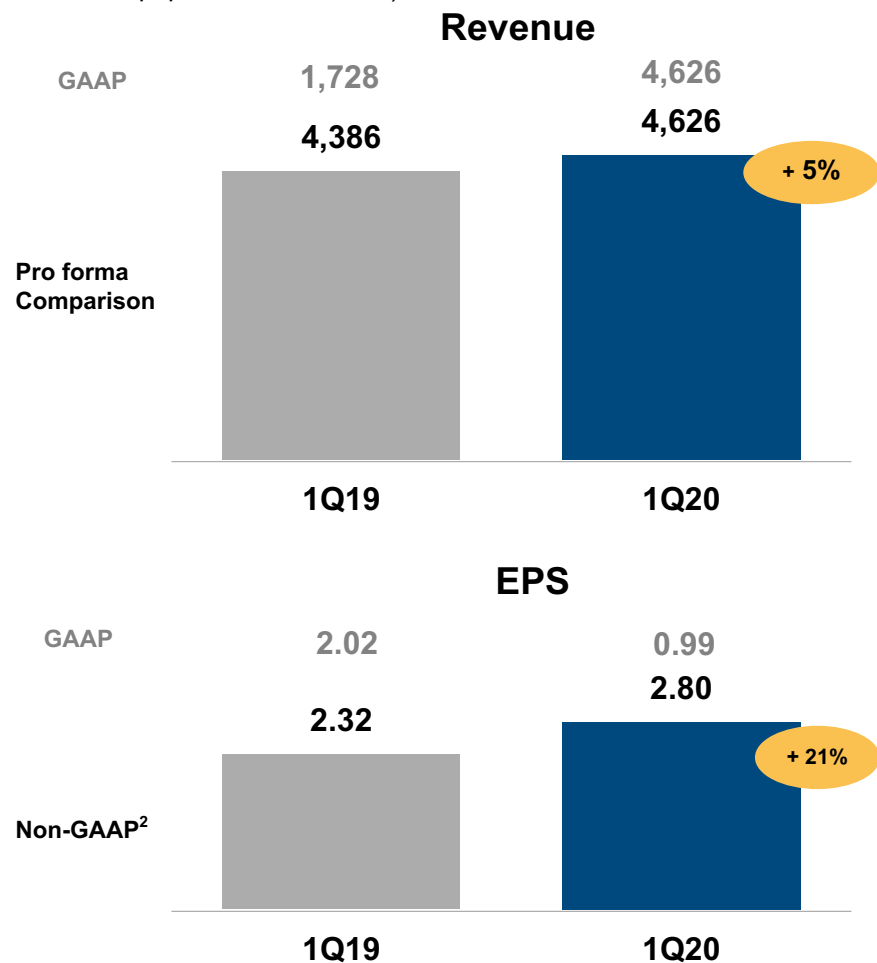
¹Comparison to prior-year pro forma results; "pro forma" refers to applicable prior-year result in the pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed May 4, 2020. Non-GAAP adjustments exclude discontinued operations, merger deal and integration costs, amortization of acquisition-related intangibles, impairment of goodwill and other assets and other COVID-19 related charges and other items; refer to non-GAAP financial measure reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

²Adjusted FCF (free cash flow) = operating cash flow less capital expenditures, adding back cash flow for merger deal and integration costs. For non-GAAP reconciliations reference other quarterly earnings materials and the L3Harris investor relations website.

Solid 1Q20 financials¹



(\$million, except per share amounts)



¹Comparisons are to prior-year pro forma or adjusted pro forma results; "pro forma" refers to the applicable prior-year result in the pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed May 4, 2020; and "adjusted pro forma" refers to such result as adjusted for certain item(s) indicated in the non-GAAP financial measure reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

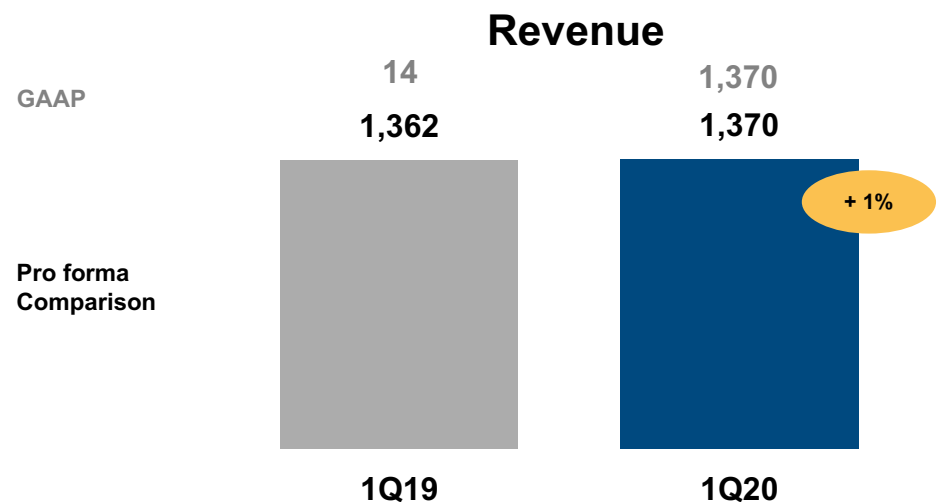
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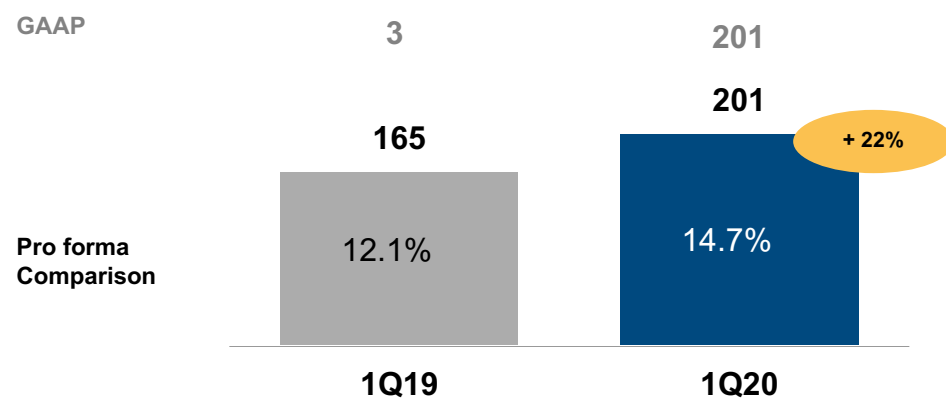
Integrated Mission Systems¹



(\$million)



Operating income and margin



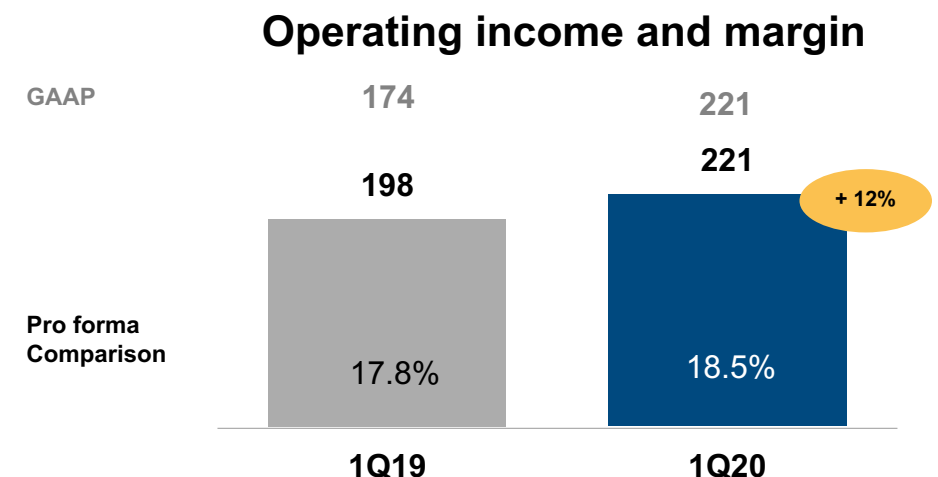
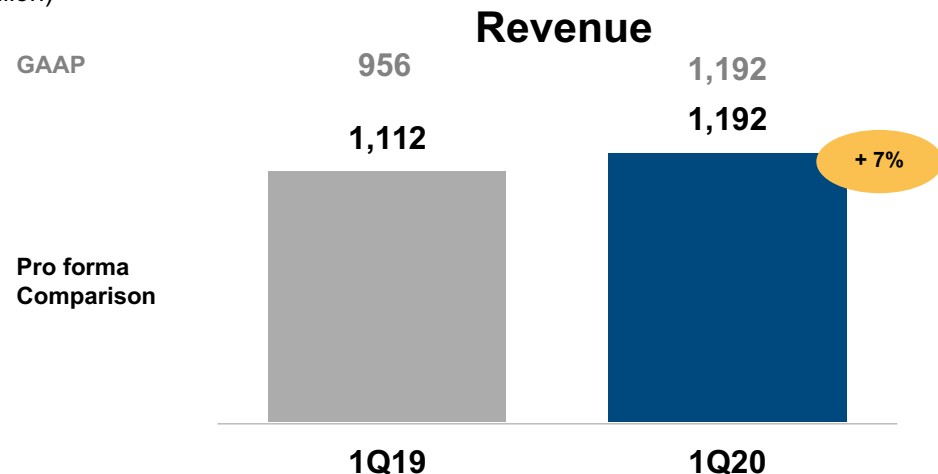
- Revenue up 1% versus prior-year pro forma¹
 - Growth in Maritime offset by prior-year strength in Electro Optical
 - Sustained revenue growth in ISR
- Operating income up 22% versus prior-year pro forma
- Margin expanded 260 bps to 14.7% versus prior-year pro forma
 - Operational excellence and integration benefits
- B:B 1.37

¹All segment comparisons are to prior-year pro forma results, unless otherwise noted; "pro forma" refers to applicable prior-year result in the pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed May 4, 2020.

Space & Airborne Systems¹



(\$million)



- Revenue up 7% versus prior-year pro forma¹
 - Ramp on F-35 modernization in Avionics
 - Classified growth in Intel & Cyber
- Operating income up 12% versus prior-year pro forma
- Margin expanded 70 bps to 18.5% versus prior-year pro forma
 - Operational excellence and integration benefits
- B:B 1.16

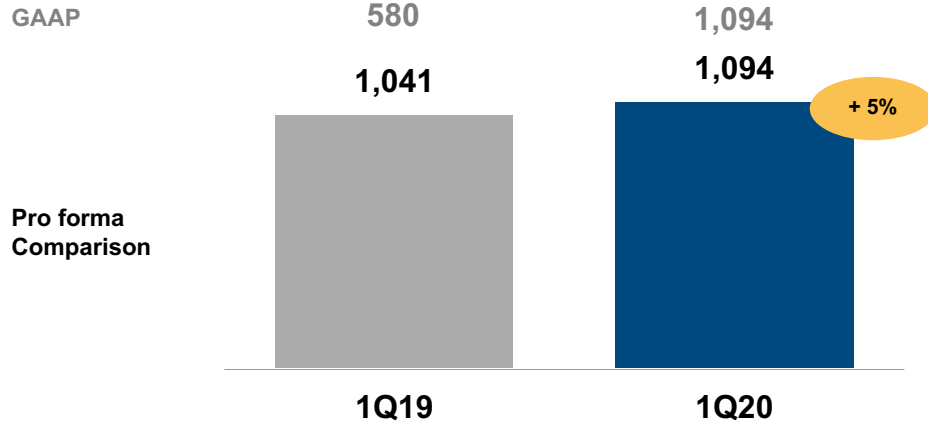
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Communication Systems¹

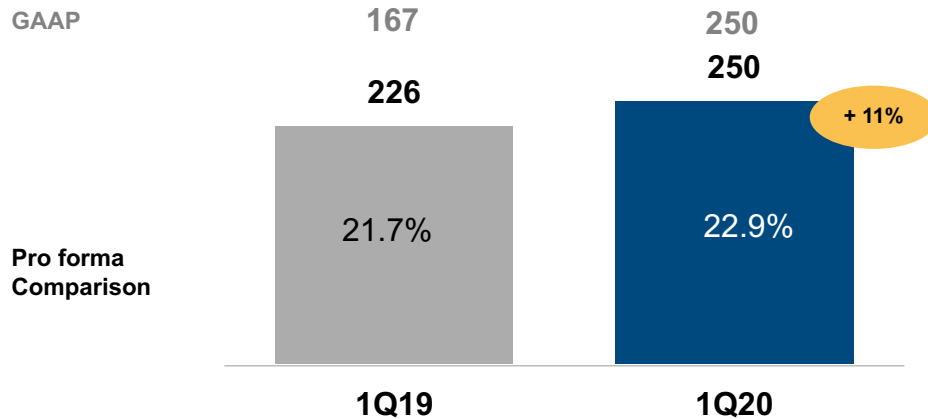


(\$million)

Revenue



Operating income and margin



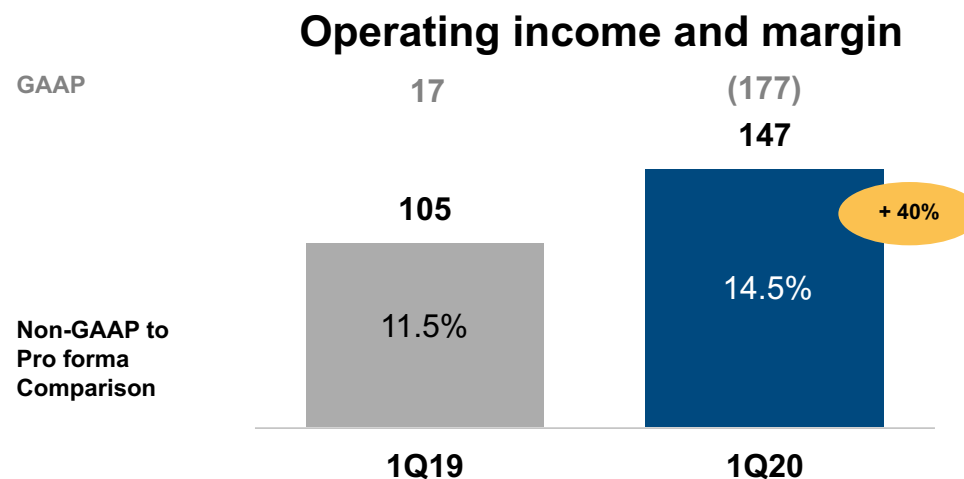
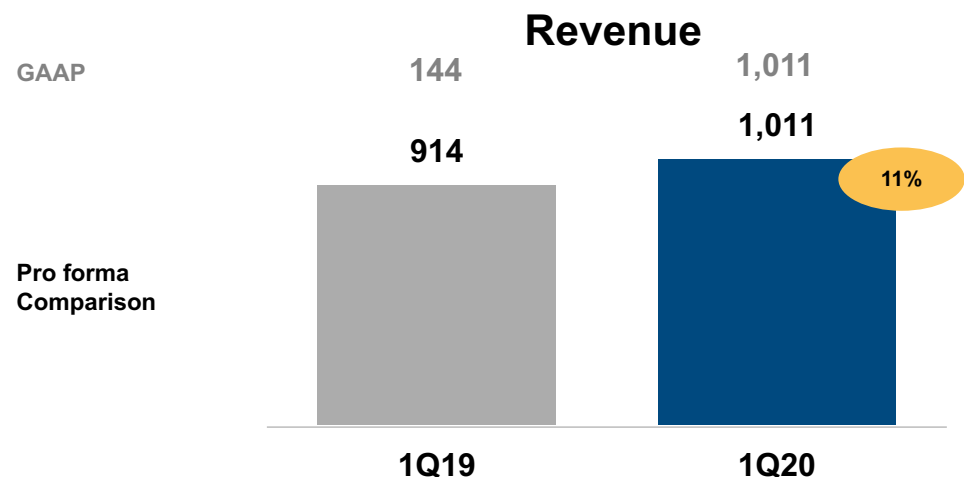
- Revenue up 5% versus prior-year pro forma¹
 - DoD Tactical modernization ramp
 - Partially offset by International Tactical sales timing and prior-year strength in Public Safety
- Operating income up 11% versus prior-year pro forma
- Margin expanded 120 bps to 22.9% versus prior-year pro forma
 - Operational excellence and integration benefits, partially offset by mix
- B:B 0.80

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Aviation Systems¹



(\$million)



- Revenue up 11% versus prior-year pro forma¹
 - Growth in Defense Aviation Products and Mission Networks
 - Muted growth in commercial aerospace and training
- Non-GAAP income up 40% versus prior-year pro forma¹
- Non-GAAP margin expanded 300 bps to 14.5% versus prior-year pro forma
 - Operational improvement and integration benefits
- B:B 1.05

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2020 full-year revised guidance



Total L3Harris

Organic revenue¹

up 3.0 - 5.0%

(vs. up 5.0 - 7.0%)

Margin²

~17.50%

(vs. 17.00 - 17.50%)

EPS²

\$11.15 - \$11.55

(vs. \$11.35 - \$11.75)

FCF³

\$2.6 - \$2.7B

(unchanged)

By Segment

Organic revenue¹

Margin²

IMS

up 5.5 - 7.0%

(vs. up 5.0 - 7.0%)

~13.50%

(vs. 13.00 - 13.50%)

SAS

up 6.0 - 7.5%

(vs. up 5.5 - 7.5%)

~18.75%

(vs. 18.50 - 19.00%)

CS

up 3.5 - 5.0%

(vs. up 6.5 - 8.5%)

~23.75%

(vs. 22.50 - 23.00%)

AS

down 1.0 - 5.0%

(vs. up 3.5 - 5.5%)

~13.25%

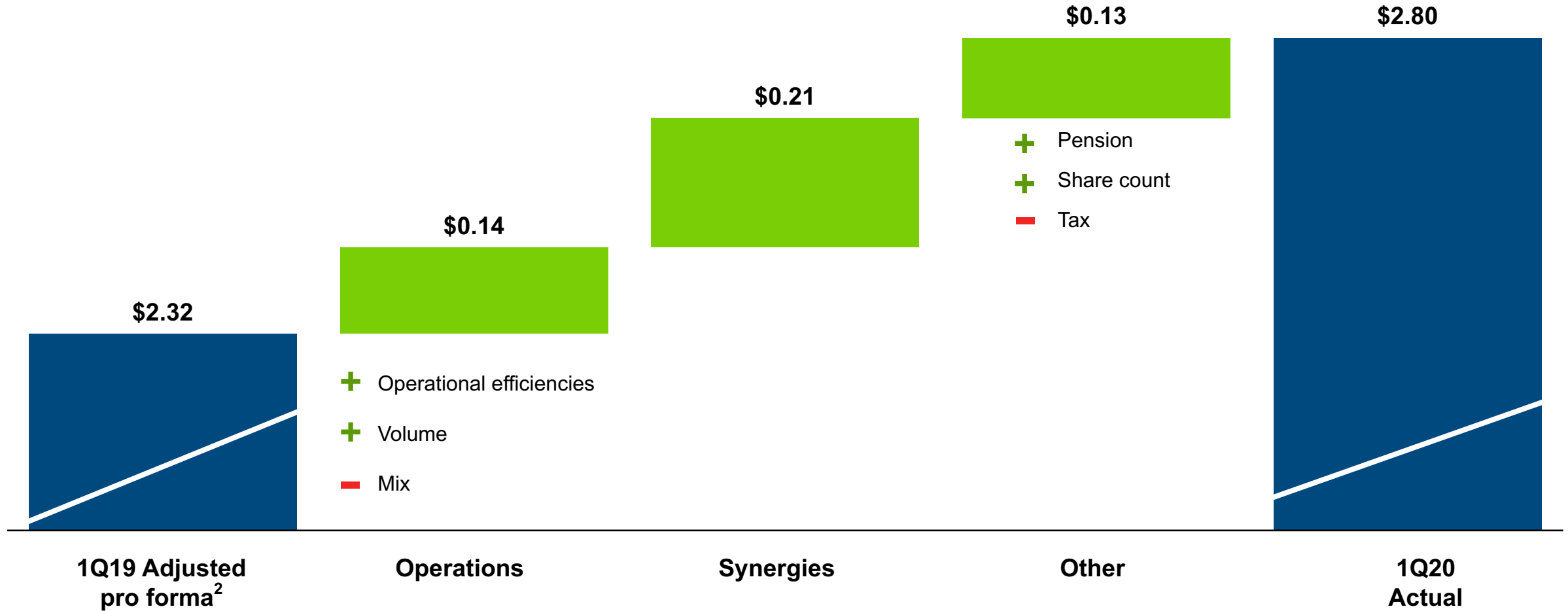
(vs. 13.75 - 14.25%)

¹Compared with prior-year pro forma revenue; "pro forma" refers to the applicable prior-year result in the pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed May 4, 2020.

²Non-GAAP EPS and adjusted earnings before interest and taxes (EBIT) margin figures excludes discontinued operations, as applicable, merger deal and integration costs, goodwill and other impairments and amortization of acquisition-related intangibles and other prior-period items; refer to non-GAAP financial measure reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

³Adjusted free cash flow is operating cash flows less capital expenditures and adjusted to add back cash flow for merger deal and integration costs; refer to non-GAAP financial measure reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Non-GAAP 1Q20 EPS¹ bridge



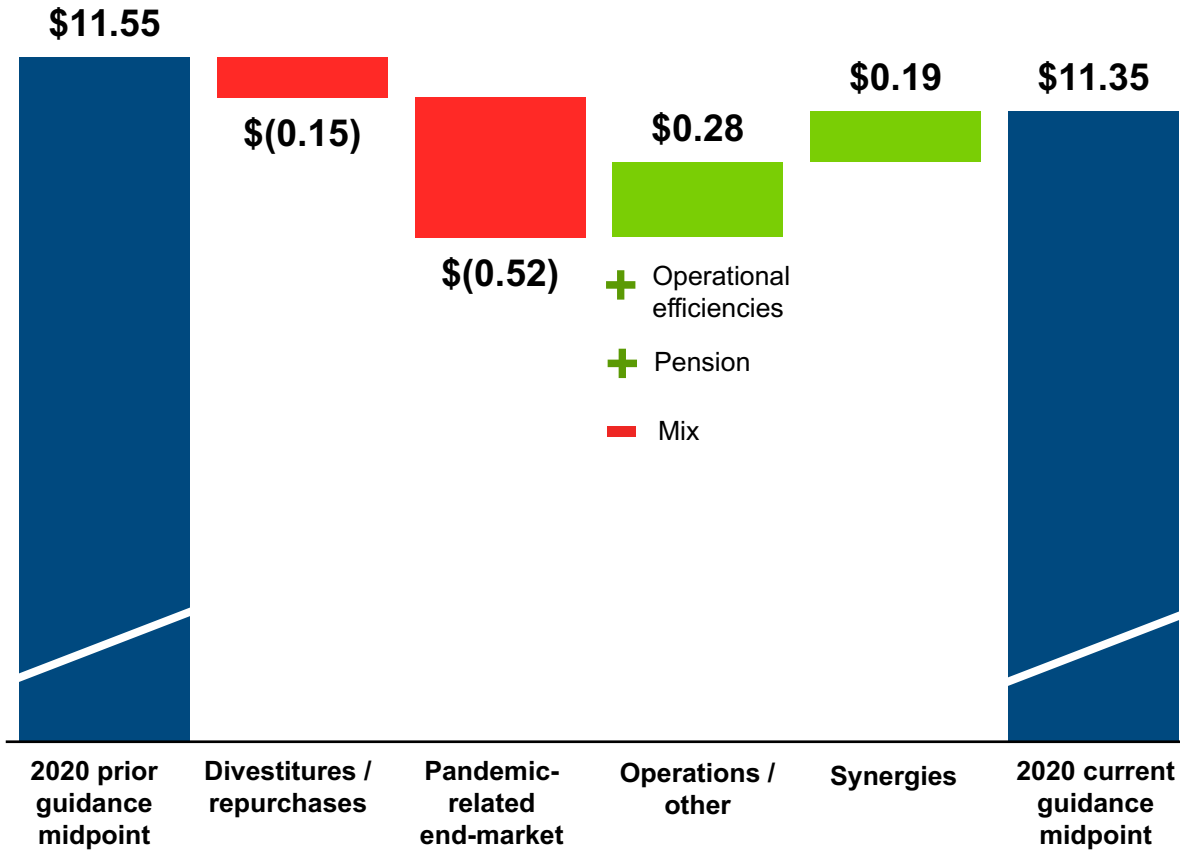
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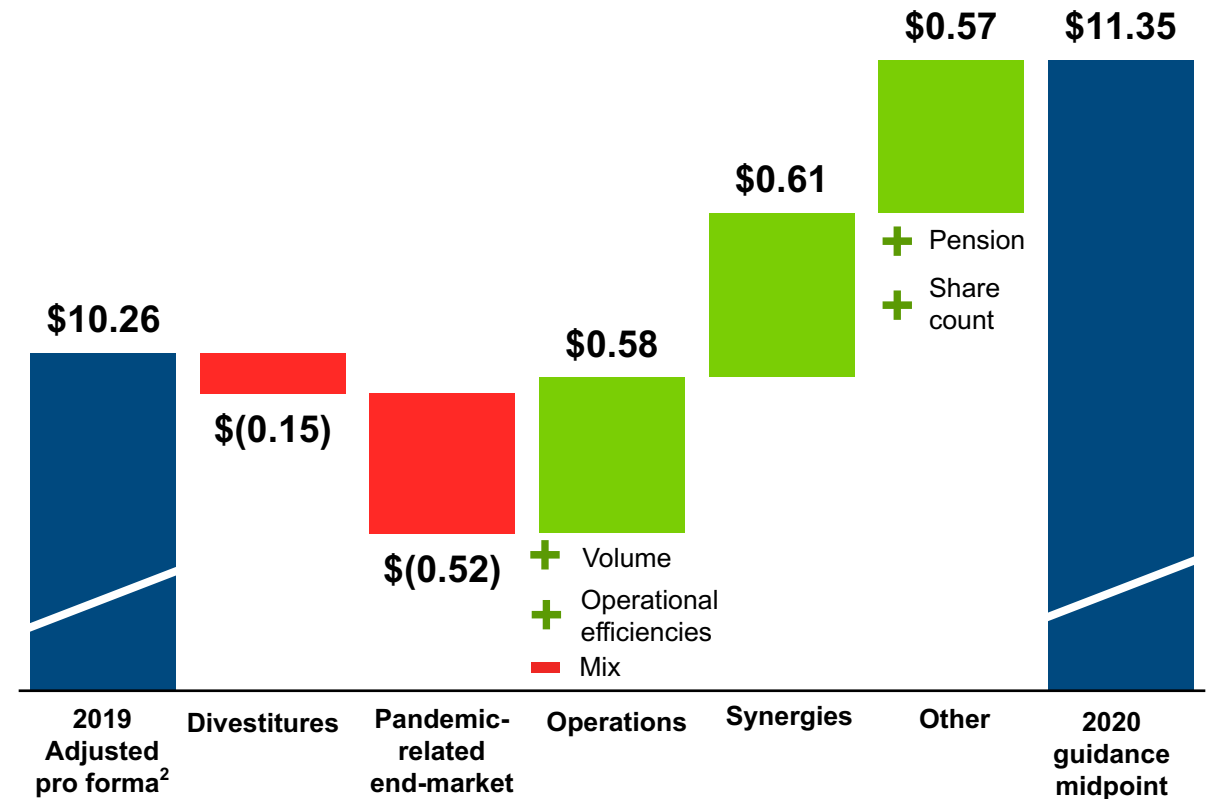
Non-GAAP 2020 guidance EPS¹ bridges



2020 EPS guidance bridge



2020 EPS bridge



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Appendix



Other financial information



(\$million except noted)

	<u>1Q19¹</u>	<u>1Q20</u>	<u>CY19¹</u>	<u>CY20 Guide</u>
Cost synergies (net)	\$0	\$55	\$65	~\$165
Net interest expense	\$67	\$63	\$253	~\$255
Integration expenses	\$12	\$31	\$244	~\$158
Effective tax rate (non-GAAP)	15.7%	17.0%	16.4%	~17%
Noncontrolling interests, net of income taxes ²	\$6	\$5	\$24	~\$24
Average diluted shares outstanding (million shares)	224.9	219.3	224.5	~217
Net capital expenditures	\$37	\$48	\$267	~\$400

¹1Q19 and first half of CY19 reflect pro forma results; "pro forma" refers to the applicable prior-year result in the pro forma condensed combined income statement information (prepared in a manner consistent with Article 11 of Regulation S-X) included in L3Harris' Current Report on Form 8-K filed May 4, 2020.

²Excludes a goodwill impairment charge in the first quarter of 2020; refer to non-GAAP financial measure reconciliations in other quarterly earnings materials and the L3Harris investor relations website.

Supplemental L3Harris tactical communications history



(\$million)

	<u>1Q19</u>	<u>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20</u>
Orders	289	488	371	486	450
Sales	407	435	401	435	454
DoD	189	195	193	227	270
International	218	240	208	208	184
Funded Backlog¹	1,034	1,079	1,049	1,100	1,096

¹Funded backlog includes the impact of foreign currency translation.