

L3HARRIS[®]

FIRST QUARTER 2024 EARNINGS PRESENTATION

April 26, 2024

Forward-Looking Statements; Non-GAAP Measures



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 about 2024 guidance, 2024 supplemental information and other statements regarding the business growth outlook and financial performance guidance 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 those included in our Q1 earnings release or other filings with the SEC, which are available on our investor relations webpage at www.l3harris.com/investors. The forward-looking statements 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.

This presentation also contains non-GAAP financial measures (“NGFMs”) within the meaning of Regulation G promulgated by the SEC, including adjusted segment operating income and margin, adjusted free cash flow, organic revenue, non-GAAP EPS, pension adjusted non-GAAP EPS, net debt to adjusted EBITDA and effective tax rate on non-GAAP earnings, each of which is defined in our Q1 earnings release, except for pension adjusted non-GAAP EPS and net debt to adjusted EBITDA which are reconciled in this presentation. A reconciliation of each NGFM is available in our Q1 earnings release. A reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort because of inherent difficulty in forecasting and quantifying the comparable GAAP measures and the applicable adjustments and other amounts that would be necessary for such a reconciliation, as described in our Q1 earnings release.

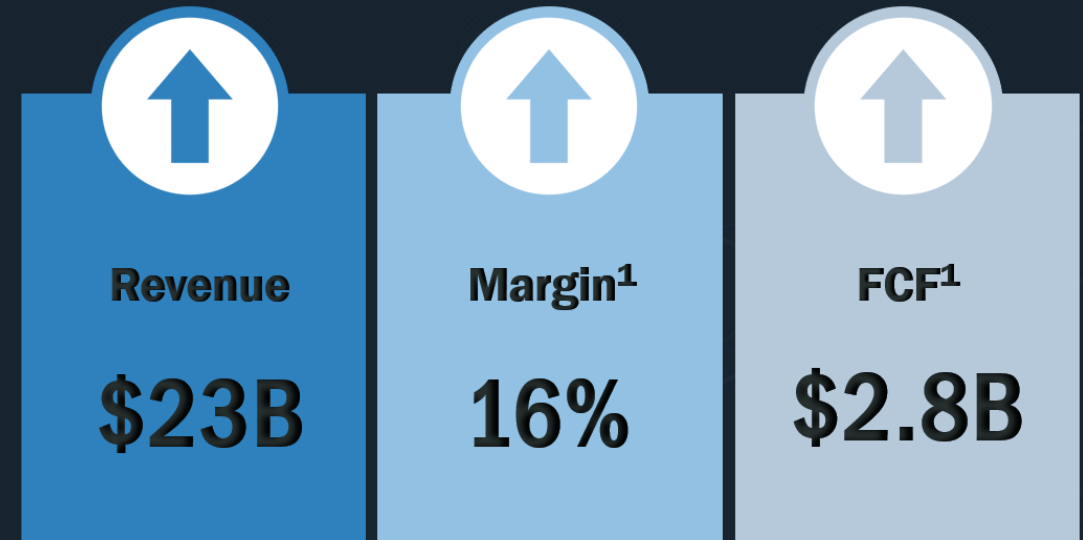
REAFFIRMING COMMITMENT TO DRIVE SHAREHOLDER VALUE



STRONG FOUNDATION FOR GROWTH

- ⊕ Strong leadership team and Board of Directors
- ⊕ Portfolio focused on national security and technology
- ⊕ Driving profitable growth through program excellence and LHX NeXt
- ⊕ Capital deployment priorities: fund the business, pay down debt and return excess cash to shareholders

2026 FINANCIAL FRAMEWORK



1) NGFM - reference the 1Q24 earnings release for a reconciliation to comparable 2024 GAAP measure.

FIRST QUARTER RESULTS & 2024 GUIDANCE



STRONG FIRST QUARTER PERFORMANCE...

- ⊕ Awarded \$5.5B in orders, resulting in a book-to-bill of 1.06x
- ⊕ Revenue up 17% year-over-year, 5% organic¹, primarily from the Aerojet Rocketdyne acquisition and organic growth in Space & Airborne Systems and Communication Systems segments
- ⊕ Increased adjusted segment operating margin¹ to 15.1% from improved operational performance and partially driven by LHX NeXt cost savings; Non-GAAP earnings per share (EPS)¹ up 7% to \$3.06
- ⊕ Adjusted free cash flow¹ (FCF) decreased due to working capital and capital expenditure timing

...DRIVING INCREASE TO MARGIN & EPS GUIDANCE

- ⊕ Revenue: \$20.8B to \$21.3B
- ⊕ Adjusted segment operating margin¹: >15%
 - Up from prior guidance of ~15%
- ⊕ Non-GAAP EPS¹: \$12.70 to \$13.05
 - Up \$0.30 - \$0.25 from prior range of \$12.40 - \$12.80
- ⊕ Adjusted FCF¹: ~\$2.2B

1) NGFM - reference the 1Q24 earnings release for a reconciliation to comparable GAAP measure.

FIRST QUARTER 2024 FINANCIAL RESULTS



\$5.5B

Orders

1.06x

Book-to-Bill

\$32B

Total Backlog

\$5.2B

Revenue

\$788M

Adjusted Segment
Operating Income¹

15.1%

Adjusted Segment
Operating Margin¹

\$3.06

Non-GAAP EPS¹

(\$156)M

Adjusted Free
Cash Flow¹

\$224M

Dividends

\$233M

Share Repurchase

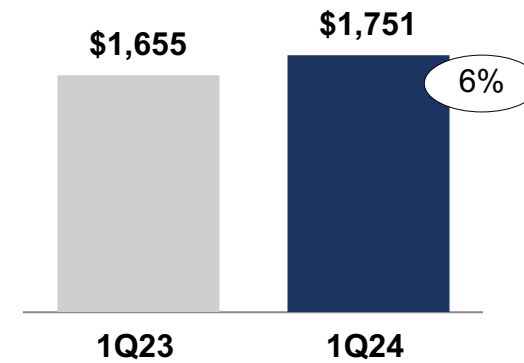
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SPACE & AIRBORNE SYSTEMS

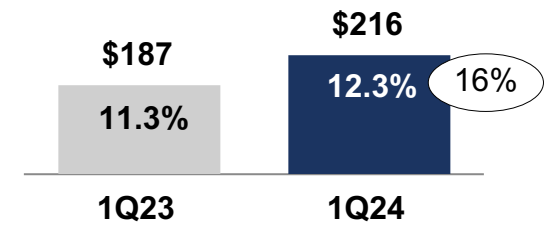


(\$ millions)

Revenue



Operating Income and Margin



1Q24 DRIVERS

Revenue: increased 6%

- + Space Systems
- + Intelligence & Cyber

Margin: increased 100 bps

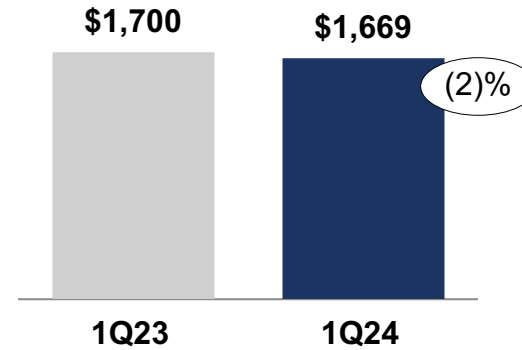
- + Operational performance
- + Program matters in space
- + Volume benefit
- Mix

INTEGRATED MISSION SYSTEMS

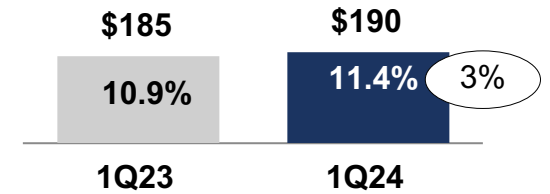


(\$ millions)

Revenue



Operating Income and Margin



1Q24 DRIVERS

Revenue: down 2%

- Intelligence, Surveillance & Reconnaissance (ISR) aircraft procurement activity in 1Q23

Margin: increased 50 bps

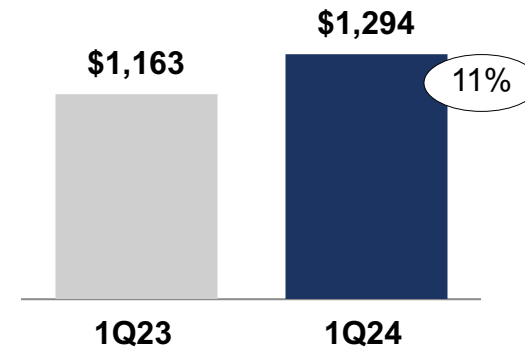
- + Program performance
- + Fewer negative EAC adjustments
- Product mix

COMMUNICATION SYSTEMS

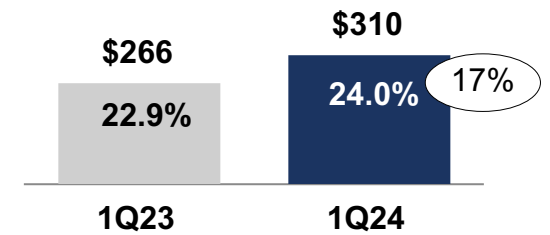


(\$ millions)

Revenue



Operating Income and Margin



1Q24 DRIVERS

- Revenue: increased 11%**
- + Tactical Communications
- + Integrated Vision Systems
- + Broadband Communications

- Margin: increased 110 bps**
- + Volume benefit
- + Operational performance in Integrated Vision Systems
- Domestic tactical mix

AEROJET ROCKETDYNE



(\$ millions)

Revenue

\$542

1Q24

Operating Income and Margin

\$72

13.3%

1Q24

1Q24 DRIVERS

Results are attributed to program execution across Missile Solutions and Space Propulsion and Power Systems

2024 GUIDANCE



Consolidated

| | |
|--|--|
| Revenue <hr/> \$20.8B - \$21.3B <i>(Prior: \$20.7B - \$21.3B)</i> | Adjusted segment operating margin¹ <hr/> >15% <i>(Prior: ~15%)</i> |
| Non-GAAP EPS¹ <hr/> \$12.70 - \$13.05 <i>(Prior: \$12.40 - \$12.80)</i> | FCF¹ <hr/> ~\$2.2B |

Segment

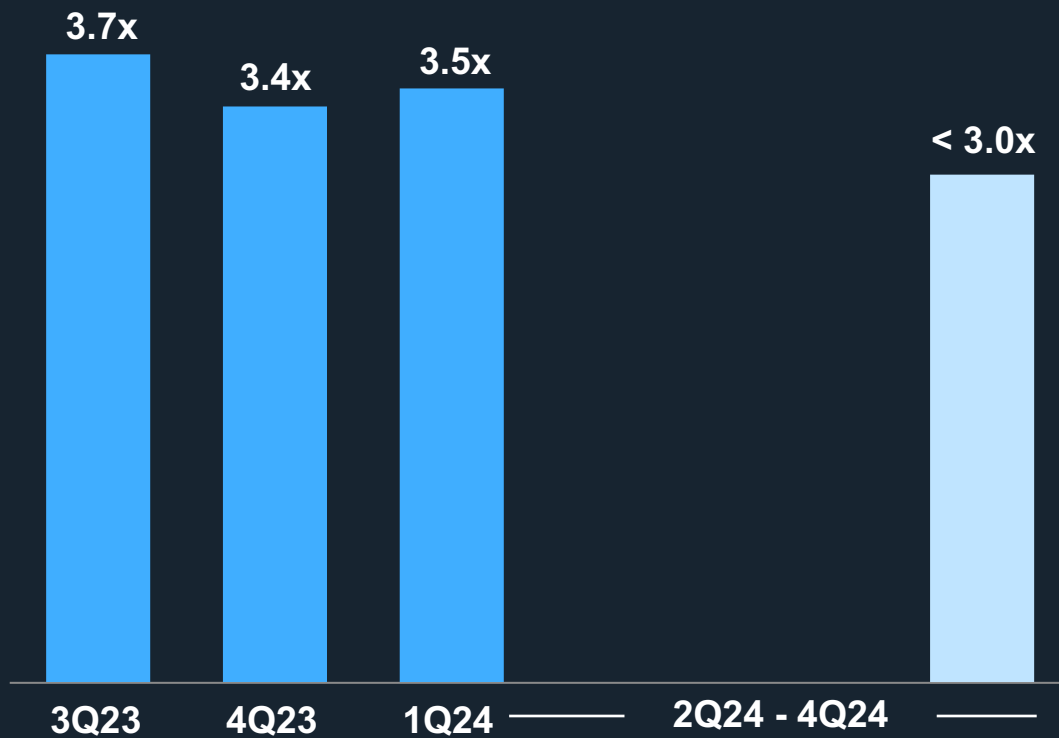
| | Revenue | Operating Margin ¹ |
|------------|---|---|
| SAS | ~\$7.0B <i>(Prior: \$6.9B - \$7.1B)</i> | ~12% <i>(Prior: mid-high 11%)</i> |
| IMS | \$6.4B - \$6.6B | low-mid 11% |
| CS | \$5.3B - \$5.4B | low-mid 24% |
| AR | \$2.4B - \$2.5B | high 11% |

1) NGFM - a reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort.

CAPITAL ALLOCATION PRIORITIES



NEAR-TERM <3.0x LEVERAGE TARGET



- ⊕ Invest in the business
 - Capex: ~2.0% of revenue
- ⊕ Debt pay down to <3.0x
- ⊕ Pay cash dividend
 - Increased 23 consecutive years
 - Target payout: 35% - 40% of FCF
- ⊕ Return 100% excess cash after de-levering
 - \$3.7B repurchase authorization as of 1Q24

2024 SUPPLEMENTAL INFORMATION



| | <u>Current</u> | <u>Prior</u> |
|--|-----------------------|-----------------------|
| FAS/CAS operating adjustment | ~\$30 million | ~\$40 million |
| Non-service FAS pension income | ~\$310 million | ~\$260 million |
| Net FAS/CAS pension* | <u>~\$340 million</u> | <u>~\$300 million</u> |
| Net interest expense* | ~\$650 million | ~\$650 million |
| Effective tax rate on non-GAAP earnings ¹ | 13.0% - 13.5% | 13.0% - 13.5% |
| Average diluted shares | Flat - up slightly | Flat - up slightly |
| Capital expenditures | ~2% sales | ~2% sales |

*Interest expense is expected to increase ~\$100 million versus the prior year, from higher debt that funded the acquisitions of AR and TDL in 2023. The company expects pension income to decrease ~\$80 million year-over-year primarily due to lower CAS pension recovery.

1) NGFM - a reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort.

PENSION ADJUSTED EPS



| | 1Q 2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 | Full Year 2023 | 1Q 2024 | Full Year 2024 |
|--------------------------------------|------------|------------|------------|------------|-------------------|------------|-------------------|
| Non-GAAP EPS¹ | \$2.86 | \$2.97 | \$3.19 | \$3.35 | \$12.36 | \$3.06 | \$12.70 - \$13.05 |
| <i>YoY Growth %</i> | | | | | | 7.0% | 3% - 6% |
| FAS/CAS operating adjustment | 0.10 | 0.10 | 0.12 | 0.17 | 0.50 | 0.03 | ~0.14 |
| Non-service FAS pension income | 0.35 | 0.35 | 0.36 | 0.36 | 1.42 | 0.36 | ~1.41 |
| Pension Adjusted Non-GAAP EPS | \$2.41 | \$2.52 | \$2.71 | \$2.82 | \$10.44 | \$2.67 | \$11.15 - \$11.50 |
| <i>YoY Growth %</i> | | | | | | 10.8% | 7% - 10% |

1) NGFM - a reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort.

LEVERAGE RECONCILIATION



| (In millions) | 1Q24 | Quarter Ended | | 2Q23 | Four |
|--|-----------|---------------|--------|--------|----------|
| | 1Q24 | 4Q23 | 3Q23 | 2Q23 | Quarters |
| Short-term debt | \$ 2,203 | | | | |
| Current portion of long-term debt, net | 365 | | | | |
| Long-term debt, net | 11,140 | | | | |
| Total debt | 13,708 | | | | |
| Less cash and cash equivalents | 477 | | | | |
| Net debt (A) | \$ 13,231 | | | | |
| Net income | \$ 283 | \$ 158 | \$ 383 | \$ 349 | \$ 1,173 |
| Adjustments: | | | | | |
| Income taxes | 5 | (50) | 18 | 21 | (6) |
| Net interest expense | 176 | 171 | 159 | 111 | 617 |
| Depreciation and amortization | 320 | 350 | 310 | 257 | 1,237 |
| EBITDA | \$ 784 | \$ 629 | \$ 870 | \$ 738 | \$ 3,021 |
| Significant and/or non-recurring items included in net income | | | | | |
| Additional cost of revenue related to the fair value step-up in inventory sold | — | — | — | 15 | 15 |
| Gain on sale of property, plant and equipment | — | (27) | — | — | (27) |
| Merger, acquisition, and divestiture-related expenses | 40 | 30 | 56 | 38 | 164 |
| Asset group and business divestiture-related losses (gains), net | — | 77 | — | (26) | 51 |
| Impairment of goodwill and other assets | — | 296 | — | 60 | 356 |
| LHX NeXt implementation costs | 127 | 47 | 33 | 22 | 229 |
| Total significant and/or non-recurring items included in net income | \$ 167 | \$ 423 | \$ 89 | \$ 109 | \$ 788 |
| Adjusted EBITDA (B) | \$ 951 | \$ 1,052 | \$ 959 | \$ 847 | \$ 3,809 |
| Net Debt to Adjusted EBITDA ratio (A) / (B) | | | | | 3.5x |