



**Raytheon**  
**Technologies**

**4Q 2022 Earnings  
Conference Call**

January 24, 2023

# Forward-Looking Statements

**Note:** All results and expectations in the presentation reflect continuing operations unless otherwise noted.

This press release contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide Raytheon Technologies Corporation (“RTC”) management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “goals,” “objectives,” “confident,” “on track” and other words of similar meaning. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits to RTC of the United Technologies Corporation (“UTC”) acquisition of Rockwell Collins in 2018, the merger (the “merger”) between UTC and Raytheon Company (“Raytheon”) or the spin-offs by UTC of Otis Worldwide Corporation and Carrier Global Corporation into separate independent companies (the “separation transactions”), including estimated synergies and customer cost savings resulting from the merger and the anticipated benefits and costs of the separation transactions and other statements that are not solely historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of changes in global economic, capital market and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, including related to financial market conditions, fluctuations in commodity prices or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain and labor markets, and geopolitical risks; (2) risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a continuing resolution, a government shutdown, the debt ceiling or measures taken to avoid default, or otherwise, and uncertain funding of programs; (3) challenges in the development, production, delivery, support, and performance of RTC advanced technologies and new products and services and the realization of the anticipated benefits (including our expected returns under customer contracts), as well as the challenges of operating in RTC’s highly-competitive industries; (4) risks relating to RTC’s reliance on U.S. and non-U.S. suppliers and commodity markets, including the effect of sanctions, delays and disruptions in the delivery of materials and services to RTC or its suppliers and price increases; (5) risks relating to RTC international operations from, among other things, changes in trade policies and implementation of sanctions, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations; (6) the condition of the aerospace industry; (7) the ability of RTC to attract, train and retain qualified personnel and maintain its culture and high ethical standards, and the ability of our personnel to continue to operate our facilities and businesses around the world; (8) the effect of and risks relating to the coronavirus disease 2019 (COVID-19) pandemic on RTC’s business, supply chain, operations and the industries in which it operates, including the decrease in global air travel, and the timing and extent of the ongoing recovery from COVID-19; (9) the scope, nature, timing and challenges of managing acquisitions, investments, divestitures and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities and other risks and incurrence of related costs and expenses; (10) compliance with legal, environmental, regulatory and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTC and its businesses operate; (11) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (12) factors that could impact RTC’s ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions and other factors; (13) uncertainties associated with the timing and scope of future repurchases by RTC of its common stock or declarations of cash dividends, which may be discontinued, accelerated, suspended or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (14) the risks relating to realizing expected benefits from RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) risks relating to the integration of the legacy businesses of UTC and RTC as well as the merger, and the realization of the anticipated benefits of those transactions; (16) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTC and its businesses operate; (17) risks relating to a RTC product safety failure or other failure affecting RTC’s or its customers’ or suppliers’ products or systems; (18) risks relating to cyber-attacks on RTC’s information technology infrastructure, products, suppliers, customers and partners, threats to RTC facilities and personnel, as well as other events outside of RTC’s control such as public health crises, damaging weather or other acts of nature; (19) the effect of changes in accounting estimates for our programs on our financial results; (20) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (21) risks relating to an impairment of goodwill and other intangible assets; (22) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (23) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of RTC, UTC and Raytheon on Forms S-4, 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and RTC assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

# 2022 Highlights

Sales up 6% organically year-over-year & **strong free cash flow\***

Commercial aftermarket **up 25% year-over-year**

Received **\$86B** of new awards; **1.28** full year book-to-bill

Achieved **\$405M** of incremental gross merger cost synergies;  
**\$1.4B** merger-to-date

Returned **\$5.9B** of capital to shareowners; including **\$2.8B** of share repurchases

**2022**

**\$67.1B**

Sales

**\$4.78**

Adjusted EPS\*

**\$4.9B**

Free cash flow\*

**\$175B**

Company backlog



RTX is well positioned to capitalize on the growing aerospace and defense markets in 2023



# RTX Realignment

## Realigning into three Business Units



## Leveraging our scale and unique capabilities

- Improve performance
- Improve win rate and customer experience
- Better positioned to realize product and technology synergies
- Improve cost structure and simplify/streamline footprint



New structure expected to be effective 2H 2023

# 2023 Environment

## Positives

---

Commercial air traffic recovery  
(Aftermarket, Int'l, OE)

Global defense spending

Cost reduction / synergies

## Monitoring

---

Global tax environment

Geopolitical landscape

Macroeconomic environment

## Challenges

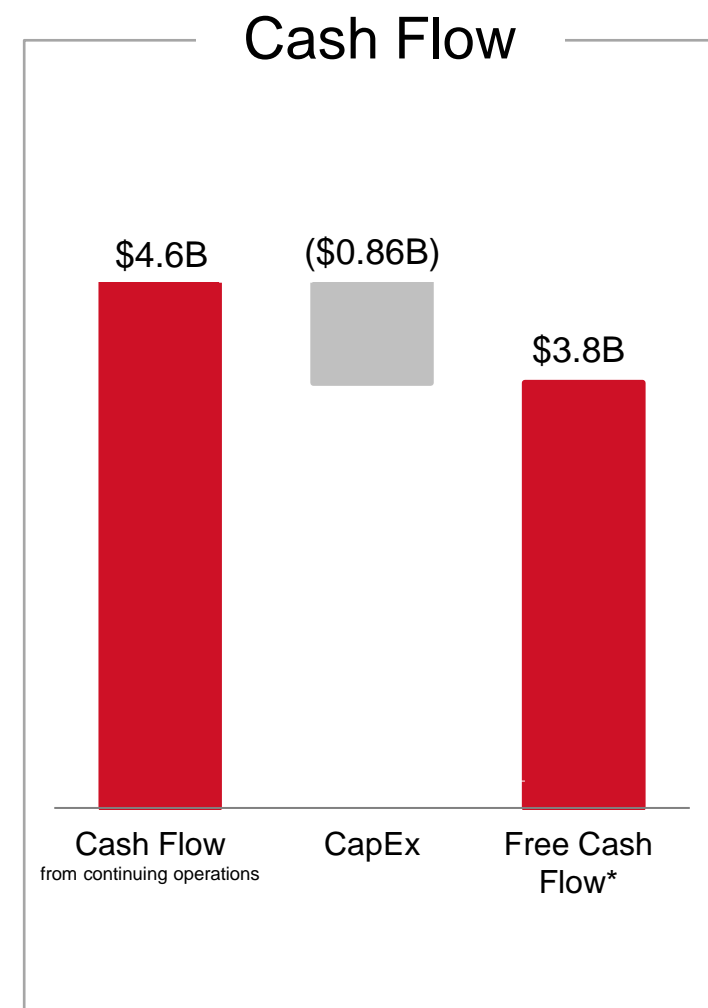
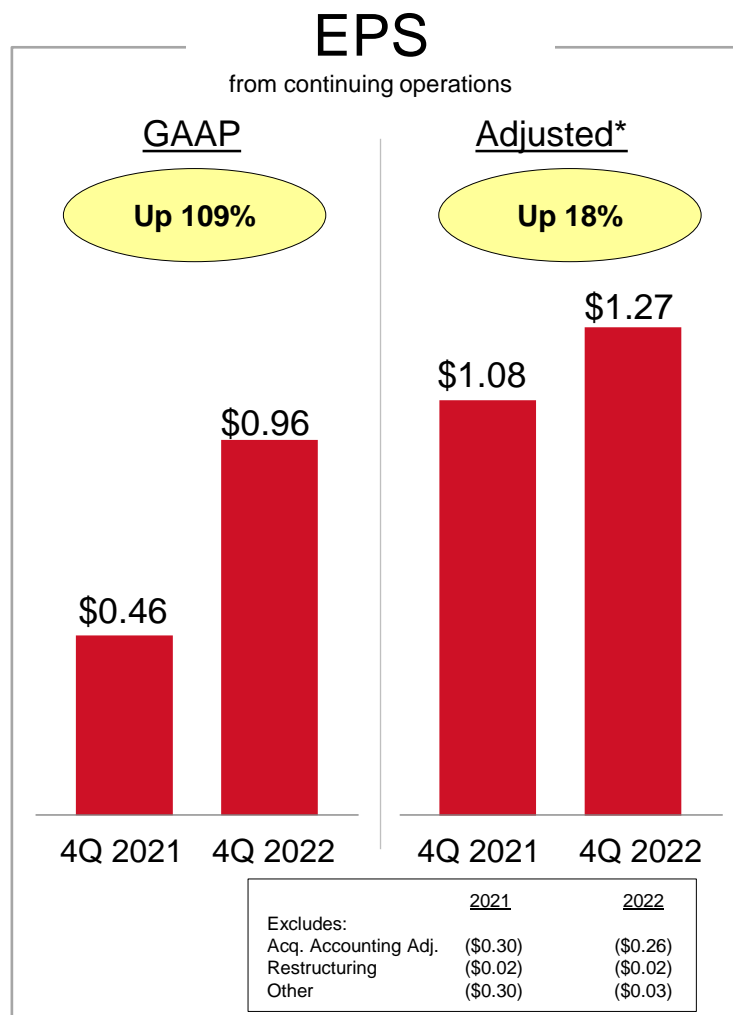
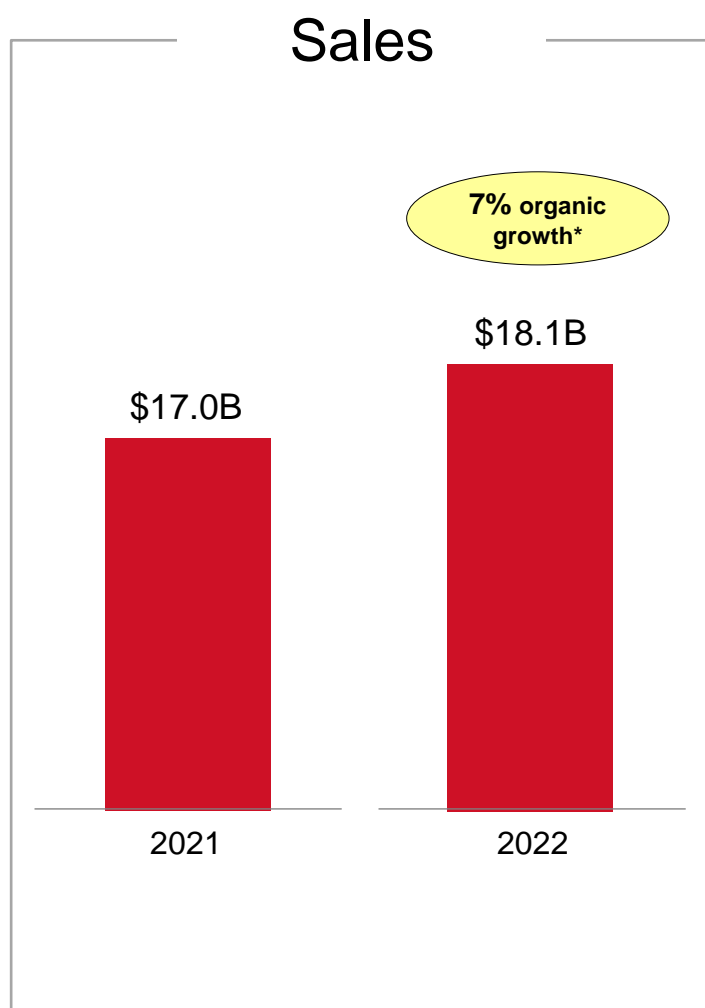
---

Supply chain / inflation

Labor availability

Continued focus on operational excellence and program execution

# 4Q 2022



**Segment margin expansion of 80 bps; free cash flow\* exceeded expectations**

# Collins Aerospace Segment Highlights

4Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	5,662	5,662	15%
<b>Operating Profit</b>	741	743	58%
<b>ROS</b>	13.1%	13.1%	360 bps

- Organic sales\* up 16%
- Adjusted sales\* up 15%
  - Commercial aftermarket up 21%
  - Commercial OE up 20%
  - Military up 5%
- Adjusted operating profit\* up 58%
  - Higher commercial aftermarket volume
  - Lower R&D expense
  - Higher SG&A expense



Collins Aerospace signed a FlightSense® contract with Hainan Airlines to provide its fleet of Boeing 787s with customizable support solutions to reduce repair time and costs.

# Pratt & Whitney Segment Highlights

4Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,652	5,652	10%
Operating Profit	306	321	98%
ROS	5.4%	5.7%	250 bps

- Organic sales\* up 11%
- Adjusted sales\* up 10%
  - Commercial OE up 37%
  - Commercial aftermarket up 11%
  - Military down 2%
- Adjusted operating profit\* up 98%
  - Higher commercial aftermarket and shop visit growth
  - Higher SG&A and R&D expense



The Pratt & Whitney GTF Advantage™ engine, seen here in Toulouse, France, started development flight testing for the A320neo family. The engine has completed more than 2,400 hours and 7,800 cycles of testing, including a successful test on 100% sustainable aviation fuel (SAF). Engine certification will continue through the first half of 2023.



# Raytheon Intelligence & Space Segment Highlights

4Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	3,544	3,544	(8%)
<b>Operating Profit</b>	278	278	(31%)
<b>ROS</b>	7.8%	7.8%	(250) bps

- Organic sales\* down 5%
- Adjusted sales\* down 8%
  - Global Training and Services divestiture
  - Lower sales in Command, Control and Communications, Cyber Training and Services, and Sensing and Effects
- Adjusted operating profit\* down 31%
  - Global Training and Services divestiture
  - Unfavorable mix and lower net program efficiencies
- 4Q book-to-bill ratio 0.92; FY book-to-bill 0.96
  - \$1.0 billion of classified bookings
- Backlog \$16 billion



During the quarter, RIS was awarded a prime contract to develop a prototype Missile Track Custody system for the U.S. Space Force. MTC is the service's first Medium Earth Orbit missile tracking system.

# Raytheon Missiles & Defense Segment Highlights

## 4Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	4,100	4,100	6%
<b>Operating Profit</b>	376	418	(14%)
<b>ROS</b>	9.2%	10.2%	(240) bps

- Organic sales\* up 7%
- Adjusted sales\* up 6%
  - Higher volume in Naval Power including SPY-6, Strategic Missile Defense including NGI development, and Advanced Technology programs
- Adjusted operating profit\* down 14%
  - Unfavorable mix and lower net program efficiencies
  - Higher volume
- 4Q book-to-bill ratio 1.48; FY book-to-bill 1.37
  - \$1.0B for GEM-T
  - \$698M for Ukraine NASAMS
  - \$415M for ESSM Block 2
  - \$405M for SRP follow on support
- Backlog \$34 billion



In December 2022, Raytheon Missiles & Defense was awarded a contract for six fire units of the National Advanced Surface-to-Air Missile System, also known as NASAMS™, for Ukraine. NASAMS is a highly adaptable medium-range air defense solution.

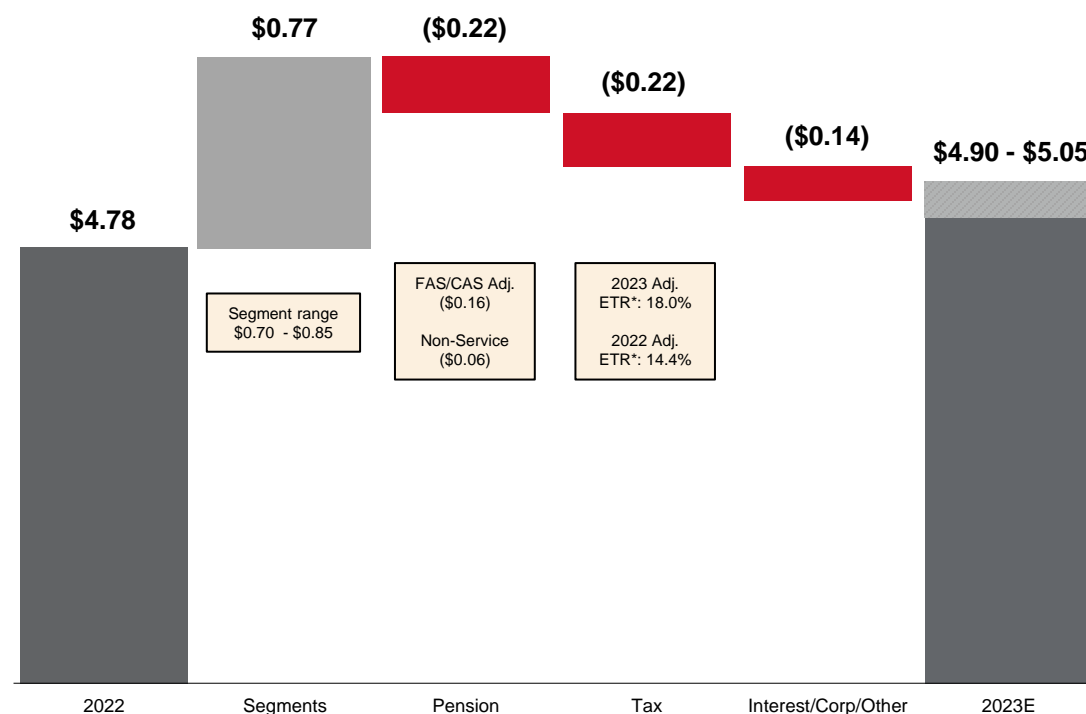
# 2023 Outlook

## Full Year Outlook

Sales	\$72.0B - \$73.0B
Organic sales growth*%	7% - 9%
Adjusted EPS*	\$4.90 - \$5.05
Free cash flow* <sup>1</sup>	~\$4.8B

1) Free cash flow outlook assumes the legislation requiring R&D capitalization for tax purposes is not repealed

## 2023 Adjusted EPS\*



# 2023 Segment Outlook

(\$ millions)

	Reported Sales VPY %	Organic Sales VPY %*	Adjusted Operating Profit VPY*
<b>Collins Aerospace</b>	Up low double digits	Up low double digits	\$750 - \$825
<b>Pratt &amp; Whitney</b>	Up low to mid-teens	Up low to mid-teens	\$200 - \$275
<b>Raytheon Intelligence &amp; Space</b>	Flat	Flat	\$75 - \$125
<b>Raytheon Missiles &amp; Defense</b>	Up low to mid-single digits	Up low to mid-single digits	\$175 - \$225

# Priorities

- ▶ Deliver on customer commitments
- ▶ Invest in technology and product innovation to drive industry leadership
- ▶ Execute business transformation to position for long-term success
- ▶ Drive operational excellence and continued structural cost reduction
- ▶ Disciplined capital deployment

Well positioned to deliver on our 2025 commitments







**Raytheon**  
Technologies

# Appendix

# Use and Definitions of Non-GAAP Financial Measures

Raytheon Technologies Corporation (“RTC”) reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”).

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Adjusted net sales, organic sales, adjusted operating profit (loss), adjusted net income, adjusted earnings per share (“EPS”), and free cash flow are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant nonoperational items and/or significant operational items that may occur at irregular intervals (hereinafter referred to as “net significant and/or non-recurring items”). Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and net significant and/or non-recurring items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions and the amortization of customer contractual obligations related to loss making or below market contracts acquired. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. For the Business segments, when applicable, adjustments of net sales similarly reflect continuing operations excluding other significant items, organic sales similarly excludes the impact of foreign currency, acquisitions and divestitures, and net significant and/or non-recurring items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales (ROS)) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and net significant and/or non-recurring items.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing RTC’s ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTC’s common stock and distribution of earnings to shareowners.

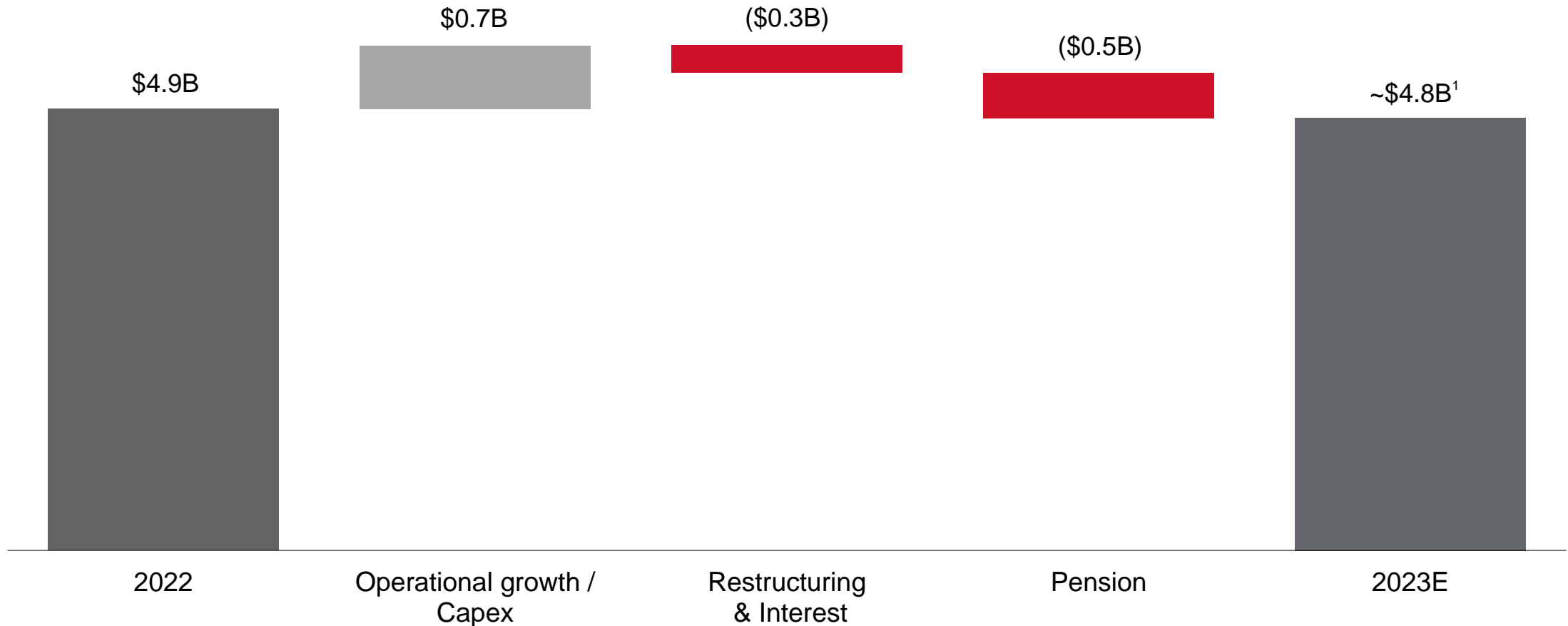
A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations and expected cash flow from operations, respectively) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

# Additional 2023 Items

	<u>FY 2023</u>
<b>Adjusted Tax Rate*</b>	<b>~18.0%</b>
<b>Interest Expense</b>	<b>~\$1,450M</b>
<b>Corporate Expense and Other Unallocated Items</b>	<b>~\$300M</b>
<b>FAS/CAS Operating Adjustment</b>	<b>~\$1,250M</b>
<b>Non-Service Pension Income</b>	<b>~\$1,780M</b>
<b>Capex Spending</b>	<b>~\$2.5B</b>

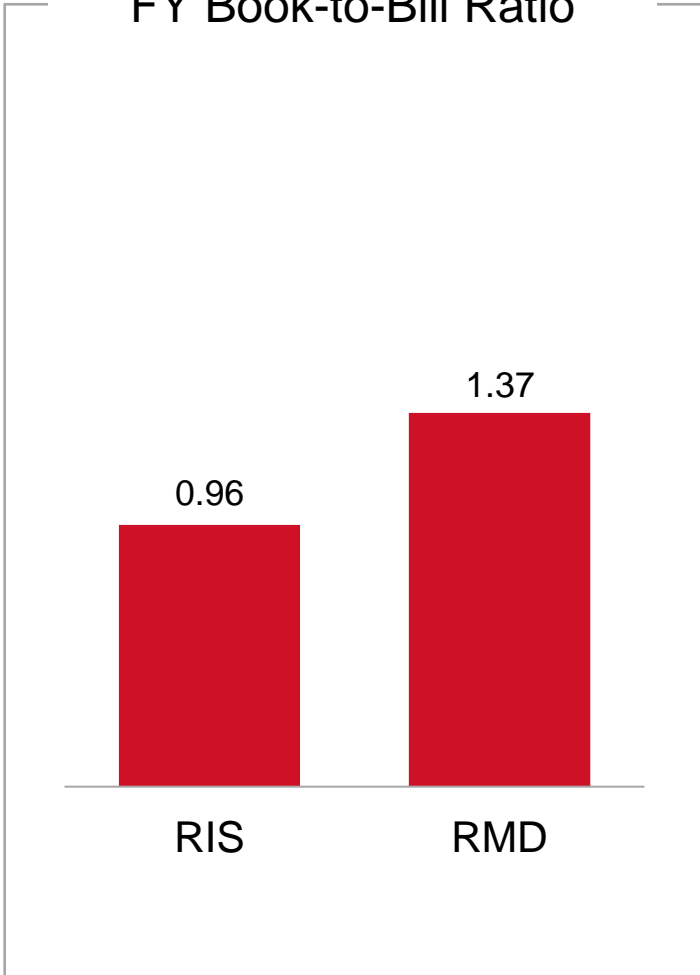
# 2023 Free Cash Flow\*



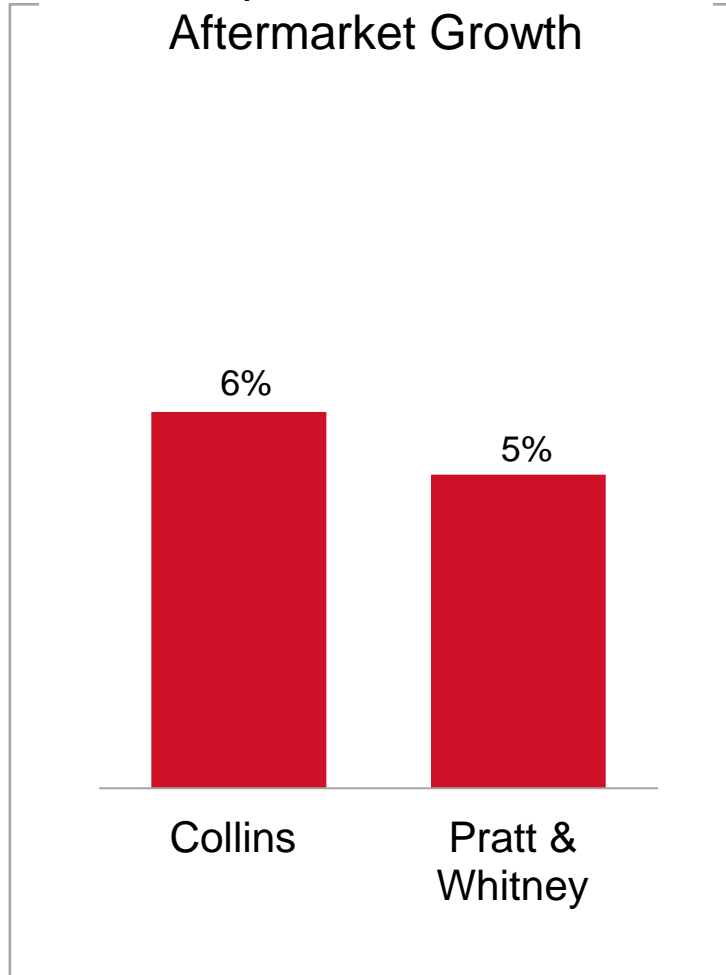


# 2022 Trends

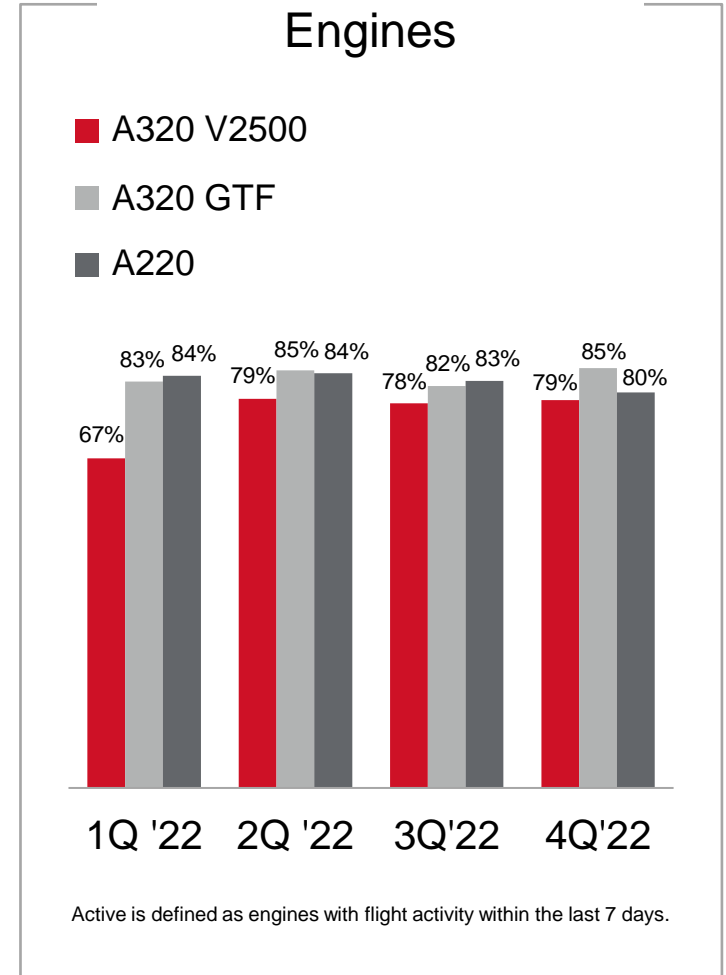
### FY Book-to-Bill Ratio



### 4Q Sequential Commercial Aftermarket Growth



### Pratt & Whitney Active Engines



# Raytheon Technologies: P&W Engine Shipments to Customers

	2021					2022				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
<b>Military</b>	44	61	58	55	218	60	62	49	48	219
<b>Large Commercial<sup>1</sup></b>	137	144	165	177	623	119	177	192	224	712
<b>Pratt &amp; Whitney Canada<sup>2</sup></b>	396	467	475	487	1,825	455	459	509	542	1,965

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

# Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	4Q 2022	FY 2022
<b>Net income from continuing operations</b>	1,468	5,327
<b>Depreciation &amp; amortization</b>	1,048	4,108
<b>Change in working capital</b>	2,204	522
<b>Other</b>	<u>(92)</u>	<u>(2,789)</u>
<b>Cash flow from operations</b>	4,628	7,168
<b>Capital expenditures</b>	<u>(855)</u>	<u>(2,288)</u>
<b>Free cash flow</b>	3,773	4,880

# 4Q 2022: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	FX / Other
<b>Collins Aerospace</b>	15%	16%	-	(1%)
<b>Pratt &amp; Whitney</b>	10%	11%	-	(1%)
<b>RIS</b>	(8%)	(5%)	(3%)	-
<b>RMD</b>	6%	7%	-	(1%)
<b>Elims &amp; Other</b>	<u>17%</u>	<u>17%</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>6%</b>	<b>7%</b>	<b>(1%)</b>	<b>-</b>

# 4Q 2022: Raytheon Technologies Restructuring Costs

(\$ millions)

	2022					2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Restructuring impact to:</b>										
Operating profit										
Collins Aerospace	(3)	(2)	(14)	(2)	(21)	(18)	(12)	(2)	(8)	(40)
Pratt & Whitney	(2)	(1)	(2)	(15)	(20)	(20)	16	(2)	(1)	(7)
Raytheon Intelligence & Space	—	—	—	—	—	—	—	—	—	—
Raytheon Missiles & Defense	—	—	(8)	—	(8)	—	—	—	—	—
Total segments operating profit	(5)	(3)	(24)	(17)	(49)	(38)	4	(4)	(9)	(47)
Corporate expenses and other unallocated items	(39)	(9)	—	(18)	(66)	(5)	(60)	(15)	(16)	(96)
Eliminations and other	—	—	—	—	—	—	—	—	—	—
Total consolidated operating profit	(44)	(12)	(24)	(35)	(115)	(43)	(56)	(19)	(25)	(143)
Non-service pension income	5	—	—	(7)	(2)	—	—	—	—	—
Income from continuing operations before income taxes	<b>(39)</b>	<b>(12)</b>	<b>(24)</b>	<b>(42)</b>	<b>(117)</b>	<b>(43)</b>	<b>(56)</b>	<b>(19)</b>	<b>(25)</b>	<b>(143)</b>



# Raytheon Technologies: 2021 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & net significant and/or non-recurring items <sup>1</sup>					Adjusted <sup>1</sup> (Unaudited)				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Net Sales</b>															
Collins Aerospace	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Pratt & Whitney	4,030	4,280	4,725	5,115	18,150	—	—	—	—	—	4,030	4,280	4,725	5,115	18,150
Raytheon Intelligence & Space	3,765	3,805	3,740	3,870	15,180	—	—	—	—	—	3,765	3,805	3,740	3,870	15,180
Raytheon Missiles & Defense	3,793	3,985	3,902	3,859	15,539	—	—	—	—	—	3,793	3,985	3,902	3,859	15,539
Total segment	15,958	16,615	16,959	17,786	67,318	—	—	—	—	—	15,958	16,615	16,959	17,786	67,318
Eliminations and other	(707)	(735)	(746)	(742)	(2,930)	—	—	—	—	—	(707)	(735)	(746)	(742)	(2,930)
<b>Consolidated Net Sales</b>	<b>15,251</b>	<b>15,880</b>	<b>16,213</b>	<b>17,044</b>	<b>64,388</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,251</b>	<b>15,880</b>	<b>16,213</b>	<b>17,044</b>	<b>64,388</b>
<b>Operating Profit</b>															
Collins Aerospace	314	506	478	461	1,759	(18)	(12)	(2)	(8)	(40)	332	518	480	469	1,799
Pratt & Whitney	20	112	187	135	454	(20)	16	(2)	(27)	(33)	40	96	189	162	487
Raytheon Intelligence & Space	388	415	391	639	1,833	—	—	—	239	239	388	415	391	400	1,594
Raytheon Missiles & Defense	496	532	490	486	2,004	—	—	—	—	—	496	532	490	486	2,004
Total segment	1,218	1,565	1,546	1,721	6,050	(38)	4	(4)	204	166	1,256	1,561	1,550	1,517	5,884
Eliminations and other	(31)	(40)	(27)	(35)	(133)	—	—	—	—	—	(31)	(40)	(27)	(35)	(133)
Corporate expenses and other unallocated items	(81)	(149)	(89)	(233)	(552)	(30)	(60)	(15)	(163)	(268)	(51)	(89)	(74)	(70)	(284)
FAS/CAS operating adjustment	423	425	499	449	1,796	—	—	—	—	—	423	425	499	449	1,796
Acquisition accounting adjustments	(516)	(519)	(586)	(582)	(2,203)	(516)	(519)	(586)	(582)	(2,203)	—	—	—	—	—
<b>Consolidated Operating Profit</b>	<b>1,013</b>	<b>1,282</b>	<b>1,343</b>	<b>1,320</b>	<b>4,958</b>	<b>(584)</b>	<b>(575)</b>	<b>(605)</b>	<b>(541)</b>	<b>(2,305)</b>	<b>1,597</b>	<b>1,857</b>	<b>1,948</b>	<b>1,861</b>	<b>7,263</b>
Non-service pension income	(491)	(490)	(491)	(472)	(1,944)	—	—	—	17	17	(491)	(490)	(491)	(489)	(1,961)
Debt extinguishment costs	—	—	32	617	649	—	—	32	617	649	—	—	—	—	—
Interest expense, net	346	342	326	308	1,322	—	—	—	—	—	346	342	326	308	1,322
Income (loss) from continuing operations before income taxes	1,158	1,430	1,476	867	4,931	(584)	(575)	(637)	(1,175)	(2,971)	1,742	2,005	2,113	2,042	7,902
Income tax expense (benefit)	345	342	3	96	786	14	(50)	(141)	(262)	(439)	331	392	144	358	1,225
Net income (loss) from continuing operations	813	1,088	1,473	771	4,145	(598)	(525)	(496)	(913)	(2,532)	1,411	1,613	1,969	1,684	6,677
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	73	86	248	—	—	—	16	16	41	48	73	70	232
<b>Income (loss) from continuing operations attributable to common shareowners</b>	<b>\$ 772</b>	<b>\$ 1,040</b>	<b>\$ 1,400</b>	<b>\$ 685</b>	<b>\$ 3,897</b>	<b>\$ (598)</b>	<b>\$ (525)</b>	<b>\$ (496)</b>	<b>\$ (929)</b>	<b>\$ (2,548)</b>	<b>\$ 1,370</b>	<b>\$ 1,565</b>	<b>\$ 1,896</b>	<b>\$ 1,614</b>	<b>\$ 6,445</b>
Earnings (loss) per share from continuing operations attributable to common shareowners															
Basic earnings (loss) per share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.60						\$ 0.91	\$ 1.04	\$ 1.27	\$ 1.08	\$ 4.29
Diluted earnings (loss) per share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.58						\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27
Weighted average number of shares outstanding (millions)															
Basic shares	1511.1	1,506.4	1,497.9	1,490.5	1,501.6						1511.1	1,506.4	1,497.9	1,490.5	1,501.6
Diluted shares	1514.1	1,513.5	1,505.9	1,500.2	1,508.5						1514.1	1,513.5	1,505.9	1,500.2	1,508.5

# Raytheon Technologies: 2022 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & net significant and/or non-recurring items <sup>1</sup>					Adjusted <sup>1</sup> (Unaudited)				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
<b>Net Sales</b>															
Collins Aerospace	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597
Pratt & Whitney	4,529	4,969	5,380	5,652	20,530	—	—	—	—	—	4,529	4,969	5,380	5,652	20,530
Raytheon Intelligence & Space	3,572	3,570	3,626	3,544	14,312	—	—	—	—	—	3,572	3,570	3,626	3,544	14,312
Raytheon Missiles & Defense	3,527	3,558	3,678	4,100	14,863	—	—	—	—	—	3,527	3,558	3,678	4,100	14,863
Total segment	16,452	17,108	17,784	18,958	70,302	—	—	—	—	—	16,452	17,108	17,784	18,958	70,302
Eliminations and other	(736)	(794)	(833)	(865)	(3,228)	—	—	—	—	—	(736)	(794)	(833)	(865)	(3,228)
<b>Consolidated Net Sales</b>	<b>\$ 15,716</b>	<b>\$ 16,314</b>	<b>\$ 16,951</b>	<b>\$ 18,093</b>	<b>\$ 67,074</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 15,716</b>	<b>\$ 16,314</b>	<b>\$ 16,951</b>	<b>\$ 18,093</b>	<b>\$ 67,074</b>
<b>Operating Profit</b>															
Collins Aerospace	\$ 440	\$ 546	\$ 616	\$ 741	\$ 2,343	\$ (144)	\$ (71)	\$ (14)	\$ (2)	\$ (231)	\$ 584	\$ 617	\$ 630	\$ 743	\$ 2,574
Pratt & Whitney	151	302	316	306	1,075	(157)	(1)	(2)	(15)	(175)	308	303	318	321	1,250
Raytheon Intelligence & Space	378	315	371	278	1,342	—	—	—	—	—	378	315	371	278	1,342
Raytheon Missiles & Defense	387	348	408	376	1,519	—	—	(8)	(42)	(50)	387	348	416	418	1,569
Total segment	1,356	1,511	1,711	1,701	6,279	(301)	(72)	(24)	(59)	(456)	1,657	1,583	1,735	1,760	6,735
Eliminations and other	(34)	(47)	(50)	(43)	(174)	6	—	—	—	6	(40)	(47)	(50)	(43)	(180)
Corporate expenses and other unallocated items	(136)	(42)	(77)	(63)	(318)	(39)	(9)	—	(18)	(66)	(97)	(33)	(77)	(45)	(252)
FAS/CAS operating adjustment	378	379	378	385	1,520	—	—	—	—	—	378	379	378	385	1,520
Acquisition accounting adjustments	(484)	(448)	(482)	(479)	(1,893)	(484)	(448)	(482)	(479)	(1,893)	—	—	—	—	—
<b>Consolidated Operating Profit</b>	<b>\$ 1,080</b>	<b>\$ 1,353</b>	<b>\$ 1,480</b>	<b>\$ 1,501</b>	<b>\$ 5,414</b>	<b>\$ (818)</b>	<b>\$ (529)</b>	<b>\$ (506)</b>	<b>\$ (556)</b>	<b>\$ (2,409)</b>	<b>\$ 1,898</b>	<b>\$ 1,882</b>	<b>\$ 1,986</b>	<b>\$ 2,057</b>	<b>\$ 7,823</b>
Non-service pension income	\$ (480)	\$ (474)	\$ (468)	\$ (467)	\$ (1,889)	\$ (5)	\$ —	\$ —	\$ 7	\$ 2	\$ (475)	\$ (474)	\$ (468)	\$ (474)	\$ (1,891)
Interest expense, net	318	329	311	318	1,276	—	—	—	—	—	318	329	311	318	1,276
Income from continuing operations before income taxes	1,242	1,498	1,637	1,650	6,027	(813)	(529)	(506)	(563)	(2,411)	2,055	2,027	2,143	2,213	8,438
Income tax expense	116	160	242	182	700	(182)	(111)	(108)	(117)	(518)	298	271	350	299	1,218
Net income from continuing operations	1,126	1,338	1,395	1,468	5,327	(631)	(418)	(398)	(446)	(1,893)	1,757	1,756	1,793	1,914	7,220
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	23	34	8	46	111	(11)	—	—	—	(11)	34	34	8	46	122
<b>Income from continuing operations attributable to common shareowners</b>	<b>\$ 1,103</b>	<b>\$ 1,304</b>	<b>\$ 1,387</b>	<b>\$ 1,422</b>	<b>\$ 5,216</b>	<b>\$ (620)</b>	<b>\$ (418)</b>	<b>\$ (398)</b>	<b>\$ (446)</b>	<b>\$ (1,882)</b>	<b>\$ 1,723</b>	<b>\$ 1,722</b>	<b>\$ 1,785</b>	<b>\$ 1,868</b>	<b>\$ 7,098</b>
Earnings per share from continuing operations attributable to common shareowners															
Basic earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 0.97	\$ 3.54						\$ 1.16	\$ 1.16	\$ 1.21	\$ 1.27	\$ 4.81
Diluted earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 0.96	\$ 3.51						\$ 1.15	\$ 1.16	\$ 1.21	\$ 1.27	\$ 4.78
Weighted average number of shares outstanding (millions)															
Basic shares	1,486.8	1,479.2	1,470.1	1,465.5	1,475.5						1,486.8	1,479.2	1,470.1	1,465.5	1,475.5
Diluted shares	1,497.9	1,489.6	1,479.3	1,476.3	1,485.9						1,497.9	1,489.6	1,479.3	1,476.3	1,485.9

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 25 - 29. For the full reconciliation of our non-operating results, net income and EPS refer to slide 30.

# Raytheon Technologies: Reconciliation of GAAP to Adjusted Collins Aerospace

(\$ millions)

	(Unaudited)					(Unaudited)				
	2022					2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Collins Aerospace</b>										
Net sales	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Adjusted net sales	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Operating profit	\$ 440	\$ 546	\$ 616	\$ 741	\$ 2,343	\$ 314	\$ 506	\$ 478	\$ 461	\$ 1,759
Restructuring	(3)	(2)	(14)	(2)	(21)	(18)	(12)	(2)	(8)	(40)
Impairment charges and reserve adjustments related to Russia sanctions	(141)	—	—	—	(141)	—	—	—	—	—
Charges associated with disposition of businesses	—	(69)	—	—	(69)	—	—	—	—	—
Adjusted operating profit	\$ 584	\$ 617	\$ 630	\$ 743	\$ 2,574	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799
Adjusted operating profit margin	12.1%	12.3%	12.4%	13.1%	12.5%	7.6%	11.4%	10.5%	9.5%	9.8%
<b>Total Net Sales Adjustments</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total Operating Profit Adjustments</b>	\$ (144)	\$ (71)	\$ (14)	\$ (2)	\$ (231)	\$ (18)	\$ (12)	\$ (2)	\$ (8)	\$ (40)

# Raytheon Technologies: Reconciliation of GAAP to Adjusted

## Pratt & Whitney

(\$ millions)

	(Unaudited)					(Unaudited)					
	2022					2021					
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	
<b>Pratt &amp; Whitney</b>											
Net sales	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	\$ 20,530	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150	
Adjusted net sales	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	\$ 20,530	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150	
Operating profit	\$ 151	\$ 302	\$ 316	\$ 306	\$ 1,075	\$ 20	\$ 112	\$ 187	\$ 135	\$ 454	
Restructuring	(2)	(1)	(2)	(15)	(20)	(20)	16	(2)	(1)	(7)	
Impairment charges and reserve adjustments related to Russia sanctions	(155)	—	—	—	(155)	—	—	—	—	—	
Litigation accrual	—	—	—	—	—	—	—	—	(26)	(26)	
Adjusted operating profit	\$ 308	\$ 303	\$ 318	\$ 321	\$ 1,250	\$ 40	\$ 96	\$ 189	\$ 162	\$ 487	
Adjusted operating profit margin	6.8%	6.1%	5.9%	5.7%	6.1%	1.0%	2.2%	4.0%	3.2%	2.7%	
<b>Total Net Sales Adjustments</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
<b>Total Operating Profit Adjustments</b>	\$ (157)	\$ (1)	\$ (2)	\$ (15)	\$ (175)	\$ (20)	\$ 16	\$ (2)	\$ (27)	\$ (33)	

# Raytheon Technologies: Reconciliation of GAAP to Adjusted

## Raytheon Intelligence & Space

(\$ millions)

	(Unaudited)					(Unaudited)				
	2022					2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Raytheon Intelligence &amp; Space</b>										
Net sales	\$ 3,572	\$ 3,570	\$ 3,626	\$ 3,544	\$ 14,312	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180
Adjusted net sales	\$ 3,572	\$ 3,570	\$ 3,626	\$ 3,544	\$ 14,312	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180
Operating profit	\$ 378	\$ 315	\$ 371	\$ 278	\$ 1,342	\$ 388	\$ 415	\$ 391	\$ 639	\$ 1,833
Gain on sale of business	—	—	—	—	—	—	—	—	239	239
Adjusted operating profit	\$ 378	\$ 315	\$ 371	\$ 278	\$ 1,342	\$ 388	\$ 415	\$ 391	\$ 400	\$ 1,594
Adjusted operating profit margin	10.6%	8.8%	10.2%	7.8%	9.4%	10.3%	10.9%	10.5%	10.3%	10.5%
<b>Total Net Sales Adjustments</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total Operating Profit Adjustments</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 239	\$ 239

# Raytheon Technologies: Reconciliation of GAAP to Adjusted

## Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)					(Unaudited)				
	2022					2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Raytheon Missiles &amp; Defense</b>										
Net sales	\$ 3,527	\$ 3,558	\$ 3,678	\$ 4,100	\$ 14,863	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539
Adjusted net sales	\$ 3,527	\$ 3,558	\$ 3,678	\$ 4,100	\$ 14,863	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539
Operating profit	\$ 387	\$ 348	\$ 408	\$ 376	\$ 1,519	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004
Restructuring	—	—	(8)	—	(8)	—	—	—	—	—
Charge associated with the divestiture of a non-core business	—	—	—	(42)	(42)	—	—	—	—	—
Adjusted operating profit	\$ 387	\$ 348	\$ 416	\$ 418	\$ 1,569	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004
Adjusted operating profit margin	11.0%	9.8%	11.3%	10.2%	10.6%	13.1%	13.4%	12.6%	12.6%	12.9%
<b>Total Net Sales Adjustments</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total Operating Profit Adjustments</b>	\$ —	\$ —	\$ (8)	\$ (42)	\$ (50)	\$ —	\$ —	\$ —	\$ —	\$ —

# Raytheon Technologies: Reconciliation of GAAP to Adjusted Non-Segment Operating Profit

(\$ millions)

	(Unaudited) 2022					(Unaudited) 2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<b>Eliminations and other</b>										
Net sales	\$ (736)	\$ (794)	\$ (833)	\$ (865)	\$ (3,228)	\$ (707)	\$ (735)	\$ (746)	\$ (742)	\$ (2,930)
Operating loss	\$ (34)	\$ (47)	\$ (50)	\$ (43)	\$ (174)	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)
Impairment charges and reserve adjustments related to the Russia sanctions	6	—	—	—	6	—	—	—	—	—
Adjusted operating loss	\$ (40)	\$ (47)	\$ (50)	\$ (43)	\$ (180)	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)
<b>Corporate and other unallocated items</b>										
Operating loss	\$ (136)	\$ (42)	\$ (77)	\$ (63)	\$ (318)	\$ (81)	\$ (149)	\$ (89)	\$ (233)	\$ (552)
Restructuring	(39)	(9)	—	(18)	(66)	(5)	(60)	(15)	(16)	(96)
Litigation accrual	—	—	—	—	—	—	—	—	(147)	(147)
Costs associated with the separation of the commercial businesses	—	—	—	—	—	(8)	—	—	—	(8)
Transaction and integration costs associated with the Raytheon Merger	—	—	—	—	—	(17)	—	—	—	(17)
Adjusted operating loss	\$ (97)	\$ (33)	\$ (77)	\$ (45)	\$ (252)	\$ (51)	\$ (89)	\$ (74)	\$ (70)	\$ (284)
<b>FAS/CAS Operating Adjustment</b>										
Operating profit	\$ 378	\$ 379	\$ 378	\$ 385	\$ 1,520	\$ 423	\$ 425	\$ 499	\$ 449	\$ 1,796
<b>Acquisition Accounting Adjustments</b>										
Operating loss	\$ (484)	\$ (448)	\$ (482)	\$ (479)	\$ (1,893)	\$ (516)	\$ (519)	\$ (586)	\$ (582)	\$ (2,203)
Acquisition accounting adjustments	(484)	(448)	(482)	(479)	(1,893)	(516)	(519)	(586)	(582)	(2,203)
Adjusted operating profit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total Operating Profit Adjustments - Eliminations and other</b>	\$ 6	\$ —	\$ —	\$ —	\$ 6	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total Operating Profit Adjustments - Corporate and other unallocated items</b>	\$ (39)	\$ (9)	\$ —	\$ (18)	\$ (66)	\$ (30)	\$ (60)	\$ (15)	\$ (163)	\$ (268)
<b>Total Operating Profit Adjustments - Acquisition accounting adjustments</b>	\$ (484)	\$ (448)	\$ (482)	\$ (479)	\$ (1,893)	\$ (516)	\$ (519)	\$ (586)	\$ (582)	\$ (2,203)



# Raytheon Technologies: Reconciliation of GAAP to Adjusted Consolidated Income, Earnings Per Share

(\$ millions)

	(Unaudited) 2022					(Unaudited) 2021				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
<i>Income (Expense)</i>										
<b>Income from continuing operations attributable to common shareowners</b>	\$ 1,103	\$ 1,304	\$ 1,387	\$ 1,422	\$ 5,216	\$ 772	\$ 1,040	\$ 1,400	\$ 685	\$ 3,897
Total Restructuring included in Operating Profit	(44)	(12)	(24)	(35)	(115)	(43)	(56)	(19)	(25)	(143)
Total Acquisition accounting adjustments	(484)	(448)	(482)	(479)	(1,893)	(516)	(519)	(586)	(582)	(2,203)
Total net significant and/or non-recurring items included in Operating Profit <sup>(1)</sup>	(290)	(69)	—	(42)	(401)	(25)	—	—	66	41
Debt extinguishment costs	—	—	—	—	—	—	—	(32)	(617)	(649)
<i>Significant and/or non-recurring items included in non-service pension income</i>										
Non-service pension income	\$ 480	\$ 474	\$ 468	\$ 467	\$ 1,889	\$ 491	\$ 490	\$ 491	\$ 472	\$ 1,944
Pension curtailment / settlement	—	—	—	—	—	—	—	—	(29)	(29)
Pension curtailment / settlement related to the sale of businesses	—	—	—	—	—	—	—	—	12	12
Non-service pension restructuring	5	—	—	(7)	(2)	—	—	—	—	—
<b>Adjusted non-service pension income</b>	\$ 475	\$ 474	\$ 468	\$ 474	\$ 1,891	\$ 491	\$ 490	\$ 491	\$ 489	\$ 1,961
<i>Significant and/or non-recurring items included in Income Tax Expense</i>										
Income tax expense	\$ (116)	\$ (160)	\$ (242)	\$ (182)	\$ (700)	\$ (345)	\$ (342)	\$ (3)	\$ (96)	\$ (786)
Tax effect of restructuring and net significant and/or non-recurring items above	182	111	108	117	518	134	123	141	137	535
Tax impact from UK rate change	—	—	—	—	—	—	(73)	—	—	(73)
Tax impact from business disposals	—	—	—	—	—	(148)	—	—	104	(44)
Revaluation of certain international tax incentives	—	—	—	—	—	—	—	—	51	51
Revaluation of deferred taxes related to Raytheon merger	—	—	—	—	—	—	—	—	(30)	(30)
<b>Adjusted income tax expense</b>	\$ (298)	\$ (271)	\$ (350)	\$ (299)	\$ (1,218)	\$ (331)	\$ (392)	\$ (144)	\$ (358)	\$ (1,225)
<i>Significant and/or non-recurring items included in Noncontrolling Interest</i>										
Noncontrolling interest in subsidiaries' earnings	\$ 23	\$ 34	\$ 8	\$ 46	\$ 111	\$ 41	\$ 48	\$ 73	\$ 86	\$ 248
Adjustments to noncontrolling interest	(11)	—	—	—	(11)	—	—	—	16	16
<b>Adjusted Noncontrolling interest in subsidiaries' earnings</b>	\$ 34	\$ 34	\$ 8	\$ 46	\$ 122	\$ 41	\$ 48	\$ 73	\$ 70	\$ 232
<b>Less: Impact on net income attributable to common shareowners</b>	<b>(620)</b>	<b>(418)</b>	<b>(398)</b>	<b>(446)</b>	<b>(1,882)</b>	<b>(598)</b>	<b>(525)</b>	<b>(496)</b>	<b>(929)</b>	<b>(2,548)</b>
<b>Adjusted net income from continuing operations attributable to common shareowners</b>	<b>\$ 1,723</b>	<b>\$ 1,722</b>	<b>\$ 1,785</b>	<b>\$ 1,868</b>	<b>\$ 7,098</b>	<b>\$ 1,370</b>	<b>\$ 1,565</b>	<b>\$ 1,896</b>	<b>\$ 1,614</b>	<b>\$ 6,445</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.74</b>	<b>\$ 0.88</b>	<b>\$ 0.94</b>	<b>\$ 0.96</b>	<b>\$ 3.51</b>	<b>\$ 0.51</b>	<b>\$ 0.69</b>	<b>\$ 0.93</b>	<b>\$ 0.46</b>	<b>\$ 2.58</b>
Impact on Diluted Earnings Per Share	(0.41)	(0.28)	(0.27)	(0.31)	(1.27)	(0.39)	(0.34)	(0.33)	(0.62)	(1.69)
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$ 1.15</b>	<b>\$ 1.16</b>	<b>\$ 1.21</b>	<b>\$ 1.27</b>	<b>\$ 4.78</b>	<b>\$ 0.90</b>	<b>\$ 1.03</b>	<b>\$ 1.26</b>	<b>\$ 1.08</b>	<b>\$ 4.27</b>
<b>Total Non-service pension income adjustments</b>	<b>\$ 5</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (7)</b>	<b>\$ (2)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (17)</b>	<b>\$ (17)</b>
<b>Total Income tax adjustments</b>	<b>\$ 182</b>	<b>\$ 111</b>	<b>\$ 108</b>	<b>\$ 117</b>	<b>\$ 518</b>	<b>\$ (14)</b>	<b>\$ 50</b>	<b>\$ 141</b>	<b>\$ 262</b>	<b>\$ 439</b>

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 25 - 29.

# Pension Impact

(\$ millions)

	2022 Actual	2023 Projection
<u>P&amp;L impact</u>		
RMD/RIS Service cost	(\$365)	(\$160)
RMD/RIS CAS recovery	<u>\$1,885</u>	<u>\$1,410</u>
FAS/CAS operating adjustment	\$1,520	\$1,250
Non-service pension income	\$1,891	\$1,780
<u>Net cash</u>		
Gross funding	(\$409)	(\$425)
RMD/RIS CAS recovery	<u>\$1,885</u>	<u>\$1,410</u>
Net cash	\$1,476	\$985