



# Q4 2021 Earnings Call Presentation

January 27, 2022

The data in this package should be read in conjunction with the Textron earnings release and accompanying tables.

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# Forward-Looking Information

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Certain statements in this package and other oral and written statements made by Textron from time to time are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the risks and uncertainties set forth under "Forward-Looking Information" in our fourth quarter 2021 earnings release. Additional information on risks and uncertainties that may impact forward-looking statements is discussed under "Risk Factors" in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

# Key Data – Q4 2021

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	Q4 2021	Q4 2020
Revenues	\$3.3B	\$3.7B
Segment Profit	\$310M	\$324M
EPS	\$0.93	\$1.03
Adjusted EPS*	\$0.94	\$1.06
Manufacturing Cash Flow Before Pension Contributions*	\$298M	\$467M
Pension Contributions	\$12M	\$12M

\*Adjusted EPS and Manufacturing cash flow before pension contributions are non-GAAP measures that are defined and reconciled to GAAP in our earnings release.

# Key Data – Full Year 2021

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	Full-Year 2021	Full-Year 2020
Revenues	\$12.4B	\$11.7B
Segment Profit	\$1,134M	\$751M
EPS	\$3.30	\$1.35
Adjusted EPS*	\$3.30	\$2.07
Manufacturing Cash Flow Before Pension Contributions*	\$1,149M	\$596M
Pension Contributions	\$52M	\$47M

\*Adjusted EPS and Manufacturing cash flow before pension contributions are non-GAAP measures that are defined and reconciled to GAAP in our earnings release.

# Textron Consolidated Net Debt

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*(\$ amounts in millions)*

	Full-Year 2021	Full-Year 2020
Cash	\$2,117	\$2,254
Finance Group Debt	582	662
TXT Mfg. Group Debt	3,185	3,707
Total Debt	3,767	4,369
Net Debt	\$1,650	\$2,115

# Q4 2021 Revenue Growth

	Revenue Growth	Organic Growth	FX Impact Un(Fav)	Organic Growth Before FX
Textron Aviation	(12.9%)	(12.9%)	-	(12.9%)
Bell	(1.5%)	(1.5%)	-	(1.5%)
Textron Systems	(12.3%)	(12.3%)	-	(12.3%)
Industrial	(9.8%)	(9.8%)	0.2%	(9.6%)
Manufacturing	(9.4%)	(9.4%)	0.1%	(9.3%)
Finance	(15.4%)	(15.4%)	-	(15.4%)
Total Segments	(9.4%)	(9.4%)	-	(9.4%)

Organic Growth includes revenue changes resulting from volume, price, and foreign exchange as compared to the corresponding period in the prior year. For our segments that contract with the U.S. Government, volume represents changes in revenue related to these contracts.

# Finance Segment Key Statistics

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	<u>Q4 2021</u>	<u>Q3 2021</u>
60+ Delinquency	\$1M	\$12M
Non-accrual	\$94M	\$110M
Finance Receivables	\$630M	\$621M
Shareholders' Equity	\$175M	\$170M

# Segment Outlook – Full Year 2022

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Segment	Revenue	Profitability
Textron Aviation	~\$5.5B	~10.0% - 11.0%
Bell	~\$3.0B	~10.0% - 11.0%
Textron Systems	~\$1.3B	~13.5% - 14.5%
Industrial	~\$3.5B	~5.5% - 6.5%
Finance	~\$40M	~\$15M



# Outlook – Full Year 2022

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Earnings Per Share	\$3.80 - \$4.00
Manufacturing Cash Flow Before Pension Contributions <sup>(1)</sup> <sup>(2)</sup>	\$700M - \$800M
Pension Contributions	~\$50M

(1) Manufacturing cash flow before pension contributions is a non-GAAP measure that is defined and reconciled to GAAP in our earnings release.

(2) 2022 outlook assumes an additional \$300 million of tax payments reflecting the change in tax law that went into effect on January 1, 2022, that requires companies to capitalize and amortize research and development costs over five years rather than deducting such costs in the year incurred for tax purposes.

# Outlook – Full Year 2022

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<i>(\$ amounts in millions)</i>	<u>2022E</u>	<u>2021</u>
Corporate Expenses & Other	~\$150	\$129
Interest Expense, net for Manufacturing Group	~\$120	\$124
Income Tax Rate (from continuing operations)	~18.0%	14.4%

# Pension Outlook – Full Year 2022

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	<u>2022E</u>	<u>2021</u>
Discount Rates – U.S. Plans	3.05%	2.70%
Total Pension Cost/(Income)	~(\$120M)	~(\$30M)
Assumed Long-Term Rate of Return	7.25%	7.25%
Pension Contributions	~\$50M	\$52M

# Outlook – Full Year 2022

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<i>(\$ amounts in millions)</i>	<u>2022E</u>	<u>2021</u>
Research & Development	~\$585	\$619
<i>% of Mfg Revenues</i>	<i>4.4%</i>	<i>5.0%</i>
CapEx	~\$425	\$375
Depreciation	~\$370	\$325



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