



Raytheon
Technologies

**3Q 2022 Earnings
Conference Call**

October 25, 2022

Forward-Looking Statements

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

This webcast 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. 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, 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) 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 recovery from COVID-19; (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) 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; (8) 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; (9) 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; (10) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (11) 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; (12) 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; (13) the risks relating to realizing expected benefits from RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (14) the risks relating to the integration of legacy businesses of UTC and RTC as well as the merger, and the realization of the anticipated benefits of those transactions; (15) 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; (16) 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; (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.

3Q 2022 Highlights

Sales **up 6%** organically* versus prior year

Commercial aftermarket sales **up 24%** versus prior year

Received over **\$22B** of total awards in Q3; **1.32** total book-to-bill

Awarded **\$1B** to develop the **Hypersonic Attack Cruise Missile**

Returned **\$1.4B** of capital to shareowners

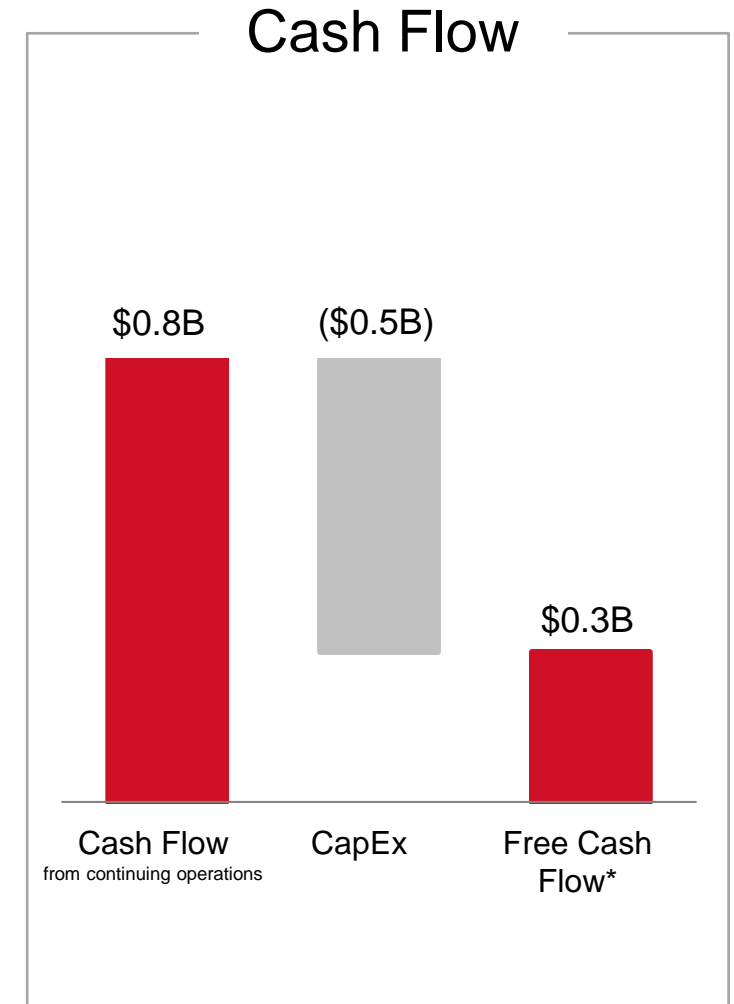
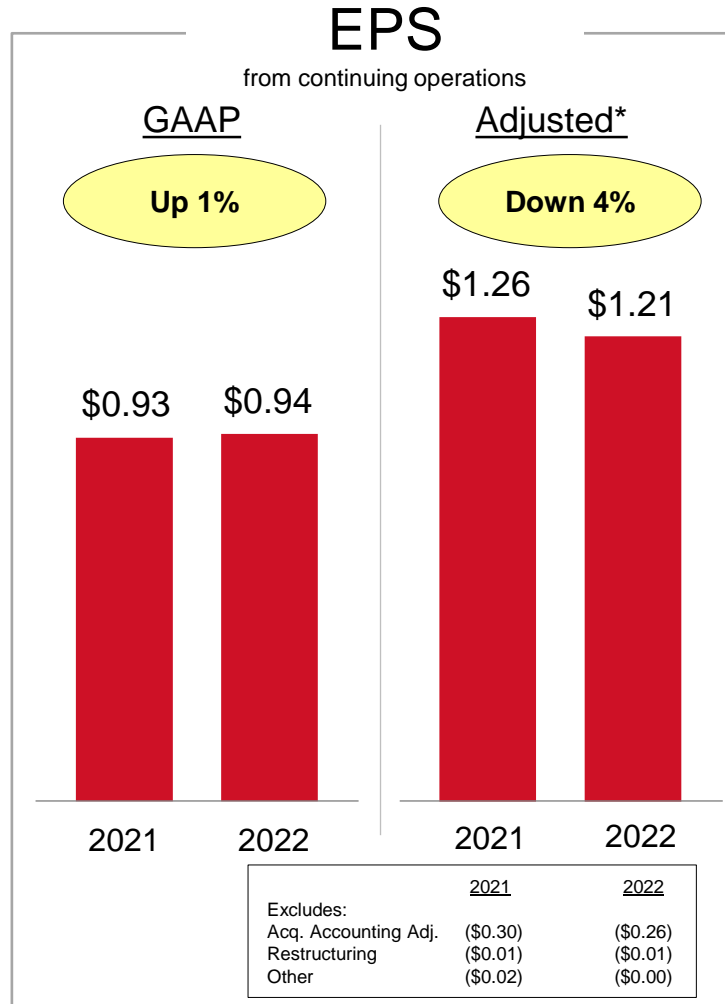
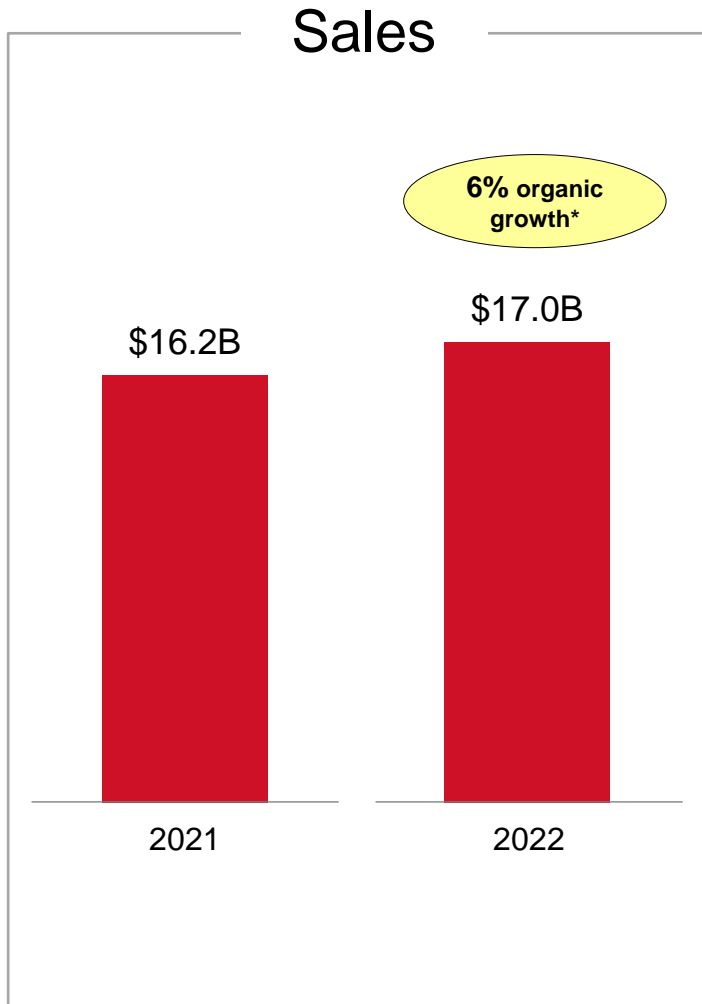
Achieved **~\$105M** of incremental gross merger cost synergies; **\$1.3B** merger-to-date

Full Year Outlook

Sales	\$67.0B - \$67.3B Prior: \$67.75B - \$68.75B
Organic sales growth %*	5% - 6% Prior: 6% - 8%
Adjusted EPS*	\$4.70 - \$4.80 Prior: \$4.60 - \$4.80
Free cash flow*	~\$4.0B

Positioned to capitalize on continued aerospace strength and increasing defense demand

3Q 2022



Adjusted EPS exceeded expectations; segment margin expansion of 70 basis points

Collins Aerospace Segment Highlights

3Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,100	5,100	11%
Operating Profit	616	630	31%
ROS	12.1%	12.4%	190 bps

- Organic sales* up 13%
- Adjusted sales* up 11%
 - Commercial aftermarket up 25%
 - Commercial OE up 16%
 - Military down 6%
- Adjusted operating profit* up 31%
 - Higher commercial aftermarket and OE
 - Lower military volume
 - Higher SG&A and R&D expense



Collins Aerospace has been awarded an Indefinite Delivery/Indefinite Quantity (IDIQ) production contract for the Mounted Assured Positioning, Navigation and Timing System (MAPS) Gen II program with a ceiling value of \$583 million. MAPS Gen II is the latest generation of assured Positioning, Navigation and Timing (PNT) for manned and unmanned ground vehicles. It was selected following a competitive Other Transaction Authority (OTA) phase of the program that demonstrated the system's ability to counter PNT threats and provide warfighters with decisive advantages over their adversaries.

Pratt & Whitney Segment Highlights

3Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,380	5,380	14%
Operating Profit	316	318	68%
ROS	5.9%	5.9%	190 bps

- Organic sales* up 15%
- Adjusted sales* up 14%
 - Commercial OE up 26%
 - Commercial aftermarket up 23%
 - Military down 2%
- Adjusted operating profit* up 68%
 - Continued commercial aftermarket recovery and shop visit growth
 - Favorable military and commercial OE mix
 - Higher SG&A and R&D expense



On October 11, Pratt & Whitney and Frontier Airlines welcomed the arrival of the carrier's first Airbus A321neo, outfitted with Pratt & Whitney GTF™ engines. In recognition of the companies' relationship, the plane was named "Fredrick the Bald Eagle" in honor of P&W's founder Frederick B. Rentschler.

Raytheon Intelligence & Space Segment Highlights

3Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,626	3,626	(3%)
Operating Profit	371	371	(5%)
ROS	10.2%	10.2%	(30) bps

- Organic sales* up 2%
- Adjusted sales* down 3%
 - Global Training and Services divestiture
 - Lower volume in Command, Control and Communications, including tactical communications systems programs
 - Higher classified volume in Sensing and Effects
- Adjusted operating profit* down 5%
 - Global Training and Services divestiture
 - Favorable net program efficiencies
- 3Q book-to-bill ratio 1.18; YTD book-to-bill 0.97
 - \$1.6 billion of classified bookings
- Backlog \$17 billion



During the quarter, Raytheon Intelligence & Space was competitively awarded orders to upgrade the FAA's Wide-Area Augmentation System, or WAAS. This space-based precision navigation system enhances safer air travel in support of the National Airspace System.

Raytheon Missiles & Defense Segment Highlights

3Q 2022

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,678	3,678	(6%)
Operating Profit	408	416	(15%)
ROS	11.1%	11.3%	(130) bps

- Organic sales* down 5%
- Adjusted sales* down 6%
 - Continuing supply chain constraints
 - Declines in Land Warfare and Air Defense and Naval Power
 - Higher volume in Strategic Missile Defense including NGI development
- Adjusted operating profit* down 15%
 - Unfavorable mix
 - Lower volume in Land Warfare and Air Defense
 - Lower net program efficiencies
- 3Q book-to-bill ratio 1.5; YTD book-to-bill 1.33
 - \$1.0 billion for the Hypersonic Attack Cruise Missile (HACM)
 - \$972 million for AMRAAM
- Backlog \$32 billion



The U.S. Air Force awarded Raytheon Missiles & Defense, in partnership with Northrop Grumman, a \$1 billion contract to develop and demonstrate the Hypersonic Attack Cruise Missile. HACM is a first-of-its-kind weapon. Under this contract, the Raytheon Missiles & Defense and Northrop Grumman team will deliver operationally ready missiles to the USAF.

2023 Environment

Positives

Aftermarket

International travel recovery

Commercial OE deliveries

Global defense spending

Cost reduction / synergies

Monitoring

Geopolitical landscape

European energy supply

Continuing resolution

Global tax environment

Challenges

Supply chain / inflation

Labor availability

Pension

Priorities

- ▶ Continued support of employees, customers and suppliers
- ▶ Invest in technology and product innovation to drive industry leadership
- ▶ Deliver RTX synergies
- ▶ Drive structural cost reduction
- ▶ Disciplined capital deployment

Focused on delivering on our long-term commitments



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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 and adjusted earnings per share (“EPS”) are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature (hereinafter referred to as “other significant 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 other significant items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant 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 income (loss) from continuing operations attributable to common shareowners (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant 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 other significant 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 other significant 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 sales, organic sales growth, adjusted operating profit (loss), adjusted EPS, free cash flow, and adjusted tax rate on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, expected sales growth, expected operating profit (loss), expected EPS from continuing operations, expected cash flow from operations and expected tax rate 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.

2022 Segment Outlook

(\$ millions)

		Reported Sales VPY %	Organic Sales VPY %*	Adjusted Operating Profit VPY*
Collins Aerospace	Current <i>Prior</i>	Up low double digits <i>Up low double digits</i>	Up low double digits <i>Up low double digits</i>	\$750 - \$825 <i>\$700 - \$825</i>
Pratt & Whitney	Current <i>Prior</i>	Up low teens <i>Up low teens</i>	Up low teens <i>Up low teens</i>	\$650 - \$700 <i>\$550 - \$650</i>
Raytheon Intelligence & Space	Current <i>Prior</i>	Down mid-single <i>Down mid-single to low single digit</i>	Down slightly <i>Flat</i>	(\$125) – (\$75) <i>(\$50) – flat</i>
Raytheon Missiles & Defense	Current <i>Prior</i>	Down low-single <i>Up slightly</i>	Down low-single <i>Up slightly</i>	(\$300) – (\$250) <i>(\$50) - flat</i>

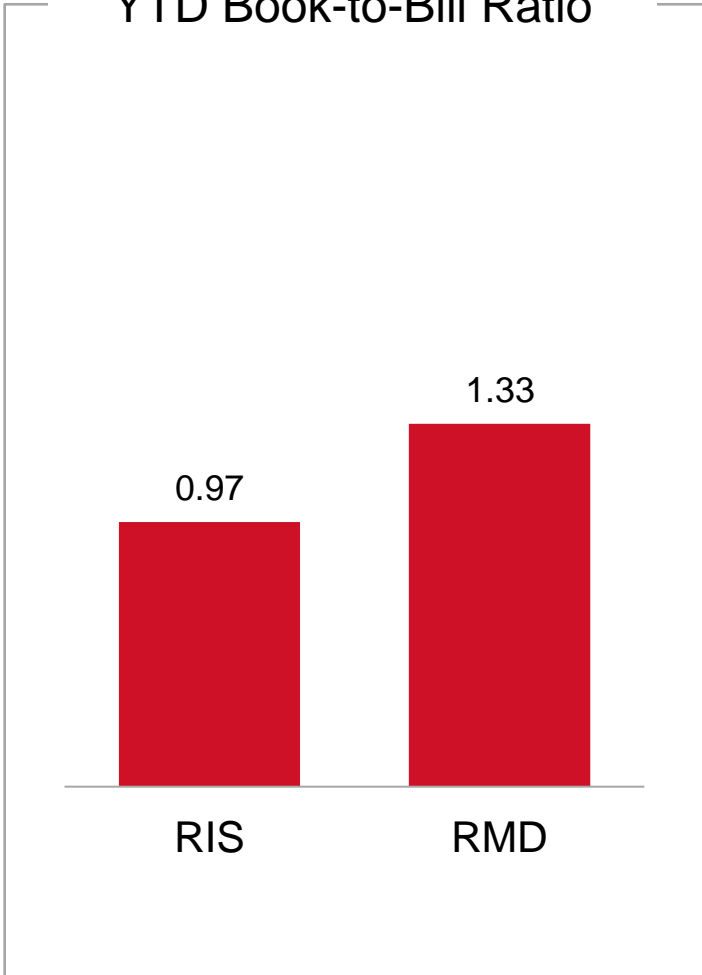
Additional 2022 Outlook Items

	<u>FY 2022 Prior¹</u>	<u>FY 2022 Current</u>
Adjusted Tax Rate*	18.0% - 18.5%	~15.5%
Interest Expense	~\$1,300M	~\$1,300M
Corporate Expense and Other Unallocated Items	~\$325M	~\$325M
FAS/CAS Operating Adjustment	~\$1,500M	~\$1,500M
Non-Service Pension Income	~\$1,875M	~\$1,875M
Capex Spending	\$2.4B - \$2.5B	~\$2.3B

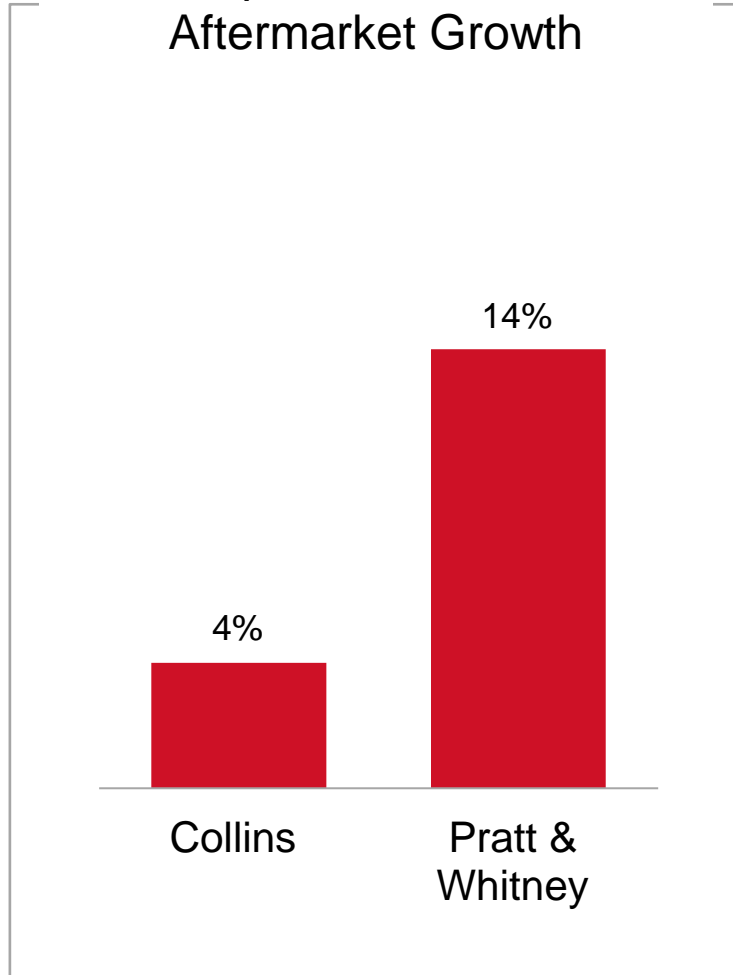
1) Assumed the legislation requiring R&D capitalization for tax purposes is deferred beyond 2022.

2022 Trends

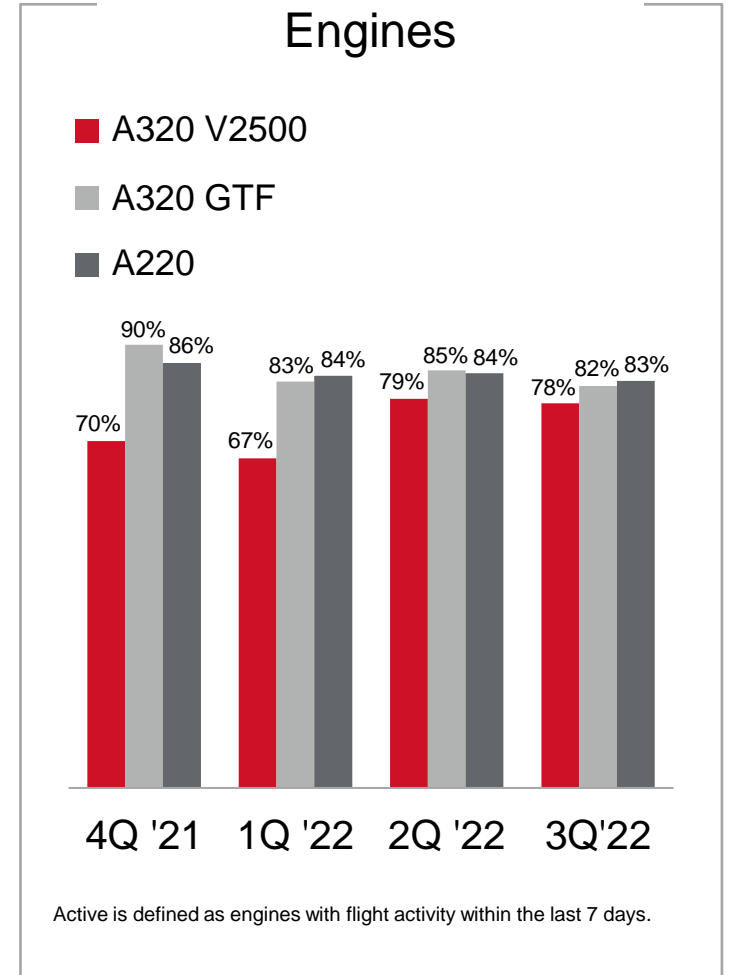
YTD Book-to-Bill Ratio



3Q 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>
Military	44	61	58	55	218	60	62	49
Large Commercial¹	137	144	165	177	623	119	177	192
Pratt & Whitney Canada²	396	467	475	487	1,825	455	459	509

1) Large commercial excludes industrial engine shipments
 2) Excludes APUs

Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	3Q 2022
Net income from continuing operations	1,395
Depreciation & amortization	1,047
Change in working capital	(781)
Other	<u>(883)</u>
Cash flow from operations	778
Capital expenditures	<u>(515)</u>
Free cash flow	263

3Q 2022: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	Other ¹
Collins Aerospace	11%	13%	(1%)	(1%)
Pratt & Whitney	14%	15%	-	(1%)
RIS	(3%)	2%	(4%)	(1%)
RMD	(6%)	(5%)	-	(1%)
Elims & Other	<u>12%</u>	<u>12%</u>	<u>-</u>	<u>-</u>
Total	5%	6%	(1%)	-

3Q 2022: Raytheon Technologies Restructuring Costs

(\$ millions)

Restructuring impact to:

Operating profit

Collins Aerospace Systems

Pratt & Whitney

Raytheon Intelligence & Space

Raytheon Missiles & Defense

Total segments operating profit

Corporate expenses and other unallocated items

Eliminations and other

Total consolidated operating profit

Non-service pension income

Income from continuing operations before income taxes

	2022				2021				
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Operating profit									
Collins Aerospace Systems	(3)	(2)	(14)	(19)	(18)	(12)	(2)	(8)	(40)
Pratt & Whitney	(2)	(1)	(2)	(5)	(20)	16	(2)	(1)	(7)
Raytheon Intelligence & Space	—	—	—	—	—	—	—	—	—
Raytheon Missiles & Defense	—	—	(8)	(8)	—	—	—	—	—
Total segments operating profit	(5)	(3)	(24)	(32)	(38)	4	(4)	(9)	(47)
Corporate expenses and other unallocated items	(39)	(9)	—	(48)	(5)	(60)	(15)	(16)	(96)
Eliminations and other	—	—	—	—	—	—	—	—	—
Total consolidated operating profit	(44)	(12)	(24)	(80)	(43)	(56)	(19)	(25)	(143)
Non-service pension income	5	—	—	5	—	—	—	—	—
Income from continuing operations before income taxes	(39)	(12)	(24)	(75)	(43)	(56)	(19)	(25)	(143)

Raytheon Technologies: 2021 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & Significant non-recurring and non- operational items ¹					Adjusted ¹ (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
Net Sales															
Collins Aerospace Systems	\$ 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)
Consolidated Net Sales	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388
Operating Profit															
Collins Aerospace Systems	\$ 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)	-	-	-	-	-
Consolidated Operating Profit	\$ 1,013	\$ 1,282	\$ 1,343	\$ 1,320	\$ 4,958	\$ (584)	\$ (575)	\$ (605)	\$ (541)	\$ (2,305)	\$ 1,597	\$ 1,857	\$ 1,948	\$ 1,861	\$ 7,263
Non-service pension benefit	\$ (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 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	345	342	3	96	786	14	(50)	(141)	(262)	(439)	331	392	144	358	1,225
Net income 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
Income from continuing operations attributable to common shareowners	\$ 772	\$ 1,040	\$ 1,400	\$ 685	\$ 3,897	\$ (598)	\$ (525)	\$ (496)	\$ (929)	\$ (2,548)	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445
Earnings per share from continuing operations attributable to common shareowners															
Basic earnings per share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.60						\$ 0.91	\$ 1.04	\$ 1.27	\$ 1.08	\$ 4.29
Diluted earnings 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	1,511.1	1,506.4	1,497.9	1,490.5	1,501.6						1,511.1	1,506.4	1,497.9	1,490.5	1,501.6
Diluted shares	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5						1,514.1	1,513.5	1,505.9	1,500.2	1,508.5

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 22 - 26. For the full reconciliation of our non-operating results, net income and EPS refer to slide 27.

Raytheon Technologies: 2022 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)				Restructuring & Significant non-recurring and non-operational items ¹				Adjusted ¹ (Unaudited)			
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022
Net Sales												
Collins Aerospace Systems	\$ 4,824	\$ 5,011	\$ 5,100	\$ 14,935	\$ —	\$ —	\$ —	\$ —	\$ 4,824	\$ 5,011	\$ 5,100	\$ 14,935
Pratt & Whitney	4,529	4,969	5,380	14,878	—	—	—	—	4,529	4,969	5,380	14,878
Raytheon Intelligence & Space	3,572	3,570	3,626	10,768	—	—	—	—	3,572	3,570	3,626	10,768
Raytheon Missiles & Defense	3,527	3,558	3,678	10,763	—	—	—	—	3,527	3,558	3,678	10,763
Total segment	16,452	17,108	17,784	51,344	—	—	—	—	16,452	17,108	17,784	51,344
Eliminations and other	(736)	(794)	(833)	(2,363)	—	—	—	—	(736)	(794)	(833)	(2,363)
Consolidated Net Sales	\$ 15,716	\$ 16,314	\$ 16,951	\$ 48,981	\$ —	\$ —	\$ —	\$ —	\$ 15,716	\$ 16,314	\$ 16,951	\$ 48,981
Operating Profit												
Collins Aerospace Systems	\$ 440	\$ 546	\$ 616	\$ 1,602	\$ (144)	\$ (71)	\$ (14)	\$ (229)	\$ 584	\$ 617	\$ 630	\$ 1,831
Pratt & Whitney	151	302	316	769	(157)	(1)	(2)	(160)	308	303	318	929
Raytheon Intelligence & Space	378	315	371	1,064	—	—	—	—	378	315	371	1,064
Raytheon Missiles & Defense	387	348	408	1,143	—	—	(8)	(8)	387	348	416	1,151
Total segment	1,356	1,511	1,711	4,578	(301)	(72)	(24)	(397)	1,657	1,583	1,735	4,975
Eliminations and other	(34)	(47)	(50)	(131)	6	—	—	6	(40)	(47)	(50)	(137)
Corporate expenses and other unallocated items	(136)	(42)	(77)	(255)	(39)	(9)	—	(48)	(97)	(33)	(77)	(207)
FAS/CAS operating adjustment	378	379	378	1,135	—	—	—	—	378	379	378	1,135
Acquisition accounting adjustments	(484)	(448)	(482)	(1,414)	(484)	(448)	(482)	(1,414)	—	—	—	—
Consolidated Operating Profit	\$ 1,080	\$ 1,353	\$ 1,480	\$ 3,913	\$ (818)	\$ (529)	\$ (506)	\$ (1,853)	\$ 1,898	\$ 1,882	\$ 1,986	\$ 5,766
Non-service pension income	\$ (480)	\$ (474)	\$ (468)	\$ (1,422)	\$ (5)	\$ —	\$ —	\$ (5)	\$ (475)	\$ (474)	\$ (468)	\$ (1,417)
Interest expense, net	318	329	311	958	—	—	—	—	318	329	311	958
Income from continuing operations before income taxes	1,242	1,498	1,637	4,377	(813)	(529)	(506)	(1,848)	2,055	2,027	2,143	6,225
Income tax expense	116	160	242	518	(182)	(111)	(108)	(401)	298	271	350	919
Net income from continuing operations	1,126	1,338	1,395	3,859	(631)	(418)	(398)	(1,447)	1,757	1,756	1,793	5,306
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	23	34	8	65	(11)	—	—	(11)	34	34	8	76
Income from continuing operations attributable to common shareowners	\$ 1,103	\$ 1,304	\$ 1,387	\$ 3,794	\$ (620)	\$ (418)	\$ (398)	\$ (1,436)	\$ 1,723	\$ 1,722	\$ 1,785	\$ 5,230
Earnings per share from continuing operations attributable to common shareowners												
Basic earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 2.57					\$ 1.16	\$ 1.16	\$ 1.21	\$ 3.54
Diluted earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 2.55					\$ 1.15	\$ 1.16	\$ 1.21	\$ 3.51
Weighted average number of shares outstanding (millions)												
Basic shares	1,486.8	1,479.2	1,470.1	1,478.7					1,486.8	1,479.2	1,470.1	1,478.7
Diluted shares	1,497.9	1,489.6	1,479.3	1,488.9					1,497.9	1,489.6	1,479.3	1,488.9

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 22 - 26. For the full reconciliation of our non-operating results, net income and EPS refer to slide 27.

Raytheon Technologies: Reconciliation of GAAP to Adjusted Collins Aerospace Systems

(\$ millions)

	(Unaudited) 2022				(Unaudited) 2021				
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Collins Aerospace Systems									
Net sales	\$ 4,824	\$ 5,011	\$ 5,100	\$ 14,935	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Adjusted net sales	\$ 4,824	\$ 5,011	\$ 5,100	\$ 14,935	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Operating profit	\$ 440	\$ 546	\$ 616	\$ 1,602	\$ 314	\$ 506	\$ 478	\$ 461	\$ 1,759
Restructuring	(3)	(2)	(14)	(19)	(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	\$ 1,831	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799
Adjusted operating profit margin	12.1%	12.3%	12.4%	12.3%	7.6%	11.4%	10.5%	9.5%	9.8%
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ (144)	\$ (71)	\$ (14)	\$ (229)	\$ (18)	\$ (12)	\$ (2)	\$ (8)	\$ (40)

Raytheon Technologies: Reconciliation of GAAP to Adjusted Pratt & Whitney

(\$ millions)

	(Unaudited) 2022				(Unaudited) 2021				
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
	Pratt & Whitney								
Net sales	\$ 4,529	\$ 4,969	\$ 5,380	\$ 14,878	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150
Adjusted net sales	\$ 4,529	\$ 4,969	\$ 5,380	\$ 14,878	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150
Operating profit	\$ 151	\$ 302	\$ 316	\$ 769	\$ 20	\$ 112	\$ 187	\$ 135	\$ 454
Restructuring	(2)	(1)	(2)	(5)	(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	\$ 929	\$ 40	\$ 96	\$ 189	\$ 162	\$ 487
Adjusted operating profit margin	6.8%	6.1%	5.9%	6.2%	1.0%	2.2%	4.0%	3.2%	2.7%
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ (157)	\$ (1)	\$ (2)	\$ (160)	\$ (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	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	
Raytheon Intelligence & Space										
Net sales	\$ 3,572	\$ 3,570	\$ 3,626	\$ 10,768	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180	
Adjusted net sales	\$ 3,572	\$ 3,570	\$ 3,626	\$ 10,768	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180	
Operating profit	\$ 378	\$ 315	\$ 371	\$ 1,064	\$ 388	\$ 415	\$ 391	\$ 639	\$ 1,833	
Gain on sale of business	—	—	—	—	—	—	—	239	239	
Adjusted operating profit	\$ 378	\$ 315	\$ 371	\$ 1,064	\$ 388	\$ 415	\$ 391	\$ 400	\$ 1,594	
Adjusted operating profit margin	10.6%	8.8%	10.2%	9.9%	10.3%	10.9%	10.5%	10.3%	10.5%	
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Total Operating Profit Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 239	\$ 239	

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)				(Unaudited)					
	2022				2021					
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	
Raytheon Missiles & Defense										
Net sales	\$ 3,527	\$ 3,558	\$ 3,678	\$ 10,763	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539	
Adjusted net sales	\$ 3,527	\$ 3,558	\$ 3,678	\$ 10,763	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539	
Operating profit	\$ 387	\$ 348	\$ 408	\$ 1,143	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004	
Restructuring	—	—	(8)	(8)	—	—	—	—	—	
Adjusted operating profit	\$ 387	\$ 348	\$ 416	\$ 1,151	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004	
Adjusted operating profit margin	11.0%	9.8%	11.3%	10.7%	13.1%	13.4%	12.6%	12.6%	12.9%	
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ —	\$ —	\$ (8)	\$ (8)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

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

(\$ millions)

	(Unaudited)				(Unaudited)					
	2022				2021					
	Q1 2022	Q2 2022	Q3 2022	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	
Eliminations and other										
Net sales	\$ (736)	\$ (794)	\$ (833)	\$ (2,363)	\$ (707)	\$ (735)	\$ (746)	\$ (742)	\$ (2,930)	
Operating loss	\$ (34)	\$ (47)	\$ (50)	\$ (131)	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)	
Impairment charges and reserve adjustments related to the Russia sanctions	6	—	—	6	—	—	—	—	—	
Adjusted operating loss	\$ (40)	\$ (47)	\$ (50)	\$ (137)	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)	
Corporate and other unallocated items										
Operating loss	\$ (136)	\$ (42)	\$ (77)	\$ (255)	\$ (81)	\$ (149)	\$ (89)	\$ (233)	\$ (552)	
Restructuring	(39)	(9)	—	(48)	(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)	\$ (207)	\$ (51)	\$ (89)	\$ (74)	\$ (70)	\$ (284)	
FAS/CAS Operating Adjustment										
Operating profit	\$ 378	\$ 379	\$ 378	\$ 1,135	\$ 423	\$ 425	\$ 499	\$ 449	\$ 1,796	
Acquisition Accounting Adjustments										
Operating loss	\$ (484)	\$ (448)	\$ (482)	\$ (1,414)	\$ (516)	\$ (519)	\$ (586)	\$ (582)	\$ (2,203)	
Acquisition accounting adjustments	(484)	(448)	(482)	(1,414)	(516)	(519)	(586)	(582)	(2,203)	
Adjusted operating profit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Total Operating Profit Adjustments - Eliminations and other	\$ 6	\$ —	\$ —	\$ 6	\$ —	\$ —	\$ —	\$ —	\$ —	
Total Operating Profit Adjustments - Corporate and other unallocated items	\$ (39)	\$ (9)	\$ —	\$ (48)	\$ (30)	\$ (60)	\$ (15)	\$ (163)	\$ (268)	
Total Operating Profit Adjustments - Acquisition accounting adjustments	\$ (484)	\$ (448)	\$ (482)	\$ (1,414)	\$ (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	Q3 YTD 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
	<i>Income (Expense)</i>								
Income from continuing operations attributable to common shareowners	\$ 1,103	\$ 1,304	\$ 1,387	\$ 3,794	\$ 772	\$ 1,040	\$ 1,400	\$ 685	\$ 3,897
Total Restructuring included in Operating Profit	(44)	(12)	(24)	(80)	(43)	(56)	(19)	(25)	(143)
Total Acquisition accounting adjustments	(484)	(448)	(482)	(1,414)	(516)	(519)	(586)	(582)	(2,203)
Total Significant non-recurring and non-operational items included in Operating Profit ⁽¹⁾	(290)	(69)	—	(359)	(25)	—	—	66	41
Debt extinguishment costs	—	—	—	—	—	—	(32)	(617)	(649)
<i>Significant non-recurring and non-operational items included in non-service pension income</i>									
Non-service pension income	\$ 480	\$ 474	\$ 468	\$ 1,422	\$ 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	—	—	5	—	—	—	—	—
Adjusted non-service pension income	\$ 475	\$ 474	\$ 468	\$ 1,417	\$ 491	\$ 490	\$ 491	\$ 489	\$ 1,961
<i>Significant non-recurring and non-operational items included in Income Tax Expense</i>									
Income tax expense	\$ (116)	\$ (160)	\$ (242)	\$ (518)	\$ (345)	\$ (342)	\$ (3)	\$ (96)	\$ (786)
Tax effect of restructuring and significant non-recurring and non-operational items above	182	111	108	401	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)
Adjusted income tax expense	\$ (298)	\$ (271)	\$ (350)	\$ (919)	\$ (331)	\$ (392)	\$ (144)	\$ (358)	\$ (1,225)
<i>Significant non-recurring and non-operational items included in Noncontrolling Interest</i>									
Noncontrolling interest in subsidiaries' earnings	\$ 23	\$ 34	\$ 8	\$ 65	\$ 41	\$ 48	\$ 73	\$ 86	\$ 248
Adjustments to noncontrolling interest	(11)	—	—	(11)	—	—	—	16	16
Adjusted Noncontrolling interest in subsidiaries' earnings	\$ 34	\$ 34	\$ 8	\$ 76	\$ 41	\$ 48	\$ 73	\$ 70	\$ 232
Less: Impact on net income attributable to common shareowners	(620)	(418)	(398)	(1,436)	(598)	(525)	(496)	(929)	(2,548)
Adjusted net income from continuing operations attributable to common shareowners	\$ 1,723	\$ 1,722	\$ 1,785	\$ 5,230	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445
Diluted Earnings Per Share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 2.55	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.58
Impact on Diluted Earnings Per Share	(0.41)	(0.28)	(0.27)	(0.96)	(0.39)	(0.34)	(0.33)	(0.62)	(1.69)
Adjusted Diluted Earnings Per Share	\$ 1.15	\$ 1.16	\$ 1.21	\$ 3.51	\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27
Total Non-service pension income adjustments	\$ 5	\$ —	\$ —	\$ 5	\$ —	\$ —	\$ —	\$ (17)	\$ (17)
Total Income tax adjustments	\$ 182	\$ 111	\$ 108	\$ 401	\$ (14)	\$ 50	\$ 141	\$ 262	\$ 439

1: Refer to slides 22- 26 for individual operating profit adjustments.