Forward-looking statements

Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions and estimates of future performance and economic conditions. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include but are not limited to: earnings, revenue, free cash flow, operating margin and segment guidance for fiscal 2018; strategic priorities and tax rate, share repurchase, and other supplemental information for fiscal 2018; changes in earnings guidance for fiscal 2018; potential contract opportunities and awards; the potential value and timing of contract awards; statements regarding growth in fiscal 2018; and other statements regarding outlook or that are not historical facts. The company cautions investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. The company's consolidated results, future trends and forward-looking statements could be affected by many factors, risks and uncertainties, including but not limited to: the loss of the company's relationship with the U.S. Government or a change or reduction in U.S. Government funding; potential changes in U.S. Government or customer priorities and requirements (including potential deferrals of awards, terminations, reductions of expenditures, changes to respond to the priorities of Congress and the Administration, budgetary constraints, debt ceiling implications, sequestration, and cost-cutting initiatives); a security breach, through cyber attack or otherwise, or other significant disruptions of the company's IT networks and systems or those the company operates for customers; the level of returns on defined benefit plan assets and changes in interest rates; risks inherent with large long-term fixed-price contracts, particularly the ability to contain cost overruns; changes in estimates used in accounting for the company's programs; financial and government and regulatory risks relating to international sales and operations; effects of any non-compliance with laws; the company's ability to continue to develop new products that achieve market acceptance; the consequences of uncertain economic conditions and future geo-political events; strategic acquisitions and divestitures and the risks and uncertainties related thereto, including the company's ability to manage and integrate acquired businesses and realize expected benefits and the potential disruption to relationships with employees, suppliers and customers, including the U.S. Government, and to the company's business generally; performance of the company's subcontractors and suppliers; potential claims related to infringement of intellectual property rights or environmental remediation or other contingencies, litigation and legal matters and the ultimate outcome thereof; risks inherent in developing new and complex technologies and/or that may not be covered adequately by insurance or indemnity; changes in the company's effective tax rate; significant indebtedness and unfunded pension liability and potential downgrades in the company's credit ratings; unforeseen environmental matters; natural disasters or other disruptions affecting the company's operations; changes in future business or other market conditions that could cause business investments and/or recorded goodwill or other long-term assets to become impaired; the company's ability to attract and retain key employees, maintain reasonable relationships with unionized employees and manage escalating costs of providing employee health care; or potential tax, indemnification and other liabilities and exposures related to Exelis' spin-off of Vectrus, Inc. and Exelis' spin-off from ITT Corporation. Further information relating to these and other factors that may impact the company's results, future trends and forward-looking statements are disclosed in the company's filings with the SEC. The forward-looking statements contained in this presentation are made as of the date of this presentation, and the company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.
2Q18: Solid progress against strategic priorities

1. Grow revenue across all 3 segments
   - Strong 6% revenue growth driven by tactical
   - Orders up 13%; up double-digits in CS and ES
   - Year-over-year backlog growth of 15%

2. Drive flawless execution while maintaining margins through operational excellence
   - Excluding tax reform **EPS grew by 6%**
   - Generated strong margins of 18.5%* despite $22M ADS-B impact
   - Margin expansion in CS, SIS

3. Maximize cash flow with balanced capital deployment
   - Robust FCF of $258M**, LTM FCF at $934M**
   - **Returned $143M to shareholders** in dividends and repurchases
   - Completed $150M of share repurchases YTD

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*Non-GAAP EPS and margin figures exclude, as applicable, 2Q18 non-cash charges from a one-time write-down of deferred tax assets and from an adjustment for deferred compensation, as well as prior-year Exelis acquisition-related charges. For non-GAAP reconciliations, reference other quarterly earnings materials and the Harris investor relations website.

**FCF (free cash flow) = operating cash flow less capital expenditures. LTM FCF excludes $400M voluntary pension contribution in 4Q17.
Key highlights

Communication Systems
- Revenue up 18%...Tactical up 26%
  - DoD up 56%...delivering readiness now while modernization progresses
  - International up 9%...Middle East recovery
- Night Vision up double-digit
- 1H Tactical revenue up 10%, orders up 54% and book-to-bill 1.6
  - Backlog up 59% to $884M

Electronic Systems
- Revenue up 2%, despite ADS-B
  - Double-digit growth in Avionics
  - Ramp of UK robotics program
  - F-16 & F/A-18 growth in EW
- Orders up 37%; Avionics > 2x
- 1H orders of $600M across F-16, F/A-18 and F-35 platforms
- Backlog up 10% year over year

Space and Intelligence Systems
- Continued strength in Classified
  - Leveraging investments in ground processing and small satellites
- Operational excellence focus strengthening competitive position
  - Delivered fourth GPS III payload and developed fully-digital MDU
  - On-time performance improvement on SENSOR program

Strong First Half and Outlook
- 1H revenue up 3%; growth across all three segments
- 1H order growth of 24%; B:B 1.3, backlog up 15%
- Strong and growing pipeline of $36B, proposals outstanding of $8B
- Tightened revenue guidance, up 3 – 4%
- Reinvesting ~$20M; maintaining op margin 19 - 19.5%
- Increased EPS guidance on tax reform benefit, improved revenue outlook, and strong operational performance
Solid 2Q18 and 1H18 financial results

($million, except per share amounts)

### Revenue
Growth across all 3 segments in 1H

<table>
<thead>
<tr>
<th></th>
<th>2Q17</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
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<tr>
<td></td>
<td>1,449</td>
<td>1,535</td>
<td>2,869</td>
<td>2,948</td>
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</table>

- +6%
- +3%

### Operating income and margin
Best-in-class margins, despite ADS-B headwind

<table>
<thead>
<tr>
<th></th>
<th>2Q17</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
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<tbody>
<tr>
<td>GAAP</td>
<td>277</td>
<td>272</td>
<td>523</td>
<td>554</td>
</tr>
<tr>
<td>Non-GAAP*</td>
<td>290</td>
<td>284</td>
<td>553</td>
<td>556</td>
</tr>
</tbody>
</table>

- 19.1%
- 17.7%
- 18.2%
- 18.5%
- -2%
- +1%

### EPS
Operational efficiencies & tax reform driving growth

<table>
<thead>
<tr>
<th></th>
<th>2Q17</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>1.30</td>
<td>1.67</td>
<td>2.45</td>
<td>3.05</td>
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<tr>
<td>Non-GAAP*</td>
<td>1.38</td>
<td>2.52</td>
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</table>

- +21%
- +15%

### Cash flow
Robust free cash flow**, 34% growth in 1H

<table>
<thead>
<tr>
<th></th>
<th>2Q17</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>252</td>
<td>278</td>
<td>295</td>
<td>373</td>
</tr>
<tr>
<td>Free cash flow**</td>
<td>224</td>
<td>258</td>
<td>246</td>
<td>330</td>
</tr>
</tbody>
</table>

- +15%
- +34%

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**FCF (free cash flow) = operating cash flow less capital expenditures.

*Non-GAAP EPS and margin figures exclude, as applicable, 2Q18 non-cash charges from a one-time write-down of deferred tax assets and from an adjustment for deferred compensation, as well as prior-year Exelis acquisition-related charges. For non-GAAP reconciliations, reference other quarterly earnings materials and the Harris investor relations website.

**FCF (free cash flow) = operating cash flow less capital expenditures.
• 2Q revenue up 18%; 1H revenue up 7%
  - Tactical Comms grew 10% in 1H
  - Night Vision up high-single digits in 1H

• 2Q operating income up 19%; 1H operating income up 10%
  - Higher Tactical Comms volume, operational efficiencies and integration savings

• 2Q margin expanded 20 bps; 1H margin expanded 70 bps to 29.1%

• 2Q B:B ~1; 1H B:B 1.5
  - Orders up 44% in 1H
  - 1H B:B > 1.0 in all 3 businesses - Tactical Comms, PSPC & Night Vision
Electronic Systems

- **2Q and 1H revenue up 2% despite $43M YTD ADS-B impact ($22M in Q2)**
  - Strong growth in Avionics across multiple platforms
  - UAE battle management system and UK robotics ramp
  - EW growth on legacy platforms

- **2Q operating income down 25%; 1H operating income down 14%**
  - Increased volume and strong program performance
  - Offset by $36M YTD ADS-B OI headwind ($22M in Q2) and reinvestment in R&D

- **1H margins remained strong at 18.7%**

- **2Q B:B > 1; 1H B:B 1.3 with orders up 21%**
  - Year-over-year backlog growth of 10%
• 2Q revenue down 1%; 1H revenue up 1%
  - Continued demand in Classified programs & commercial reflectors
  - Environmental programs down high teens

• 2Q operating income up 7%; 1H operating income up 8%
  - Strong program performance
  - Increased pension income

• 2Q margin expanded 120 bps; 1H margin expanded 120 bps to 18.0%

• 1H B:B > 1 with orders up 9%
EPS* guidance bridge

$5.85 - $6.05

$0.13

Tactical volume
Avionics volume
SIS program execution/margins
ES mix

$0.12

- IRAD into innovative & affordable solutions
- Bid & proposal
- One-time employee stock grant

$0.44

- Operational tax efficiencies
- Half year tax reform benefit

$6.30 - $6.50

FY18 (Prior Guidance)
Segment
Reinvestment
Tax
FY18 (Revised Guidance)

*Non-GAAP EPS guidance excludes 2Q18 non-cash charges from a one-time write-down of deferred tax assets related to tax reform and from an adjustment for deferred compensation. For non-GAAP reconciliations, reference other quarterly earnings materials and the Harris investor relations website.
# FY18 guidance summary

## Total Harris

<table>
<thead>
<tr>
<th>Revenue</th>
<th>$6.08 - 6.14B</th>
<th>up 3 - 4%</th>
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</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>19.0 - 19.5%</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>$6.30 - $6.50</td>
<td>up 14 - 18%*</td>
</tr>
<tr>
<td>Non-GAAP*</td>
<td></td>
<td>(versus up 6 - 9%)</td>
</tr>
<tr>
<td>FCF**</td>
<td>~$900M</td>
<td>up 6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(versus flat - up 6%)</td>
</tr>
</tbody>
</table>

## By Segment

### CS
- Revenue: $1.84 - 1.88B, up 5 - 7%
- Operating margin: 29.5 - 30.5%
  - (versus up 3 - 5%)

### ES
- Revenue: $2.34 - 2.36B, up 4 - 5%
- Operating margin: 18.0 - 19.0%
  - (versus up 3 - 5%)
  - (versus 19.0 – 20.0%)

### S&IS
- Revenue: $1.90 - 1.92B, flat to up 1%
- Operating margin: 17.0 - 18.0%
  - (versus 16.5 – 17.5%)

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*Non-GAAP EPS guidance excludes 2Q18 non-cash charges from a one-time write-down of deferred tax assets and from an adjustment for deferred compensation. For non-GAAP reconciliations, reference other quarterly earnings materials and the Harris investor relations website.

**FCF (free cash flow) = operating cash flow less capital expenditures.
### Other information (with FY17, 2Q18 and 1H18 results comparison)

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>2Q18</th>
<th>1H18</th>
<th>FY18</th>
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<tbody>
<tr>
<td>Amortization of Exelis intangibles</td>
<td>$110</td>
<td>$25</td>
<td>$50</td>
<td>~$103</td>
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<td>CHQ costs</td>
<td>$56</td>
<td>$18</td>
<td>$34</td>
<td>$55 – 60</td>
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<tr>
<td>FAS Pension expense/(income)*</td>
<td>($90)</td>
<td>($30)</td>
<td>($60)</td>
<td>~($120)</td>
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<tr>
<td>Net capital expenditures</td>
<td>$119</td>
<td>$20</td>
<td>$43</td>
<td>~$130</td>
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<tr>
<td>Net interest expense</td>
<td>$170</td>
<td>$42</td>
<td>$82</td>
<td>~$162</td>
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<tr>
<td>Effective tax rate (GAAP)</td>
<td>29.5%</td>
<td>39.3%</td>
<td>33.5%</td>
<td>~28.0%</td>
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<tr>
<td>Effective tax rate (non-GAAP)</td>
<td>28.5%</td>
<td>15.9%</td>
<td>21.6%</td>
<td>~23.0%</td>
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<tr>
<td>Average diluted shares outstanding</td>
<td>124.3</td>
<td>120.9</td>
<td>121.1</td>
<td>~121</td>
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<tr>
<td>Share repurchases</td>
<td>$710</td>
<td>$75</td>
<td>$150</td>
<td>~$200</td>
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<tr>
<td>Debt repayments</td>
<td>$575</td>
<td>$3</td>
<td>$35</td>
<td>~$550</td>
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*Amounts reflect FAS pension income adjusted for benefit harmonization costs. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
### Supplemental information - tactical communications history

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<td><strong>Ending Backlog</strong></td>
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<td>556</td>
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<td>530</td>
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<td>879</td>
<td>884</td>
<td>601</td>
<td>472</td>
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*Excludes foreign currency translation.*