INVESTOR BRIEFING

JUNE QUARTER RESULTS
REPORTED JULY 31, 2019

INTEGRATED MISSION SYSTEMS
SPACE & AIRBORNE SYSTEMS
COMMUNICATION SYSTEMS
AVIATION SYSTEMS

L3HARRIS
FAST. FORWARD.
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: revenue, earnings per share, margin, free cash flow and other guidance for the second half and full year 2019; statements regarding strategic priorities, including regarding seamless integration, targeted cost synergies, margin expansion, operational excellence, best-in-class margins, performance culture, growing revenue, industry-leading research and development investments, differentiated technology and innovation, being well positioned for continued growth, being well aligned with growing DoD budget line items, reshaping the portfolio, high margin and high growth businesses, maximizing free cash flow, shareholder friendly capital deployment, potential dividend increases and potential share repurchase amounts; trends supporting long-term growth; potential program and contract opportunities and awards and the potential value and timing thereof; statements regarding the company’s solutions or capabilities; statements regarding the L3Harris integration and anticipated benefits therefrom, including working capital improvement opportunities and potential revenue synergies; 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: risks related to disruption of management time from ongoing business operations due to the combination of L3 and Harris; risks related to the inability to realize benefits or to implement integration plans and other consequences associated with the combination; the risk that any announcements relating to the combination could have adverse effects on the market price of the company’s common stock; the risk that the combination could have an adverse effect on the company’s ability to retain customers and retain and hire key personnel and maintain relationships with suppliers and customers, including the U.S. Government and other governments, and on its operating results and businesses generally; 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; and potential tax, indemnification and other liabilities and exposures related to spin-off and divestiture transactions. 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. Persons receiving this presentation are cautioned not to place undue reliance on forward-looking statements.
L3Harris Technologies overview

L3Harris Technologies is an agile global aerospace and defense technology innovator, delivering end-to-end solutions that meet customers’ mission-critical needs.

Revenue:\ $17B

EBIT\(^{2}\): $2.4B

FCF\(^{3}\): $1.9B

Creating a leading global defense technology company

Diversified business mix\(^1\)

Strong customer relationships\(^1\)

Talent and culture of innovation

Global reach…serving 130 countries

---

1 CY18 reported financials. 2 EBIT = earnings before interest and taxes adjusted to exclude discontinued operations and deal and integration costs. 3 Operating cash flow less net capital expenditures, excluding deal and integration costs.
**Segment descriptions**

**Integrated Mission Systems**
- **ISR:** Advanced COMINT, ELINT and targeting mission systems
- **Maritime:** Electrical and electronic systems and integration for large naval platforms
- **Electro Optical:** Advanced Electro-Optic / Infrared (EO/IR), laser imaging and targeting sensor systems

**Space & Airborne Systems**
- **Space:** Payloads, sensors, and full-mission solutions
- **Intel & Cyber:** Situational awareness, optical networks and advanced wireless solutions
- **Avionics:** Sensors, hardened electronics, release systems, data links and antennas
- **Electronic Warfare:** Multi-spectral situational awareness, threat warning and countermeasures capabilities

**Communication Systems**
- **Tactical Comms:** Radio communications, SATCOM terminals and battlefield management networks
- **Broadband Communications:** Secure mobile networked equipment and integration
- **Integrated Vision Solutions:** Full suite of helmet and weapon mounted integrated systems
- **Public Safety:** Radios, applications and equipment for critical public safety and professional comms

**Aviation Systems**
- **Defense Aviation Products:** Precision weapons and components; small/tactical UAVs; antennas; RF & microwave devices
- **Commercial Aviation Products:** Airport security & detection solutions & aircraft avionics products
- **Commercial & Military Training:** Aviation simulation, training and pilot academy
- **Mission Networks:** Critical infrastructure communications and networking solutions

---

**Sectors**

<table>
<thead>
<tr>
<th>Sector</th>
<th>CY18</th>
<th>CY19 Guid.*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integrated Mission Systems</strong></td>
<td>4,851</td>
<td>11.6% up ~11.2%</td>
</tr>
<tr>
<td><strong>Space &amp; Airborne Systems</strong></td>
<td>4,025</td>
<td>17.9% up ~13.9%</td>
</tr>
<tr>
<td><strong>Communication Systems</strong></td>
<td>3,844</td>
<td>21.1% up ~10.7%</td>
</tr>
<tr>
<td><strong>Aviation Systems</strong></td>
<td>3,835</td>
<td>9.2% up ~4.0%</td>
</tr>
</tbody>
</table>

For non-GAAP reconciliations reference quarterly earnings and related materials on the L3Harris investor relations website.

*Guidance updated July 31, 2019 – refer to 4Q FY19 quarterly earnings and related materials on the investor relations website.
Strategic priorities

1. Execute seamless integration…$500M in gross cost synergies

2. Drive flawless execution and margin expansion…e3 operational excellence

3. Build a new performance culture…strong bias for action and accountability

4. Grow revenue…invest in differentiated technology and innovation

5. Reshape portfolio to focus on high margin, high growth businesses

6. Maximize cash flow with shareholder friendly capital deployment
Execute seamless integration...

Meaningful value creation from cost synergies...

$500M gross
$300M net

- Functional efficiencies, OH reduction & shared services
- Corporate and segment consolidation
- Supply chain and footprint rationalization

...driven by a dedicated and experienced integration team

- Expanded shared services for IT and Finance
  Leverage scale for lower employee benefits cost

- Merged CHQ headquarters
  Consolidated 6 to 4 operating Segments

- Leverage combined $7+B in purchasing power – 40 RFP's covering ~$1B spend in the first week
  Maximize floorspace utilization through facilities consolidation across 400+ locations

CY19 runrate

Year 3 savings

$150M
…and drive operational excellence to achieve ‘best-in-class’ margins

Margin expansion…

<table>
<thead>
<tr>
<th>EBIT margin*</th>
<th>FY18</th>
<th>~16.2%</th>
<th>Medium Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

…through operational excellence and flawless program execution

Build a new performance culture - every employee engaged in sustained, continuous improvement delivering better business performance and improved customer satisfaction

*Total L3Harris margin represents adjusted earnings before interest and taxes (EBIT) margin. For non-GAAP reconciliations, reference other quarterly materials and the L3Harris investor relations website.
Maintain industry leading R&D investments…focused on core capabilities…

<table>
<thead>
<tr>
<th>Technology</th>
<th>% of R&amp;D spend</th>
<th>Advanced Capabilities</th>
<th>Growth Franchises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spectrum Superiority</td>
<td>40%</td>
<td>Technology used to operate, obstruct, observe and obscure across the electromagnetic spectrum</td>
<td>Command &amp; control, electronic warfare, tactical radios</td>
</tr>
<tr>
<td>Actionable Intelligence</td>
<td>30%</td>
<td>Full spectrum sensors, data analytics &amp; tools to capture, distribute, process &amp; analyze intelligence</td>
<td>Space-enabled mission solutions, precision optics, ISR</td>
</tr>
<tr>
<td>Warfighter Effectiveness</td>
<td>20%</td>
<td>Technologies to enable successful missions, platform systems integration, unmanned systems, weapons &amp; integrated support</td>
<td>Platform missionization, robotics, networked systems, avionics, maritime</td>
</tr>
<tr>
<td>Safe &amp; Secure Skies</td>
<td>10%</td>
<td>Simulators, trainers and service offerings for military and commercial customers</td>
<td>Flight simulators, training centers, FAA next-gen</td>
</tr>
</tbody>
</table>

Well positioned for continued growth
...well aligned with growing DoD budget line items

<table>
<thead>
<tr>
<th>Category</th>
<th>CAGR</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DoD Budget</td>
<td>2%</td>
<td>$666B to $727B</td>
</tr>
<tr>
<td>F-35 (Qty)</td>
<td>1%</td>
<td>90 to 94 A/C</td>
</tr>
<tr>
<td>Aircraft Missionization</td>
<td>5%</td>
<td>$2,415 to $2,895M</td>
</tr>
<tr>
<td>Next Gen Avionics</td>
<td>12%</td>
<td>$277 to $432M</td>
</tr>
<tr>
<td>GPS</td>
<td>21%</td>
<td>$726 to $1,562M</td>
</tr>
<tr>
<td>Electronic Warfare</td>
<td>24%</td>
<td>$164 to $388M</td>
</tr>
<tr>
<td>Tactical Radios</td>
<td>24%</td>
<td>$673M to $1,577M</td>
</tr>
<tr>
<td>Night Vision</td>
<td>105%</td>
<td>$183M to $1,320M</td>
</tr>
</tbody>
</table>

$125B+ gap between investment account budgets and outlays over the past three years… driving sustainable growth over medium-term

- Executing against multi-year block buy and expanding content...$2.6M to $3M+ per shipset
- Strategic ISR aircraft missionization supporting large military missions (Compass Call, Javaman, Rivet Joint)
- Investing in innovation to expand content on next gen platforms…T-X trainer and MQ-25
- 40+ year history of GPS innovation…fully digital solution for GPS III 11-32
- Leveraging position on long term platforms while developing future EW systems for next-gen platforms
- Beginning of multi-year modernization cycle across the services, strong incumbency
- Incumbent position on Army and Marines ENVG-B multi-year modernization program

- Assumes SOCOM GFY22 = GFY20 President’s Budget Request
Shareholder friendly capital deployment

Generate robust free cash... …and return to shareholders

Dividends
Dividend increase of 10% in Q3 CY2019
…additional increase to be evaluated in Q1 CY2020

Share repurchases
$4B share repurchase authorization approved by the L3Harris board...$2.5B share buy-back over 12 months post close (July 2019 – July 2020)

No further debt repayment and no M&A unless a strategic ‘must-have’

1 Free cash flow = operating cash flow less net capital expenditures, excluding deal and integration costs
Integrated Mission Systems
Overview of Integrated Mission Systems

Segment financials and key customers

- Non-GAAP operating margin: $4,851 with 11.6% margin, up ~11.2%

Industry trends supporting long-term growth

- Geopolitical conflict driving strong budget support...increasing global demand for intelligence, surveillance and reconnaissance (ISR)
- Advances in missionized Biz-jets opening new markets
- Increased focus on multi-mission, multi-modal, configurable sensor systems
- Strong growth in US and international ship building
- Global shift to unmanned maritime; supported by strong budgets
- Increased demand for resilient, protected and adaptive communications

For non-GAAP reconciliations reference quarterly earnings and related materials on the L3Harris investor relations website.

*Guidance updated July 31, 2019 – refer to 4Q FY19 quarterly earnings and related materials on the investor relations website.
Expanding aircraft missionization & modernization

Maintain incumbency on core platforms
Develop, deliver, and sustain the highest performing & responsive multi-mission ISR and communications systems

- Compass Call
- Cross Deck
- Javaman
- Rivet Joint
- Royal Air Force Airseeker
- Constant Phoenix
- USAF “Blue & Whites”

Expand platforms within the DoD

- Unmanned
- Transport
- Fast Jet

Grow International presence

- Increasing threats with pressure to boost spending
- Lack of complex mission integration and high quality airborne SIGINT capabilities, presenting opportunity to fill gap
- Customers seeking a mix of US capabilities integrated with European technologies and industrial participation
Strong position in fast growing Electro-Optic & Infrared Systems market

Global surveillance needs driving market expansion

LHX has grown into a market leader…

- Best in class performance and reliability
- Consistent reputation as technology innovator
- More than 4,700 fielded units
- Aggressive cost management to maintain competitive pricing
- Agile forecasting and production to shorten lead times and delivery
- Global reach and aftermarket support

…and well positioned to continue outperformance

- Continuously invest in new technologies to maintain performance gap
- Relentless focus on industry-leading services and customer support
- Leverage global installed base to enable new market expansion
Domain leader for secure, effective and resilient maritime operations

Expand core...
Leading manufacturer & integrator of maritime integrated C5, electronic & electrical products & systems...

...invest in unmanned as the next franchise...
Create the next generation franchise

Addressable Unmanned Budget (US Navy) ($millions)
classified

2018
2019
2024

386
475
1740

UUV
USV

Virginia class
Multi-mission surface combatant
Columbia class
DDG-51 class

...and next-gen solutions

Future Surface Combat

...and expand internationally

Leverage in-country capabilities to expand content in new and existing countries

Parts Provider
Transactional Spares & Repairs

Service Provider
Maintenance & Upgrades

Holistic Provider
Open Architecture
Onboard Health & Usage

Black Pearl Phase II
Awarded Phase I

Bloodhound
Classified

In-country presence

Future Surface Combatant

Multi-mission surface combatant

Columbia class

DDG-51 class

血液

In-country presence
Space & Airborne Systems
Overview of Space & Airborne Systems

**Segment financials and key customers**

<table>
<thead>
<tr>
<th>($million)</th>
<th>CY18</th>
<th>CY19 Guid.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,025</td>
<td>up ~13.9%</td>
</tr>
<tr>
<td>non-GAAP operating margin</td>
<td>17.9%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

**Industry trends supporting long-term growth**

- Space transition from safe-haven to theater-of-war...need for dis-aggregated solutions
- Strong intelligence budget support... merging of DoD and IC budget line items
- DoD’s affordability initiative driving a shift towards low-cost solutions and shorter technology cycles
- Innovating to improve SWaP and support converging multi-mission capabilities
- Continuing F-35 ramp and desire to add new capabilities opening competitive window
- Electronic warfare capability in “near-peer” countries approaching U.S. – driving modernizations and multi-domain capabilities

For non-GAAP reconciliations reference quarterly earnings and related materials on the L3Harris investor relations website.

*Guidance updated July 31, 2019 – refer to 4Q FY19 quarterly earnings and related materials on the investor relations website.*
Capitalize on strong demand for L3Harris broad solutions in a robust classified environment

Increasing threats driving higher intelligence budgets

($billions)

- 50-year trusted partner with Intelligence Community
- Developing most advanced sensor technology... with data processing and analytics
- Moving from component provider to sub-systems to full mission solutions...new small-sats franchise

Focus and execute on high-value programs...

...supporting command and control, missile warning, defense, and space surveillance missions...

...across the value chain

...and strengthen position in exquisite space systems
Leveraging capabilities from exquisite payload provider to small sat end-to-end solutions

**Exquisite Technology Enablers**
- Deployable mesh reflectors
- Telescopes and other space electronics
- Specialized manufacturing processes and infrastructure for mission-enabling technologies

**Exquisite Payloads & Subsystems**
- Specialty sensors and antenna/RF subsystems
- Telescopes with supporting electronics
- Penetration in ISR, Weather, GPS and Communications missions

**Hosted Payloads**
- RF Payload, Mission Mgmt., Payload Command & Control
- Won contract for 81 hosted payloads; expanded to 230 by selling excess SWaP
- Expanded launch options shift responsive market to SmallSats... L3Harris recognized shift occurring

**Today**
- Fully integrated modular RF SmallSat and supporting ground station
- Expanding small sat franchise...6 customers with ~$400M in awards
- Launched 3 small sats
- Completed launch of 232 Iridium payloads

**SmallSat End-to-End Solutions**

1960's

1970's

2012
Accelerate growth in Avionics

Strong position on F-35…

- Smart Weapon Racks
- Infrastructure Components
- Multifunction Advanced Data Link (MADL)
- Carriage and Release Weapon Racks
- Cockpit Display Unit, Fast Steering Mirror
- Crypto
- Panoramic Cockpit Display EU, Advanced Memory Sys
- Open Systems
- Classified

…and global leadership in carriage and release systems

- F/A-18
  - LAUNCHING SYSTEM FOR SDBII
- P-8
  - SONOBUOY LAUNCHING SYSTEM
- KF-X
  - SINGLE STATION RACKS AND SMART MULTIPLE CARRIAGE
- F-16
  - SMART MULTIPLE CARRIAGE

Program is at the onset of production ramp…executing against multi-year block buy and expanding content per shipset
Solid position on F/A-18 platform

Navy F/A-18 service life extension program – production into 2020s; service until 2040s

International partner expansion includes Australia, Kuwait, Canada

Recently awarded upgrade for Digital Targeting Processor system – a key element of Block 3 upgrade plans

Pursuing additional Block 3 upgrade opportunities

Top F/A-18 Opportunities

- USA
- Kuwait
- Australia
- Canada

Revenue per shipset ~$3M
Extend electronic warfare position on long term platforms and develop next-generation technology

50-year history; strong incumbency on platforms with long modernization tails...

...while investing in future EW systems for variety of platforms

Platforms

Fixed Wing

- F-16
  - AN/ALQ-211 AIDEWS
  - $1,500+

- F/A-18E/F
  - ALQ-214 IEDCM
  - $2,500

- B-52
  - ALQ-172
  - $1,000

Rotary

- MH-47
  - ALQ-211
  - ~$500 combined

- CV-22
  - ALQ-211

- MH-60
  - ALQ-211

Gen 5 refresh

- F-22

- B-2

- F-35

ANALOG

Hardware Defined
Stove-Piped
Standalone
Single Mission
Static Techniques

Custom legacy systems

- Integrated Defensive Electronic Countermeasures (F/A-18)
- Advanced Integrated Defensive Electronic Warfare Suite (F-16)

Software-defined open EW

- Multi-Function Array
- Software Defined EW

Small size, weight, power systems

- Disruptor SRx™

DIGITAL

Software Defined Modular
Networked
Multi-Function
Adaptive

~$500 combined
Communication Systems
Overview of Communication Systems

Industry trends supporting long-term growth

Global security issues; increased focus on warfighter readiness supported by strong budget growth

Transforming voice-centric legacy equipment with information-driven, fully-connected air/ground networks

Converging ISR and communications into a single tactical device

U.S. and international modernizations underway
- Multi-billion dollar U.S. DoD modernization
- International modernizations

For non-GAAP reconciliations reference quarterly earnings and related materials on the L3Harris investor relations website.

*Guidance updated July 31, 2019 – refer to 4Q FY19 quarterly earnings and related materials on the investor relations website.
LHX tactical grew into world leader

Historical growth in LHX tactical…

…led to LHX as #1 provider in DoD and international

Source: 10K and company estimates.

$L3Harris 40%$

$3.3B CY2018$

ground tactical segment
#1 position driven by commercial model

Commercial business model... ... enabled competitive edge

1. Global customer intimacy
   - Anticipating and driving requirements
   - Extensive distribution network
   - Large installed base

2. Continuous innovation
   - Investment of internal R&D resources
   - Broadest, combat proven product portfolio
   - Unmatched portfolio of waveforms

3. Cost excellence
   - Product cost reduction while increasing capabilities
   - Footprint consolidation into one world-class manufacturing facility
   - Global supply chain

---
Continuous innovation and platform strategy driving differentiation

- Market-driven innovation through internal R&D provides differentiation
- Unmatched portfolio of waveforms with strong software development expertise
- Platform investing results in core technology shared across multiple products – U.S. and international
- Spiral development reduces time-to-market, provides up-sell technology refresh, reduce risk of obsolescence
Executing on well-funded DoD modernizations…

DoD Tactical Radio-related budget increased to ~$7B over the next 5 years, up $1B versus GFY19 FYDP…

*SOCOM GFY21-24 equal to GFY20 President’s Budget Request

**Army and USMC modernization driving growth**

LHX CY DoD Revenue  GFY20 President’s Budget Request

**Army and USMC modernization driving growth**

Campbell 583  673  939  1,045  1,326  1,421  1,411  1,577  1,688  1,610

Army  GFY '17  '18  '19  '20  '21  '22  '23  '24

Air Force

Marines/Navy

SOCOM

COTS

GFY19 PBR

$360M IDIQ

$255M IDIQ

$765M IDIQ

$3.9B IDIQ

$12.7B IDIQ

$390M IDIQ

$255M IDIQ

$765M IDIQ

$3.9B IDIQ

$12.7B IDIQ

2-channel multiband handheld

2-channel multiband manpack

HF and next-gen 2-channel radios

1-channel, 2-channel Leader radio

2-channel multiband manpack

SOCOM Tactical Comms (STC)

SOCOM Tactical Comms

Navy and USMC tactical radios

Army Rifleman Radio

Army HMS Manpack

* LHX CY DoD Revenue  GFY20 President’s Budget Request

*SOCOM GFY21-24 equal to GFY20 President’s Budget Request
...and maintaining international leadership

L3Harris’ growing share of the international installed base...

(Thousands of tactical radios)

...increasing baseload revenue over time

Revenue Mix

Growth strategy

**Penetrate** new customer segments, increase share… Special Forces to Army, Air Force

**Expand** footprint… Asia, Europe

**Grow** into systems… Australia, U.K

>50% of radios today are voice only…

**Leverage** incumbency and higher penetration of radios per soldier leads to continuous upgrades and growing installed base

LHXs’ large and growing installed base in over 100 countries will continue to add stable and repeatable revenue

*Excludes trade restricted countries and the U.S.
Expand into near adjacencies

Tactical radio segments

Ground

Airborne

Network Systems

Growing addressable segment by 2x

Airborne radios and ISR

- Growing demand for manned and unmanned aerial platforms
- Leverage position on legacy Exelis ARC-201 platform
- Interoperability with L3Harris ground tactical installed base
- Manufacturing scale and commonality with ground tactical radio technology platforms

Integrated network systems

- Target key standardization programs by leveraging incumbency, customer intimacy and strength of installed base
- Add/integrate command and control (C2) and network mgmt. capabilities into ground tactical network
- Differentiate solution by combining systems engineering expertise with market leading tactical radio networking technologies

Source: company estimates
Strong incumbency position and technology in Broadband Communications...

Leverage strong incumbent position in networked communications and integration...

Primary platforms driving ~$1B in annual revenue

Grey Eagle/Predator

Apache

Rover 6

Global Hawk

U-2

...to drive spectrum superiority

Assured Communications

Advanced tactical datalinks, networked-collaborative weapons, free-space optics (FSO)

Weapons datalinks
Contested comms
Strategic/tactical FSO

Spectrum Convergence

Convergence of communications, electronic warfare, cyber and ISR

Next Generation Jammer
Low-Band

Mission Networks

Advanced software defined networking ensure connectivity autonomously using all available resources across all domains (space, air, land, sea, cyber)

Senior leader communications
Advanced battle management

and investment in innovation...

Waveforms and advanced networking
adaptive low probability of detect, intercept and anti-jam waveforms

Next generation modems
High rate data transfer, software upgradable, autonomous capability

Multi-domain capabilities
Multi-path resilient system solutions providing multi-role capacity & interoperability
…and integrated & networked vision market

Strong market at the beginning of a modernization cycle

- Leading edge Night Vision technology
- Full suite of EO/IR day/night fighting equipment for the dismounted warfighter
- Bundled portfolio solutions for US DOD, federal law enforcement and trusted allies
- Integrated warfighter solutions including wirelessly connector sensors, lasers and near-eye displays
- Large installed base and global reach
- Strong lifecycle support

…and expanding market share by capturing solid positions on strategic programs

- ENVG-B (Sole source award for Phase I)
- KSA Campaign
- Land 53 Tranche 2
Aviation Systems
Overview of Aviation Systems

Segment financials and key customers

($million)

non-GAAP operating margin

Revenue

CY18

CY19 Guid.*

9.2%

12.3%

3,835

up ~4.0%

Industry trends supporting long-term growth

Emerging near-peer threats driving demand for next generation weapon systems

Heightened global terrorism driving increased security requirements

Commercial passenger growth and expanding airline fleets

Commercial and military pilot supply and demand

Evolving FAA regulations and mandates

Committed FAA budget supporting NextGen Airspace requirements...expanding internationally

For non-GAAP reconciliations reference quarterly earnings and related materials on the L3Harris investor relations website.

*Guidance updated July 31, 2019 – refer to 4Q FY19 quarterly earnings and related materials on the investor relations website.
Defense Aviation Products driving technology for the future battlefield

Increasingly contested environments driving need for precision engagement technologies...

Lower SWaP (Size weight & power)
RF spectrum resiliency
Greater standoff

Assured PNT (Precision Navigation and Timing)

Contested environments require resilient PNT Solutions
LHX: 1st DoD certified M-Code system provider
• Provider of critical mounted and dismounted positioning technology for the warfighter

Multi-Function Apertures

Next Gen Radar
• Converges Radar, EW, SIGINT & Communications
• Enterprise-wide applications
• Leader in defining the open system standards for these systems and developing enabling critical technology

Tactical UAS

Key long endurance Vertical Take Off and Land technology (VTOL)
• LHX patented Hybrid Quadcopter technology
• Awarded Army IDIQ for Future Tactical UAS
• Pioneering U.S. commercial BVLOS (Beyond Visual Line of Sight) UAS operations

Source: Peter W. Moo and David J. DiFilippo, “Multifunction RF Systems for Naval Platforms”
Strong position in fast growing commercial aviation market

Strong Passenger Growth...

...record airport infrastructure needs...

...leadership in security & detection...

...and significant new pilot demand

...and pilot training

Source: ACI - WAFT

Source: ACI - NA

Source: Boeing

Source: Boeing
Leveraging 25-year trusted FAA partnership to grow air traffic management franchise

Strong performance on FAA Telecommunications Infrastructure (FTI)…

Early FAA successes led to FTI cornerstone win – July 2002

Nationwide air traffic telecommunications network providing critical voice, data, video
Harris owned and operated
Excellent performance
99.999% network availability
Connects 4,400+ FAA, DoD facilities
27,000+ services supporting 50,000+ users

A Model Public-Private Partnership

…and FAA NextGen programs…

(DATA COMM)

Enables digital text-based messages in the cockpit
Deployed at all 62 Datacom tower sites
Since initial deployment in 2016…
  Saved 1.23M minutes of radio time
  Cleared 4.4M+ flights
  Served 614M passengers
  Prevented 59K+ readback errors
  Prevented 6.8M kgs of CO₂ emissions

(ADS-B)

Harris owned and operated
Largest air traffic control surveillance network in world; aircraft broadcast position to ground
650+ radio stations across US
Covering 4 million sq mi of U.S. airspace with 1,100 surveillance sensors
FAA equipage mandate by January 2020

…positions us well for…

1. FTI program recompete, FENS (FAA Enterprise Network Services)
2. International expansion
3. Emerging commercial UAS Flight Operations
4. Commercial Aviation Synergies
   NextGen Infrastructure and NextGen Avionics
   Leverage Infrastructure, aircraft and training data analytics to enhance safety and efficiency
   Unique relationships with airspace and security regulators, airlines, airport authorities and OEMs
Integration
Launch of L3Harris…first week accomplishments

**Townhalls**

- 115 townhalls facilitated
- ~80% employees reached

**Enterprise Alignment**

- 2.4M social media engagements
- 50,000 people connected via email
- 500+ FAQs in Integration Playbook
- 45 new policies established

**Social Media**

- Twitter: 246K
- Facebook: 496K
- LinkedIn: 855K
- Instagram: 836K

**Nexus**

- 45,000 unique visitors
- 1.1M visits
- 3M page views

**Supply Chain**

- ~40 RFPs issued to suppliers …
- ~$1B in annual spend

**Signage**

- 325+ sites worldwide
- 30 countries
Significant working capital improvement opportunities exist

Reduced working capital by **37 days** post Exelis acquisition

1H19 LHX at 75 days…reduction opportunities

**Inventory**
- Reduce lead times
- Improve forecasting accuracy
- Implement vendor managed inventory programs
- Increase advanced payment position
- Reduce billing cycle time

**Receivables**
- Disciplined negotiation of contract terms

**Payables**
- Standardize/extend vendor payment terms
- Implement shared service business model
Potential revenue synergies

Avionics
Multi-function open architecture

Electronic Warfare
Advanced EW solutions supporting multiple platforms

Small Sats
End-to-end Small Sat solutions

Penetrate new markets
Enhanced resource usage, lower SWaP and interoperability
Strengthens offering for existing refresh opportunities and next-gen platforms

Expand addressable market
Leverage L3 manned & unmanned platforms to pull-through HRS EW solutions
Offering unique solution to address unmet customer need

Increase customer stickiness
Combined expertise in optical and RF payloads, SATCOM and mission knowledge
Expands portfolio of mission offerings and fills critical capability gaps
Created significant value by focusing on operational excellence...

1. Night Vision…transformational turnaround

   - Top line: Declining revenue → Up mid teens guidance
   - Quality: ~65% yield rates → ~90%
   - Profitability: Break even → Mid teens ROS

   Sold for $350M

2. SENSOR…retained sole source position

   On-time deliveries
   - FY15: 33%
   - FY16: 50%
   - FY17: 83%
   - FY18: 90%
   - FY19: ~96%

   - Revenue up 24%
   - Improved customer satisfaction…well positioned on recompete

3. Electronic Warfare…reduced lead time

   (months)
   - F-16: FY15 24, FY16 24, FY17 22, FY18 19
   - F-18: FY15 22, FY16 22, FY17 20, FY18 18

   - 20+ year relationship on the F-18 platform…$2B in orders
   - $400M sole-source F-16 IDIQ…$1.5B pipeline

4. GPS…extended franchise

   - Reached a production cadence on GPS space vehicle navigation payloads…lean production and value stream mapping
   - Delivered SV1-7…SV1 operational on orbit, SV-2 launched
   - Developed a fully digital Mission Data Unit (MDU)
...and improving working capital

Reduced working capital by 37 days... ...with broad-based structural improvements

<table>
<thead>
<tr>
<th>At Exelis Acquisition (2015)</th>
<th>78</th>
<th>~40 day gap between Harris and Exelis working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory/unbilled 84 to 59 days</td>
<td>25</td>
<td>Strengthened sales and operational planning process</td>
</tr>
<tr>
<td>Payables 33 to 44 days</td>
<td>11</td>
<td>Implemented vendor managed inventory programs</td>
</tr>
<tr>
<td>Receivables 27 to 26 days</td>
<td>1</td>
<td>Improved advanced payment position</td>
</tr>
<tr>
<td>FY19 Guidance</td>
<td>41</td>
<td>Reduced billing cycle time by ~7 days</td>
</tr>
</tbody>
</table>

Implemented shared service business model

Disciplined negotiation of contract terms

Proven track record...replicate success with L3Harris
Key investment themes

- Stronger platform for long-term revenue growth
  - Creates scale with a well-balanced portfolio
  - Accelerates innovation and time to market
- Shared operating philosophy to continue driving margin expansion
  - Focus on operational excellence and structural cost reduction
  - Meaningful value creation from cost synergies...history of over-achievement
- Strong and experienced leadership team with proven track record
- Generate robust free cash flow...return cash to shareholders through dividends and share repurchases
June Quarter Results
L3 and Harris selected combined 1H19 financials

($million, except per share amounts)

**Revenue**

- 2Q18: 4,164
- 2Q19: 4,448 (+7%)
- 1H18: 8,012
- 1H19: 8,834 (+10%)

**EBIT and margin**

- 2Q18: EBIT = 621
- 2Q19: EBIT = 723 (+16%)
- 1H18: EBIT = 1,190
- 1H19: EBIT = 1,394 (+17%)

**EPS**

- GAAP: 1.75
- Non-GAAP: 1.89 (+28%)
- 2Q18: 1.89
- 2Q19: 2.42 (+28%)
- 1H18: 3.65
- 1H19: 4.65 (+27%)

**Free cash flow**

- 2Q18: 624
- 2Q19: 487 (-22%)
- 1H18: 656
- 1H19: 1,011 (+54%)

---

1 Non-GAAP EPS and adjusted earnings before interest and taxes (EBIT) and EBIT margin figures exclude, as applicable, merger deal and integration costs and other prior period items, including gains on sale of divested businesses. For non-GAAP reconciliations reference other quarterly earnings materials and the L3Harris investor relations website.

2 Adjusted FCF (free cash flow) = operating cash flow less capital expenditures and cash flow for merger deal and integration costs.

3 Provided supplementally; see “Basis of Preparation” at end of presentation, including regarding certain adjustments. For reconciliations reference other quarterly earnings materials and the L3Harris investor relations website.
## 2H CY19 guidance

### Total L3Harris

<table>
<thead>
<tr>
<th>Revenue¹</th>
<th>Margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 9.5 – 10.5%</td>
<td>~16.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EPS¹</th>
<th>FCF³</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.95 – $5.05</td>
<td>$1.30 – $1.35B</td>
</tr>
</tbody>
</table>

### By Segment

<table>
<thead>
<tr>
<th>Revenue¹</th>
<th>Margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMS</td>
<td>up ~10.5%</td>
</tr>
<tr>
<td>SAS</td>
<td>up ~11.5%</td>
</tr>
<tr>
<td>CS</td>
<td>up ~9.5%</td>
</tr>
<tr>
<td>AS</td>
<td>up ~7.0%</td>
</tr>
</tbody>
</table>

¹Compared with amounts shown in Unaudited Combined L3 and Harris Historical Financial information in the appendix.
²Non-GAAP EPS and adjusted earnings before interest and taxes (EBIT) margin figures exclude, as applicable, merger deal and integration costs. For non-GAAP reconciliations reference other quarterly earnings materials and the L3Harris investor relations website. Segments represent operating margin.
³Adjusted FCF (free cash flow) = operating cash flow less capital expenditures and cash flow for merger deal and integration costs.
## CY 2019 full year guidance

### Total L3Harris

<table>
<thead>
<tr>
<th>Revenue¹</th>
<th>Margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 9.5 – 10.5%</td>
<td>~16.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EPS¹</th>
<th>FCF³</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.60 – $9.70</td>
<td>$2.30 – $2.35B</td>
</tr>
</tbody>
</table>

### By Segment

<table>
<thead>
<tr>
<th>Revenue¹</th>
<th>Margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMS</td>
<td>up ~11.2%</td>
</tr>
<tr>
<td>SAS</td>
<td>up ~13.9%</td>
</tr>
<tr>
<td>CS</td>
<td>up ~10.7%</td>
</tr>
<tr>
<td>AS</td>
<td>up ~4.0%</td>
</tr>
</tbody>
</table>

---

¹Compared with amounts shown in Unaudited Combined L3 and Harris Historical Financial information in the appendix.

²Non-GAAP EPS and adjusted earnings before interest and taxes (EBIT) margin figures exclude, as applicable, merger deal and integration costs. For non-GAAP reconciliations reference other quarterly earnings materials and the L3Harris investor relations website. Segments represent operating margin.

³Adjusted FCF (free cash flow) = operating cash flow less capital expenditures and cash flow for merger deal and integration costs.