



L3HARRIS CY2020 THIRD QUARTER RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND REGULATION G DISCLOSURES







Reconciliation of Non-GAAP Financial Measures – Earnings Release Information



L3 Pre-Merger Adjusted Free Cash Flow

(In millions)	Two Quarters Ended June 28, 2019
Net cash provided by operating activities	\$ 414
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Aviation Systems Segment Organic Operating Income

(In millions)	Quarter Ended	
	September 27, 2019	
Segment operating income	\$	127
Adjustment for divested business		(14)
Non-GAAP organic segment operating income	\$	113

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Communication Systems Segment Operating Margin

(\$ in millions)

	<u>2020 Guidance</u>
Revenue from product sales and services (B)	~ \$4,427
Segment operating income	~ 1,061
Restructuring charges	~ 1
Non-GAAP segment operating income (A)	<u>~ \$1,062</u>
Non-GAAP segment operating margin percentage (A) / (B)	~ 24.00%

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L3Harris Adjusted Pro Forma¹ EPS

	<u>CY19</u>
Pro forma ¹ income from continuing operations attributable to L3Harris Technologies, Inc. common shareholders	\$ 7.25
Adjustments:	
Gain on sale of business	(1.02)
Gain on sale of asset group	(0.05)
L3 pre-merger integration costs, including change in control charges	0.82
L3Harris Merger integration costs	0.97
Charges related to consolidation of facilities	0.22
Gain on pension curtailment	(0.10)
Amortization of acquisition-related intangibles	2.68
Additional cost of sales related to the fair value step-up in inventory sold	0.64
Non-cash cumulative adjustment to lease expense	0.04
Losses and other costs related to debt refinancing	0.02
Total pre-tax adjustments	<u>4.22</u>
Income taxes on above adjustments	<u>(1.21)</u>
Total adjustments after-tax	<u>3.01</u>
Adjusted pro forma income from continuing operations per diluted common share	<u>\$ 10.26</u>

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Noncontrolling Interests, Net of Income Taxes

(In millions)

Noncontrolling interests, net of income taxes
Adjustments (A)
Non-GAAP noncontrolling interests, net of income taxes

	Quarter Ended	
	October 2, 2020	2020 Guidance
\$	(4)	~ \$26
	4	~ (33)
\$	·	~ \$(7)

A.