



NEWS RELEASE

L3Harris Details Financial Objectives and Value Creation Strategy at 2023 Investor Day

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MELBOURNE, Fla., Dec. 12, 2023 — L3Harris Technologies (NYSE:LHX) today hosted its 2023 Investor Day at which it provided an in depth review of the company's financial objectives and value creation strategy.

"Nearly five years ago, we combined two mid-sized aerospace and defense companies to create a new competitor in the industry. Since then, we have been shaping our portfolio into a national security and technology-focused company aligned with growing end markets across all domains. We intend to discontinue our M&A program for the foreseeable future to prioritize strengthening our balance sheet and returning all excess capital to shareholders," said Christopher E. Kubasik, Chair and CEO, L3Harris.

Kubasik continued, "Today, L3Harris has industry-leading margins and is well positioned to grow as a result of our **differentiated Trusted Disruptor strategy**. We will focus on driving operational improvements to enhance productivity, reduce expenses, drive margin expansion and generate strong cash flow. Our solid financial foundation gives us confidence in our ability to meet our medium-term targets and deliver value for shareholders. We look forward to building on this baseline and identifying opportunities for further margin and cash flow improvement by working with the Board's newly formed Business Review Committee during its comprehensive evaluation of the Company's performance and operations."

L3Harris management presented its medium-term financial framework based on the Company's current portfolio, through 2026, including:

- \$23 billion in revenue
- 16% segment operating margins
- \$2.8 billion of free cash flow

The company also provided its 2024 – 2026 capital deployment priorities, which include:

- Investing in the business, including research and development and capital expenditures
- Paying down debt to achieve a leverage of 3.0x
- Not pursuing any acquisitions and returning all excess cash to shareholders

The Company appreciates the in-person and online interest and participation in our Investor Day. Slides from today's presentation are available on the Investor Relations section of [L3Harris.com](https://www.l3harris.com).

About L3Harris Technologies

L3Harris Technologies is the Trusted Disruptor in the defense industry. With customers' mission-critical needs always in mind, our 50,000 employees deliver end-to-end technology solutions connecting the space, air, land, sea and cyber domains in the interest of national security.

Forward-Looking Statements

This press release contains forward-looking statements that reflect management's current expectations, assumptions and estimates of future performance and economic conditions. Such statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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. Statements about the company's M&A program, medium-term financial framework, future performance and capital deployment plan priorities are forward-looking and involve risks and uncertainties. Important risk factors that could cause actual results or outcomes to differ from those expressed in the forward-looking statements are described in the "Risk Factors" sections of the L3Harris Annual Report on Form 10-K for the year ended December 30, 2022, and subsequent filings with the U.S. Securities and Exchange Commission ("SEC"). 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: in U.S. Government spending priorities; changes in the mix of fixed-price, cost-plus and time-and-material type contracts and the impact of a significant increase in or sustained period of increased inflation; the termination, failure to fund, or negative audit findings for U.S. Government contracts; the U.S. Government's budget deficit and the national debt; uncertain economic conditions; the consequences of future geo-political events; the impact of government investigations; the risks of doing business internationally; disputes with our subcontractors or key suppliers, or their inability to perform or timely deliver our components, parts or services; the attraction and retention of key

employees; the ability to develop new products and services and technologies that achieve market acceptance; the ability to successfully review the company's business and optimize its portfolio, performance, and operations, manage our growth and achieve performance targets; natural disasters or other significant business disruptions; changes in accounting estimates; the company's level of indebtedness and ability to make payments on, repay or service indebtedness; unfunded defined benefit plans liability; any downgrade in credit ratings; the level of returns on defined benefit plan assets, changes in interest rates and other market factors; changes in effective tax rate or additional tax exposures; the ability to obtain export licenses or make sales to foreign governments; unforeseen environmental issues, including regulations related to GHG emissions or change in customer sentiment related to environmental sustainability, the impact of any improper conduct of employees, agents or business partners; the outcome of litigation or arbitration; potential claims related to infringement of intellectual property rights or environmental remediation or other contingencies; expanded operations from the acquisitions of TDL and Aerojet Rocketdyne, including related dangerous materials and real estate assets; risks related to other strategic transactions, including mergers, acquisitions and divestitures. The level and timing of share repurchases will depend on a number of factors, including the company's financial condition, capital requirements, cash flow, results of operations, future business prospects and other factors. The timing, volume and nature of share repurchases also are subject to business and market conditions, applicable securities laws, and other factors, and are at the discretion of the company and may be suspended or discontinued at any time without prior notice. 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 press release are made as of the date of this press release, 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 reading this press release are cautioned not to place undue reliance on forward-looking statements.

Non-GAAP Measures

This press release contains non-GAAP financial measures ("NGFMs") within the meaning of Regulation G promulgated by the SEC, including segment operating margin and adjusted free cash flow through 2026. An NGFM is generally defined as a numerical measure of a company's historical or future performance that excludes or includes amounts, or is subject to adjustments, so as to be different from the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles ("GAAP"). L3Harris management believes that these NGFMs, when considered together with the GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. L3Harris management also believes that these NGFMs enhance the ability of investors to analyze L3Harris business trends and to understand L3Harris performance. In addition, L3Harris may utilize NGFMs as guides in

forecasting, budgeting and long-term planning processes and to measure operating performance for some management compensation purposes. NGFMs should be considered in addition to, and not as a substitute for, or superior to, financial measures presented in accordance with GAAP. In addition, L3Harris may utilize NGFMs as guides in forecasting, budgeting and long-term planning processes and to measure operating performance for some management compensation purposes.

A reconciliation of forward-looking NGFMs to comparable GAAP measures is not available without unreasonable effort because of inherent difficulty in forecasting and quantifying the comparable GAAP measures and the applicable adjustments and other amounts that would be necessary for such a reconciliation, including due to potentially high variability over extended periods through 2026, complexity and low visibility as to the applicable adjustments and other amounts, which may, or could, have a disproportionately positive or negative impact on the company's future GAAP results, such as the integration of TDL and AR and costs associated with LHX NeXt on our results and other potential business divestiture-related gains and losses, and other unusual gains and losses, or their probable significance and extent of tax deductibility. The variability of the applicable adjustments and other amounts may have a significant, unpredictable impact on our future GAAP results.

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