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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-00812

RTX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**06-0570975**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1000 Wilson Boulevard, Arlington, Virginia 22209
(Address of principal executive offices) (Zip Code)

(781) 522-3000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($1 par value) (CUSIP 75513E101)	**RTX**	**New York Stock Exchange**
2.150% Notes due 2030 (CUSIP 75513E AB7)	**RTX 30**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,"

“smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐. No ☒.

At September 30, 2026, there were 1,349,440,548 shares of Common Stock outstanding.

RTX CORPORATION
AND SUBSIDIARIES

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RTX Corporation and its subsidiaries' names, abbreviations thereof, logos, and products and services designators are all either the registered or unregistered trademarks or tradenames of RTX Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and services designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. References to internet web sites in this Form 10-Q are provided for convenience only. Information available through these web sites is not incorporated by reference into this Form 10-Q.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions, except per share amounts)	**2026**	**2025**	**2026**	**2025**
Net Sales:				
Products sales	**$ 18,258**	$ 16,264	**$ 51,967**	$ 46,406
Services sales	**6,707**	6,214	**19,782**	17,959
Total net sales	**24,965**	22,478	**71,749**	64,365
Costs and Expenses:				
Cost of sales - products	**14,484**	13,593	**42,286**	38,865
Cost of sales - services	**4,676**	4,305	**13,931**	12,428
Research and development	**711**	684	**2,064**	2,018
Selling, general, and administrative	**1,918**	1,436	**5,052**	4,457
Total costs and expenses	**21,789**	20,018	**63,333**	57,768
Other income, net	**161**	63	**287**	107
Operating profit	**3,337**	2,523	**8,703**	6,704
Non-operating expense (income), net:				
Non-service pension income	**(345)**	(364)	**(1,048)**	(1,081)
Interest expense, net	**381**	449	**1,188**	1,349
Total non-operating expense, net	**36**	85	**140**	268
Income before income taxes	**3,301**	2,438	**8,563**	6,436
Income tax expense	**593**	432	**1,449**	1,080
Net income	**2,708**	2,006	**7,114**	5,356
Less: Noncontrolling interest in subsidiaries' earnings	**125**	88	**333**	246
Net income attributable to common shareowners	**$ 2,583**	$ 1,918	**$ 6,781**	$ 5,110
Earnings Per Share attributable to common shareowners:				
Basic	**$ 1.91**	$ 1.43	**$ 5.02**	$ 3.81
Diluted	**1.89**	1.41	**4.96**	3.77

See accompanying Notes to Condensed Consolidated Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Net income	**$ 2,708**	$ 2,006	**$ 7,114**	$ 5,356
Other comprehensive (loss) income, before tax:				
Foreign currency translation adjustments	**33**	16	**(319)**	1,378
Pension and postretirement benefit plans adjustments	**(32)**	(12)	**(64)**	(268)
Change in unrealized cash flow hedging	**(10)**	(65)	**(258)**	217
Other comprehensive (loss) income, before tax	**(9)**	(61)	**(641)**	1,327
Income tax benefit (expense) related to items of other comprehensive (loss) income	**10**	20	**51**	(4)
Other comprehensive income (loss), net of tax	**1**	(41)	**(590)**	1,323
Comprehensive income	**2,709**	1,965	**6,524**	6,679
Less: Comprehensive income attributable to noncontrolling interest	**125**	88	**333**	246
Comprehensive income attributable to common shareowners	**$ 2,584**	$ 1,877	**$ 6,191**	$ 6,433

See accompanying Notes to Condensed Consolidated Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(dollars in millions)	September 30, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	**$ 9,173**	$ 7,435
Accounts receivable, net	**14,681**	14,701
Contract assets, net	**18,701**	17,092
Inventory, net	**14,953**	13,364
Other assets, current	**8,561**	7,740
Total current assets	**66,069**	60,332
Customer financing assets	**1,880**	2,132
Fixed assets	**36,725**	35,335
Accumulated depreciation	**(19,490)**	(18,467)
Fixed assets, net	**17,235**	16,868
Operating lease right-of-use assets	**1,770**	1,887
Goodwill	**52,969**	53,343
Intangible assets, net	**30,652**	31,845
Other assets	**6,021**	4,672
Total assets	**$ 176,596**	$ 171,079
Liabilities, Redeemable Noncontrolling Interest, and Equity		
Current Liabilities		
Short-term borrowings	**$ 210**	$ 204
Accounts payable	**17,803**	15,895
Accrued employee compensation	**3,155**	3,308
Other accrued liabilities	**14,801**	14,350
Contract liabilities	**21,550**	21,615
Long-term debt currently due	**5,679**	3,412
Total current liabilities	**63,198**	58,784
Long-term debt	**31,490**	34,288
Operating lease liabilities, non-current	**1,495**	1,602
Future pension and postretirement benefit obligations	**1,913**	2,067
Other long-term liabilities	**7,508**	7,200
Total liabilities	**105,604**	103,941
Commitments and contingencies (Note 16)		
Redeemable noncontrolling interest	**28**	36
Shareowners' Equity:		
Common stock	**38,673**	38,126
Treasury stock	**(26,712)**	(26,881)
Retained earnings	**60,597**	56,718
Accumulated other comprehensive loss	**(3,308)**	(2,718)
Total shareowners' equity	**69,250**	65,245
Noncontrolling interest	**1,714**	1,857
Total equity	**70,964**	67,102
Total liabilities, redeemable noncontrolling interest, and equity	**$ 176,596**	$ 171,079

See accompanying Notes to Condensed Consolidated Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(dollars in millions)	Nine Months Ended September 30, 2026	2025
Operating Activities:		
Net income	**$ 7,114**	$ 5,356
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	**3,218**	3,219
Deferred income tax provision	**60**	598
Stock compensation cost	**455**	337
Net periodic pension and other postretirement income	**(920)**	(956)
Share-based 401(k) matching contributions	**474**	435
Change in:		
Accounts receivable	**377**	(1,488)
Contract assets	**(2,184)**	(2,124)
Inventory	**(1,686)**	(1,015)
Other current assets	**(974)**	(979)
Accounts payable and accrued liabilities	**2,753**	2,096
Contract liabilities	**(688)**	1,329
Other operating activities, net	**271**	(406)
Net cash flows provided by operating activities	**8,270**	6,402
Investing Activities:		
Capital expenditures	**(1,964)**	(1,657)
Dispositions of businesses, net of cash transferred	**—**	1,188
Increase in other intangible assets	**(229)**	(347)
Receipts from settlements of derivative contracts, net	**8**	187
Other investing activities, net	**(224)**	(87)
Net cash flows used in investing activities	**(2,409)**	(716)
Financing Activities:		
Repayment of long-term debt	**(526)**	(2,289)
Dividends paid	**(2,882)**	(2,660)
Repurchase of common stock	**—**	(50)
Other financing activities, net	**(677)**	(333)
Net cash flows used in financing activities	**(4,085)**	(5,332)
Effect of foreign exchange rate changes on cash and cash equivalents	**(16)**	44
Net increase in cash, cash equivalents, and restricted cash	**1,760**	398
Cash, cash equivalents, and restricted cash, beginning of period	**7,470**	5,606
Cash, cash equivalents, and restricted cash, end of period	**9,230**	6,004
Less: Restricted cash, included in Other assets, current and Other assets	**57**	38
Cash and cash equivalents, end of period	**$ 9,173**	$ 5,966

See accompanying Notes to Condensed Consolidated Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)

(dollars in millions, except per share amounts; shares in thousands)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Equity beginning balance	**$ 68,116**	$ 64,206	**$ 67,102**	$ 61,923
Common Stock				
Beginning balance	**38,424**	37,680	**38,126**	37,434
Common stock plans activity	**159**	119	**242**	225
Share-based 401(k) matching contributions	**90**	70	**305**	210
Ending balance	**38,673**	37,869	**38,673**	37,869
Treasury Stock				
Beginning balance	**(26,758)**	(26,995)	**(26,881)**	(27,112)
Share-based 401(k) matching contributions	**46**	58	**169**	225
Common stock repurchased	**—**	—	**—**	(50)
Ending balance	**(26,712)**	(26,937)	**(26,712)**	(26,937)
Retained Earnings				
Beginning balance	**58,020**	54,104	**56,718**	53,589
Net income attributable to common shareholders	**2,583**	1,918	**6,781**	5,110
Dividends on common stock	**—**	—	**(2,762)**	(2,543)
Dividends on ESOP common stock	**—**	—	**(120)**	(117)
Other	**(6)**	(8)	**(20)**	(25)
Ending balance	**60,597**	56,014	**60,597**	56,014
Accumulated Other Comprehensive Loss				
Beginning balance	**(3,309)**	(2,391)	**(2,718)**	(3,755)
Other comprehensive (loss) income, net of tax	**1**	(41)	**(590)**	1,323
Ending balance	**(3,308)**	(2,432)	**(3,308)**	(2,432)
Noncontrolling Interest				
Beginning balance	**1,739**	1,808	**1,857**	1,767
Net income	**125**	88	**333**	246
Less: Redeemable noncontrolling interest net income	**—**	(2)	**(1)**	(8)
Dividends attributable to noncontrolling interest	**(150)**	(49)	**(475)**	(160)
Ending balance	**1,714**	1,845	**1,714**	1,845
Equity at September 30	**$ 70,964**	$ 66,359	**$ 70,964**	$ 66,359
Supplemental share information				
Shares of common stock issued under employee plans, net	**1,024**	1,400	**4,737**	5,838
Shares of common stock repurchased	**—**	—	**—**	396
Treasury shares reissued related to 401(k) matching contributions	**658**	830	**2,415**	3,206
Dividends declared per share of common stock	**$ —**	$ —	**$ 2.14**	$ 1.99

See accompanying Notes to Condensed Consolidated Financial Statements

RTX CORPORATION
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Basis of Presentation

The Condensed Consolidated Financial Statements at September 30, 2026 and for the quarters and nine months ended September 30, 2026 and 2025 are unaudited, and in the opinion of management include adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods. The results reported in these Condensed Consolidated Financial Statements should not necessarily be taken as indicative of results that may be expected for the entire year. The financial information included herein should be read in conjunction with the financial statements and notes in our 2025 Annual Report on Form 10-K.

Unless the context otherwise requires, the terms "we," "our," "us," "the Company," and "RTX" mean RTX Corporation and its subsidiaries.

We operate in three segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon. Raytheon follows a fiscal calendar, while Collins and Pratt & Whitney use calendar quarter ends. Throughout this Form 10-Q, references to the periods as of September 30, 2026 and 2025, and to the quarters and nine months ended September 30, 2026 and 2025 for Raytheon correspond to its fiscal quarter ends of September 27, 2026 and September 28, 2025, respectively.

Note 2: Acquisitions and Dispositions

Dispositions. On June 19, 2026, we entered into a definitive agreement to sell our Blue Canyon Technologies (BCT) business within our Raytheon segment for proceeds of approximately $0.6 billion. The closing of the transaction is subject to regulatory approvals and other customary closing conditions.

On July 21, 2025, we completed the sale of the actuation and flight control business within our Collins segment for gross proceeds of $1.8 billion. Cash received of $1.6 billion, net of cash transferred, included amounts attributable to continuing service agreements supporting the buyer post-closing. The sale resulted in a pre-tax gain of $0.1 billion in the third quarter ended September 30, 2025, which was recorded in Other income, net within the Condensed Consolidated Statement of Operations.

Note 3: Goodwill and Intangible Assets

Goodwill. Changes in our goodwill balances for the nine months ended September 30, 2026 were as follows:

(dollars in millions)	Balance as of December 31, 2025	Acquisitions and Divestitures	Foreign Currency Translation and Other	Balance as of September 30, 2026
Collins Aerospace	$ 32,776	**$ —**	**$ (182)**	**$ 32,594**
Pratt & Whitney	1,563	**14**	**—**	**1,577**
Raytheon [1]	18,987	**(207)**	**1**	**18,781**
Total Segments	53,326	**(193)**	**(181)**	**52,952**
Eliminations and other	17	**—**	**—**	**17**
Total	$ 53,343	**$ (193)**	**$ (181)**	**$ 52,969**

(1) The reduction related to Acquisitions and Divestitures includes the reclassification of goodwill to assets held for sale and presented in Other assets, current within the Condensed Consolidated Balance Sheet during the quarter ended June 30, 2026.

Intangible Assets. Identifiable intangible assets are comprised of the following:

(dollars in millions)	September 30, 2026 Gross Amount	September 30, 2026 Accumulated Amortization	December 31, 2025 Gross Amount	December 31, 2025 Accumulated Amortization
Amortized:				
Collaboration assets	**$ 6,308**	**$ (2,628)**	$ 6,234	$ (2,374)
Exclusivity assets	**4,246**	**(289)**	3,980	(258)
Developed technology and other	**1,128**	**(768)**	1,192	(758)
Customer relationships	**29,234**	**(15,048)**	29,338	(13,989)
	40,916	**(18,733)**	40,744	(17,379)
Indefinite-lived:				
Trademarks and other	**8,469**	**—**	8,480	—
Total	**$ 49,385**	**$ (18,733)**	$ 49,224	$ (17,379)

Amortization of intangible assets for the quarters and nine months ended September 30, 2026 and 2025 was $496 million and $1,484 million and $520 million and $1,529 million, respectively. The following is the expected amortization of intangible assets for the remainder of 2026 through 2031:

(dollars in millions)	Remaining 2026	2027	2028	2029	2030	2031
Amortization expense	$ 460	$ 1,884	$ 1,795	$ 1,638	$ 1,606	$ 1,593

Note 4: Earnings Per Share

(dollars and shares in millions, except per share amounts)	Quarter Ended September 30, 2026	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net income attributable to common shareowners	**$ 2,583**	$ 1,918	**$ 6,781**	$ 5,110
Basic weighted average number of shares outstanding	**1,352.2**	1,343.1	**1,350.2**	1,340.2
Stock awards and equity units (share equivalent)	**15.9**	15.3	**15.6**	14.5
Diluted weighted average number of shares outstanding	**1,368.1**	1,358.4	**1,365.8**	1,354.7
Earnings Per Share attributable to common shareowners:				
Basic	**$ 1.91**	$ 1.43	**$ 5.02**	$ 3.81
Diluted	**1.89**	1.41	**4.96**	3.77

The computation of diluted earnings per share (EPS) excludes the effect of the potential exercise of stock awards, including stock appreciation rights and stock options, when the average market price of the common stock is lower than the exercise price of the related stock awards during the period because the effect would be anti-dilutive. In addition, the computation of diluted EPS excludes the effect of the potential release or exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. For the quarter and nine months ended September 30, 2026, the number of stock awards excluded from the computation was 1.2 million and 1.7 million, respectively. For the quarter and nine months ended September 30, 2025, the number of stock awards excluded from the computation was 0.7 million and 1.9 million, respectively.

Note 5: Changes in Contract Estimates at Completion

We review our Estimates at Completion (EACs) at least annually or when a change in circumstances warrants a modification to a previous estimate. For significant contracts, we review our EACs more frequently. Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many inputs, and requires significant judgment by management on a contract by contract basis. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities, and the related changes in estimates of revenues and costs. The risks and opportunities relate to management's judgment about the ability and cost to achieve the schedule, consideration of customer-directed delays or reductions in scheduled deliveries, technical requirements, customer activity levels, such as flight hours or aircraft landings, and related variable consideration. Management must make assumptions and estimates regarding contract revenues and costs, including estimates of labor productivity and availability, the complexity

and scope of the work to be performed, the availability and cost of materials including any impact from changing costs or inflation, the length of time to complete the performance obligation, execution by our subcontractors, the availability and timing of funding from our customer, overhead cost rates, and current and past maintenance cost and frequency driven by estimated aircraft and engine utilization and estimated useful lives of components, among others. In particular, fixed-price development programs involve significant management judgment, as development contracts by nature have elements that have not been done before and thus, are highly subject to future unexpected cost changes. Cost estimates may also include the estimated cost of satisfying our industrial cooperation agreements, sometimes in the form of either offset obligations or in-country industrial participation (ICIP) agreements, required under certain contracts. These obligations may or may not be distinct depending on their nature. If cash is paid to a customer to satisfy our offset obligations it is recorded as a reduction in the transaction price.

Changes in estimates of net sales, cost of sales, and the related impact to operating profit on contracts recognized over time are recognized on a cumulative catch-up basis, which recognizes the cumulative effect of the profit changes on current and prior periods based on a performance obligation's percentage-of-completion in the current period. A significant change in one or more of these estimates could affect the profitability of one or more of our performance obligations. Our EAC adjustments also include the establishment of, and changes to, loss provisions for our contracts accounted for on a percentage-of-completion basis.

Net EAC adjustments had the following impact on our operating results:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions, except per share amounts)	2026	2025	2026	2025
Total net sales	**$ 92**	$ (18)	**$ (38)**	$ (163)
Operating profit	**48**	(35)	**(180)**	(310)
Net income attributable to common shareowners [1]	**38**	(28)	**(142)**	(245)
Diluted earnings per share attributable to common shareowners [1]	**$ 0.03**	$ (0.02)	**$ (0.10)**	$ (0.18)

(1) Amounts reflect a U.S. statutory tax rate of 21%, which approximates our tax rate on our EAC adjustments.

Note 6: Accounts Receivable, Net

Accounts receivable, net consisted of the following:

(dollars in millions)	September 30, 2026	December 31, 2025
Accounts receivable	**$ 15,096**	$ 15,041
Allowance for expected credit losses	**(415)**	(340)
Total accounts receivable, net	**$ 14,681**	$ 14,701

Note 7: Contract Assets and Liabilities

Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billings. Contract liabilities relate to payments received in advance of the satisfaction of performance under the contract. We receive payments from customers based on the terms established in our contracts. Total contract assets and contract liabilities were as follows:

(dollars in millions)	September 30, 2026	December 31, 2025
Contract assets	**$ 19,640**	$ 17,768
Allowance for expected credit losses	**(939)**	(676)
Contract assets, net	**18,701**	17,092
Contract liabilities	**(21,550)**	(21,615)
Net contract liabilities	**$ (2,849)**	$ (4,523)

Contract assets, net increased $1.6 billion during the nine months ended September 30, 2026 primarily due to sales in excess of billings on certain contracts at Pratt & Whitney and Raytheon. The allowance for expected credit losses increased $0.3 billion in the nine months ended September 30, 2026, primarily driven by a customer bankruptcy recorded at Pratt & Whitney in the third quarter of 2026, partially offset by a write-off related to unrecoverable contract assets reserved in a prior year. Contract liabilities decreased $0.1 billion during the nine months ended September 30, 2026 primarily due to sales in excess of advances received and billings on certain contracts at Pratt & Whitney and Raytheon. We recognized revenue of $2.3 billion and $8.3 billion during the quarter and nine months ended September 30, 2026 related to contract liabilities outstanding as of January 1,

2026 and recognized revenue of $1.5 billion and $6.5 billion during the quarter and nine months ended September 30, 2025, related to contract liabilities outstanding as of January 1, 2025.

Note 8: Inventory, net

Inventory, net consisted of the following:

(dollars in millions)	September 30, 2026	December 31, 2025
Raw materials	**$ 5,370**	$ 4,673
Work-in-process	**4,976**	4,554
Finished goods	**4,607**	4,137
Total inventory, net	**$ 14,953**	$ 13,364

Note 9: Borrowings and Lines of Credit

In August 2026, we renewed our revolving credit agreement with various banks permitting aggregate borrowings of up to $5.0 billion, which expires in August 2031. As of September 30, 2026, there were no borrowings outstanding under this agreement.

From time to time, we use commercial paper borrowings for general corporate purposes, including short-term funding related to potential acquisitions, pension contributions, debt refinancing, dividend payments, and repurchases of our common stock. The commercial paper notes have original maturities of not more than 364 days from the date of issuance. As of September 30, 2026, our maximum commercial paper borrowing limit was $5.0 billion as the commercial paper is backed by our $5.0 billion revolving credit agreement. At September 30, 2026 and December 31, 2025, we had no commercial paper borrowings outstanding. There were no new borrowings or repayments of commercial paper with maturities greater than 90 days during the nine months ended September 30, 2026 and 2025.

We made the following repayments of long-term debt during the nine months ended September 30, 2026 and 2025:

Date	Description of Notes	Aggregate Principal Balance (in millions)
February 27, 2026	5.000% notes due 2026	**$ 500**
August 18, 2025	3.950% notes due 2025	1,500
May 7, 2025	3 Month SOFR plus 1.225% term loan due 2025	750

Long-term debt consisted of the following:

(dollars in millions)	September 30, 2026	December 31, 2025
5.000% notes due 2026 (1)	**$ —**	$ 500
2.650% notes due 2026 (1)	**719**	719
3 Month SOFR plus 1.225% term loan due 2026	**900**	900
5.750% notes due 2026 (1)	**1,250**	1,250
3.125% notes due 2027 (1)	**1,100**	1,100
3.500% notes due 2027 (1)	**1,300**	1,300
7.200% notes due 2027 (1)	**382**	382
7.100% notes due 2027	**135**	135
6.700% notes due 2028	**285**	285
7.000% notes due 2028 (1)	**185**	185
4.125% notes due 2028 (1)	**3,000**	3,000
5.750% notes due 2029 (1)	**500**	500
7.500% notes due 2029 (1)	**414**	414
2.150% notes due 2030 (€500 million principal value) (1)	**570**	587
2.250% notes due 2030 (1)	**1,000**	1,000
6.000% notes due 2031 (1)	**1,000**	1,000
1.900% notes due 2031 (1)	**1,000**	1,000
2.375% notes due 2032 (1)	**1,000**	1,000

(dollars in millions)	September 30, 2026	December 31, 2025
5.150% notes due 2033 (1)	**1,250**	1,250
6.100% notes due 2034 (1)	**1,500**	1,500
5.400% notes due 2035 (1)	**446**	446
6.050% notes due 2036 (1)	**410**	410
6.800% notes due 2036 (1)	**117**	117
7.000% notes due 2038	**148**	148
6.125% notes due 2038 (1)	**575**	575
4.450% notes due 2038 (1)	**750**	750
5.700% notes due 2040 (1)	**553**	553
4.875% notes due 2040 (1)	**600**	600
4.700% notes due 2041 (1)	**425**	425
4.500% notes due 2042 (1)	**3,500**	3,500
4.800% notes due 2043 (1)	**400**	400
4.200% notes due 2044 (1)	**300**	300
4.150% notes due 2045 (1)	**850**	850
3.750% notes due 2046 (1)	**1,100**	1,100
4.050% notes due 2047 (1)	**600**	600
4.350% notes due 2047 (1)	**1,000**	1,000
4.625% notes due 2048 (1)	**1,750**	1,750
3.125% notes due 2050 (1)	**1,000**	1,000
2.820% notes due 2051 (1)	**1,000**	1,000
3.030% notes due 2052 (1)	**1,100**	1,100
5.375% notes due 2053 (1)	**1,250**	1,250
6.400% notes due 2054 (1)	**1,750**	1,750
Other (including finance leases)	**139**	146
Total principal long-term debt	**37,253**	37,777
Other (fair market value adjustments, (discounts)/premiums, and debt issuance costs)	**(84)**	(77)
Total long-term debt	**37,169**	37,700
Less: current portion	**5,679**	3,412
Long-term debt, net of current portion	**$ 31,490**	$ 34,288

(1) We may redeem these notes, in whole or in part, at our option pursuant to their terms prior to the applicable maturity date.

The average maturity of our long-term debt as of September 30, 2026 is approximately 12 years.

Note 10: Employee Benefit Plans

Pension and Postretirement Plans. We sponsor both funded and unfunded domestic and foreign defined benefit pension and postretirement benefit (PRB) plans and defined contribution plans.

Contributions to our plans were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Defined contribution plans	**$ 334**	$ 316	**$ 1,154**	$ 1,057

The amounts recognized in the Condensed Consolidated Balance Sheet consist of:

(dollars in millions)	September 30, 2026	December 31, 2025
Non-current pension assets (included in Other assets)	**$ 3,216**	$ 2,339
Current pension and PRB liabilities (included in Accrued employee compensation)	**227**	228
Future pension and postretirement benefit obligations	**1,913**	2,067

The amounts recognized in Future pension and postretirement benefit obligations consist of:

(dollars in millions)	September 30, 2026	December 31, 2025
Non-current pension liabilities	**$ 1,389**	$ 1,510
Non-current PRB liabilities	**454**	501
Other pension and PRB related items	**70**	56
Future pension and postretirement benefit obligations	**$ 1,913**	$ 2,067

The components of net periodic income for our defined pension plans were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Operating expense				
Service cost	**$ 41**	$ 42	**$ 123**	$ 126
Non-operating expense (income)				
Interest cost	**507**	587	**1,521**	1,756
Expected return on plan assets	**(835)**	(922)	**(2,507)**	(2,760)
Amortization of prior service credit	**(33)**	(32)	**(97)**	(107)
Recognized actuarial net loss	**11**	5	**33**	15
Net settlement, curtailment, and special termination benefit loss (gain)	**3**	—	**1**	14
Non-service pension income	**(347)**	(362)	**(1,049)**	(1,082)
Total net periodic pension income	**$ (306)**	$ (320)	**$ (926)**	$ (956)

We have set aside assets in separate trusts, which we expect to be used to pay for certain nonqualified defined benefit and defined contribution plan obligations in excess of qualified plan limits. These assets are included in Other assets in our Condensed Consolidated Balance Sheet. The fair value of marketable securities held in trusts was as follows:

(dollars in millions)	September 30, 2026	December 31, 2025
Marketable securities held in trusts	**$ 707**	$ 750

Note 11: Income Taxes

Our effective tax rate for the quarter and nine months ended September 30, 2026 was 18.0% and 16.9%, respectively, as compared to 17.7% and 16.8% for the quarter and nine months ended September 30, 2025.

The effective tax rate for the quarter and nine months ended September 30, 2026 compared to the quarter and nine months ended September 30, 2025 are relatively consistent. The effective tax rate for the quarter and nine months ended September 30, 2026 includes a lower forecasted annualized effective tax rate for 2026 principally due to a higher Foreign Derived Deduction Eligible Income benefit resulting from the U.S. tax legislation enacted in 2025. The effective tax rate for the quarter and nine months ended September 30, 2025 includes tax benefits for certain legal entity reorganizations partially offset by tax expense due to the sale of the Collins actuation and flight control business.

We conduct business globally and, as a result, RTX or one or more of our subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including the United States and other jurisdictions, such as Canada, China, France, Germany, India, Poland, Singapore, Switzerland, and the United Kingdom. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2014.

In connection with certain IRS audits, the Company has previously filed protests with respect to certain IRS proposed adjustments for RTX (formerly United Technologies Corporation) tax years 2017 and 2018, pre-acquisition Rockwell Collins tax years 2016, 2017, and 2018, and pre-merger Raytheon Company tax years 2017, 2018, and 2019 as well as certain refund claims of Raytheon Company for tax years 2014, 2015, and 2016 filed prior to the Raytheon merger. The Company is in the process of disputing these adjustments at the Appeals Division of the IRS. The Company currently expects resolution at the Appeals Division for the RTX, Rockwell, and Raytheon Company protests within the next twelve to eighteen months.

Note 12: Financial Instruments

We enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments and those utilized as economic hedges. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates, and commodity prices. These fluctuations can increase the costs of financing, investing, and operating the business. We have used derivative instruments, including swaps, forward contracts, and options, to manage certain foreign currency, interest rate, and commodity price exposures.

The present value of the aggregate notional principal of our outstanding foreign currency hedges was $25 billion and $26 billion at September 30, 2026 and December 31, 2025, respectively. The following table summarizes the fair value and presentation in the Condensed Consolidated Balance Sheet for derivative instruments:

(dollars in millions)	Balance Sheet Location	September 30, 2026	December 31, 2025
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	**$ 213**	$ 357
	Other accrued liabilities	**289**	254
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	**$ 5**	$ 79
	Other accrued liabilities	**101**	11

At September 30, 2026, all derivative contracts accounted for as cash flow hedges will mature by May 2036. Cash receipts or payments on derivatives designated as cash flow hedges are recorded in Other operating activities, net within the Condensed Consolidated Statement of Cash Flows. The Company utilizes the critical terms match method for cash flow hedges in assessing derivatives for hedge effectiveness. Gains or losses attributable to cash flow hedging contract activity are primarily recorded as a component of Products sales when reclassified from Accumulated other comprehensive loss.

The Company has entered into forward exchange contracts to partially hedge its net investment in certain foreign subsidiaries denominated in EUR and CAD. The Company assesses the effectiveness of its net investment hedges using the spot method. Cash receipts or payments on derivatives designated as net investment hedges are recorded as investing cash flows within the Condensed Consolidated Statement of Cash Flows.

As of September 30, 2026, a portion of our €500 million euro-denominated long-term debt was designated as a net investment hedge against our investments in European businesses.

The effect of cash flow hedging and net investment hedging relationships on Accumulated other comprehensive loss and on the Condensed Consolidated Statement of Operations in the quarters and nine months ended September 30, 2026 and 2025 are presented in “Note 17: Equity.” The hedged items and derivatives designated as hedging instruments are highly effective.

The effect of derivatives not designated as hedging instruments and related items is included within Other income, net, on the Condensed Consolidated Statement of Operations and is not significant. Cash receipts or payments related to the settlement of derivatives not designated as hedging instruments are recorded as investing cash flows within the Condensed Consolidated Statement of Cash Flows.

Note 13: Fair Value Measurements

The following tables provide the valuation hierarchy classification of assets and liabilities that are carried at fair value and measured on a recurring basis in our Condensed Consolidated Balance Sheet:

	September 30, 2026			
(dollars in millions)	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	**$ 707**	**$ 636**	**$ 71**	**$ —**
Derivative assets	**218**	**—**	**218**	**—**
Derivative liabilities	**390**	**—**	**390**	**—**

(dollars in millions)	December 31, 2025 Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	$ 750	$ 676	$ 74	$ —
Derivative assets	436	—	436	—
Derivative liabilities	265	—	265	—

Valuation Techniques. Our derivative assets and liabilities include foreign exchange contracts that are measured at fair value using internal models based on observable market inputs such as forward rates, interest rates, our own credit risk, and our counterparties' credit risks.

As of September 30, 2026, there has not been any significant impact to the fair value of our derivative liabilities due to our own credit risk. Similarly, there has not been any significant adverse impact to our derivative assets based on our evaluation of our counterparties' credit risks.

The following table provides carrying amounts and fair values of financial instruments that are not carried at fair value in our Condensed Consolidated Balance Sheet:

(dollars in millions)	September 30, 2026 Carrying Amount	Fair Value	December 31, 2025 Carrying Amount	Fair Value
Long-term debt (excluding finance leases)	**$ 37,106**	**$ 32,932**	$ 37,627	$ 35,733

The following tables provide the valuation hierarchy classification of assets and liabilities that are not carried at fair value in our Condensed Consolidated Balance Sheet:

(dollars in millions)	September 30, 2026 Total	Level 1	Level 2	Level 3
Long-term debt (excluding finance leases)	**$ 32,932**	**$ —**	**$ 31,977**	**$ 955**

(dollars in millions)	December 31, 2025 Total	Level 1	Level 2	Level 3
Long-term debt (excluding finance leases)	$ 35,733	$ —	$ 34,800	$ 933

The fair value of our Short-term borrowings approximates the carrying value due to their short-term nature and is classified as level 3 within the fair value hierarchy.

In addition to the financial instruments listed in the tables above, we also make strategic investments through RTX Ventures in companies that we believe are advancing or developing new technologies applicable to our business. These investments are primarily in early-stage companies and may be in the form of convertible debt or equity investments. Most of these investments are in equity securities without readily determinable fair values. These securities are measured at cost with adjustments recorded for observable price changes. The carrying amounts of the investments were approximately $0.6 billion and $0.3 billion at September 30, 2026 and December 31, 2025, respectively. Net gains recorded due to adjustments in valuation and/or sales of investments were $0.2 billion the quarter ended September 30, 2026 and $0.3 billion for the nine months ended September 30, 2026.

Note 14: Variable Interest Entities

Pratt & Whitney holds a 61% program share interest in the International Aero Engines AG (IAE) collaboration with MTU Aero Engines AG (MTU) and Japanese Aero Engines Corporation (JAEC), and a 49.5% ownership interest in IAE. IAE's business purpose is to coordinate the design, development, manufacturing, and product support of the V2500 engine program through involvement with the collaborators. Additionally, Pratt & Whitney, JAEC, and MTU are participants in the International Aero Engines, LLC (IAE LLC) collaboration, whose business purpose is to coordinate the design, development, manufacturing, and product support for the PW1100G-JM engine for the Airbus A320neo family of aircraft. Pratt & Whitney holds a 59% program share interest and a 59% ownership interest in IAE LLC. IAE and IAE LLC retain limited equity with the primary economics of the programs passed to the participants. As such, we have determined that IAE and IAE LLC are variable interest entities with Pratt & Whitney as the primary beneficiary. IAE and IAE LLC have, therefore, been consolidated. Other collaborators participate in Pratt & Whitney's program share interest in IAE and IAE LLC. Pratt & Whitney's net program share interest in

IAE and IAE LLC, after considering its sub-collaborator share, is 57% and 51%, respectively. The carrying amounts and classification of assets and liabilities for variable interest entities in our Condensed Consolidated Balance Sheet are as follows:

(dollars in millions)	September 30, 2026	December 31, 2025
Current assets	**$ 16,511**	$ 14,703
Non-current assets	**1,299**	1,191
Total assets	**$ 17,810**	$ 15,894
Current liabilities	**$ 17,635**	$ 16,265
Non-current liabilities	**82**	116
Total liabilities	**$ 17,717**	$ 16,381

Note 15: Guarantees

We extend a variety of financial, market value, and product performance guarantees to third parties. These instruments expire on various dates through 2062. Additional guarantees of project performance for which there is no stated value also remain outstanding. A portion of our third party guarantees are subject to indemnification for our benefit for any liabilities that could arise. As of September 30, 2026 and December 31, 2025, the following financial guarantees were outstanding:

	September 30, 2026		December 31, 2025	
(dollars in millions)	Maximum Potential Payment	Carrying Amount of Liability	Maximum Potential Payment	Carrying Amount of Liability
Commercial aerospace financing arrangements	**$ 23**	**$ —**	$ 106	$ —
Third party guarantees	**230**	**—**	248	—

We have made residual value and other guarantees related to various commercial aerospace customer financing arrangements. The estimated fair market values of the guaranteed assets equal or exceed the value of the related guarantees.

We accrue for costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts, and where no amount within a range of estimates is more likely, the minimum is accrued.

We also provide service and warranty policies on our products and extend performance and operating cost guarantees beyond our normal service and warranty policies on some of our products, particularly commercial aircraft engines. In addition, we incur discretionary costs to service our products in connection with specific product performance issues. Liabilities for performance and operating cost guarantees are based upon future product performance and durability and are largely estimated based upon historical experience. Adjustments are made to accruals as claims data and historical experience warrant.

The changes in the carrying amount of service and product warranties and product performance guarantees for the nine months ended September 30, 2026 and 2025 were as follows:

(dollars in millions)	2026	2025
Balance as of January 1	**$ 1,035**	$ 993
Warranties and performance guarantees issued	**165**	219
Settlements	**(170)**	(208)
Other	**(8)**	6
Balance as of September 30	**$ 1,022**	$ 1,010

Product and service guarantees incurred in connection with long term production contracts and certain aftermarket arrangements are generally accounted for within the contract estimates at completion.

Note 16: Commitments and Contingencies

Except as otherwise noted, while we are unable to predict the final outcome, based on information currently available, we do not believe that resolution of any of the following matters will have a material adverse effect upon our competitive position, results of operations, financial condition, or liquidity.

Environmental. Our operations are subject to environmental regulation by federal, state, and local authorities in the United States and regulatory authorities with jurisdiction over our foreign operations. We have accrued for the costs of environmental remediation activities, including but not limited to investigatory, remediation, operating and maintenance costs, and

performance guarantees, and periodically reassess these amounts. We do not expect any additional liability to have a material adverse effect on our results of operations, financial condition, or liquidity. As of both September 30, 2026 and December 31, 2025, we had $0.8 billion reserved for environmental remediation.

Commercial Aerospace Financing and Other Commitments. We had commercial aerospace financing commitments and other contractual commitments of approximately $12 billion and $13 billion as of September 30, 2026 and December 31, 2025, respectively, on a gross basis before reduction for our collaboration partners' share. Aircraft financing commitments, in the form of debt or lease financing, are provided to certain commercial aerospace customers. The extent to which the financing commitments will be utilized is not currently known, since customers may be able to obtain more favorable terms from other financing sources. We may also arrange for third-party investors to assume a portion of these commitments. The majority of financing commitments are collateralized arrangements. We may also pay deposits on behalf of our customers to secure production slots with the airframers (pre-delivery payments). Our financing commitments with customers are contingent upon maintenance of certain levels of financial condition by our customers. Associated risks on these commitments are mitigated due to the fact that interest rates are variable during the commitment term and are set at the date of funding based on current market conditions, the fair value of the underlying collateral, and the creditworthiness of our customers. As a result, the fair value of these financing commitments is expected to equal the amounts funded.

We also have other contractual commitments to make payments to secure certain contractual rights to provide product on new aircraft platforms. The estimated amount and timing of these payments are generally based on future sales or engine flight hours. Payments made on these contractual commitments are included within intangible assets as exclusivity assets and are amortized over the term of underlying economic benefit. We have entered into certain collaboration arrangements, which may include participation by our collaboration partners in these commitments. In addition, in connection with our 2012 agreement to acquire Rolls-Royce's ownership and collaboration interests in IAE, additional payments are due to Rolls-Royce contingent upon each hour flown through June 2027 by the V2500-powered aircraft in service as of the acquisition date. These flight hour payments will be capitalized as collaboration intangible assets as payments are made.

Other Financing Arrangements. We have entered into standby letters of credit and surety bonds with financial institutions to meet various bid, performance, warranty, retention, guarantee, and advance payment obligations for us or our affiliates. We enter into these agreements to assist certain affiliates in obtaining financing on more favorable terms, making bids on contracts, and performing their contractual and other obligations. The stated values of these letters of credit agreements and surety bonds totaled $4.2 billion as of September 30, 2026.

Offset / Industrial Participation Obligations. We have entered into industrial cooperation agreements, sometimes in the form of either offset agreements or ICIP agreements, as a condition to obtaining orders for our products and services from certain customers in foreign countries. At September 30, 2026, the aggregate amount of these agreements, both agreed to and anticipated to be agreed to, had an outstanding notional value of approximately $13 billion. These agreements are designed to return economic value to the foreign country by requiring us to engage in activities supporting local defense or commercial industries, promoting a balance of trade, developing in-country technology capabilities, or addressing other local development priorities. Offset agreements may be satisfied through activities that do not require a direct cash payment, including transferring technology, providing manufacturing, training, and other consulting support to in-country projects, and the purchase by third parties (e.g., our vendors) of supplies from in-country vendors. These agreements may also be satisfied through our use of cash for activities such as subcontracting with local partners, purchasing supplies from in-country vendors, providing financial support for in-country projects, and making investments in local ventures. Such activities may also vary by country depending upon requirements as dictated by their governments. We typically do not commit to offset agreements until orders for our products or services are definitive. The amounts ultimately applied against our offset agreements are based on negotiations with the customers and typically require cash outlays that represent only a fraction of the notional value in the offset agreements. Offset programs usually extend over several or more years and may provide for penalties in the event we fail to perform in accordance with offset requirements. Historically, we have not been required to pay any penalties of significance.

Government Oversight. In the ordinary course of business, the Company and its subsidiaries and our properties are subject to regulatory and governmental examinations, information gathering requests, inquiries, investigations, and threatened legal actions and proceedings. For example, we are now, and believe that, in light of the current U.S. government contracting and overall enforcement environment, we will continue to be the subject of one or more U.S. government investigations. Our contracts with the U.S. government are also subject to audits. Agencies that oversee contract performance include: the Defense Contract Audit Agency (DCAA), the Defense Contract Management Agency (DCMA), the Inspectors General of the U.S. Department of War (DoW) and other departments and agencies, the Government Accountability Office (GAO), the Department of Justice (DOJ), and Congressional Committees. Other areas of our business operations may also be subject to audit and investigation by these and other agencies. From time to time, agencies investigate or conduct audits to determine whether our operations are being conducted in accordance with applicable requirements. Such investigations and audits may be initiated due to a number of reasons, including as a result of a whistleblower complaint. Such investigations and audits could result in

administrative, civil, or criminal liabilities, including the imposition of repayment obligations, fines, treble or other damages, forfeitures, disgorgement, restitution, or penalties, the suspension of government export licenses, and/or suspension or debarment from future U.S. government contracting. They could also result in deferred prosecution agreements, administrative orders, consent agreements, guilty plea agreements, and/or imposition of an independent compliance monitor. U.S. government investigations often take years to complete. In particular, in 2024 the Company entered into a deferred prosecution agreement (DPA) (DPA-1) with the DOJ and the Company settled an administrative proceeding with the Securities and Exchange Commission (SEC) (the SEC Administrative Order) to resolve the previously disclosed criminal and civil government investigations into payments made by Raytheon Company and its joint venture, Thales-Raytheon Systems (TRS), in connection with certain Middle East contracts since 2012 (Thales-Raytheon Systems and Related Matters). The Company also entered into a DPA (DPA-2) and a False Claims Act (FCA) settlement agreement with the DOJ to resolve previously disclosed criminal and civil government investigations into defective pricing claims for certain legacy Raytheon Company contracts entered into between 2011 and 2013 and in 2017 (DOJ Investigation and Contract Pricing Disputes).

Under these DPAs and the SEC Administrative Order, Raytheon Company and the Company are required to undertake certain cooperation and disclosure obligations (for a term commencing on the effective date of DPA-1 and the SEC Administrative Order, as applicable, and ending three years from the date on which Raytheon Company and the Company engage an independent compliance monitor satisfactory to the DOJ and SEC). A single independent compliance monitor was selected to oversee Raytheon Company's and the Company's compliance with their respective obligations under the DPAs and the SEC Administrative Order, and that monitor was engaged in April 2026. In 2024, the Company also resolved certain voluntarily disclosed export controls violations primarily identified in connection with the integration of Rockwell Collins and, to a lesser extent, Raytheon Company, including certain violations that were resolved pursuant to a Consent Agreement (CA) with the Department of State (DOS). The CA, which has a three-year term, requires the Company to implement remedial compliance measures and to conduct an external audit of the Company's International Traffic in Arms Regulations (ITAR) compliance program. The CA also requires appointment of an external, independent Special Compliance Officer (SCO). The Company appointed its SCO on September 27, 2024.

Related to the DPAs, FCA settlement agreement, and CA, on September 21, 2026, Raytheon Company and the Company entered into an Administrative Agreement (AA) with the Department of the Navy (DON) Acquisition Integrity Office (AIO), where DON officials determined that suspension or debarment proceedings are not necessary to protect the U.S. government's interests. During the AA's three-year term, Raytheon Company and the Company are required to undertake certain cooperation and disclosure obligations consistent with the obligations of the DPAs, FCA settlement agreement, and CA. The independent compliance monitor engaged in April 2026 pursuant to the DPAs and SEC Administrative Order will also act as the independent compliance monitor as required by the AA. During the term of the AA, Raytheon Company and the Company remain eligible to receive U.S. government contracts.

As noted above, the U.S. government reserves the right to suspend or debar a contractor from receiving new government contracts for fraudulent, criminal, or other seriously improper conduct. The U.S. government could also void any contracts found to be tainted by fraud. Like many defense contractors, we have received audit reports recommending the reduction of certain contract prices because, for example, cost or pricing data or cost accounting practices used to price and negotiate those contracts may not have conformed to government regulations. Some of these audit reports recommend that certain payments be repaid, delayed, or withheld, and may involve substantial amounts. We have made voluntary refunds in those cases we believe appropriate, have settled some allegations and, in some cases, continue to negotiate and/or litigate. The Company may be, and in some cases has been, required to make payments into escrow of disputed liabilities while the related litigation is pending. If the litigation is resolved in the Company's favor, any such payments will be returned to the Company with interest. Our final allowable incurred costs for each year are also subject to audit and have, from time to time, resulted in disputes between us and the U.S. government, with litigation resulting at the Court of Federal Claims (COFC) or the Armed Services Board of Contract Appeals (ASBCA), or their related courts of appeals. In addition, the DOJ has, from time to time, convened grand juries to investigate possible irregularities by us. We also provide products and services to customers outside of the U.S., and those sales are subject to local government laws, regulations, and procurement policies and practices. Our compliance with such local government regulations or any applicable U.S. government regulations (e.g., Arms Export Control Act (AECA), Export Administration Regulations (EAR), Foreign Corrupt Practices Act (FCPA), and ITAR) may also be investigated or audited. In addition, we accrue for liabilities associated with those matters that are probable and can be reasonably estimated. The most likely liability amount to be incurred is accrued based upon a range of estimates. Where no amount within a range of estimates is more likely, then we accrue the minimum amount. Other than as specifically disclosed in this Form 10-Q, we do not expect these audits, investigations, or disputes to have a material effect on our results of operations, financial condition, or liquidity, either individually or in the aggregate.

Pratt & Whitney Powder Metal Matter. In 2023, Pratt & Whitney determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100 GTF fleet, which powers the A320neo. This

determination was made pursuant to Pratt & Whitney's safety management system.

On August 4, 2023, Pratt & Whitney issued a special instruction (SI) to operators of PW1100 GTF powered A320neo aircraft, which required accelerated inspections and engine removals covering an initial subset of operational engines, no later than September 15, 2023. During the third quarter of 2023, through its safety management system, Pratt & Whitney continued its engineering and industrial assessment, which resulted in an updated fleet management plan for the remaining PW1100 fleet. This updated plan requires a combination of part inspections and retirements for some high pressure turbine and high pressure compressor parts made from affected raw material. Guidance to affected operators was released via service bulletins (SB) and SI in November 2023, and this guidance has been reflected in airworthiness directives issued by the Federal Aviation Administration (FAA). Consistent with previous information, the actions are resulting in significant incremental shop visits.

As a result of this matter, Pratt & Whitney expects aircraft on ground levels for the PW1100 powered A320neo fleet to remain elevated through 2026. As a result of anticipated increased aircraft on ground levels and expected compensation to customers for this disruption, as well as incremental maintenance costs resulting from increased inspections and shop visits, Pratt & Whitney recorded a pre-tax operating profit charge in the third quarter of 2023 of $2.9 billion, reflecting Pratt & Whitney's net 51% program share of the PW1100 program. This amount reflected our best estimate of expected customer compensation for the estimated duration of the disruption as well as the EAC adjustment impact of this matter to Pratt & Whitney's long-term maintenance contracts. The incremental costs to the business's long-term maintenance contracts include the estimated cost of additional inspections, replacement of parts, and other related impacts.

The charge recorded in the third quarter of 2023 resulted in a net increase in Other accrued liabilities of $2.8 billion, which principally related to our 51% share of an accrual for expected customer compensation. At September 30, 2026 and December 31, 2025, we had other accrued liabilities of $0.2 billion and $0.7 billion, respectively, related to expected compensation to customers. The decrease in the accrual during the nine months ended September 30, 2026 was primarily due to customer compensation in the form of credits issued to customers during the period.

Other engine models within Pratt & Whitney's fleet contain parts manufactured with affected powder metal, but we do not currently believe there will be any resultant significant financial impact with respect to these other engine models at this time. The financial impact of the powder metal issue is based on historical experience and is subject to various assumptions and judgments, most notably, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of parts, available capacity at overhaul facilities, and outcomes of negotiations with impacted customers. While these assumptions reflect our best estimates at this time, they are subject to variability. Potential changes to these assumptions and actual incurred costs could significantly affect the estimates inherent in our financial statements and could have a material effect on the Company's results of operations for the periods in which they are recognized.

Legal Proceedings. The Company and its subsidiaries are subject to various contract pricing disputes, government investigations, and litigation matters across jurisdictions, updates to certain of which are set forth below.

Cost Accounting Standards Claims

As previously disclosed, in April 2019, a Divisional Administrative Contracting Officer (DACO) of the United States DCMA asserted a claim against Pratt & Whitney to recover alleged overpayments of approximately $1.7 billion plus interest ($1.6 billion at September 30, 2026). The claim is based on Pratt & Whitney's alleged noncompliance with Cost Accounting Standards (CAS) from January 1, 2007 to March 31, 2019, due to its method of allocating independent research and development costs to government contracts. Pratt & Whitney believes that the claim is without merit and filed an appeal to the ASBCA on June 7, 2019. On September 30, 2024, a DCMA DACO issued a second claim against Pratt & Whitney that similarly alleges that Pratt & Whitney was noncompliant with CAS due to its method of allocating independent research and development costs to government contracts from April 1, 2019 to December 31, 2023. The second claim demands payment of $1.1 billion plus interest ($490 million at September 30, 2026). Pratt & Whitney believes the second claim is without merit and filed an appeal to the ASBCA on October 15, 2024.

As previously disclosed, in December 2013, a DCMA DACO asserted a claim against Pratt & Whitney to recover alleged overpayments of approximately $177 million plus interest ($229 million at September 30, 2026). The claim is based on Pratt & Whitney's alleged noncompliance with CAS from January 1, 2005 to December 31, 2012, due to its method of determining the cost of collaborator parts used in the calculation of material overhead costs for government contracts. In 2014, Pratt & Whitney filed an appeal to the ASBCA. An evidentiary hearing was held and completed in June 2019. On November 22, 2021, the ASBCA issued its written decision sustaining in part and denying in part Pratt & Whitney's appeal. The ASBCA rejected the DCMA's asserted measure of the cost of collaborator parts, and ruled substantially in Pratt & Whitney's favor on other liability issues. The ASBCA remanded the appeal to the parties for resolution of damages issues, which could require further proceedings at the ASBCA. On December 23, 2021, the DCMA filed a motion with the ASBCA seeking partial reconsideration of the November 22, 2021 decision. The motion for reconsideration was denied on August 29, 2022. On December 23, 2022,

the government filed an appeal to the United States Court of Appeals for the Federal Circuit (CAFC). On December 5, 2025, the CAFC issued an opinion which dismissed in part the government's appeal for lack of jurisdiction, reversed in part the ASBCA's November 22, 2021 decision with respect to the enforceability of a provision within a 2006 agreement between DCMA and Pratt & Whitney, and remanded the case to the ASBCA for further proceedings. We continue to believe that the ASBCA's rejection of the DCMA's asserted measure of the cost of collaborator parts is well supported in fact and law. In December 2018, a DCMA DACO issued a second claim against Pratt & Whitney that similarly alleges that its method of determining the cost of collaborator parts does not comply with the CAS for calendar years 2013 through 2017. This second claim, which asserts the same measure of the cost of collaborator parts rejected by the ASBCA's November 22, 2021 decision, demands payment of $269 million plus interest ($210 million at September 30, 2026). Pratt & Whitney appealed this second claim to the ASBCA in January 2019. In December 2023, a DCMA DACO issued a third claim against Pratt & Whitney that similarly alleges that its method of determining the cost of collaborator parts does not comply with the CAS for calendar years 2018 through 2022. This third claim, which asserts the same measure of the cost of collaborator parts rejected by the ASBCA's prior decision, demands payment of $277 million plus interest ($125 million at September 30, 2026). Pratt & Whitney appealed this third claim to the ASBCA at the end of December 2023. Although subject to further litigation at the ASBCA and potentially further appellate proceedings, we continue to believe that the November 22, 2021 decision in the first claim will apply with equal legal effect to the second and third claims. Accordingly, we believe that the amounts demanded by the DCMA as set forth in the three claims are without legal basis and that any damages owed to the U.S. government for the three claims will not have a material adverse effect on our results of operations, financial condition, or liquidity.

Thales-Raytheon Systems and Related Matters

As previously disclosed, on October 15, 2024, Raytheon Company entered into DPA-1 with the DOJ and on October 16, 2024, the Company became subject to an administrative order issued by the SEC (the SEC Administrative Order) to resolve the previously disclosed criminal and civil government investigations into payments made by Raytheon Company and its joint venture, TRS, since 2012 in connection with certain Middle East contracts. Pursuant to DPA-1, among other terms, the DOJ will defer, for a period of three years, criminal prosecution of Raytheon Company related to one count of conspiracy to violate the anti-bribery provisions of the FCPA and one count of conspiracy to violate the AECA by failing to make related disclosures of certain payments that qualified as fees, commissions, and/or political contributions under Part 130 of ITAR. If Raytheon Company and the Company fully comply with all of their respective obligations under DPA-1 during its three-year term (commencing on the effective date of DPA-1 and ending three years from the date on which the monitor is engaged), the DOJ will move for dismissal with prejudice of the deferred charges against Raytheon Company. Under DPA-1, the SEC Administrative Order, and DPA-2 discussed in "DOJ Investigation and Contract Pricing Disputes" below, Raytheon Company and the Company are required, to undertake certain cooperation and disclosure obligations (for a term commencing on the effective date of DPA-1 and the SEC Administrative Order, as applicable, and ending three years from the date on which Raytheon Company and the Company engage an independent compliance monitor satisfactory to the DOJ and SEC). A single independent compliance monitor was selected to oversee Raytheon Company's and the Company's compliance with their respective obligations under DPA-1, the SEC Administrative Order, and DPA-2 discussed in "DOJ Investigation and Contract Pricing Disputes" below, and that monitor was engaged in April 2026. During the fourth quarter of 2024, the Company paid $384 million in the aggregate for DPA-1 and the SEC Administrative Order which was consistent with amounts accrued.

In addition, as described in "Government Oversight" above, on September 21, 2026, Raytheon Company and the Company entered into an AA with the DON AIO related to DPA-1, DPA-2 and the FCA settlement agreement discussed in "DOJ Investigation and Contract Pricing Disputes" below, and the CA discussed in "Trade Compliance Matters" below.

The Company does not believe that these matters will have a material adverse effect on our results of operations, financial condition, or liquidity.

DOJ Investigation and Contract Pricing Disputes

As previously disclosed, on October 16, 2024, Raytheon Company entered into DPA-2 and a FCA settlement agreement with the DOJ to resolve previously disclosed criminal and civil government investigations into defective pricing claims for certain legacy Raytheon Company contracts entered into between 2011 and 2013, and in 2017. Pursuant to DPA-2, among other terms, the DOJ will defer, for a period of three years, criminal prosecution of Raytheon Company related to two counts of major fraud against the United States by Raytheon Company involving two legacy contracts. If Raytheon Company and the Company fully comply with all of their respective obligations in DPA-2 during its three-year term (commencing on the effective date of DPA-1 and ending three years from the date on which the monitor is engaged), the DOJ will move for dismissal with prejudice of the deferred charges against Raytheon Company. Under DPA-2 as well as DPA-1 and the SEC Administrative Order discussed in "Thales-Raytheon Systems and Related Matters" above, Raytheon Company and the Company are required to undertake certain cooperation and disclosure obligations (for a term commencing on the effective date of DPA-1 and the SEC Administrative Order, as applicable, and ending three years from the date on which Raytheon Company and the Company engage an

independent compliance monitor satisfactory to the DOJ and SEC). A single independent compliance monitor was selected to oversee Raytheon Company's and the Company's compliance with their respective obligations under DPA-2 as well as DPA-1 and the SEC Administrative Order discussed in "Thales-Raytheon Systems and Related Matters" above, and that monitor was engaged in April 2026. During the fourth quarter of 2024, the Company paid $580 million in the aggregate for DPA-2 and the FCA Settlement Agreement which was consistent with amounts accrued plus interest.

In addition, as described in "Government Oversight" above, on September 21, 2026, Raytheon Company and the Company entered into an AA with the DON AIO related to DPA-2 and the FCA settlement agreement, DPA-1 discussed in "Thales Raytheon Systems and Related Matters" above, and the CA discussed in "Trade Compliance Matters" below.

The Company does not believe that these matters will have a material adverse effect on our results of operations, financial condition, or liquidity.

Trade Compliance Matters

From time to time, we identify, investigate, remediate, and voluntarily disclose violations or potential violations of the ITAR and EAR to the relevant regulators. In May 2024, the DOS Office of Defense Trade Controls Compliance (DTCC) informed the Company of its intent to seek administrative penalties for alleged violations of the AECA and the ITAR. The DTCC informed us that it considers certain of our voluntary disclosures, primarily identified in connection with the integration of Rockwell Collins and, to a lesser extent, Raytheon Company, filed since 2019 to reflect deficiencies warranting a civil penalty. On August 29, 2024, the Company entered into a CA with the DOS to resolve these matters. The CA settles certain AECA and ITAR compliance matters with the DTCC and the Directorate of Defense Trade Controls. The CA has a three-year term and provides for: (i) a civil penalty of $200 million, $100 million of which is suspended on the condition that such amount is applied to DTCC-approved remedial compliance measures; (ii) the appointment of an external Special Compliance Officer (SCO) to oversee compliance with the CA, the AECA, and the ITAR; (iii) an external audit of the Company's AECA and ITAR compliance program; and (iv) implementation of additional remedial compliance measures related to AECA and ITAR compliance. The $100 million portion of the settlement that is not subject to suspension has been paid in full. As previously disclosed, the Company has determined that there is a probable risk of liability for potential penalties related to other export compliance matters which have been voluntarily disclosed to the cognizant regulators, but which are not subject to the CA. We have $185 million accrued in the aggregate as of September 30, 2026 for these matters and the matters being resolved pursuant to the CA. We are currently unable to estimate the timing or outcome of the other voluntarily disclosed export compliance matters that are not subject to the CA.

In addition, as described in "Government Oversight" above, on September 21, 2026, Raytheon Company and the Company entered into an AA with the DON AIO related to the CA, DPA-1 discussed in "Thales Raytheon Systems and Related Matters" above, and DPA-2 and the FCA settlement agreement discussed in "DOJ Investigation and Contract Pricing Disputes" above.

The Company does not believe these matters will have a material adverse effect on our results of operations, financial condition, or liquidity.

Powder Metal Disclosure Litigation and SEC Investigation

Following the Company's disclosures of a rare condition in powder metal used to manufacture certain Pratt & Whitney engine parts, two sets of civil actions were filed against RTX. First, two putative federal securities class action lawsuits were filed in the United States District Court for the District of Connecticut against the Company and certain current and former executives of the Company. The lawsuits allege that defendants violated federal securities laws by making material misstatements and omitting material facts relating to Pratt & Whitney's GTF engine fleet, including the impact of the powder metal issue on the fleet, in various regulatory filings. The lawsuits were consolidated, and on September 12, 2025, the Court granted the defendants' motion to dismiss the consolidated case. On October 14, 2025, plaintiffs filed a Notice of Appeal to the United States Court of Appeals for the Second Circuit. Second, multiple shareholder derivative lawsuits have been filed against current and former officers and directors of the Company in the United States District Court for the District of Delaware. The complaints in these actions allege that the defendants caused the Company to make materially false and misleading statements relating to Pratt & Whitney's GTF engines, and failed to maintain an adequate system of oversight, disclosure controls and procedures, and internal controls over financial reporting. Based on the information available to date, we do not believe that either matter will have a material adverse effect on our results of operations, financial condition, or liquidity.

The Company has received subpoenas from the SEC seeking engineering, operational, organizational, accounting, and financial documents and witness testimony in connection with an investigation relating to the Company's disclosures in 2023 of issues arising from Pratt & Whitney's use of powder metal in manufacturing various engine parts, its identification of certain risks associated with those manufacturing processes, and corrective actions identified by Pratt & Whitney to mitigate those risks. The

Company is continuing to cooperate with the SEC's ongoing investigation. At this time, we are unable to predict the timing or outcome of this SEC investigation.

Where appropriate, we have recorded loss contingency accruals for the above-referenced matters. Unless noted above, loss contingency accruals are immaterial individually or in the aggregate.

Other. As described in "Note 15: Guarantees," we extend performance and operating cost guarantees beyond our normal warranty and service policies for extended periods on some of our products. We have accrued our estimate of the liability that may result under these guarantees and for service costs that are probable and can be reasonably estimated.

We also have other commitments and contingent liabilities related to legal proceedings, self-insurance programs, and matters arising out of the normal course of business. We accrue contingencies based upon a range of possible outcomes. If no amount within this range is a better estimate than any other, then we accrue the minimum amount.

In the ordinary course of business, the Company and its subsidiaries are also routinely defendants in, parties to, or otherwise subject to many pending and threatened legal actions, claims, disputes, and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax, and other laws. In some instances, claims for substantial monetary damages are asserted against the Company and its subsidiaries and could result in fines, penalties, compensatory or treble damages, or non-monetary relief. We do not believe that these matters will have a material adverse effect upon our results of operations, financial condition, or liquidity.

Note 17: Equity

Accumulated Other Comprehensive Loss. A summary of the changes in each component of Accumulated other comprehensive loss, net of tax for the quarters and nine months ended September 30, 2026 and 2025 is provided below:

(dollars in millions)	Foreign Currency Translation [1]	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Loss
Quarter Ended September 30, 2026				
Balance at June 30, 2026	$ 116	$ (3,323)	$ (102)	$ (3,309)
Other comprehensive income (loss) before reclassifications, net	**33**	**(6)**	**(3)**	**24**
Amounts reclassified, pre-tax	**—**	**(26)**	**(7)**	**(33)**
Tax benefit (expense)	**4**	**6**	**—**	**10**
Balance at September 30, 2026	**$ 153**	**$ (3,349)**	**$ (112)**	**$ (3,308)**
Nine Months Ended September 30, 2026				
Balance at December 31, 2025	$ 492	$ (3,304)	$ 94	$ (2,718)
Other comprehensive (loss) income before reclassifications, net	**(319)**	**11**	**(232)**	**(540)**
Amounts reclassified, pre-tax	**—**	**(75)**	**(26)**	**(101)**
Tax (expense) benefit	**(20)**	**19**	**52**	**51**
Balance at September 30, 2026	**$ 153**	**$ (3,349)**	**$ (112)**	**$ (3,308)**

(1) The amount of foreign currency translation recognized in Other Comprehensive (Loss) Income (OCI) includes gains (losses) relating to net investment hedges, as further discussed in "Note 12: Financial Instruments".

(dollars in millions)	Foreign Currency Translation [1]	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Loss
Quarter Ended September 30, 2025				
Balance at June 30, 2025	$ 414	$ (2,896)	$ 91	$ (2,391)
Other comprehensive income (loss) before reclassifications, net	29	20	(57)	(8)
Amounts reclassified, pre-tax	(13)	(32)	(8)	(53)
Tax benefit (expense)	(1)	7	14	20
Balance at September 30, 2025	$ 429	$ (2,901)	$ 40	$ (2,432)
Nine Months Ended September 30, 2025				
Balance at December 31, 2024	$ (949)	$ (2,679)	$ (127)	$ (3,755)
Other comprehensive income (loss) before reclassifications, net	1,391	(159)	202	1,434
Amounts reclassified, pre-tax	(13)	(109)	15	(107)
Tax benefit (expense)	—	46	(50)	(4)
Balance at September 30, 2025	$ 429	$ (2,901)	$ 40	$ (2,432)

(1) The amount of foreign currency translation recognized in OCI includes gains (losses) relating to net investment hedges, as further discussed in "Note 12: Financial Instruments".

Note 18: Segment Financial Data

Our operations, for the periods presented herein, are classified into three principal segments: Collins, Pratt & Whitney, and Raytheon. Our segments are generally based on the management structure of the businesses and the grouping of similar operating companies, where each management organization has general operating autonomy over diversified products and services.

RTX's chief operating decision maker (CODM) is our Chairman and Chief Executive Officer. The CODM uses segment operating profit as a profitability measure to assess actual and forecasted segment performance to make decisions regarding incentive compensation and the allocation of capital and other investments. Total sales and operating profit by segment include inter-segment sales which are generally recorded at cost-plus a specified fee or at a negotiated fixed price. These pricing arrangements may result in margins different than what the purchasing segment realizes on the ultimate third-party sale.

We present a FAS/CAS operating adjustment outside of segment results, which represents the difference between the service cost component of our pension and PRB expense under the Financial Accounting Standards (FAS) requirements of U.S. Generally Accepted Accounting Principles (GAAP) and our pension and PRB expense under U.S. government Cost Accounting Standards (CAS) primarily related to our Raytheon segment. While the ultimate liability for pension and PRB costs under FAS and CAS is similar, the pattern of cost recognition is different. Over time, we generally expect to recover the related Raytheon pension and PRB liabilities through the pricing of our products and services to the U.S. government. Collins and Pratt & Whitney generally record pension and PRB expense on a FAS basis.

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, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment, if applicable. These adjustments are not considered part of management's evaluation of segment results.

Results for the quarters ended September 30, 2026 and 2025 are as follows:

	2026				
(dollars in millions)	Net Sales	Research and Development	Other Segment Items [1]	Operating Profit	Operating Profit Margin
Collins Aerospace	**$ 8,382**	**$ (309)**	**$ (6,284)**	**$ 1,789**	**21.3 %**
Pratt & Whitney	**9,231**	**(266)**	**(8,357)**	**608**	**6.6 %**
Raytheon	**8,031**	**(138)**	**(6,760)**	**1,133**	**14.1 %**
Total segment	**25,644**	**$ (713)**	**$ (21,401)**	**3,530**	**13.8 %**
Eliminations and other [2]	**(679)**			**110**	
Corporate expenses and other unallocated items	**—**			**(26)**	
FAS/CAS operating adjustment	**—**			**171**	
Acquisition accounting adjustments	**—**			**(448)**	
Consolidated	**$ 24,965**			**$ 3,337**	**13.4 %**

(1) Includes Cost of sales, Selling, general, and administrative expenses, and Other income, net.
(2) Includes the operating results of certain smaller operations.

	2025				
llars in millions)	Net Sales	Research and Development	Other Segment Items [1]	Operating Profit	Operating Profit Margin
llins Aerospace	$ 7,621	(307)	$ (6,054)	1,260	16.5 %
ıtt & Whitney	8,423	(267)	(7,405)	751	8.9 %
ytheon	7,045	(115)	(6,071)	859	12.2 %
otal segment	23,089	(689)	$ (19,530)	2,870	12.4 %
minations and other [2]	(611)			(14)	
rporate expenses and other unallocated items	—			(25)	
.S/CAS operating adjustment	—			199	
quisition accounting adjustments	—			(507)	
onsolidated	$ 22,478		$	2,523	11.2 %

(1) Includes Cost of sales, Selling, general, and administrative expenses, and Other income, net.
(2) Includes the operating results of certain smaller operations.

Results for the nine months ended September 30, 2026 and 2025 are as follows:

	2026				
(dollars in millions)	Net Sales	Research and Development	Other Segment Items [1]	Operating Profit	Operating Profit Margin
Collins Aerospace	**$ 24,194**	**$ (938)**	**$ (18,854)**	**$ 4,402**	**18.2 %**
Pratt & Whitney	**26,293**	**(738)**	**(23,499)**	**2,056**	**7.8 %**
Raytheon	**23,245**	**(392)**	**(19,837)**	**3,016**	**13.0 %**
Total segment	**73,732**	**$ (2,068)**	**$ (62,190)**	**9,474**	**12.8 %**
Eliminations and other [2]	**(1,983)**			**246**	
Corporate expenses and other unallocated items	—			**(138)**	
FAS/CAS operating adjustment	—			**514**	
Acquisition accounting adjustments	—			**(1,393)**	
Consolidated	**$ 71,749**			**$ 8,703**	**12.1 %**

(1) Includes Cost of sales, Selling, general, and administrative expenses, and Other income, net.
(2) Includes the operating results of certain smaller operations.

	2025				
(dollars in millions)	Net Sales	Research and Development	Other Segment Items [1]	Operating Profit	Operating Profit Margin
Collins Aerospace	$ 22,460	$ (948)	$ (17,991)	$ 3,521	15.7 %
Pratt & Whitney	23,420	(746)	(20,851)	1,823	7.8 %
Raytheon	20,386	(334)	(17,710)	2,342	11.5 %
Total segment	66,266	$ (2,028)	$ (56,552)	7,686	11.6 %
Eliminations and other [2]	(1,901)			22	
Corporate expenses and other unallocated items	—			(110)	
FAS/CAS operating adjustment	—			570	
Acquisition accounting adjustments	—			(1,464)	
Consolidated	$ 64,365			$ 6,704	10.4 %

(1) Includes Cost of sales, Selling, general, and administrative expenses, and Other income, net.
(2) Includes the operating results of certain smaller operations.

Capital Expenditures and Depreciation and Amortization segment information for the quarters ended September 30, 2026 and 2025 are as follows:

	Capital Expenditures		Depreciation & Amortization	
(dollars in millions)	2026	2025	2026	2025
Collins Aerospace	**$ 217**	$ 191	**$ 215**	$ 215
Pratt & Whitney	**268**	236	**201**	189
Raytheon	**160**	128	**139**	138
Total segment	**645**	555	**555**	542
Corporate, eliminations, and other	**104**	59	**25**	23
Acquisition accounting adjustments	**—**	—	**488**	526
Consolidated	**$ 749**	$ 614	**$ 1,068**	$ 1,091

Capital Expenditures and Depreciation and Amortization segment information for the nine months ended September 30, 2026 and 2025 are as follows:

	Capital Expenditures		Depreciation & Amortization	
(dollars in millions)	**2026**	2025	**2026**	2025
Collins Aerospace	**$ 591**	$ 474	**$ 677**	$ 652
Pratt & Whitney	**635**	568	**605**	577
Raytheon	**525**	487	**398**	404
Total segment	**1,751**	1,529	**1,680**	1,633
Corporate, eliminations, and other	**213**	128	**74**	65
Acquisition accounting adjustments	**—**	—	**1,464**	1,521
Consolidated	**$ 1,964**	$ 1,657	**$ 3,218**	$ 3,219

Total assets by segment are as follows:

(dollars in millions)	**September 30, 2026**	December 31, 2025
Collins Aerospace [1]	**$ 72,105**	$ 71,680
Pratt & Whitney [1]	**54,954**	52,482
Raytheon [1]	**44,827**	44,795
Total segment	**171,886**	168,957
Corporate, eliminations, and other	**4,710**	2,122
Consolidated	**$ 176,596**	$ 171,079

(1) Total assets include acquired intangible assets and the property, plant, and equipment fair value adjustment. Related amortization expense is included in Acquisition accounting adjustments.

We disaggregate our contracts from customers by geographic region based on customer location, by type of customer, and by sales type. Our geographic region based on customer location uses end user customer location where known or practical to determine, or in instances where the end user customer is not known or not practical to determine, uses “ship to” location as the customer location. In addition, for our Raytheon segment, we disaggregate our contracts from customers by contract type. We believe these categories best depict how the nature, amount, timing, and uncertainty of our revenue and cash flows are affected by economic factors.

Segment sales disaggregated by geographic region based on customer location for the quarters ended September 30, 2026 and 2025 are as follows:

	2026					**2025**				
(dollars in millions)	**Collins Aerospace**	**Pratt & Whitney**	**Raytheon**	**Other**	**Total**	**Collins Aerospace**	**Pratt & Whitney**	**Raytheon**	**Other**	**Total**
United States	**$ 4,118**	**$ 3,632**	**$ 5,441**	**$ 50**	**$ 13,241**	$ 3,631	$ 3,198	$ 4,858	$ 47	$ 11,734
Europe	**1,819**	**2,457**	**1,394**	**—**	**5,670**	1,690	2,227	1,306	2	5,225
Asia Pacific	**986**	**1,964**	**570**	**1**	**3,521**	1,001	2,003	561	2	3,567
Middle East and North Africa	**286**	**148**	**541**	**—**	**975**	291	215	226	—	732
Other regions	**487**	**1,019**	**52**	**—**	**1,558**	387	781	52	—	1,220
Consolidated net sales	**7,696**	**9,220**	**7,998**	**51**	**24,965**	7,000	8,424	7,003	51	22,478
Inter-segment sales	**686**	**11**	**33**	**(730)**	**—**	621	(1)	42	(662)	—
Business segment sales	**$ 8,382**	**$ 9,231**	**$ 8,031**	**$ (679)**	**$ 24,965**	$ 7,621	$ 8,423	$ 7,045	$ (611)	$ 22,478

Segment sales disaggregated by geographic region for the nine months ended September 30, 2026 and 2025 are as follows:

	2026					2025				
(dollars in millions)	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
United States	**$ 11,746**	**$ 10,540**	**$ 15,803**	**$ 158**	**$ 38,247**	$ 10,493	$ 9,876	$ 14,214	$ 154	$ 34,737
Europe	**5,396**	**6,721**	**3,783**	**2**	**15,902**	5,170	5,605	3,065	3	13,843
Asia Pacific	**2,859**	**5,368**	**1,753**	**1**	**9,981**	2,761	5,114	1,692	2	9,569
Middle East and North Africa	**750**	**599**	**1,598**	**—**	**2,947**	801	540	1,143	—	2,484
Other regions	**1,431**	**3,046**	**195**	**—**	**4,672**	1,291	2,285	156	—	3,732
Consolidated net sales	**22,182**	**26,274**	**23,132**	**161**	**71,749**	20,516	23,420	20,270	159	64,365
Inter-segment sales	**2,012**	**19**	**113**	**(2,144)**	**—**	1,944	—	116	(2,060)	—
Business segment sales	**$ 24,194**	**$ 26,293**	**$ 23,245**	**$ (1,983)**	**$ 71,749**	$ 22,460	$ 23,420	$ 20,386	$ (1,901)	$ 64,365

Segment sales disaggregated by type of customer for the quarters ended September 30, 2026 and 2025 are as follows:

	2026					2025				
(dollars in millions)	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Sales to the U.S. government [1]	**$ 1,865**	**$ 1,672**	**$ 5,289**	**$ 49**	**$ 8,875**	$ 1,766	$ 1,759	$ 4,834	$ 50	$ 8,409
Foreign military sales through the U.S. government	**102**	**694**	**1,339**	**—**	**2,135**	141	607	1,119	—	1,867
Foreign government direct commercial sales	**276**	**243**	**1,218**	**1**	**1,738**	264	188	1,025	—	1,477
Commercial aerospace and other commercial sales	**5,453**	**6,611**	**152**	**1**	**12,217**	4,829	5,870	25	1	10,725
Consolidated net sales	**7,696**	**9,220**	**7,998**	**51**	**24,965**	7,000	8,424	7,003	51	22,478
Inter-segment sales	**686**	**11**	**33**	**(730)**	**—**	621	(1)	42	(662)	—
Business segment sales	**$ 8,382**	**$ 9,231**	**$ 8,031**	**$ (679)**	**$ 24,965**	$ 7,621	$ 8,423	$ 7,045	$ (611)	$ 22,478

(1) Excludes foreign military sales through the U.S. government.

Segment sales disaggregated by type of customer for the nine months ended September 30, 2026 and 2025 are as follows:

	2026					2025				
(dollars in millions)	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Sales to the U.S. government [1]	**$ 5,453**	**$ 4,951**	**$ 15,585**	**$ 154**	**$ 26,143**	$ 5,277	$ 4,814	$ 14,169	$ 154	$ 24,414
Foreign military sales through the U.S. government	**344**	**1,808**	**3,784**	**—**	**5,936**	361	1,390	3,222	—	4,973
Foreign government direct commercial sales	**817**	**633**	**3,546**	**7**	**5,003**	912	516	2,833	1	4,262
Commercial aerospace and other commercial sales	**15,568**	**18,882**	**217**	**—**	**34,667**	13,966	16,700	46	4	30,716
Consolidated net sales	**22,182**	**26,274**	**23,132**	**161**	**71,749**	20,516	23,420	20,270	159	64,365
Inter-segment sales	**2,012**	**19**	**113**	**(2,144)**	**—**	1,944	—	116	(2,060)	—
Business segment sales	**$ 24,194**	**$ 26,293**	**$ 23,245**	**$ (1,983)**	**$ 71,749**	$ 22,460	$ 23,420	$ 20,386	$ (1,901)	$ 64,365

(1) Excludes foreign military sales through the U.S. government as above.

Segment sales disaggregated by sales type for the quarters ended September 30, 2026 and 2025 are as follows:

	2026					2025				
(dollars in millions)	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Products	**$ 6,105**	**$ 4,956**	**$ 7,155**	**$ 42**	**$ 18,258**	$ 5,441	$ 4,767	$ 6,013	$ 43	$ 16,264
Services	**1,591**	**4,264**	**843**	**9**	**6,707**	1,559	3,657	990	8	6,214
Consolidated net sales	**7,696**	**9,220**	**7,998**	**51**	**24,965**	7,000	8,424	7,003	51	22,478
Inter-segment sales	**686**	**11**	**33**	**(730)**	**—**	621	(1)	42	(662)	—
Business segment sales	**$ 8,382**	**$ 9,231**	**$ 8,031**	**$ (679)**	**$ 24,965**	$ 7,621	$ 8,423	$ 7,045	$ (611)	$ 22,478

Segment sales disaggregated by sales type for the nine months ended September 30, 2026 and 2025 are as follows:

	2026					2025				
(dollars in millions)	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Products	**$ 17,470**	**$ 13,904**	**$ 20,458**	**$ 135**	**$ 51,967**	$ 15,959	$ 12,922	$ 17,394	$ 131	$ 46,406
Services	**4,712**	**12,370**	**2,674**	**26**	**19,782**	4,557	10,498	2,876	28	17,959
Consolidated net sales	**22,182**	**26,274**	**23,132**	**161**	**71,749**	20,516	23,420	20,270	159	64,365
Inter-segment sales	**2,012**	**19**	**113**	**(2,144)**	**—**	1,944	—	116	(2,060)	—
Business segment sales	**$ 24,194**	**$ 26,293**	**$ 23,245**	**$ (1,983)**	**$ 71,749**	$ 22,460	$ 23,420	$ 20,386	$ (1,901)	$ 64,365

Raytheon segment sales disaggregated by contract type for the quarters ended September 30, 2026 and 2025 are as follows:

(dollars in millions)	2026	2025
Fixed-price	**$ 4,798**	$ 4,089
Cost-type	**3,200**	2,914
Consolidated net sales	**7,998**	7,003
Inter-segment sales	**33**	42
Business segment sales	**$ 8,031**	$ 7,045

Raytheon segment sales disaggregated by contract type for the nine months ended September 30, 2026 and 2025 are as follows:

(dollars in millions)	2026	2025
Fixed-price	**$ 13,966**	$ 11,685
Cost-type	**9,166**	8,585
Consolidated net sales	**23,132**	20,270
Inter-segment sales	**113**	116
Business segment sales	**$ 23,245**	$ 20,386

Note 19: Remaining Performance Obligations (RPO)

RPO represents the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. Total RPO was approximately $340 billion as of September 30, 2026. Of the total RPO as of September 30, 2026, we expect approximately 25% will be recognized as revenue over the next 12 months. Approximately 40% of our RPO relates to long-term commercial aerospace maintenance contracts at Pratt & Whitney, which are generally expected to be realized over a span of up to 20 years.

Note 20: Accounting Pronouncements

In May 2026, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2026-02; Environmental Credits and Environmental Credit Obligations, which provides guidance on how companies should recognize, measure, and present environmental credits and environmental credit obligations in their financial statements. The new standard is effective for annual and interim reporting periods beginning after December 15, 2027, on a modified retrospective basis. Early adoption is permitted. We are currently evaluating the impact of adopting this new pronouncement.

In December 2025, the FASB issued ASU 2025-10; Accounting for Government Grants Received by Business Entities, which provides guidance on how companies should recognize, measure, and present government grants received. The new standard is

effective for annual and interim reporting periods beginning after December 15, 2028. The standard allows for a modified prospective, modified retrospective, or retrospective transition. Early adoption is permitted. We are currently evaluating the impact of adopting this new pronouncement.

In September 2025, the FASB issued ASU 2025-06, Targeted Improvements to the Accounting for Internal-Use Software, which better aligns the accounting guidance to how software is developed by eliminating project stages from capitalization criteria. The new standard is effective for annual reporting periods beginning after December 15, 2027 and interim periods within those annual reporting periods. The standard allows for prospective, modified, or retrospective transition. Early adoption is permitted. We are currently evaluating the impact of adopting this new pronouncement.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses, which requires a tabular disclosure of the amounts of specified natural expense categories included in each relevant expense caption. Additionally, the standard requires the disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The new standard is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, on a prospective basis. Early adoption is permitted. We are currently evaluating the impact on our disclosures of adopting this new pronouncement.

Other new pronouncements issued but not effective until after September 30, 2026 are not expected to have a material impact on our results of operations, financial condition, or liquidity.

With respect to the unaudited condensed consolidated financial information of RTX for the quarters and nine months ended September 30, 2026 and 2025, PricewaterhouseCoopers LLP (PwC) reported that it has applied limited procedures in accordance with professional standards for a review of such information. However, its report dated October 20, 2026, appearing below, states that the firm did not audit and does not express an opinion on that unaudited condensed consolidated financial information. PwC has not carried out any significant or additional audit tests beyond those that would have been necessary if their report had not been included. Accordingly, the degree of reliance on its report on such information should be restricted in light of the limited nature of the review procedures applied. PwC is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended (the Act) for its report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PwC within the meaning of Sections 7 and 11 of the Act.

Report of Independent Registered Public Accounting Firm

To the Shareowners and Board of Directors of RTX Corporation

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of RTX Corporation and its subsidiaries (the "Company") as of September 30, 2026, and the related condensed consolidated statements of operations, of comprehensive income, and of changes in equity for the three-month and nine-month periods ended September 30, 2026 and 2025 and the condensed consolidated statement of cash flows for the nine-month periods ended September 30, 2026 and 2025, including the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2025, and the related consolidated statements of operations, of comprehensive income, of changes in equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 6, 2026, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2025, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
October 20, 2026

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS OVERVIEW

We are a global premier systems provider of high technology products and services to the aerospace and defense industries.

Unless the context otherwise requires, the terms "we," "our," "us," "the Company," and "RTX" mean RTX Corporation and its subsidiaries.

We operate in three segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon. Raytheon follows a fiscal calendar, while Collins and Pratt & Whitney use calendar quarter ends. Throughout this Form 10-Q, references to the periods as of September 30, 2026 and 2025, and to the quarters and nine months ended September 30, 2026 and 2025 for Raytheon correspond to its fiscal quarter ends of September 27, 2026 and September 28, 2025, respectively.

The current status of significant factors affecting our business environment in 2026 is discussed below. For additional discussion, refer to the "Business Overview" section in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in our 2025 Annual Report on Form 10-K.

Industry Considerations

Our worldwide operations can be affected by industrial, economic, and political factors on both a regional and global level. Our operations include original equipment manufacturer (OEM) and extensive related aftermarket parts and services related to our aerospace operations. Our defense business serves both domestic and international customers primarily as a prime contractor or subcontractor on a broad portfolio of defense and related programs for government customers. Our business mix also reflects the combination of shorter cycles in our commercial aerospace spares contracts and certain service contracts in our defense business, and longer cycles in our aerospace OEM and aftermarket maintenance contracts and on our defense contracts to design, develop, manufacture, or modify complex equipment. Our customers are in the public and private sectors, and our businesses reflect an extensive geographic diversification that has evolved with continued globalization.

Government legislation, policies, and regulations can impact our business and operations. Changes in environmental and climate change-related laws or regulations, including regulations on greenhouse gas emissions, carbon pricing, and energy taxes, could lead to new or additional investment in product designs and facility upgrades and could increase our operational and environmental compliance expenditures, including increased energy and raw materials costs and costs associated with manufacturing changes. In addition, government and industry-driven safety and performance regulations, restrictions on aircraft engine noise and emissions, government imposed travel restrictions, and government procurement practices can impact our businesses.

Collins and Pratt & Whitney serve both commercial and government aerospace customers. Revenue passenger miles (RPMs), available seat miles, and the general economic health of airline carriers and airframers, as well as the financial strength and performance of airframers, are key barometers for our commercial aerospace operations. Performance in the general aviation sector is closely tied to the overall health of the economy and is positively correlated to corporate profits. Many of our aerospace customers are covered under long-term aftermarket service agreements at both Collins and Pratt & Whitney, which are inclusive of both spare parts and services.

Our defense operations are affected by U.S. Department of War (DoW) budget and spending levels, changes in demand, changes in policy positions or priorities, the domestic and global political and economic environment, and the evolving nature of the global and national security threat environment. In addition, our defense businesses engage in both direct commercial sales, which generally require U.S. government licenses and approvals, as well as foreign military sales, which are government-to-government transactions initiated by and carried out at the direction of, the U.S. government. Changes in these budget and spending levels, policies, or priorities, which are subject to U.S. domestic and foreign geopolitical risks and threats, may impact our defense businesses, including the timing of and delays in U.S. government licenses and approvals for sales, the risk of sanctions, or other restrictions.

Other Matters

Global, economic, and political conditions, changes in raw material and commodity prices and supply, labor availability and costs, inflation, interest rates, potential changes in U.S. government policy positions or priorities, including changes in DoW policies or priorities, geopolitical conflicts and strained intercountry relations, U.S. and non-U.S. tax law changes, foreign

currency exchange rates, sanctions, tariffs, energy costs and supply, levels of air travel, the financial condition of commercial airlines, and the impact from natural disasters and weather conditions create uncertainties that could impact our businesses.

Legal Matters. As previously disclosed and described further in "Note 16: Commitments and Contingencies", within Item 1 of this Form 10-Q under the headings "Thales-Raytheon Systems and Related Matters," "DOJ Investigation and Contract Pricing Disputes," and "Trade Compliance Matters", in 2024 the Company resolved several outstanding legal matters.

Pratt & Whitney Powder Metal Matter. As described further in "Note 16: Commitments and Contingencies," within Item 1 of this Form 10-Q, in 2023, Pratt & Whitney determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft (A320neo) (herein referred to as the "Powder Metal Matter").

Global Supply Chain. We are dependent on a global supply chain and have experienced supply chain disruptions that resulted in delays and increased costs and adversely affected our performance. These disruptions have impacted our ability to procure raw materials, including certain rare earth elements, microelectronics, and certain commodities on a timely basis and/or at expected prices, and are driven by supply chain market constraints and macroeconomic conditions, including inflation and labor market shortages. Current geopolitical conditions, including conflicts and other causes of strained intercountry relations, as well as sanctions and other trade restrictive activities, such as tariffs and export controls, are contributing to these issues. Furthermore, our suppliers and subcontractors have been impacted by these same issues. We have implemented actions and programs to mitigate some of the impacts but anticipate supply chain disruptions to continue.

Economic Environment. The inflationary environment has increased material and component prices, labor rates, and supplier costs and has negatively impacted our performance, including our productivity expectations. Due to the nature of our government and commercial aerospace businesses, and their respective customer and supplier contracts, we are not always able to offset cost increases by increasing our contract value or pricing, in particular on our fixed-price contracts. Increasing material, component, and labor prices could subject us to losses in our fixed-price contracts in the event of cost overruns. In addition, higher interest rates have increased the cost of borrowing and tightened the availability of capital. Among other things, these effects can constrain our customers' purchasing power and decrease orders for our products and services and impact the ability of our customers to make payments and our suppliers to perform. Moreover, changes in the macroeconomic environment, including volatility with respect to global trade policy, interest rates, and financial markets, can lead to economic uncertainty, an economic downturn or recession and impact the demand for our products and services as well as our supply chain. We continue to pursue strategic and operational initiatives to help address these macroeconomic pressures, including our digital transformation, operational modernization, cost reduction, and advanced technology programs, and we apply our Customer Oriented Results and Excellence (CORE) operating platform to the execution of these initiatives. However, the impact of these pressures and corresponding initiatives is uncertain and subject to a range of factors and future developments.

The global trade environment is highly dynamic. Since February 2025, the U.S. government has imposed tariffs on imports from all countries with which the U.S. engages in trade. In response, certain countries have announced, and in some cases imposed, tariffs, and non-tariff countermeasures on goods that are imported from the U.S. Our businesses and suppliers import goods subject to U.S. imposed tariffs, as well as goods subject to counter tariffs imposed by other countries. In February 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) on goods imported into the United States were unauthorized. The Company is the importer of record for certain products that were previously subject to IEEPA tariffs and has paid approximately $0.5 billion of such tariffs since their inception. The U.S. Court of International Trade (CIT) has ordered U.S. Customs and Border Protection (CBP) to refund the collected IEEPA tariffs. On April 20, 2026, CBP established an online portal through which companies can submit certain IEEPA tariff refund requests. On June 2, 2026, the U.S. government appealed the CIT's order to issue refunds, however, the appeal has not prevented importers from submitting claims and receiving refunds to-date. As of September 30, 2026, the Company has submitted claims and recognized approximately $0.4 billion of approved refunds of which approximately $0.3 billion has been received. Following the Supreme Court's ruling invalidating IEEPA tariffs, the U.S. government imposed new and revised tariffs under various available regimes which may apply to certain products for which the Company is the importer of record.

We continue to pursue available options to mitigate the impact of tariffs and countermeasures, including (i) utilizing available exemptions or exclusions to tariffs, such as trade agreements, treaties or other statutory relief, (ii) evaluating operational and supply chain changes, and (iii) where feasible, increasing the prices of our goods and services. Our results for the quarter and nine months ended September 30, 2026, reflect our best estimate of the impact of the tariffs then in effect. As the duration, extent and enforceability of the tariffs and counter tariffs in effect remain uncertain, we are continuing to evaluate the potential future impacts of the imposition of tariffs to our business and financial condition. Based on current conditions, we do not believe that the tariffs announced by the U.S. or counter tariffs or other actions taken by other countries will have a material adverse effect upon our results of operations, financial condition, or cash flows. However, the actual financial impacts of tariffs are dependent upon various factors, most notably, the scope of goods covered by tariffs, the value of our imports subject to

tariffs, the rate of tariffs applied, the timing and duration of tariffs, the recoverability and timing of refunds, the enforceability of tariffs and counter-tariffs, the implementation of tariff and non-tariff countermeasures by countries subject to U.S. tariffs, and our and our suppliers' ability to mitigate the impacts of tariffs. Changes in any of these factors and actual tariff costs incurred could significantly affect the estimates inherent in our financial statements, including those used in our estimates-at-completion (EACs), and estimates supporting the recoverability of our inventories, contract fulfillment costs, deferred tax assets, intangible assets and goodwill, and could have a material effect on our results of operations and cash flows in the periods recognized and paid.

U.S. Government's Budget, Tax Legislation and Executive Orders. On February 3, 2026, Congress passed and the President signed a spending package providing full-year funding for most federal agencies through September 30, 2026. On September 2, 2026, the President signed a Continuing Resolution maintaining Fiscal Year 2026 funding levels for federal agencies beyond the September 30 deadline through December 11, 2026. On April 21, 2026, the President's proposed Fiscal Year 2027 defense budget seeking $1.5 trillion was released, consisting of $1.15 trillion in base discretionary budget and $350 billion of mandatory funding through reconciliation. The President submitted a separate supplemental funding request to Congress on June 24, 2026, with approximately $67 billion of the request intended for defense spending, including $21 billion for munitions replenishment. We continue to closely monitor the movement of the requests through Congress.

On July 4, 2025, "An Act to Provide for Reconciliation Pursuant to Title II of the H. Con. Res. 14" (the Act) was enacted. The Act provides for several corporate tax changes including, but not limited to, restoring full expensing of domestic research and development costs, restoring immediate deductibility of certain capital expenditures, and changes in the computations of U.S. taxation on international earnings.

The Act also provides a supplementary $156.2 billion to the DoW for obligations through 2029, which includes $24.4 billion for the Golden Dome for America project. The project, outlined in a January 27, 2025 Executive Order, calls for the development and deployment of a next-generation missile defense shield. RTX's portfolio is well-positioned to deliver key solutions for the project. Whether this Executive Order or corresponding funding will have a material impact on our business or results of operations will depend on a variety of factors, including actual awards, award timelines, mission priorities, and future budget determinations. The Act also includes $25.4 billion in funding to enhance DoW resources for munitions and supply chain resiliency. As a leading munitions manufacturer, RTX is strategically situated to play a key role in supporting this initiative.

The President has also issued multiple executive orders, including one intended to reform the DoW's defense acquisition processes and promote expedited and streamlined acquisitions. Following issuance of those orders, the Secretary of War issued a memorandum and released the DoW's Acquisition Transformation Strategy, which is aligned with the executive orders and seeks to overhaul the existing defense acquisition system through process changes that prioritize speed, flexibility, and rigorous execution. A subsequent executive order was issued that may limit corporate distributions, share repurchases, and executive compensation incentives during periods of defense contractor underperformance, insufficient prioritization, investment or production speed under their U.S. government contracts. We are monitoring how these executive orders and related actions will be implemented and any potential future impacts to our business. While those impacts are uncertain, a limitation on our ability to issue distributions or engage in share repurchases related to the defense contractor performance executive order could adversely affect the market price of our common stock.

Critical Munitions Agreements. In the third quarter and early fourth quarter of 2026, the DoW awarded Raytheon four undefinitized contract actions (UCA) to substantially increase production of certain critical munitions. Specifically, the DoW awarded Raytheon a seven-year UCA valued at up to approximately $23 billion for Tomahawk cruise missiles and the following five-year UCAs, each with two one-year options: Advanced Medium-Range Air-to-Air Missiles (AMRAAM) with a total value of up to $20.7 billion, Standard Missile 6 (SM-6) with a total value of up to $24.4 billion, and Standard Missile-3 Block IB interceptors (SM-3 IB) with a total value of up to $6.3 billion. Funding for each UCA is subject to Congressional appropriations made on a fiscal year basis. The Company has and will continue to invest in technology, capacity expansion, and hiring, while also executing long-term agreements with suppliers to support the increased production levels required by the UCAs. If appropriate funding is not provided, Raytheon has certain contractual recovery remedies.

Geopolitical Matters. In response to Russia's invasion of Ukraine, the U.S. government and the governments of various jurisdictions in which we operate, have imposed broad economic sanctions and export controls targeting specific industries, entities, and individuals in Russia. The Russian government has implemented similar counter-sanctions and export controls, including targeting certain members of the Company's management team and Board of Directors. Similarly, in February 2023, China announced sanctions against Raytheon Missiles & Defense (RMD) (a former RTX business segment which became part of the Raytheon business during the third quarter of 2023), and previously announced it may take measures against RTX, in connection with certain foreign military sales to Taiwan. Since that time, China has announced additional sanctions against the Raytheon business and a Collins joint venture. We do not currently expect these measures to have a material adverse effect on

our financial results, but we will continue to monitor future developments, including additional measures that could adversely affect the Company and/or our supply chain, business partners, or customers.

We have direct commercial sales contracts for products and services to certain foreign customers, for which U.S. government review and approval have been pending. The U.S. government's approval of these sales is subject to a range of factors, including its foreign policies related to these customers, which are subject to continuing review and potential changes. Likewise, regulatory approvals previously granted for prior sales can be paused or revoked if the products and services have not yet been delivered to the customer. In addition, certain programs require approvals by foreign governments, and those approvals may not be obtained on a timely basis or at all or may be revoked. If we ultimately do not receive all of the regulatory approvals, or those approvals are revoked, it could have a material effect on our financial results.

We continue to closely monitor impacts to RTX's business, customers, suppliers, employees, and operations in Israel, the Middle East, and the region at large due to ongoing conflicts and increased regional instability and tensions. RTX has employees, facilities, and operations in the Middle East and we reassess operations regularly, based upon the security situation. Our and our suppliers' operations in the region have not been impacted in any material respect, although we could experience future delivery delays of certain products as the conflict continues. Our commercial airline customers are experiencing elevated jet fuel prices due to the conflict, and sustained fuel-cost increases may reduce passenger demand or capacity and affect demand for our products and services. We are monitoring these conditions closely, as sustained fuel cost increases and macroeconomic pressures, also could negatively affect the financial condition of certain airline customers, particularly low-cost carriers. Given the volatile nature of the situation, the potential impacts to RTX are subject to change.

See Part I, Item 1A, "Risk Factors" in our 2025 Annual Report on Form 10-K for further discussion of these items.

CRITICAL ACCOUNTING ESTIMATES

Preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Management believes the most complex and sensitive judgments, because of their significance to the Condensed Consolidated Financial Statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. See "Critical Accounting Estimates" within Item 7 and "Note 1: Basis of Presentation and Summary of Accounting Principles" within Item 8 of our 2025 Annual Report on Form 10-K, which describe the significant accounting estimates and policies used in preparation of the Consolidated Financial Statements. Actual results in these areas could differ from management's estimates. There have been no significant changes in our critical accounting estimates during the nine months ended September 30, 2026.

RESULTS OF OPERATIONS

As described in our "Cautionary Note Concerning Factors That May Affect Future Results" of this Form 10-Q, our interim period results of operations and period-to-period comparisons of our results, particularly at a segment level, may not be indicative of our future operating results. The following discussions of comparative results among periods, including the discussion of segment results, should be viewed in this context.

We provide the organic change in Net sales and Cost of sales for our consolidated results of operations as well as the organic change in Net sales and Operating profit for our segments. We believe that these non-Generally Accepted Accounting Principles (non-GAAP) measures are useful to investors because they provide transparency to the underlying performance of our business, which allows for better year-over-year comparability. The organic change in Net sales, Cost of sales, and Operating profit excludes acquisitions and divestitures, net, and the effect of foreign currency exchange rate translation fluctuations and other significant non-operational items and/or significant operational items that may occur at irregular intervals (Other). Additionally, the organic change in Cost of sales and Operating profit excludes restructuring costs, the FAS/CAS operating adjustment, and acquisition accounting adjustments. Restructuring costs generally arise from severance related to workforce reductions and facility exit costs. We are continuously evaluating our cost structure and implement restructuring actions in an effort to keep our cost structure competitive. The FAS/CAS operating adjustment represents the difference between the service cost component of our pension and postretirement benefit (PRB) expense under the Financial Accounting Standards (FAS) requirements of U.S. GAAP and our pension and PRB expense under U.S. government Cost Accounting Standards (CAS), primarily related to our Raytheon segment. 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, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment, if applicable.

Net Sales

(dollars in millions)	Quarter Ended September 30, 2026	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net sales	**$ 24,965**	$ 22,478	**$ 71,749**	$ 64,365

The factors contributing to the change year-over-year in total net sales for the quarter and nine months ended September 30, 2026 are as follows:

(dollars in millions)	Quarter Ended September 30, 2026	Nine Months Ended September 30, 2026
Organic [1]	**$ 2,611**	**$ 8,199**
Acquisitions and divestitures, net	**(124)**	**(885)**
Other	**—**	**70**
Total change	**$ 2,487**	**$ 7,384**

(1) See "Results of Operations" for definition of organic. A reconciliation of this measure to reported U.S. GAAP amounts is provided in the table above.

Net sales increased $2.6 billion organically in the quarter ended September 30, 2026, primarily due to higher organic net sales of $1.0 billion at Raytheon, $0.9 billion at Collins, and $0.8 billion at Pratt & Whitney.

Net sales increased $8.2 billion organically in the nine months ended September 30, 2026, primarily due to higher organic net sales of $2.9 billion at Pratt & Whitney, $2.8 billion at Raytheon, and $2.6 billion at Collins.

The decrease in net sales due to Acquisitions and divestitures, net of $0.1 billion and $0.9 billion for the quarter and nine months ended September 30, 2026, respectively, was driven by divestitures within our Collins segment including the actuation and flight control business and the Simmonds Precision Products business completed in 2025.

See "Segment Review" below for further information by segment.

(dollars in millions)	Quarter Ended September 30, 2026	Quarter Ended September 30, 2025	% of Total Net Sales 2026	% of Total Net Sales 2025
Net Sales				
Products	**$ 18,258**	$ 16,264	**73.1 %**	72.4 %
Services	**6,707**	6,214	**26.9 %**	27.6 %
Total net sales	**$ 24,965**	$ 22,478	**100 %**	100 %

Refer to "Note 18: Segment Financial Data" within Item 1 of this Form 10-Q for the composition of external net sales by products and services by segment.

Net products sales increased $2.0 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 primarily due to increases in external products sales of $1.1 billion at Raytheon, $0.7 billion at Collins, and $0.2 billion at Pratt & Whitney.

Net services sales increased $0.5 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 primarily due to increases in external services sales of $0.6 billion at Pratt & Whitney partially offset by a decrease in external service sales of $0.1 billion at Raytheon.

(dollars in millions)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	% of Total Net Sales 2026	% of Total Net Sales 2025
Net Sales				
Products	**$ 51,967**	$ 46,406	**72.4 %**	72.1 %
Services	**19,782**	17,959	**27.6 %**	27.9 %
Total net sales	**$ 71,749**	$ 64,365	**100 %**	100 %

Net products sales increased $5.6 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 primarily driven by increases in external products sales of $3.1 billion at Raytheon, $1.5 billion at Collins, and $1.0 billion at Pratt & Whitney.

Net services sales increased $1.8 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 primarily driven by increases in external services sales of $1.9 billion at Pratt & Whitney and $0.1 billion at Collins, partially offset by a decrease in external service sales of $0.2 billion at Raytheon.

Our sales to major customers were as follows:

	Quarter Ended September 30,		% of Total Net Sales	
(dollars in millions)	2026	2025	2026	2025
Sales to the U.S. government [1]	**$ 8,875**	$ 8,409	**35.5 %**	37.4 %
Foreign military sales through the U.S. government	**2,135**	1,867	**8.6 %**	8.3 %
Foreign government direct commercial sales	**1,738**	1,477	**7.0 %**	6.6 %
Commercial aerospace and other commercial sales	**12,217**	10,725	**48.9 %**	47.7 %
Total net sales	**$ 24,965**	$ 22,478	**100 %**	100 %

(1) Excludes foreign military sales through the U.S. government.

	Nine Months Ended September 30,		% of Total Net Sales	
(dollars in millions)	2026	2025	2026	2025
Sales to the U.S. government [1]	**$ 26,143**	$ 24,414	**36.4 %**	37.9 %
Foreign military sales through the U.S. government	**5,936**	4,973	**8.3 %**	7.7 %
Foreign government direct commercial sales	**5,003**	4,262	**7.0 %**	6.6 %
Commercial aerospace and other commercial sales	**34,667**	30,716	**48.3 %**	47.7 %
Total net sales	**$ 71,749**	$ 64,365	**100 %**	100 %

(1) Excludes foreign military sales through the U.S. government.

Cost of Sales

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Total cost of sales	**$ 19,160**	$ 17,898	**$ 56,217**	$ 51,293
Percentage of net sales	**76.7 %**	79.6 %	**78.4 %**	79.7 %

The factors contributing to the change year-over-year in total cost of sales for the quarter and nine months ended September 30, 2026 are as follows:

(dollars in millions)	Quarter Ended September 30, 2026	Nine Months Ended September 30, 2026
Organic [1]	**$ 1,447**	**$ 5,753**
Acquisitions and divestitures, net	**(131)**	**(812)**
Restructuring	**(16)**	**(93)**
FAS/CAS operating adjustment	**24**	**51**
Acquisition accounting adjustments	**(58)**	**(71)**
Other	**(4)**	**96**
Total change	**$ 1,262**	**$ 4,924**

(1) See "Results of Operations" for definition of organic. A reconciliation of this measure to reported U.S. GAAP amounts is provided in the table above.

Total cost of sales increased $1.4 billion and $5.8 billion organically for the quarter and nine months ended September 30, 2026, respectively, primarily driven by the organic net sales increases at Raytheon, Pratt & Whitney and Collins noted above. Organic cost of sales for the quarter and nine months ended September 30, 2026 at Pratt & Whitney and Collins includes the benefit of $0.4 billion of tariff refunds.

The decrease in total cost of sales due to Acquisitions and divestitures, net of $0.1 billion and $0.8 billion for the quarter and nine months ended September 30, 2026, respectively, was driven by divestitures completed in 2025 within our Collins segment noted above.

The decrease in restructuring costs in the nine months ended September 30, 2026, was primarily due to lower severance related costs recognized in 2026 at Collins.

The decrease in Other cost of sales in the nine months ended September 30, 2026, was primarily driven by favorable foreign exchange rate impacts.

For discussion on FAS/CAS operating adjustment, see the "FAS/CAS operating adjustment" subsection under the "Segment Review" section below. For discussion on Acquisition accounting adjustments, see the "Acquisition accounting adjustments" subsection under the "Segment Review" section below.

	Quarter Ended September 30,		% of Total Net Sales	
(dollars in millions)	2026	2025	2026	2025
Cost of sales				
Products	**$ 14,484**	$ 13,593	**58.0 %**	60.5 %
Services	**4,676**	4,305	**18.7 %**	19.2 %
Total cost of sales	**$ 19,160**	$ 17,898	**76.7 %**	79.6 %

Net products cost of sales increased $0.9 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025, primarily driven by increases in external products cost of sales at Raytheon, Collins, and Pratt & Whitney each driven by the products sales changes noted above partially offset by $0.4 billion of tariff refunds recognized at Pratt & Whitney and Collins.

Net services cost of sales increased $0.4 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025, primarily driven by increases in external services cost of sales at Pratt & Whitney and Collins, each driven by the services sales changes noted above, slightly offset by lower service cost of sales at Raytheon.

	Nine Months Ended September 30,		% of Total Net Sales	
(dollars in millions)	2026	2025	2026	2025
Cost of sales				
Products	**$ 42,286**	$ 38,865	**58.9 %**	60.4 %
Services	**13,931**	12,428	**19.4 %**	19.3 %
Total cost of sales	**$ 56,217**	$ 51,293	**78.4 %**	79.7 %

Net products cost of sales increased $3.4 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, primarily driven by increases in external products cost of sales at Raytheon, Collins, and Pratt & Whitney, each driven by the products sales changes noted above partially offset by $0.4 billion of tariff refunds recognized at Pratt & Whitney and Collins.

Net services cost of sales increased $1.5 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, primarily driven by increases in external service cost of sales at Pratt & Whitney and Collins, each driven by the service sales changes noted above, slightly offset by lower service cost of sales at Raytheon.

Research and Development

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Company-funded	**$ 711**	$ 684	**$ 2,064**	$ 2,018
Percentage of net sales	**2.8 %**	3.0 %	**2.9 %**	3.1 %
Customer-funded [1]	**$ 1,339**	$ 1,262	**$ 3,846**	$ 3,709
Percentage of net sales	**5.4 %**	5.6 %	**5.4 %**	5.8 %

(1) Included in Cost of sales in our Condensed Consolidated Statement of Operations.

Research and development spending is subject to the variable nature of program development schedules and, therefore, year-over-year fluctuations in spending levels are expected.

The increase in customer-funded research and development expenses of $0.1 billion for the quarter ended September 30, 2026 was primarily driven by increased spending on various military and commercial programs at Collins and increased spending on military development programs at Raytheon, partially offset by decreased spending on military development programs at Pratt & Whitney.

The increase in customer-funded research and development expenses of $0.1 billion for the nine months ended September 30, 2026 was primarily driven by increased spending on various military and commercial programs at Collins, partially offset by decreased spending on military development programs at Pratt & Whitney.

Selling, General, and Administrative

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Selling, general, and administrative	**$ 1,918**	$ 1,436	**$ 5,052**	$ 4,457
Percentage of net sales	**7.7 %**	6.4 %	**7.0 %**	6.9 %

Selling, general, and administrative expenses increased for the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025, primarily driven by a $0.4 billion charge at Pratt & Whitney related to a customer bankruptcy during the third quarter of 2026 and higher employee related costs across the businesses.

Selling, general, and administrative expenses increased for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, primarily driven by a $0.3 billion increase in customer bankruptcy related charges recorded at Pratt & Whitney and higher employee related costs and other costs across the businesses.

Other Income, Net

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Other income, net	**$ 161**	$ 63	**$ 287**	$ 107

Other income, net includes equity earnings in unconsolidated entities, royalty income, foreign exchange gains and losses, and other ongoing and non-recurring items.

The increase in Other income, net in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025, was primarily due to higher gains of $0.2 billion related to the increase in fair value on investments, partially offset by the absence of a $0.1 billion gain from the sale of the actuation and flight control business in the third quarter of 2025.

The increase in Other income, net in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, was primarily due to higher net gains of $0.2 billion related to the increase in fair value on investments in 2026 and favorable foreign exchange impacts, partially offset by the absence of a $0.1 billion gain from the sale of the actuation and flight control business in the third quarter of 2025 and the impact of a litigation matter in 2026.

Operating Profit

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Operating profit	**$ 3,337**	$ 2,523	**$ 8,703**	$ 6,704
Operating profit margin	**13.4 %**	11.2 %	**12.1 %**	10.4 %

The increase in Operating profit of $0.8 billion for the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 was primarily driven by an increase in the organic operating profit of our segments of approximately $1.1 billion which includes the benefit of $0.4 billion of tariff refunds. Operating profit also benefited from gains on investments of $0.2 billion. These increases were partially offset by a $0.4 billion charge at Pratt & Whitney related to a customer bankruptcy during the third quarter of 2026 and the absence of a $0.1 billion gain on sale of the actuation and flight control business in third quarter of 2025.

The increase in Operating profit of $2.0 billion for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily driven by an increase in the organic operating profit of our segments of approximately $2.0 billion, which includes the benefit of $0.4 billion of tariff refunds. Operating profit also benefited from gains on investments of $0.2 billion and lower restructuring costs in 2026 as compared to 2025. These items were partially offset by a $0.3 billion increase in customer bankruptcy related charges recorded at Pratt & Whitney and the absence of a $0.1 billion gain on sale of the actuation and flight control business in the third quarter of 2025.

Non-service Pension Income

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Non-service pension income	**$ (345)**	$ (364)	**$ (1,048)**	$ (1,081)

Interest Expense, Net

(dollars in millions)	Quarter Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Interest expense	**$ 413**	$ 483	**$ 1,247**	$ 1,465
Interest income	**(38)**	(46)	**(95)**	(125)
Other non-operating expense (income) (1)	**6**	12	**36**	9
Interest expense, net	**$ 381**	$ 449	**$ 1,188**	$ 1,349
Average interest expense rate	**4.5 %**	4.5 %	**4.5 %**	4.5 %

(1) Primarily consists of the gains or losses on assets associated with certain of our nonqualified deferred compensation and employee benefit plans, the gains or losses on liabilities associated with certain of our nonqualified deferred compensation plans, and non-operating dividend income.

The decrease in Interest expense for the quarter and nine months ended September 30, 2026 compared to the quarter and nine months ended September 30, 2025, was primarily driven by long-term debt repayments.

Income Taxes

	Quarter Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Effective income tax rate	**18.0 %**	17.7 %	**16.9 %**	16.8 %

The effective tax rate for the quarter and nine months ended September 30, 2026 compared to the quarter and nine months ended September 30, 2025 are relatively consistent. The effective tax rate for the quarter and nine months ended September 30, 2026 includes a lower forecasted annualized effective tax rate for 2026 principally due to a higher Foreign Derived Deduction Eligible Income benefit resulting from the U.S. tax legislation enacted in 2025. The effective tax rate for the quarter and nine months ended September 30, 2025 includes tax benefits for certain legal entity reorganizations partially offset by tax expense due to the sale of the Collins actuation and flight control business.

Net Income Attributable to Common Shareowners

(dollars in millions, except per share amounts)	Quarter Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Net income attributable to common shareowners	**$ 2,583**	$ 1,918	**$ 6,781**	$ 5,110
Diluted earnings per share	**$ 1.89**	$ 1.41	**$ 4.96**	$ 3.77

Net income attributable to common shareowners for the quarter ended September 30, 2026 includes the following:
- acquisition accounting adjustments of $0.3 billion, net of tax, which had an unfavorable impact on diluted earnings per share (EPS) of $0.26;
- tariff refunds of $0.3 billion, net of tax, which had a favorable impact on diluted EPS of $0.25;
- a charge of $0.3 billion, net of tax, related to a customer bankruptcy which had an unfavorable impact on diluted EPS of $0.20; and
- gains on investments of $0.1 billion, net of tax, which had a favorable impact on diluted EPS of $0.09.

Net income attributable to common shareowners for the quarter ended September 30, 2025 includes the following:
- acquisition accounting adjustments of $0.4 billion, net of tax, which had an unfavorable impact on diluted EPS of $0.29.

Net income attributable to common shareowners for the nine months ended September 30, 2026 includes the following:
- acquisition accounting adjustments of $1.1 billion, net of tax, which had an unfavorable impact on diluted EPS of $0.80;
- tariff refunds of $0.3 billion, net of tax, which had a favorable impact on diluted EPS of $0.25;
- a charge of $0.3 billion, net of tax, related to a customer bankruptcy which had an unfavorable impact on diluted EPS of $0.21; and
- gains on investments of $0.2 billion, net of tax, which had a favorable impact on diluted EPS of $0.13.

Net income attributable to common shareowners for the nine months ended September 30, 2025 includes the following:
- acquisition accounting adjustments of $1.1 billion, net of tax, which had an unfavorable impact on diluted EPS of $0.84; and
- restructuring charges of $0.2 billion, net of tax, which had an unfavorable impact on diluted EPS of $0.12.

SEGMENT REVIEW

Our operations, for the periods presented herein, are classified into three principal segments: Collins, Pratt & Whitney, and Raytheon. Segments are generally based on the management structure of the businesses and the grouping of similar operations, based on capabilities and technologies, where each management organization has general operating autonomy over diversified products and services. Total segment net sales and segment operating profit include intercompany sales and profit, which are ultimately eliminated within Eliminations and other, which also includes certain smaller non-reportable segments. Segment operating profit excludes certain acquisition accounting adjustments, the FAS/CAS operating adjustment, and certain corporate expenses, as further discussed below.

Given the nature of our business, we believe that total net sales and operating profit (and the related operating profit margin percentage), which we disclose and discuss at the segment level, are most relevant to an understanding of management's view of our segment performance, as described below.

We provide the organic change in Net sales and Operating profit for our segments as discussed above in "Results of Operations." We believe that these non-GAAP measures are useful to investors because they provide transparency to the underlying performance of our business, which allows for better year-over-year comparability. For Pratt & Whitney only, Other also includes the transactional impact of foreign exchange hedging at Pratt & Whitney Canada due to its significance to Pratt & Whitney's overall operating results.

Total Net Sales. Total net sales by segment were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Collins Aerospace	**$ 8,382**	$ 7,621	**$ 24,194**	$ 22,460
Pratt & Whitney	**9,231**	8,423	**26,293**	23,420
Raytheon	**8,031**	7,045	**23,245**	20,386
Total segment	**25,644**	23,089	**73,732**	66,266
Eliminations and other [1]	**(679)**	(611)	**(1,983)**	(1,901)
Consolidated	**$ 24,965**	$ 22,478	**$ 71,749**	$ 64,365

(1) Includes the operating results of certain smaller operations.

Operating Profit. Operating profit by segment was as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Collins Aerospace	**$ 1,789**	$ 1,260	**$ 4,402**	$ 3,521
Pratt & Whitney	**608**	751	**2,056**	1,823
Raytheon	**1,133**	859	**3,016**	2,342
Total segment	**3,530**	2,870	**9,474**	7,686
Eliminations and other [1]	**110**	(14)	**246**	22
Corporate expenses and other unallocated items	**(26)**	(25)	**(138)**	(110)
FAS/CAS operating adjustment	**171**	199	**514**	570
Acquisition accounting adjustments	**(448)**	(507)	**(1,393)**	(1,464)
Consolidated	**$ 3,337**	$ 2,523	**$ 8,703**	$ 6,704

(1) Includes the operating results of certain smaller operations.

Included in segment Operating profit are EAC adjustments, which relate to changes in Operating profit and margin due to revisions to total estimated revenues and costs at completion. These changes may reflect improved or deteriorated operating performance, as well as changes in facts and assumptions related to contract options, contract modifications, incentive and award fees associated with program performance, customer activity levels, and other customer-directed changes. For a full description of our EAC process, refer to "Note 5: Changes in Contract Estimates at Completion" within Item 1 of this Form 10-Q. Given that we have thousands of individual contracts, and given the types and complexity of the assumptions and estimates we must make on an on-going basis, and the nature of the work required to be performed under our contracts, we have both favorable and unfavorable EAC adjustments in the ordinary course.

We had the following net EAC adjustments for the periods presented:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Total net EAC adjustments	**$ 48**	$ (35)	**$ (180)**	$ (310)

Significant EAC adjustments, when they occur, are discussed in each business segment's discussion below.

Backlog and Bookings. Total backlog was $340 billion and $268 billion as of September 30, 2026 and December 31, 2025, respectively. Total backlog includes commercial backlog of $176 billion and $161 billion as of September 30, 2026 and December 31, 2025, respectively and defense backlog of $164 billion and $107 billion as of September 30, 2026 and December 31, 2025, respectively.

We believe bookings are an important measure of future performance for our defense businesses. Our defense operations consist primarily of our Raytheon segment and operations in the defense businesses within our Collins and Pratt & Whitney segments. Defense bookings were approximately $59 billion and $23 billion for the quarters ended September 30, 2026 and 2025, respectively, and approximately $96 billion and $44 billion for the nine months ended September 30, 2026 and 2025, respectively. The increase in defense bookings for the quarter and nine months ended September 30, 2026, was primarily due to multi-year DoW contracts awarded to Raytheon to accelerate production of Tomahawk cruise missiles for approximately $23 billion and AMRAAM missiles for approximately $14.3 billion.

Bookings are impacted by the timing and amounts of awards in a given period, which are subject to numerous factors, including: the desired capability by the customer and urgency of customer needs, customer budgets and other fiscal constraints, political and economic and other environmental factors, the timing of customer negotiations, and the timing of customer and governmental approvals and notifications. In addition, due to these factors, quarterly bookings tend to fluctuate from period to period, particularly on a segment basis.

Collins Aerospace

	Quarter Ended September 30,			Nine Months Ended September 30,		
(dollars in millions)	2026	2025	Change	2026	2025	Change
Net sales	**$ 8,382**	$ 7,621	10 %	**$ 24,194**	$ 22,460	8 %
Operating profit	**1,789**	1,260	42 %	**4,402**	3,521	25 %
Operating profit margins	**21.3 %**	16.5 %		**18.2 %**	15.7 %	

Quarter Ended September 30, 2026 Compared with Quarter Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 907	$ (138)	$ —	$ (8)	$ 761
Operating profit	585	9	23	(88)	529

(1) See "Segment Review" above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic net sales increase of $0.9 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 primarily relates to higher commercial aerospace OEM sales of $0.4 billion, higher commercial aerospace aftermarket sales of $0.3 billion, and higher defense sales of $0.2 billion. The increase in commercial OEM sales was primarily driven by higher volume on narrowbody and widebody programs and the increase in commercial aftermarket sales was primarily driven by higher volume across all aftermarket sales channels. The increase in defense sales was primarily due to higher volume across multiple programs and platforms.

The organic operating profit increase of $0.6 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 was due to higher commercial aerospace operating profit of $0.4 billion and tariff refunds of $0.2 billion. The increase in commercial aerospace operating profit was driven by the higher sales volume discussed above and favorable mix. Defense operating profit was relatively flat, as the impact from higher sales volume discussed above was mostly offset by mix.

The decrease in net sales due to acquisitions / divestitures, net in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 relates to the divestitures of the actuation and flight control business and the Simmonds Precision Products business completed in 2025.

The decrease in other operating profit of $0.1 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 primarily relates to the absence of the gain on the sale of the actuation and flight control business completed in the third quarter of 2025.

Nine Months Ended September 30, 2026 Compared with Nine Months Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 2,616	$ (925)	$ —	$ 43	$ 1,734
Operating profit	838	(45)	120	(32)	881

(1) See "Segment Review" above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic net sales increase of $2.6 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 primarily relates to higher commercial aerospace OEM sales of $1.2 billion, higher commercial aerospace aftermarket sales of $0.8 billion, and higher defense sales of $0.6 billion. The increase in commercial OEM sales was primarily driven by higher volume on narrowbody and widebody programs and the increase in commercial aftermarket sales was driven by higher volume across all aftermarket sales channels. The increase in defense sales was primarily due to higher volume across multiple programs and platforms.

The organic operating profit increase of $0.8 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to an increase in commercial aerospace operating profit of $0.6 billion, tariff refunds of $0.2 billion and an increase in defense operating profit of $0.1 billion, partially offset by higher selling, general and administrative expenses of $0.1 billion. The increase in commercial aerospace operating profit was primarily driven by the higher sales volume discussed above and favorable mix. The increase in defense operating profit was primarily driven by the higher volume discussed above, partially offset by mix.

The decrease in net sales due to acquisitions / divestitures, net in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 relates to the divestitures of the actuation and flight control business and the Simmonds Precision Products business completed in 2025.

The decrease in restructuring costs in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to lower severance related costs recognized in 2026.

Defense Bookings – In the quarter ended and nine months ended September 30, 2026, Collins recorded $3 billion and $8 billion in defense bookings, respectively, comprised of several smaller individual bookings under $0.5 billion.

Pratt & Whitney

	Quarter Ended September 30,			Nine Months Ended September 30,		
(dollars in millions)	2026	2025	Change	2026	2025	Change
Net sales	**$ 9,231**	$ 8,423	10 %	**$ 26,293**	$ 23,420	12 %
Operating profit	**608**	751	(19) %	**2,056**	1,823	13 %
Operating profit margins	**6.6 %**	8.9 %		**7.8 %**	7.8 %	

Quarter Ended September 30, 2026 Compared with Quarter Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 816	$ —	$ —	$ (8)	$ 808
Operating profit	218	—	3	(364)	(143)

(1) See "Segment Review" above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic net sales increase of $0.8 billion in the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, was driven by a $0.9 billion increase in commercial aftermarket sales, primarily driven by higher volume. Commercial OEM sales decreased by $0.1 billion primarily as a result of unfavorable mix on large commercial engine deliveries. Military sales increased slightly, as the quarter ended September 30, 2025 benefited from the timing of the F135 Lot 18 award.

The organic operating profit increase of $0.2 billion in the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025. The increase in organic operating profit was driven by tariff refunds of $0.2 billion and higher commercial aerospace operating profit of $0.1 billion, partially offset by higher selling, general and administrative expenses of $0.1 billion. The increase in commercial aerospace operating profit was driven by higher aftermarket volume partially offset by unfavorable mix on large commercial engine deliveries and commercial aftermarket.

The decrease in other operating profit of $0.4 billion in the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, primarily relates to a $0.4 billion charge related to a customer bankruptcy during the third quarter of 2026.

Nine Months Ended September 30, 2026 Compared with Nine Months Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 2,860	$ —	$ —	$ 13	$ 2,873
Operating profit	450	—	18	(235)	233

(1) See "Segment Review" above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic net sales increase of $2.9 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, reflects higher commercial aftermarket sales of $2.5 billion primarily driven by higher volume and higher military sales of $0.7 billion largely attributable to higher F135 program volume. These increases were partially offset by a $0.3 billion decrease in commercial OEM sales as higher volume was more than offset by large commercial engine mix.

The organic operating profit increase of $0.5 billion in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025 was primarily driven by higher commercial aerospace profit of $0.3 billion, $0.2 billion of tariff refunds and higher military operating profit of $0.1 billion, partially offset by higher selling, general and administrative expenses of $0.2 billion. The increase in commercial aerospace operating profit was primarily driven by higher commercial aftermarket volume, partially offset by lower commercial OEM operating profit contribution driven by unfavorable mix and higher production costs on higher volume. The increase in military operating profit was driven by higher F135 volume and favorable mix.

The decrease in other operating profit in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, primarily relates to a customer bankruptcy charge of approximately $0.4 billion in the third quarter of 2026 compared to a charge of approximately $0.1 billion in the second quarter of 2025.

Defense Bookings – In the quarter ended September 30, 2026, Pratt & Whitney recorded $4 billion in defense bookings. In addition to a number of smaller bookings, Pratt & Whitney booked $1.3 billion for F117 sustainment and $1.1 billion for F135 sustainment. In the nine months ended September 30, 2026, Pratt & Whitney recorded $9 billion in defense bookings. In addition to these bookings above, Pratt & Whitney also booked $3.8 billion for F135 production.

Raytheon

	Quarter Ended September 30,			Nine Months Ended September 30,		
(dollars in millions)	2026	2025	Change	2026	2025	Change
Net sales	**$ 8,031**	$ 7,045	14 %	**$ 23,245**	$ 20,386	14 %
Operating profit	**1,133**	859	32 %	**3,016**	2,342	29 %
Operating profit margins	**14.1 %**	12.2 %		**13.0 %**	11.5 %	
Defense Bookings	**$ 52,307**	$ 15,870	230 %	**$ 78,840**	$ 29,665	166 %

Quarter Ended September 30, 2026 Compared with Quarter Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 980	$ —	$ —	$ 6	$ 986
Operating Profit	274	—	(1)	1	274

(1) See "Segment Review" above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic net sales increase of $1.0 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 was primarily due to higher net sales of $0.5 billion from naval power programs primarily driven by higher

volume on Standard Missile and Tomahawk programs, higher net sales of $0.3 billion from land and air defense systems programs driven by higher net sales on Patriot programs, and higher net sales of $0.1 billion on air and space defense systems programs principally due to higher volume on advanced medium-range air-to-air missile (AMRAAM) programs.

The organic operating profit increase of $0.3 billion in the quarter ended September 30, 2026 compared to the quarter ended September 30, 2025 was primarily due to a favorable change in net EAC adjustments of approximately $0.1 billion, higher volume of approximately $0.1 billion, and a favorable change in mix and other performance of approximately $0.1 billion. The favorable change in net EAC adjustments was spread across numerous programs. The increase in volume was principally driven by the higher net sales discussed above. The favorable change in mix and other performance was primarily driven by increased production on Patriot programs.

Nine Months Ended September 30, 2026 Compared with Nine Months Ended September 30, 2025

	Factors Contributing to Total Change				
(dollars in millions)	Organic [1]	Acquisitions / Divestitures, net	Restructuring Costs	Other	Total Change
Net sales	$ 2,824	$ —	$ —	$ 35	$ 2,859
Operating Profit	678	—	(2)	(2)	674

(1) See "Segment Review" above for definition of organic. A reconciliation of this measure to the reported U.S. GAAP amount is provided in the table above.

The organic net sales increase of $2.8 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to higher net sales of $1.3 billion from land and air defense systems programs driven by higher net sales on Patriot programs, higher net sales of $1.2 billion from naval power programs primarily driven by higher volume on Standard Missile and Tomahawk programs, and higher net sales of $0.3 billion on air and space defense systems programs principally due to higher volume on AMRAAM programs.

The organic operating profit increase of $0.7 billion in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to higher volume of approximately $0.3 billion, a favorable change in mix and other performance of approximately $0.2 billion, and a favorable change in net EAC adjustments of approximately $0.2 billion. The increase in volume was principally driven by the higher net sales discussed above. The favorable change in mix and other performance was primarily driven by increased production on Patriot programs including the timing of contract awards received in the second quarter of 2026. The favorable change in net EAC adjustments was spread across numerous programs.

Defense Backlog and Bookings – Backlog was $130 billion as of September 30, 2026 and $75 billion as of December 31, 2025. In the quarter ended September 30, 2026, Raytheon recorded $52 billion in defense bookings. In addition to a number of smaller individual bookings, Raytheon booked $23 billion to provide Tomahawk for the U.S. Navy, $14.3 billion to provide AMRAAM to the U.S. Air Force, $3.1 billion to provide Army Collective Training Systems (ACTS) and 15 years of training for the United Kingdom, $1.8 billion for a SPY-6 Hardware Production and Sustainment contract for the U.S. Navy, $0.7 billion to provide Standard Missile-3 (SM-3) for the Missile Defense Agency (MDA), $0.6 billion for National Advanced Surface-to-Air Missile Systems (NASAMS) sustainment for an international customer, $0.6 billion to provide Specter rifle sights for the German Armed Forces, $0.6 billion to provide the Low, slow, small, unmanned aircraft Integrated Defeat System (LIDS), a Counter-Unmanned Aircraft System (C-UAS), to international customers, and $3.0 billion on a number of classified contracts. In the nine months ended September 30, 2026, Raytheon recorded $79 billion in defense bookings. In addition to these bookings above, Raytheon booked $3.7 billion to provide Patriot GEM-T interceptors for Ukraine, $1.1 billion to provide AIM-9X Sidewinder Block II short-range air-to-air missiles for U.S. and international customers, $1.1 billion to provide AMRAAM to the U.S. Air Force and international customers, $1.0 billion to provide Patriot GEM-T interceptors to Poland through the North Atlantic Treaty Organization (NATO) Support and Procurement Agency (NSPA), $0.8 billion for Evolved SeaSparrow Missiles (ESSM) for the U.S. Navy and international customers, $0.8 billion to provide Lower Tier Air and Missile Defense Sensors (LTAMDS) to the U.S. Army, $0.8 billion for National Advanced Surface-to-Air Missile Systems (NASAMS) for an international customer, $0.7 billion to provide StormBreaker to the U.S. Air Force, U.S. Navy, and international customers, $0.6 billion to provide Patriot systems for the Netherlands, $0.5 billion for Standard Missile-3 (SM-3) for the Missile Defense Agency (MDA), and $5.7 billion on a number of classified and confidential contracts.

Corporate and Eliminations and other

Eliminations and other reflects the elimination of sales, other income, and operating profit transacted between segments, as well as the operating results of certain smaller operations.

Corporate expenses and other unallocated items consist of costs not considered part of management's evaluation of reportable segment operating performance, including certain unallowable costs and reserves.

	Net Sales		Operating Profit	
	Quarter Ended September 30,		Quarter Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Eliminations and other	**$ (679)**	$ (611)	**$ 110**	$ (14)
Corporate expenses and other unallocated items	**—**	—	**(26)**	(25)

	Net Sales		Operating Profit	
	Nine months ended September 30,		Nine months ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Eliminations and other	**$ (1,983)**	$ (1,901)	**$ 246**	$ 22
Corporate expenses and other unallocated items	**—**	—	**(138)**	(110)

The increase in eliminations and other operating profit in the quarter and nine months ended September 30, 2026 compared to the quarter and nine months ended September 30, 2025 was primarily due to higher gains related to the increase in fair value on investments.

FAS/CAS operating adjustment

We present a FAS/CAS operating adjustment outside of segment results, which represents the difference between the service cost component of our pension and PRB expense under the FAS requirements of U.S. GAAP and our pension and PRB expense under U.S. government CAS, primarily related to our Raytheon segment. While the ultimate liability for pension and PRB costs under FAS and CAS is similar, the pattern of cost recognition is different. Over time, we generally expect to recover the related Raytheon pension and PRB liabilities through the pricing of our products and services to the U.S. government. Collins and Pratt & Whitney generally record pension and PRB expense on a FAS basis.

The components of the FAS/CAS operating adjustment were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
FAS service cost (expense)	**$ (29)**	$ (30)	**$ (86)**	$ (90)
CAS expense	**200**	229	**600**	660
FAS/CAS operating adjustment	**$ 171**	$ 199	**$ 514**	$ 570

Acquisition accounting adjustments

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, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment, if applicable. These adjustments are not considered part of management's evaluation of segment results.

The components of Acquisition accounting adjustments were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Amortization of acquired intangibles	**$ (480)**	$ (518)	**$ (1,438)**	$ (1,496)
Amortization of property, plant, and equipment fair value adjustment	**(8)**	(8)	**(25)**	(25)
Amortization of customer contractual obligations related to acquired loss-making and below-market contracts	**40**	19	**70**	57
Acquisition accounting adjustments	**$ (448)**	$ (507)	**$ (1,393)**	$ (1,464)

Acquisition accounting adjustments related to acquisitions in each segment were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2026	2025	2026	2025
Collins Aerospace	**$ (175)**	$ (202)	**$ (580)**	$ (605)
Pratt & Whitney	**(90)**	(101)	**(257)**	(248)
Raytheon	**(183)**	(204)	**(556)**	(611)
Total segment	**(448)**	(507)	**(1,393)**	(1,464)
Eliminations and other	**—**	—	**—**	—
Acquisition accounting adjustments	**$ (448)**	$ (507)	**$ (1,393)**	$ (1,464)

LIQUIDITY AND FINANCIAL CONDITION

(dollars in millions)	September 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 9,173**	$ 7,435
Total debt	**37,379**	37,904
Total equity	**70,964**	67,102
Total capitalization (total debt plus total equity)	**108,343**	105,006
Total debt to total capitalization	**35 %**	36 %

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities, and the timing of such activities. Our principal source of liquidity is cash flows from operating activities. In addition to operating cash flows, other significant factors that affect our overall management of liquidity include: capital expenditures, customer financing requirements, investments in and divestitures of businesses, dividends, common stock repurchases, pension funding, access to the commercial paper markets, adequacy of available bank lines of credit, redemptions of debt, and the ability to attract long-term capital at satisfactory terms.

At September 30, 2026, we had cash and cash equivalents of $9.2 billion, of which approximately 22% was held by RTX's foreign subsidiaries. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. The Company intends to repatriate certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. Taxes associated with the future remittance of these earnings have been recorded. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, RTX will continue to permanently reinvest these earnings.

Our ability to access global debt markets and the related cost of these borrowings depends on the strength of our credit rating and market conditions. In May 2026, our S&P Global rating was affirmed and our outlook was revised from BBB+/stable to BBB+/positive. In February 2026, our Moody's Investors Service outlook improved from Baa1/stable to Baa1/positive. Though the Company expects to continue having adequate access to funds, declines in our credit ratings or Company outlook could result in higher borrowing costs.

In August 2026, we renewed our revolving credit agreement with various banks permitting aggregate borrowings of up to $5.0 billion, which expires in August 2031. As of September 30, 2026, there were no borrowings outstanding under this agreement.

From time to time, we use commercial paper borrowings for general corporate purposes, including short-term funding related to potential acquisitions, pension contributions, debt refinancing, dividend payments, and repurchases of our common stock. The commercial paper notes have original maturities of not more than 364 days from the date of issuance. As of September 30, 2026, our maximum commercial paper borrowing limit was $5.0 billion as the commercial paper is backed by our $5.0 billion revolving credit agreement. At September 30, 2026, we had no commercial paper borrowings outstanding.

We made the following repayment of long-term debt during the nine months ended September 30, 2026:

Date	Description of Notes	Aggregate Principal Balance (in millions)
February 27, 2026	5.000% notes due 2026	**$ 500**

We have an existing universal shelf registration statement, which we filed with the Securities and Exchange Commission (SEC) on September 18, 2025, for an indeterminate amount of debt and equity securities for future issuance, subject to our internal limitations on the amount of debt to be issued under this shelf registration statement.

We believe our cash on hand and future operating cash flows will be sufficient to meet our future operating cash needs. Further, we continue to have access to the commercial paper markets and our existing credit facilities, and our ability to obtain debt or equity financing, as well as the availability under committed credit lines, provides additional potential sources of liquidity should they be required or appropriate.

Cash Flow - Operating Activities

	Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**
Net cash flows provided by operating activities	**$ 8,270**	$ 6,402

Cash flows provided by operating activities increased by $1.9 billion for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, primarily due to higher net income after adjustments to reconcile to net cash provided by operating activities driven by our segment performance, partially offset by a change in net working capital.

The change in net working capital was primarily driven by a decrease in cash provided by contract liabilities, partially offset by an increase in cash provided by accounts receivable. The decrease in cash provided by contract liabilities was primarily driven by lower advances at Raytheon and lower billings relative to revenue recognition, primarily at Pratt & Whitney. The increase in cash provided by accounts receivable, including collaborator receivables, was primarily due to the timing of collections.

The Company enters into various factoring agreements with third-parties to sell certain of its receivables, primarily related to customer facilitated programs. The activity in these agreements is generally dependent on underlying delivery volumes within our commercial OEM programs. Factoring activity resulted in a $0.3 billion increase in cash provided by operating activities during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025.

We made tax payments, net of refunds of $1.1 billion and $0.9 billion in the nine months ended September 30, 2026 and 2025, respectively.

While the timing of cash flows are subject to a number of variables, for the Powder Metal Matter we estimate the accrual for expected customer compensation to be utilized consistent with the timing of execution of the fleet management plan, the period of increased aircraft on ground levels, and contractual terms with customers. We currently estimate a full year 2026 cash impact related to the Powder Metal Matter of approximately $0.7 billion, which includes the impact of customer credits applied and the timing of partner recovery.

Cash Flow - Investing Activities

	Nine Months Ended September 30,	
(dollars in millions)	**2026**	**2025**
Net cash flows used in investing activities	**$ (2,409)**	$ (716)

Our investing activities primarily include capital expenditures, cash investments in customer financing assets, investments in and dispositions of businesses, payments related to our collaboration intangible assets and contractual rights to provide product on new aircraft platforms, and settlements of derivative contracts not designated as hedging instruments.

The $1.7 billion change in cash flows used in investing activities in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily driven by the absence of proceeds from the sale of Collins actuation and flight control business of $1.2 billion received in the nine months ended September 30, 2025, increased capital expenditures of $0.3 billion and lower receipts from settlements of derivative contracts of $0.2 billion.

Cash Flow - Financing Activities

(dollars in millions)	Nine Months Ended September 30, 2026	2025
Net cash flows used in financing activities	**$ (4,085)**	$ (5,332)

Our financing activities primarily include the issuance and repayment of commercial paper and other short-term and long-term debt, payment of dividends, and stock repurchases.

The $1.2 billion change in cash flows used in financing activities in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily driven by lower long-term debt repayments of $1.8 billion in the nine months ended September 30, 2026, partially offset by higher dividends paid of $0.2 billion. Refer to "Note 9: Borrowings and Lines of Credit" within Item 1 of this Form 10-Q for additional information on borrowings and lines of credit.

At September 30, 2026, management had remaining authority to repurchase approximately $0.6 billion of our common stock under the October 21, 2023 share repurchase program. Under the 2023 program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase (ASR) programs, and under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended. We may also reacquire shares outside of the program in connection with the surrender of shares to cover taxes on vesting of restricted stock. Our ability to repurchase shares is subject to applicable law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposure to market risk during the nine months ended September 30, 2026. For discussion of our exposure to market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," contained in our 2025 Form 10-K.

Item 4. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended, we carried out an evaluation under the supervision and with the participation of our management, including the Chairman and Chief Executive Officer (CEO), the Executive Vice President and Chief Financial Officer (CFO), and the Senior Vice President and Controller (Controller), of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2026. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our CEO, CFO, and Controller concluded that, as of September 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO, CFO, and Controller, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Cautionary Note Concerning Factors That May Affect Future Results

This Form 10-Q contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid, and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "commit," "commitment," "anticipate," "will," "should," "see," "guidance," "outlook," "goals," "objectives," "confident," "on track," "designed to" 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, the Powder Metal Matter and related matters and activities, including without limitation other engine models that may be impacted, targets and commitments (including for share repurchases or otherwise), and other statements which are not solely historical facts. All forward-looking statements involve risks, uncertainties, changes in circumstances and other factors that are hard to predict and each of which 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, as amended. Such risks, uncertainties and other factors include, without limitation:

- changes in economic, capital market, and political conditions in the U.S. and globally;
- changes in U.S. or foreign government defense spending, national priorities, and policy positions;
- our performance on our contracts and programs, including our ability to control costs, and our dependence on U.S. government approvals for certain international contracts;
- challenges in the development, certification, production, delivery, support, and performance of RTX's advanced technologies and new products and services and the realization of the anticipated benefits;
- the challenges of operating in RTX's highly-competitive industries both domestically and abroad;
- our reliance on U.S. and non-U.S. suppliers and commodity markets, including cost increases and disruptions in the delivery of materials and services to RTX or our suppliers;
- changes in trade policies, implementation of sanctions, imposition of tariffs (and counter-tariffs) and other trade measures and restrictions, foreign currency fluctuations, and sales methods;
- the economic condition of the aerospace industry;
- the ability of RTX to attract, train, qualify, 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;
- the scope, nature, timing, and challenges of managing and completing acquisitions, investments, divestitures, and other transactions;
- compliance with legal, environmental, regulatory, and other requirements in the U.S. and other countries in which RTX and its businesses operate;
- pending, threatened, and future legal proceedings, investigations, audits and other contingencies;
- the Deferred Prosecution Agreements, Securities and Exchange Commission (SEC) Administrative Order, the Consent Agreement, the Administrative Agreement; and the related investigations by the SEC and the Department of Justice (DOJ);
- RTX's ability to engage in desirable capital-raising or strategic transactions;
- repurchases by RTX of its common stock, or declarations of cash dividends, which may be discontinued, accelerated, suspended, or delayed at any time due to various factors;
- realizing expected benefits from, incurring costs for, and successfully managing strategic initiatives such as cost reduction, restructuring, digital transformation, and other operational initiatives;
- additional tax exposures due to new tax legislation or other developments in the U.S. and other countries in which RTX and its businesses operate;
- the Powder Metal Matter;
- changes in production volumes of one or more of our significant customers as a result of business, labor, or other challenges, and the resulting effect on its or their demand for our products and services;
- an RTX product safety failure, quality issue, or other failure affecting RTX's or its customers' or suppliers' products or systems;
- cybersecurity, including cyber-attacks on RTX's information technology infrastructure, products, suppliers, customers and partners, and cybersecurity-related regulations;
- insufficient indemnity or insurance coverage;
- our intellectual property and certain third-party intellectual property;

- threats to RTX facilities and personnel, or those of its suppliers or customers, as well as public health crises, damaging weather, acts of nature or other similar events outside of RTX's control that may affect RTX or its suppliers or customers;
- changes in accounting estimates for our programs on our financial results;
- changes in pension and other postretirement plan estimates and assumptions and contributions;
- an impairment of goodwill and other intangible assets; and
- climate change and climate-related regulations, and related customer and market demands, products, and technologies.

In addition, this Form 10-Q includes important information as to risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. See "Note 16: Commitments and Contingencies" within Item 1 of this Form 10-Q and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within Item 2 of this Form 10-Q. Additional important information as to these factors is included in our Annual Report on Form 10-K in the sections titled Item 1, "Business," Item 1A, "Risk Factors," Item 3, "Legal Proceedings," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Note 17: Commitments and Contingencies" within Item 8. The forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 16: Commitments and Contingencies" within Item 1 of this Form 10-Q for a discussion regarding material legal proceedings.

Except as otherwise noted above, there have been no material developments in legal proceedings. For previously reported information about legal proceedings refer to Part I, Item 3, "Legal Proceedings," of our 2025 Annual Report on Form 10-K.

Item 1A. Risk Factors

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition, or future results set forth under Item 1A in our 2025 Annual Report on Form 10-K (2025 Form 10-K). There have been no material changes from the factors disclosed in our 2025 Form 10-K, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission (SEC).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about our purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the quarter ended September 30, 2026.

2026	Total Number of Shares Purchased (000's)	Average Price Paid per Share (dollars)	Total Number of Shares Purchased as Part of a Publicly Announced Program (000's)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (dollars in millions)
July 1 - July 31	—	$ —	—	$ 615
August 1 - August 31	—	—	—	615
September 1 - September 30	—	—	—	615
Total	—	$ —	—	

On October 21, 2023, our Board of Directors authorized a share repurchase program for up to $11 billion of our common stock, replacing the previous program announced on December 12, 2022. Under the 2023 program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs, and under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended.

We may also reacquire shares outside of the program in connection with the surrender of shares to cover taxes on vesting of restricted stock. Our ability to repurchase shares is subject to applicable law. During the quarter ended September 30, 2026, we did not repurchase shares outside of the program.

Item 5. Other Information

During the quarter ended September 30, 2026, no director or "officer" (as defined in Rule 16a-1(f)) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description
15	Letter re: unaudited interim financial information.*
31.1	Rule 13a-14(a)/15d-14(a) Certification.*
31.2	Rule 13a-14(a)/15d-14(a) Certification.*
31.3	Rule 13a-14(a)/15d-14(a) Certification.*
32	Section 1350 Certifications.*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

Notes to Exhibits List:

* Submitted electronically herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RTX CORPORATION
(Registrant)

Dated: October 20, 2026

By: /s/ NEIL G. MITCHILL, JR.

Neil G. Mitchill, Jr.
Executive Vice President and Chief Financial Officer
(on behalf of the Registrant and as the Registrant's Principal Financial Officer)

Dated: October 20, 2026

By: /s/ AMY L. JOHNSON

Amy L. Johnson
Senior Vice President and Controller
(on behalf of the Registrant and as the Registrant's Principal Accounting Officer)