Second Quarter Earnings Call
July 26, 2018

Financial Data Charts

This presentation consists of L3 Technologies, Inc. general capabilities and administrative information that does not contain controlled technical data as defined within the International Traffic in Arms (ITAR) Part 120.10 or Export Administration Regulations (EAR) Part 734.7-11.

Forward-Looking Statements

L3 Technologies

Certain of the matters discussed in these slides, including information regarding the company's 2018 financial guidance, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts may be forward-looking statements, such as "may," "will," "should," "likely," "projects," "financial guidance," ''expects,'' ''anticipates,'' ''intends,'' ''plans,'' ''believes,'' ''estimates,'' and similar expressions are used to identify forward-looking statements. The company cautions investors that these statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the company's control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following: our dependence on the defense industry; backlog processing and program slips resulting from delayed awards and/or funding from the Department of Defense (DoD) and other major customers; the U.S. Government fiscal situation; changes in DoD budget levels and spending priorities; our reliance on contracts with a limited number of customers and the possibility of termination of government contracts by unilateral government action or for failure to perform; the extensive legal and regulatory requirements surrounding many of our contracts; our ability to retain our existing business and related contracts; our ability to successfully compete for and win new business, or, identify, acquire and integrate additional businesses; our ability to maintain and improve our operating margin; the availability of government funding and changes in customer requirements for our products and services; the outcome of litigation matters (see Notes to our annual report on Form 10-K and quarterly reports on Form 10-Q); results of audits by U.S. Government agencies and of ongoing governmental investigations; our significant amount of debt and the restrictions contained in our debt agreements and actions taken by rating agencies that could result in a downgrade of our debt; our ability to continue to recruit, retain and train our employees; actual future interest rates, volatility and other assumptions used in the determination of pension benefits and equity based compensation, as well as the market performance of benefit plan assets; our collective bargaining agreements; our ability to successfully negotiate contracts with labor unions and our ability to favorably resolve labor disputes should they arise; the business, economic and political conditions in the markets in which we operate; the risk that our commercial aviation products and services businesses are affected by a downturn in global demand for air travel or a reduction in commercial aircraft OEM (Original Equipment Manufacturer) production rates; the DoD's Better Buying Power and other efficiency initiatives; events beyond our control such as acts of terrorism; our ability to perform contracts on schedule; our international operations including currency risks and compliance with foreign laws; our extensive use of fixed-price type revenue arrangements; the rapid change of technology and high level of competition in which our businesses participate; risks relating to technology and data security; our introduction of new products into commercial markets or our investments in civil and commercial products or companies; the impact on our business of improper conduct by our employees, agents or business partners; goodwill impairments and the fair values of our assets; and the ultimate resolution of contingent matters, claims and investigations relating to acquired businesses, and the impact on the final purchase price allocations.

Our forward-looking statements speak only as of the date of these slides or as of the date they were made, and we undertake no obligation to update forward-looking statements. For a more detailed discussion of these factors, also see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent report on Form 10-K for the year ended December 31, 2017 and any material updates to these factors contained in any of our future filings.

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements.

Select Financial Data - - Second Quarter

($ in Millions, except per share amounts)

	2Q18[1]	2Q17[1]	vs. 2Q17
Net Sales	$2,583	$2,385	8%
Organic Growth	7%	1%	n.m.
Segment Operating Margin	10.6%	12.3%	-170 bps
Interest Expense and Other, Net[2]	$36	$40	-10%
Debt Retirement Charge	$48	-	n.m.
Effective Income Tax Rate	20.3%	23.2%	-290 bps
Minority Interest Expense[3]	$4	$5	-20%
Diluted Shares	79.4	79.5	0%
Adjusted Diluted EPS from Continuing Operations[4]	$2.47	$2.39	3%
Net Cash from Operating Activities from Continuing Operations	$213	$229	-7%
Free Cash Flow[4]	$165	$244	-32%

Notes: (1) Effective January 1, 2018 the Company adopted the Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (commonly know as ASC 606), using the modified retrospective transition method. In accordance with the modified retrospective transition method, the 2018 second quarter and first half are presented under ASC 606, while the 2017 second quarter and first half are presented under ASC 605, *Revenue Recognition*, the accounting standard in effect for periods ending prior to January 1, 2018. See Adoption of ASC 606 Impact (page 17) for impact of adoption.

(2) Interest Expense and Other, Net is comprised of: (i) interest expense of $44 million and $42 million for 2Q18 and 2Q17, respectively, and (ii) interest and other income, net of $8 million and $2 million for 2Q18 and 2Q17, respectively.

(3) Minority Interest Expense represents net income from continuing operations attributable to noncontrolling interests.

(4) See Reconciliation of GAAP to Non-GAAP Measurements.

n.m. = not meaningful

Segment Results - - Second Quarter

($ in Millions)

Segment	2Q18 Net Sales	Sales Growth vs. 2Q17	Organic Growth	2Q18 Operating Margin	Margin Change vs. 2Q17 (bps)
Electronics	$ 812	6%	4%	13.9%	+50
Aerospace	741	9%	9%	8.2%	n.c.
Communications	554	1%	1%	8.1%	-720
Sensors	476	22%	21%	11.3%	-180
Total Segments	$ 2,583	8%	7%	10.6%	-170

Note: 2017 net sales presented under ASC 605 and 2017 margins include reclassification of employee benefit plan expense in accordance with ASU 2017-07, adopted effective January 1, 2018.

n.c. = no change

Select Financial Data - - First Half

($ in Millions, except per share amounts)

	1H18[1]	1H17[1]	vs. 1H17
Net Sales	$4,954	$4,706	5%
Organic Growth	5%	5%	n.c.
Segment Operating Margin	10.6%	11.3%	-70 bps
Interest Expense and Other, Net[2]	$71	$78	-9%
Debt Retirement Charge	$48	-	n.m.
Effective Income Tax Rate	15.9%	22.3%	-640 bps
Minority Interest Expense[3]	$9	$9	0%
Diluted Shares	79.6	79.4	0%
Adjusted Diluted EPS from Continuing Operations[4]	$4.81	$4.32	11%
Net Cash from Operating Activities from Continuing Operations	$178	$315	-43%
Free Cash Flow[4]	$80	$297	-73%

Notes: (1) Effective January 1, 2018 the Company adopted the Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (commonly know as ASC 606), using the modified retrospective transition method. In accordance with the modified retrospective transition method, the 2018 first half is presented under ASC 606, while the 2017 first half is presented under ASC 605, *Revenue Recognition*, the accounting standard in effect for periods ending prior to January 1, 2018. See Adoption of ASC 606 Impact (page 17) for impact of adoption.

(2) Interest Expense and Other, Net is comprised of: (i) interest expense of $85 million and $84 million for 1H18 and 2H18, respectively, and (ii) interest and other income, net of $14 million and $6 million for 1H18 and 1H17, respectively.

(3) Minority Interest Expense represents net income from continuing operations attributable to noncontrolling interests.

(4) See Reconciliation of GAAP to Non-GAAP Measurements.

n.c. = no change n.m. = not meaningful

Segment Results - - First Half

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($ in Millions)

Segment	1H18 Net Sales	Sales Growth vs. 1H17	Organic Growth	1H18 Operating Margin	Margin Change vs. 1H17 (bps)
Electronics	$ 1,597	6%	5%	13.8%	+100
Aerospace	1,427	4%	4%	8.3%	+20
Communications	1,047	-4%	-4%	7.8%	-380
Sensors	883	19%	17%	11.7%	-180
Total Segments	$ 4,954	5%	5%	10.6%	-70

Note: 2017 net sales presented under ASC 605 and 2017 margins include reclassification of employee benefit plan expense in accordance with ASU 2017-07, adopted effective January 1, 2018.

2018 Consolidated Financial Guidance

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(in Millions, except per share amounts)

	Guidance (July 26, 2018)	vs. 2017	Prior Guidance (May 1, 2018)
Net Sales	$10,000 to $10,200	6%	$9,850 to $10,050
Organic Growth	5%	+300 bps	4%
Segment Operating Margin	11.2%	+40 bps	11.2%
Interest Expense and Other, Net	$135	($25)	$141
Effective Tax Rate	18%	+630 bps	19%
Minority Interest Expense	$20	$4	$20
Diluted Shares	80	n.c.	~80
Diluted EPS from Continuing Operations	$9.46 to $9.66		$9.40 to $9.60
Adjusted Diluted EPS from Continuing Operations	$9.80 to $10.00	5%	$9.40 to $9.60
Free Cash Flow	$915	6%	$900

The current guidance for 2018 is subject to potential changes to interpretations of U.S. Tax Reform and excludes: (i) any potential goodwill impairment charges for which the information is presently unknown, (ii) potential adverse results related to litigation contingencies and (iii) other items related to potential business divestitures and the impact of potential acquisitions.

Notes:
(1) Interest expense and other is comprised of: (i) interest expense of $164 million and (ii) interest and other income, net, of $29 million (including $9 million of income related to employee benefit plans).
(2) Minority interest expense represents net income from continuing operations attributable to noncontrolling interests.
(3) 2017 includes reclassification of employee benefit plan expense in accordance with ASU 2017-07, which L3 adopted effective January 1, 2018.
(4) See Reconciliation of GAAP to Non-GAAP Measurements

n.c. = no change

2018 Segment Guidance

(in Millions)

Segment	Net Sales	Midpoint Sales vs. 2017	Segment Operating Margin	Midpoint Margin vs. 2017 (bps)
Electronics	$3,200 to $3,300	7%	13.9% to 14.1%	+60
Aerospace	$2,825 to $2,925	4%	7.9% to 8.1%	+30
Communications	$2,125 to $2,225	-2%	9.9% to 10.1%	+20
Sensors	$1,750 to $1,850	16%	12.4% to 12.6%	-10
Total Segments	$10,000 to $10,200	6%	11.2%	+40

Note: 2017 net sales presented under ASC 605 and 2017 margins include reclassification of employee benefit plan expense in accordance with ASU 2017-07, adopted effective January 1, 2018.

Cash Flow

($ in Millions)	2Q18 Actual	2Q17 Actual	1H18 Actual	1H17 Actual	2018 Guidance	2017 Actual
Income from continuing operations[1]	$ 189	$ 195	$ 381	$ 352	$ 785	$ 769
Gain on sale businesses/PP&E	(48)	(41)	(48)	(42)	(48)	(31)
Debt retirement charge	48	-	48	-	69	-
Depreciation & amortization	60	54	116	106	230	225
Deferred income taxes	5	10	21	25	35	(8)
401K common stock match	36	22	68	56	114	106
Stock-based employee compensation	14	14	34	28	62	53
Interest expense vs. payments	(18)	-	(15)	-	(25)	(1)
Working capital	(59)	(17)	(418)	(229)	(68)	(65)
Other items	(14)	(8)	(9)	19	16	(63)
Net cash from operating activities	$ 213	$ 229	$ 178	$ 315	$ 1,170	$ 985
Capital expenditures	(52)	(55)	(108)	(96)	(260)	(224)
Dispositions of property, plant and equipment	(1)	64	1	65	5	74
Income taxes allocated to discontinued operations	5	6	9	13	-	27
Free cash flow[2]	$ 165	$ 244	$ 80	$ 297	$ 915	$ 862

Notes: (1) Before deduction of net income attributable to noncontrolling interests.
(2) See Reconciliation of GAAP to Non-GAAP Measurements.

Supplemental Cash Flow Data

($ in Millions)

	2Q18 Actual	2Q17 Actual	1H18 Actual	1H17 Actual	2018 Guidance	2017 Actual
Cash interest payments	$ 60	$ 46	$ 97	$ 83	$ 183	$ 165
Income tax payments, net (1)	27	68	42	76	107	120
FAS pension expense	24	27	49	54	99 (2) (3)	110
CAS pension cost (4)	32	31	63	61	126	119
Pension contributions	25	7	28	11	100	97

(1) Excludes income tax payments attributable to discontinued operations of $5 million in 2Q18, $6 million for 1Q17, $9 million for 1H18, $13 million for 1H17 and $27 million for 2017.

(2) FAS pension expense represents pension expense determined using U.S. GAAP and assumes a 2017 year-end weighted average discount rate of 3.78% (vs. 4.40% for 2016 year-end) and a 2018 weighted average pension asset return of 7.91%.

(3) Estimated 2018 Pension Expense Sensitivity: A 25 bps increase/decrease in 12/31/17 discount rate would decrease/increase 2018 pension expense by ~$17 million and decrease/increase the 12/31/17 unfunded obligation by ~$155 million.

(4) CAS pension cost represents estimated allowable and reimbursable pension cost under U.S. Government procurement regulations (determined using Cost Accounting Standards or CAS) on L3's U.S. Government contracts.

Depreciation, Amortization and Capital Expenditures

($ in Millions)

	2018				2017			
	D&A		CapEx, Net		D&A		CapEx, Net	
Segment	2Q18	2018	2Q18	2018	2Q17	2017	2Q17	2017
Electronics	$ 24	$ 86	$ 28	$125	$ 17	$ 79	$ 19	$ 69
Aerospace	12	45	9	47	13	51	11	48
Communications	11	48	7	42	12	49	(45)	(10)
Sensors	13	51	9	41	12	46	7	43
Consolidated	$ 60	$230	$ 53	$255	$ 54	$225	$ (8)	$150

Cash Sources and Uses

($ in Millions)	2Q18 Actual	2Q17 Actual	1H18 Actual	1H17 Actual	2017 Actual
Beginning cash	$ 374	$ 230	$ 662	$ 363	$ 363
Free cash flow from continuing operations	165	244	80	297	862
Free cash flow from discontinued operations	32	30	(2)	21	86
Divestitures	535	-	535	16	18
Acquisitions	(69)	(52)	(69)	(191)	(316)
Dividends	(63)	(58)	(128)	(119)	(236)
Equity interest investments	-	-	(30)	-	(5)
Share repurchases	(168)	(26)	(287)	(26)	(180)
Debt, net	535	-	535	-	-
Other, net	25	17	70	24	70
Ending cash	$ 1,366	$ 385	$ 1,366	$ 385	$ 662

Note: See Reconciliation of GAAP to Non-GAAP Measurements.

Capitalization and Leverage

($ in Millions)

	6/29/18 Actual	12/31/17 Actual
Cash	$1,366	$662
Debt	$3,900	$3,330
Equity	5,512	5,151
Invested Capital	$9,412	$8,481
Debt/Invested Capital	41.4%	39.3%
Debt/LTM EBITDA	3.10x	2.65x
Available Revolver	$1,000	$1,000

Notes: (1) The 6/29/18 Cash and Debt include $582 million that was refinanced, with cash on hand, on July 6, 2018. The debt refinancing incurred a debt retirement charge of $21 million ($0.20 per share) which will be recorded in 3Q18.
(2) Debt/LTM EBITDA excludes discontinued operations.
(3) See Reconciliation of GAAP to Non-GAAP Measurements.

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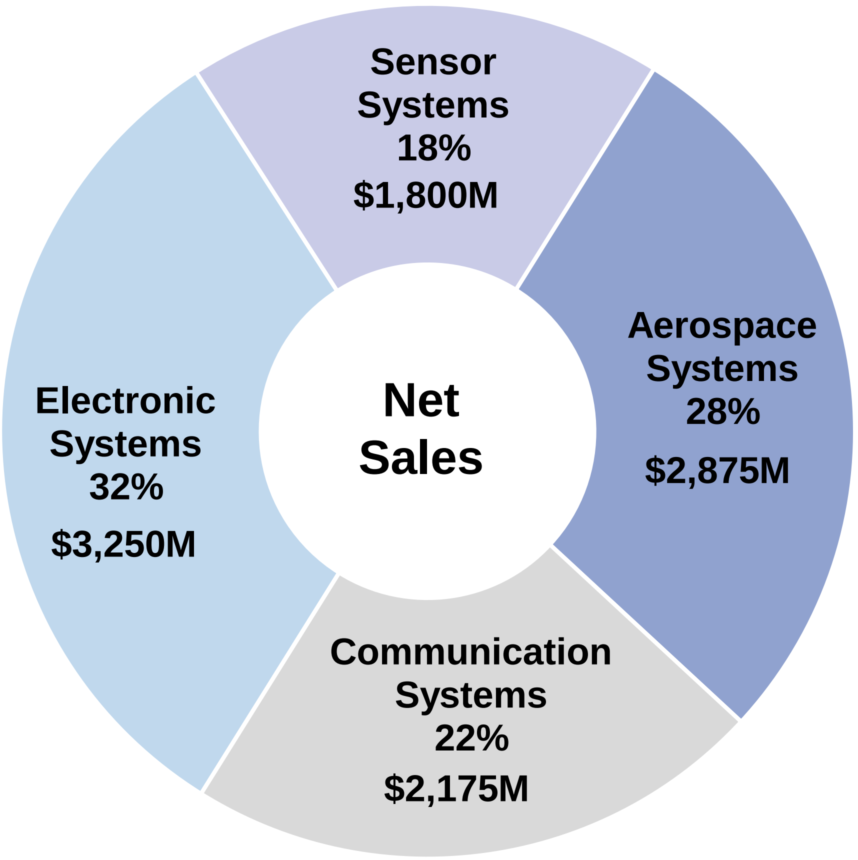
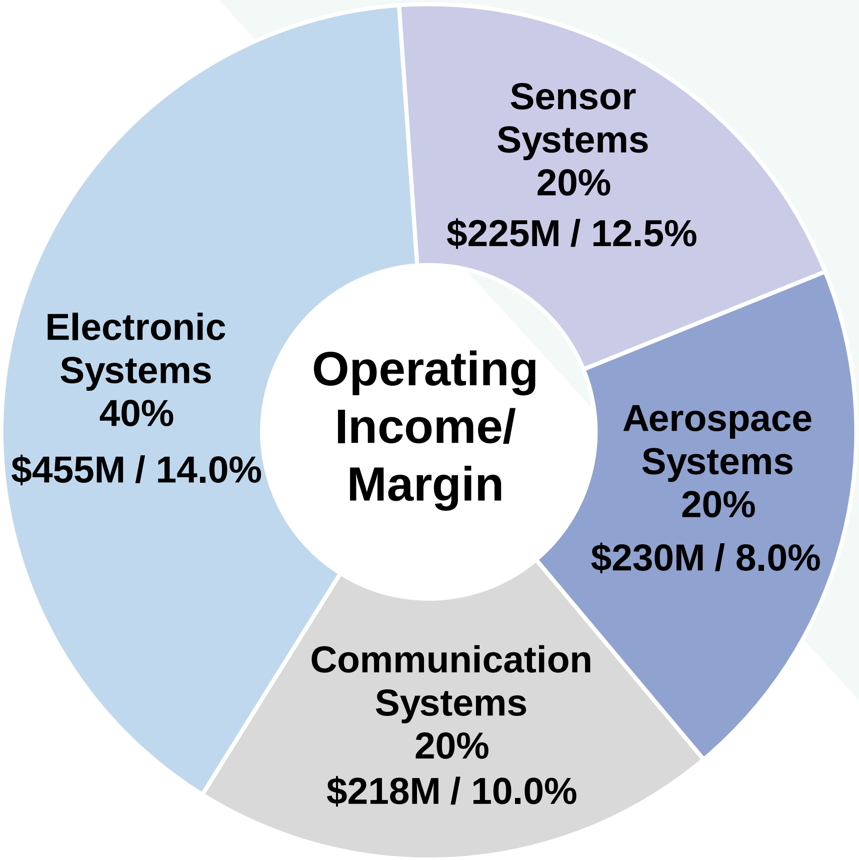
APPENDIX

Segment Mix: 2018 Guidance





Note: Net sales and operating income/margin represent midpoints of the range of segment guidance.

2018 Segment Guidance - - Current vs. Prior

($ in Millions)

	Current Guidance (July 26, 2018)		Prior Guidance (May 1, 2018)	
Segment	Net Sales	Operating Margin	Net Sales	Operating Margin
Electronics	$3,200 to $3,300	13.9% to 14.1%	$3,200 to $3,300	13.6% to 13.8%
Aerospace	$2,825 to $2,925	7.9% to 8.1%	$2,625 to $2,725	7.8% to 8.0%
Communications	$2,125 to $2,225	9.9% to 10.1%	$2,225 to $2,325	10.9% to 11.1%
Sensors	$1,750 to $1,850	12.4% to 12.6%	$1,700 to $1,800	11.7% to 11.9%
Consolidated	$10,000 to $10,200	11.2%	$9,850 to $10,050	11.2%

Adoption of ASC 606 Impact

	Second Quarter Ended June 29, 2018		First Half Ended June 29, 2018	
	Net Sales	Operating Income	Net Sales	Operating Income
Electronics	$ 14	$ 4	$ 44	$ 7
Aerospace	(2)	(7)	2	(6)
Communications	21	(1)	41	3
Sensors	12	3	34	14
Segment Totals	$ 45	$ (1)	$ 121	$ 18

Reconciliation of GAAP to Non-GAAP Measurements (1 of 3)

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(in Millions except per share amounts)

	Second Quarter Ended 6/29/18	Second Quarter Ended 6/30/17	First Half Ended 6/29/18	First Half Ended 6/30/17	Guidance
Diluted EPS from continuing operations attributable to L3 common shareholders	$ 2.33	$ 2.39	$ 4.67	$ 4.32	$9.46 - $9.66
EPS impact of gain on Crestview Aerospace and TCS divestiture[(1)]	(0.31)	-	(0.31)	-	(0.31)
EPS impact of debt retirement charge[(2)]	0.45	-	0.45	-	0.65
Adjusted diluted EPS from continuing operations	$ 2.47	$ 2.39	$ 4.81	$ 4.32	$9.80 - $10.00
Net income from continuing operations attributable to L3	$ 185	$ 190	$ 372	$ 343	
Gain on Crestview Aerospace and TCS divestiture[(1)]	(25)	-	(25)	-	
Debt retirement charge[(2)]	36	-	36	-	
Adjusted net income from continuing operations attributable to L3	$ 196	$ 190	$ 383	$ 343	
[(1)]Gain on Crestview Aerospace and TCS divestiture	$ 48		$ 48		$ 48
Tax expense	(23)		(23)		(23)
After-tax impact	25		25		25
Diluted weighted average common shares outstanding	79.4		79.6		80.0
Per share impact	$ 0.31		$ 0.31		$ 0.31
[(2)]Debt retirement charge	$ (48)		$ (48)		$ (69)
Tax benefit	12		12		17
After-tax impact	(36)		(36)		(52)
Diluted weighted average common shares outstanding	79.4		79.6		80.0
Per share impact	$ (0.45)		$ (0.45)		$ (0.65)

Reconciliation of GAAP to Non-GAAP Measurements (2 of 3)

(in Millions)

	2Q18 Actual	2Q17 Actual	1H18 Actual	1H17 Actual	2018 Guidance	2017 Actual
Net cash from operating activities from continuing operations	$ 213	$ 229	$ 178	$ 315	$ 1,170	$ 985
Less: Capital expenditures	(52)	(55)	(108)	(96)	(260)	(224)
Add: Dispositions of property, plant and equipment	(1)	64	1	65	5	74
Income tax payments attributable to discontinued operations	5	6	9	13	-	27
Free cash flow from continuing operations	$ 165	$ 244	$ 80	$ 297	$ 915	$ 862
Net cash from operating activities from discontinued operations	$ 38	$ 37	$ 9	$ 36		$ 117
Less: Capital expenditures	(1)	(1)	(2)	(2)		(4)
Income tax payments attributable to discontinued operations	(5)	(6)	(9)	(13)		(27)
Free cash flow from discontinued operations	$ 32	$ 30	$ (2)	$ 21		$ 86

Reconciliation of GAAP to Non-GAAP Measurements (3 of 3)

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(in Millions)

Cash Flow to LTM EBITDA Reconciliation	6/29/18 Actual	12/31/17 Actual
Net cash from operating activities from continuing operations	$ 848	$ 985
Income tax payments, net of refunds	85	120
Interest payments, net of interest income	161	146
Stock-based employee compensation	(147)	(159)
Gain on sale of businesses/PP&E	37	31
Other non-cash items	(6)	(9)
Changes in operating assets and liabilities	281	142
LTM EBITDA from continuing operations	$ 1,259	$ 1,256
Debt	$ 3,900	$ 3,330
Debt/LTM EBITDA	3.10x	2.65x

Note: EBITDA is defined as consolidated income from continuing operations (excluding impairment losses incurred on goodwill and identifiable intangible assets and losses related to business divestiture transactions), plus consolidated interest, taxes, depreciation and amortization. The Debt to EBITDA ratio is presented because we believe it to be a useful indicator of our debt capacity and our ability to service our debt. EBITDA is not a substitute for net cash from operating activities as determined in accordance with generally accepted accounting principles in the United States of America. EBITDA is not a complete net cash flow measure because EBITDA is a financial measure that does not include reductions for cash payments for our obligation to service our debt, fund our working capital and capital expenditures and pay our income taxes. Rather, EBITDA is one potential indicator of our ability to fund these cash requirements. We believe that the most directly comparable GAAP financial measure to EBITDA is net cash from operating activities. The table above presents a reconciliation of net cash from operating activities to EBITDA.

Glossary of Acronyms

ASC	Accounting Standards Codification
ASU	Accounting Standards Update
bps	Basis Points
CapEx, Net	Capital expenditures, net of disposition of property, plant and equipment
CAS	Cost Accounting Standards - U.S. Government
D&A	Depreciation and Amortization
DoD	Department of Defense
EBITDA	Earnings Before Interest Taxes Depreciation Amortization
EPS	Earnings Per Share
FAS	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
LTM	Last Twelve Months
OPEB	Other Post Employment Benefits
PP&E	Property Plant & Equipment

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