



# CAPTRUST

August 4, 2022

Company	Ticker	Sector	Industry
L3Harris Technologies Inc	LHX-US	Industrials	Aerospace & Defense

## Business Description

L3Harris Technologies, Inc. engages in the provision of defense and commercial technologies across the air, land, sea, space, and cyber domains. It operates through the following segments: Integrated Mission Systems, Space and Airborne Systems, Communication Systems, and Aviation Systems. The Integrated Mission Systems segment consists of multi-mission ISR and communication systems, integrated electrical and electronic systems for maritime platforms, and advanced electro-optical and infrared solutions. The Space and Airborne Systems segment consists of space payloads, sensors and full-mission solutions, classified intelligence and cyber defense, avionics, and electronic warfare. The Communication Systems segment consists of tactical communications, broadband communications, integrated vision solutions, and public safety. The Aviation Systems segment is composed of defense aviation products, security, detection and other commercial aviation products, air traffic management, and commercial and military pilot training. The company was founded in 1890 and is headquartered in Melbourne, FL.

## Price Chart

## Key Info & Metrics



<b>Empirical Research Rank:</b>	<b>5</b>
<b>Date Purchased:</b>	<b>07/01/2019</b>
<b>Price:</b>	<b>\$241.36</b>
<b>52-Week Range:</b>	<b>\$202.02 - \$270.74</b>
<b>Dividend Yield:</b>	<b>1.77%</b>
<b>Market Cap (\$M):</b>	<b>\$46,552</b>
<b>Forward Price-to-Earnings:</b>	<b>17</b>

## Total Return

<b>Year-to-Date:</b>	<b>14.2%</b>
<b>1 Year:</b>	<b>6.2%</b>
<b>3 Year:</b>	<b>24.6%</b>
<b>5 Year:</b>	<b>125.2%</b>

## Investment Case - Updated: January 12, 2022

Since the merger of Harris and L3 Technology in mid 2019, L3Harris' management has worked hard to refocus its core businesses. This is evidenced by the 2019 sale of the Harris Night Vision business in addition to the 2020 sale of the Security & Detection Systems and MacDonald Humfrey Automation Solutions business, the Applied Kilovolts and Analytical Instruments business, and EOTech business. More recently, there have been reports that the firm may seek to sell its pilot training unit that generated ~\$1 billion in revenue at the time of the merger in 2019. This move would continue emphasis on core businesses and also offer incremental margin expansion. These moves are largely favorable, as they offer a more focused business illustrated by reducing its operating segments from four to three in 2022: Integrated Mission Systems, Space and Airborne Systems, and Communication Systems, and because management has shown a proclivity to return proceeds of divestitures to shareholders through share repurchases. As supply chain bottle necks begin to abate, the firm is poised to accelerate growth from depressed 2021 levels.

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