

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 29, 2025

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 1-5480

Textron Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

05-0315468

(I.R.S. Employer Identification No.)

40 Westminster Street, Providence, RI

(Address of principal executive offices)

02903

(Zip code)

(401) 421-2800

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol (s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.125 par value	TXT	New York Stock Exchange (NYSE)

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 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

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 ☒

As of April 11, 2025, there were 180,538,799 shares of common stock outstanding.

TEXTRON INC.
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For the Quarterly Period Ended March 29, 2025

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TEXTRON INC. Consolidated Statements of Operations (Unaudited)

	Three Months Ended	
	March 29, 2025	March 30, 2024
<i>(In millions, except per share amounts)</i>		
Revenues		
Manufacturing product revenues	\$ 2,771	\$ 2,432
Manufacturing service revenues	519	688
Finance revenues	16	15
Total revenues	3,306	3,135
Costs, expenses and other		
Cost of products sold	2,277	1,925
Cost of services sold	395	545
Research and development costs	132	144
Selling and administrative expense	298	316
Interest expense, net	29	20
Special charges	—	14
Non-service components of pension and postretirement income, net	(66)	(66)
Total costs, expenses and other	3,065	2,898
Income before income taxes	241	237
Income tax expense	34	36
Net income	\$ 207	\$ 201
Earnings per share		
Basic	\$ 1.14	\$ 1.04
Diluted	\$ 1.13	\$ 1.03

See Notes to the Consolidated Financial Statements.

TEXTRON INC.
Consolidated Statements of Comprehensive Income (Unaudited)

<i>(In millions)</i>	Three Months Ended	
	March 29, 2025	March 30, 2024
Net income	\$ 207	\$ 201
Other comprehensive income (loss), net of tax		
Pension and postretirement benefits adjustments, net of reclassifications	—	1
Foreign currency translation adjustments	40	(33)
Deferred losses on hedge contracts, net of reclassifications	(1)	(5)
Other comprehensive income (loss)	39	(37)
Comprehensive income	\$ 246	\$ 164

See Notes to the Consolidated Financial Statements.

TEXTRON INC.
Consolidated Balance Sheets (Unaudited)

	March 29, 2025	December 28, 2024
<i>(Dollars in millions)</i>		
Assets		
Manufacturing group		
Cash and equivalents	\$ 1,194	\$ 1,386
Accounts receivable, net	940	949
Inventories	4,270	4,071
Other current assets	829	687
Total current assets	7,233	7,093
Property, plant and equipment, less accumulated depreciation and amortization of \$5,564 and \$5,471, respectively	2,503	2,529
Goodwill	2,297	2,288
Other assets	4,230	4,248
Total Manufacturing group assets	16,263	16,158
Finance group		
Cash and equivalents	51	55
Finance receivables, net	610	603
Other assets	18	22
Total Finance group assets	679	680
Total assets	\$ 16,942	\$ 16,838
Liabilities and shareholders' equity		
Liabilities		
Manufacturing group		
Current portion of long-term debt	\$ 356	\$ 357
Accounts payable	1,117	943
Other current liabilities	2,916	3,094
Total current liabilities	4,389	4,394
Other liabilities	1,840	1,945
Long-term debt	3,038	2,890
Total Manufacturing group liabilities	9,267	9,229
Finance group		
Other liabilities	60	64
Debt	340	341
Total Finance group liabilities	400	405
Total liabilities	9,667	9,634
Shareholders' equity		
Common stock	23	23
Capital surplus	2,005	1,960
Treasury stock	(299)	(82)
Retained earnings	5,811	5,607
Accumulated other comprehensive loss	(265)	(304)
Total shareholders' equity	7,275	7,204
Total liabilities and shareholders' equity	\$ 16,942	\$ 16,838
Common shares outstanding (in thousands)	180,578	182,964

See Notes to the Consolidated Financial Statements.

TEXTRON INC.
Consolidated Statements of Cash Flows (Unaudited)
For the Three Months Ended March 29, 2025 and March 30, 2024, respectively

	Consolidated	
<i>(In millions)</i>	2025	2024
Cash flows from operating activities		
Net income	\$ 207	\$ 201
Adjustments to reconcile net income to net cash used in operating activities:		
Non-cash items:		
Depreciation and amortization	92	88
Deferred income taxes	(22)	(16)
Other, net	41	33
Changes in assets and liabilities:		
Accounts receivable, net	16	(34)
Inventories	(183)	(350)
Other assets	(136)	100
Accounts payable	171	121
Other liabilities	(282)	(159)
Income taxes, net	39	39
Pension, net	(59)	(56)
Captive finance receivables, net	(13)	22
Other operating activities, net	5	4
Net cash used in operating activities	(124)	(7)
Cash flows from investing activities		
Capital expenditures	(56)	(66)
Net proceeds from corporate-owned life insurance policies	31	3
Proceeds from sale of property, plant and equipment	—	3
Finance receivables repaid	9	8
Finance receivables originated	—	(11)
Other investing activities, net	15	—
Net cash used in investing activities	(1)	(63)
Cash flows from financing activities		
Net proceeds from long-term debt	495	—
Principal payments on long-term debt and nonrecourse debt	(355)	(365)
Purchases of Textron common stock	(215)	(317)
Proceeds from options exercised	6	63
Dividends paid	(3)	(4)
Other financing activities, net	(6)	(14)
Net cash used in financing activities	(78)	(637)
Effect of exchange rate changes on cash and equivalents	7	(8)
Net decrease in cash and equivalents	(196)	(715)
Cash and equivalents at beginning of period	1,441	2,181
Cash and equivalents at end of period	\$ 1,245	\$ 1,466

See Notes to the Consolidated Financial Statements.

TEXTRON INC.
Consolidated Statements of Cash Flows (Unaudited) (Continued)
For the Three Months Ended March 29, 2025 and March 30, 2024, respectively

	Manufacturing Group		Finance Group	
<i>(In millions)</i>	2025	2024	2025	2024
Cash flows from operating activities				
Net income	\$ 199	\$ 187	\$ 8	\$ 14
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Non-cash items:				
Depreciation and amortization	92	88	—	—
Deferred income taxes	(23)	(16)	1	—
Other, net	42	44	(1)	(11)
Changes in assets and liabilities:				
Accounts receivable, net	16	(34)	—	—
Inventories	(183)	(350)	—	—
Other assets	(136)	100	—	—
Accounts payable	171	121	—	—
Other liabilities	(276)	(153)	(6)	(6)
Income taxes, net	38	35	1	4
Pension, net	(59)	(56)	—	—
Other operating activities, net	5	4	—	—
Net cash provided by (used in) operating activities	(114)	(30)	3	1
Cash flows from investing activities				
Capital expenditures	(56)	(66)	—	—
Net proceeds from corporate-owned life insurance policies	31	3	—	—
Proceeds from sale of property, plant and equipment	—	3	—	—
Finance receivables repaid	—	—	29	47
Finance receivables originated	—	—	(33)	(28)
Other investing activities, net	15	—	—	—
Net cash provided by (used in) investing activities	(10)	(60)	(4)	19
Cash flows from financing activities				
Net proceeds from long-term debt	495	—	—	—
Principal payments on long-term debt and nonrecourse debt	(352)	(352)	(3)	(13)
Purchases of Textron common stock	(215)	(317)	—	—
Proceeds from options exercised	6	63	—	—
Dividends paid	(3)	(4)	—	—
Other financing activities, net	(6)	(25)	—	11
Net cash used in financing activities	(75)	(635)	(3)	(2)
Effect of exchange rate changes on cash and equivalents	7	(8)	—	—
Net increase (decrease) in cash and equivalents	(192)	(733)	(4)	18
Cash and equivalents at beginning of period	1,386	2,121	55	60
Cash and equivalents at end of period	\$ 1,194	\$ 1,388	\$ 51	\$ 78

See Notes to the Consolidated Financial Statements.

TEXTRON INC.
Notes to the Consolidated Financial Statements (Unaudited)

Note 1. Basis of Presentation

Our Consolidated Financial Statements include the accounts of Textron Inc. (Textron) and its majority-owned subsidiaries. We have prepared these unaudited consolidated financial statements in accordance with accounting principles generally accepted in the U.S. for interim financial information. Accordingly, these interim financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the U.S. for complete financial statements. The consolidated interim financial statements included in this quarterly report should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 28, 2024. In the opinion of management, the interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for the fair presentation of our consolidated financial position, results of operations and cash flows for the interim periods presented. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

Our financings are conducted through two separate borrowing groups. The Manufacturing group consists of Textron consolidated with its majority-owned subsidiaries that operate in the Textron Aviation, Bell, Textron Systems, Industrial and Textron eAviation segments. The Finance group, which also is the Finance segment, consists of Textron Financial Corporation and its consolidated subsidiaries. We designed this framework to enhance our borrowing power by separating the Finance group. Our Manufacturing group operations include the development, production and delivery of tangible goods and services, while our Finance group provides financial services. Due to the fundamental differences between each borrowing group's activities, investors, rating agencies and analysts use different measures to evaluate each group's performance. To support those evaluations, we present balance sheet and cash flow information for each borrowing group within the Consolidated Financial Statements. All significant intercompany transactions are eliminated from the Consolidated Financial Statements, including retail financing activities for inventory sold by our Manufacturing group and financed by our Finance group.

Use of Estimates

We prepare our financial statements in conformity with generally accepted accounting principles, which require us to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates. Our estimates and assumptions are reviewed periodically, and the effects of changes, if any, are reflected in the Consolidated Statements of Operations in the period that they are determined.

Contract Estimates

For contracts where revenue is recognized over time, we recognize changes in estimated contract revenues, costs and profits using the cumulative catch-up method of accounting. This method recognizes the cumulative effect of changes on current and prior periods with the impact of the change from inception-to-date recorded in the current period. Anticipated losses on contracts are recognized in full in the period in which the losses become probable and estimable.

In the first quarter of 2025 and 2024, our cumulative catch-up adjustments increased segment profit by \$17 million and \$13 million, respectively, and net income by \$13 million and \$10 million, respectively (\$0.07 and \$0.05 per diluted share, respectively).

Note 2. Accounts Receivable and Finance Receivables

Accounts Receivable

Accounts receivable is composed of the following:

<i>(In millions)</i>	March 29, 2025	December 28, 2024
Commercial	\$ 792	\$ 738
U.S. Government contracts	167	230
	959	968
Allowance for credit losses	(19)	(19)
Total accounts receivable, net	\$ 940	\$ 949

Finance Receivables

Finance receivables are presented in the following table:

<i>(In millions)</i>	March 29, 2025	December 28, 2024
Finance receivables	\$ 629	\$ 622
Allowance for credit losses	(19)	(19)
Total finance receivables, net	\$ 610	\$ 603

Finance Receivable Portfolio Quality

We internally assess the quality of our finance receivables based on a number of key credit quality indicators and statistics such as delinquency, loan balance to estimated collateral value and the financial strength of individual borrowers and guarantors. Because many of these indicators are difficult to apply across an entire class of receivables, we evaluate individual loans on a quarterly basis and classify these loans into three categories based on the key credit quality indicators for the individual loan. These three categories are performing, watchlist and nonaccrual.

We classify finance receivables as nonaccrual if credit quality indicators suggest full collection of principal and interest is doubtful. In addition, we automatically classify accounts as nonaccrual once they are contractually delinquent by more than three months unless collection of principal and interest is not doubtful. Accounts are classified as watchlist when credit quality indicators have deteriorated as compared with typical underwriting criteria, and we believe collection of full principal and interest is probable but not certain. All other finance receivables that do not meet the watchlist or nonaccrual categories are classified as performing.

We measure delinquency based on the contractual payment terms of our finance receivables. In determining the delinquency aging category of an account, any/all principal and interest received is applied to the most past-due principal and/or interest amounts due. If a significant portion of the contractually due payment is delinquent, the entire finance receivable balance is reported in accordance with the most past-due delinquency aging category.

Finance receivables categorized based on the credit quality indicators and by the delinquency aging category are summarized as follows:

<i>(Dollars in millions)</i>	March 29, 2025	December 28, 2024
Performing	\$ 626	\$ 612
Nonaccrual	3	10
Nonaccrual as a percentage of finance receivables	0.48%	1.61%
Current and less than 31 days past due	\$ 623	\$ 609
31-60 days past due	6	13
60+ days contractual delinquency as a percentage of finance receivables	—%	—%

At March 29, 2025, 40% of our performing finance receivables were originated since the beginning of 2023 and 25% were originated from 2020 to 2022 with the remainder prior to 2020. For finance receivables categorized as nonaccrual, 100% were originated prior to 2020.

On a quarterly basis, we evaluate individual larger balance accounts for impairment. A finance receivable is considered impaired when it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement based on our review of the credit quality indicators described above. Impaired finance receivables include both nonaccrual accounts and accounts for which full collection of principal and interest remains probable, but the account's original terms have been, or are expected to be, significantly modified. If the modification specifies an interest rate equal to or greater than a market rate for a finance receivable with comparable risk, the account is not considered impaired in years subsequent to the modification. Our impaired finance receivables were insignificant at March 29, 2025 and December 28, 2024.

Note 3. Inventories

Inventories are composed of the following:

(In millions)	March 29, 2025	December 28, 2024
Finished goods	\$ 1,164	\$ 1,138
Work in process	1,954	1,769
Raw materials and components	1,152	1,164
Total inventories	\$ 4,270	\$ 4,071

Note 4. Accounts Payable and Warranty Liability

Accounts Payable

Supplier Financing Arrangement

We have a financing arrangement with one of our suppliers for a maximum amount of \$200 million that extends payment terms for up to 190 days from the receipt of goods and provides for the supplier to be paid by a financial institution earlier than maturity. This financing arrangement expires in April 2027. At March 29, 2025 and December 28, 2024, the amount due under the supplier financing arrangement was \$91 million and \$50 million, respectively.

Warranty Liability

Changes in our current and non-current warranty liability are as follows:

	Three Months Ended	
(In millions)	March 29, 2025	March 30, 2024
Beginning of period	\$ 173	\$ 172
Provision	17	17
Settlements	(16)	(18)
Adjustments*	(1)	(1)
End of period	\$ 173	\$ 170

* Adjustments include changes to prior year estimates, new issues on prior year sales and currency translation adjustments.

Note 5. Leases

We primarily lease certain manufacturing plants, offices, warehouses, training and service centers at various locations worldwide that are classified as either operating or finance leases. Our leases have remaining lease terms up to 24 years, which include options to extend the lease term for periods up to 20 years when it is reasonably certain the option will be exercised.

Operating lease cost totaled \$18 million in both the first quarter of 2025 and 2024. Cash paid for operating leases approximated the lease cost and is classified in cash flows from operating activities. Noncash transactions related to operating leases totaled \$7 million and \$25 million in the first quarter of 2025 and 2024, respectively, reflecting new or extended leases. Finance lease, variable and short-term lease costs were not significant.

Balance sheet and other information related to our leases is as follows:

(Dollars in millions)	March 29, 2025	December 28, 2024
Operating leases:		
Other assets	\$ 355	\$ 360
Other current liabilities	54	55
Other liabilities	313	316
Weighted-average remaining lease term (in years)	9.9	10.0
Weighted-average discount rate	4.89%	4.84%
Finance leases:		
Property, plant and equipment, less accumulated amortization of \$11 million and \$9 million, respectively	\$ 97	\$ 95
Long-term debt, including current portion	99	97
Weighted-average remaining lease term (in years)	6.8	5.9
Weighted-average discount rate	6.65%	6.72%

At March 29, 2025, maturities of our operating lease liabilities on an undiscounted basis totaled \$53 million for the remainder of 2025, \$59 million for 2026, \$49 million for 2027, \$46 million for 2028, \$41 million for 2029 and \$222 million thereafter.

Note 6. Debt

Under our shelf registration statement, on February 13, 2025, we issued \$500 million of SEC-registered fixed-rate notes due in May 2035 with an annual interest rate of 5.50%. The net proceeds of the issuance totaled \$495 million, after deducting underwriting discounts, commissions and offering expenses.

Note 7. Derivative Instruments and Fair Value Measurements

We measure fair value at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We prioritize the assumptions that market participants would use in pricing the asset or liability into a three-tier fair value hierarchy. This fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets or liabilities and the lowest priority (Level 3) to unobservable inputs in which little or no market data exist, requiring companies to develop their own assumptions. Observable inputs that do not meet the criteria of Level 1, which include quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets and liabilities in markets that are not active, are categorized as Level 2. Level 3 inputs are those that reflect our estimates about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances. Valuation techniques for assets and liabilities measured using Level 3 inputs may include methodologies such as the market approach, the income approach or the cost approach and may use unobservable inputs such as projections, estimates and management's interpretation of current market data. These unobservable inputs are utilized only to the extent that observable inputs are not available or cost effective to obtain.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

We manufacture and sell our products in a number of countries throughout the world, and, therefore, we are exposed to movements in foreign currency exchange rates. We primarily utilize foreign currency exchange contracts with maturities of no more than three years to manage this volatility. These contracts qualify as cash flow hedges and are intended to offset the effect of exchange rate fluctuations on forecasted sales, inventory purchases and overhead expenses. Net gains and losses recognized in earnings and Accumulated other comprehensive loss on cash flow hedges, including gains and losses related to hedge ineffectiveness, were not significant in the periods presented.

Our foreign currency exchange contracts are measured at fair value using the market method valuation technique. The inputs to this technique utilize current foreign currency exchange forward market rates published by third-party leading financial news and data providers. These are observable data that represent the rates that the financial institution uses for contracts entered into at that date; however, they are not based on actual transactions, so they are classified as Level 2. At March 29, 2025 and December 28, 2024, we had foreign currency exchange contracts with notional amounts upon which the contracts were based of \$683 million and \$464 million, respectively. At March 29, 2025, the fair value amounts of our foreign currency exchange contracts were a \$6 million asset and a \$16 million liability. At December 28, 2024, the fair value amount of our foreign currency exchange contracts were a \$5 million asset and a \$19 million liability.

Our Finance group enters into interest rate swap agreements to mitigate certain exposures to fluctuations in interest rates. By using these contracts, we are able to convert floating-rate cash flows to fixed-rate cash flows. These agreements are designated as cash flow hedges. The fair value of our interest rate swap agreements is determined using values published by third-party leading financial news and data providers. These values are observable data that represent the value that financial institutions use for contracts entered into at that date, but are not based on actual transactions, so they are classified as Level 2. The fair value of our outstanding interest rate swap agreements was a \$4 million and an \$8 million asset at March 29, 2025 and December 28, 2024, respectively.

At March 29, 2025 and December 28, 2024, our Finance group had interest rate swap agreements related to our Floating Rate Junior Subordinated Notes for an aggregate notional amount of \$264 million that effectively converts the variable-rate interest for these Notes to a weighted-average fixed rate of 5.20%. These agreements have maturities ranging from August 2025 to August 2029. At March 29, 2025 and December 28, 2024, we also had a swap agreement related to these Notes with a notional amount of \$30 million and a weighted-average fixed rate of 5.10% that has a forward start date of August 15, 2025 and matures on August 15, 2030.

Assets and Liabilities Not Recorded at Fair Value

The carrying value and estimated fair value of our financial instruments that are not reflected in the financial statements at fair value are as follows:

	March 29, 2025		December 28, 2024	
(In millions)	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Manufacturing group				
Debt, excluding leases	\$ (3,313)	\$ (3,176)	\$ (3,164)	(2,989)
Finance group				
Finance receivables, excluding leases	452	466	439	454
Debt	(340)	(317)	(341)	(311)

Fair value for the Manufacturing group debt is determined using market observable data for similar transactions (Level 2). The fair value for the Finance group debt was determined primarily based on discounted cash flow analyses using observable market inputs from debt with similar duration, subordination and credit default expectations (Level 2). Fair value estimates for finance receivables were determined based on internally developed discounted cash flow models primarily utilizing significant unobservable inputs (Level 3), which include estimates of the rate of return, financing cost, capital structure and/or discount rate expectations of current market participants combined with estimated loan cash flows based on credit losses, payment rates and expectations of borrowers' ability to make payments on a timely basis.

Note 8. Shareholders' Equity

A reconciliation of Shareholders' equity is presented below:

(In millions)	Common Stock	Capital Surplus	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Three months ended March 29, 2025						
Beginning of period	\$ 23	\$ 1,960	\$ (82)	\$ 5,607	\$ (304)	7,204
Net income	—	—	—	207	—	207
Other comprehensive income	—	—	—	—	39	39
Share-based compensation activity	—	45	—	—	—	45
Dividends declared	—	—	—	(3)	—	(3)
Purchases of common stock, including excise tax*	—	—	(217)	—	—	(217)
End of period	\$ 23	\$ 2,005	\$ (299)	\$ 5,811	\$ (265)	7,275
Three months ended March 30, 2024						
Beginning of period	\$ 24	\$ 1,910	\$ (165)	\$ 5,862	\$ (644)	6,987
Net income	—	—	—	201	—	201
Other comprehensive loss	—	—	—	—	(37)	(37)
Share-based compensation activity	1	102	—	—	—	103
Dividends declared	—	—	—	(4)	—	(4)
Purchases of common stock, including excise tax*	—	—	(319)	—	—	(319)
End of period	\$ 25	\$ 2,012	\$ (484)	\$ 6,059	\$ (681)	6,931

*Includes amounts accrued for excise tax imposed on common share repurchases that totaled \$2 million for both the first quarter of 2025 and 2024.

Dividends per share of common stock were \$0.02 for both the first quarter of 2025 and 2024.

Earnings Per Share

We calculate basic and diluted earnings per share (EPS) based on net income, which approximates income available to common shareholders for each period.

Basic EPS is calculated using the two-class method, which includes the weighted-average number of common shares outstanding during the period and restricted stock units to be paid in stock that are deemed participating securities as they provide nonforfeitable rights to dividends. Diluted EPS considers the dilutive effect of all potential future common stock, including stock options.

The weighted-average shares outstanding for basic and diluted EPS are as follows:

	Three Months Ended	
	March 29, 2025	March 30, 2024
<i>(In thousands)</i>		
Basic weighted-average shares outstanding	182,378	192,800
Dilutive effect of stock options	1,290	2,060
Diluted weighted-average shares outstanding	183,668	194,860

In the first quarter of 2025 and 2024, stock options to purchase 2.1 million and 1.0 million shares, respectively, of common stock were excluded from the calculation of diluted weighted-average shares outstanding as their effect would have been anti-dilutive.

Accumulated Other Comprehensive Loss and Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive loss are presented below:

	Pension and Postretirement Benefits Adjustments	Foreign Currency Translation Adjustments	Deferred Gains (Losses) on Hedge Contracts	Accumulated Other Comprehensive Loss
<i>(In millions)</i>				
Balance at December 28, 2024	\$ (179)	\$ (120)	\$ (5)	(304)
Other comprehensive income before reclassifications	—	40	(2)	38
Reclassified from Accumulated other comprehensive loss	—	—	1	1
Balance at March 29, 2025	\$ (179)	\$ (80)	\$ (6)	(265)
Balance at December 30, 2023	\$ (598)	\$ (49)	\$ 3	(644)
Other comprehensive loss before reclassifications	—	(33)	(5)	(38)
Reclassified from Accumulated other comprehensive loss	1	—	—	1
Balance at March 30, 2024	\$ (597)	\$ (82)	\$ (2)	(681)

The before and after-tax components of Other comprehensive income (loss) are presented below:

	March 29, 2025			March 30, 2024		
	Pre-Tax Amount	Tax (Expense) Benefit	After-tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-tax Amount
<i>(In millions)</i>						
Three Months Ended						
Pension and postretirement benefits adjustments:						
Amortization of net actuarial gain*	\$ (2)	\$ —	(2)	\$ (1)	\$ —	(1)
Amortization of prior service cost*	2	—	2	2	—	2
Pension and postretirement benefits adjustments, net	—	—	—	1	—	1
Foreign currency translation adjustments	40	—	40	(33)	—	(33)
Deferred losses on hedge contracts:						
Current deferrals	(3)	1	(2)	(7)	2	(5)
Reclassification adjustments	2	(1)	1	(1)	1	—
Deferred losses on hedge contracts, net	(1)	—	(1)	(8)	3	(5)
Total	\$ 39	\$ —	39	\$ (40)	\$ 3	(37)

*These components of other comprehensive income (loss) are included in the computation of net periodic pension cost (income). See Note 14 of our 2024 Annual Report on Form 10-K for additional information.

Note 9. Segment Financial Information

We operate in, and report financial information for, the following six operating segments: Textron Aviation, Bell, Textron Systems, Industrial, Textron eAviation and Finance. Segment profit for the manufacturing segments excludes the non-service components of pension and postretirement income, net; LIFO inventory provision; intangible asset amortization; interest expense, net for Manufacturing group; certain corporate expenses; gains/losses on major business dispositions; and special charges. The measurement for the Finance segment includes interest income and expense along with intercompany interest income and expense.

Our revenues and expenses by segment are provided below:

<i>(In millions)</i>	Textron Aviation	Bell	Textron Systems	Industrial	Textron eAviation	Finance	Total
Three months ended March 29, 2025							
Revenues	\$ 1,212	\$ 983	\$ 296	\$ 792	\$ 7	\$ 16	\$ 3,306
Costs and expenses:							
Cost of sales	929	803	219	678	6	—	2,635
Research and development costs	57	39	8	14	14	—	132
Selling and administrative expense	99	51	29	70	4	2	255
Interest expense, net	—	—	—	—	—	4	4
Segment profit (loss)	\$ 127	\$ 90	\$ 40	\$ 30	\$ (17)	\$ 10	\$ 280
Three months ended March 30, 2024							
Revenues	\$ 1,188	\$ 727	\$ 306	\$ 892	\$ 7	\$ 15	\$ 3,135
Costs and expenses:							
Cost of sales	891	565	222	758	6	—	2,442
Research and development costs	52	39	18	20	15	—	144
Selling and administrative expense	102	43	28	85	4	(8)	254
Interest expense, net	—	—	—	—	—	5	5
Segment profit (loss)	\$ 143	\$ 80	\$ 38	\$ 29	\$ (18)	\$ 18	\$ 290

A reconciliation of segment profit to income before income taxes, is presented below:

<i>(In millions)</i>	Three Months Ended	
	March 29, 2025	March 30, 2024
Segment profit	\$ 280	\$ 290
Unallocated amounts:		
Corporate expenses and other, net	(43)	(62)
Interest expense, net for Manufacturing group	(25)	(15)
LIFO inventory provision	(29)	(20)
Intangible asset amortization	(8)	(8)
Special charges	—	(14)
Non-service components of pension and postretirement income, net	66	66
Income before income taxes	\$ 241	\$ 237

Other information by segment is provided below:

(In millions)	Capital Expenditures		Depreciation and Amortization	
	Three Months Ended		Three Months Ended	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Textron Aviation	\$ 25	\$ 27	\$ 37	\$ 36
Bell	15	19	22	19
Textron Systems	5	8	12	11
Industrial	10	11	17	18
Textron eAviation	1	1	2	2
Corporate	—	—	2	2
Total	\$ 56	\$ 66	\$ 92	\$ 88

Our assets by segment are summarized below:

(In millions)	March 29, 2025	December 28, 2024
Textron Aviation	\$ 4,795	\$ 4,624
Bell	3,073	2,992
Textron Systems	2,045	2,036
Industrial	2,413	2,378
Textron eAviation	294	286
Finance	679	680
Corporate	3,643	3,842
Total assets	\$ 16,942	\$ 16,838

Note 10. Revenues

Disaggregation of Revenues

Our revenues disaggregated by major product type are presented below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Aircraft	\$ 729	\$ 732
Aftermarket parts and services	483	456
Textron Aviation	\$ 1,212	\$ 1,188
Military aircraft and support programs	634	480
Commercial helicopters, parts and services	349	247
Bell	\$ 983	\$ 727
Textron Systems	\$ 296	\$ 306
Fuel systems and functional components	450	488
Specialized vehicles	342	404
Industrial	\$ 792	\$ 892
Textron eAviation	\$ 7	\$ 7
Finance	\$ 16	\$ 15
Total revenues	\$ 3,306	\$ 3,135

Our revenues for our segments by customer type and geographic location are presented below:

<i>(In millions)</i>	Textron Aviation	Bell	Textron Systems	Industrial	Textron eAviation	Finance	Total
Three months ended March 29, 2025							
Customer type:							
Commercial	\$ 1,143	\$ 361	\$ 70	\$ 785	\$ 7	\$ 16	2,382
U.S. Government	69	622	226	7	—	—	924
Total revenues	\$ 1,212	\$ 983	\$ 296	\$ 792	\$ 7	\$ 16	3,306
Geographic location:							
United States	\$ 912	\$ 682	\$ 269	\$ 408	\$ 3	\$ 4	2,278
Europe	86	56	12	164	3	—	321
Other international	214	245	15	220	1	12	707
Total revenues	\$ 1,212	\$ 983	\$ 296	\$ 792	\$ 7	\$ 16	3,306
Three months ended March 30, 2024							
Customer type:							
Commercial	\$ 1,155	\$ 239	\$ 72	\$ 884	\$ 7	\$ 15	2,372
U.S. Government	33	488	234	8	—	—	763
Total revenues	\$ 1,188	\$ 727	\$ 306	\$ 892	\$ 7	\$ 15	3,135
Geographic location:							
United States	\$ 950	\$ 559	\$ 274	\$ 460	\$ 4	\$ 4	2,251
Europe	62	23	13	198	2	5	303
Other international	176	145	19	234	1	6	581
Total revenues	\$ 1,188	\$ 727	\$ 306	\$ 892	\$ 7	\$ 15	3,135

Remaining Performance Obligations

Our remaining performance obligations, which is the equivalent of our backlog, represent the expected transaction price allocated to our contracts that we expect to recognize as revenues in future periods when we perform under the contracts. These remaining obligations exclude unexercised contract options and potential orders under ordering-type contracts such as Indefinite Delivery, Indefinite Quantity contracts. At March 29, 2025, we had \$17.2 billion in remaining performance obligations of which we expect to recognize revenues of approximately 78% through 2026, an additional 18% through 2028, and the balance thereafter.

Contract Assets and Liabilities

Assets and liabilities related to our contracts with customers are reported on a contract-by-contract basis at the end of each reporting period. At March 29, 2025 and December 28, 2024, contract assets totaled \$478 million and \$345 million, respectively, and contract liabilities totaled \$1.9 billion at both dates, reflecting timing differences between revenues recognized, billings and payments from customers. We recognized revenues of \$340 million and \$327 million in the first quarter of 2025 and 2024, respectively, that were included in the contract liability balance at the beginning of each year.

Note 11. Share-Based Compensation

Under our share-based compensation plan, we have authorization to provide awards to selected employees and non-employee directors in the form of stock options, restricted stock, restricted stock units, stock appreciation rights, performance stock, performance share units and other awards. Compensation expense included in net income for our share-based compensation plans is as follows:

<i>(In millions)</i>	Three Months Ended	
	March 29, 2025	March 30, 2024
Compensation expense	\$ 34	\$ 77
Income tax benefit	(8)	(19)
Total compensation expense included in net income	\$ 26	\$ 58

Compensation expense included stock option expense of \$13 million and \$15 million in the first quarter of 2025 and 2024, respectively. We typically grant stock appreciation rights to selected non-U.S. employees. At March 29, 2025, outstanding stock appreciation rights totaled 446,753 with a weighted-average exercise price of \$66.21 and a weighted-average remaining contractual life of 6.6 years; these units had an intrinsic value of \$4 million, compared with \$14 million at March 30, 2024.

Stock Options

Options to purchase our shares have a maximum term of ten years and generally vest ratably over a three-year period. Stock option compensation cost is calculated under the fair value approach using the Black-Scholes option-pricing model to determine the fair value of options granted on the date of grant. The expected volatility used in this model is based on historical volatilities and implied volatilities from traded options on our common stock. The expected term is based on historical option exercise data, which is adjusted to reflect any anticipated changes in expected behavior.

We grant options annually on the first day of March. The assumptions used in our option-pricing model for these grants and the weighted-average fair value for these options are as follows:

	March 1, 2025	March 1, 2024
Fair value of options at grant date	\$ 22.01	\$ 27.69
Dividend yield	0.1%	0.1%
Expected volatility	25.1%	27.2%
Risk-free interest rate	4.1%	4.3%
Expected term (in years)	4.8	4.8

The stock option activity during the first quarter of 2025 is provided below:

<i>(Options in thousands)</i>	Number of Options	Weighted- Average Exercise Price
Outstanding at December 28, 2024	6,649	\$ 61.70
Granted	995	74.73
Exercised	(158)	(46.73)
Forfeited or expired	(21)	(79.48)
Outstanding at March 29, 2025	7,465	\$ 63.71
Exercisable at March 29, 2025	5,354	\$ 57.77

At March 29, 2025, our outstanding options had an aggregate intrinsic value of \$87 million and a weighted-average remaining contractual life of 6.0 years. Our exercisable options had an aggregate intrinsic value of \$87 million and a weighted-average remaining contractual life of 4.8 years at March 29, 2025. The total intrinsic value of options exercised during the first quarter of 2025 and 2024 was \$4 million and \$60 million, respectively.

Restricted Stock Units

We issue restricted stock units that include the right to receive dividend equivalents and are settled in either cash or stock. Grants of restricted stock units vest in full on the third anniversary of the grant date. Compensation cost is determined using the fair value of these units based on the trading price of our common stock. For units payable in stock, we use the trading price on the grant date, while units payable in cash are remeasured using the price at each reporting period date.

The activity for restricted stock units during the first quarter of 2025 is provided below:

	Units Payable in Stock		Units Payable in Cash	
<i>(Shares/Units in thousands)</i>	Number of Shares	Weighted- Average Grant Date Fair Value	Number of Units	Weighted- Average Grant Date Fair Value
Outstanding at December 28, 2024, nonvested	331	\$ 75.50	631	\$ 77.75
Granted	96	74.73	244	74.87
Vested	(81)	(71.07)	(192)	(71.07)
Forfeited	—	—	(8)	(77.79)
Outstanding at March 29, 2025, nonvested	346	\$ 76.32	675	\$ 78.61

The fair value of the restricted stock unit awards that vested and/or amounts paid under these awards is as follows:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Fair value of awards vested	\$ 20	\$ 41
Cash paid	14	33

Performance Share Units

The activity for our performance share units during the first quarter of 2025 is as follows:

(Units in thousands)	Number of Units	Weighted-Average Grant Date Fair Value
Outstanding at December 28, 2024, nonvested	394	\$ 80.81
Granted	199	74.73
Outstanding at March 29, 2025, nonvested	593	\$ 78.77

Cash paid under these awards totaled \$16 million and \$35 million in the first quarter of 2025 and 2024, respectively.

Note 12. Retirement Plans

We provide defined benefit pension plans and other postretirement benefits to eligible employees. The components of net periodic benefit (income) cost for these plans are as follows:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Pension Benefits		
Service cost	\$ 16	\$ 17
Interest cost	94	90
Expected return on plan assets	(162)	(159)
Amortization of net actuarial loss	—	1
Amortization of prior service cost	2	2
Net periodic benefit income*	\$ (50)	\$ (49)
Postretirement Benefits Other Than Pensions		
Interest cost	\$ 2	\$ 2
Amortization of net actuarial gain	(2)	(2)
Net periodic benefit (income) cost	\$ —	\$ —

* Excludes the cost associated with the defined contribution component, included in certain of our U.S.-based defined benefit pension plans, that totaled \$3 million and \$4 million for the first quarter of 2025 and 2024, respectively.

Note 13. Special Charges

In the first quarter of 2024, we recognized special charges of \$14 million related to a 2023 restructuring plan. There were no special charges recorded in the first quarter of 2025.

Our restructuring reserve activity is summarized below:

(In millions)	Severance Costs	Contract Terminations and Other	Total
Balance at December 28, 2024	\$ 37	\$ 34	\$ 71
Cash paid	(7)	(12)	(19)
Foreign currency translation	1	—	1
Balance at March 29, 2025	\$ 31	\$ 22	\$ 53

Note 14. Income Taxes

Our effective tax rate for the first quarter of 2025 and 2024 was 14.1% and 15.2%, respectively. In the first quarter of 2025, the effective tax rate was lower than the U.S. federal statutory rate of 21%, largely due to the favorable impact of research and development credits and tax deductions for foreign-derived intangible income. In the first quarter of 2024, the effective tax rate was lower than the U.S. federal statutory rate of 21%, largely due to the recognition of excess tax benefits related to share-based compensation, the favorable impact of research and development credits, and tax deductions for foreign-derived intangible income.

Note 15. Commitments and Contingencies

We are subject to actual and threatened legal proceedings and other claims arising out of the conduct of our business, including proceedings and claims relating to commercial and financial transactions; government contracts; alleged lack of compliance with applicable laws and regulations; disputes with suppliers, production partners or other third parties; product liability; patent and trademark infringement; employment disputes; and environmental, health and safety matters. Some of these legal proceedings and claims seek damages, fines or penalties in substantial amounts or remediation of environmental contamination. As a government contractor, we are subject to audits, reviews and investigations to determine whether our operations are being conducted in accordance with applicable regulatory requirements. Under federal government procurement regulations, certain claims brought by the U.S. Government could result in our suspension or debarment from U.S. Government contracting for a period of time. On the basis of information presently available, we do not believe that existing proceedings and claims will have a material effect on our financial position or results of operations.

Note 16. Subsequent Event

Within the Industrial segment, we have completed the previously announced strategic review of the Powersports product line. On April 23, 2025, we closed on the sale of the Powersports business, including the Arctic Cat brand and its operations. The proceeds and estimated after-tax gain on this transaction will be reported in the second quarter of 2025 and are not expected to be material.

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

Business Environment

Recent changes to the United States trade policy have resulted in new or higher tariffs on goods imported from numerous countries, and some countries have imposed retaliatory tariffs on imports from the United States. We are principally a North American manufacturer and 71% of our 2024 revenues were generated in the U.S. Our aircraft products and components manufactured in Canada and Mexico are largely exempt from newly imposed tariffs on Canadian and Mexican imports as USMCA (United States-Mexico-Canada Agreement) compliant. In addition, our operations outside of North America primarily source materials and components from outside of North America and manufacture products for non-U.S. customers. Many of our businesses also source materials and components from outside of North America. These businesses have been – or could be in the future – impacted by these newly imposed U.S. tariffs. To date, we have not experienced a material adverse impact from these tariffs. We will continue to evaluate the potential impact of these tariffs and any further developments or changes in global tariff policies on our business and financial position.

Consolidated Results of Operations

	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
(Dollars in millions)			
Revenues	\$ 3,306	\$ 3,135	5%
Cost of sales	2,672	2,470	8%
Gross margin as a % of Manufacturing revenues	18.8%	20.8%	
Research and development costs	\$ 132	\$ 144	(8)%
Selling and administrative expense	298	316	(6)%
Interest expense, net	29	20	45%
Special charges	—	14	(100)%
Non-service components of pension and postretirement income, net	66	66	—%

An analysis of our consolidated operating results is set forth below. A more detailed analysis of our segments' operating results is provided in the Segment Analysis section on pages [21](#) to [24](#).

Revenues

Revenues increased \$171 million, 5%, in the first quarter of 2025, compared with the first quarter of 2024. The revenue increase primarily included the following factors:

- Higher Bell revenues of \$256 million, due to higher military volume of \$154 million, primarily for the U.S. Army's Future Long Range Assault Aircraft (FLRAA) program and for military sustainment programs, and higher commercial revenues of \$102 million.
- Higher Textron Aviation revenues of \$24 million, largely reflecting higher aftermarket parts and services revenues of \$27 million.
- Lower Industrial revenues of \$100 million, with \$62 million at Textron Specialized Vehicles, reflecting lower volume and mix, primarily in the golf products, and \$38 million at Kautex, largely due to lower volume.
- Lower Textron Systems revenues of \$10 million, primarily due to lower volume.

Manufacturing group revenues increased \$170 million in the first quarter of 2025, compared with the first quarter of 2024, reflecting a \$339 million increase in product revenues, partially offset by a \$169 million decrease in service revenues. The decrease in service revenues was largely related to the classification of revenues for the FLRAA program, which was service-related prior to the transition of the program to the Engineering and Manufacturing Development phase in the third quarter of 2024 when it became product-related.

Cost of Sales

Cost of sales includes cost of products and services sold for the Manufacturing group. Cost of sales increased \$202 million, 8%, in the first quarter of 2025, compared with the first quarter of 2024, largely due to higher net volume and mix of \$122 million and a \$59 million impact from inflation and higher LIFO inventory provision. Gross margin as a percentage of Manufacturing revenues decreased 200 basis points in the first quarter of 2025, primarily due to lower margin at the Bell segment.

Research and Development Costs

Research and development costs decreased \$12 million, 8%, in the first quarter of 2025, compared with the first quarter of 2024, largely reflecting a \$10 million decrease at the Textron Systems segment related to timing of project expenditures.

Selling and Administrative Expense

Selling and administrative expense decreased \$18 million, 6%, in the first quarter of 2025, compared with the first quarter of 2024, primarily due to lower share-based compensation expense, partially offset by a 2024 recovery of amounts that were previously written off related to one customer relationship in the Finance segment.

Interest Expense, Net

Interest expense, net includes interest expense for both the Finance and Manufacturing borrowing groups, with interest on intercompany borrowings eliminated, and interest income earned on cash and equivalents for the Manufacturing borrowing group. In the first quarter of 2025, interest expense, net increased \$9 million, 45%, compared with the first quarter of 2024, reflecting lower interest income. Gross interest expense totaled \$38 million in both the first quarter of 2025 and 2024.

Special Charges

Special charges include restructuring activities as discussed in Note 13 to the Consolidated Financial Statements on page [18](#).

Income Taxes

Our effective tax rate for the first quarter of 2025 and 2024 was 14.1% and 15.2%, respectively. In the first quarter of 2025, the effective tax rate was lower than the U.S. federal statutory rate of 21%, largely due to the favorable impact of research and development credits and tax deductions for foreign-derived intangible income. In the first quarter of 2024, the effective tax rate was lower than the U.S. federal statutory rate of 21%, largely due to the recognition of excess tax benefits related to share-based compensation, the favorable impact of research and development credits, and tax deductions for foreign-derived intangible income.

Backlog

Our backlog is summarized below:

<i>(In millions)</i>	March 29, 2025	December 28, 2024
Textron Aviation	\$ 7,868	\$ 7,845
Bell	7,052	7,469
Textron Systems	2,322	2,594
Total backlog	\$ 17,242	\$ 17,908

Segment Analysis

We operate in, and report financial information for, the following six operating segments: Textron Aviation, Bell, Textron Systems, Industrial, Textron eAviation and Finance. Segment profit is an important measure used for evaluating performance and for decision-making purposes. Segment profit for the manufacturing segments excludes the non-service components of pension and postretirement income, net; LIFO inventory provision; intangible asset amortization; interest expense, net for Manufacturing group; certain corporate expenses; gains/losses on major business dispositions; and special charges. The operating costs used to derive segment profit for our manufacturing segments includes cost of sales, research and development costs and selling and administrative expense. The cost of sales discussed in this Segment Analysis section excludes the LIFO inventory provision and intangible asset amortization discussed above that are reported within Cost of products sold or Cost of services sold on the Consolidated Statement of Operations. The measurement for the Finance segment includes interest income and expense along with intercompany interest income and expense.

In our discussion of comparative results for the Manufacturing group, material changes in revenues and segment profit for our commercial businesses typically are expressed in terms of product line revenues, including volume and mix and pricing; foreign exchange; acquisitions and dispositions; inflation; manufacturing efficiency; and changes in research and development costs and selling and administrative expense. For revenues, volume and mix represents changes in revenues from increases or decreases in the number of units delivered or services provided and the composition of products and/or services sold. For segment profit, volume and mix represents a change due to the number of units delivered or services provided and the composition of products and/or services sold at different profit margins. Pricing represents changes in unit pricing. Foreign exchange is the change resulting from translating foreign-denominated amounts into U.S. dollars at exchange rates that are different from the prior period. Revenues generated by acquired businesses are reflected in Acquisitions for a twelve-month period, while reductions in revenues and segment profit from the sale of businesses are reflected as Dispositions. Inflation represents higher material, wages, benefits, pension service cost or other costs. Manufacturing efficiency includes changes in material, labor and overhead variances to standards, typically due to scrap rates, labor efficiency or inefficiencies, facility usage and other manufacturing productivity inputs.

Approximately 25% of our 2024 revenues were derived from contracts with the U.S. Government, including those under the U.S. Government-sponsored foreign military sales program. For our segments that contract with the U.S. Government, material changes in revenues related to these contracts are expressed in terms of volume. Changes in segment profit for these contracts are typically expressed in terms of volume and mix and contract performance, which includes cumulative catch-up adjustments associated with

a) revisions to the transaction price that may reflect contract modifications or changes in assumptions related to award fees and other variable consideration or
b) changes in the total estimated costs at completion due to improved or deteriorated operating performance.

Textron Aviation

(Dollars in millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
Revenues:			
Aircraft	\$ 729	\$ 732	—%
Aftermarket parts and services	483	456	6%
Total revenues	1,212	1,188	2%
Cost of sales	929	891	4%
Research and development costs	57	52	10%
Selling and administrative expense	99	102	(3)%
Segment profit	\$ 127	\$ 143	(11)%
Profit margin	10.5%	12.0%	

Textron Aviation's revenues increased \$24 million, 2%, in the first quarter of 2025, compared with the first quarter of 2024, largely reflecting higher aftermarket parts and services revenues of \$27 million. Aircraft revenues were relatively unchanged reflecting the mix of aircraft sold, which included lower Citation jet volume and higher defense and commercial turboprop volume, and higher pricing. We delivered 31 Citation jets and 30 commercial turboprops in the first quarter of 2025, compared with 36 Citation jets and 20 commercial turboprops in the first quarter of 2024.

Textron Aviation's cost of sales increased \$38 million, 4%, in the first quarter of 2025, compared with the first quarter of 2024, largely reflecting inflation of \$35 million, partially offset by lower net volume and mix discussed above.

Textron Aviation's segment profit decreased \$16 million, 11%, in the first quarter of 2025, compared with the first quarter of 2024, largely reflecting lower net aircraft volume and mix, partially offset by higher aftermarket volume.

Bell

(Dollars in millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
Revenues:			
Military aircraft and support programs	\$ 634	\$ 480	32%
Commercial helicopters, parts and services	349	247	41%
Total revenues	983	727	35%
Cost of sales	803	565	42%
Research and development costs	39	39	—%
Selling and administrative expense	51	43	19%
Segment profit	\$ 90	\$ 80	13%
Profit margin	9.2%	11.0%	

Bell's military and support programs revenues increased \$154 million, 32%, in the first quarter of 2025, compared with the first quarter of 2024, primarily due to higher volume on the U.S. Army's FLRAA program and on military sustainment programs. Commercial helicopters, parts and services revenues increased \$102 million, 41%, in the first quarter of 2025, compared with the first quarter of 2024, primarily due to higher volume and mix as we delivered 29 commercial helicopters in the first quarter of 2025, compared with 18 commercial helicopters in the first quarter of 2024.

Bell's cost of sales increased \$238 million, 42%, in the first quarter of 2025, compared with the first quarter of 2024, primarily due to higher volume and mix described above.

Bell's segment profit increased \$10 million, 13%, in the first quarter of 2025, compared with the first quarter of 2024, while its profit margin decreased 180 basis points, largely reflecting the impact of higher volume on lower margin FLRAA development activities and the mix of commercial helicopters, along with an \$8 million increase in selling and administrative expense.

Textron Systems

(Dollars in millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
Revenues	\$ 296	\$ 306	(3)%
Cost of sales	219	222	(1)%
Research and development costs	8	18	(56)%
Selling and administrative expense	29	28	4%
Segment profit	\$ 40	\$ 38	5%
Profit margin	13.5%	12.4%	

Textron Systems' revenues decreased \$10 million, 3%, in the first quarter of 2025, compared with the first quarter of 2024, largely due to lower volume, which included the impact of the cancellation of the Shadow program in 2024, partially offset by higher volume for the Ship-to-Shore Connector program.

Textron Systems' research and development costs decreased \$10 million, 56%, in the first quarter of 2025, compared with the first quarter of 2024, related to the timing of project expenditures.

Textron Systems' segment profit increased \$2 million, 5%, in the first quarter of 2025, compared with the first quarter of 2024, primarily due to the lower research and development costs, partially offset by lower volume.

Industrial

(Dollars in millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
Revenues:			
Kautex	\$ 450	\$ 488	(8)%
Textron Specialized Vehicles	342	404	(15)%
Total revenues	792	892	(11)%
Cost of sales	678	758	(11)%
Research and development costs	14	20	(30)%
Selling and administrative expense	70	85	(18)%
Segment profit	\$ 30	\$ 29	3%
Profit margin	3.8%	3.3%	

Industrial segment revenues decreased \$100 million, 11%, in the first quarter of 2025, compared with the first quarter of 2024, largely due to lower volume and mix. Textron Specialized Vehicles' revenues decreased \$62 million, 15%, reflecting lower volume and mix, primarily in the golf products. Kautex revenues decreased \$38 million, 8%, largely due to lower volume.

Industrial's cost of sales decreased \$80 million, 11%, in the first quarter of 2025, compared with the first quarter of 2024, principally reflecting the impact of lower volume and mix described above.

Industrial's selling and administrative expense decreased \$15 million, 18%, in the first quarter of 2025, compared with the first quarter of 2024, primarily reflecting lower compensation costs, which included the impact of headcount reductions from restructuring activities.

Segment profit for the Industrial segment was essentially unchanged in the first quarter of 2025, compared with the first quarter of 2024 as lower volume and mix was mostly offset by cost reductions resulting from restructuring activities.

Textron eAviation

(Dollars in millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	% Change
Revenues	\$ 7	\$ 7	—%
Cost of sales	6	6	—%
Research and development costs	14	15	(7)%
Selling and administrative expense	4	4	—%
Segment loss	\$ (17)	\$ (18)	(6)%

Textron eAviation segment revenues were unchanged and segment loss decreased \$1 million in the first quarter of 2025, compared with the first quarter of 2024.

Finance

(In millions)	Three Months Ended		
	March 29, 2025	March 30, 2024	
Revenues	\$ 16	\$ 15	
Selling and administrative expense	2	(8)	
Interest expense, net	4	5	
Segment profit	\$ 10	\$ 18	

Finance segment revenues increased \$1 million and segment profit decreased \$8 million in the first quarter of 2025, compared with the first quarter of 2024. Selling and administrative expense in the first quarter of 2024 included an \$8 million recovery of amounts that were previously written off related to one customer relationship.

Liquidity and Capital Resources

Our financings are conducted through two separate borrowing groups. The Manufacturing group consists of Textron consolidated with its majority-owned subsidiaries that operate in the Textron Aviation, Bell, Textron Systems, Industrial and Textron eAviation segments. The Finance group, which also is the Finance segment, consists of Textron Financial Corporation and its consolidated subsidiaries. We designed this framework to enhance our borrowing power by separating the Finance group. Our Manufacturing group operations include the development, production and delivery of tangible goods and services, while our Finance group provides financial services. Due to the fundamental differences between each borrowing group's activities, investors, rating agencies and analysts use different measures to evaluate each group's performance. To support those evaluations, we present balance sheet and cash flow information for each borrowing group within the Consolidated Financial Statements.

Key information that is utilized in assessing our liquidity is summarized below:

(Dollars in millions)	March 29, 2025	December 28, 2024
Manufacturing group		
Cash and equivalents	\$ 1,194	\$ 1,386
Debt	3,394	3,247
Shareholders' equity	7,275	7,204
Capital (debt plus shareholders' equity)	10,669	10,451
Net debt (net of cash and equivalents) to capital	23%	21%
Debt to capital	32%	31%
Finance group		
Cash and equivalents	\$ 51	\$ 55
Debt	340	341

We believe that our calculations of debt to capital and net debt to capital are useful measures as they provide a summary indication of the level of debt financing (i.e., leverage) that is in place to support our capital structure, as well as to provide an indication of the capacity to add further leverage. We expect to have sufficient cash to meet our needs based on our existing cash balances, the cash we expect to generate from our manufacturing operations and the availability of our existing credit facility.

Credit Facilities and Other Sources of Capital

Textron has a senior unsecured revolving credit facility for an aggregate principal amount of \$1.0 billion, of which \$100 million is available for the issuance of letters of credit. We may elect to increase the aggregate amount of commitments under the facility to up to \$1.3 billion by designating an additional lender or by an existing lender agreeing to increase its commitment. The facility expires in October 2027 and provides for two one-year extensions at our option with the consent of lenders representing a majority of the commitments under the facility. At March 29, 2025 and December 28, 2024, there were no amounts borrowed against the facility and there were \$9 million of outstanding letters of credit issued under the facility.

We also maintain an effective shelf registration statement filed with the Securities and Exchange Commission that allows us to issue an unlimited amount of public debt and other securities. On February 13, 2025, we issued \$500 million of SEC-registered fixed-rate notes due in May 2035 with an annual interest rate of 5.50%. On March 3, 2025, we repaid our \$350 million 3.875% Notes due in 2025.

Manufacturing Group Cash Flows

Cash flows for the Manufacturing group as presented in our Consolidated Statements of Cash Flows are summarized below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Operating activities	\$ (114)	\$ (30)
Investing activities	(10)	(60)
Financing activities	(75)	(635)

In the first quarter of 2025, the net cash outflow from operating activities was \$114 million, compared with a net cash outflow of \$30 million in the first quarter of 2024. The \$84 million increase in cash outflows was largely due to changes in working capital. We expect positive cash flows from operating activities for the full year.

Cash flows used in investing activities included \$56 million and \$66 million of capital expenditures in the first quarter of 2025 and 2024, respectively. In the first quarter of 2025, cash flows from investing activities also included \$31 million of net proceeds from corporate-owned life insurance policies.

Cash flows used in financing activities in the first quarter of 2025 included \$352 million of payments on long-term debt and \$215 million of cash paid to repurchase an aggregate of 2.9 million shares of our common stock, largely offset by \$495 million of net proceeds from the issuance of long-term debt. In the first quarter of 2024, cash flows used in financing activities included \$352 million of payments on long-term debt and \$317 million of cash paid to repurchase an aggregate of 3.6 million shares of our common stock.

Finance Group Cash Flows

Cash flows for the Finance group as presented in our Consolidated Statements of Cash Flows are summarized below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Operating activities	\$ 3	\$ 1
Investing activities	(4)	19
Financing activities	(3)	(2)

The Finance group's cash flows from investing activities included collections on finance receivables totaling \$29 million and \$47 million in the first quarter of 2025 and 2024, respectively, and finance receivable originations of \$33 million and \$28 million, respectively.

Consolidated Cash Flows

The consolidated cash flows after elimination of activity between the borrowing groups, are summarized below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Operating activities	\$ (124)	\$ (7)
Investing activities	(1)	(63)
Financing activities	(78)	(637)

In the first quarter of 2025, the net cash outflow from operating activities was \$124 million, compared with a net cash outflow of \$7 million in the first quarter of 2024. The \$117 million increase in cash outflows was largely due to changes in working capital and a net cash outflow of \$35 million from captive financing activities.

Cash flows used in investing activities included \$56 million and \$66 million of capital expenditures in the first quarter of 2025 and 2024, respectively. In the first quarter of 2025, cash flows from investing activities also included \$31 million of net proceeds from corporate-owned life insurance policies.

Cash flows used in financing activities in the first quarter of 2025 included \$355 million of payments on long-term debt and \$215 million of cash paid to repurchase shares of our outstanding common stock, largely offset by \$495 million of net proceeds from the issuance of long-term debt. In the first quarter of 2024, cash flows used in financing activities included \$365 million of payments on long-term debt and \$317 million of cash paid to repurchase shares of our outstanding common stock.

Captive Financing and Other Intercompany Transactions

The Finance group provides financing primarily to purchasers of new and pre-owned Textron Aviation aircraft and Bell helicopters manufactured by our Manufacturing group, otherwise known as captive financing. In the Consolidated Statements of Cash Flows, cash received from customers is reflected as operating activities when received from third parties. However, in the cash flow information provided for the separate borrowing groups, cash flows related to captive financing activities are reflected based on the operations of each group. For example, when product is sold by our Manufacturing group to a customer and is financed by the Finance group, the origination of the finance receivable is recorded within investing activities as a cash outflow in the Finance group's statement of cash flows. Meanwhile, in the Manufacturing group's statement of cash flows, the cash received from the Finance group on the customer's behalf is recorded within operating cash flows as a cash inflow. Although cash is transferred between the two borrowing groups, there is no cash transaction reported in the consolidated cash flows at the time of the original financing. These captive financing activities, along with all significant intercompany transactions, are reclassified or eliminated from the Consolidated Statements of Cash Flows.

Reclassification adjustments included in the Consolidated Statements of Cash Flows on page 6 are summarized below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Reclassification adjustments from investing activities to operating activities:		
Finance receivable originations for Manufacturing group inventory sales	\$ (33)	\$ (17)
Cash received from customers	20	39
Total reclassification adjustments from investing activities to operating activities	\$ (13)	\$ 22

Critical Accounting Estimates Update

Our Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, which require us to make estimates and assumptions that affect the amounts reported in the financial statements. The accounting estimates that we believe are most critical to the portrayal of our financial condition and results of operations are reported in Item 7 of our 2024 Annual Report on Form 10-K. The following section provides an update of the year-end disclosure.

Revenue Recognition

A substantial portion of our revenues is related to long-term contracts with the U.S. Government, including those under the U.S. Government-sponsored foreign military sales program, for the design, development, manufacture or modification of aerospace and defense products as well as related services. We generally use the cost-to-cost method to measure progress for these contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under this measure, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the estimated costs at completion of the performance obligation, and revenue is recorded proportionally as costs are incurred.

Changes in our estimate of the total expected cost or in the transaction price for a contract typically impact our profit booking rate. We utilize the cumulative catch-up method of accounting to recognize the impact of these changes on our profit booking rate for a contract. Under this method, the inception-to-date impact of a profit adjustment on a contract is recognized in the period the adjustment is identified. The impact of our cumulative catch-up adjustments on segment profit recognized in prior periods is presented below:

(In millions)	Three Months Ended	
	March 29, 2025	March 30, 2024
Gross favorable	\$ 27	\$ 43
Gross unfavorable	(10)	(30)
Net adjustments	\$ 17	\$ 13

Forward-Looking Information

Certain statements in this Quarterly Report on Form 10-Q and other oral and written statements made by us from time to time are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which may describe strategies, goals, outlook or other non-historical matters, or project revenues, income, returns or other financial measures, often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “guidance,” “project,” “target,” “potential,” “will,” “should,” “could,” “likely” or “may” and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. In addition to those factors described in our 2024 Annual Report on Form 10-K under “Risk Factors,” among the factors that could cause actual results to differ materially from past and projected future results are the following:

- Interruptions in the U.S. Government’s ability to fund its activities and/or pay its obligations;
- Changing priorities or reductions in the U.S. Government defense budget, including those related to military operations in foreign countries;
- Our ability to perform as anticipated and to control costs under contracts with the U.S. Government;
- The U.S. Government’s ability to unilaterally modify or terminate its contracts with us for the U.S. Government’s convenience or for our failure to perform, to change applicable procurement and accounting policies, or, under certain circumstances, to withhold payment or suspend or debar us as a contractor eligible to receive future contract awards;
- Changes in foreign military funding priorities or budget constraints and determinations, or changes in government regulations or policies on the export and import of military and commercial products;
- Volatility in the global economy or changes in worldwide political conditions that adversely impact demand for our products;
- Volatility in interest rates or foreign exchange rates and inflationary pressures;
- Risks related to our international business, including establishing and maintaining facilities in locations around the world and relying on joint venture partners, subcontractors, suppliers, representatives, consultants and other business partners in connection with international business, including in emerging market countries;
- Our Finance segment’s ability to maintain portfolio credit quality or to realize full value of receivables;
- Performance issues with key suppliers or subcontractors;
- Legislative or regulatory actions, both domestic and foreign, impacting our operations or demand for our products;
- Our ability to control costs and successfully implement various cost-reduction activities;
- The efficacy of research and development investments to develop new products or unanticipated expenses in connection with the launching of significant new products or programs;
- The timing of our new product launches or certifications of our new aircraft products;
- Our ability to keep pace with our competitors in the introduction of new products and upgrades with features and technologies desired by our customers;
- Pension plan assumptions and future contributions;
- Demand softness or volatility in the markets in which we do business;
- Cybersecurity threats, including the potential misappropriation of assets or sensitive information, corruption of data or operational disruption;
- Difficulty or unanticipated expenses in connection with integrating acquired businesses;
- The risk that acquisitions do not perform as planned, including, for example, the risk that acquired businesses will not achieve revenue and profit projections;
- The impact of changes in tax legislation;
- The risk of disruptions to our business and the business of our suppliers, customers and other business partners due to unexpected events, such as pandemics, natural disasters, acts of war, strikes, terrorism, social unrest or other societal, geopolitical or macroeconomic conditions;

- Risks related to changing U.S. and foreign trade policies, including increased trade restrictions or tariffs; and
- The ability of our businesses to hire, train and retain the highly skilled personnel necessary for our businesses to succeed.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposure to market risk during the fiscal quarter ended March 29, 2025. For discussion of our exposure to market risk, refer to Item 7A. Quantitative and Qualitative Disclosures about Market Risk contained in Textron's 2024 Annual Report on Form 10-K.

Item 4. Controls and Procedures

We performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 29, 2025. The evaluation was performed with the participation of senior management of each business segment and key Corporate functions, under the supervision of our Chairman, President and Chief Executive Officer (CEO) and our Executive Vice President and Chief Financial Officer (CFO). Based on this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were operating and effective as of March 29, 2025.

There were no changes in our internal control over financial reporting during the fiscal quarter ended March 29, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

Our business, financial condition and results of operations are subject to various risks. The Company is enhancing the risk factors previously disclosed in the 2024 Annual Report on Form 10-K for the year ended December 28, 2024 with the following risk factor.

We are subject to risks of doing business globally that could adversely impact our business.

Risks arising from uncertainty in global macroeconomic conditions may harm our business. We are sensitive to global macroeconomic conditions. Negative macroeconomic factors may have an adverse effect on our business, results of operations and financial condition, as well as on our distributors, customers, subcontractors and suppliers, and on activity in many of the industries and markets we serve. We cannot predict changes in worldwide or regional economic or political conditions and government policies as such factors are highly volatile and beyond our control. If current macroeconomic pressures, including from inflation and labor and supply chain challenges, continue or if global macroeconomic conditions deteriorate and remain at depressed levels for extended periods, our business, results of operations and financial condition could be materially adversely affected. In addition, changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture or sell our products or from where we import products or raw materials (either directly or through our suppliers) could adversely impact our competitive position, business operations and financial results. In particular, recent changes to global tariff policies have created significant uncertainty with respect to trade policies, treaties and tariffs. These developments could adversely impact us, our distributors, customers, subcontractors or suppliers which could have a material adverse effect on our financial position, results of operations or cash flows. See Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion of the impact of these tariffs.

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

The following provides information about our first quarter of 2025 repurchases of equity securities that are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended:

Period (shares in thousands)	Total Number of Shares Purchased *	Average Price Paid per Share (excluding commissions)	Total Number of Shares Purchased as part of Publicly Announced Plan *	Maximum Number of Shares that may yet be Purchased under the Plan
December 29, 2024 – February 1, 2025	525	\$ 77.82	525	15,061
February 2, 2025 – March 1, 2025	1,210	74.14	1,210	13,851
March 2, 2025 – March 29, 2025	1,140	73.82	1,140	12,711
Total	2,875	\$ 74.69	2,875	

* These shares were purchased pursuant to a plan authorizing the repurchase of up to 35 million shares of Textron common stock that was approved on July 24, 2023 by our Board of Directors. This share repurchase plan has no expiration date.

Item 5. Other Information

(c) None of our directors or executive officers adopted or terminated a “Rule 10b5-1 trading arrangement” or adopted or terminated a “non-Rule 10b5-1 trading arrangement” (as such terms are defined in Item 408 of Regulation S-K) during the quarter ended March 29, 2025.

Item 6. Exhibits

- 10.1 [Form of Non-Qualified Stock Option Agreement under 2024 Long-Term Incentive Plan.](#)
- 10.2 [Form of Performance Share Unit Grant Agreement under 2024 Long-Term Incentive Plan.](#)
- 10.3 [Form of Stock-Settled Restricted Stock Unit \(with Dividend Equivalents\) Grant Agreement under 2024 Long-Term Incentive Plan.](#)
- 31.1 [Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1 [Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following materials from Textron Inc.’s Quarterly Report on Form 10-Q for the quarterly period ended March 29, 2025, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to the Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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.

TEXTRON INC.

Date: April 24, 2025

/s/ Mark S. Bamford

Mark S. Bamford
Vice President and Corporate Controller
(principal accounting officer)



**NOTICE OF GRANT OF STOCK
OPTION AND OPTION AGREEMENT
NON-QUALIFIED STOCK OPTION**

Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), you (the “optionee”) have been granted a Non-Qualified Stock Option (“Option”), which constitutes the option to buy a specified number of shares of Textron Inc. Common Stock (“Shares”) at a specified fixed price equal to the closing price of a Share on the grant date. This grant is governed by the Non-Qualified Stock Option Terms and Conditions (“Terms and Conditions”) attached hereto and the Plan (available on the Administrator’s website), and is subject to the Stock Option Non-Competition Agreement (the “Non-Competition Agreement”) attached hereto.

The Option granted will become exercisable at the time(s), and subject to the conditions, set forth in the Terms and Conditions. The Option will expire on the tenth anniversary of the grant date, subject to earlier expiration or termination as provided in the Terms and Conditions.

You must log into your account on the Administrator’s website to view the number of Shares for which the Option was granted (the “Option Shares”), the grant date, and the exercise price, as well as to accept your grant. (For annual grants, the number of Option Shares is also reflected on your compensation statement.) If you do not accept your grant prior to the first date any portion of the Option becomes exercisable (or prior to the date your employment terminates for any reason, if earlier), your grant will be forfeited. Although Textron has completed the steps necessary to grant you this Option, you cannot exercise the Option unless you accept the grant before the deadline.

By your acceptance of this grant, you agree that this Option is governed by the Terms and Conditions attached hereto and the Plan. In addition, you agree that this grant is subject to the Non-Competition Agreement attached hereto, the terms of which are fully incorporated herein. You acknowledge that you have read and understand these documents as they apply to your grant.

Please be sure to log into your account and accept your grant as soon as possible to avoid the risk that your grant will be forfeited for non-acceptance.

TEXTRON INC.

**By: /s/ Julie G. Duffy
Julie G. Duffy
Executive Vice President, Human Resources**

TEXTRON INC.
TEXTRON INC. 2024 LONG-TERM INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION
TERMS AND CONDITIONS
(4/2024)

1. *Grant of Option.* Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), Textron has granted to the optionee the right and option (the “Option”) to purchase a specified number of shares of Common Stock (“Shares”) subject to the Terms and Conditions set forth herein. (The Shares for which this Option was granted are referred to herein as the “Option Shares.”) The number of Option Shares and grant date are recorded on the Administrator’s website for the Plan (and, for annual grants, on the optionee’s compensation statement).

2. *Purchase Price.* The purchase price (also called the “exercise price”) of the Option Shares shall be the closing price of a Share on the grant date, as reported on the Administrator’s website for the Plan.

3. *Term of Option and Period of Exercise.* The Option shall expire ten years from the grant date, subject to earlier expiration or termination as hereinafter provided, and may be exercised with respect to all or a portion of the Option Shares as provided in this Section. Except as provided in Section 6(c) or (e) (relating to Disability or death) or Section 9 (Change of Control) hereof, the Option may not be exercised before the first anniversary of the grant date. Beginning on the first anniversary of the grant date, the Option will become exercisable in thirds on the following dates (subject to the Terms and Conditions set forth herein):

- The first third of the Option Shares, on the first anniversary of the grant date;
- The second third of the Option Shares, on the second anniversary of the grant date; and
- The last third of the Option Shares, on the third anniversary of the grant date.

The Option shall not be exercisable for less than 50 Option Shares (or the remaining number of Option Shares if that number is less than 50) or after it has expired or terminated. The “Expiration Date” for the Option is the earlier of (a) the tenth anniversary of the grant date or (b) the date as of which the Option ceases to be exercisable pursuant to Section 6 (Termination of Employment) hereof.

4. *Exercise of Option.*

(a) Subject to the Terms and Conditions set forth herein and the Non-Competition Agreement entered into in consideration of this Option, the Option may be exercised by contacting the Administrator directly via telephone or via the Administrator’s website. During the life of the optionee, an Option shall be exercisable only by the optionee. If the Option is being exercised pursuant to Section 6(c) or (e) by any person or persons other than the optionee, appropriate proof of the right of such person or persons to exercise the Option must be provided.

(b) The purchase price of the Option Shares shall be paid in full at the time of exercise (1) in cash, (2) by tendering shares of Common Stock then owned by the optionee, (3) by withholding Option Shares (“net share settlement”), or (4) by any other method authorized by Textron at the time of exercise. Except as provided in Section 6 (Termination of Employment), the Option may not be exercised unless the optionee was an employee of either Textron or a Subsidiary at all times from the grant date through the date exercised. With respect to the Option Shares, the optionee shall have no rights as a shareholder of Textron unless and until shares of Common Stock have been issued to the optionee.

(c) *Automatic Exercise.* To the extent that the Option is exercisable and has not yet been exercised, the Option shall be automatically exercised as of the Expiration Date if the following conditions are satisfied: (1) the optionee’s employment with Textron or a Subsidiary has not been terminated for Cause (as defined below); (2) the Option has not terminated by reason of a breach of the optionee’s obligations under the Non-Competition Agreement, and (3) the Fair Market Value of an Option Share as of the Expiration Date exceeds the exercise price thereof by at least \$1.00. If the conditions in the immediately preceding sentence are satisfied, the optionee shall be deemed to have delivered notice of exercise on the Expiration Date, and the exercise price shall be paid through net share settlement, except as otherwise determined by Textron at the time of exercise.

5. *Non-Assignability of Option.* The Option shall not be assignable or transferable by the optionee except by will or the laws of descent and distribution, or as otherwise expressly permitted by the Plan. Tax withholding with respect to any Option that is transferred or assigned shall be determined by Textron in accordance with applicable law (which may require the optionee to pay taxes with respect to a transferred Option).

6. *Termination of Employment.* Following the optionee’s termination of employment with Textron and its Subsidiaries, the Option shall be exercisable only as follows:

(a) If the optionee’s employment terminates for Cause, all Option(s) held by the optionee shall be terminated and forfeited immediately, without any opportunity to exercise or consideration therefor.

(b) If the optionee’s employment terminates (other than for Cause) after the optionee has become eligible for Retirement, the optionee shall have the right to exercise the Option within 48 months after the termination of employment, to the extent the Option is exercisable (and has not expired) under Section 3 at the time of exercise.

(c) If the optionee’s employment terminates by reason of the optionee’s Disability or death, the optionee (or, in the case of death, the optionee’s Beneficiary) shall have the right to exercise the Option as to all unexercised Option Shares (whether or not the Option was fully exercisable at the time of termination of employment) within 60 months after the termination of employment, but not after the Expiration Date.

(d) If the optionee's employment terminates under circumstances not described in Section 6(a), (b), or (c), the optionee shall have the right to exercise the Option within three months after the optionee's termination of employment (or within such longer period, up to 48 months after the optionee's termination of employment, as determined by the Committee but not after the Expiration Date) and, unless otherwise determined by the Committee (to the extent permitted by the Plan), only to the extent the Option is exercisable when the optionee's employment terminates.

(e) If the optionee dies while the Option is still exercisable under Section 6(b), (c) or (d), the Option may be exercised as to all unexercised Option Shares that either (i) are exercisable as of the optionee's death or (ii) could have become exercisable under Section 6(b), (c), or (d), as applicable, if the optionee had not died. The Option shall not be exercised after the Expiration Date prescribed by Section 6(b), (c), or (d), as applicable.

(f) In no event shall the Option be exercisable after the Expiration Date.

7. *No Right to Employment.* Nothing in this document shall confer upon the optionee the right to continue in the employment of Textron or a Subsidiary or affect any right which Textron or a Subsidiary may have to terminate the employment of the optionee.

8. *Corporate Changes.* The number and kind of Option Shares and/or the purchase price thereof shall be equitably adjusted as determined by the Committee in the event of a stock split, reverse stock split, stock dividend, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, extraordinary cash dividend, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares, or any other corporate event or distribution of stock or property of the Company affecting the Common Stock, in order to preserve the benefits or potential benefits intended to be made available to the optionee.

9. *Change of Control.*

(a) If a Change of Control occurs before the Expiration Date, a successor to Textron shall either assume the Option or replace the Option with either (i) an immediate cash payment for each unexercised and unexpired Option Share (whether then exercisable or not exercisable), equal to the excess (if any) of the fair market value of such Option Share over the exercise price for such Option Share, or (ii) a replacement award that materially preserves the value of the Option and has a vesting schedule (including acceleration events) that is at least as favorable as the schedule in effect as of the Change of Control. If the Option is not assumed or replaced in accordance with the immediately foregoing sentence, the optionee shall be entitled to exercise the Option (with respect to all unexpired Option Shares, whether then exercisable or not exercisable) immediately before the Change of Control.

(b) If, within two years after a Change of Control (and before the Expiration Date), the optionee's employment with Textron and its Subsidiaries ends due to involuntary termination without Cause or resignation for Good Reason (as defined below), the Option shall immediately become exercisable as to all unexercised Option Shares. If the Option becomes exercisable under this Section 9(b), it shall remain exercisable until the Expiration Date.

10. *Definition of Certain Terms.* Terms used but not defined herein shall have the meanings set forth in the Plan.
11. *Option Subject to Plan.* The Option is in all respects subject to the terms and conditions of the Plan as in effect from time to time; provided, however, that termination or amendment of the Plan (except amendments as required by technical corrections of the Internal Revenue Code) shall not, without the consent of the optionee, adversely affect the optionee's rights under the Option.
12. *Non-Qualified Option.* The Option is a "Non-Qualified Option" as defined in the Plan and not an "incentive stock option" under Section 422 of the Internal Revenue Code. The terms of the Option and this agreement shall be interpreted in a manner consistent with the intent that the Option be exempt from the requirements of Section 409A of the Internal Revenue Code.
13. *Clawback.* This Option shall be subject to the clawback provision set forth in the Plan and/or any other clawback procedure of Textron, as in effect and as amended from time to time.
14. *Administration.* In accordance with the Plan, the Committee may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or to one or more officers or employees of Textron.
15. *Withholding Taxes.* Whenever Textron proposes or is required to issue or transfer Option Shares, Textron shall have the right to withhold or to require the optionee to remit to Textron an amount that Textron determines is sufficient to satisfy any Federal, state and local withholding tax requirements. Whenever payments by Textron are to be made in cash, such payments shall be net of an amount that Textron determines is sufficient to satisfy any Federal, state and local withholding tax requirements.

DEFINITIONS

“Administrator”

“Administrator” shall mean the third-party administrator appointed by Textron. As of the date of the grant of this award, the Administrator is Fidelity Stock Plan Services.

“Beneficiary”

“Beneficiary” shall mean the beneficiary, if any, designated by the optionee on a form that (i) is acceptable to Textron, (ii) references the Option or the Plan, and (iii) is delivered to Textron or its designee before the optionee’s death, or, if none, the optionee’s estate.

“Cause”

“Cause” shall mean: (i) an act or acts of willful misrepresentation, fraud, or willful dishonesty (other than good faith expense account disputes) by the optionee which in any case is intended to result in the optionee’s or another person or entity’s substantial personal enrichment at the expense of Textron; (ii) any willful misconduct by the optionee with regard to Textron, its business, assets, or employees that has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iii) any material, willful, and knowing violation by the optionee of (x) Textron’s Business Conduct Guidelines, or (y) any of his or her fiduciary duties to Textron which in either case has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iv) the willful or reckless behavior of the optionee with regard to a matter of a material nature which has a material adverse impact (economic or otherwise) on Textron; (v) the optionee’s willful failure to attempt to perform his or her duties or his or her willful failure to attempt to follow the legal written direction of the Board, which in either case is not remedied within ten (10) days after receipt by the optionee of a written notice from Textron specifying the details thereof; or (vi) the optionee’s conviction of, or pleading nolo contendere or guilty to, a felony (other than (x) a traffic infraction or (y) vicarious liability solely as a result of the optionee’s position provided the optionee did not have actual knowledge of the actions or inactions creating the violation of the law or the optionee relied in good faith on the advice of counsel with regard to the legality of such action or inaction (or the advice of other specifically qualified professionals as to the appropriate or proper action or inaction to take with regard to matters which are not matters of legal interpretation)). No action or inaction should be deemed willful if not demonstrably willful and if taken or not taken by the optionee in good faith as not being adverse to the best interests of Textron. Reference in this paragraph to Textron shall also include Subsidiaries, and materiality and material adverse impact shall be measured based on the action or inaction and the impact upon, and not the size of, Textron taken as a whole, provided that after a Change of Control, the size of Textron, taken as a whole, shall be a relevant factor in determining materiality and material adverse impact.

“Committee”

“Committee” has the meaning set forth in the Plan. Subject to any amendment to the Plan, the Committee refers to the Organization and Compensation Committee of the Board, any successor committee thereto or any other committee appointed from time to time by the Board to administer the Plan.

“Disability”

“Disability” shall mean the inability of the optionee to engage in any substantial gainful activity due to injury, illness, disease, bodily or mental infirmity which can be expected to result in death or is expected to be permanent. An individual shall not be considered disabled unless the optionee furnishes proof of the existence thereof. Textron may require the existence or non-existence of a disability to be determined by a physician whose selection is mutually agreed upon by the optionee (or his or her representatives) and Textron.

“Good Reason”

“Good Reason” shall mean the existence of one of the following conditions:

- (a) a material diminution in the optionee’s base salary;
- (b) a material diminution in the optionee’s authority, duties, responsibilities, or status (including offices, titles, and reporting requirements);
- (c) a material diminution in the authority, duties, responsibilities, or status of the supervisor to whom the optionee is required to report, including a requirement that the optionee report to a corporate officer or employee instead of reporting directly to the Board;
- (d) a material diminution in the budget over which the optionee has authority;
- (e) a material change in the geographic location at which the optionee must perform services;
- (f) a material change in the aggregate level of participation in any of Textron’s short and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements;
- (g) failure, after a Change of Control, of a successor company to satisfy its obligations under Section 9(a) (assumption or replacement after a Change of Control);
- (h) failure, after a Change of Control, of a successor company to assume the employer’s obligations under any agreement or letter pursuant to which the optionee provides services (the “Employment Agreement”); or
- (i) any other action or inaction that constitutes a material breach by Textron (including its successor) or a Subsidiary of the optionee’s Employment Agreement.

A resignation for Good Reason shall occur only if (x) the optionee provides notice of the existence of a condition described in the preceding sentence within 90 days after the initial existence of the condition, (y) after receipt of the notice, Textron (or its successor) has a period of 30 days during which it may remedy the condition, and (z) the optionee’s resignation is effective as soon as practicable after the end of the cure period described in the preceding clause (and no later than two years after the Change of Control).

“Retirement”

The optionee is eligible for “Retirement” if the optionee has attained age 55 and has 10 years of service, as recorded in Textron’s Human Resources Information System of record.

TEXTRON INC.
STOCK OPTION NON-COMPETITION AGREEMENT
(4/2024)

You have been granted a stock option (“Option”) under, and subject to the terms of, the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”). Your Option is valuable consideration for your service to Textron over the long-term, including your compliance with the terms of this Stock Option Non-Competition Agreement (the “Agreement”), and Textron’s decision to grant the Option to you is conditioned on your agreement to comply with the terms of this Agreement. By accepting the Option, you agree that the Option is sufficient consideration for the restrictions imposed by this Agreement.

Agreement regarding Your Stock Option Grant

1. **Forfeiture of unexercised options and required repayment if you engage in certain competitive activities**

If at any time during the term of this Option while you are a Company employee, or during the Post-Employment Restricted Period (as defined in Paragraph 2), you do any of the following activities:

- (a) engage in any business which competes with the Company’s business (as defined in Paragraph 3) within the Restricted Territory (as defined in Paragraph 4); or
- (b) solicit customers, business or orders or sell any products and services (i) in competition with the Company’s business within the Restricted Territory or (ii) for any business, wherever located, that competes with the Company’s business within the Restricted Territory; or
- (c) divert, entice or otherwise take away customers, business or orders of the Company within the Restricted Territory, or attempt to do so; or
- (d) promote or assist, financially or otherwise, any firm, corporation or other entity engaged in any business which competes with the Company’s business within the Restricted Territory;

then (i) this Option shall terminate effective the date you enter into such activity, unless terminated sooner by operation of another term or condition of this Option or the Plan and (ii) provided this Option has been held by you for less than 5 years at the time of exercise, you are required to repay Textron an amount equal to any gains realized in any option exercise which occurs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the termination of this Option, or at any time after such date. For purposes of this Agreement, the gain realized shall be equal to the difference between the fair market value of the stock on the date of the exercise and the Option strike price. You will be in violation of Paragraph 1 if you engage in any or all of the activities discussed in this Paragraph directly as an individual or indirectly as an employee, representative, consultant or in any other capacity on behalf of any firm, corporation or other entity.

2. **Post-Employment Restricted Period** – Defined for the purpose of Paragraph 1, the Post-Employment Restricted Period means the period from termination of your employment with the Company until the second anniversary of your termination; provided that if an applicable statute specifies a shorter period, the Post-Employment Restricted Period will end at the time specified by that statute.
3. **Company's business** – Defined for the purpose of this Agreement:
- (a) the Company shall include Textron and all subsidiary, affiliated or related companies or operations of Textron, and
 - (b) the Company's business shall include the products manufactured, marketed and sold and/or the services provided by any operation of the Company for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and any time during the two-year period prior to such termination.
4. **Restricted Territory** – Defined for the purpose of Paragraph 1, the Restricted Territory shall be defined as and limited to:
- (a) the geographic area(s) within a one hundred (100) mile radius of any and all Company location(s) in or for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and at any time during the two-year period prior to such termination; and
 - (b) all of the specific customer accounts, whether within or outside of the geographic area described in (a) above, with which you have had any contact or for which you have had any responsibility (either direct or supervisory), at the time of termination of your employment and at any time during the two-year period prior to such termination.
5. **Forfeiture of unexercised options and required repayment if you engage in certain solicitation activities**
If either during or any time after your employment with the Company, you directly or indirectly solicit or induce or attempt to solicit or induce any employee(s), sales representative(s), agent(s) or consultant(s) of the Company to terminate their employment, representation or other association with the Company, then (i) this Option shall terminate effective the date you enter into such activity, unless terminated sooner by operation of another term or condition of this Option or the Plan and (ii) provided this Option has been held by you for less than 5 years at the time of exercise, you are required to repay Textron an amount equal to any gains realized in any Option exercise which occurs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the termination of this Option, or at any time after such date. For purposes of this Agreement, the gain realized shall be equal to the difference between the fair market value of the stock on the date of the exercise and the Option exercise price.

6. **Forfeiture of unexercised options and required repayment if you disclose confidential information**

You specifically acknowledge that any trade secrets or confidential business and technical information of the Company or its suppliers or customers, whether reduced to writing, maintained on any form of electronic media, or maintained in your mind or memory and whether compiled by you or the Company, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use; that reasonable efforts have been made by the Company to maintain the secrecy of such information; that such information is the sole property of the Company or its suppliers or customers and that any retention, use or disclosure of such information by you during your employment (except in the course of performing your duties and obligations of employment with the Company) or after termination thereof, shall constitute a misappropriation of the trade secrets of the Company or its suppliers or customers. However, nothing in this Agreement prohibits you from truthfully disclosing information expressly protected or permitted by state or federal law or cooperating in ongoing investigations conducted by any governmental agency or entity.

If, either during or any time after your employment with the Company, you directly or indirectly misappropriate any such trade secrets, then (i) this Option shall terminate effective the date you enter into such activity, unless terminated sooner by operation of another term or condition of this Option or the Plan and (ii) provided this Option has been held by you for less than 5 years at the time of exercise, you are required to repay Textron an amount equal to any gains realized in any Option exercise which occurs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the termination of this Option, or at any time after such date. For purposes of this Agreement, the gain realized shall be equal to the difference between the fair market value of the stock on the date of the exercise and the Option exercise price.

7. **Organization and Compensation Committee Discretion**

You may be released from your obligations under Paragraphs 1, 5 and 6 above only if the Organization and Compensation Committee of the Board of Directors (or its duly appointed agent) determines in its sole discretion that such action is in the best interests of Textron.

8. **Severability**

The parties agree that each provision contained in this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity or subject, then such provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the extent compatible with the applicable law.

9. **Right to Consult with Counsel**

You have a right to consult with counsel before signing this Agreement.



**NOTICE OF AWARD OF PERFORMANCE SHARE
UNITS AND PERFORMANCE SHARE UNIT
AGREEMENT**

Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), you (the “executive”) have been awarded Performance Share Units (“PSUs”), each of which constitutes the right to receive, if earned pursuant to the terms of this award, a cash payment equal to the fair market value of a share of Common Stock of Textron Inc. (a “Share”). The number of PSUs which you earn will be determined based on a formula tied to performance measures, and fair market value will be as provided in the Performance Share Unit Terms and Conditions (the “Terms and Conditions”) attached hereto. This award is governed by the Terms and Conditions and the Plan (available on the Administrator’s website) and is subject to the Performance Share Unit Non-Competition Agreement (the “Non-Competition Agreement”) attached hereto.

The Performance Period is the three (3) year period beginning on the first day of the fiscal year in which the PSUs are awarded. Performance measures for the three-year Performance Period were established by the Committee at the beginning of the Performance Period and will be communicated to you separately from this notice.

Except as otherwise provided in the Terms and Conditions, the cash value of all PSUs will be paid (to the extent earned) during the month of March following the end of the Performance Period. All PSUs remain subject to forfeiture until the end of the Performance Period as provided in the Terms and Conditions.

You must log into your account on the Administrator’s website to view the number of units awarded, as well as to accept your award. If you do not accept your award prior to the end of the Performance Period (or prior to the date your employment terminates for any reason, if earlier), your award will be forfeited. Although Textron has completed the steps necessary to grant you this award, you cannot receive any payment under the award unless you accept the award before the deadline.

By your acceptance of this award, you agree that this award is governed by the Terms and Conditions attached hereto and the Plan. In addition, you agree that this award is subject to the Non-Competition Agreement, the terms of which are fully incorporated herein. You acknowledge that you have read and understand these documents as they apply to your awards.

Please be sure to log into your account and accept your award as soon as possible to avoid the risk that your award will be forfeited for non-acceptance.

TEXTRON INC.

By: /s/ Julie G. Duffy

Julie G. Duffy

Executive Vice President, Human Resources

TEXTRON INC.
TEXTRON INC. 2024 LONG-TERM INCENTIVE PLAN
PERFORMANCE SHARE UNIT
TERMS AND CONDITIONS
(4/2024)

1. *Award of PSUs.* Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), Textron has awarded to the executive Performance Share Units (“PSUs”), subject to the Terms and Conditions set forth herein. The number of PSUs payable under this award will be determined by Textron based on achievement of predefined performance measures or targets over the three-year Performance Period.

2. *Settlement.* Each PSU earned by the executive constitutes the right to receive a cash payment equal to the fair market value of one Share. Except as otherwise provided in Sections 3 (Termination of Employment) or 4 (Change of Control):

(a) The fair market value of a Share equals the average of the per-share closing prices of Textron’s Common Stock, as reported on the New York Stock Exchange, on the first ten trading days immediately following the end of the Performance Period; and

(b) Textron will pay the executive (or the executive’s Beneficiary in the event of the executive’s death prior to payment) the cash amount for the PSUs earned by the executive during the month of March following the end of the Performance Period.

3. *Termination of Employment.* If the executive’s employment with Textron and its Subsidiaries ends for any reason before the end of the Performance Period, the executive shall forfeit all PSUs, subject to the following:

(a) If the executive’s employment with Textron terminates for Cause, the executive shall forfeit all PSUs.

(b) If the executive’s employment terminates (other than for Cause) after the executive has become eligible for Retirement, the executive will remain eligible to earn PSUs (and receive payment for such PSUs) as if the executive’s employment had not terminated (but subject to forfeiture in accordance with the Non-Competition Agreement); provided, however, that if the executive’s employment terminates within two years after a Change of Control, the payment schedule set forth in subsection (d), below, shall apply.

(c) If the executive becomes Disabled or dies before the end of the Performance Period (and while the executive is eligible to earn PSUs), Textron will make a cash payment to the executive (or, in the case of death, to the executive’s Beneficiary) within 30 days after the executive’s Disability or death or as soon as administratively feasible (*i.e.*, after Textron is notified of the Disability or death). Such cash payment shall equal the closing price for a Share, as reported on the New York Stock Exchange, on the first business day after the executive’s Disability or death, times a Pro-Rata Portion of the PSUs that the executive would have earned, assuming target performance to the end of the Performance Period, based upon the date of the executive’s Disability or death (unless the Disability or death occurs on the last day of the Performance Period, in which case the number of

PSUs awarded would be the number actually earned). The amount payable shall not be adjusted for any delay caused by time needed to validate the executive's status as Disabled or dead, or to authenticate a Beneficiary.

(d) If, within two years after a Change of Control, the executive's employment ends due to involuntary termination without Cause or resignation for Good Reason, the applicable Performance Period for the PSUs shall end immediately. In such instance, Textron shall make a cash payment to the executive (or, in the case of death, to the executive's Beneficiary) on the Six-Month Pay Date equal to the fair market value of the PSUs based on target performance for the Performance Period. For this purpose, fair market value of a PSU shall equal the per-share closing price of Textron's Common Stock (or the successor thereto) on the last business day of the last calendar month that ends before the Six-Month Pay Date; provided, however, that if it is not feasible to calculate the closing price as of the last business day of such month, the amount of cash shall be determined based on the last price available.

4. *Change of Control.* If a Change of Control occurs, a successor to Textron shall either assume Textron's obligations with respect to the PSUs or replace this PSU award with a cash or equity-based award that materially preserves the PSU award's value and incentive opportunity, and has vesting and payment schedules (including acceleration events) that are no less favorable to the executive than the schedules in effect immediately before the Change of Control. If this PSU award is not assumed or replaced in accordance with the immediately preceding sentence, the PSUs shall be fully vested, non-forfeitable, and payable based on target performance through the Performance Period, based on the Share value as of the Change of Control; provided that payment shall not be accelerated if accelerating payment would violate a requirement of Section 409A of the Internal Revenue Code.

5. *Corporate Changes.* The number of PSUs awarded to the executive hereunder shall be equitably adjusted as determined by the Committee in the event of a stock split, reverse stock split, stock dividend, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, extraordinary cash dividend, split-up, spin-off, combination, exchange of Shares, warrants, or rights offering to purchase Shares, or any other corporate event or distribution of stock or property of the Company affecting the Common Stock, in order to preserve the benefits or potential benefits intended to be made available to the executive.

6. *No Right to Employment.* Nothing in these Terms and Conditions shall confer upon the executive the right to continue in the employment of Textron or any Subsidiary or affect any right that Textron or any Subsidiary may have to terminate the employment of the executive.

7. *Non-Assignability of PSUs.* The PSUs shall not be assignable or transferable by the executive, except to the extent expressly permitted by the Plan. Tax withholding with respect to any PSU that is transferred or assigned shall be determined by Textron in accordance with applicable law (which may require the executive to pay taxes with respect to a transferred PSU).

8. *Voting and Dividends.* The executive shall not have voting rights, the right to any dividends, or any other shareholder rights with respect to the PSUs.

9. *Clawback.* The PSUs shall be subject to the clawback provision set forth in the Plan and/or any other clawback procedure of Textron, as in effect and as amended from time to time.

10. *Administration.* In accordance with the Plan, the Committee may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or to one or more officers or employees of Textron.

11. *Withholding Taxes.* All payments with respect to PSUs shall be subject to tax withholding. Textron shall have the right to withhold from any payment an amount that Textron determines is necessary to satisfy any Federal, state and local withholding tax requirements.

12. *Section 409A.* The terms and conditions of the PSUs shall be interpreted in a manner consistent with the intent to be exempt from or comply with the requirements of Section 409A of the Internal Revenue Code. For example, the phrase “as soon as practicable” and similar phrases with respect to payment dates shall be interpreted and administered consistent with the intent that, subject to the executive (or Beneficiary) providing all required information, payment shall not be delayed beyond the latest date permitted by Section 409A. For purposes of Section 409A, each installment in any series of installment payments shall be treated as a separate payment.

13. *PSUs Subject to Plan.* The PSUs shall be subject to the terms and conditions of the Plan in all respects. In the case of PSUs awarded under a long-term incentive plan other than the Textron Inc. 2024 Long-Term Incentive Plan, the term “Plan” as used in these Terms and Conditions shall refer to the plan under which the PSUs were awarded. Each term that is used but not defined herein shall have the meaning set forth in the Plan.

14. *Personal Information.* Textron adheres to strict data privacy principles to protect personal data as set forth in the Textron Personal Data Protection Policy and, for California residents, Privacy Notice for Job Applicants, Employees, Contractors and Other Textron Personnel. Copies of the Policy and Notice are available on Textron’s employee intranet or may be obtained from Textron’s Human Resources.

DEFINITIONS

“Administrator”

“Administrator” shall mean the third-party administrator appointed by Textron. As of the date of grant of this award, the Administrator is Fidelity Stock Plan Services.

“Beneficiary”

“Beneficiary” shall mean the beneficiary, if any, designated by the executive on a form that (i) is acceptable to Textron, (ii) references the PSUs or the Plan, and (iii) is delivered to Textron or its designee before the executive’s death, or, if none, the executive’s estate.

“Cause”

“Cause” shall mean: (i) an act or acts of willful misrepresentation, fraud, or willful dishonesty (other than good faith expense account disputes) by the executive which in any case is intended to result in his or her or another person or entity’s substantial personal enrichment at the expense of Textron; (ii) any willful misconduct by the executive with regard to Textron, its business, assets, or employees that has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iii) any material, willful, and knowing violation by the executive of (x) Textron’s Business Conduct Guidelines, or (y) any of his or her fiduciary duties to Textron which in either case has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iv) the willful or reckless behavior of the executive with regard to a matter of a material nature which has a material adverse impact (economic or otherwise) on Textron; (v) the executive’s willful failure to attempt to perform his or her duties or his or her willful failure to attempt to follow the legal written direction of the Board, which in either case is not remedied within ten (10) days after receipt by the executive of a written notice from Textron specifying the details thereof; or (vi) the executive’s conviction of, or pleading nolo contendere or guilty to, a felony (other than (x) a traffic infraction or (y) vicarious liability solely as a result of his or her position provided the executive did not have actual knowledge of the actions or inactions creating the violation of the law or the executive relied in good faith on the advice of counsel with regard to the legality of such action or inaction (or the advice of other specifically qualified professionals as to the appropriate or proper action or inaction to take with regard to matters which are not matters of legal interpretation)). No action or inaction should be deemed willful if not demonstrably willful and if taken or not taken by the executive in good faith as not being adverse to the best interests of Textron. Reference in this paragraph to Textron shall also include Subsidiaries, and materiality and material adverse impact shall be measured based on the action or inaction and the impact upon, and not the size of, Textron taken as a whole, provided that after a Change of Control, the size of Textron, taken as a whole, shall be a relevant factor in determining materiality and material adverse impact.

“Committee”

“Committee” has the meaning set forth in the Plan. Subject to any amendment to the Plan, the Committee refers to the Organization and Compensation Committee of the Board, any successor committee thereto or any other committee appointed from time to time by the Board to administer the Plan.

“Disability”

“Disability” shall mean the inability of the executive to engage in any substantial gainful activity due to injury, illness, disease, or bodily or mental infirmity which can be expected to result in death or is expected to be permanent, and which results in the executive’s being “disabled” within the meaning of Section 409A(a)(2)(C) of the Internal Revenue Code. An individual shall not be considered disabled unless the executive furnishes proof of the existence thereof. Textron may require the existence or non-existence of a disability to be determined by a physician whose selection is mutually agreed upon by the executive (or his or her representatives) and Textron.

“Good Reason”

“Good Reason” shall mean the existence of one of the following conditions:

- (a) a material diminution in the executive’s base salary;
- (b) a material diminution in the executive’s authority, duties, responsibilities, or status (including offices, titles, and reporting requirements);
- (c) a material diminution in the authority, duties, responsibilities, or status of the supervisor to whom the executive is required to report, including a requirement that the executive report to a corporate officer or employee instead of reporting directly to the Board;
- (d) a material diminution in the budget over which the executive has authority;
- (e) a material change in the geographic location at which the executive must perform services;
- (f) a material change in the aggregate level of participation in any of Textron’s short and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements; (for the avoidance of doubt, not including a plan amendment that does not single out the executive for adverse treatment);
- (g) failure, after a Change of Control, of a successor company to satisfy its obligations under Section 4 (Change of Control);
- (h) failure, after a Change of Control, of a successor company to assume the employer’s obligations under any agreement or letter pursuant to which the executive provides services (the “Employment Agreement”); or
- (i) any other action or inaction that constitutes a material breach by Textron (including its successor) or a Subsidiary of the executive’s Employment Agreement.

A resignation for Good Reason shall occur only if (x) the executive provides notice of the existence of a condition described in the preceding sentence within 90 days after the initial existence of the condition, (y) after receipt of the notice, Textron (or its successor) has a period of 30 days during which it may remedy the condition, and (z) the executive’s resignation is effective as soon as

practicable after the end of the cure period described in the preceding clause (and no later than two years after the Change of Control).

“Performance Period”

For the purposes of this award, the “Performance Period” means the period of three fiscal years identified in the Notice of Award.

“Pro-Rata Portion”

“Pro-Rata Portion” shall mean the number of complete or partial months of the executive’s active service to Textron during the fiscal year divided by 12.

“Retirement”

The executive is eligible for “Retirement” if the executive has attained age 55 and has 10 years of service, as recorded in Textron’s Human Resources Information System of record.

“Six-Month Pay Date”

The “Six-Month Pay Date” is a date determined by Textron that is during the seventh month that starts after the executive’s termination of employment or, if earlier, within 90 days after the executive’s death (or as soon as administratively feasible after Textron is notified of the death).

“Termination of Employment”

“Termination of employment” and similar terms shall mean “separation from service” within the meaning of Section 409A of the Internal Revenue Code.

TEXTRON INC.
PERFORMANCE SHARE UNIT NON-COMPETITION AGREEMENT
(4/2024)

You have been awarded Performance Share Units (“PSUs”) under, and subject to the terms of, the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”). Your PSUs are valuable consideration for your service to Textron over the long-term, including your compliance with the terms of this Performance Share Unit Non-Competition Agreement (the “Agreement”), and Textron’s decision to grant the PSUs to you is conditioned on your agreement to comply with the terms of this Agreement. By accepting the PSUs, you agree that the PSUs are sufficient consideration for the restrictions imposed by this Agreement.

Agreement regarding Your Performance Share Units

1. Forfeiture of PSUs and required repayment if you engage in certain competitive activities

If at any time during the Performance Period (as defined in the Notice of Award of Performance Share Unit and Performance Share Unit Agreement) while you are a Company employee, or during the Post-Employment Restricted Period (as defined in Paragraph 2), you do any of the following activities:

- (a) engage in any business which competes with the Company’s business (as defined in Paragraph 3) within the Restricted Territory (as defined in Paragraph 4); or
- (b) solicit customers, business or orders or sell any products and services (i) in competition with the Company’s business within the Restricted Territory or (ii) for any business, wherever located, that competes with the Company’s business within the Restricted Territory; or
- (c) divert, entice or otherwise take away customers, business or orders of the Company within the Restricted Territory, or attempt to do so; or
- (d) promote or assist, financially or otherwise, any firm, corporation or other entity engaged in any business which competes with the Company’s business within the Restricted Territory;

then your right to receive any payment in respect of Performance Share Units shall be forfeited effective the date you enter into such activity, and you will be required to repay Textron an amount equal to the value of any PSU paid to you from and after the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date. You will be in violation of Paragraph 1 if you engage in any or all of the activities discussed in this Paragraph directly as an individual or indirectly as an employee, representative, consultant or in any other capacity on behalf of any firm, corporation or other entity.

2. **Post-Employment Restricted Period** – Defined for the purpose of Paragraph 1, the Post-Employment Restricted Period means the period from termination of your employment with the Company until the second anniversary of your termination; provided that if an applicable law specifies a shorter maximum period, the Post-Employment Restricted Period will end at the end of the maximum period specified by that law.
3. **Company's business** – For the purpose of this Agreement:
 - (a) the Company shall include Textron and all subsidiary, affiliated and related companies and operations of Textron, and
 - (b) the Company's business shall include the products manufactured, marketed and sold and/or the services provided by any operation of the Company for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and any time during the two-year period prior to such termination.
4. **Restricted Territory** – For the purpose of this Agreement, the Restricted Territory shall be defined as and limited to:
 - (a) the geographic area(s) within a one hundred (100) mile radius of any and all Company location(s) in or for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and at any time during the two-year period prior to such termination; and
 - (b) all of the specific customer accounts, whether within or outside of the geographic area described in (a) above, with which you have had any contact or for which you have had any responsibility (either direct or supervisory), at the time of termination of your employment and at any time during the two-year period prior to such termination.
5. **Forfeiture of PSUs and required repayment if you engage in certain solicitation activities**

If you directly or indirectly solicit or induce or attempt to solicit or induce any employee(s), sales representative(s), agent(s) or consultant(s) of the Company to terminate their employment, representation or other association with the Company, then your right to receive any payment in respect of PSUs shall be forfeited effective the date you enter into such activity and you will be required to repay Textron an amount equal to the value of any PSU paid to you from and after the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date.
6. **Forfeiture of PSUs and required repayment if you disclose confidential information**

You specifically acknowledge that any trade secrets or confidential business and technical information of the Company or its suppliers or customers, whether reduced to writing, maintained on any form of electronic media, or maintained in your mind or memory and whether compiled by you or the Company, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use; that reasonable efforts have been made by the Company to maintain

the secrecy of such information; that such information is the sole property of the Company or its suppliers or customers and that any retention, use or disclosure of such information by you during your employment (except in the course of performing your duties and obligations of employment with the Company) or after termination thereof, shall constitute a misappropriation of the trade secrets of the Company or its suppliers or customers. However, nothing in this Agreement prohibits you from truthfully disclosing information expressly protected or permitted by state or federal law or cooperating in ongoing investigations conducted by any governmental agency or entity. Without limiting the generality of the foregoing, nothing in this Agreement shall limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the U.S. Securities Exchange Act of 1934).

If you directly or indirectly misappropriate any such trade secrets, then your right to receive any payment in respect of PSUs shall be forfeited effective the date you enter into such activity and you will be required to repay Textron an amount equal to the value of any PSU paid to you from and after the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date.

7. **Organization and Compensation Committee Discretion**

You may be released from your obligations under Paragraphs 1, 5 and 6 above only if the Organization and Compensation Committee of the Board of Directors (or its delegate) determines in its sole discretion that such action is in the best interests of Textron.

8. **Severability**

The parties agree that each provision contained in this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity or subject, then such provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the extent compatible with the applicable law.

9. **Right to Consult with Counsel**

You have a right to consult with counsel before signing this Agreement.



**NOTICE OF AWARD OF
SHARE SETTLED RESTRICTED STOCK UNITS
(WITH DIVIDEND EQUIVALENTS)
AND RESTRICTED STOCK UNIT AGREEMENT**

Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), you (the “executive”) have been awarded Restricted Stock Units (“RSUs”), each of which constitutes the right to receive a share of Common Stock of Textron Inc. (a “Share”). This award is governed by the Restricted Stock Unit Terms and Conditions (“Terms and Conditions”) attached hereto and the Plan (available on the Administrator’s website), and is subject to the Restricted Stock Unit Non-Competition Agreement (the “Non-Competition Agreement”) attached hereto.

The RSUs awarded include dividend equivalents. The RSUs will vest at the time, and subject to the conditions, set forth in the Terms and Conditions.

As detailed in the Terms and Conditions, the Shares will generally become issuable to you after the Period of Restriction ends, at the time set forth in the Terms and Conditions, subject to expiration or termination without issuance of Shares as provided in the Terms and Conditions and Non-Competition Agreement.

You must log into your account on the Administrator’s website to view the number of units awarded and the award date, as well as to accept your award. (For annual grants, the number of units is also reflected on your compensation statement.) If you do not accept your award prior to the scheduled vesting date (or prior to the date your employment terminates for any reason, if earlier), your award will be forfeited. Although Textron has completed the steps necessary to grant you this award, you cannot receive any payment under the award unless you accept the award before the deadline.

By your acceptance of this award, you agree that this award is governed by the Terms and Conditions attached hereto and the Plan. In addition, you agree that this award is subject to the Non-Competition Agreement, the terms of which are fully incorporated herein. You acknowledge that you have read and understand these documents as they apply to your awards.

Please be sure to log into your account and accept your award as soon as possible to avoid the risk that your award will be forfeited for non-acceptance.

TEXTRON INC.

**By: /s/ Julie G. Duffy
Julie G. Duffy
Executive Vice President, Human Resources**

TEXTRON INC.
TEXTRON INC. 2024 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT
TERMS AND CONDITIONS
(4/2024)

1. *Award of RSUs.* Pursuant to the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”), Textron has awarded to the executive Restricted Stock Units (“RSUs”), subject to the Terms and Conditions set forth herein. The number of RSUs granted and the award date are recorded on the Administrator’s website for the Plan (and, for annual grants, on the executive’s compensation statement).

2. *Vesting Schedule.* Subject to the Terms and Conditions set forth herein, the RSUs will vest in full, and the Period of Restriction will end, on the third anniversary of the award date.

3. *Settlement.*

(a) If the RSUs were designated as cash-settled RSUs when they were awarded, each RSU constitutes the right to receive a cash payment equal to the fair market value of one Share. The fair market value of a Share equals the per-share closing price of Textron’s Common Stock, as reported on the New York Stock Exchange, on the date that the Period of Restriction ends. When the Period of Restriction ends, Textron will pay to the executive the cash amount for the vested RSUs, subject to required tax withholding. Except as otherwise provided in Section 4 (Termination of Employment), such cash payment shall be made within thirty (30) days after the Period of Restriction ends.

(b) If the RSUs were not designated as cash-settled RSUs when they were awarded, Textron will issue to the executive a number of Shares equal to the number of vested RSUs, less the number of Shares needed to satisfy required tax withholding. Except as otherwise provided in Section 4 (Termination of Employment), such Shares shall be delivered within thirty (30) days after the Period of Restriction ends. Shares may be issued in the form of a certificate or a notification to the executive that the Shares are held in a book-entry account on the executive’s behalf. Fractional Shares may be paid in cash.

4. *Termination of Employment.* If the executive’s employment with Textron and its Subsidiaries ends for any reason before the end of the Period of Restriction, the executive shall forfeit all RSUs (and, as a result, shall forfeit all Shares and cash that may otherwise have been delivered or paid pursuant to such RSUs), subject to the following:

(a) If the executive’s employment with Textron terminates for Cause, the executive shall forfeit all RSUs (and, as a result, shall forfeit all Shares and cash that may otherwise have been delivered or paid pursuant to such RSUs).

(b) If the executive’s employment terminates (other than for Cause) after the executive has become eligible for Retirement, the executive will remain eligible to receive cash or Shares (as applicable) after the Period of Restriction, as if the executive’s employment had not

terminated (but subject to forfeiture in accordance with the Non-Competition Agreement); provided, however, that if the executive's employment terminates within two years after a Change of Control, the payment schedule set forth in subsection (d), below, shall apply.

(c) If the executive becomes Disabled or dies, the Period of Restriction for all outstanding RSUs shall end immediately. In such instance, Textron shall issue Shares or make a cash payment, as applicable, to the executive (or, in the case of death, to the executive's Beneficiary) within 30 days after the executive's Disability or death or as soon as administratively feasible (*i.e.*, after Textron is notified of the Disability or death). The amount of the cash payment for a cash-settled RSU shall be determined based on the closing price of Textron's Common Stock, as reported on the New York Stock Exchange, on the first business day after the executive's Disability or death. The amount payable (or Shares deliverable) for RSUs shall not be adjusted for any delay caused by time needed to validate the executive's status as Disabled or dead, or to authenticate a Beneficiary.

(d) If, within two years after a Change of Control, the executive's employment ends due to involuntary termination without Cause or resignation for Good Reason, the Period of Restriction for all RSUs shall end immediately. In such instance, Textron shall deliver Shares or make a cash payment, as applicable, to the executive (or, in the case of death, to the executive's Beneficiary) on the Six-Month Pay Date. If the RSUs are settled in cash, the amount of cash payable on the Six-Month Pay Date shall be determined based on the closing price of Textron's Common Stock (or the successor thereto) on the last business day of the last calendar month that ends before the Six-Month Pay Date; provided, however, that if it is not feasible to calculate the closing price as of the last business day of such month, the amount of cash shall be determined based on the last price available.

5. *Change of Control.* If a Change of Control occurs, a successor to Textron shall either assume Textron's obligations with respect to the RSUs or replace this RSU award with a cash or equity-based award that materially preserves the RSU award's value and has vesting and payment schedules (including acceleration events) that are no less favorable to the executive than the schedule in effect immediately before the Change of Control. If this RSU award is not assumed or replaced in accordance with the immediately preceding sentence, the RSUs shall be fully vested, non-forfeitable, and payable; provided that payment shall not be accelerated if accelerating payment would violate a requirement of Section 409A of the Internal Revenue Code.

6. *Corporate Changes.* The number of RSUs awarded to the executive hereunder shall be equitably adjusted as determined by the Committee in the event of a stock split, reverse stock split, stock dividend, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, extraordinary cash dividend, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares, or any other corporate event or distribution of stock or property of the Company affecting the Common Stock, in order to preserve the benefits or potential benefits intended to be made available to the executive.

7. *No Right to Employment.* Nothing in these Terms and Conditions shall confer upon the executive the right to continue in the employment of Textron or any Subsidiary or affect any right that Textron or any Subsidiary may have to terminate the employment of the executive.

8. *Non-Assignability of RSUs.* The RSUs shall not be assignable or transferable by the executive, except to the extent expressly permitted by the Plan. Tax withholding with respect to any

RSU that is transferred or assigned shall be determined by Textron in accordance with applicable law (which may require the executive to pay taxes with respect to a transferred RSU). Any Shares issued under an RSU, once issued to the executive, shall be freely transferable.

9. *Voting.* The executive shall not have voting or other shareholder rights with respect to the Shares underlying RSUs before the Shares are issued (if applicable) to the executive.

10. *Dividend Equivalents.* If (and only if) the executive's award of RSUs includes dividend equivalents, the award shall entitle the executive to receive an amount equal to any cash dividend declared with respect to the number of Shares represented by those RSUs, but only to the extent that the RSUs have not been issued as Shares, converted to a cash payment amount, or terminated or forfeited before the record date for such dividend. The dividend equivalents shall be reduced by the amount of any required tax withholding, and the net amount shall be paid in cash to the executive. Notwithstanding the foregoing, (i) in no event will dividend equivalents be paid in respect of any RSUs that are not yet vested and (ii) dividend equivalents credited in respect of RSUs that are not yet vested shall be subject to the same restrictions and risk of forfeiture as the underlying Award, and (if vested) shall be paid or settled at the same time as Shares for which they were credited are paid or settled under the Award.

11. *Clawback.* The RSUs shall be subject to the clawback provision set forth in the Plan and any other clawback policies and procedures of Textron, as in effect and as amended from time to time.

12. *Administration.* In accordance with the Plan, the Committee may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or to one or more officers or employees of Textron.

13. *Withholding Taxes.* All payments and delivery of Shares with respect to RSUs shall be subject to tax withholding. Textron shall have the right to withhold cash or Shares (as applicable) from any payment or delivery to the extent that Textron determines is necessary to satisfy all tax and other withholding requirements. Regardless of the amount withheld or reported, the executive is solely responsible for all taxes in respect of the RSUs (including tax on imputed income) except the employer's share of employment taxes.

14. *Section 409A.* The terms and conditions of the RSUs shall be interpreted in a manner consistent with the intent to be exempt from or comply with the requirements of Section 409A of the Internal Revenue Code. For example, the phrase "as soon as practicable" and similar phrases with respect to payment dates shall be interpreted and administered consistent with the intent that, subject to the executive (or Beneficiary) providing all required information, payment shall not be delayed beyond the latest date permitted by Section 409A. For purposes of Section 409A, each installment in any series of installment payments (or deliveries of Shares) shall be treated as a separate payment.

15. *RSUs Subject to Plan.* The RSUs shall be subject to the terms and conditions of the Plan in all respects. In the case of RSUs awarded under a long-term incentive plan other than the Textron Inc. 2024 Long-Term Incentive Plan, the term "Plan" as used in these Terms and Conditions shall refer to the plan under which the RSUs were awarded. Each term that is used but not defined herein shall have the meaning set forth in the Plan.

16. *Personal Information.* Textron adheres to strict data privacy principles to protect personal data as set forth in the Textron Personal Data Protection Policy and, for California residents, Privacy Notice for Job Applicants, Employees, Contractors and Other Textron Personnel. Copies of the Policy and Notice are available on Textron's employee intranet or may be obtained from Textron's Human Resources.

DEFINITIONS

“Administrator”

“Administrator” shall mean the third-party administrator appointed by Textron. As of the date of grant of this award, the Administrator is Fidelity Stock Plan Services.

“Beneficiary”

“Beneficiary” shall mean the beneficiary, if any, designated by the executive on a form that (i) is acceptable to Textron, (ii) references the RSUs or the Plan, and (iii) is delivered to Textron or its designee before the executive’s death, or, if none, the executive’s estate.

“Cause”

“Cause” shall mean: (i) an act or acts of willful misrepresentation, fraud, or willful dishonesty (other than good faith expense account disputes) by the executive which in any case is intended to result in his or her or another person or entity’s substantial personal enrichment at the expense of Textron; (ii) any willful misconduct by the executive with regard to Textron, its business, assets, or employees that has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iii) any material, willful, and knowing violation by the executive of (x) Textron’s Business Conduct Guidelines, or (y) any of his or her fiduciary duties to Textron which in either case has, or was intended to have, a material adverse impact (economic or otherwise) on Textron; (iv) the willful or reckless behavior of the executive with regard to a matter of a material nature which has a material adverse impact (economic or otherwise) on Textron; (v) the executive’s willful failure to attempt to perform his or her duties or his or her willful failure to attempt to follow the legal written direction of the Board, which in either case is not remedied within ten (10) days after receipt by the executive of a written notice from Textron specifying the details thereof; or (vi) the executive’s conviction of, or pleading nolo contendere or guilty to, a felony (other than (x) a traffic infraction or (y) vicarious liability solely as a result of his or her position provided the executive did not have actual knowledge of the actions or in actions creating the violation of the law or the executive relied in good faith on the advice of counsel with regard to the legality of such action or inaction (or the advice of other specifically qualified professionals as to the appropriate or proper action or inaction to take with regard to matters which are not matters of legal interpretation)). No action or inaction should be deemed willful if not demonstrably willful and if taken or not taken by the executive in good faith as not being adverse to the best interests of Textron. Reference in this paragraph to Textron shall also include Subsidiaries, and materiality and material adverse impact shall be measured based on the action or inaction and the impact upon, and not the size of, Textron taken as a whole, provided that after a Change of Control, the size of Textron, taken as a whole, shall be a relevant factor in determining materiality and material adverse impact.

“Committee”

“Committee” has the meaning set forth in the Plan. Subject to any amendment to the Plan, the Committee refers to the Organization and Compensation Committee of the Board, any successor committee thereto or any other committee appointed from time to time by the Board to administer the Plan.

“Disability”

“Disability” shall mean the inability of the executive to engage in any substantial gainful activity due to injury, illness, disease, or bodily or mental infirmity which can be expected to result in death or is expected to be permanent, and which results in the executive’s being “disabled” within the meaning of Section 409A(a)(2)(C) of the Internal Revenue Code. An individual shall not be considered disabled unless the executive furnishes proof of the existence thereof. Textron may require the existence or non-existence of a disability to be determined by a physician whose selection is mutually agreed upon by the executive (or his or her representatives) and Textron.

“Good Reason”

“Good Reason” shall mean the existence of one of the following conditions:

- (a) a material diminution in the executive’s base salary;
- (b) a material diminution in the executive’s authority, duties, responsibilities, or status (including offices, titles, and reporting requirements);
- (c) a material diminution in the authority, duties, responsibilities, or status of the supervisor to whom the executive is required to report, including a requirement that the executive report to a corporate officer or employee instead of reporting directly to the Board;
- (d) a material diminution in the budget over which the executive has authority;
- (e) a material change in the geographic location at which the executive must perform services;
- (f) a material change in the aggregate level of participation in any of Textron’s short and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements (for the avoidance of doubt, not including a plan amendment that does not single out the executive for adverse treatment);
- (g) failure, after a Change of Control, of a successor company to satisfy its obligations under Section 5 (Change of Control);
- (h) failure, after a Change of Control, of a successor company to assume the employer’s obligations under any agreement or letter pursuant to which the executive provides services (the “Employment Agreement”); or
- (i) any other action or inaction that constitutes a material breach by Textron (including its successor) or a Subsidiary of the executive’s Employment Agreement.

A resignation for Good Reason shall occur only if (x) the executive provides notice of the existence of a condition described in the preceding sentence within 90 days after the initial existence of the condition, (y) after receipt of the notice, Textron (or its successor) has a period of 30 days during which it may remedy the condition, and (z) the executive’s resignation is effective as soon as practicable after the end of the cure period described in the preceding clause (and no later than two years after the Change of Control).

“Period of Restriction”

The “Period of Restriction” means, for any RSU, the period prior to the date on which such RSU vests and the holder becomes entitled to a Share or a cash payment in respect thereof. The Period of

Restriction shall not be deemed to have ended solely because the executive becomes eligible for Retirement.

“Retirement”

The executive is eligible for “Retirement” if the executive has attained age 55 and has 10 years of service, as recorded in Textron’s Human Resources Information System of record.

“Six-Month Pay Date”

The “Six-Month Pay Date” is a date determined by Textron that is during the seventh month that starts after the executive’s termination of employment or, if earlier, within 90 days after the executive’s death (or as soon as administratively feasible after Textron is notified of the death).

“Termination of Employment”

“Termination of employment” and similar terms shall mean “separation from service” within the meaning of Section 409A of the Internal Revenue Code.

TEXTRON INC.
RESTRICTED STOCK UNIT NON-COMPETITION AGREEMENT
(4/2024)

You have been awarded Restricted Stock Units (“RSUs”) under, and subject to the terms of, the Textron Inc. 2024 Long-Term Incentive Plan (the “Plan”). Your RSUs are valuable consideration for your service to Textron over the long-term, including your compliance with the terms of this Restricted Stock Unit Non-Competition Agreement (the “Agreement”), and Textron’s decision to grant the RSUs to you is conditioned on your agreement to comply with the terms of this Agreement. By accepting the RSUs, you agree that the RSUs are sufficient consideration for the restrictions imposed by this Agreement.

Agreement regarding Your Restricted Stock Units

1. Forfeiture of RSUs and required repayment if you engage in certain competitive activities

If at any time during the Period of Restriction (as defined in the Notice of Award) while you are a Company employee, or during the Post-Employment Restricted Period (as defined in Paragraph 2), you do any of the following activities:

- (a) engage in any business which competes with the Company’s business (as defined in Paragraph 3) within the Restricted Territory (as defined in Paragraph 4); or
- (b) solicit customers, business or orders or sell any products and services (i) in competition with the Company’s business within the Restricted Territory or (ii) for any business, wherever located, that competes with the Company’s business within the Restricted Territory; or
- (c) divert, entice or otherwise take away customers, business or orders of the Company within the Restricted Territory, or attempt to do so; or
- (d) promote or assist, financially or otherwise, any firm, corporation or other entity engaged in any business which competes with the Company’s business within the Restricted Territory;

then your right to receive any Shares or cash payment in respect of the RSUs shall be forfeited effective the date you enter into such activity, and you will be required to repay Textron an amount equal to any amount that was included in your gross income for federal income tax purposes in respect of the RSUs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date. You shall make the repayment described in the preceding sentence in cash unless the Organization and Compensation Committee of the Board of Directors or its delegate requires, in its discretion, that you deliver Shares with a fair market value (based on the closing price on the last business day before repayment date) equal to the repayment amount. You will be in violation of Paragraph 1 if you engage in any or all of the activities discussed in this Paragraph directly as an individual or indirectly as an employee, representative, consultant or in any other capacity on behalf of any firm, corporation or other entity.

2. **Post-Employment Restricted Period** – Defined for the purpose of Paragraph 1, the Post-Employment Restricted Period means the period from termination of your employment with the Company until the second anniversary of your termination; provided that if an applicable law specifies a shorter maximum period, the Post-Employment Restricted Period will end at the end of the maximum period specified by that law.
3. **Company's business** – For the purpose of this Agreement:
- (a) the Company shall include Textron and all subsidiary, affiliated and related companies and operations of Textron, and
 - (b) the Company's business shall include the products manufactured, marketed and sold and/or the services provided by any operation of the Company for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and any time during the two-year period prior to such termination.
4. **Restricted Territory** – For the purpose of this Agreement, the Restricted Territory shall be defined as and limited to:
- (a) the geographic area(s) within a one hundred (100) mile radius of any and all Company location(s) in or for which you have worked or to which you were assigned or had responsibility (either direct or supervisory), at the time of the termination of your employment and at any time during the two-year period prior to such termination; and
 - (b) all of the specific customer accounts, whether within or outside of the geographic area described in (a) above, with which you have had any contact or for which you have had any responsibility (either direct or supervisory), at the time of termination of your employment and at any time during the two-year period prior to such termination.
5. **Forfeiture of RSUs and required repayment if you engage in certain solicitation activities**
If you directly or indirectly solicit or induce or attempt to solicit or induce any employee(s), sales representative(s), agent(s) or consultant(s) of the Company to terminate their employment, representation or other association with the Company, then your right to receive any Shares or cash payment in respect of the RSUs shall be forfeited effective as of the date you enter into such activity, and you will be required to repay Textron an amount equal to any amount that was included in your gross income for federal income tax purposes in respect of the RSUs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date. You shall make the repayment described in the preceding sentence in cash unless the Organization and Compensation Committee of the Board of Directors or its delegate requires, in its discretion, that you deliver Shares with a fair market value (based on the closing price on the last business day before repayment date) equal to the repayment amount.

6. Forfeiture of RSUs and required repayment if you disclose confidential information

You specifically acknowledge that any trade secrets or confidential business and technical information of the Company or its suppliers or customers, whether reduced to writing, maintained on any form of electronic media, or maintained in your mind or memory and whether compiled by you or the Company, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use; that reasonable efforts have been made by the Company to maintain the secrecy of such information; that such information is the sole property of the Company or its suppliers or customers and that any retention, use or disclosure of such information by you during your employment (except in the course of performing your duties and obligations of employment with the Company) or after termination thereof, shall constitute a misappropriation of the trade secrets of the Company or its suppliers or customers. However, nothing in this Agreement prohibits you from truthfully disclosing information expressly protected or permitted by state or federal law or cooperating in ongoing investigations conducted by any governmental agency or entity. Without limiting the generality of the foregoing, nothing in this Agreement shall limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the U.S. Securities Exchange Act of 1934).

If you directly or indirectly misappropriate any such trade secrets, then your right to receive any Shares or cash payment in respect of the RSUs shall be forfeited effective the date you enter into such activity, and you will be required to repay Textron an amount equal to any amount that was included in your gross income for federal income tax purposes in respect of the RSUs on the date beginning 180 days prior to the earlier of (a) your termination of employment or (b) the date you engage in such activity, or at any time after such date. You shall make the repayment described in the preceding sentence in cash unless the Organization and Compensation Committee of the Board of Directors or its delegate requires, in its discretion, that you deliver Shares with a fair market value (based on the closing price on the last business day before repayment date) equal to the repayment amount.

7. Organization and Compensation Committee Discretion

You may be released from your obligations under Paragraphs 1, 5 and 6 above only if the Organization and Compensation Committee of the Board of Directors (or its delegate) determines in its sole discretion that such action is in the best interests of Textron.

8. Severability

The parties agree that each provision contained in this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity or subject, then such provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the extent compatible with the applicable law.

9. Right to Consult with Counsel

You have a right to consult with counsel before signing this Agreement.

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Scott C. Donnelly, Chairman, President and Chief Executive Officer of Textron Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Textron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ Scott C. Donnelly

Scott C. Donnelly
Chairman, President and Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Rosenberg, Executive Vice President and Chief Financial Officer of Textron Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Textron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ David Rosenberg

David Rosenberg
Executive Vice President and Chief Financial Officer

TEXTRON INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Textron Inc. (the "Company") on Form 10-Q for the period ended March 29, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott C. Donnelly, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2025

/s/ Scott C. Donnelly
Scott C. Donnelly
Chairman, President and Chief Executive Officer

TEXTRON INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Textron Inc. (the "Company") on Form 10-Q for the period ended March 29, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Rosenberg, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2025

/s/ David Rosenberg
David Rosenberg
Executive Vice President and Chief Financial Officer