



Raytheon
Technologies

Switzerland Bodlup GR 'Patriot' Offset Program Overview Webcast

11 May 2023

Agenda

Welcome by Swiss ASD <i>Matthias Zoller, Secretary General</i>	14:00 – 14:05
Raytheon Technologies Introduction and Company Overview <i>Ryan Albert, Switzerland Patriot Offset Program Director</i>	14:05 – 14:15
Supplier Sourcing Strategy & Development Process <i>Andrew St. Hilaire, International Supply Chain Strategy – Europe</i>	14:15 – 14:35
Bodlup GR “Patriot” Offset Program Introduction	14:35 – 14:45
RUAG Presentation <i>Thomas Imboden, Strategic Procurement</i>	14:45 – 14:50
Rheinmetall Presentation <i>Tanja Schneider, Head of Procurement</i>	14:50 – 14:55
Raytheon approach for future indirect opportunities	14:55 – 15:05
Questions & Answers	15:05 – 15:25

Raytheon Technologies is the world's largest aerospace and defense company. Our global team of 180,000+ employees pushes the limits of known science and redefines how we connect and protect our world. We are advancing aviation, building smarter defense systems and creating innovations to take us deeper into space.

180,000+

employees

\$67.1 B

net sales
(2022)

Our businesses



Our key capabilities

**Actuation, cargo, landing
and propeller systems**

Advanced structures

**Aircraft engines and
auxiliary power systems**

Aircraft interiors

Avionics

**Connected aviation
solutions**

Cybersecurity

Data analytics

**Integrated air & missile
defense**

Mission systems

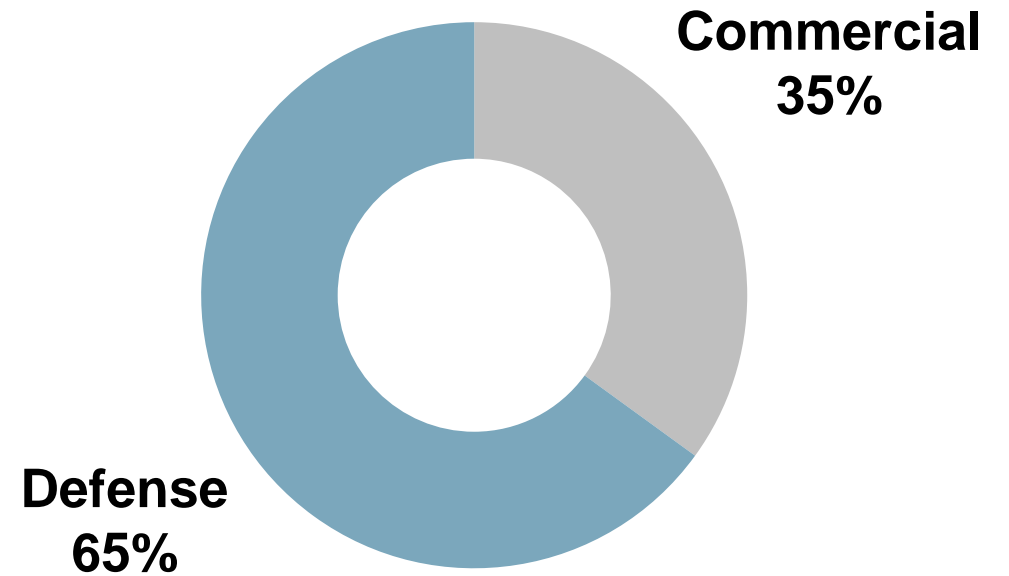
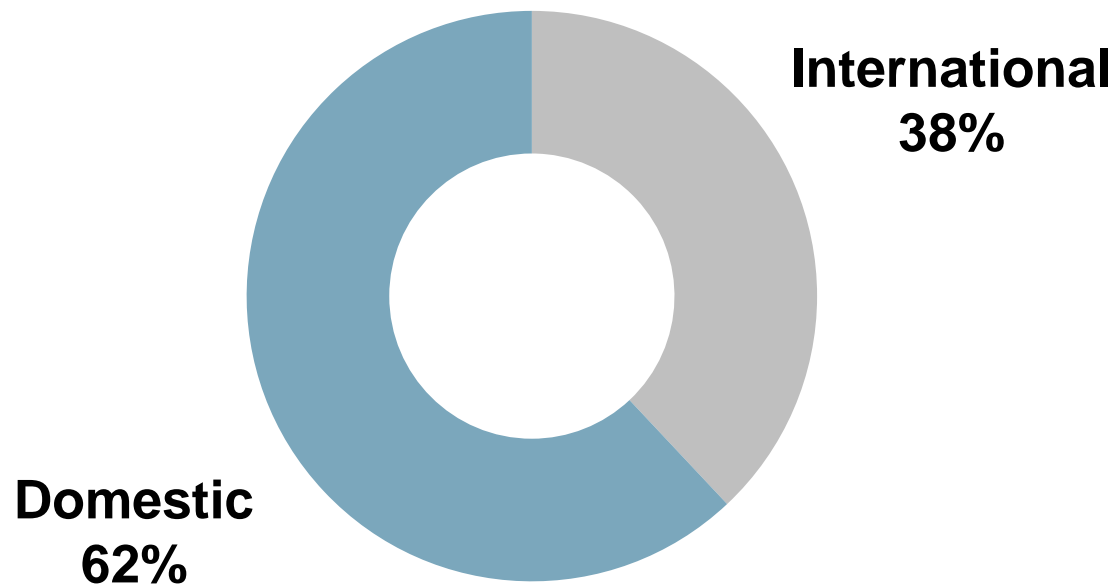
Power and controls

Precision effects

**Systems integration
and sensors**



Raytheon Technologies – Sales Mix*



**2020 Proforma*

A high technology aerospace and defense systems provider

Raytheon Missiles & Defense



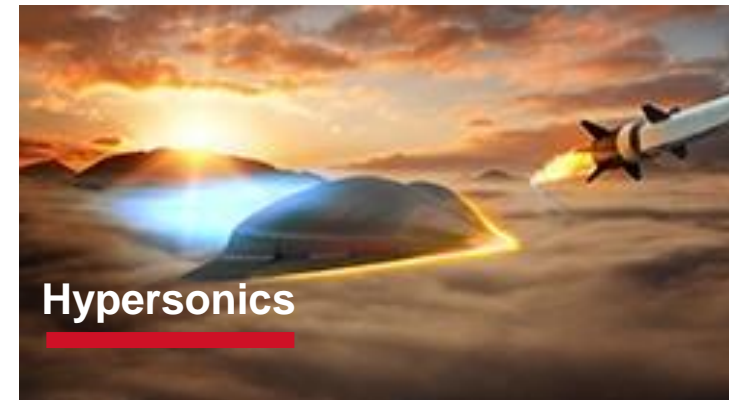
Air Power

Defending the skies depends on the most advanced, combat-proven effectors and ground-based sensors.



Counter-UAS

Defending against drones requires a range of systems, including sensors and effectors.



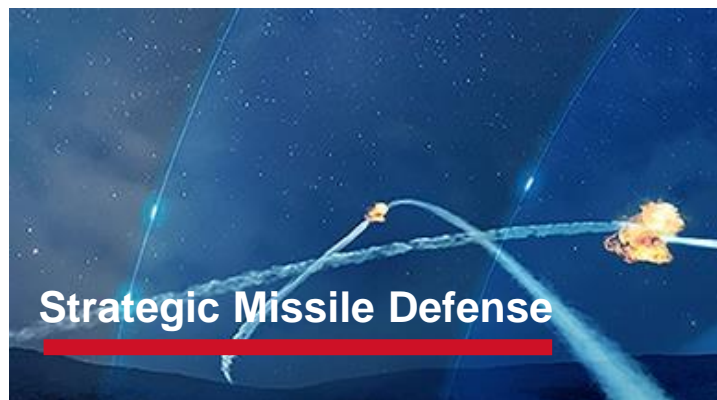
Hypersonics

Facing global threats of the future requires hypersonic weapons that travel at incredible speeds.



Land Warfare & Air Defense

Defending against advanced threats requires proven solutions, from precision weapons to integrated air and missile defense.



Strategic Missile Defense

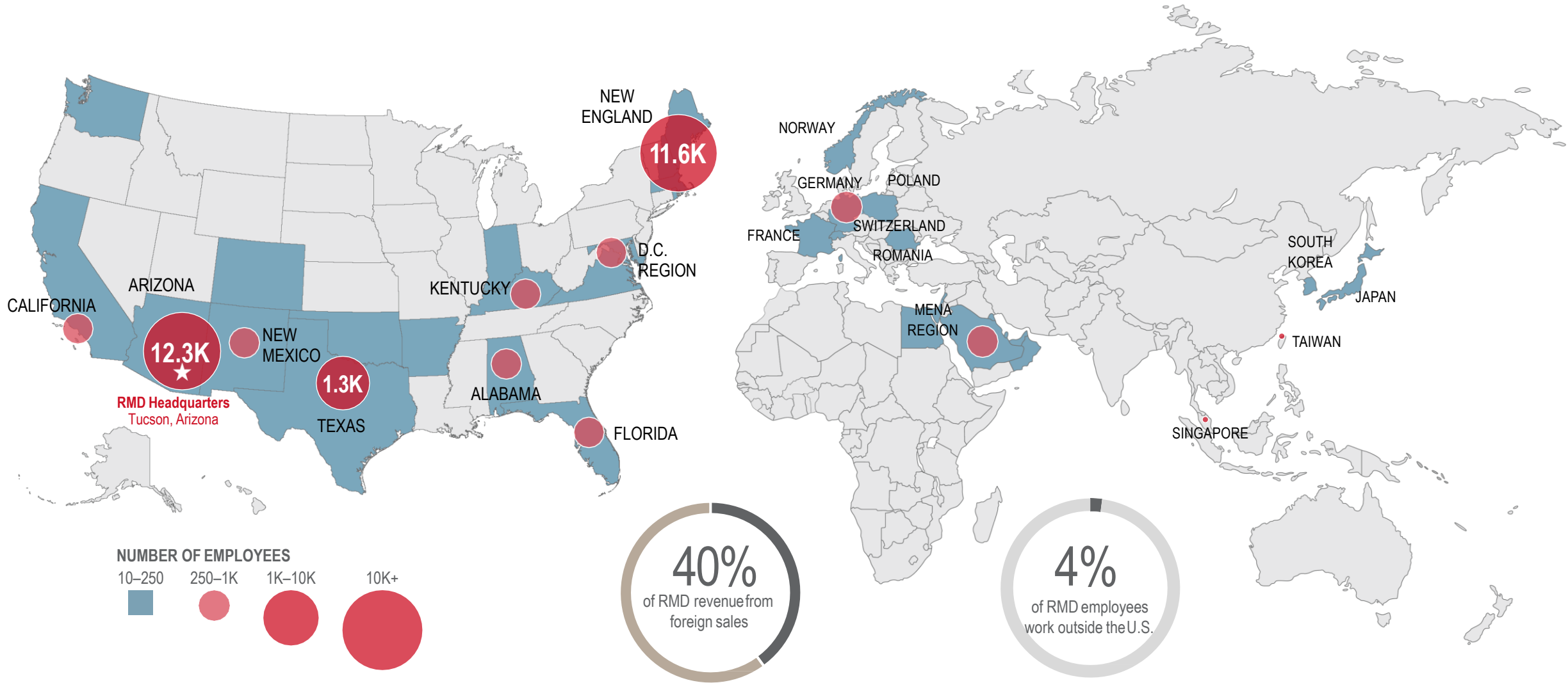
Making the world a safer place requires technologies that see farther, process data faster and precisely guide interceptors to targets.



Naval Power

Maintaining freedom of the seas calls for innovative sensors, command and control and precision weapons.

Raytheon Missiles & Defense : Where we are



Raytheon Technologies product supply chain spend

\$21.4 billion

annual spend

14,000+

suppliers



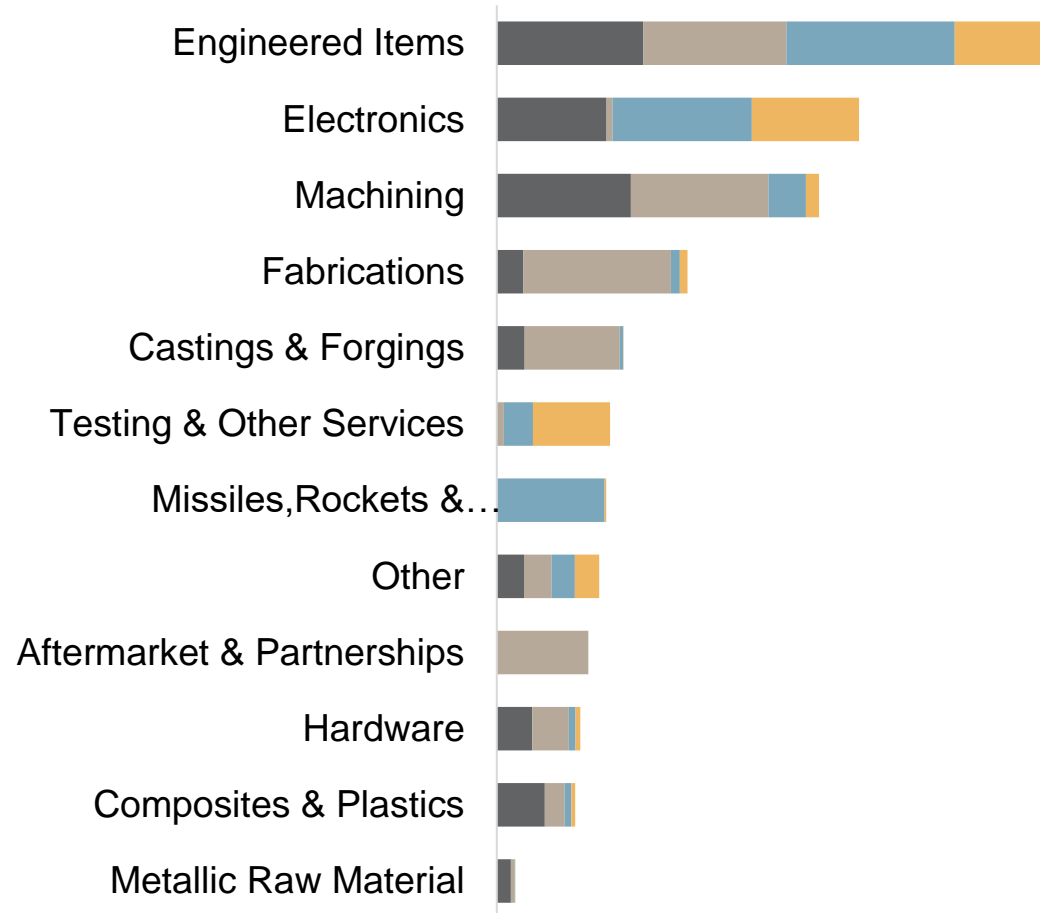
Spend by Business Unit

Collins Aerospace

Pratt & Whitney

Raytheon Missiles & Defense

Raytheon Intelligence & Space



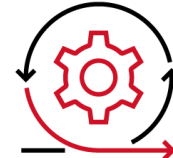
Raytheon Technologies Supply Chain: Priorities

Efficiency

Cost | Operations | Tools



Execute on identified cost reductions



Align commodity strategies



Deploy tools to drive improvements

Performance

Delivery | Quality | Engagement

Performance+

Partnering for a Stronger Future

Performance+ program



Aligned performance metrics



Supplier engagements

Collaboration

Cyber Threats | Risk | Diversity



Cybersecurity



Proactively manage risk



Supplier diversity

Leverage CORE Operating System to drive performance and process alignment

Preferred supplier requirements



Operational excellence

- ISO9001, AS9100 or equivalent
- Production Part Approval Process (PPAP) per AS9145 if applicable
- Advanced Product Quality Planning (APQP)



Innovative, cost-effective solutions

- Cost reduction initiatives



Pro-active risk management



Long-term agreements

- Partnership vs. one-off projects



Collaboration

- Supplier assessments, gap analysis
- Special process audits: painting, welding, brazing NADCAP: plating, surface finish, heat treatment



Visibility into production & inventory



Dedicated lines/facilities



Sustainability

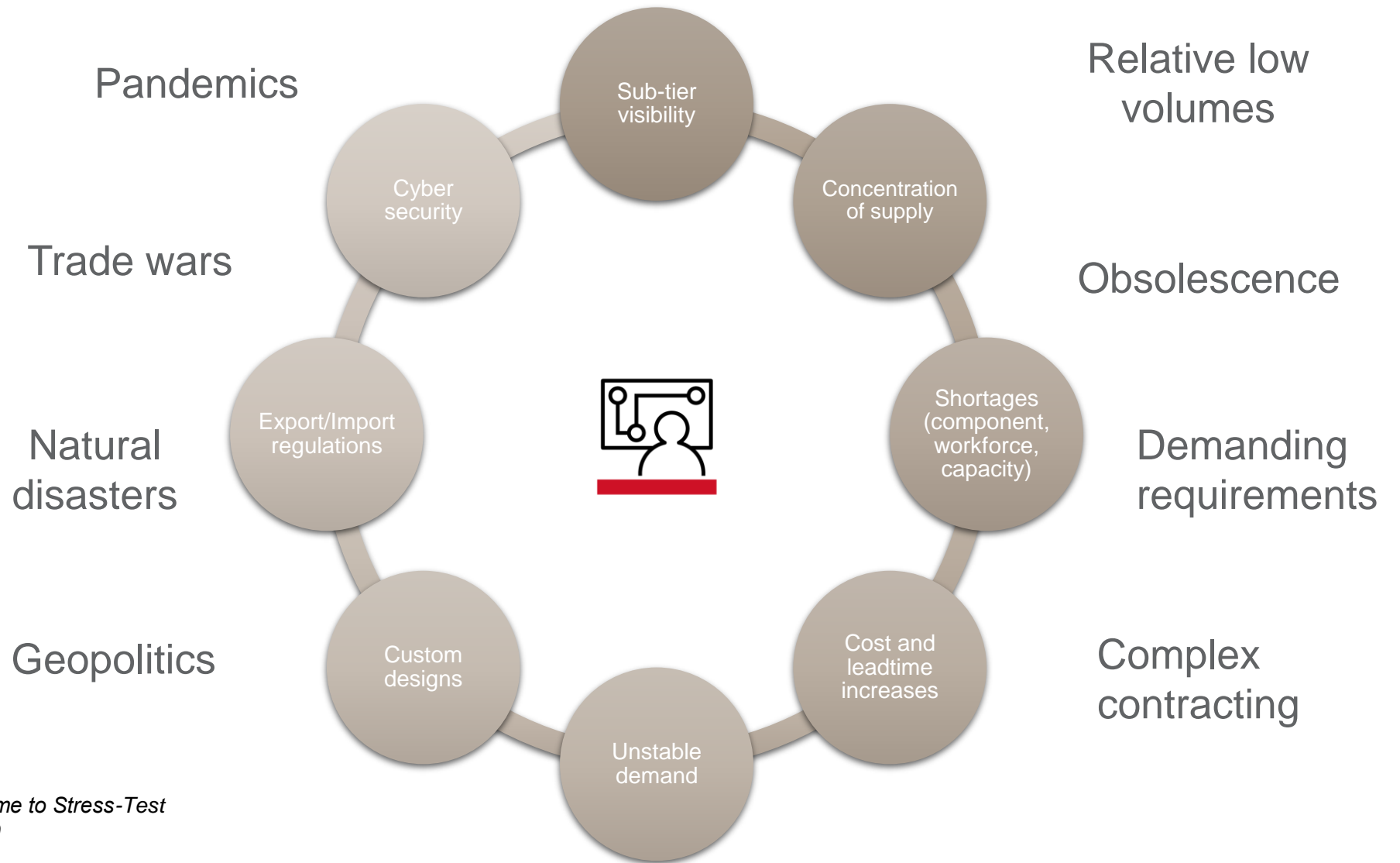
Supply management challenges

Avg.
aerospace
company*

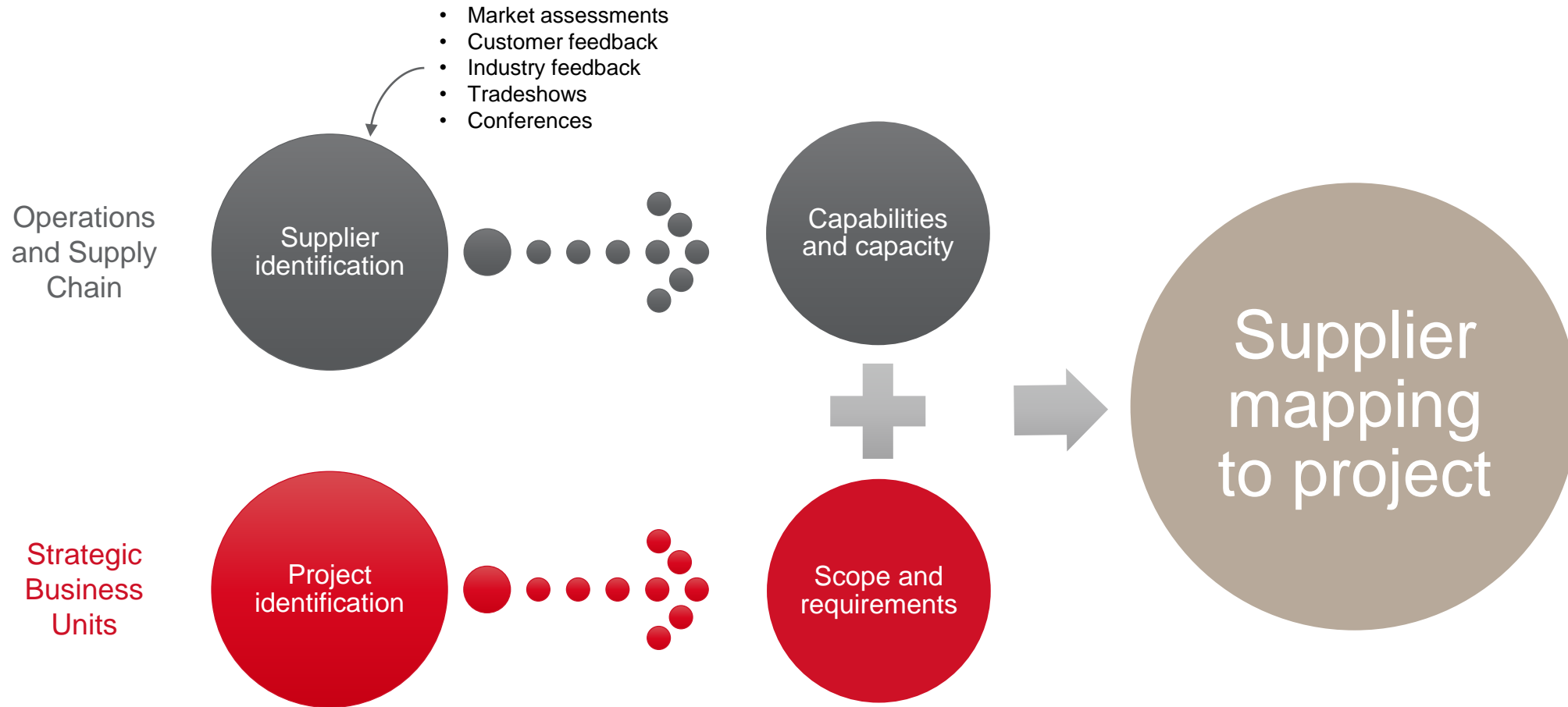
200+
1st tier
suppliers*

12K+
2nd + 3rd
tiers*

**McKinsey & Company. "Why Now is the Time to Stress-Test Your Industrial Supply Chain." 27 July 2020*

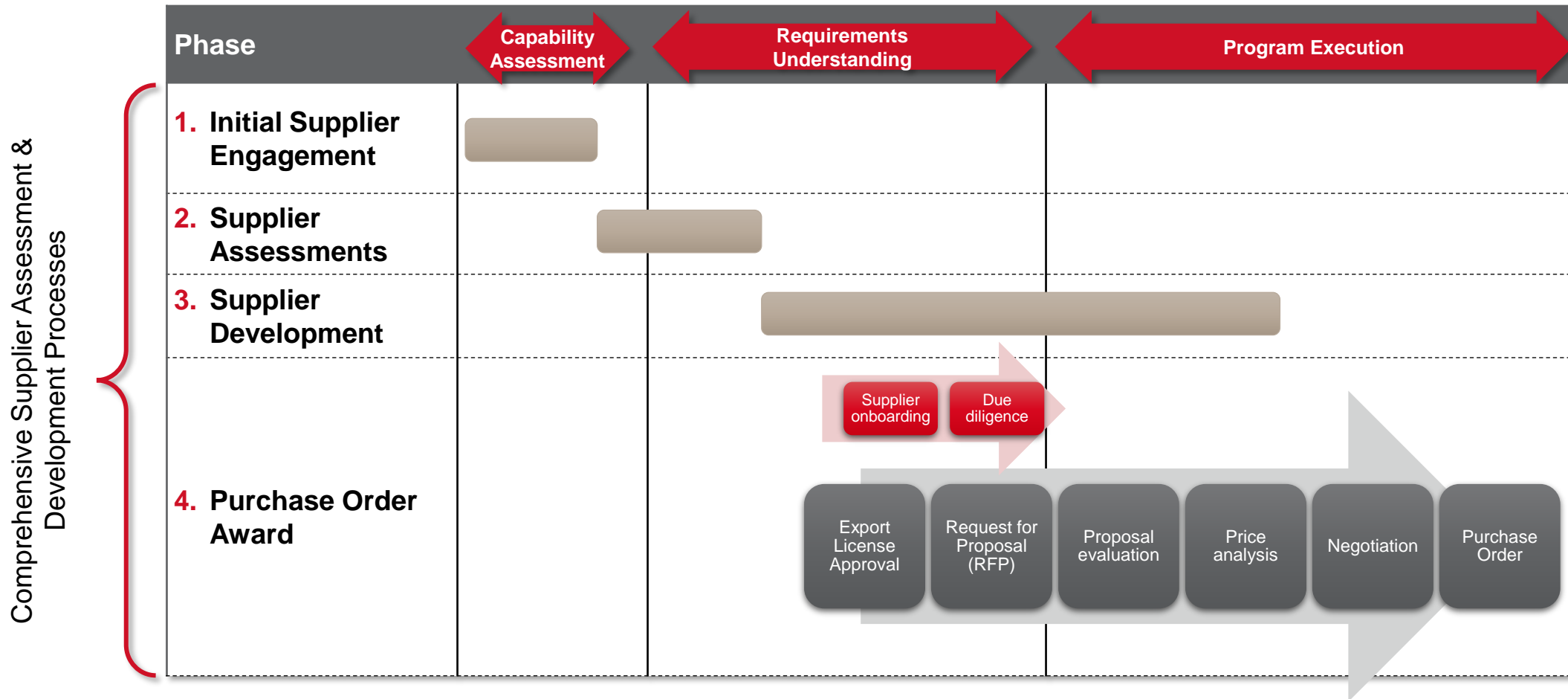


Supplier mapping to projects



Supplier's capabilities mapped to specific project requirements (technical, cost, schedule, etc.)

Supplier engagement and development



Disciplined approach to ensure execution readiness and success

Offset project successes

Industry diversification

- Circuit card assemblies for two types of missiles
- Resulted in business expansion into defense industry
- Future potential to work on circuit cards and electro-mechanical assemblies for radar systems



Enhanced new capabilities

- Precision machining components for radars
- Flight components for missile
- Furthered business initial entry into defense business
- Developed new capabilities to manufacture and test critical flight components for missiles



New business processes

- Added defense capability to provide high-complexity power solution for radars
 - Knowledge transfer and manufacturing readiness
 - Set up a United States Department of Defense compliant proposal, Material Requirements Planning, and financial reporting system
- Future potential to maintain and sustain radar power systems

Sustainable offset projects in diverse sectors

Bodlöv GR Offset Program Introduction

3 April 2023

Raytheon Technologies awarded \$1.2 billion contract to provide Patriot air defense system to Switzerland USA - English

NEWS PROVIDED BY
Raytheon Technologies →
Apr 03, 2023, 08:00 ET

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ARLINGTON, Va., April 3, 2023 /PRNewswire/ -- Raytheon Technologies (NYSE: RTX) was awarded a \$1.2 billion foreign military sales contract from the U.S. Army to provide Switzerland with the Patriot™ air defense system. With the sale, Switzerland becomes the 18th global Patriot partner and the eighth European country to choose the system as the backbone of their air defense.

The contract includes five Patriot fire units and a quantity of Guidance Enhanced Missiles, known as GEM-T. The missile is proven to defeat tactical ballistic missiles, cruise missiles and enemy aircraft.

"Designed specifically to counter today's threats, Patriot is the proven, reliable ground-based air defense capability for the U.S. Army and now 17 international countries," said Tom Laliberty, president of Land Warfare & Air Defense at Raytheon. "Switzerland now joins this Global Patriot user community and will benefit from unparalleled commonality, cooperation, experience and cost sharing over the weapon system's life cycle."

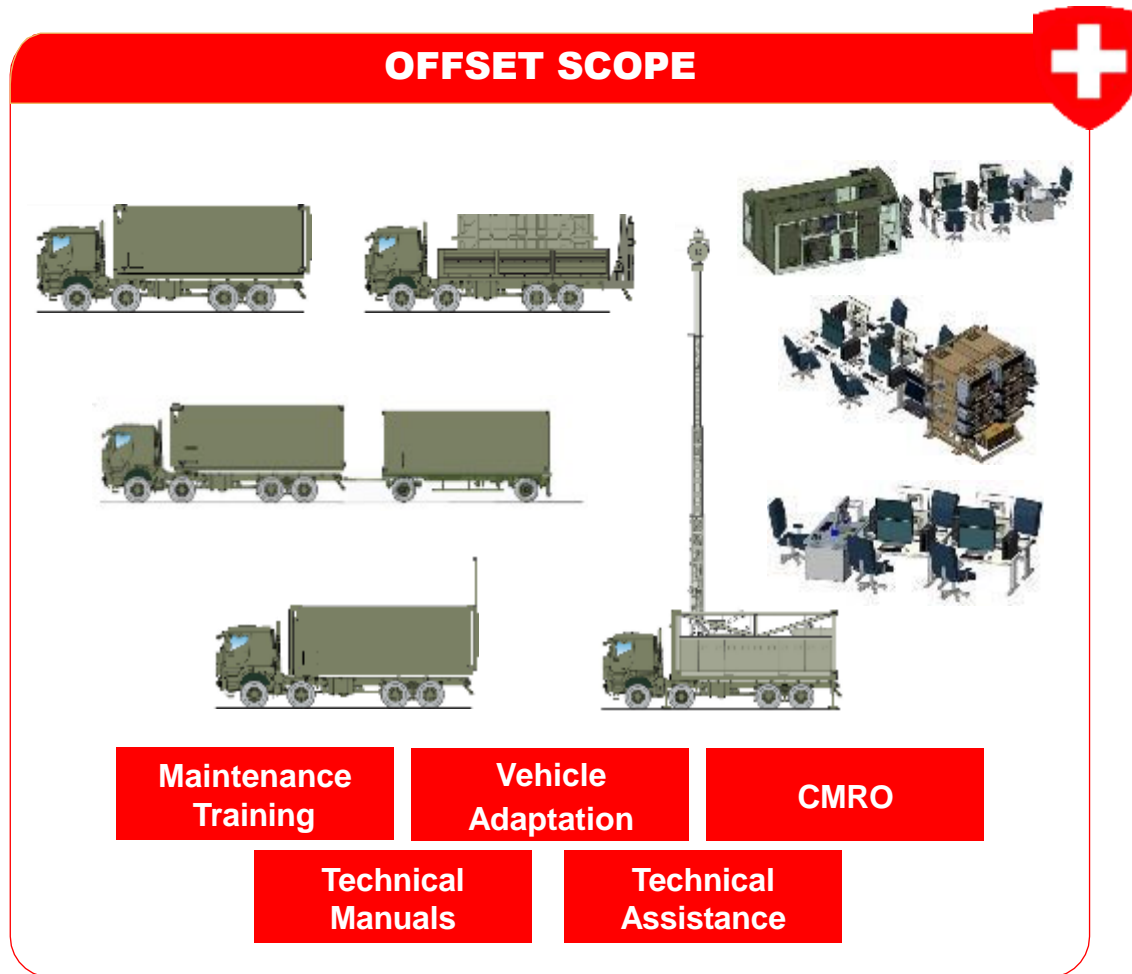
The Patriot offer for Switzerland included projects for local industry participation. Raytheon will work



Program Overview

- (5) Patriot fire units and a quantity of Guidance Enhanced Missiles, known as 'GEM-T'
- Switzerland is the 18th global Patriot partner and the 8th European country to select the air defense system
- Offset Requirement
Total Offset = 100%
 - Direct Swiss offset exceeding 20%
 - Period of Performance through 2034
- Direct Offset enables autonomy, providing Swiss Armed Forces & Swiss industry with organic sustainment capability

Swiss Patriot 'Bodluf GR' Direct Offset Program



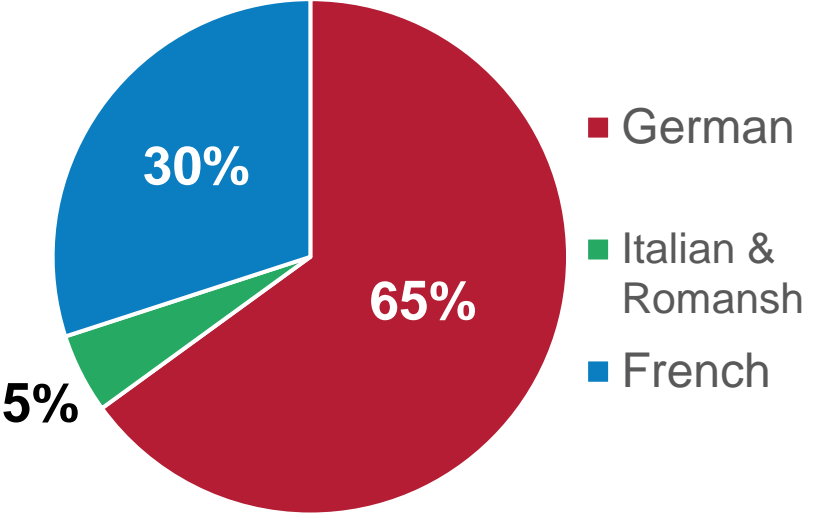
Project Description Overview

- Operator & Support shelter design and build
- RF relay design and build
- Patriot parts repair (CMRO) at RUAG
- Patriot Maintenance Trainer (PMT) production
- Vehicle mounting and adaptation
- Technical publications

CMRO – Center for Maintenance Repair and Overhaul

Implementation Strategy

Establish enduring business relationships with Swiss aerospace and defense companies that support and protect our customers

Priorities	Regional Distribution Objective								
<ul style="list-style-type: none">Leverage the best of Swiss industry to provide high-quality and high value offerings	 <p>A pie chart illustrating the regional distribution objective. The chart is divided into three segments: a large red segment representing 65% (German), a blue segment representing 30% (French), and a small green segment representing 5% (Italian & Romansh). A legend to the right of the chart identifies the colors: red for German, green for Italian & Romansh, and blue for French.</p> <table border="1"><thead><tr><th>Region</th><th>Percentage</th></tr></thead><tbody><tr><td>German</td><td>65%</td></tr><tr><td>French</td><td>30%</td></tr><tr><td>Italian & Romansh</td><td>5%</td></tr></tbody></table>	Region	Percentage	German	65%	French	30%	Italian & Romansh	5%
Region		Percentage							
German		65%							
French	30%								
Italian & Romansh	5%								
<ul style="list-style-type: none">Conduct a transparent supplier engagement campaign with Swiss industry to strengthen relationships and enhance collaboration									
<ul style="list-style-type: none">Generate Raytheon enterprise-wide bid opportunities for Swiss Industry based on assessed capabilities									








For Sovereign Security

Thomas Imboden
Head of Strategic Procurement
11.5.2023

We are the technology partner
of the Swiss Armed Forces

Portfolio

Air	Ground		Technology & Services	RUAG Innovation Organization RIO
<p>Air Systems</p>	<p>Guidance and reconnaissance systems</p>	<p>Vehicles and weapon systems</p>	<p>Technology Services & Solutions</p>	<p>Innovation</p>
				
<ul style="list-style-type: none"> ▪ Jet & missiles ▪ Helicopters ▪ Propeller aircraft & unmanned aerial vehicles 	<ul style="list-style-type: none"> ▪ Engine systems ▪ Aviation subsystems ▪ Simulation, integration and test systems ▪ Engineering 	<ul style="list-style-type: none"> ▪ Tactical communication ▪ Public safety systems ▪ Services ▪ Guidance systems ▪ Reconnaissance systems ▪ Surveillance systems 	<ul style="list-style-type: none"> ▪ ICT-Services ▪ Marketing & Sales ▪ SCM-Services ▪ Business Services & QSSE 	<ul style="list-style-type: none"> ▪ Innovation management ▪ Technology development ▪ New Business Areas ▪ New business models ▪ Cooperations and partnerships
<p>Life-cycle Management</p>				
<p>Maintenance, repair, upgrade</p>				
<p>Products</p>				

RUAG employs people in almost all parts of Switzerland

Bern and Central Switzerland as centers

16 CH sites and 2458 employees (FTE)
(as of March 2023)

Central Switzerland

1127

Bern

1010

Zurich

193

Western Switzerland

49

Ticino

79



Offset @ RUAG: Our Goals

- Overall
 - Generate sustainable business for RUAG and its STIB^{*)} partners with offset as an enabler
 - Well balanced regional and industrial distribution of our STIB partners
- Direct Offset
 - Build up the knowledge and skills we need for our future life-cycle tasks (MKZ) through technology transfer and final assembly, integration and testing projects
 - Licenses to use the acquired knowledge for additional projects/customers/markets, even after expiry of the offset obligation
- Indirect Offset
 - Generate global third-party business through maintenance of components, assemblies and units for the very same systems we work on for the Swiss Armed Forces
 - Research and development in emerging technologies through project finance support and partnerships

Industry Cooperation @ RUAG: Facts and Guiding Principles

Facts

- We are the MRO organization of the Swiss Armed Forces and sustain more than 130 systems from various OEMs
- Our owner and our customers oblige us to subcontract according to commercial criteria - the most important criteria being price and delivery time
- For BODLUV and NKF/F35, the final selection of suppliers will start after approval by the US authorities

Principle


- We work with long-term supplier contracts: For military systems, suppliers usually have to be certified and there are hardly any changes after the initial selection

Limiting Factors

- The OEMs typically specify all suppliers we have to use - currently about 90% of our suppliers are pre-selected
- Of the approximately 100 selectable local suppliers, 12% are currently located in French-speaking and 9% in the Italian speaking region of Switzerland

Onboarding Suppliers

- Identification
- For BODLUV offset business we are looking at suppliers in the categories mechanical machining, cable confection, welding, plating or heat treatment
 - Interested companies can send us their documentation to scm4bodluv@ruag.ch
- Qualification
- We prefer suppliers with certifications ISO9001 or AS/EN9100
 - Suppliers must be included into Technical Assistance Agreements with Raytheon in order to participate in bids – a process which can take up to six months
- Note
- Early involvement and supplier evaluation is key to success

A close-up photograph of two people shaking hands. The person on the left is wearing a blue suit jacket, and the person on the right is wearing a dark brown sweater. The background is blurred, showing what appears to be an indoor setting with a wooden table. A semi-transparent white box with a dark grey border is overlaid on the right side of the image, containing the text.

We're looking forward to a great cooperation.



Webinar Swiss Industry Cooperation in Raytheon Patriot offset program – Rheinmetall Air Defence AG

11th May 2023



PASSION FOR TECHNOLOGY.

Air Defence and Radar Systems – our expertise

Gun and sensor systems as well as system integration competence



HIGH-PRECISION GUNS



HIGH-ACCURACY SENSORS & FIRE CONTROL SYSTEMS



MOBILE SOLUTION

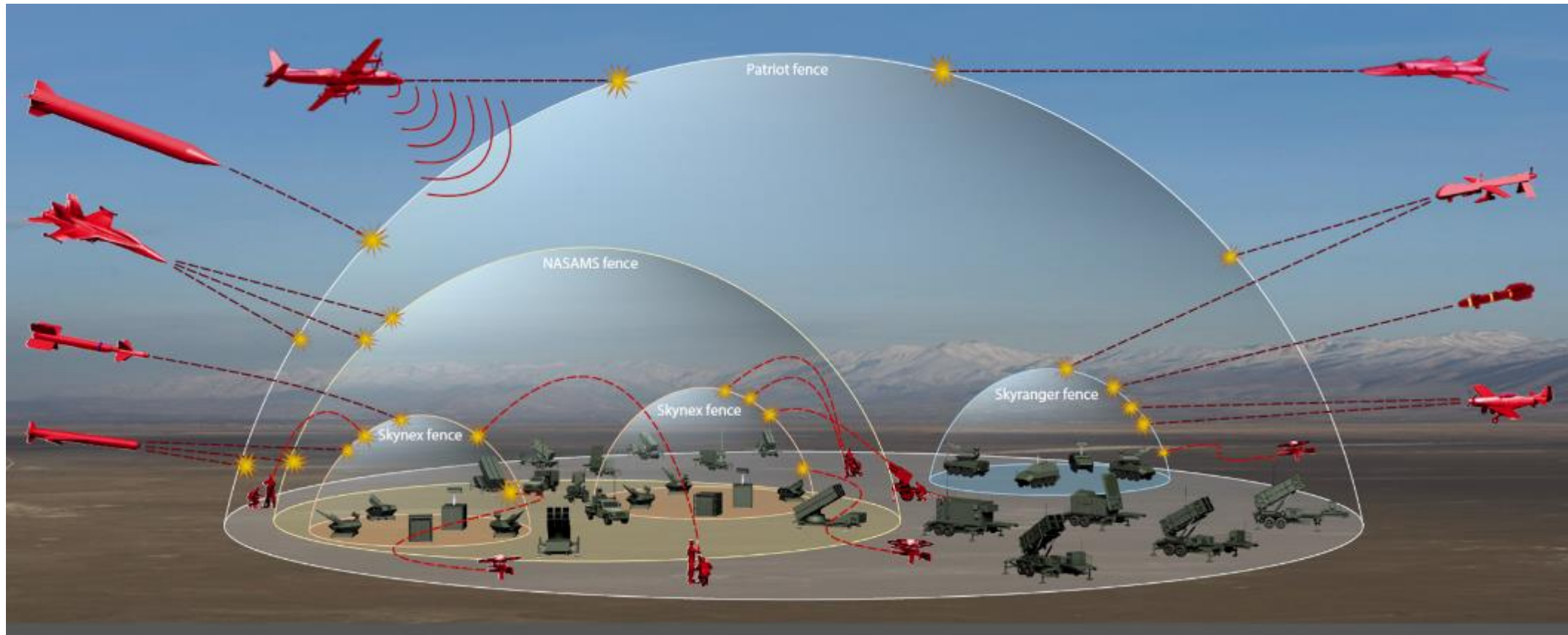


INTEGRATED COMMAND & CONTROL SYSTEMS



AMMUNITION

Our scope and role inside Ground Based Air Defense (GBAD)



- Vital asset protection – Point defense
- Mobile air defense for mechanized forces – Force protection
- Inner-tier air defense layer – we are the last line of defense
- **Defend the defender** – we protect other air defenders

Offset Project activities

Swiss PATRIOT (Bodlup GR) «direct Offset»

Partner with RTX

- 1+ Year of work behind → lot of effort / recourses
- Implementation of Non-Disclosure Agreements (NDAs), Technical Assistance Agreements (TAA), initial requests, Supply Chain analysis
- Highest priority in execution with defined suppliers

On going work at the moment

- Kick-off bid process
- Identifying / onboarding sub-suppliers
→ Patriot related companies

Upcoming work

- Request for Proposal (RFP)
- Proposal
- Contract award

Air 2030 (Raytheon / Lockheed Martin) «indirect Offset»

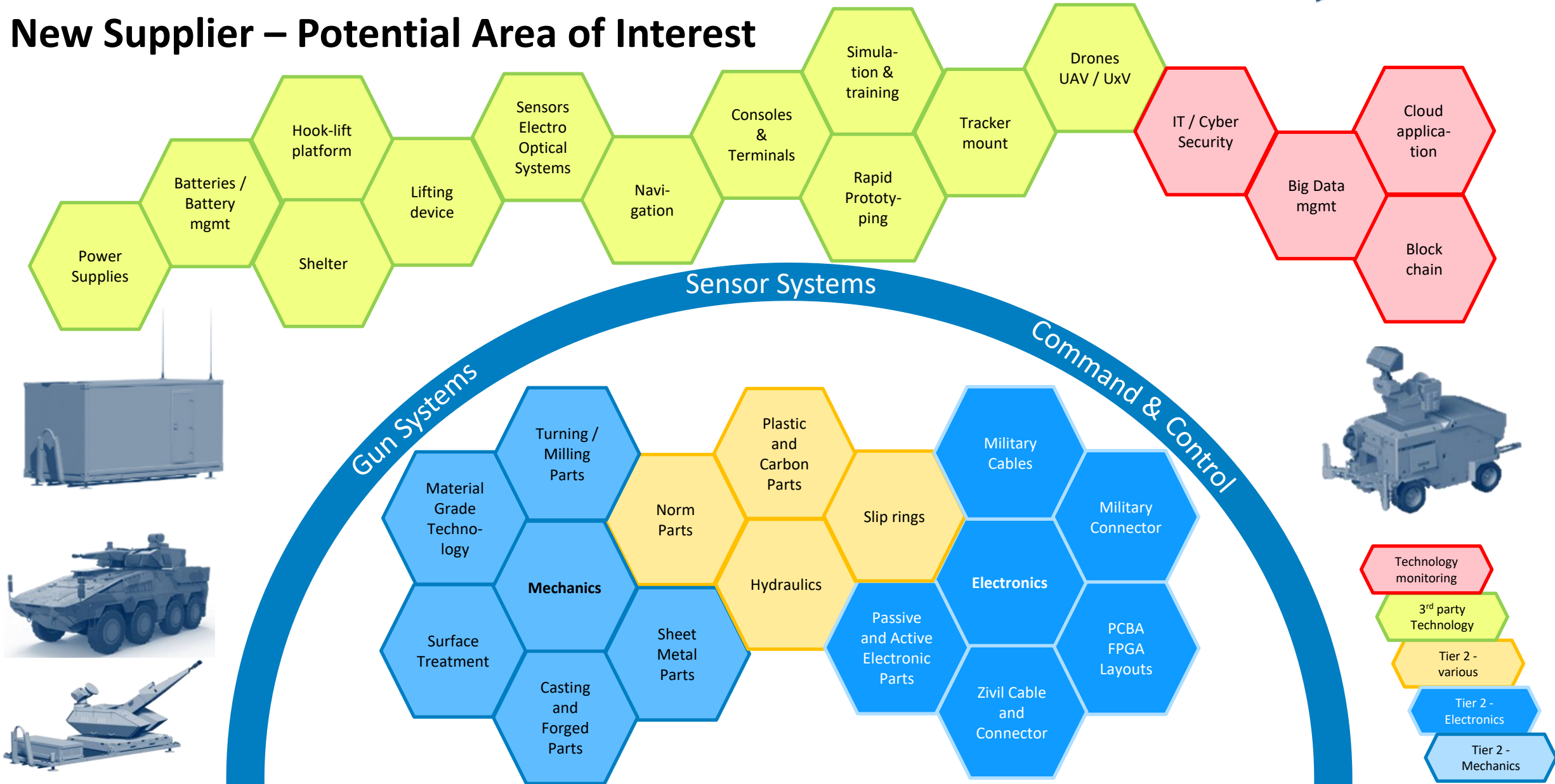
Current Status

- Current Priority on direct Offset
- Gathering the ideas / projects
- Looking for suppliers / partners with potential interesting fields of Technology to collaborate
- Discuss potential “opportunities” with Raytheon / Lockheed Martin

Upcoming work

- Identifying / onboarding sub-suppliers → based on project
- Proposal of potential Offset cases to Raytheon / Lockheed Martin
- Pre - Approval “Offset” via armasuisse
- Contract award

New Supplier – Potential Area of Interest



New Supplier – Potential Area of Interest

General

- RAD product portfolio <https://www.rheinmetall.com/en/products/air-defence/air-defence-systems>

Application as new supplier (informal process)

- E-Mail to procurement-rad@rheinmetall.com
- Note: BODLUV GR or F-35: Supplier Application: Company Name
- Required Information:
 - Field of Action / where could your company add value for Rheinmetall
 - Company Presentation
 - Additional Information and References

Onboarding Process for new suppliers (formal process)

- Please inform yourself on <https://www.rheinmetall.com/en/company/subsidiaries/rheinmetall-air-defence/supplier-information>

PASSION FOR **TECHNOLOGY.**

Raytheon Indirect Offset Opportunities

Plan:

1. Raytheon issues Request for Information (RFI) through industry associations to identify interested suppliers
2. Raytheon issue Request for Proposal (RFP) to Swiss Tier 1 suppliers
 - Swiss Tier 1's are encouraged by Raytheon and the Swiss Government offset policy to maximize subcontracting within Switzerland

Upcoming Target Commodities:

- Precision Machining
- Bearings (missile components)
- Complex harnesses for radar systems
- Additional categories will follow

BodluvOffsetProgram@rtx.com

Question & Answer



Supplier Resources

Suppliers can find useful information about Raytheon RMD Exostar products and services through www.myexostar.com and [RTX Supplier Resources](#). Both include a blend of step-by-step instructions, videos, downloadable guides, admin resources, infographics, and FAQs.

Suppliers can also attend [Quarterly e-tools meeting](#) presented by RTX support team. RTX will present on topics such as tool changes and updates as well as answer Supplier issues in real time.

Raytheon is comprised of multiple Exostar SMEs across Businesses to assist with supplier support. RMD Suppliers with questions or in need of more information can contact supplier-etools@raytheon.com.

SUPPLIER RESOURCES

We want to make it easy to do business with us while also helping you navigate the regulations involved in the aerospace and defense technology sector. Click [here](#) for Terms & Conditions.

If you are required to submit your First Article Inspection reports to Raytheon per PO flow down (example: QNote DX) you can register for a free Net-Inspect account at <https://www.net-inspect.com>.

- Go to <https://www.net-inspect.com> Choose "Request an Account"
- Complete the information, and choose the applicable Raytheon Business unit as the customer

SUPPLIER GUIDES

- [Supplier Readiness](#)
- [Transcripta Registration Process for our Suppliers](#)

SUPPLIER RATINGS SYSTEM INFO

- [Accessing SRS through Exostar MAG](#)
- [SRS Ratings Guide](#)
- [SRS Quick Reference Guide](#)
- [SRS Protest - Supplier Training Guide](#)
- [SPRR Navigation Guide](#)

SIX SIGMA FOR SUPPLIERS

We are committed to working with our suppliers to meet the challenges of our competitive environment most affordable products. A prime enabler for this is Six Sigma and Continuous Improvement group, with experienced practitioners to work with our suppliers in during on-site engagements. They help suppliers drive down costs without impacting supplier profit, and identify and mitigate risks.

Learn more about our Six Sigma programs for suppliers [here](#).

EXO STAR SUPPLIER PORTAL

[Exostar](#) is our supplier portal. You can access further supplier resources via this secure environment.

HISTORICAL TERMS & CONDITIONS

2021

[CR-003](#) - January

[TC-UPDATE](#) - November

[TC-HARDCODE](#) - November

[TC-UPDATE](#) - October

[TC-HARDCODE \(v1\)](#) - October

[TC-HARDCODE](#) - October

[CR-003](#) - July

[TC-UPDATE](#) - May

Frequently asked questions

- Q. Why is Raytheon Technologies doing this?**
A. As cyberthreats against the aerospace and defense industry continue to increase in frequency and sophistication, Raytheon Technologies is focused on increasing security to protect our infrastructure. ZFA is one step in mitigating risk of cyberattacks.
- Q. Why is the supplier's personal information required during the registration process?**
A. The purpose of collecting personal information is to validate a user's true identity. Just as a supplier representative would be expected to present personally identifying documentation (driver's license, passport, SSN) to visit a Raytheon Technologies facility, we require our supplier users to complete the identity verification process to access our online systems.
- Q. Who does this affect?**
A. This affects all users who access Exostar applications including the Raytheon Technologies' Supplier Portal, SecureForms and Supply Chain platform applications.
- Q. What is the registration process to receive credentials?**
A. Registration for your security credentials is fully electronic and facilitated by Exostar. After activating an account, you will need to purchase credentials, have your identity verified and register a telephone on which to receive an SMS OTP.
- Q. What if I have already purchased a certificate or token for another customer?**
A. Many Exostar users have already purchased some type of security credentials. If your existing credentials meet Raytheon Technologies' security requirements, no further action is needed. Some credentials do not meet Raytheon Technologies' requirements and will require an upgrade. Please contact Exostar at 703-793-7800 with questions or concerns, or review the information at <https://my.exostar.com/display/TE/Credentialing+MAG>.
- Q. How much will this credential cost me?**
A. Information about the cost of phone-based OTPs which should be sufficient for most users, can be found at <https://www4.exostar.com/>.
- Q. Are international suppliers included?**
A. Yes, all suppliers working with Raytheon Technologies are required to have proper authentication credentials.
- Q. Where can I find more information?**
A. Detailed information and step-by-step training documents are available at [https://my.exostar.com/display/TE/Raytheon+supply+chain+platform+\(rscpl\)](https://my.exostar.com/display/TE/Raytheon+supply+chain+platform+(rscpl)) or contact Exostar.

Current Exostar authentication credential	Requirements to access Raytheon Technologies applications
None	Register for phone-based SMS OTP
Phone-based SMS OTP (Lockheed) with proofing completed	No further credentials needed
Active FIS medium level of assurance hardware certificate	No further credentials needed
MLOA hardware certificate purchased through Exostar (Northrop Grumman)	No further credentials needed
OTP hardware token (Boeing)	Upgrade proofing level via a one-time identity verification
Basic/medium level of assurance certificate	Register for phone-based SMS OTP
DoD CAC Card	Link card to Exostar MAG account
NGC OneBadge	Link card to Exostar MAG account