RESEARCH / EARNINGS AND VALUATION

RTX Stock Q3 2026: Record $340bn Backlog, Guidance Raised Again

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> **As of:** Figures are as of RTX's third-quarter 2026 results (the quarter ended 30 September 2026, reported 20 October 2026 in a Form 8-K earnings release and the Form 10-Q filed the same day). RTX's fiscal year is the calendar year, so Q3 2026 is the July-September 2026 quarter; Raytheon's fiscal quarter ended 27 September 2026. The share price is the NYSE close of RTX on 2 November 2026, $202.79. Published 2 November 2026.

The short answer. RTX stock Q3 2026 results, for the July to September quarter, showed the aerospace and defense group's earnings growth speeding up. Sales rose 11% to $25.0bn, adjusted earnings per share rose 33% to $2.26 and the backlog reached what RTX calls a record $340bn, after more than $81bn of new commercial and defense awards in the quarter. RTX raised its 2026 outlook for the third time this year, to adjusted sales of $97.0-97.5bn, adjusted EPS of $7.65-7.75 and free cash flow of $9.0-9.2bn. Our discounted cash flow model puts RTX at **$124.29 per share**, about 39% below the $202.79 close on 2 November 2026. The quarter was strong, and part of it was a one-off tariff refund; the share price already assumes many more years of growth like this than our model does.

RTX, the company formed from the merger of Raytheon and United Technologies, has three businesses: Collins Aerospace (aircraft systems and avionics), Pratt & Whitney (jet engines, including the Geared Turbofan, or GTF, that powers the Airbus A320neo) and Raytheon (missiles, air defense and sensors). In the quarter to 30 September 2026 all three grew sales and margins (RTX Q3 2026 earnings release). GAAP EPS was $1.89, against $1.41 a year earlier, and net income attributable to shareholders was $2,583m, against $1,918m. The shares rose 0.6% on results day to $193.34 and closed at $202.79 on 2 November, 14.5% above their level a year earlier and 10% below their 52-week closing high of $225.49 on 18 August (Yahoo Finance).

In this article we go through RTX's Q3 2026 numbers against a year earlier, segment by segment, explain how much of the profit jump came from refunded tariffs, look at what drove the backlog to $340bn, set out the new guidance and what it implies for the fourth quarter,

cover cash flow, debt and dividends, and then value RTX stock, with every assumption laid out so you can argue with it.

Key takeaways

- **Valuation:** QSILabs values RTX Corporation (NYSE: RTX) at $124.29 per share as of results for the quarter ended 30 September 2026, against a $202.79 close on 2 November 2026, about 39% below the market price. Our sensitivity range is about $105-151 a share.
- **Q3 2026 results:** sales were $24,965m in the quarter ended 30 September 2026, up 11% from $22,478m and 12% organically; adjusted operating profit was $3,987m, up 34%, a 16.0% margin against 13.2%; adjusted EPS was $2.26, up 33%, and GAAP EPS $1.89, up 34%.
- **Tariff refund:** $0.25 of the $0.56 rise in adjusted EPS came from recovering tariffs paid under the International Emergency Economic Powers Act (IEEPA). Excluding it, adjusted EPS was about $2.01, up about 18%.
- **Backlog:** RTX's backlog was $340bn at 30 September 2026, $176bn commercial and $164bn defense, up from $289bn three months earlier. Defense bookings were about $59bn in the quarter, led by multi-year Tomahawk and AMRAAM missile contracts.
- **Guidance raised:** for 2026 RTX now expects adjusted sales of $97.0-97.5bn, organic growth of 10-11%, adjusted EPS of $7.65-7.75 and free cash flow of $9.0-9.2bn, all up from July.
- **Cash and returns:** free cash flow was $2.1bn in the quarter, down from $4.0bn, and $6.3bn in the first nine months, up from $4.7bn. RTX paid $2.9bn of dividends in the nine months and bought back no shares.

Key numbers from RTX's Q3 2026 earnings

$25.0bn

Q3 2026 sales, up 11% (12% organic)

8-K EX 99

$2.26

Adjusted EPS, up 33%; GAAP EPS $1.89

8-K EX 99

$340bn

Record backlog: $176bn commercial, $164bn defense

8-K EX 99

$2.1bn

Q3 free cash flow; $6.3bn in nine months

8-K EX 99

$7.65-7.75

2026 adjusted EPS outlook, from $7.10-7.25

8-K EX 99

$124.29

QSILabs DCF value per share

QSILABS MODEL

JULY-SEPTEMBER, $M	2025	2026	CHANGE
Sales	22,478	24,965	+11%
Collins Aerospace sales	7,621	8,382	+10%
Pratt & Whitney sales	8,423	9,231	+10%
Raytheon sales	7,045	8,031	+14%
Operating profit (GAAP)	2,523	3,337	+32%
Adjusted operating profit (non-GAAP)	2,966	3,987	+34%
Net income attributable to shareholders	1,918	2,583	+35%
GAAP EPS, $	1.41	1.89	+34%
Adjusted EPS, $	1.70	2.26	+33%
Operating cash flow	4,639	2,868	-38%
Free cash flow (non-GAAP)	4,025	2,119	-47%

Source: RTX Q3 2026 earnings release (Form 8-K, Exhibit 99, 20 October 2026). Adjusted figures exclude acquisition accounting adjustments, restructuring and other items RTX treats as non-recurring.

RTX Q3 2026 earnings: what happened

RTX's third quarter was the strongest of the five shown below on both sales and margin. Sales of $24,965m were up 11% on a year earlier, or 12% organically, which strips out the businesses RTX has sold, such as Collins' actuation and flight control unit, sold in July 2025. Growth was broad: commercial original equipment (OE) at Collins rose 23%, commercial aftermarket rose 9% at Collins and 21% at Pratt & Whitney, and Raytheon sales rose 14% on missiles and air defense.

Adjusted operating profit rose by just over $1.0bn to $3,987m, and the adjusted margin widened to 16.0% from 13.2%. RTX says the rise in adjusted segment profit was spread across all three segments and included about $0.4bn of IEEPA recovery. In February 2026 the US Supreme Court ruled that tariffs imposed under IEEPA were unauthorized, and importers have since been claiming refunds. RTX's Form 10-Q says it has paid about $0.5bn of such tariffs since they began, and that by 30 September it had recognized about $0.4bn of approved refunds, of which about $0.3bn had been received (RTX Form 10-Q for Q3 2026). That suggests most of the recovery is now booked, and that it will not repeat on this scale.

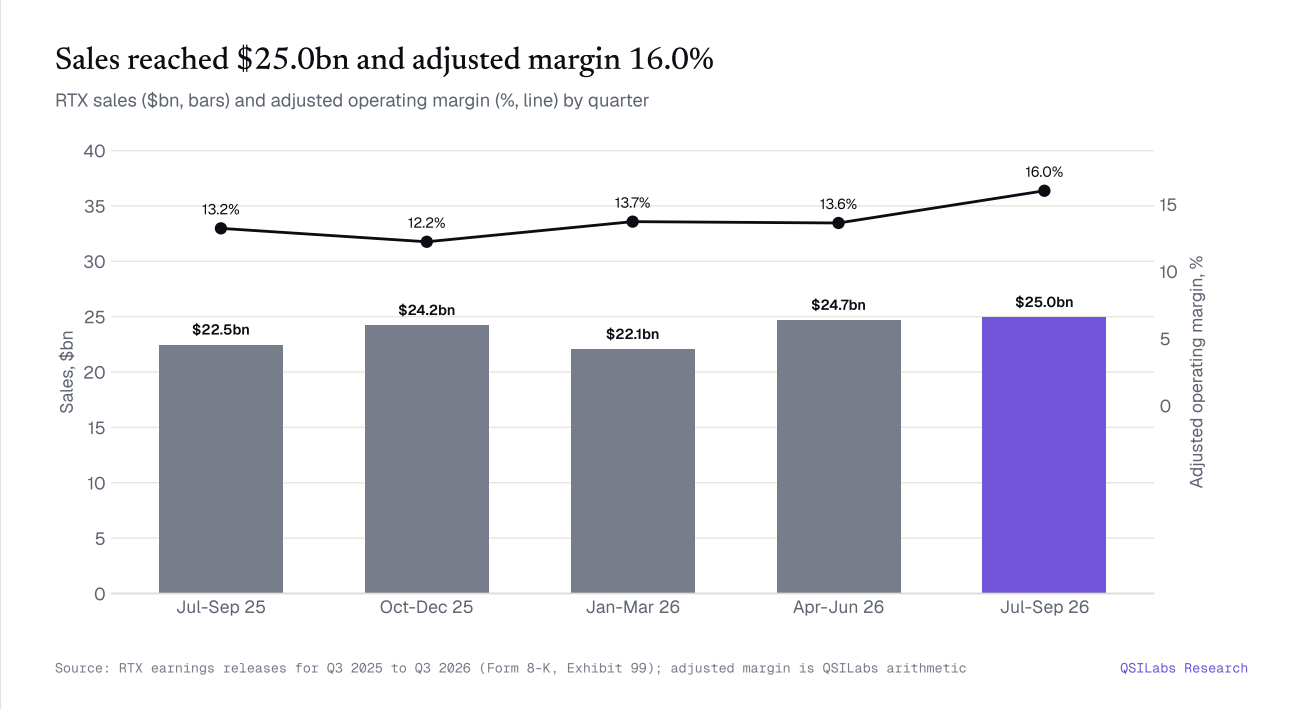


FIGURE 1 Sales of $25.0bn and an adjusted operating margin of 16.0% were the highest of the five quarters shown; margins are adjusted operating profit divided by sales.

Excluding about $0.4bn of IEEPA recovery, adjusted operating profit would have been roughly $3.6bn, a margin of about 14.4%. That is still about a point above the 13.2% of a year earlier, so the underlying business improved even without the refund. The gap between GAAP and adjusted operating profit, $650m in the quarter, is mostly the $448m of acquisition accounting adjustments, the amortization of intangible assets RTX recognized when Raytheon and United Technologies combined in 2020. Pratt & Whitney also took a $363m charge for a customer bankruptcy, which RTX excludes from adjusted profit.

Below operating profit, interest expense was $381m and the effective tax rate was 18.0% (18.7% on an adjusted basis). Non-service pension income, a non-cash item, was $345m and lower than a year earlier, which RTX says partly offset the profit growth. Diluted shares were 1,368.1m, so adjusted EPS of $2.26 compares with $1.70 a year ago.

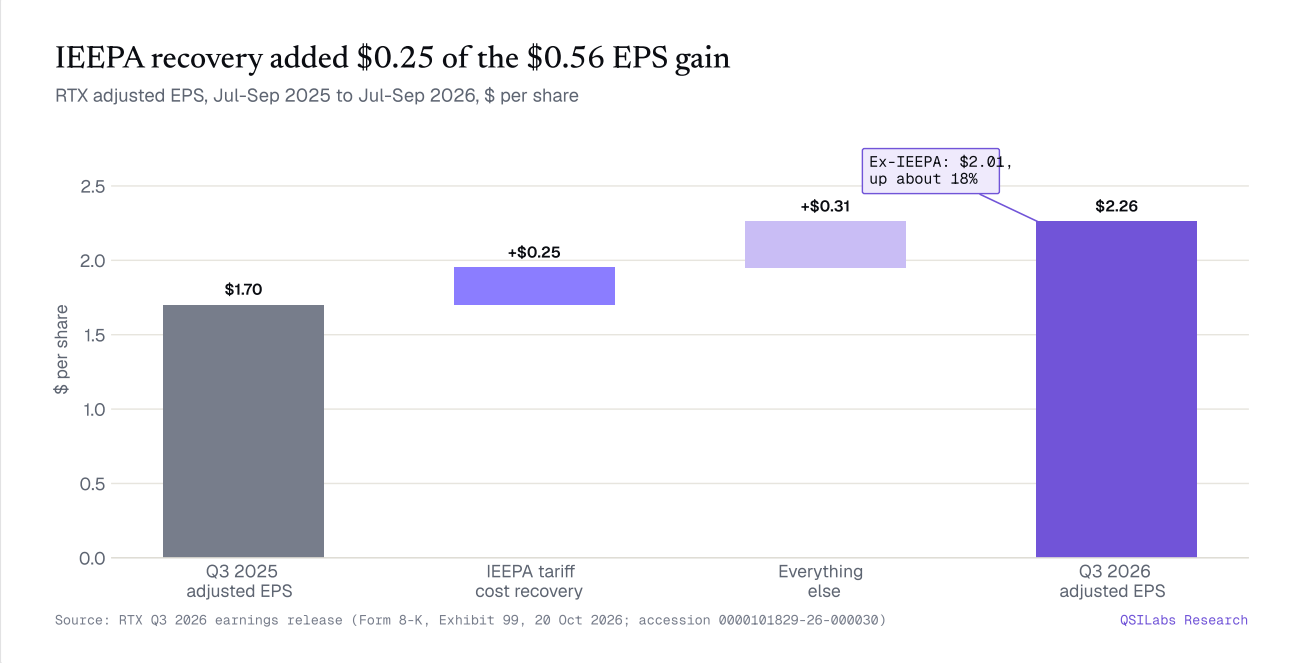


FIGURE 2 Of the $0.56 rise in adjusted EPS, $0.25 came from IEEPA tariff recovery and $0.31 from everything else; excluding the recovery, adjusted EPS rose about 18%.

For the first nine months of 2026, sales were $71,749m, up 11% from $64,365m, adjusted EPS was $5.93 against $4.74, and GAAP EPS was $4.96 against $3.77.

RTX FROM JANUARY TO NOVEMBER 2026

27 JAN 2026	Q4 2025 results and first 2026 outlook: adjusted sales $92.0-93.0bn, adjusted EPS $6.60-6.80, free cash flow $8.25-8.75bn	8-K Ex 99
21 APR 2026	Q1 results; sales and EPS outlook raised, cash outlook confirmed	8-K Ex 99
23 JUL 2026	Q2 results; all three outlook lines raised. RTX closes at $209.16, up 7.3%	8-K Ex 99; Yahoo Finance
18 AUG 2026	RTX closes at $225.49, its highest close of the past year	Yahoo Finance
15 SEP 2026	Jill Albertelli named president of Pratt & Whitney from 1 Jan 2027, succeeding Shane Eddy	8-K Ex 99.1
30 SEP 2026	Q3 2026 ends; RTX closes at $185.65	Yahoo Finance
20 OCT 2026	Q3 results: sales $25.0bn, adjusted EPS $2.26, record $340bn backlog, outlook raised again. RTX closes at $193.34, up 0.6%	8-K Ex 99; Yahoo Finance
2 NOV 2026	RTX closes at $202.79, the price used in our valuation	Yahoo Finance

How did RTX's segments do in Q3 2026?

All three segments grew sales by at least 10% and widened their adjusted margins. Collins made the biggest gain in profit, Raytheon grew fastest, and Pratt & Whitney's reported profit fell because of the bankruptcy charge.

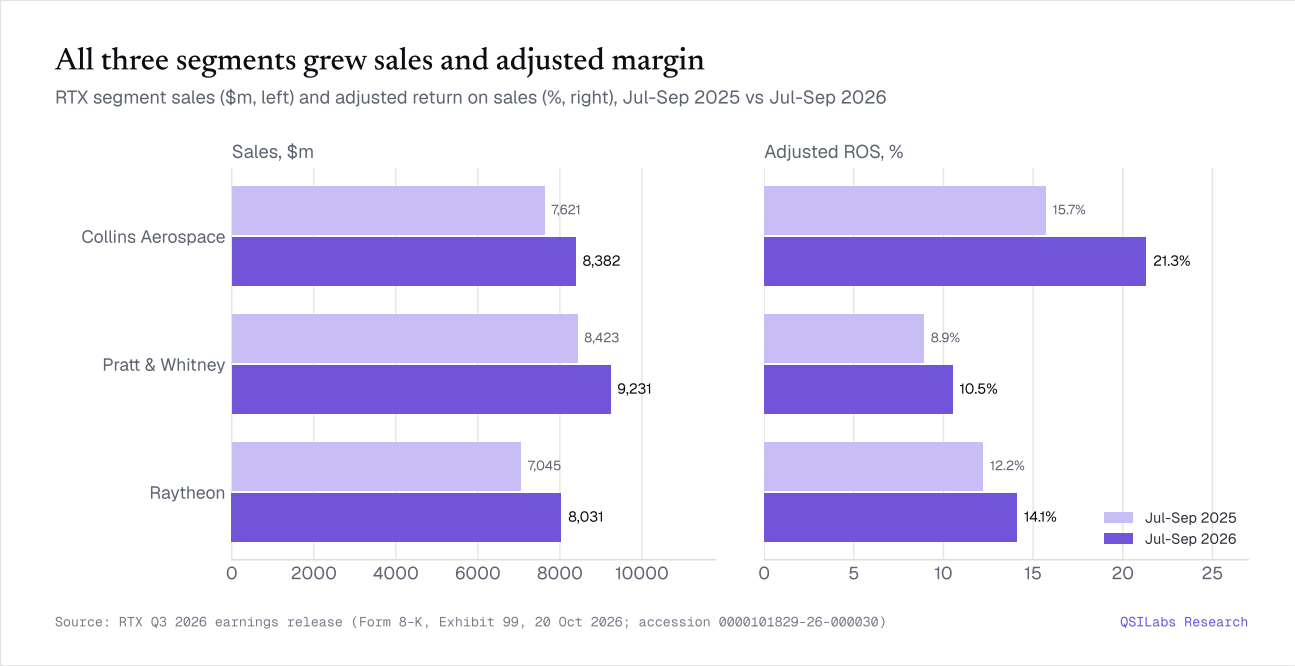


FIGURE 3 Collins' adjusted return on sales jumped to 21.3%, helped by about $250m of IEEPA recovery; Raytheon reached 14.1% and Pratt & Whitney 10.5% on an adjusted basis.

Collins Aerospace

Collins sales rose 10% to $8,382m, or 12% organically excluding divestitures. Commercial OE sales rose 23% on higher narrowbody and widebody volume, commercial aftermarket rose 9% on modifications and upgrades, provisioning and parts and repair, and defense rose 7%. Adjusted operating profit rose 50% to $1,788m, a 21.3% return on sales against 15.7%.

About $250m of that profit was IEEPA recovery. Without it, Collins' adjusted margin would have been about 18.3%, still well above a year earlier, helped by what RTX calls drop-through on higher commercial volume and a better mix. For the nine months, Collins earned an adjusted 18.4% on sales of $24,194m.

Pratt & Whitney

Pratt & Whitney sales rose 10% to $9,231m. Commercial aftermarket sales rose 21%, mainly on GTF engine overhauls, military rose 2%, and commercial OE fell 5% on the mix of large commercial engines. Reported operating profit fell 19% to $608m because of the $363m customer bankruptcy charge; adjusted operating profit rose 29% to $968m, a 10.5% margin against 8.9%.

About $160m of Pratt & Whitney's adjusted profit was IEEPA recovery. Without it, the adjusted margin would have been about 8.8%, roughly level with a year earlier, as engine mix and higher selling and administrative costs offset aftermarket growth. Pratt & Whitney is the largest segment by sales but the least profitable, partly because much of its return comes

over long maintenance contracts rather than at the point of sale. About 40% of RTX's $340bn of remaining performance obligations relates to long-term Pratt & Whitney maintenance contracts that run for up to 20 years.

The GTF problem that has hung over Pratt & Whitney since 2023 is still there. A rare condition in powder metal used in some engine parts forced accelerated inspections of the PW1100 GTF fleet that powers the A320neo, and RTX took a $2.9bn charge in the third quarter of 2023, mostly for compensating airlines. The 10-Q says aircraft-on-ground levels for the PW1100-powered A320neo fleet are expected to stay elevated through 2026. The accrual for customer compensation fell to $0.2bn at 30 September from $0.7bn at the end of 2025, as credits were issued to airlines.

In September RTX said Jill Albertelli, president of Pratt & Whitney's military engines business, will succeed Shane Eddy as president of Pratt & Whitney from 1 January 2027.

Raytheon

Raytheon sales rose 14% to $8,031m on higher volume in naval programs and land and air defense systems, including Patriot, Standard Missile and Tomahawk. Operating profit rose 32% to $1,133m, a 14.1% return on sales against 12.2%, driven by productivity, volume and a favorable mix that included Patriot. RTX says productivity in the quarter included about $85m of benefits from an international contract modification and a favorable adjustment to an offset obligation; without it, Raytheon's margin would have been about 13.1%.

In June RTX agreed to sell Raytheon's Blue Canyon Technologies satellite business for about $0.6bn, subject to regulatory approvals.

Why did RTX's backlog jump to $340bn?

RTX's backlog rose by $51bn in three months, to $340bn at 30 September from $289bn at 30 June, and it is $72bn higher than the $268bn at the end of 2025. Almost all of the quarter's increase was defense: defense backlog rose to $164bn from $119bn, while commercial backlog rose to $176bn from $170bn.

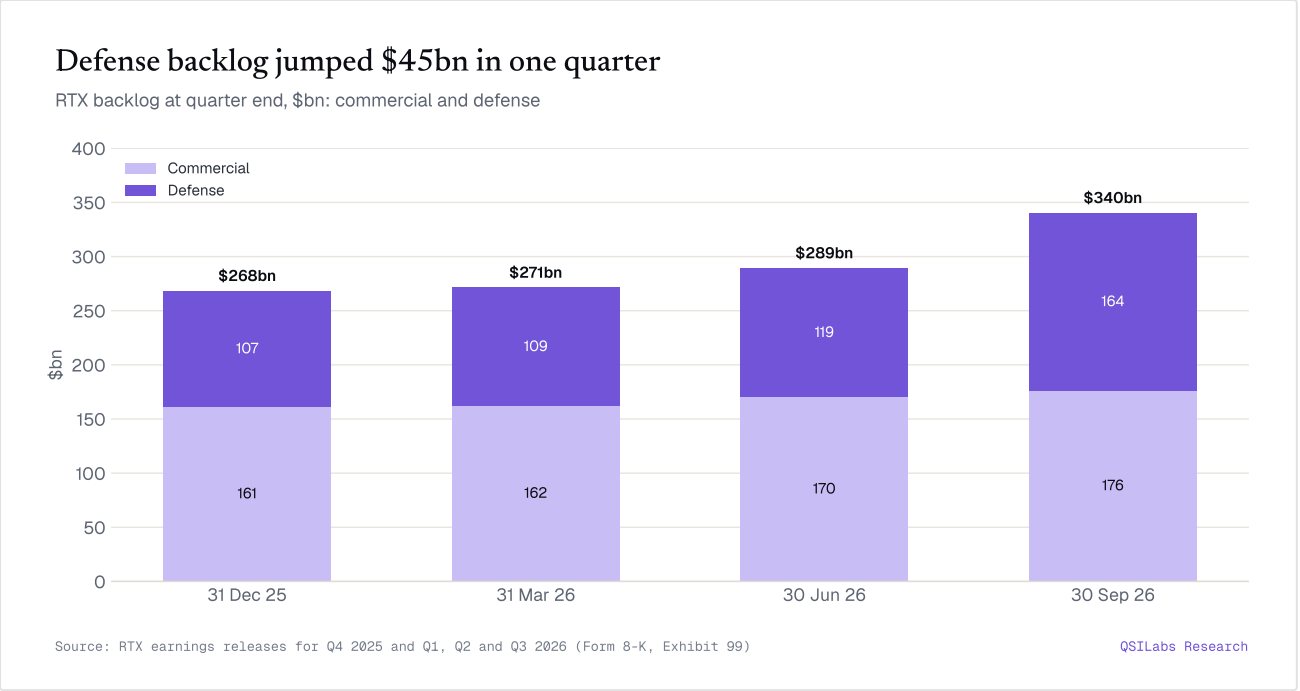


FIGURE 4 Defense backlog rose $45bn in the third quarter, to $164bn, while commercial backlog rose $6bn to $176bn.

The jump came from a small number of very large missile contracts. The 10-Q says defense bookings were about $59bn in the quarter, against $23bn a year earlier, and about $96bn in the first nine months, against $44bn. The increase was driven by multi-year contracts from the US Department of War (the renamed Department of Defense) to accelerate production of Tomahawk cruise missiles, about $23bn, and AMRAAM air-to-air missiles, about $14.3bn.

These are undefinitized contract actions, meaning the work is authorised before the final price is agreed. Across the third quarter and early fourth quarter, Raytheon was awarded four of them: a seven-year Tomahawk contract worth up to about $23bn, and five-year contracts, each with two one-year options, for AMRAAM worth up to $20.7bn, Standard Missile 6 worth up to $24.4bn, and Standard Missile 3 Block IB interceptors worth up to $6.3bn. Funding for each depends on annual appropriations by Congress, and the US government was operating under a continuing resolution to 11 December 2026 when the 10-Q was filed.

A backlog this size does not turn into sales quickly. RTX expects about 25% of its remaining performance obligations, or roughly $85bn, to be recognized as revenue in the next 12 months. Raytheon has to expand its factories and supply chain to deliver missiles faster, and RTX says it is investing in capacity and hiring. The backlog makes RTX's sales growth more visible for several years; it does not, on its own, make the margins on that work higher.

What is RTX's 2026 guidance now?

RTX raised its full-year outlook for adjusted sales and adjusted EPS for the third quarter in a row, and its free cash flow outlook for the second time. It now expects:

- **Adjusted sales** of $97.0-97.5bn, up from $95.0-96.0bn in July and $92.0-93.0bn in January.
- **Organic sales growth** of 10-11%, up from 8-9%.
- **Adjusted EPS** of $7.65-7.75, up from $7.10-7.25 in July and $6.60-6.80 in January.
- **Free cash flow** of $9.0-9.2bn, up from $8.50-8.75bn in July and $8.25-8.75bn in January.

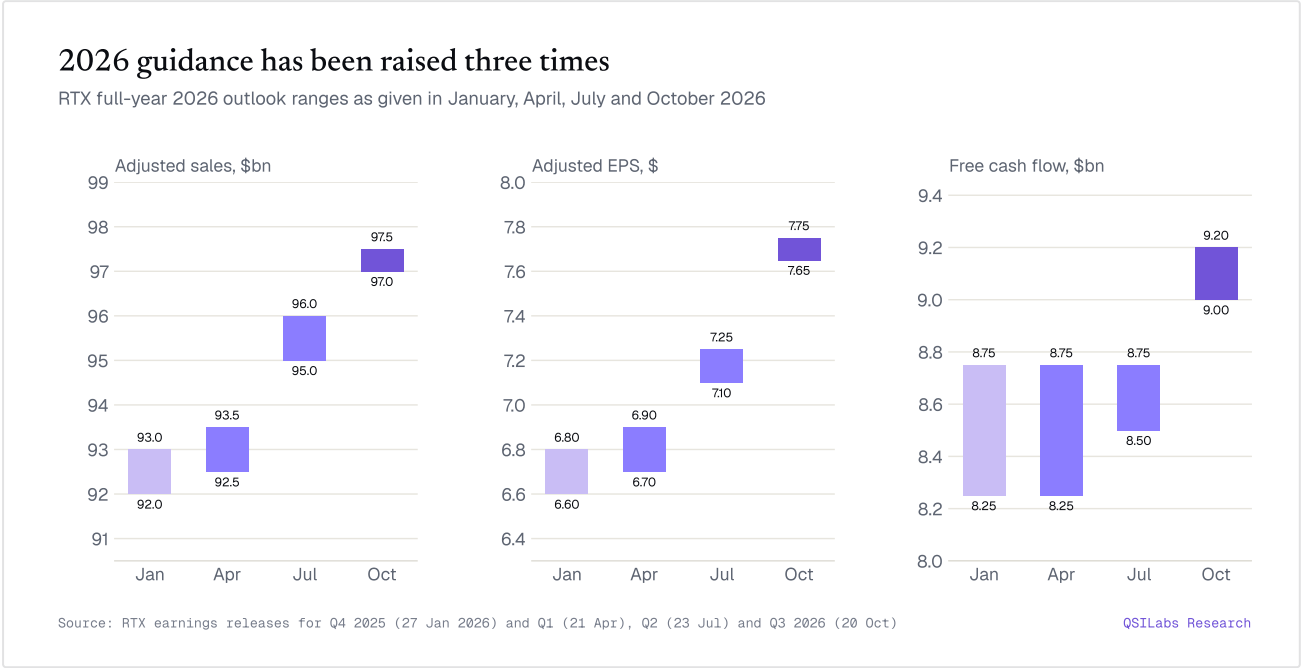


FIGURE 5 Since January the adjusted sales outlook has risen by about $4.75bn and the adjusted EPS outlook by about $1.00 at the midpoint; the cash outlook was kept in April and raised in July and October.

Subtracting the first nine months gives the implied fourth quarter. Sales of $71.7bn so far leave about $25.3-25.8bn for the quarter, against $24.2bn in the fourth quarter of 2025. Adjusted EPS of $5.93 so far leaves $1.72-1.82, against $1.55 a year earlier, a rise of 11-17%. Free cash flow of $6.3bn so far leaves about $2.7-2.9bn, against $3.2bn a year earlier. So the guidance assumes another strong quarter for profit but slower cash conversion than at the end of 2025.

Analysts expect growth to slow from here. The S&P Global consensus compiled by StockAnalysis has 2026 revenue of $97.41bn, up 9.9%, and 2027 revenue of $104.88bn, up

7.7%, with EPS of $7.67 in 2026 and $8.06 in 2027 (StockAnalysis RTX forecast). That 2027 EPS figure is only 5% above 2026, a slowdown consistent with a 2026 base that includes the tariff refund.

RTX cash flow, debt and dividends

Free cash flow, operating cash flow less capital spending, was $2,119m in the third quarter, down from $4,025m a year earlier. Operating cash flow was $2,868m, including about $0.3bn of IEEPA refunds, and capital spending was $749m. Quarterly cash flow at RTX is lumpy, because it depends on when customers pay advances and when the US government pays on contracts.

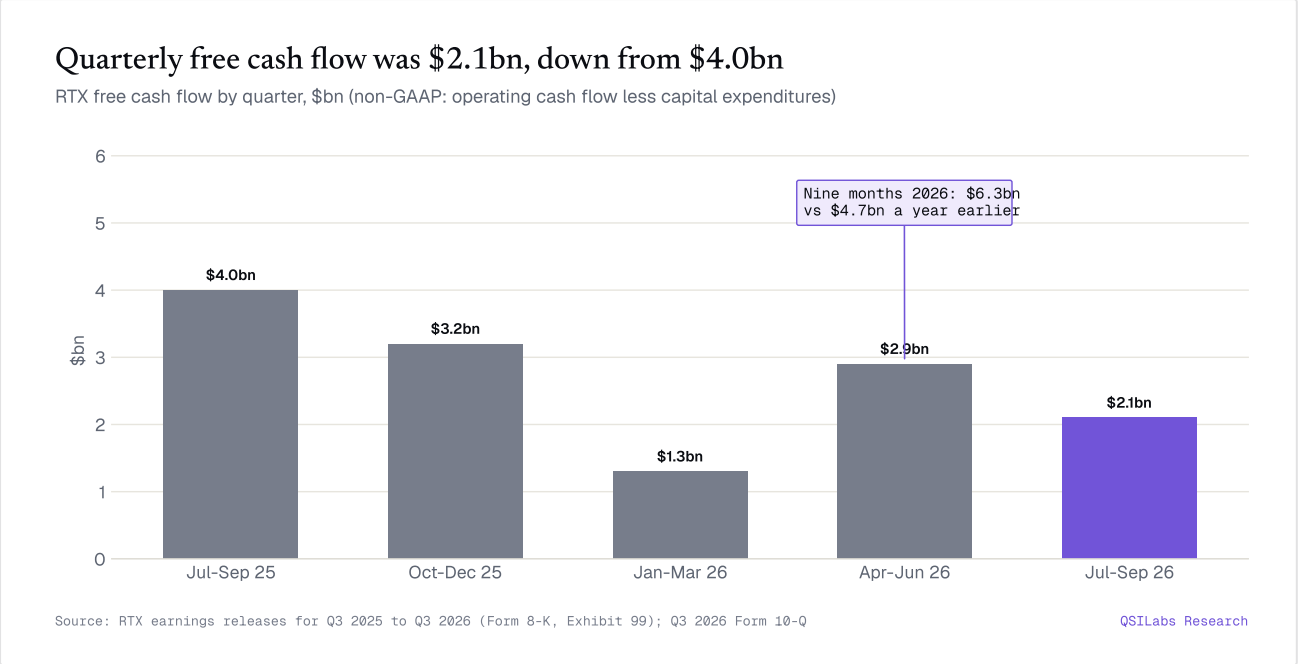


FIGURE 6 Free cash flow fell in the third quarter but was $6.3bn in the first nine months of 2026, against $4.7bn a year earlier.

For the nine months, operating cash flow rose $1.9bn to $8,270m and free cash flow rose to $6,306m from $4,745m. The 10-Q attributes the rise to higher profit, partly offset by working capital: Raytheon received lower advances from customers, and Pratt & Whitney billed less relative to the revenue it recognized.

RTX ended September with $9,173m of cash and $37,379m of interest-bearing debt: $210m of short-term borrowings, $5,679m of long-term debt due within a year and $31,490m of long-term debt. That is net debt of about $28.2bn, about 1.8 times our 2026 estimate of operating profit before depreciation and amortization. It had no commercial paper outstanding and an undrawn $5.0bn revolving credit facility, renewed in August to 2031.

RTX returns cash mainly through dividends. It paid $2,882m in the nine months and raised its quarterly dividend to $0.73 a share from $0.68 in 2026, which is $2.92 a year, a yield of about 1.4% at $202.79. It bought back no shares in 2026, against $50m in the first nine months of 2025. The 10-Q flags a new risk here: an executive order that may limit dividends, share buybacks and executive pay at defense contractors judged to be underperforming on their US government contracts. RTX says the impact is uncertain.

RTX stock Q3 2026 valuation: is RTX overvalued?

On our numbers, yes. Our discounted cash flow model gives RTX a value of $124.29 a share, about 39% below the $202.79 close on 2 November 2026. Put the other way, the share price is about 63% above our value. The value is up from $123.86 before this update, mainly because a later valuation date and a higher fourth-quarter cash estimate add a little.

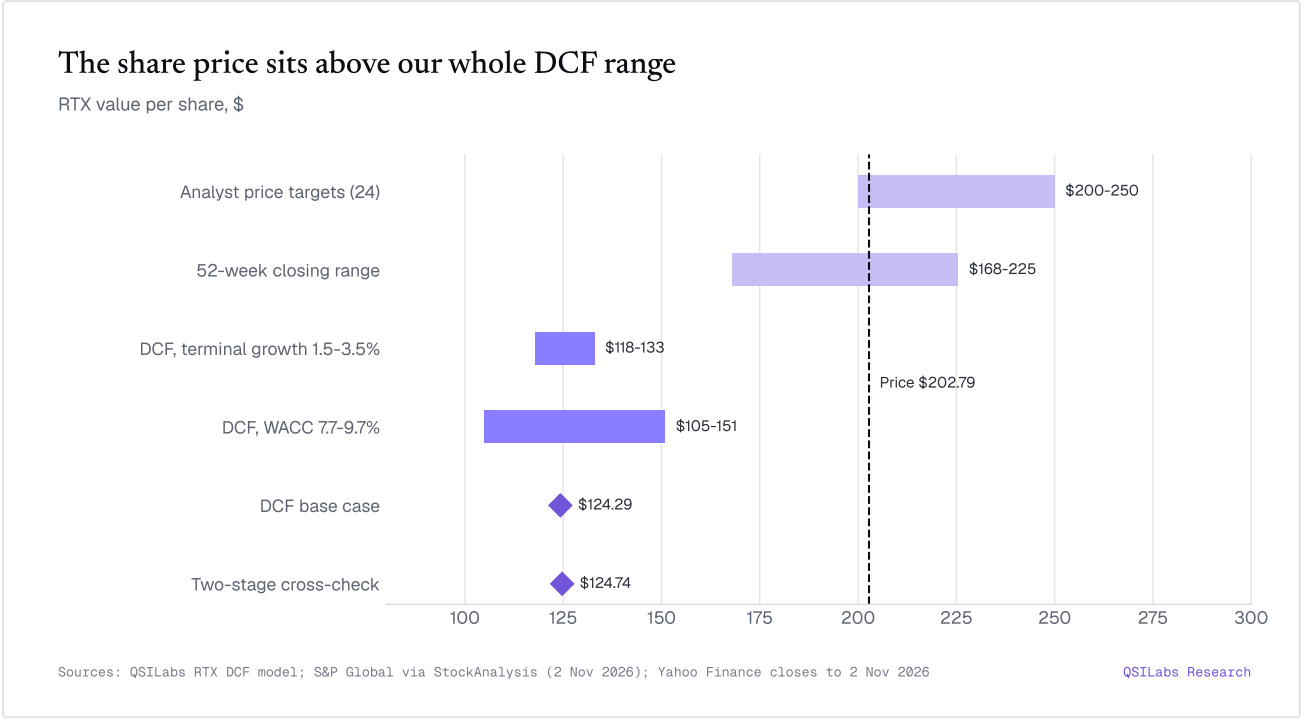


FIGURE 7 Our base case is $124.29 a share against a $202.79 close. The price is above every point in our sensitivity range; analyst targets run from $200 to $250.

The market is more optimistic. The 24 analysts in the S&P Global consensus rate RTX a Buy, with an average price target of $229.17 and a range of $200-250. At $202.79 the shares trade at about 26 times the midpoint of RTX's 2026 adjusted EPS guidance and about 25 times consensus 2027 EPS. The free cash flow yield on the 2026 guidance midpoint is about 3.3% of market value.

Method

We value the whole business, then subtract debt. We forecast free cash flow to the firm, the cash the business generates after tax, capital spending and working capital but before interest, for 2026 to 2035, discount it at a weighted average cost of capital (WACC), and add a terminal value for the years after 2035. From enterprise value we subtract all interest-bearing debt and add cash. The main inputs:

- **Revenue:** $97.25bn in 2026, the midpoint of guidance, and $104.8bn in 2027, close to consensus. After that we fade growth by segment: Collins and Raytheon from 7% and Pratt & Whitney from 9%, all down to 3% by 2034-35. Sales reach $125.1bn in 2030 and $150.4bn in 2035.
- **Margins:** our EBIT margin, after the amortization of acquired intangibles, rises from 11.5% in 2026 to 12.2% in 2027 and about 12.8% by 2034. Segment margins are Collins about 18%, Pratt & Whitney about 9.5-9.7% and Raytheon about 13.2-13.5%.
- **Tax:** 19%, close to RTX's adjusted effective rate.
- **Capital spending:** $3.2bn in 2026 and $3.4bn in 2027, rising toward about 4.4% of sales in the terminal year.
- **Free cash flow to the firm:** $11.0bn in 2026, $11.6bn in 2027 and $13.4bn in 2030. It is higher than RTX's free cash flow guidance because it is before interest.
- **Discount rate:** a WACC of 8.73%, Damodaran's January 2026 figure for US aerospace and defense, built from a 5.12% risk-free rate, a beta of about 0.95 and a 4.46% equity risk premium. A bottom-up check using RTX's own market value and debt gives 9.55%, which would lower the value.
- **Terminal growth:** 2.5% a year after 2035, with reinvestment consistent with a 15% return on new capital.
- **Equity bridge:** enterprise value of $196.6bn, plus $9.2bn of cash, less $37.4bn of debt, plus $1.3bn for fourth-quarter cash generated before our valuation date, gives equity of $169.7bn. Divided by 1,365.3m diluted shares, that is $124.29 a share. The terminal value is 56.6% of enterprise value.

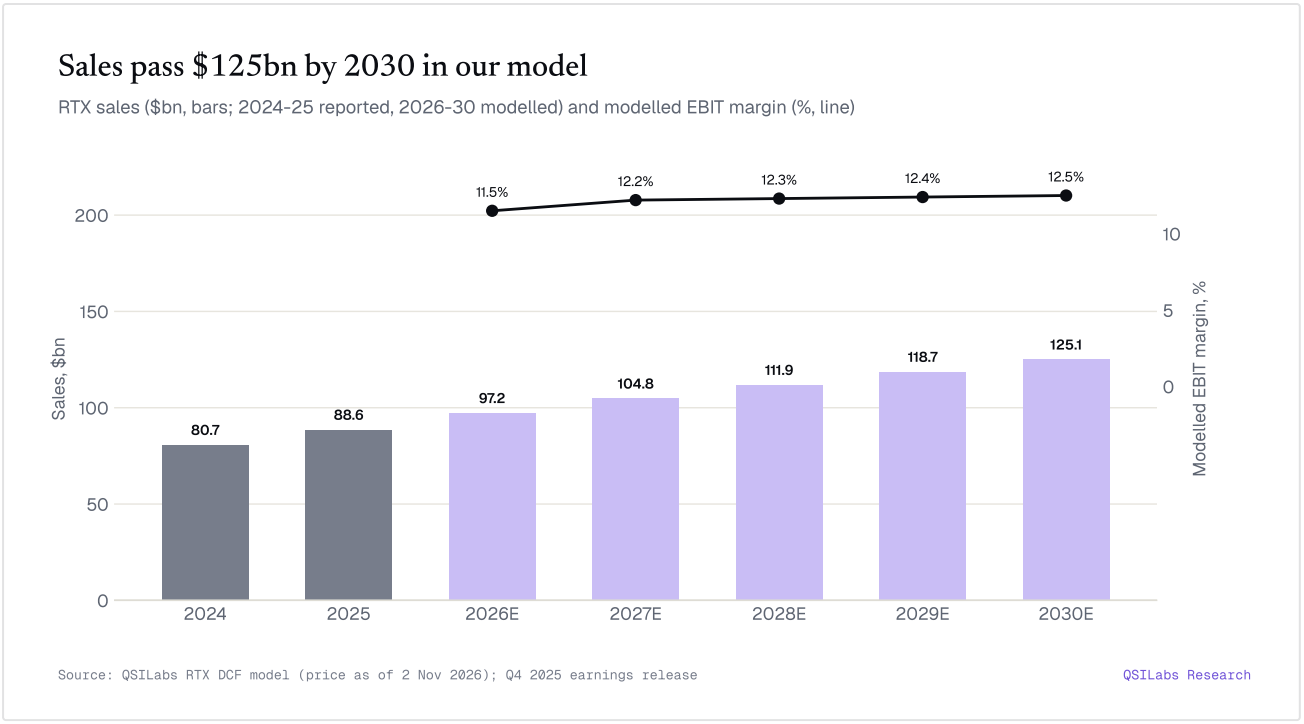


FIGURE 8 We take 2026 sales at $97.3bn and 2027 at $104.8bn, with the modelled EBIT margin rising from 11.5% to 12.5% by 2030.

A two-stage version of the model, which fades growth and returns more gradually after 2035, gives $124.74, almost the same answer.

How the number moves if you argue with us

The table shows our value per share for different discount rates and terminal growth rates. Every figure comes from the model.

WACC / TERMINAL GROWTH	1.5%	2.0%	2.5%	3.0%	3.5%
7.73%	$140.16	$145.10	$150.95	$157.99	$166.64
8.23%	$128.19	$132.01	$136.45	$141.71	$148.03
8.73%	$117.90	$120.87	**$124.29**	$128.27	$132.97
9.23%	$108.95	$111.28	$113.93	$116.98	$120.52
9.73%	$101.11	$102.95	$105.01	$107.36	$110.05

Even the most generous corner, a 7.73% WACC with 3.5% growth for ever, gives $166.64, about 18% below the share price. To justify $202.79 you need to believe some combination of faster growth for longer than we assume, margins well above 13%, or a much lower cost of

capital. That is possible: the backlog, defense budgets of $1.5 trillion requested for fiscal 2027 and a GTF aftermarket that grows for years are all real. But they are already priced in, and our model gives the company credit for strong growth in 2026 and 2027.

Risks to the RTX investment case

The risks run in both directions. Things that could make our value too low:

- **Defense spending.** The administration's fiscal 2027 defense budget request was $1.5 trillion, including $350bn through reconciliation, and a separate June supplemental request included about $21bn for munitions replenishment. If Congress funds these, the missile contracts could turn into sales faster than we assume.
- **Missile contracts.** The Tomahawk, AMRAAM, SM-6 and SM-3 IB contracts are worth up to about $74bn combined. Once their prices are agreed, they could support Raytheon growth above our 7% fading to 3%.
- **GTF aftermarket.** Pratt & Whitney's commercial aftermarket grew 21% in the quarter. As the GTF fleet ages and inspection work normalizes, maintenance revenue could grow faster and earn better margins than we model.

Things that could make it too high:

- **One-offs.** The quarter included about $0.4bn of IEEPA recovery and about $85m of Raytheon contract benefits. Most of the tariff refund appears to be booked, so 2027 earnings growth will have a tougher comparison.
- **Fixed-price risk.** Raytheon earned about $14.0bn of its $23.1bn of nine-month external sales on fixed-price contracts, and undefinitized contracts carry pricing risk until they are finalized. Inflation and supply chain shortages, including rare earths and microelectronics, have hurt RTX's productivity before.
- **Pratt & Whitney.** The powder metal fleet management plan continues to keep A320neo aircraft on the ground through 2026, and the third quarter brought a $363m customer bankruptcy charge. Further airline credits, charges or engine problems would hit profit and cash.
- **Government policy.** Continuing resolutions delay new program starts, tariffs can change, and the executive order on contractor performance could restrict dividends or buybacks.
- **Valuation.** At about 26 times 2026 earnings guidance, the shares leave little room for a slip.

FAQ

What is QSILabs' value for RTX stock after Q3 2026 earnings?

QSILabs values RTX (RTX) at $124.29 per share as of results for the quarter ended 30 September 2026, based on a discounted cash flow model with an 8.73% cost of capital and 2.5% terminal growth. The shares closed at $202.79 on 2 November 2026, about 63% above that value. Our sensitivity range is roughly $105-151 a share.

Is RTX stock a buy after its Q3 2026 results?

On our valuation, RTX stock is expensive: the $202.79 price sits above our whole DCF range of about $105-151, and above the $166.64 we get even with our most generous assumptions. The 24 analysts in the S&P Global consensus disagree, rating RTX a Buy with an average target of $229.17. This is analysis, not investment advice.

How much did RTX earn in the third quarter of 2026?

RTX earned net income attributable to shareholders of $2,583m in the quarter ended 30 September 2026, or $1.89 per diluted share, up from $1,918m and $1.41 a year earlier. Adjusted EPS was $2.26, up 33%, including $0.25 from IEEPA tariff recovery. Sales were $24,965m, up 11%.

What drove the increase in RTX's order book?

Mostly missiles. Defense bookings were about $59bn in the third quarter of 2026, against $23bn a year earlier, driven by multi-year US government contracts for Tomahawk cruise missiles of about $23bn and AMRAAM missiles of about $14.3bn. That took defense backlog to $164bn and total backlog to $340bn at 30 September 2026.

What is the IEEPA tariff recovery in RTX's results?

In February 2026 the US Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act were unauthorized, and importers can claim refunds. RTX paid about $0.5bn of those tariffs and had recognized about $0.4bn of approved refunds by 30 September 2026. The recovery added $0.25 to Q3 2026 adjusted EPS and about $0.3bn to operating cash flow.

How did RTX shares react to the Q3 2026 results?

RTX shares rose 0.6% on 20 October 2026, results day, to close at $193.34, and had risen to $202.79 by 2 November. That was about 10% below the 52-week closing high of $225.49 on 18 August 2026 and 14.5% above the level a year earlier.

What is the Pratt & Whitney GTF powder metal issue?

In 2023 Pratt & Whitney found a rare condition in powder metal used in some parts of the PW1100 Geared Turbofan engine that powers the Airbus A320neo, which forced extra inspections and engine removals. RTX took a $2.9bn charge in 2023, mostly for airline compensation. It expects grounded-aircraft levels to stay elevated through 2026; the compensation accrual was $0.2bn at 30 September 2026.

What is RTX's dividend yield?

RTX pays a quarterly dividend of $0.73 a share, or $2.92 a year, a yield of about 1.4% at the 2 November 2026 price of $202.79. It paid $2.9bn of dividends in the first nine months of 2026 and did not buy back any shares.

Who will run Pratt & Whitney from 2027?

Jill Albertelli, president of Pratt & Whitney's military engines business, becomes president of Pratt & Whitney on 1 January 2027, RTX announced on 15 September 2026. She succeeds Shane Eddy, who stays on as a special adviser until he retires at the end of March 2027.

Sources

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About this analysis

Written by QSI Labs Research. We read RTX's filings (the Q3 2026 earnings release filed with the SEC on Form 8-K, the Form 10-Q for the quarter to 30 September 2026, and the earnings releases for the three previous quarters) and value the company with a discounted cash flow model: free cash flow to the firm for 2026 to 2035, a terminal value, and a bridge from enterprise value to equity that subtracts all interest-bearing debt. Revenue for 2026 and 2027 sits close to analyst consensus; after that the assumptions are ours. Forecasts are QSILabs estimates; every reported figure is cited to its source. Figures as of Q3 2026 results; price as of the 2 November 2026 close.

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