Q3 2023 EARNINGS CONFERENCE CALL

October 26, 2023

Cautionary Statement

This communication contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide management's current expectations or plans for Carrier's future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements may include, among other things, statements relating to revised outlook and guidance, future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, Carrier's plans with respect to its indebtedness and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see Carrier's reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the U.S. Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and Carrier assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Q3 2023 Summary

Sales	$5,731M *Organic* +3% Y/Y*
Adjusted Operating Profit*	$1,044M *+21% Y/Y*
Adjusted EPS*	$0.89 *+27% Y/Y*
Free Cash Flow*	$949M

Highlights

HVAC and Fire & Security sales up MSD organically

Continued double-digit aftermarket growth

240 bps of adjusted operating margin expansion

Strong price/cost and productivity performance

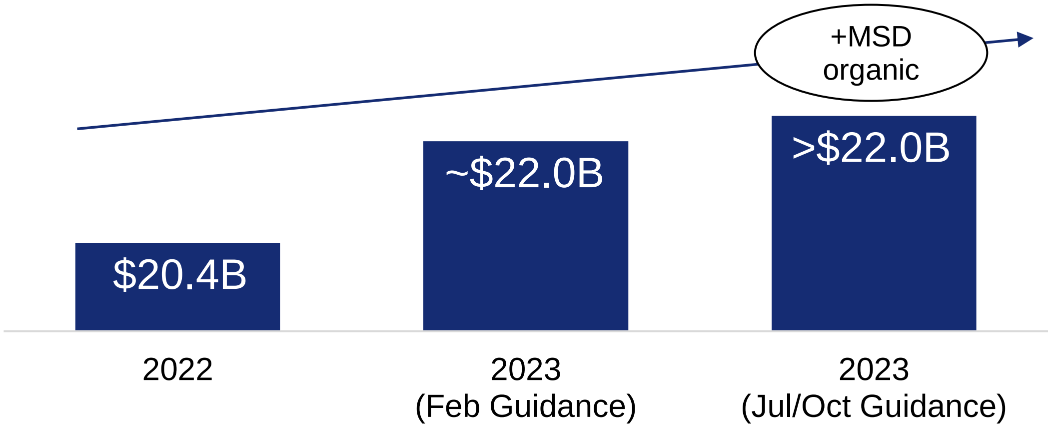
Transformation activities progressing well

Another quarter of strong performance; increasing full-year guidance

*See appendix for additional information regarding non-GAAP measures

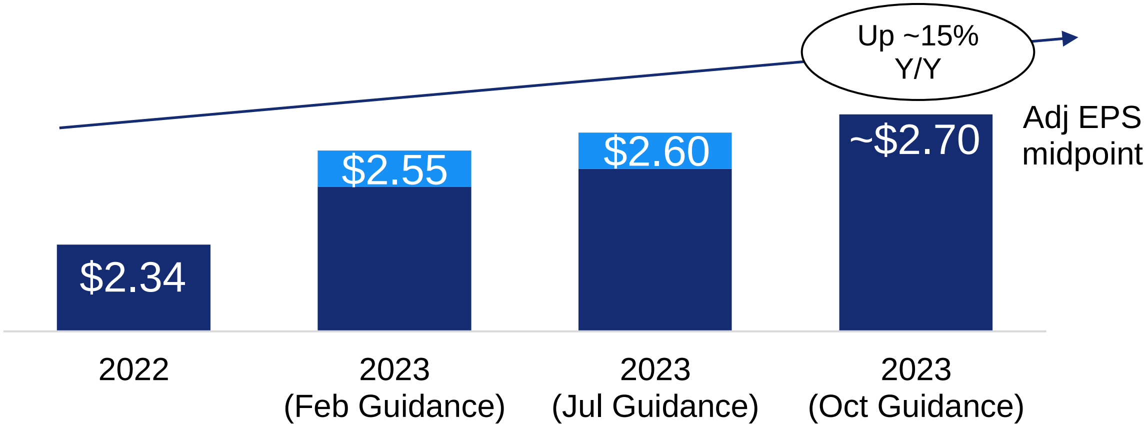
Performing While Transforming

Sales



- Strong Commercial and Light Commercial HVAC, Truck & Trailer, and F&S growth
- Double-digit aftermarket growth
- Secular trend tailwinds to continue

Adjusted EPS



- Strong operating performance
- Toshiba Carrier performance remains strong
- Discrete tax item tailwind vs. July guidance

Focus. Execution. Results.

*See appendix for additional information regarding non-GAAP measures

Digitally Enabled Lifecycle Solutions

Double-digit aftermarket growth in Q3; +13% YTD

BLUEDGE

- ✓ On track for ~80K chillers under long-term agreements by year-end
- ✓ On track for ~30K connected chillers by year-end
- ✓ ~50% attachment rate in Q3

ABOUND

- ✓ Added scale property development customers to Abound Healthy Air Solution and Net Zero Management in Q3
- ✓ Healthy Buildings pipeline up to ~$1.7B and up over 2x Y/Y

LYNX

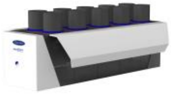
- ✓ Introduced Lynx Logix platform for predictive supply chain visibility and mitigation
- ✓ Over 100K paid Lynx subscriptions

Driving another year of double-digit aftermarket growth

Global Leader in Intelligent Climate and Energy Solutions

New Product Introduction

- ✓ New OptimaLINE™ container refrigeration unit with industry-leading fuel efficiency



- ✓ Launched new commercial high temperature heat pumps

- ✓ Introduced new residential and light commercial air-to-water heat pumps using propane refrigerant in Europe

Sustainability

- ✓ Since 2020, helped customers avoid ~270M metric tons of greenhouse gas emissions
- ✓ Net zero-ready product strategy aligned with SBTi Scope 3 commitments
- ✓ Over $700M invested in sustainable product development*

- ✓ Named to Newsweek's America's Greenest Companies 2024 list
- ✓ Named to TIME's inaugural World's Best Companies 2023 list
- ✓ Won FacilitiesNet Vision Award for Abound Net Zero Management

Differentiated industry-leading sustainable solutions that enable Carrier and its customers to achieve sustainability goals

*Cumulative totals from 2020 through 2022

Viessmann Climate Solutions

Transformational Combination: Gearing up for day 1

"…We're in a decade of decarbonization. So, there's a clear long-term outlook and given the market position we're in and the developments we're seeing, I think… we're perfectly geared up to tackle any of the opportunities out there."

"…There is a firm and clear regulatory frameset comprised of the European Green Deal, Fit for 55, REPowerEU, and that is shaping specific subsidy schemes and regulatory frameworks in the relative and respective countries."

– Max Viessmann

- ✓ 2023: Viessmann Climate Solutions on track for ~€4B sales and ~€0.7B EBITDA*
- ✓ Cost synergies: developing detailed plans to achieve ~€200M by year 3
- ✓ Revenue synergies, new product introduction, subscription offerings, complete offerings, and dual heat pump/boiler offerings position Viessmann Climate Solutions for above-market growth
- ✓ On track for combination the first week of January 2024

Game-changing combination; poised for long-term value creation

Carrier

*See appendix for additional information regarding non-GAAP measures

Business Exits Update

Security	Industrial Fire	Commercial Refrigeration	Residential and Commercial Fire

Processes proceeding well

Strong interest in superb assets

Expect definitive agreements by end of Q1, if not sooner

Creating standalone industry leader

Achieves strategic priorities

Expect public trading late spring 2024

Business exits timeline on track; positioning Carrier for growth, differentiation, focus

Q3 2023 Results

	Q3 2023	Q3 2022	Y/Y
Sales	$5,731M	$5,451M	5%
Organic sales*			3%
Acquisitions / Divestitures, net			1%
FX			1%
Adjusted operating profit*	$1,044M	$861M	21%
Adjusted operating margin*	18.2%**	15.8%	240 bps
Adjusted effective tax rate*	21.4%	23.0%	
Adjusted EPS*	$0.89	$0.70	27%
Free cash flow*	$949M	$699M	

*See appendix for additional information regarding non-GAAP measures
**Includes ~30 bps negative impact from consolidation of Toshiba Carrier Corporation (TCC)

Q3 2023 HVAC Results

	Q3 2023	Y/Y
Sales	$4,008M	7%
Organic sales*		4%
Acquisitions / divestitures, net		3%
Adjusted operating profit*	$833M	33%
Adjusted operating margin*	20.8%	410 bps

Energy audit for Changhua Christian Hospital's (CCH) leads to retrofit project win including replacing six chillers, a WebCTRL® building automation system, and a five-year service contract.

Highlights

- Commercial HVAC sales up HSD
- Light Commercial HVAC sales up ~30%
- North America Residential HVAC sales down LSD
- Aftermarket up double-digits
- Significant adjusted operating margin expansion despite ~50 bps headwind from Toshiba Carrier

*See appendix for additional information regarding non-GAAP measures

Q3 2023 Refrigeration Results

	Q3 2023	Y/Y
Sales	$924M	0%
Organic sales*		(3%)
FX		3%
Adjusted operating profit*	$111M	(6%)
Adjusted operating margin*	12.0%	(80) bps

Reed Boardall has taken delivery of 60 Vector® S15 units as well as 20 flagship Vector® HE 19 multi-temperature systems. The 80 new units collectively could save more than 800 tons of carbon dioxide (CO_2) emissions a year.

Highlights

- LSD organic sales decline in North America Truck & Trailer vs. tough prior year comparison
- Commercial Refrigeration orders returned to growth
- International Truck & Trailer sales up over 20%
- Continued strong momentum for electric transport units
- Still expect organic sales growth in H2 2023

*See appendix for additional information regarding non-GAAP measures

Q3 2023 Fire & Security Results

	Q3 2023	Y/Y
Sales	$923M	2%
Organic sales*		6%
FX		1%
Deconsolidation of KFI		(5%)
Adjusted operating profit*	$169M	13%
Adjusted operating margin*	18.3%	170 bps

Edwards announced the launch of ConnectedSafety+, a new SaaS life-cycle solution that optimizes the management of commercial fire installations. Benefits are designed to result in lower system service and maintenance costs and help minimize system disruptions for end users.

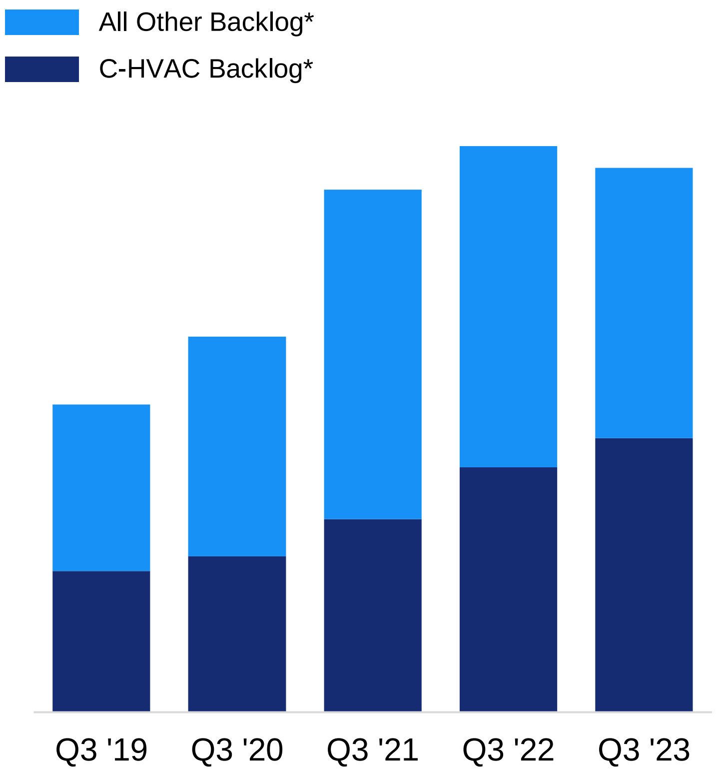
Highlights

- Industrial Fire and Security up HSD
- Commercial and Residential Fire combined grew MSD
- Strong margin performance driven by volume, price/cost and productivity
- Business exits progressing well

*See appendix for additional information regarding non-GAAP measures

Organic Order Trends

Backlog Trend*



C-HVAC backlog up >40% on 2-yr stack

Orders by Key Business Line	Q3 2023 (Y/Y)
HVAC**	~(10%)
Residential & Light Commercial	*~(15%)*
*Commercial HVAC***	*Flat*
Refrigeration	(20%) – (15%)
Transport Refrigeration	*(25%) – (20%)*
Commercial Refrigeration	*0% - 5%*
Fire & Security	
Fire & Security Products	*~5%*
Total Carrier**	~(10%)

Orders by Geography	Q3 2023 (Y/Y)
Americas**	~(15%)
EMEA	10% – 15%
China	(10%) – (5%)
Asia excluding China	~(15%)

Long-cycle backlog growing; short-cycle backlog normalizing with improving lead-times

*Excludes NORESCO, Chubb and Toshiba Carrier
**Excludes NORESCO

2023 Guidance

	Current Guidance	Prior Guidance
Sales	Over $22B Organic* up MSD FX ~0% Acquisitions / Divestitures, net +~5%	Over $22B Organic* up MSD FX ~0% Acquisitions / Divestitures, net +~5%
Adjusted Operating Margin*	~14.5% *Includes ~50 bps negative impact from TCC*	14.0% – 14.5% *Includes ~50 bps negative impact from TCC*
Adjusted EPS*	~$2.70	$2.55 - $2.65
Free Cash Flow*	Over $1.9B	~$1.9B

Segment Adjusted Operating Margin*

	Current Guidance	Prior Guidance
HVAC	~16.5%	~16%
Refrigeration	~13%	~13%
Fire & Security	~15.5%	~15.5%

*See appendix for additional information regarding non-GAAP measures

Key Q3 Takeaways

- Strong adjusted operating margin, adjusted EPS and free cash flow performance
  - Double-digit aftermarket growth
  - Price/cost and productivity driving adjusted operating margin expansion
- Raising full-year outlook for adjusted operating margin, adjusted EPS and free cash flow
- Backlogs remain strong; positions Carrier for continued organic growth in 2024
- Viessmann Climate Solutions combination on track to close the first week of January 2024
- High interest in business exits; process proceeding well

Performing while transforming

*See appendix for additional information regarding non-GAAP measures

APPENDIX

Use and Definitions of Non-GAAP Financial Measures

Carrier Global Corporation (“Carrier”) reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

Organic sales, adjusted operating profit, adjusted operating margin, incremental margins / earnings conversion, earnings before interest, taxes and depreciation and amortization (“EBITDA”), adjusted EBITDA, adjusted net income, adjusted earnings per share (“EPS”), adjusted interest expense, net, adjusted effective tax rate and net debt are non-GAAP financial measures.

Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items of a nonoperational nature (hereinafter referred to as “other significant items”). Adjusted operating profit represents operating profit (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Adjusted operating margin represents adjusted operating profit as a percentage of net sales (a GAAP measure). Incremental margins / earnings conversion represents the year-over-year change in adjusted operating profit divided by the year-over-year change in net sales. EBITDA represents net income attributable to common shareholders (a GAAP measure), adjusted for interest income and expense, income tax expense, and depreciation and amortization. Adjusted EBITDA represents EBITDA, as calculated above, excluding non-service pension benefit, non-controlling interest in subsidiaries’ earnings from operations, restructuring costs and other significant items. Adjusted net income represents net income attributable to common shareowners (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Adjusted EPS represents diluted earnings per share (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Adjusted interest expense, net represents interest expense (a GAAP measure) and interest income (a GAAP measure), net excluding other significant items. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Net debt represents long-term debt (a GAAP measure) less cash and cash equivalents (a GAAP measure). For the business segments, when applicable, adjustments of operating profit and operating margins represent operating profit, excluding restructuring, amortization of acquired intangibles and other significant items.

Free cash flow is a non-GAAP financial measure that represents net cash flows provided by operating activities (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing Carrier’s ability to fund its activities, including the financing of acquisitions, debt service, repurchases of Carrier's common stock and distribution of earnings to shareowners.

Orders are contractual commitments with customers to provide specified goods or services for an agreed upon price and may not be subject to penalty if cancelled.

When we provide our expectations for organic sales, adjusted operating profit, adjusted operating margin, adjusted interest expense, net, adjusted effective tax rate, incremental margins/earnings conversion, EBITDA, adjusted EBITDA, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, operating profit, operating margin, interest expense, effective tax rate, incremental operating margin, net income attributable to common shareowners, diluted EPS and net cash flows provided by operating activities) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, future restructuring costs, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

2023 Adjusted EPS* Guidance Bridge

*See appendix for additional information regarding non-GAAP measures

Additional Items

	Current Guidance	Prior Guidance
Shares outstanding (diluted)	~853M	850M – 855M
Corporate expenses / eliminations	~$275M	~$225M
Adjusted interest expense, net*	~$180M - $190M	~$185M - $195M
Adjusted effective tax rate*	21.5% - 22.0%	~23%
Non-service pension income / (expense)	~$0M	~$0M
Capital expenditures	~$400M	~$400M
Depreciation & amortization	~$550M	~$550M

*See appendix for additional information regarding non-GAAP measures

Carrier Q3 2023 vs 2022 Sales Reconciliation

Y/Y %

Three Months Ended September 30, 2023 Compared with Three Months Ended September 30, 2022

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	4 %	— %	3 %	— %	7 %
Refrigeration	(3) %	3 %	— %	— %	— %
Fire & Security	6 %	1 %	— %	(5) %	2 %
Consolidated	**3 %**	**1 %**	**1 %**	**— %**	**5 %**

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	6 %	(1) %	12 %	— %	17 %
Refrigeration	(4) %	— %	(1) %	— %	(5) %
Fire & Security	8 %	(1) %	— %	(3) %	4 %
Consolidated	**4 %**	**(1)%**	**8 %**	**— %**	**11 %**

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

2023 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited) Three Months Ended September 30, 2023					
Net sales	**$ 4,008**	**$ 924**	**$ 923**	**$ (124)**	**$ —**	**$ 5,731**
Segment operating profit	**$ 763**	**$ 107**	**$ 164**	**$ (298)**	**$ (91)**	**$ 645**
Reported operating margin	*19.0 %*	*11.6 %*	*17.8 %*			*11.3 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 25	$ 4	$ (1)	$ —	$ —	$ 28
Amortization of acquired intangibles	35	—	2	—	—	37
Acquisition step-up amortization (1)	10	—	—	—	—	10
Acquisition/divestiture-related costs	—	—	—	—	62	62
Bridge loan financing costs	—	—	—	1	—	1
Viessmann-related hedges	—	—	—	257	—	257
KFI deconsolidation	—	—	4	—	—	4
Total adjustments to operating profit	$ 70	$ 4	$ 5	$ 258	$ 62	$ 399
Adjusted operating profit	**$ 833**	**$ 111**	**$ 169**	**$ (40)**	**$ (29)**	**$ 1,044**
Adjusted operating margin	*20.8 %*	*12.0 %*	*18.3 %*			*18.2 %*

(1) Amortization of the step-up to fair value of acquired inventory and backlog.

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

2022 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited) Three Months Ended September 30, 2022					
Net sales	**$ 3,734**	**$ 923**	**$ 905**	**$ (111)**	**$ —**	**$ 5,451**
Segment operating profit	**$ 1,314**	**$ 116**	**$ 142**	**$ (10)**	**$ (36)**	**$ 1,526**
Reported operating margin	*35.2 %*	*12.6 %*	*15.7 %*			*28.0 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 2	$ 3	$ 1	$ —	$ —	$ 6
Amortization of acquired intangibles	16	—	1	—	—	17
Acquisition step-up amortization (1)	24	—	—	—	—	24
Acquisition/divestiture-related costs	—	—	—	—	15	15
Chubb gain	—	—	7	—	—	7
TCC acquisition-related gain (2)	(732)	—	—	—	—	(732)
Russia/Ukraine asset impairment	—	(1)	(1)	—	—	(2)
Total adjustments to operating profit	$ (690)	$ 2	$ 8	$ —	$ 15	$ (665)
Adjusted operating profit	**$ 624**	**$ 118**	**$ 150**	**$ (10)**	**$ (21)**	**$ 861**
Adjusted operating margin	*16.7 %*	*12.8 %*	*16.6 %*			*15.8 %*

(1) Amortization of the step-up to fair value of acquired inventory and backlog.
(2) The carrying value of our previously held TCC equity investments were recognized at fair value at the TCC acquisition date.

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

2023 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited) Nine Months Ended September 30, 2023					
Net sales	**$ 11,846**	**$ 2,794**	**$ 2,724**	**$ (368)**	**$ —**	**$ 16,996**
Segment operating profit	**$ 1,940**	**$ 327**	**$ 100**	**$ (482)**	**$ (196)**	**$ 1,689**
Reported operating margin	*16.4 %*	*11.7 %*	*3.7 %*			*9.9 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 27	$ 14	$ 11	$ 2	$ —	$ 54
Amortization of acquired intangibles	108	—	6	—	—	114
Acquisition step-up amortization (1)	31	—	—	—	—	31
Acquisition/divestiture-related costs	—	—	—	—	88	88
Bridge load financing costs	—	—	—	1	—	1
Viessmann-related hedges	—	—	—	368	—	368
TCC acquisition-related gain (2)	8	—	—	—	—	8
KFI deconsolidation	—	—	297	—	—	297
Total adjustments to operating profit	$ 174	$ 14	$ 314	$ 371	$ 88	$ 961
Adjusted operating profit	**$ 2,114**	**$ 341**	**$ 414**	**$ (111)**	**$ (108)**	**$ 2,650**
Adjusted operating margin	*17.8 %*	*12.2 %*	*15.2 %*			*15.6 %*

(1) Amortization of the step-up to fair value of acquired inventory and backlog.
(2) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

Carrier

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

2022 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	Nine Months Ended September 30, 2022					
Net sales	**$ 10,092**	**$ 2,940**	**$ 2,610**	**$ (326)**	**$ —**	**$ 15,316**
Segment operating profit	**$ 2,369**	**$ 370**	**$ 1,494**	**$ (50)**	**$ (101)**	**$ 4,082**
Reported operating margin	*23.5 %*	*12.6 %*	*57.2 %*			*26.7 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 8	$ 9	$ 10	$ —	$ 2	$ 29
Amortization of acquired intangibles	24	—	3	—	—	27
Acquisition step-up amortization (1)	24		—	—	—	24
Acquisition/divestiture-related costs	—	—	—	—	28	28
Chubb gain	—	—	(1,105)	—	—	(1,105)
TCC acquisition-related gain (2)	(732)	—	—	—	—	(732)
Russia/Ukraine asset impairment	—	3	—	—	—	3
Charge resulting from legal matter	22	—	—	—	—	22
Total adjustments to operating profit	$ (654)	$ 12	$ (1,092)	$ —	$ 30	$ (1,704)
Adjusted operating profit	**$ 1,715**	**$ 382**	**$ 402**	**$ (50)**	**$ (71)**	**$ 2,378**
Adjusted operating margin	*17.0 %*	*13.0 %*	*15.4 %*			*15.5 %*

(1) Amortization of the step-up to fair value of acquired inventory and backlog.
(2) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

See “Use and Definitions of Non-GAAP Financial Measures” for additional information regarding non-GAAP measures

Q3 2023 EPS Reconciliation

(In millions, except per share amounts)	Three Months Ended September 30, 2023 (Unaudited) Reported	Adjustments		Adjusted	Nine Months Ended September 30, 2023 (Unaudited) Reported	Adjustments		Adjusted
Net sales	**$ 5,731**	**$ —**		**$ 5,731**	**$ 16,996**	**$ —**		**$ 16,996**
Operating profit	$ 645	399	a	$ 1,044	$ 1,689	961	a	$ 2,650
Operating margin	*11.3 %*			*18.2 %*	*9.9 %*			*15.6 %*
Income from operations before income taxes	$ 594	410	a,b	$ 1,004	$ 1,525	993	a,b	$ 2,518
Income tax expense	$ (213)	(2)	c	$ (215)	$ (524)	(45)	c	$ (569)
Effective tax rate	*35.9 %*			*21.4 %*	*34.4 %*			*22.6 %*
Net income attributable to common shareowners	**$ 357**	**$ 408**		**$ 765**	**$ 929**	**$ 948**		**$ 1,877**
Summary of Adjustments:								
Restructuring costs		$ 28	a			$ 54	a	
Amortization of acquired intangibles		37	a			114	a	
Acquisition step-up amortization (1)		10	a			31	a	
Acquisition/divestiture-related costs		62	a			88	a	
Viessmann-related hedges		257	a			368	a	
TCC acquisition-related gain (2)		—	a			8	a	
KFI deconsolidation		4	a			297	a	
Bridge loan financing costs (3)		12	a,b			33	a,b	
Total adjustments		$ 410				$ 993		
Tax effect on adjustments above		$ (35)				$ (78)		
Tax specific adjustments		33				33		
Total tax adjustments		$ (2)	c			$ (45)	c	
Shares outstanding - Diluted	854.7			854.7	852.7			852.7
Earnings per share - Diluted	**$ 0.42**			**$ 0.89**	**$ 1.09**			**$ 2.20**

(1) Amortization of the step-up to fair value of acquired inventory and backlog.
(2) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.
(3) Includes commitment fees recognized in Selling, general and administrative.

Carrier

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

Q3 2022 EPS Reconciliation

(Unaudited)												
	Three Months Ended September 30, 2022						Nine Months Ended September 30, 2022					
(In millions, except per share amounts)	Reported	Adjustments		Adjusted			Reported	Adjustments		Adjusted		
Net sales	**$ 5,451**	**$ —**		**$ 5,451**			**$ 15,316**	**$ —**		**$ 15,316**		
Operating profit	$ 1,526	(665)	a	$ 861			$ 4,082	(1,704)	a	$ 2,378		
Operating margin	*28.0 %*			*15.8 %*			*26.7 %*			*15.5 %*		
Income from operations before income taxes	$ 1,470	(665)	a	$ 805			$ 3,915	(1,732)	a,b	$ 2,183		
Income tax expense	$ (138)	(47)	c	$ (185)			$ (609)	148	c	$ (461)		
Effective tax rate	*9.4 %*			*23.0 %*			*15.6 %*			*21.1 %*		
Net income attributable to common shareowners	**$ 1,312**	**$ (712)**		**$ 600**			**$ 3,264**	**$ (1,584)**		**$ 1,680**		
Summary of Adjustments:												
Restructuring costs		$ 6	a					$ 29	a			
Amortization of acquired intangibles		17	a					27	a			
Acquisition step-up amortization [(1)]		24	a					24	a			
Acquisition/divestiture-related costs		15	a					28	a			
Chubb gain		7	a					(1,105)	a			
TCC acquisition-related gain [(2)]		(732)	a					(732)	a			
Russia/Ukraine asset impairment		(2)	a					3	a			
Charge resulting from legal matter		—	a					22	a			
Debt extinguishment (gain), net [(3)]		—	b					(28)	b			
Total adjustments		**$ (665)**						**$ (1,732)**				
Tax effect on adjustments above		$ (15)						$ 185				
Tax specific adjustments		(32)						(37)				
Total tax adjustments		**$ (47)**	c					**$ 148**	c			
Shares outstanding - Diluted	856.5			856.5			864.3			864.3		
Earnings per share - Diluted	**$ 1.53**			**$ 0.70**			**$ 3.78**			**$ 1.94**		

(1) Amortization of the step-up to fair value of acquired inventory and backlog.
(2) The carrying value of our previously held TCC equity investments were recognized at fair value at the TCC acquisition date.
(3) The Company repurchased approximately $1.15 billion of aggregate principal senior notes on March 30, 2022 and recognized a net gain of $33 million and wrote-off $5 million of unamortized deferred financing costs in Interest (expense) income, net.

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

Free Cash Flow Reconciliation

	(Unaudited)							
(In millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
Net cash flows provided by (used in) operating activities	$ (202)	$ 32	$ 790	$ 1,123	$ 1,743	$ 120	$ 384	$ 1,041
Less: Capital expenditures	56	66	91	140	353	70	74	92
Free cash flow	**$ (258)**	**$ (34)**	**$ 699**	**$ 983**	**$ 1,390**	**$ 50**	**$ 310**	**$ 949**

See “Use and Definitions of Non-GAAP Financial Measures” for additional information regarding non-GAAP measures

Net Debt Reconciliation

	(Unaudited)	
(In millions)	**September 30, 2023**	**December 31, 2022**
Long-term debt	$ 8,651	$ 8,702
Current portion of long-term debt	134	140
Less: Cash and cash equivalents	3,902	3,520
Net debt	**$ 4,883**	**$ 5,322**

Carrier

See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures

Amortization of Acquired Intangibles

	(Unaudited)				
	Q1	**Q2**	**Q3**	**Q4**	**FY**
(In millions)	**2022**	**2022**	**2022**	**2022**	**2022**
HVAC	$ 4	$ 4	$ 16	$ 22	$ 46
Fire & Security	1	1	1	1	4
Total Carrier	5	5	17	23	50
Associated tax effect	(1)	(1)	(7)	(4)	(13)
Net impact to adjusted results	**$ 4**	**$ 4**	**$ 10**	**$ 19**	**$ 37**

See “Use and Definitions of Non-GAAP Financial Measures” for additional information regarding non-GAAP measures