Carrier

Q2 2020 EARNINGS CONFERENCE CALL

July 30, 2020

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. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for our 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 or the separation from United Technologies (the “Separation”). Forward-looking statements may include, among other things, statements relating to 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, including the estimated costs associated with the Separation 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 those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which Carrier and its businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions, pandemic health issues (including COVID-19 and its effects, among other things, on production and on global supply, demand, and distribution disruptions as the outbreak continues and results in an increasingly prolonged period of travel, commercial and/or other similar restrictions and limitations), natural disasters and the financial condition of our customers and suppliers; (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (3) future levels of indebtedness, including indebtedness incurred in connection with the Separation, capital spending and research and development spending; (4) future availability of credit and factors that may affect such availability, including credit market conditions and Carrier’s capital structure and credit ratings; (5) the timing and scope of future repurchases of Carrier’s common stock, including market conditions and the level of other investing activities and uses of cash; (6) delays and disruption in the delivery of materials and services from suppliers; (7) cost reduction efforts and restructuring costs and savings and other consequences thereof; (8) new business and investment opportunities; (9) risks resulting from less diversification and balance of operations across product lines, regions and industries due to the Separation; (10) the outcome of legal proceedings, investigations and other contingencies; (11) the impact of pension plan assumptions and on future cash contributions and earnings; (12) the impact of the negotiation of collective bargaining agreements and labor disputes; (13) the effect of changes in political conditions in the U.S. and other countries in which Carrier and its businesses operate, including the effect of changes in U.S. trade policies or the United Kingdom’s withdrawal from the European Union, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (14) the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which we and our businesses operate; (15) the ability of Carrier to retain and hire key personnel; (16) the scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (17) the expected benefits of the Separation; (18) a determination by the IRS and other tax authorities that the Distribution or certain related transactions should be treated as taxable transactions; (19) risks associated with indebtedness, including that incurred as a result of financing transactions undertaken in connection with the Separation; (20) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the Separation will exceed Carrier’s estimates; and (21) the impact of the Separation on Carrier’s business and Carrier’s resources, systems, procedures and controls, diversion of management’s attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see Carrier’s registration statement on Form 10 and the reports of Carrier on Forms, 10-Q and 8-K filed with or furnished to the SEC 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.

Progress on Priorities | COVID-19

1	**People**	• Distributed 2.5M masks across the business • Thermal screening 100% of employees at scale locations • Putting Carrier’s suite of Healthy Buildings Program offerings in our own facilities
2	**Customers and Business Continuity**	• Factories and suppliers are operational • Over 95% of production capacity is available
3	**Cost Management and Liquidity**	• Carrier 600 now tracking to $250M for full-year 2020 • One-time cost actions tracking to $300M for full-year 2020 • Renegotiated covenants on revolver and term loan • Expect at least $1.1B of free cash flow for full-year 2020
4	**Positioning Carrier to Emerge Stronger**	• Stronger than expected Q2 performance supports H2 investments in healthy, safe and sustainable buildings and cold chain solutions

Focusing on Strategic Priorities

The New Carrier

Cultural Transformation	Agility and increased focus on winning is yielding early results
Carrier Operating System	Launched Carrier Excellence and Carrier Alliance
Talent Development and Recruitment	Leaning in on D&I initiatives
ESG and Communities	Sustainability is a differentiator

Maintaining Focus on Strategic Imperatives

- Strengthen and grow core
- Product extensions and geographic coverage
- Services and digital

CARRIER 600

New Normal: Emerging Trend

Healthy, Safe and Sustainable

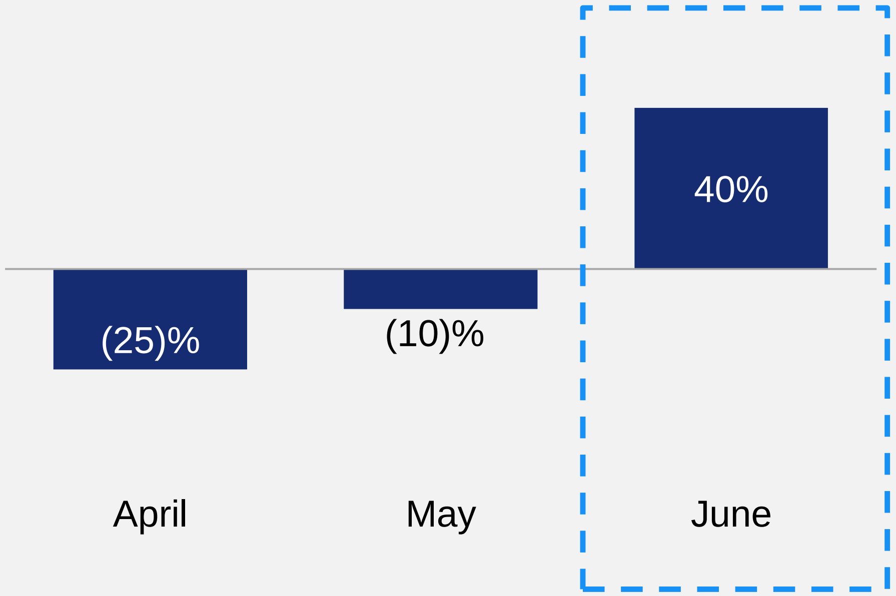
Buildings

Cold Chain Solutions

Order Trends

North America[1]

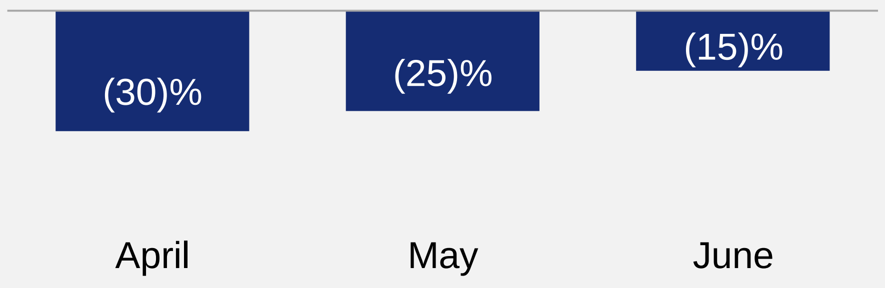
(Y/Y %)



Strong Residential HVAC and F&S demand in June

EMEA

(Y/Y %)



Commercial HVAC orders soft in Europe

Chubb orders impacted by shutdowns

[1]Excludes NORESCO

Q2 2020 Financial Summary

(Millions except EPS)

	Q2 2019	Q2 2020	Y/Y %
Sales	$4,962	$3,972	(20)%
Organic sales[1]			(19)%
GAAP operating profit	$805	$442	(45)%
Adjusted operating profit[1]	$814	$476	(42)%
GAAP EPS		$0.30	
Adjusted EPS[1]		$0.33	
Free cash flow[1]	$506	$463	(9)%

April and May sales declined as expected.
June sales much stronger than anticipated helped by residential HVAC

Aggressive cost actions partially mitigated the profit impact of the sales decline

Strong cash flow helped by better than expected earnings, working capital timing and lower capital spending

[1] See appendix for additional information regarding non-GAAP measures

Q2 2020 Segment Results

(Millions)

	HVAC		Refrigeration		Fire & Security	
	Q2	Y/Y %	Q2	Y/Y %	Q2	Y/Y %
Sales	$2,291	(16)%	$700	(27)%	$1,057	(24)%
Organic sales[1]		(15)%		(25)%		(22)%
GAAP Operating Profit	$358	(34)%	$61	(50)%	$106	(42)%
Adjusted Operating Profit[1]	$359	(34)%	$64	(49)%	$112	(42)%

	HVAC	Refrigeration	Fire & Security
Key Drivers	+	+	+
	NA residential demand	Container activity	Access security
	Commercial HVAC China	Truck/trailer China	June POS pickup
	-	-	-
	Light commercial lagged	Truck/trailer softness & tough compare	Slow retail activity
	South Asia pressure		Chubb shutdowns

[1] See appendix for additional information regarding non-GAAP measures

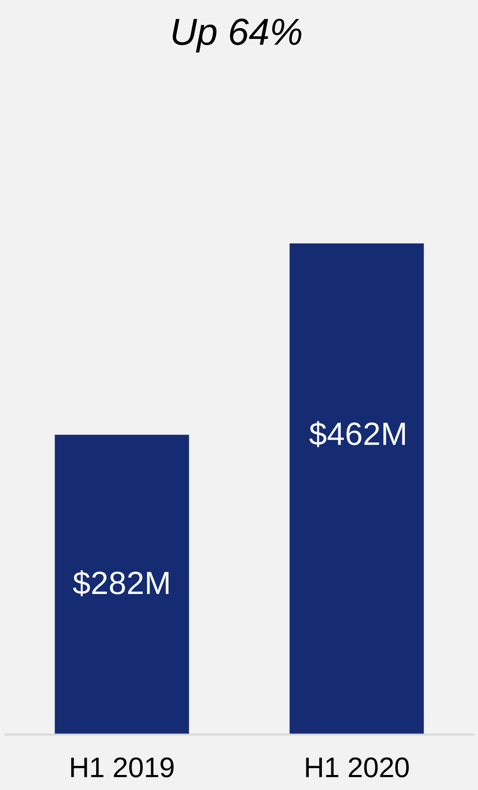
Cost Reduction Progress

(Millions)

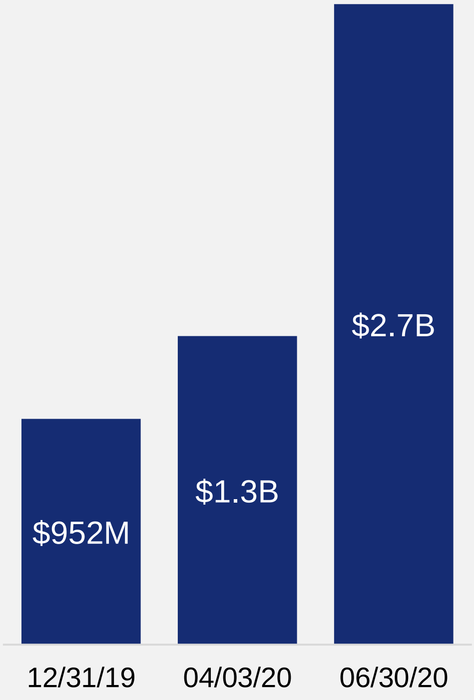
	May 8th Targets	Updated 2020 Targets
Carrier 600	~$225	~$250
Investments	~($75)	~($100)
Non-Recurring Cost Containment Actions	~$300	~$300
Productivity / Absorption	~($200)	~($200)
Total	**~$250**	**~$250**

Cash Flow and Balance Sheet

H1 Free Cash Flow[1]



Cash Balance



- Strong cash position
- Declared dividend
- Renegotiated term loan and revolver covenants
- No borrowings on $2B revolver
- No debt maturities until 2023
- $750M bond issuance

[1] See appendix for additional information regarding non-GAAP measures

2020 Outlook

	May 8th Scenario Ranges	Revised 2020 Outlook
Sales	$15.0B – $17.0B	$15.5B – $17.0B
Adjusted Operating Profit[1]	$1.7B – $2.0B	$1.8B – $2.0B
Free Cash Flow[1]	At least $1.0B	At least $1.1B

[1] See appendix for additional information regarding non-GAAP measures

Summary

- Effective and aggressive actions on cost containment and cash flow
- Better than expected Q2 enables increased investment in growth in H2 and revised FY outlook
- Healthy buildings & cold chain solutions present attractive opportunities
- Positioned for medium-term outlook of mid-single digit sales growth and high-single digit EPS growth

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.

Organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share (“EPS”), and the adjusted effective tax rate 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 non-recurring and/or nonoperational nature (hereinafter referred to as “other significant items”). Adjusted operating profit represents operating profit (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income attributable to common shareowners (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share (a GAAP measure), excluding restructuring costs and other significant items. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of operating profit and margins represent operating profit, excluding restructuring and other significant items. GAAP financial results include the impact of changes in foreign currency exchange rates (AFX).

We use the non-GAAP measure “at constant currency” or “CFX” to show changes in our financial results without giving effect to period-to-period currency fluctuations. Under GAAP, income statement results are translated in U.S. dollars at the average exchange rate for the period presented. Management believes that the non-GAAP measures just mentioned are useful in providing period-to-period comparisons of the results of the Company’s ongoing operational performance.

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 shareholders.

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.

When we provide our expectations for adjusted EPS, adjusted operating profit, adjusted effective tax rate, organic sales 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 diluted EPS, operating profit, the effective tax rate, sales and expected 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, 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.

2020 Key Items

Shares outstanding (diluted)	870M – 875M
Corporate expenses / eliminations	$200M – $225M
Interest expense	$290M - $300M
Adjusted effective tax rate[1]	26% – 27%
Capital expenditures	$250M - $275M
Depreciation & amortization	~ $320M

See page 12 for additional information regarding non-GAAP measures

Carrier Q2 2020 vs Q2 2019 Sales Reconciliation

Y/Y %

Three Months Ended June 30, 2020 Compared with Three Months Ended June 30, 2019

	(Unaudited) Factors Contributing to Total % change in Net Sales				
	Organic	**FX Translation**	**Acquisitions / Divestitures, net**	**Other**	**Total**
HVAC	(15)%	(1)%	— %	— %	(16)%
Refrigeration	(25)%	(2)%	— %	— %	(27)%
Fire & Security	(22)%	(2)%	— %	— %	(24)%
Consolidated	**(19)%**	**(1)%**	**— %**	**— %**	**(20)%**

Six Months Ended June 30, 2020 Compared with Six Months Ended June 30, 2020

	(Unaudited) Factors Contributing to Total % change in Net Sales				
	Organic	**FX Translation**	**Acquisitions / Divestitures, net**	**Other**	**Total**
HVAC	(13)%	— %	— %	— %	(13)%
Refrigeration	(19)%	(2)%	— %	— %	(21)%
Fire & Security	(14)%	(1)%	— %	— %	(15)%
Consolidated	**(14)%**	**(1)%**	**— %**	**— %**	**(15)%**

See page 12 for additional information regarding non-GAAP measures

Segment adjusted operating profit reconciliation

(dollars in millions - Income (Expense))	(Unaudited) For the Three Months Ended June 30, 2020	2019	For the Six Months Ended June 30, 2020	2019
HVAC				
Net sales	$ 2,291	$ 2,735	$ 4,250	$ 4,903
Operating profit	$ 358	$ 545	$ 525	$ 838
Restructuring	(1)	(18)	(3)	(35)
Impairment charge on minority owned joint venture investment	—	—	(71)	—
Gain on sale of interest in joint venture	—	21	—	34
Separation costs	—	—	(2)	—
Adjusted operating profit	**$ 359**	**$ 542**	**$ 601**	**$ 839**
Adjusted operating profit margin	15.7 %	19.8 %	14.1 %	17.1 %
Refrigeration				
Net sales	$ 700	$ 955	$ 1,508	$ 1,917
Operating profit	$ 61	$ 121	$ 160	$ 248
Restructuring	(3)	(4)	(3)	(7)
Adjusted operating profit	**$ 64**	**$ 125**	**$ 163**	**$ 255**
Adjusted operating profit margin	9.1 %	13.1 %	10.8 %	13.3 %
Fire & Security				
Net sales	$ 1,057	$ 1,386	$ 2,263	$ 2,676
Operating profit	$ 106	$ 184	$ 226	$ 316
Restructuring	(6)	(8)	(9)	(21)
Separation costs	—	—	(3)	—
Adjusted operating profit	**$ 112**	**$ 192**	**$ 238**	**$ 337**
Adjusted operating profit margin	10.6 %	13.9 %	10.5 %	12.6 %

(dollars in millions - Income (Expense))	(Unaudited) For the Three Months Ended June 30, 2020	2019	For the Six Months Ended June 30, 2020	2019
General Corporate Expenses and Eliminations and Other				
Net sales	$ (76)	$ (114)	$ (161)	$ (211)
Operating profit	$ (83)	$ (45)	$ (154)	$ (97)
Restructuring	(1)	—	(1)	—
Separation costs	(23)	—	(63)	—
Adjusted operating profit	**$ (59)**	**$ (45)**	**$ (90)**	**$ (97)**
Carrier				
Net sales	$ 3,972	$ 4,962	$ 7,860	$ 9,285
Operating profit	$ 442	$ 805	$ 757	$ 1,305
Total restructuring costs	(11)	(30)	(16)	(63)
Total non-recurring and non-operational items	(23)	21	(139)	34
Adjusted operating profit	**$ 476**	**$ 814**	**$ 912**	**$ 1,334**

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See page 12 for additional information regarding non-GAAP measures

Constant currency reconciliation

(dollars in millions)	For the Quarters Ended June 30 2020	2019	% YoY
HVAC			
Adjusted Operating Profit	$ 359	$ 542	(34%)
Impact of Foreign Exchange	(7)		
Adjusted Operating Profit at constant currency	$ 366	$ 542	(32%)
Refrigeration			
Adjusted Operating Profit	$ 64	$ 125	(49%)
Impact of Foreign Exchange	(1)		
Adjusted Operating Profit at constant currency	$ 65	$ 125	(48%)
Fire and Security			
Adjusted Operating Profit	$ 112	$ 192	(42%)
Impact of Foreign Exchange	(0)		
Adjusted Operating Profit at constant currency	$ 112	$ 192	(42%)

See page 12 for additional information regarding non-GAAP measures

2020 EPS reconciliation

(dollars in millions - Income (Expense))	(Unaudited) For the Three Months Ended June 30, 2020	2019	For the Six Months Ended June 30, 2020	2019
Net income attributable to common shareowners	**$ 261**	**$ 784**	**$ 357**	**$ 1,184**
Total restructuring costs	(11)	(30)	(16)	(63)
Total non-recurring and non-operational items included in operating profit	(23)	21	(139)	34
Non-recurring and non-operational items included in Interest expense, net:				
Interest income associated with participation in amnesty settlement	—	8	—	8
Interest income associated with IRS settlement	—	8	—	8
Debt issuance costs relating to Carrier's separation from United Technologies	—	—	(5)	—
Non-recurring and non-operational items included in Interest expense, net	—	16	(5)	16
Tax effect of restructuring and non-recurring and non-operational items	**9**	**3**	**22**	**9**
Significant non-recurring and non-operational items included in Income tax expense:				
Favorable income tax adjustments related to tax amnesty	—	95	—	95
Adjustments related to tax settlements	—	54	—	54
Adjustment related to a valuation allowance recorded against a United Kingdom tax loss and credit carryforward as a result of separation related activities	—	—	(51)	—
Adjustment resulting from Carrier's decision to no longer permanently reinvest certain pre-2018 unremitted non-U.S. earnings	—	—	(46)	—
Significant non-recurring and non-operational items included in Income tax expense	**—**	**149**	**(97)**	**149**
Total Non-recurring and non-operational items - Non-controlling interest	—	—	—	—
Total significant non-recurring and non-operational items	**(25)**	**159**	**(235)**	**$ 145**
Adjusted net income attributable to common shareowners	**$ 286**	**$ 625**	**$ 592**	**$ 1,039**
Diluted earnings per share	**$ 0.30**	**$ 0.91**	**$ 0.41**	**$ 1.37**
Impact on diluted earnings per share	(0.03)	0.18	(0.27)	0.16
Adjusted diluted earnings per share	**$ 0.33**	**$ 0.73**	**0.68**	**$ 1.21**
Effective tax rate	**28.2 %**	**7.6 %**	**44.6 %**	**14.6 %**
Impact on effective tax rate	(0.2)%	17.9 %	(17.6)%	11.1 %
Adjusted effective tax rate	**28.0 %**	**25.5 %**	**27.0 %**	**25.7 %**

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See page 12 for additional information regarding non-GAAP measures

Free cash flow reconciliation

(dollars in millions)	(Unaudited) For the Three Months Ended March 31, 2020		2019	
Net income attributable to common shareowners	$ 96		$ 400	
Net cash flows provided by (used in) operating activities	$ 47		(183)	
Less: Capital expenditures	48		41	
Free cash flow	$ (1)		$ (224)	
Free cash flow as a percentage of net income attributable to common shareowners		(1)%		(56)%

(dollars in millions)	(Unaudited) For the Three Months Ended June 30, 2020		2019	
Net income attributable to common shareowners	$ 261		$ 784	
Net cash flows provided by operating activities	$ 509		554	
Less: Capital expenditures	46		48	
Free cash flow	$ 463		$ 506	
Free cash flow as a percentage of net income attributable to common shareowners		177%		65%

(dollars in millions)	(Unaudited) For the Six Months Ended June 30, 2020		2019	
Net income attributable to common shareowners	$ 357		$ 1,184	
Net cash flows provided by operating activities	$ 556		$ 371	
Less: Capital expenditures	94		89	
Free cash flow	$ 462		$ 282	
Free cash flow as a percentage of net income attributable to common shareowners		129%		24%

See page 12 for additional information regarding non-GAAP measures