Q4 2021 EARNINGS CONFERENCE CALL

February 8, 2022

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 or the separation from United Technologies Corporation (the "Separation"), since renamed Raytheon Technologies Corporation. 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, the estimated costs associated with the Separation, 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.

Toshiba Carrier Corporation (TCC) Acquisition

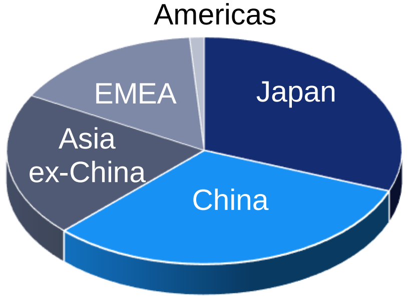
Carrier — *Partnership since 1999* — TOSHIBA

~6,000 employees

40% Carrier → Toshiba Carrier ← 60% Toshiba

Calendar Year 2021*	
Sales:	~$2.1B
EBITDA:	~$250M

<u>Sales</u>



<u>Products</u>

Variable Refrigerant Flow

International Light Commercial

Transaction Highlights

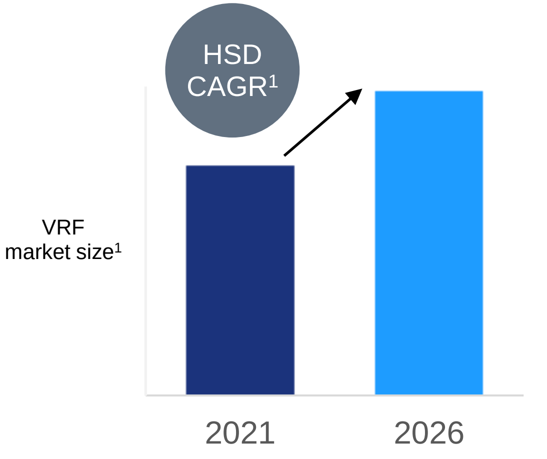
- Carrier acquires substantially all of Toshiba's economic ownership stake in TCC for ~$900M
  - Toshiba to retain 5% equity stake in TCC
- Incremental to Carrier CY2021 (before integration/deal costs and purchase price adjustments including intangible amortization):
  - ~$2B sales
  - ~$160M EBITDA
  - ~$90M operating profit
- Long-term trademark license for Toshiba brand
- Expected to close by end of Q3 2022

Establishes Carrier as a more significant player in the global VRF segment

** Based on TCC's unaudited calendar year 2021 financial results*

Strategic Rationale

Fast growing VRF segment



Global VRF market surpasses Applied equipment by 2025[1]

Attractive market

Differentiated technologies

- ✓ Strengthens position in electrification and sustainability
- ✓ Wide range of efficient heat pump technology
- ✓ World-class energy efficiency, driven by 3-stage rotary compressor and proprietary inverter technology

Sustainable technologies

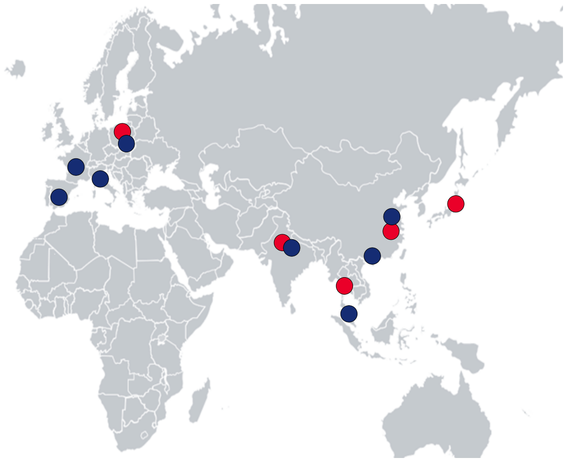
Iconic brand and complementary channel

TOSHIBA

- ✓ Complementary channel in China
- ✓ Enables multi-brand strategy (Toshiba, Carrier, Giwee)

Tiered multi-brand strategy and broader market access

Complementary, cost-efficient footprint



- Toshiba manufacturing presence
- Carrier manufacturing presence

International low-cost manufacturing scale

Optimized structure to drive differentiation, execution and profitable growth

Carrier

[1]Internal Estimate (2021)

Q4 2021 Summary

Sales	$5,133M *Organic* +11% Y/Y* *Reported +12% Y/Y*
Adjusted Operating Profit*	$517M *+14% Y/Y*
Free Cash Flow*	$775M

Highlights

Orders momentum remains strong; record backlogs

Continued inflationary pressure partially offset by higher-than-expected price realization

Traction on strategic priorities and aftermarket growth

25% dividend increase

Strong Q4 in-line with our expectations; well-positioned for 2022

*See appendix for additional information regarding non-GAAP measures

2021 – Strong Financial Performance

	2/9/21 Guidance	10/28/21 Guidance	FY 2021 Results	
Sales	Organic* + 4-6% Y/Y	Organic* +~13% Y/Y	Organic* +15% Y/Y	✓
Adjusted Op. Margin*	~13.5%	>13.5%	13.6%	✓
Adjusted EPS*	$1.85 - $1.95	~$2.20	$2.26	✓
Free Cash Flow*	~$1.6B	~$1.9B	$1.9B	✓

Financial Highlights

- Portfolio-wide share gains contributed to strong organic sales
- 80 bps of adjusted operating margin expansion despite challenging supply chain environment and $150M of incremental investments
- Adjusted EPS growth of 36%
- Free cash flow conversion 114% of net income

*See appendix for additional information regarding non-GAAP measures

Progress on Key Initiatives in 2021

ESG and Sustainability

- ✓ Ultra-low GWP heat pumps decarbonize E.ON's London customers by 50%
- ✓ Vector eCool – first 100% electric trailer refrigeration offering in EMEA

Healthy

- ✓ ~$500M healthy buildings orders; ~$700M pipeline
- ✓ Over 42K OptiClean units sold to-date

Intelligent

- ✓ Launched innovative Abound and Lynx platforms
- ✓ Sensitech and ALC grew high-teens

ABOUND LYNX

Aftermarket

- ✓ Double-digit growth
- ✓ 60K chillers under service maintenance agreement
- ✓ 38% attachment rate

BLUEDGE

Portfolio

- ✓ Chubb divestiture
- ✓ Reduced minority JVs per plan
- ✓ Playing offense on M&A

GIWEE A Carrier Company CAVIUS
Nlyte BROKERBAY

Supply Chain Resiliency

- ✓ Carrier 700 initiatives reduced the impact of inflationary headwinds
- ✓ Drove strategic actions to establish a more resilient and robust supply chain

2022 Guidance

	2022 Guidance** (excluding impact of TCC acquisition)
Sales	~$20B Organic* up HSD *FX ~(1%)* *Acquisitions ~1%* *Divestitures ~(10%)*
Adjusted Operating Margin*	Up ~75 bps
Adjusted EPS*	$2.20 - $2.30
Free Cash Flow*	~$1.65B *Includes ~$200M in tax payments on Chubb gain*

Key Focus Areas

- **Accelerate differentiated technical / digital offerings**
- **ESG and sustainability leadership**
- **Double-digit aftermarket growth**
- **Operational excellence**
  - ~$1B of price (~80% carry-over or effective January 2022)
  - ~$1B inflationary cost headwind
  - ~$300M of gross productivity savings
- **Disciplined capital allocation**

Projecting another year of strong performance and results

*See appendix for additional information regarding non-GAAP measures
**As of February 8, 2022

Q4 2021 Results

	Q4 2021	Q4 2020	Y/Y
Sales	$5,133M	$4,594M	12%
Organic sales*			11%
Acquisitions			2%
FX			(1)%
Adjusted operating profit*	$517M	$453M	14%
Adjusted operating margin*	10.1%	9.9%	20 bps
Adjusted effective tax rate*	13.5%	26.3%	
Adjusted EPS*	$0.44	$0.31	
Free cash flow*	$775M	$38M	

*See appendix for additional information regarding non-GAAP measures

Q4 2021 HVAC Results

	Q4 2021	Y/Y
Sales	$2,730M	17%
Organic sales*		14%
Acquisitions		3%
FX		0%
Adjusted operating profit*	$242M	5%
Adjusted operating margin*	8.9%	(100) bps

Carrier’s AquaForce® 61XWHZE high-temperature heat pump, operating on ultra-low global warming potential refrigerant, has been chosen for a project by E.ON, one of Europe's largest operators of energy networks and infrastructure. The project is designed to cut carbon emissions from E.ON’s London customers by up to 50%, enhance air quality in the city and help the UK meet its 2050 net zero targets.

Highlights

NA residential HVAC strength continues; field inventory levels up in-line with sell-through

Margins impacted by acquisitions and price/cost; price/cost slightly positive

33% sales growth in light commercial

60,000+ chillers under service contracts; MSD aftermarket growth

ALC / Controls up high-teens

*See appendix for additional information regarding non-GAAP measures

Q4 2021 Refrigeration Results

	Q4 2021	Y/Y
Sales	$1,090M	15%
Organic sales*		17%
FX		(2)%
Adjusted operating profit*	$125M	14%
Adjusted operating margin*	11.5%	(10) bps

Carrier's new alliance with ConMet further expands its transport refrigeration electrification capabilities in North America. ConMet's wheel-based power generation captures energy otherwise wasted during braking, advancing Carrier's broader zero-emission transport refrigeration solutions, providing electric options for trailer, truck, and light commercial vehicle customers.

Highlights

Global truck/trailer and container sales both up ~30%

Fully electric trailer units operational in 10 countries

Underlying demand for transport remained strong; order book re-opened in Q1 2022

Improved price realization, but price/cost still negative

Commercial refrigeration performance below expectations

*See appendix for additional information regarding non-GAAP measures

Q4 2021 Fire & Security Results

	Q4 2021	Y/Y
Sales	$1,431M	2%
Organic sales*		3%
FX		(1)%
Adjusted operating profit*	$199M	7%
Adjusted operating margin*	13.9%	60 bps

Designed for Wi-Fi connectivity, the Kidde Smart Smoke + Carbon Monoxide alarm and app function not only as a standalone safety solution, but can also transform existing Kidde hardwired interconnected alarms into smart ones with an easy and fully integrated solution that offers whole-home protection.

Highlights
Continued double-digit order momentum in Products; strong backlog entering 2022
Improved price realization, but price/cost still negative
Electronics and components remain a challenge constraining sales growth
MSD growth in Products offset by modest sales declines in Chubb

*See appendix for additional information regarding non-GAAP measures

Organic Order Trends

Orders by Key Business Line	Q4 2021 (Y/Y)
HVAC*	30% - 35%
Residential & Light Commercial	*>50%*
*Commercial HVAC**	*15% - 20%*
Refrigeration	~(5%)
Transport Refrigeration[1]	*(10%) - (5%)*
Commercial Refrigeration	*Flattish*
Fire & Security Products	10% - 15%
Total Carrier**	~20%

Orders by Geography**	Q4 2021 (Y/Y)
Americas	25% - 30%
EMEA	10% - 15%
China	(10%) - (5%)
Asia excluding China	10% - 15%

*Excludes NORESCO
**Excludes NORESCO and Chubb
[1]Underlying demand for transport remained strong; order book re-opened in Q1 2022

Q4 2021 Adjusted EPS* Bridge

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

2022 Guidance

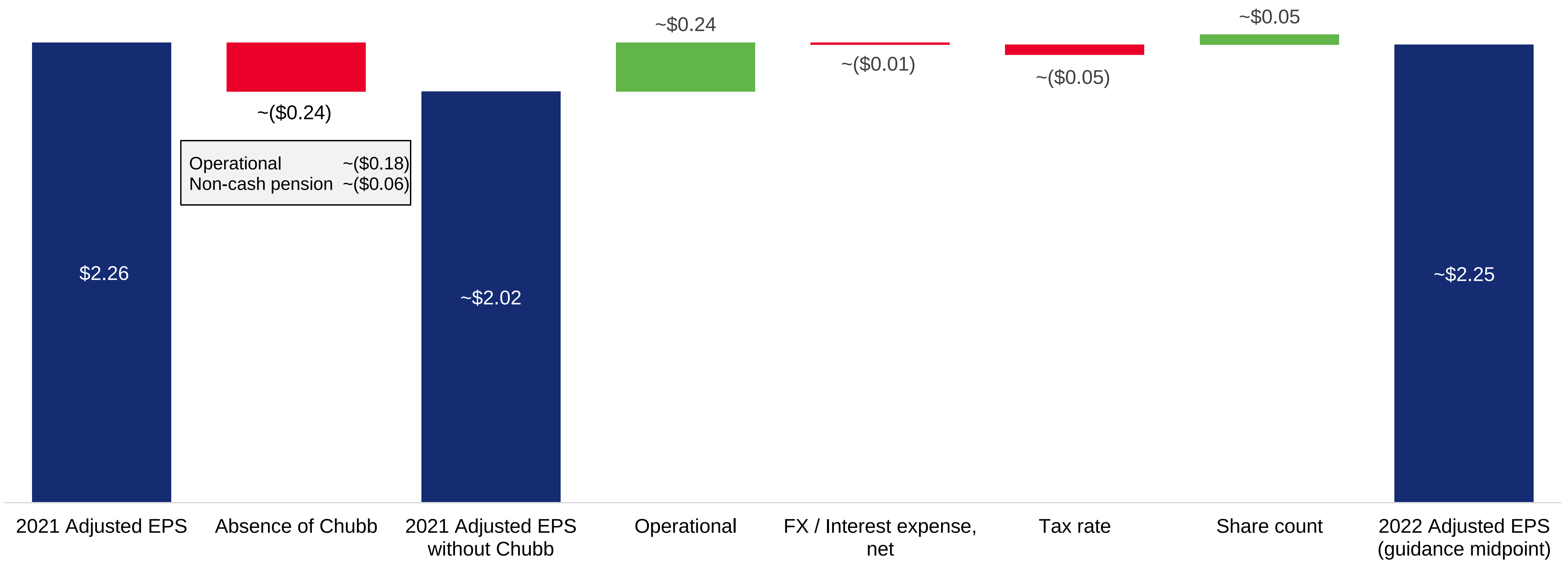
	Total Company** (excluding impact of TCC acquisition)
Sales	~$20B Organic* up HSD *FX ~(1%)* *Acquisitions ~1%* *Divestitures ~(10%)*
Adjusted Operating Margin*	Up ~75 bps
Adjusted EPS*	$2.20 - $2.30
Free Cash Flow*	~$1.65B *Includes ~$200M in tax payments on Chubb gain*

Segment Sales	
HVAC	Organic* up HSD *Reported up HSD*
Refrigeration	Organic* up M-HSD *Reported up M-HSD*
Fire & Security	Organic* up M-HSD *Reported down ~30%*

Segment Adjusted Operating Margin*	
HVAC	~16.0% Up ~40 bps
Refrigeration	~12.5% Up ~40 bps
Fire & Security	~16.0% Up ~280 bps

*See appendix for additional information regarding non-GAAP measures
**As of February 8, 2022

2022 Adjusted EPS* Guidance Bridge



Expecting double-digit EPS growth adjusting for the Chubb divestiture

Carrier

*See appendix for additional information regarding non-GAAP measures

Cost Reduction

2021 Carrier 700			
	Gross Productivity	Material inflation*	**Carrier 700 Savings**
Supply Chain	+	-	-
Factory	+	N/A	+
G&A Savings	+	N/A	+
Total	**~$300M**	**~($300M)**	**~$0M**

*Does not capture all cost inflation

2022 Productivity Guidance	
	Gross Productivity
Supply Chain	+
Factory	+
G&A Savings	+
Total	**~$300M**

Cost take-out continues to fund investments and drive margin expansion

Capital Allocation

Organic growth

↓

Inorganic growth

↓

Growing dividend

↓

Share repurchase

2022 Capital Deployment	
Cash as of 12/31/21	$3.0B
Gross cash from Chubb sale	$2.9B
2022 FCF guidance*	~$1.65B
Cash available to deploy	**~$7.5B**
Debt repayment	*~$0.75B*
Pending Toshiba acquisition	*~$0.9B*
Dividends paid	*~$0.5B*
Share repurchases	*~$1.6B*
2022 capital deployment	**~$3.75B**

*Includes ~$200M in tax payments on Chubb gain

Well-positioned to create shareowner value through strategic capital deployment

Summary

Strong 2021 performance

Strategic investments and performance position us well for 2022

Balance sheet enables us to play offense on capital deployment

Well-positioned to drive healthy, safe, sustainable and intelligent building and cold chain solutions

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”), the 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 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 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. Net debt represents long-term debt (a GAAP measure) less cash and cash equivalents. For the business segments, when applicable, adjustments of operating profit and operating margins represent operating profit, excluding restructuring 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.

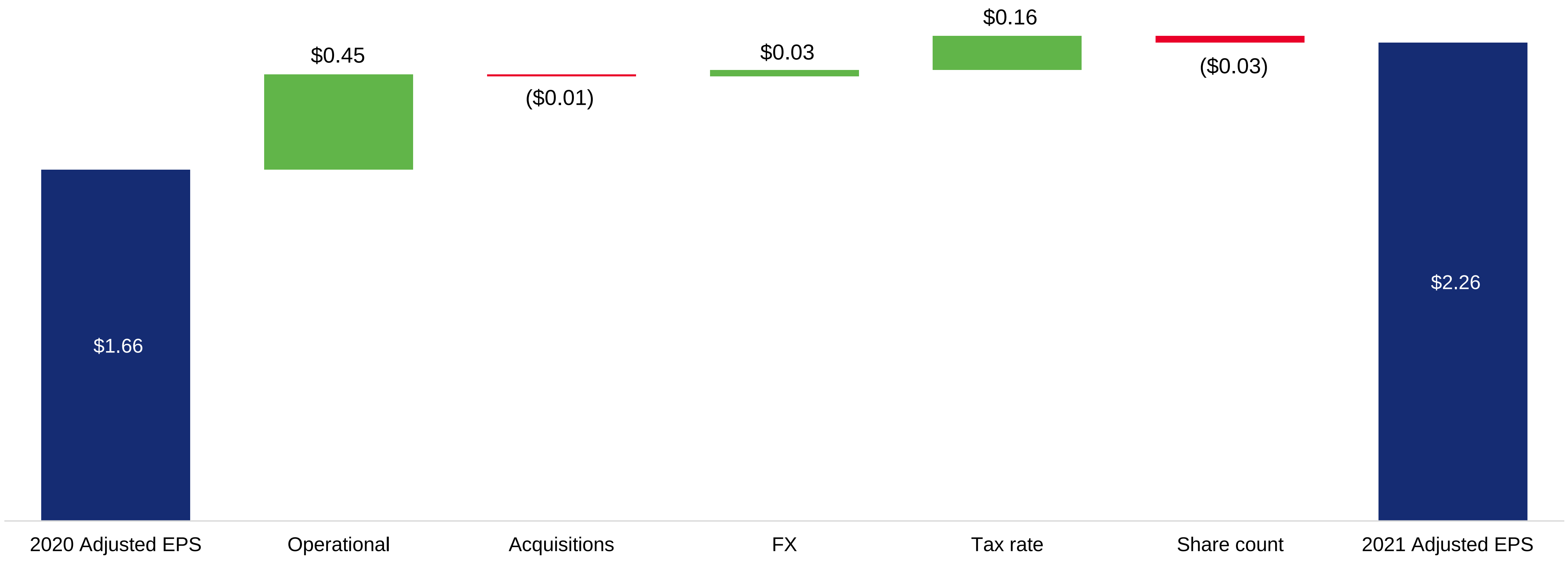
When we provide our expectations for organic sales, adjusted operating profit, adjusted operating margin, adjusted effective tax rate, incremental margins/earnings conversion, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, operating profit, operating margin, effective tax rate, incremental operating margin, 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.

Additional Items

	2022 guidance (excluding impact of TCC acquisition)
Shares outstanding (diluted)	~871M
Corporate expenses / eliminations	\$210M - \$230M
Adjusted interest expense, net*	\$275M - \$285M
Adjusted effective tax rate*	~22%
Non-service pension income / (expense)	(\$10M) – (\$5M)
Capital expenditures	\$340M - \$360M
Depreciation & amortization[1]	\$295M - \$305M

*See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures
[1]Includes ~\$80M of amortization of intangible assets

2021 Adjusted EPS* Bridge



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Carrier 2021 vs 2020 Sales Reconciliation

Y/Y %

Three Months Ended December 31, 2021 Compared with Three Months Ended December 31, 2020

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	14%	—%	3%	—%	17%
Refrigeration	17%	(2)%	—%	—%	15%
Fire & Security	3%	(1)%	—%	—%	2%
Consolidated	**11%**	**(1)%**	**2%**	**—%**	**12%**

Year Ended December 31, 2021 Compared with Year Ended December 31, 2020

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	17%	1%	2%	—%	20%
Refrigeration	21%	3%	—%	—%	24%
Fire & Security	7%	4%	—%	—%	11%
Consolidated	**15%**	**2%**	**1%**	**—%**	**18%**

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

Segment Adjusted Operating Profit Reconciliation

(In millions - Income (Expense))	For the Three Months Ended December 31, 2021 (Unaudited)	For the Three Months Ended December 31, 2020 (Unaudited)	For the Year Ended December 31, 2021 (Unaudited)	For the Year Ended December 31, 2020 (Unaudited)
HVAC				
Net sales	$ 2,730	$ 2,336	$ 11,390	$ 9,478
Operating profit	$ 227	$ 1,098	$ 1,738	$ 2,462
Restructuring	(15)	(4)	(33)	(7)
Impairment of joint venture investment	—	—	—	(71)
Gain on sale of joint venture	—	871	—	1,123
Charge resulting from litigation matter	—	—	—	(11)
Separation costs	—	—	—	(2)
Acquisition and other related costs	—	—	(5)	—
Adjusted operating profit	**$ 242**	**$ 231**	**$ 1,776**	**$ 1,430**
Refrigeration				
Net sales	$ 1,090	$ 949	$ 4,127	$ 3,333
Operating profit	$ 107	$ 94	$ 476	$ 357
Restructuring	(18)	(10)	(25)	(12)
Separation costs	—	(6)	—	(6)
Adjusted operating profit	**$ 125**	**$ 110**	**$ 501**	**$ 375**
Fire & Security				
Net sales	$ 1,431	$ 1,398	$ 5,515	$ 4,985
Operating profit	$ 182	$ 158	$ 662	$ 584
Restructuring	(3)	(15)	(26)	(28)
Separation costs	—	(13)	—	(16)
Chubb transaction costs	(14)	—	(42)	—
Adjusted operating profit	**$ 199**	**$ 186**	**$ 730**	**$ 628**

(In millions - Income (Expense))	For the Three Months Ended December 31, 2021 (Unaudited)	For the Three Months Ended December 31, 2020 (Unaudited)	For the Year Ended December 31, 2021 (Unaudited)	For the Year Ended December 31, 2020 (Unaudited)
General Corporate Expenses and Eliminations and Other				
Net sales	$ (118)	$ (89)	$ (419)	$ (340)
Operating profit	$ (53)	$ (105)	$ (231)	$ (320)
Restructuring	(1)	(1)	(5)	(2)
Separation costs	(1)	(30)	(20)	(117)
Chubb transaction costs	—	—	(1)	—
Other	(2)	—	(2)	—
Adjusted operating profit	**$ (49)**	**$ (74)**	**$ (203)**	**$ (201)**
Carrier				
Net sales	$ 5,133	$ 4,594	$ 20,613	$ 17,456
Operating profit	$ 463	$ 1,245	$ 2,645	$ 3,083
Total restructuring costs	(37)	(30)	(89)	(49)
Total non-recurring and non-operational items	(17)	822	(70)	900
Adjusted operating profit	**$ 517**	**$ 453**	**$ 2,804**	**$ 2,232**

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

2021 EPS Reconciliation

	(Unaudited)					
	For the Three Months Ended December 31, 2021			For the Year Ended December 31, 2021		
(In millions, except per share amounts)	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	$ 5,133	$ —	$ 5,133	$ 20,613	$ —	$ 20,613
Operating profit	$ 463	54 [a]	$ 517	$ 2,645	159 [a]	$ 2,804
Operating margin	*9.0 %*		*10.1 %*	*12.8 %*		*13.6 %*
Income from operations before income taxes	$ 405	54 [a,b]	$ 459	$ 2,400	178 [a,b]	$ 2,578
Income tax expense	$ (73)	11 [c]	$ (62)	$ (699)	171 [c]	$ (528)
Income tax rate	*18.0 %*		*13.5 %*	*29.1 %*		*20.5 %*
Net income attributable to common shareowners	**$ 324**	**$ 65**	**$ 389**	**$ 1,664**	**$ 349**	**$ 2,013**
Summary of Adjustments:						
Restructuring costs		$ 37 [a]			$ 89 [a]	
Separation costs		1 [a]			20 [a]	
Acquisition and other related costs		2 [a]			7 [a]	
Chubb transaction costs		14 [a]			43 [a]	
Debt prepayment costs		— [b]			19 [b]	
Total adjustments		$ 54			$ 178	
Tax effect on adjustments above		$ (10)			$ (29)	
Tax specific adjustments		21			200	
Total tax adjustments		$ 11 [c]			$ 171 [c]	
Shares outstanding - Diluted	888.5		888.5	890.3		890.3
Earnings per share - Diluted	**$ 0.36**		**$ 0.44**	**$ 1.87**		**$ 2.26**

Carrier

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

2020 EPS Reconciliation

	(Unaudited)					
	For the Three Months Ended December 31, 2020			For the Year Ended December 31, 2020		
(In millions, except per share amounts)	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	$ 4,594	$ —	$ 4,594	$ 17,456	$ —	$ 17,456
Operating profit	$ 1,245	(792) a	$ 453	$ 3,083	(851) a	$ 2,232
Operating margin	*27.1 %*		*9.9 %*	*17.7 %*		*12.8 %*
Income from operations before income taxes	$ 1,176	(792) a,b	$ 384	$ 2,855	(846) a,b	$ 2,009
Income tax expense	$ (289)	188 c	$ (101)	$ (849)	326 c	$ (523)
Income tax rate	*24.5 %*		*26.3 %*	*29.7 %*		*26.0 %*
Net income attributable to common shareowners	**$ 884**	**$ (604)**	**$ 280**	**$ 1,982**	**$ (520)**	**$ 1,462**
Summary of Adjustments:						
Restructuring costs		$ 30 a			$ 49 a	
Gain on sale of joint venture		(871) a			(1,123) a	
Impairment of equity method investment		— a			71 a	
Charge resulting from litigation matter		— a			11 a	
Separation costs		49 a			141 a	
Debt issuance costs		— b			5 b	
Total adjustments		$ (792)			$ (846)	
Tax effect on adjustments above		$ 188			$ 217	
Tax specific adjustments		—			109	
Total tax adjustments		$ 188 c			$ 326 c	
Shares outstanding - Diluted	888.4		888.4	880.2		880.2
Earnings per share - Diluted	**$ 1.00**		**$ 0.31**	**$ 2.25**		**$ 1.66**

Carrier

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

Segment Net Sales and Operating Profit

	(Unaudited)							
	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021		2020		2021		2020	
(In millions)	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
Net sales								
HVAC	$ 2,730	$ 2,730	$ 2,336	$ 2,336	$ 11,390	$ 11,390	$ 9,478	$ 9,478
Refrigeration	1,090	1,090	949	949	4,127	4,127	3,333	3,333
Fire & Security	1,431	1,431	1,398	1,398	5,515	5,515	4,985	4,985
Segment sales	5,251	5,251	4,683	4,683	21,032	21,032	17,796	17,796
Eliminations and other	(118)	(118)	(89)	(89)	(419)	(419)	(340)	(340)
Net sales	**$ 5,133**	**$ 5,133**	**$ 4,594**	**$ 4,594**	**$ 20,613**	**$ 20,613**	**$ 17,456**	**$ 17,456**
Operating profit								
HVAC	$ 227	$ 242	$ 1,098	$ 231	$ 1,738	$ 1,776	$ 2,462	$ 1,430
Refrigeration	107	125	94	110	476	501	357	375
Fire & Security	182	199	158	186	662	730	584	628
Segment operating profit	516	566	1,350	527	2,876	3,007	3,403	2,433
Eliminations and other	(23)	(23)	(62)	(33)	(96)	(79)	(184)	(73)
General corporate expenses	(30)	(26)	(43)	(41)	(135)	(124)	(136)	(128)
Operating profit	**$ 463**	**$ 517**	**$ 1,245**	**$ 453**	**$ 2,645**	**$ 2,804**	**$ 3,083**	**$ 2,232**
Operating margin								
HVAC	8.3 %	8.9 %	47.0 %	9.9 %	15.3 %	15.6 %	26.0 %	15.1 %
Refrigeration	9.8 %	11.5 %	9.9 %	11.6 %	11.5 %	12.1 %	10.7 %	11.3 %
Fire & Security	12.7 %	13.9 %	11.3 %	13.3 %	12.0 %	13.2 %	11.7 %	12.6 %
Total Carrier	**9.0 %**	**10.1%**	**27.1 %**	**9.9%**	**12.8%**	**13.6%**	**17.7%**	**12.8%**

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

Free Cash Flow Reconciliation

(In millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
	(Unaudited)									
Net cash flows provided by operating activities	$ 47	$ 509	$ 937	$ 199	$ 1,692	$ 184	$ 561	$ 579	$ 913	$ 2,237
Less: Capital expenditures	48	46	57	161	312	53	79	74	138	344
Free cash flow	**$ (1)**	**$ 463**	**$ 880**	**$ 38**	**$ 1,380**	**$ 131**	**$ 482**	**$ 505**	**$ 775**	**$ 1,893**

Carrier

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

Net Debt Reconciliation

	(Unaudited)			
	As of December 31,			
(In millions)	2021 [2]		2020 [1]	
Long-term debt	$	9,513	$	10,036
Current portion of long-term debt		183		191
Less: Cash and cash equivalents		2,987		3,115
Net debt	**$**	**6,709**	**$**	**7,112**

[1] On April 1 and April 2, 2020, Carrier received cash contributions totaling $590 million from UTC related to the Separation, resulting in net debt of approximately $9.9 billion as of April 3, 2020.

[2] On January 3, 2022, Carrier received net proceeds of $2.6 billion from the Chubb divestiture, reducing our net debt to approximately $4.1 billion upon the close of the transaction.

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