Cautionary Statement

Note: All results and expectations in this presentation reflect continuing operations unless otherwise noted.

This presentation 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 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," "estimates," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident" and other words of similar meaning in connection with a discussion of future operating or financial performance or 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, Otis or UTC following UTC's separation into three independent public companies and/or following completion of the Raytheon merger or the separation, including the expected timing of completion of the separation and estimated costs associated with the separation, the Raytheon merger, including synergies or customer cost savings and the expected timing of the completion of the Raytheon merger, 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, Carrier and UTC disclaim any intention or obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which Carrier and UTC and their respective 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 and natural disasters and the financial condition of Carrier's 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 that may be incurred in connection with the separation, and 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; (5) the timing and scope of future repurchases of Carrier’s common stock, which may be affected at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (6) delays and disruption in 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) anticipated benefits of moving away from diversification and balance of operations across product lines, regions and industries; (10) the outcome of legal proceedings, investigations and other contingencies; (11) pension plan assumptions and future contributions; (12) the impact of the negotiation of collective bargaining agreements in the U.S. and other countries in which Carrier and UTC and their respective businesses operate, including the effect of changes in U.S. trade policies or the U.K.'s pending withdrawal from the EU, 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 Carrier and UTC and their respective businesses operate; (15) the ability of Carrier and UTC to retain and hire key personnel; (16) the scope, nature, impact or timing of the separation and other acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies or opportunities for growth and innovation and incurrence of related costs; (17) the expected benefits and timing of the separation, and the risk that conditions to the separation will not be satisfied and/or that the separation will not be completed within the expected time frame, on the expected terms or at all; (18) a determination by the IRS and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; (19) the possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all; (20) expected financing transactions undertaken in connection with the separation and risks associated with the additional indebtedness; (21) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed Carrier's estimates; (22) risks associated with the transactions contemplated by the Raytheon merger agreement or the announcement or pursuit of such transactions, including disruptions to UTC's or Carrier's operations or performance; (23) UTC's or Carrier's obligations pursuant to the Raytheon merger agreement to consummating the Carrier and Otis distribution in accordance with the terms and conditions of the Raytheon merger agreement, including with respect to the timing of the distributions and the requirement that UTC obtain Raytheon's prior written consent to effect certain changes to the terms of the separation or distributions, and the resulting limitations on UTC's ability to determine or alter the structure or timing of the internal restructurings, the timing or distributions or the terms and conditions of the separation agreement and similar agreements; and (24) the impact of the separation on Carrier's business and the risk that the separation may be more difficult, time-consuming or costly than expected, including the impact on 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. There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive of the uncertainties, risks and assumptions that may affect forward-looking statements.
## Agenda

<table>
<thead>
<tr>
<th>Timing</th>
<th>Topics</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00am - 9:00am</td>
<td>Registration</td>
<td></td>
</tr>
<tr>
<td>9:00am - 10:20am</td>
<td>Carrier Overview</td>
<td>David Gitlin, President &amp; CEO</td>
</tr>
<tr>
<td></td>
<td>HVAC-Commercial</td>
<td>Chris Nelson, President, HVAC-Commercial</td>
</tr>
<tr>
<td></td>
<td>HVAC-Residential</td>
<td>Matthew Pine, President, HVAC-Residential</td>
</tr>
<tr>
<td>10:20am - 10:45am</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>10:45am - 12:15pm</td>
<td>Refrigeration</td>
<td>David Appel, President, Refrigeration</td>
</tr>
<tr>
<td></td>
<td>Fire &amp; Security</td>
<td>Jurgen Timperman, President, Fire &amp; Security</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td>Tim McLevish, CFO</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A</td>
<td>All Presenters</td>
</tr>
<tr>
<td>12:15pm - 1:15pm</td>
<td>Reception</td>
<td></td>
</tr>
</tbody>
</table>
We’ve forged entire industries. We’ve built iconic brands. We’ve pioneered more than 100 years of firsts. And now, as an independent, focused company, our best days are ahead of us.

This is the new Carrier – and Change is in the Air.
Why Carrier

Megatrends drive sustained industry growth

Strong foundation with leading positions

Runway to drive accelerated top and bottom line growth

Portfolio optionality enables further value creation
Carrier Overview

Sales: $18.6B
Adj. Op Profit: $2.6B
Adj. Op Profit %: 14.2%

*Total Carrier sales net of ($0.4B) of eliminations
**2019 Standalone proforma adjusted operating profit. See appendix for additional information regarding these non-GAAP measures.
Megatrends Drive Sustained Industry Growth

### Climate and Regulation

<table>
<thead>
<tr>
<th>Year</th>
<th>Average number of days per year above 70°F - New York City</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>111</td>
</tr>
<tr>
<td>2020</td>
<td>~141</td>
</tr>
<tr>
<td>2050</td>
<td>~184</td>
</tr>
</tbody>
</table>

19 hottest years on record have been in the past 20 years.

Source: NOAA, Crowther Lab.

### Urbanization

<table>
<thead>
<tr>
<th>Year</th>
<th>Global urban population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>~45%</td>
</tr>
<tr>
<td>2020</td>
<td>~55%</td>
</tr>
<tr>
<td>2050</td>
<td>~70%</td>
</tr>
</tbody>
</table>


### Growing Middle Class

<table>
<thead>
<tr>
<th>Year</th>
<th>Middle class population - billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1.5</td>
</tr>
<tr>
<td>2018</td>
<td>3.6</td>
</tr>
<tr>
<td>2030</td>
<td>~5.5 CAGR: ~5%</td>
</tr>
</tbody>
</table>

Source: Brookings Institute.

### Digitalization

<table>
<thead>
<tr>
<th>Year</th>
<th>Connected IoT devices - billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>5</td>
</tr>
<tr>
<td>2020</td>
<td>~12</td>
</tr>
<tr>
<td>2025</td>
<td>~25 CAGR: ~18%</td>
</tr>
</tbody>
</table>

Source: GSMA Intelligence.

### Drives demand for Carrier offerings

- Energy-efficient HVAC and refrigeration systems
- Next-generation low-GWP refrigerants
- Battery-powered transport solutions
- Fire detection systems compliance
- Cold chain solutions
- Driving technology for life safety solutions
- Rapid adoption of HVAC
- HVAC and fire and security systems
- Cold chain solutions
- Building controls and automation
- Predictive maintenance
- Monitoring connected service solutions
<table>
<thead>
<tr>
<th>Position</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HVAC</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. Residential</td>
<td>#1</td>
</tr>
<tr>
<td>U.S. Light Commercial</td>
<td>#1</td>
</tr>
<tr>
<td>Global Applied</td>
<td>#3</td>
</tr>
<tr>
<td><strong>Refrigeration</strong></td>
<td></td>
</tr>
<tr>
<td>Global Transport Refrigeration</td>
<td>#1</td>
</tr>
<tr>
<td>Europe Commercial Refrigeration</td>
<td>#1</td>
</tr>
<tr>
<td><strong>Fire &amp; Security</strong></td>
<td></td>
</tr>
<tr>
<td>Global Residential Fire Detection and Alarm</td>
<td>#1</td>
</tr>
<tr>
<td>Global Access Control</td>
<td>#1</td>
</tr>
<tr>
<td>Global Commercial Fire Detection and Alarm</td>
<td>#2</td>
</tr>
<tr>
<td>Global Fire and Security Field</td>
<td>#2</td>
</tr>
</tbody>
</table>

* Fire excludes sprinklers. Field business excludes China.

Source: Public data, industry reports, IHS 2018, internal estimates.
**Scale and Customer-Centric Approach**

- **Best product and channel**
  - 7,000 patents awarded or pending
  - 15% ↑ Net Promoter Score than competitive dealers

- **Lifecycle support**
  - 100% renewal rates when Singapore Service Center performs monitoring
  - 29M Carrier U.S. HVAC-Resi systems

- **Low cost**
  - 75% low-cost manufacturing
  - >50% low-cost sourced

- **Reinvest, innovate**
- **Win new business**
- **Win long-term support agreements**
The New Carrier

New Leadership Team

New Operating System

Carrier Operating System

Customized

New Culture: The Carrier Way
# Leading ESG Practices

## Environmental

<table>
<thead>
<tr>
<th>Metric</th>
<th>% Change</th>
<th>Since</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon footprint</td>
<td>↓44%</td>
<td>since 2006</td>
</tr>
<tr>
<td>Water consumption</td>
<td>↓43%</td>
<td>since 2006</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>↓2M lbs</td>
<td>since 2015</td>
</tr>
<tr>
<td>High-efficiency products</td>
<td>~300M metric tons</td>
<td>since 2010</td>
</tr>
</tbody>
</table>

Sustainability: Core to our mission

## Social

**EMPLOYEE DEVELOPMENT**

- $150M Employee Scholar Program investment*
- 75% increase in women in senior leadership roles**

**SAFETY PERFORMANCE**

- 75% improvement in recordable rate***

Investment in talent and commitment to safety

## Governance

- Shareowner value
- Expertise and judgment
- Diversity of perspectives
- Integrity and independence
- Accountability and oversight
- Ethical foundation

**BOARD OF DIRECTORS**

- John V. Faraci: Executive Chairman, Former Chairman and CEO, International Paper
- Jean-Pierre Gamier: Lead Director, Former CEO, GlaxoSmithKline
- David Gitlin: President & CEO, Carrier
- John Greisch: Former President and CEO, Hill-Rom Holdings
- Charles M. Holley, Jr.: Former EVP and CFO, Walmart Stores
- Mike McNamara: Former CEO, Flex
- Michael A. Todman: Former Vice Chairman, Whirlpool Corp.
- Virginia Wilson: Former Sr. EVP and CFO, TIAA

Management incentives aligned with shareholders
Strategic Focus to Drive Top and Bottom Line Growth

**Strengthen and Grow Core**
- Increasing sales force: ~500 employees
- Increasing R&D spending: ~$50M

**Increase Product Extensions and Geographic Coverage**
- Targeted initiatives
- Examples: VRF, China expansion, cold chain

**Grow Services and Digital**
- Increasing attachment rates
- Tiered service offerings

**Increase share**
- Grow the pie: Additional equipment sales

**Grow the pie:** Recurring revenue streams
Digital to Drive Top and Bottom Line Growth

RUN
- Optimize industrial productivity
- 70% of our workloads to the cloud within 36 months

GROW
- Applying digital tools to enhance customer value and increase attachment rates
- Increase customer portal use by 2X in 36 months

TRANSFORM
- New value propositions and integrated offerings
- Increase refrigeration connected products by 3X in 18 months

Financial impact
Digital maturity

70% of our workloads to the cloud within 36 months
Increase refrigeration connected products by 3X in 18 months
Increase customer portal use by 2X in 36 months
Applying digital tools to enhance customer value and increase attachment rates
New value propositions and integrated offerings
Optimize industrial productivity

Increase refrigeration connected products by 3X in 18 months
Carrier 600 to Drive Top and Bottom Line Growth

Cumulative Cost Reduction Target

(vs. 2019, $M)

- General and Administrative
- Factory
- Supply Chain

Supply Chain

Low-cost buy
Spend

- Low cost
- High cost

2019 2022

Low-cost buy
Spend

- ~1.2X

Factory

Low-cost make
Hours

- Low cost
- High cost

2019 2022

Automated hours

- ~2X

Global Business Services

- (G&A employees performing shared service roles)

2019 2022

~2.5X

~150 bps

Shared services and automation

- (G&A/sales)

2019 2022

~2X

~150 bps
Portfolio Optionality Enables Further Value Creation

Disciplined portfolio review process

- Strategic fit
  - Aligns with portfolio
  - Revenue and cost synergies

- Financial profile
  - Accelerates growth and margin expansion
  - Meets M&A and JV financial criteria

- Best Owner
  - Best results as part of Carrier
  - Best use of capital

Future state

- Focused
- Differentiated
- Synergistic
- Growth / margin
## 2020 Outlook

<table>
<thead>
<tr>
<th>Sales</th>
<th>FY 2020 Outlook</th>
<th>Profit Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up slightly</td>
<td>New revenue sources</td>
<td></td>
</tr>
<tr>
<td>Up $25M - $75M</td>
<td>Pricing</td>
<td></td>
</tr>
<tr>
<td>Up $25M - $75M</td>
<td>Cost reduction</td>
<td></td>
</tr>
<tr>
<td>HVAC</td>
<td>Growth acceleration in 2H</td>
<td></td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refrigeration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Sales</td>
<td>Investments in growth</td>
<td></td>
</tr>
<tr>
<td>Up low-single digit</td>
<td>Slower growth in 1H</td>
<td></td>
</tr>
<tr>
<td>Up slightly</td>
<td>Tariffs / Other</td>
<td></td>
</tr>
<tr>
<td>Flattish</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Adjusted Operating Profit @ actual currency
See appendix for additional information regarding these non-GAAP measures
Medium-term Expectations

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Up mid-single digits</td>
</tr>
<tr>
<td>Adjusted EPS(^1)</td>
<td>Up high-single digits</td>
</tr>
<tr>
<td>Free Cash Flow(^1)</td>
<td>90 – 100% cash conversion</td>
</tr>
</tbody>
</table>

\(^1\) See appendix for additional information regarding non-GAAP measures
Key Takeaways

Megatrends drive sustained industry growth

Strong foundation with leading positions

Runway to drive accelerated top and bottom line growth

Portfolio optionality enables further value creation

Great foundation … and our best days are ahead
HVAC-Commercial Overview

Equipment
- Applied
  - Light Commercial
  - VRF

Service, Aftermarket and Controls
- Service
- Parts
- Controls

MIX
- Equipment
- Service & Controls

GEOGRAPHY
- Americas
- EMEA
- Asia

2019 sales ~$6B
Industry Trends Support Sustained Growth

- **Climate and Regulation**: Accelerated demand for high-efficiency products. HVAC 40% of building energy consumption.
- **Urbanization**: Higher demand for new equipment. Global sales channel.
- **Growing Installed Base**: Service demand will grow above GDP. Service branches in 40+ countries.
- **Digitalization**: Access to data will drive service opportunities. 400M+ sq. feet monitored.
# Industry Leader With Clear Growth Opportunities

<table>
<thead>
<tr>
<th>Market</th>
<th>Position</th>
<th>Key Focus Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitary</td>
<td>#1</td>
<td>Regulatory investment, Channel development</td>
</tr>
<tr>
<td>Applied</td>
<td>#3</td>
<td>Sales force capacity, New product launches</td>
</tr>
<tr>
<td>Service &amp; Aftermarket</td>
<td>Major player</td>
<td>Improve attachment rate, Digital</td>
</tr>
<tr>
<td>Variable Refrigerant Flow</td>
<td>Minimal</td>
<td>Channel expansion, Inorganic potential</td>
</tr>
</tbody>
</table>

*Sources: Trade association data, market research (BSRIA), trade publications, company reports/filings; internal estimates*
# Regulatory Product Refresh

<table>
<thead>
<tr>
<th>Chillers</th>
<th>North America Light Commercial</th>
<th>Variable Refrigerant Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology insertion</td>
<td>Efficiency upgrades</td>
<td>Hybrid solutions</td>
</tr>
<tr>
<td>Next-generation refrigerants</td>
<td>Next-generation refrigerants</td>
<td>Next-generation refrigerants</td>
</tr>
<tr>
<td>Service diagnostics</td>
<td>Cost optimization</td>
<td>Digital connectivity</td>
</tr>
</tbody>
</table>

Product line impacted by 2024

- ~95%
- ~95%
- ~90%
Growth Strategies

Strengthen and Grow Core
- Sales force capacity
- Right products

Increase Product Extensions and Geographic Coverage
- Rapidly grow VRF
- Expansion in China

Grow Services and Digital
- Accelerate service growth
- Digital offering
Case Study: Grow the Base

Air-cooled platform

- Applied air-cooled chiller
- High-efficiency variable speed compressor
- Low sound
- Compact footprint

Launched in 2017

Moved Carrier from #3 to #1*

in global air-cooled segment

~2 year payback

*Sources: Trade association data, market research (BSRIA), trade publications, company reports/filings; internal estimates
Leverage global supply chain opportunity while continuing to drive productivity

~40% commonality*
Improvement in global air-cooled scroll chiller platform

~15% reduction
Square feet by 2022

*Source: Internal engineering analysis
Wrap-up

Global business with iconic brand

Opportunity to grow in excess of core markets

Accelerate service growth through improved attachment

Focused investment in product and sales force

Cost productivity expected to fuel investments
# HVAC-Residential Overview

## Brands
- Strong brand portfolio

## Leadership
- Core products

## Distribution
- Most trusted network

### Net Promoter Score®
15% higher than competitive dealers

<table>
<thead>
<tr>
<th>Segment share</th>
<th>Value</th>
<th>Mid</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Conditioner / Heat Pump</td>
<td>#1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas furnaces</td>
<td>#1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small packaged</td>
<td>#1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: AHRI, industry reports, investor presentations & internal estimates

Source: KeyStat. Net Promoter Score is a trademark of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld

**HVAC - NA Residential**
Trends Support Industry Growth

Replacement Cycle

Continued replacement strength through coming years

Housing Starts

Expect low interest rates to continue to drive near-term growth

Unemployment

50 year low in unemployment driving strong consumer confidence

## Differentiation

<table>
<thead>
<tr>
<th>Ducted Air Conditioner / Heat Pump</th>
<th>Ductless Air Conditioner / Heat Pump</th>
<th>Gas Furnaces</th>
<th>Digitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry leadership with Q2 launch</td>
<td>42 SEER: industry-leading efficiency*</td>
<td>Most comprehensive lineup</td>
<td>Interactive technician app Reduce “time on wrench”</td>
</tr>
</tbody>
</table>

*Source: AHRI Unitary Small Equipment Operations Manual cites 9,000 Btu/h single zone ductless 42 SEER rating (1/22/18).
Growth Strategies

Strengthen and Grow Core

Underserved areas

- Single family replacement
- Multifamily replacement
- Multifamily new construction
- Other
- Manufactured housing
- Single family new construction

Win in regulation

Underpenetrated geographies

Expand ductless

Increase Product Extensions and Geographic Coverage

HFC phasedown 2006 2015 2023E

Efficiency (SEER)

Grow Services and Digital

Connected platforms

Aftermarket integration

Hybrid systems

Strengthen and Grow Core

Increase Product Extensions and Geographic Coverage

Grow Services and Digital

Single family replacement
Multifamily replacement
Multifamily new construction
Other
Manufactured housing
Single family new construction

Strengthen and Grow Core

Increase Product Extensions and Geographic Coverage

Grow Services and Digital
Accelerated Product Innovation

**Air Conditioner / Heat Pump**
- Design for regulation
- Material substitution
- Digital connectivity
- Product line impacted by 2023
  - ~100%

**Gas Furnaces/Coils**
- Blower efficiency
- Heat transfer technology
- Digital connectivity
- Product line impacted by 2023
  - ~85%

**Small Packaged**
- Air management
- Reduced emissions
- Variable speed technology
- Product line impacted by 2023
  - ~100%
Carrier 600

Implement automation while continuing to drive productivity across the business

HVAC-Residential

- Supply Chain
- Factory
- G&A

Supply chain example

~5%

target freight savings*

routing guide compliance
load optimization

Factory example

~$25M

target cost savings
automation and lean initiatives

*Source: Freight savings: Based on internal estimate of increased Residential HVAC pretax profit as a percentage of total Residential HVAC freight expense over the 5-year period 2019 - 2023. Automation savings: Based on internal projection of cumulative automation savings over the 3-year period 2020 – 2022.
Case Study: Carrier 600

Material Substitution

### Indoor Fan Coil Aluminum Insertion

Launched in 2014

- Significant shift from copper to aluminum
- Reduced volatility
- Increased reliability

13% cost reduction

24% Improvement in quality

### Carrier 600: Aluminum Outdoor Coils

2020 Launch

~$20M – $30M target annual savings
Wrap-up

Residential HVAC industry leader

Strong brands, products and distribution network

Focus on underserved markets and geographies

Investing in R&D and digital to drive growth

Continued focus on cost excellence
We’ve forged entire industries. We’ve built iconic brands. We’ve pioneered more than 100 years of firsts. And now, as an independent, focused company, our best days are ahead of us.

This is the new Carrier – and Change is in the Air.
Segment Overview

Refrigeration

- Sales: $3.8B
- Adj. Op Profit\(^1\): $0.5B
- Adj. Op Profit\(^1\) %: 13.5%

1\(^{2019}\) Standalone proforma adjusted operating profit
See appendix for additional information regarding these non-GAAP measures.

- Container
  - Container refrigeration
  - Controlled atmosphere

- Truck Trailer
  - Trailer refrigeration
  - Truck refrigeration

- Sensitech
  - Temperature monitoring solutions
  - Supply chain visibility

- Commercial Refrigeration
  - Remote cabinet
  - Compressor rack

BUSINESSES
- Transport
- Commercial
- Refrigeration

MIX
- Equipment
- Services / Digital
Winning Across the Cold Chain

- Post-harvest
  Cold store/pre-cooling

- Container refrigeration

- Trailer refrigeration

- Aftermarket
  parts

- Connected
  cold chain

- Monitoring

- Truck refrigeration

- Consumption

- Light commercial
  vehicle refrigeration

- Retail refrigeration

- Services
Strong Position

Industry Leader

Sales
(Transport and Commercial Refrigeration)

Carrier
A
B
C
D
E

Companies

Sources: SEC Filings, Analyst Estimates, Company Estimates.

Broad Network

400+ authorized service partners
Container

250+ dealer service locations
Truck Trailer Americas

700+ authorized workshops and branches
Truck Trailer International/Commercial Refrigeration

Large Installed Base

1.2M Carrier transport refrigeration units

50K stores - Commercial refrigeration units

$9B goods cooled by Carrier on ocean daily

15M shipments a year monitored by Sensitech
Industry-leading Innovation

<table>
<thead>
<tr>
<th>Pioneering Industry Firsts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968 Front wall container refrigeration unit</td>
</tr>
<tr>
<td>1980 External nose-mount trailer refrigeration unit</td>
</tr>
<tr>
<td>1999 All-electric drive trailer refrigeration unit</td>
</tr>
<tr>
<td>2004 CO₂ commercial refrigeration system</td>
</tr>
<tr>
<td>2013 CO₂ container refrigeration unit</td>
</tr>
<tr>
<td>2014 Hybrid truck refrigeration system</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accelerating the Pace of Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
</tr>
<tr>
<td>High-efficiency trailer unit</td>
</tr>
<tr>
<td>Warehouse refrigeration</td>
</tr>
<tr>
<td>Near Field Communication temperature tracking</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>Next-generation controlled atmosphere</td>
</tr>
<tr>
<td>Engineless trailer</td>
</tr>
<tr>
<td>Real-time shipment tracking</td>
</tr>
</tbody>
</table>
Industry Trends Support Sustained Growth

Population Growth
- Societal demand for refrigeration
- 50% of perishable food waste could be saved with refrigeration
- Sustainable cold chain solutions

Urbanization
- Longer distances for food and perishables
- Increased transport refrigeration capacity
- Innovative products and services

Regulation
- Less emissions and noise
- Need for alternative refrigerants and power sources
- Greener products

Digitalization
- More real-time data and analytics
- 27% growth for active cargo tracking
- Large installed base

Transport Refrigeration Markets

Container

4% CAGR (1996-2019)

North America Trailer

3% CAGR (1996-2019)

Sources: Seabury/Drewry, IHS Markit, ACT
## Growth Strategies

<table>
<thead>
<tr>
<th>Strengthen and Grow Core</th>
<th>Increase Product Extensions and Geographic Coverage</th>
<th>Grow Services and Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-efficiency trailer unit</td>
<td>Auxiliary power units</td>
<td>Container digital solutions</td>
</tr>
<tr>
<td>CO\textsubscript{2} racks</td>
<td>Warehouse refrigeration</td>
<td>Aftermarket parts</td>
</tr>
</tbody>
</table>

Carrier
Case Study: Leveraging CO\textsubscript{2} Systems for Growth

### Food Retail Installed Base

![CO\textsubscript{2} racks](image)

### Opportunities

- **Warehouse refrigeration**
  - Attractive growth potential
  - Technical and cost advantages over ammonia
  - Well positioned for ramp up

- **Container**
  - Proven performance
  - Unit replacement growth potential

- **Trailer**
  - Leverages container technology
  - Addresses global refrigerant/environmental regulations
  - Prototype units in customer field trials
Carrier 600

**Factory**
- Optimization
- Automation

**Supply Chain**
- **2%+ Annual material productivity target**
  - Low-cost country sourcing
  - Supply base rationalization
  - Increased dual sourcing
  - Platform optimization

**G&A**
- Decrease time for quoting orders
- Process improvements
- Field efficiency
  - Increase wrench time for repair
Wrap-up

Industry-leading businesses

World class technology

Solid long-term fundamentals

Runway for growth
Segment Overview

Fire & Security

Sales $5.5B
Adj. Op Profit$0.7B
Adj. Op Profit% 13.5%

Products

Edwards and GST fire alarm systems
Kidde smoke alarm
Marlof water mist
Det-Tronics flame detection
LenelS2 access control
Onity electronic lock
LenelS2 mobile credentialing
Industrial and HVAC controls

Field

Install, maintain and monitor

GEOGRAPHIES

Americas
APAC
EMEA

ECOSYSTEMS

Commercial
Residential
Industrial

12019 Standalone proforma adjusted operating profit
See appendix for additional information regarding these non-GAAP measures
Megatrends Driving Sustainable Growth

**Climate and Regulation**
- <30% of U.S. homes protected to NFPA standard, no in-home regulation in China
- $10B+ global under-protected residential fire market
- Increased regulatory push for residential fire protection

**Urbanization**
- 4M+ high-rise buildings worldwide with 3.5M over next 20 years
- >1.5M people move to cities each week globally, 90% in emerging markets
- Increased need for intelligent safety & security management

**Growing Middle Class**
- Asia Pacific share of global middle class to reach ~65% by 2030
- China average home ownership rate is ~90% vs. ~70% in the U.S.
- Increased consumer pull for residential fire protection

**Digitalization**
- 10B+ connected devices in buildings by 2021
- 14M+ identity frauds reported in 2018
- Increased demand for access control and identity management

Sources: Public data, internal estimates.
## Leadership in Core Businesses

<table>
<thead>
<tr>
<th>Business</th>
<th>Industry*</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire</td>
<td>$11B</td>
<td>#1</td>
</tr>
<tr>
<td>Security</td>
<td>$10B</td>
<td>#2</td>
</tr>
<tr>
<td>HVAC Controls</td>
<td>$2B</td>
<td>#2</td>
</tr>
<tr>
<td>Field</td>
<td>$90B</td>
<td>#2</td>
</tr>
</tbody>
</table>

* Global market size for core businesses, including commercial, residential and industrial fire detection, alarm and suppression, excluding sprinklers and miscellaneous fire peripherals; commercial security, HVAC controls, excl. thermostats. Fire & security field services excludes China and residential monitoring. #1 in Field in top 6 countries, which represents 85% of sales.

Source: Public data, industry reports, IHS 2018, internal estimates.
Growth Strategies

Strengthen and Grow Core
- North America residential fire
- Innovation and platforming
  - <30% protected to NFPA standards

Increase Product Extensions and Geographic Coverage
- China/Asia fire
- Global controls
  - 7X SHARE in North America vs. Europe and Asia

Grow Services and Digital
- Access solutions
- Service excellence & productivity
  - Field revenue per tech growth +3%
Case Study: Services and Digital

- **REAL ESTATE/COMMERCIAL**
  - eKey
    - Real estate industry’s most widely used keybox management system
    - 800K+ active users

- **HOSPITALITY**
  - DirectKey
    - 5K+ hotels online, 900K rooms worldwide
    - 100M doors opened

- **ENTERPRISE**
  - BlueDiamond
    - Integrated with access control, 50K+ installed systems
    - 2M+ connected devices in access solutions

- **COMMERCIAL**
  - Mobile Credentialing
    - Collects identity and occupancy data
    - Transition path to future-proofed, seamless, frictionless access

Access Solutions: 20%+ sales/ ~30% margin growth over last 3 years. Digital: 60%+ of sales; 70% of margin
## Carrier 600

### Factory

**Footprint optimization:** 60%+ reduction over last 9 years  
**Automation:** 13% reduction in manufacturing employees over same period

### Supply Chain

**Supply chain:** ~4% supplier reduction, 18% inventory turns improvement over last 4 years  
**Material productivity:** strong track record of ~2% per year

### G&A

**COEs and shared services:** 50%+ G&A headcount reduction and 30%+ indirect labor reduction over last 9 years
Wrap-up

Leader with iconic brands

Large installed base to drive margin accretive digital services

Significant opportunity in under-protected fire and adjacencies

Targeted investment in R&D and sales force expansion

Operational efficiency and productivity
Carrier Future Profile

Growth Model

- ✓ Grow sales faster than the industry
- ✓ Grow adjusted operating profit\(^1\) faster than sales
- ✓ Grow adjusted EPS\(^1\) faster than adj. OP\(^1\)
- ✓ Grow free cash flow\(^1\) faster than earnings

Medium-term Expectations

Mid single-digits sales growth

High single-digits
Adjusted EPS\(^1\) growth

90 – 100%
free cash flow\(^1\) conversion

\(^1\) See appendix for additional information regarding non-GAAP measures
Investments in Sales Growth

2020 Sales Outlook

($ billions)

- 18.6
  - NA Residential Intrusion
  - Trailer industry
  - HVAC volume
  - Adjacencies
  - Services
  - Modest price

Medium Term Expectations

- Benefits of investments in:
  - Sales coverage
  - New products
  - Technology
  - Service and aftermarket
  - Digital
- Geographic expansion
- Grow the base

Drives mid-single digits sales growth
Investing in Margin Expansion

2020 Adjusted Operating Profit Outlook

<table>
<thead>
<tr>
<th>Year</th>
<th>Standalone costs &amp; adjustments</th>
<th>2019 Standalone Pro-forma</th>
<th>2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.0</td>
<td>2.6</td>
<td>Adj. OP%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>14.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-15%</td>
</tr>
</tbody>
</table>

Medium Term Expectations

- Leverage top-line growth
- Drive new products, technologies and aftermarket
- Cost reduction improvements
- Benefits of investments

Adj. Operating profit\(^1\) growth to outpace sales growth

---

\(^1\) See appendix for additional information regarding non-GAAP measures
Cash Flow Profile

2020 Free Cash Flow Outlook

<table>
<thead>
<tr>
<th>Year</th>
<th>Standalone costs &amp; adjustments</th>
<th>2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.3 – 1.4</td>
<td></td>
</tr>
</tbody>
</table>

Medium Term Expectations

- Working capital improvements
- Capital spend expected to moderate
- Improve joint venture conversion
- Grow free cash flow\(^1\) faster than earnings

\(^1\) See appendix for additional information regarding non-GAAP measures
Balanced Capital Allocation

- Investment grade credit rating
- Healthy and competitive dividend
- Share repurchase program as appropriate
- Disciplined approach to M&A
## 2020 Outlook

### Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Sales¹</td>
<td>Up slightly</td>
</tr>
</tbody>
</table>

### Organic¹ Segment Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC</td>
<td>Up low-single digit</td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>Up slightly</td>
</tr>
<tr>
<td>Refrigeration</td>
<td>Flattish</td>
</tr>
</tbody>
</table>

### Profit and Cash Flow

<table>
<thead>
<tr>
<th>Measure</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. Operating Profit Growth¹ (actual &amp; constant currency)</td>
<td>Up $25M - $75M</td>
</tr>
<tr>
<td>Shares Outstanding (diluted)</td>
<td>~880M</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>TBD</td>
</tr>
<tr>
<td>Adj. Effective Tax Rate¹</td>
<td>~ 26%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$350 - $400M</td>
</tr>
<tr>
<td>Free Cash Flow¹</td>
<td>$1.3 - $1.4B</td>
</tr>
</tbody>
</table>

¹ See appendix for additional information regarding non-GAAP measures
Carrier Future Growth Model

- Grow sales faster than the industry
  - Sales and R&D investment
  - New products
  - New geographies

- Grow adjusted operating profit\(^1\) faster than sales
  - Leverage sales
  - Higher margin new products
  - Carrier 600 and price

- Grow adjusted EPS\(^1\) faster than adj. OP\(^1\)
  - Debt repayment
  - Adjusted effective tax rate\(^1\)

- Grow free cash flow\(^1\) faster than earnings
  - Capital expenditures
  - Working capital
  - Joint ventures

\(^1\) See appendix for additional information regarding non-GAAP measures
## Medium-term Expectations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Up mid-single digits</td>
</tr>
<tr>
<td>Adjusted EPS&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Up high-single digits</td>
</tr>
<tr>
<td>Free Cash Flow&lt;sup&gt;1&lt;/sup&gt;</td>
<td>90 – 100% cash conversion</td>
</tr>
</tbody>
</table>

<sup>1</sup> See appendix for additional information regarding non-GAAP measures
CHANGE IS IN THE AIR™
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.

Adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share ("EPS"), and the adjusted effective tax rate are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (a GAAP measure), excluding significant items of a nonoperational nature (hereinafter referred to as "other significant items"). 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. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (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. The adjusted effective tax rate is a GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Under U.S. GAAP, income statement results generally is not available without unreasonable effort due to variability of the excluded items, potential acquisitions and divestitures, and other structural changes or their probable significance. 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 changes in foreign currency exchange rates. Under U.S. 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.

Standalone pro forma sales and adjusted operating profit and margin are non-GAAP financial measures and adjust Carrier's net sales and operating profit and margin previously reported by United Technologies Corporation ("UTC") to include all sales and costs directly attributable to Carrier, costs for certain functions and services performed by UTC that were directly charged to Carrier and estimated costs associated with Carrier being a standalone public company. Management believes Standalone financial measures are useful in assessing the company as a standalone company compared to its historical performance as a business segment of UTC.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (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.

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## Carrier Operating Results Reconciliation

Financials as reported under UTC

($USD, Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Operating Profit</th>
<th>Restructuring</th>
<th>Other significant items of a non-operational nature (a)</th>
<th>Adjusted Operating Profit</th>
<th>Adjusted Operating Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>18,608</td>
<td>2,697</td>
<td>126</td>
<td>155</td>
<td>2,978</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

(a) Details of other significant items of a non-operational nature

- 2019 Approximately $108 million of pre-tax charges related to an investment impairment
- Approximately $34 million of pre-tax charges related to a consultant contract termination
- Approximately $13 million of pre-tax costs associated with the Company's intention to separate [from UTC]
## Carrier Operating Results Reconciliation

### 2019 Standalone Pro Forma financials

<table>
<thead>
<tr>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales - as reported in Form 10</td>
<td>18,608</td>
</tr>
<tr>
<td>Operating profit - as reported in Form 10</td>
<td>2,491</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>13.4%</td>
</tr>
<tr>
<td>Restructuring</td>
<td>126</td>
</tr>
<tr>
<td>Other significant items of a non-operational nature (a)</td>
<td>76</td>
</tr>
<tr>
<td>One-Time separation costs</td>
<td>53</td>
</tr>
<tr>
<td>Incremental Public company costs</td>
<td>(107)</td>
</tr>
<tr>
<td><strong>Standalone Pro Forma Adjusted Operating Profit</strong></td>
<td><strong>2,639</strong></td>
</tr>
<tr>
<td><strong>Standalone Pro Forma Adjusted Operating Profit Margin</strong></td>
<td><strong>14.2%</strong></td>
</tr>
</tbody>
</table>

(a) Details of other significant items of a non-operational nature
- Approximately $57 million of pre-tax gain on sales of interests in joint ventures
- Approximately $22 million or pre-tax net gain on sale of expropriated plant
- Approximately $108 million of pre-tax charges related to an investment impairment
- Approximately $34 million of pre-tax charges related to a consultant contract termination
- Approximately $13 million of pre-tax costs associated with the Company's intention to separate [from UTC]
## Segment Data

($ Millions except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HVAC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>9,045</td>
<td>9,713</td>
<td>9,712</td>
<td>9,712</td>
</tr>
<tr>
<td>Operating Profit (a), (b), (d), (h)</td>
<td>2,001</td>
<td>1,720</td>
<td>1,563</td>
<td>1,642</td>
</tr>
<tr>
<td>Operating Profit %</td>
<td>22.1%</td>
<td>17.7%</td>
<td>16.1%</td>
<td>16.9%</td>
</tr>
<tr>
<td><strong>Refrigeration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>3,823</td>
<td>4,095</td>
<td>3,792</td>
<td>3,792</td>
</tr>
<tr>
<td>Operating Profit (a), (c),(h)</td>
<td>562</td>
<td>1,353</td>
<td>532</td>
<td>511</td>
</tr>
<tr>
<td>Operating Profit %</td>
<td>14.7%</td>
<td>33.0%</td>
<td>14.0%</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Fire &amp; Security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>5,324</td>
<td>5,531</td>
<td>5,500</td>
<td>5,500</td>
</tr>
<tr>
<td>Operating Profit (a), (h)</td>
<td>639</td>
<td>726</td>
<td>708</td>
<td>740</td>
</tr>
<tr>
<td>Operating Profit %</td>
<td>12.0%</td>
<td>13.1%</td>
<td>12.9%</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Total Segments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>18,192</td>
<td>19,339</td>
<td>19,004</td>
<td>19,004</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>3,202</td>
<td>3,799</td>
<td>2,803</td>
<td>2,893</td>
</tr>
<tr>
<td>Operating Profit %</td>
<td>17.6%</td>
<td>19.6%</td>
<td>14.7%</td>
<td>15.2%</td>
</tr>
<tr>
<td><strong>Corporate, Eliminations, and Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminations and other</td>
<td>(378)</td>
<td>(425)</td>
<td>(396)</td>
<td>(396)</td>
</tr>
<tr>
<td>Operating Profit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General corporate expenses (h)</td>
<td>(140)</td>
<td>(138)</td>
<td>(156)</td>
<td>(201)</td>
</tr>
<tr>
<td>Eliminations and other (a), (e), (f), (g)</td>
<td>(32)</td>
<td>(24)</td>
<td>(156)</td>
<td>(53)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>17,814</td>
<td>18,914</td>
<td>18,608</td>
<td>18,608</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>3,030</td>
<td>3,637</td>
<td>2,491</td>
<td>2,639</td>
</tr>
<tr>
<td>Operating Profit %</td>
<td>17.0%</td>
<td>19.2%</td>
<td>13.4%</td>
<td>14.2%</td>
</tr>
</tbody>
</table>
Standalone Pro Forma discussion adjusts 2019 segment results for restructuring costs, certain significant non-operational items, and Carrier incremental public company costs. The following restructuring costs and significant non-operational items are included in current Form 10 results and have been excluded from the standalone pro forma adjusted results (non-GAAP measures) presented in the investor day presentation.

(a) Restructuring costs as included in 2019 results:

<table>
<thead>
<tr>
<th>Restructuring Costs</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit:</td>
<td></td>
</tr>
<tr>
<td>HVAC</td>
<td>(56)</td>
</tr>
<tr>
<td>Refrigeration</td>
<td>(14)</td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>(53)</td>
</tr>
<tr>
<td>Total Segments</td>
<td>(123)</td>
</tr>
<tr>
<td>General corporate expenses</td>
<td>(3)</td>
</tr>
<tr>
<td>Eliminations and other</td>
<td></td>
</tr>
<tr>
<td>Total consolidated operating profit</td>
<td>(126)</td>
</tr>
</tbody>
</table>

(b) Approximately $57 million pre-tax gain on sales of interests in joint ventures
(c) Approximately $22 million pre-tax net gain on sale of expropriated plant
(d) Approximately $108 million pre-tax net loss due to an investment impairment
(e) Approximately $34 million pre-tax net loss due to a consultant contract termination
(f) Approximately $13M of pre-tax costs associated with the Company’s intention to separate from UTC
(g) Approximately $53M of pre-tax one-time separation costs
(h) Approximately $107M of pre-tax incremental public company costs

The following standalone public company costs were excluded from the current Form 10 results and have been included in the standalone pro forma adjusted results (non-GAAP measures) presented in the investor day presentation.

<table>
<thead>
<tr>
<th>Standalone costs</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit:</td>
<td></td>
</tr>
<tr>
<td>HVAC</td>
<td>(28)</td>
</tr>
<tr>
<td>Refrigeration</td>
<td>(13)</td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>(21)</td>
</tr>
<tr>
<td>Total Segments</td>
<td>(62)</td>
</tr>
<tr>
<td>General corporate expenses</td>
<td>(45)</td>
</tr>
<tr>
<td>Eliminations and other</td>
<td></td>
</tr>
<tr>
<td>Total consolidated operating profit</td>
<td>(107)</td>
</tr>
</tbody>
</table>
## Segment Operating Results Reconciliation

($USD, Millions)

<table>
<thead>
<tr>
<th></th>
<th>HVAC</th>
<th>Refrigeration</th>
<th>Fire &amp; Security</th>
<th>Corp/Other</th>
<th>Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales - as reported in Form 10</td>
<td>9,712</td>
<td>3,792</td>
<td>5,500</td>
<td>(396)</td>
<td>18,608</td>
</tr>
<tr>
<td>Operating Profit - as reported in Form 10</td>
<td>1,563</td>
<td>532</td>
<td>708</td>
<td>(312)</td>
<td>2,491</td>
</tr>
<tr>
<td>Operating Profit Margin - as reported in Form 10</td>
<td>16.1%</td>
<td>14.0%</td>
<td>12.9%</td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>56</td>
<td>14</td>
<td>53</td>
<td>3</td>
<td>126</td>
</tr>
<tr>
<td>Other significant items of a non-operational nature (a)</td>
<td>51</td>
<td>(22)</td>
<td>47</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>One-Time separation costs</td>
<td>53</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Public company costs</td>
<td>(28)</td>
<td>(13)</td>
<td>(21)</td>
<td>(45)</td>
<td>(107)</td>
</tr>
<tr>
<td>Standalone Pro Forma Adjusted Operating Profit</td>
<td>1,642</td>
<td>511</td>
<td>740</td>
<td>(254)</td>
<td>2,639</td>
</tr>
<tr>
<td>Standalone Pro Forma Adjusted Operating Profit Margin</td>
<td>16.9%</td>
<td>13.5%</td>
<td>13.5%</td>
<td>14.2%</td>
<td></td>
</tr>
</tbody>
</table>

(a) Details of other significant items of a non-operational nature

- Approximately $57 million of pre-tax gain on sales of interests in joint ventures
- Approximately $22 million or pre-tax net gain on sale of expropriated plant
- Approximately $108 million of pre-tax charges related to an investment impairment
- Approximately $34 million of pre-tax charges related to a consultant contract termination
- Approximately $13 million of pre-tax costs associated with the Company's intention to separate [from UTC]
# Free Cash Flow Reconciliation

($USD, Millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows provided by operating activities - as reported in Form 10</td>
<td>2,002</td>
</tr>
<tr>
<td>Capital Expenditures - as reported in Form 10</td>
<td>(243)</td>
</tr>
<tr>
<td>Free Cash flow</td>
<td>1,759</td>
</tr>
</tbody>
</table>
Operating Profit - Reported
Form 10 reconciliation

($USD, Millions)

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales - as reported in Form 10</td>
<td>18,608</td>
</tr>
<tr>
<td>Operating Profit - as reported by UTC</td>
<td>2,697</td>
</tr>
<tr>
<td>UTC Corporate cost pushdown</td>
<td>(118)</td>
</tr>
<tr>
<td>One-Time separation costs</td>
<td>(53)</td>
</tr>
<tr>
<td>Other Form 10 items (a)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Operating profit - as reported in Form 10</strong></td>
<td>2,491</td>
</tr>
<tr>
<td><strong>Operating Profit Margin - as reported in Form 10</strong></td>
<td>13.4%</td>
</tr>
</tbody>
</table>

(a) adjustments for asbestos, self-insurance and other items to present operating profit on a stand-alone basis
## Operating Profit – Adjusted

### Standalone Pro Forma reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales - as reported in Form 10</td>
<td>18,608</td>
</tr>
<tr>
<td>Adjusted Operating Profit - as reported by UTC</td>
<td>2,978</td>
</tr>
<tr>
<td>UTC Corporate cost pushdown</td>
<td>(118)</td>
</tr>
<tr>
<td>Incremental Public company costs</td>
<td>(107)</td>
</tr>
<tr>
<td>Other significant items of a non-recurring/non-operational nature (a)</td>
<td>(79)</td>
</tr>
<tr>
<td>Other Form 10 items (b)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Standalone Pro Forma Adjusted Operating Profit</strong></td>
<td><strong>2,639</strong></td>
</tr>
</tbody>
</table>

**Standalone Pro Forma Adjusted Operating Profit Margin**

14.2%

(a) Details of other significant items of a non-operational nature

- Approximately $57 million of pre-tax gain on sales of interests in joint ventures
- Approximately $22 million or pre-tax net gain on sale of expropriated plant

(b) adjustments for asbestos, self-insurance and other items to present operating profit on a stand-alone basis