CARRIER AND VIESSMANN CLIMATE SOLUTIONS

September 26, 2023

Cautionary Statement

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

GAAP RECONCILIATIONS

Use and Definitions of Non-GAAP Financial Measures

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

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

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

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

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

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

Carrier Q2 2023 vs 2022 Sales Reconciliation

Y/Y %

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

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	9 %	(1) %	16 %	— %	24 %
Refrigeration	(6) %	— %	(1) %	— %	(7) %
Fire & Security	9 %	(1) %	— %	(3) %	5 %
Consolidated	**6 %**	**— %**	**9 %**	**— %**	**15 %**

Six Months Ended June 30, 2023 Compared with Six Months Ended June 30, 2022

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	7 %	(1) %	17 %	— %	23 %
Refrigeration	(5) %	(1) %	(1) %	— %	(7) %
Fire & Security	9 %	(2) %	— %	(1) %	6 %
Consolidated	**5 %**	**(1)%**	**10 %**	**— %**	**14 %**

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

2023 Adjusted Operating Profit Reconciliation

(In millions)												
	(Unaudited)											
	Three Months Ended June 30, 2023											
(In millions)		HVAC		Refrigeration		Fire & Security		Eliminations and Other		General Corporate Expenses		Carrier
Net sales	**$**	**4,216**	**$**	**972**	**$**	**932**	**$**	**(128)**	**$**	**—**	**$**	**5,992**
Segment operating profit	**$**	**742**	**$**	**112**	**$**	**(157)**	**$**	**(146)**	**$**	**(62)**	**$**	**489**
Reported operating margin		*17.6 %*		*11.5 %*		*(16.8)%*						*8.2 %*
Adjustments to segment operating profit:												
Restructuring costs	$	3	$	7	$	(1)	$	—	$	—	$	9
Amortization of acquired intangibles		36		—		2		—		—		38
Acquisition step-up amortization (1)		10		—		—		—		—		10
Acquisition-related costs		—		—		—		—		14		14
Viessmann-related hedges		—		—		—		111		—		111
KFI deconsolidation		—		—		293		—		—		293
Total adjustments to operating profit	$	49	$	7	$	294	$	111	$	14	$	475
Adjusted operating profit	**$**	**791**	**$**	**119**	**$**	**137**	**$**	**(35)**	**$**	**(48)**	**$**	**964**
Adjusted operating margin		*18.8 %*		*12.2 %*		*14.7 %*						*16.1 %*

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

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

2022 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Three Months Ended June 30, 2022					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 3,388**	**$ 1,041**	**$ 887**	**$ (105)**	**$ —**	**$ 5,211**
Segment operating profit	**$ 585**	**$ 147**	**$ 134**	**$ (16)**	**$ (31)**	**$ 819**
Reported operating margin	*17.3 %*	*14.1 %*	*15.1 %*			*15.7 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 2	$ 6	$ 3	$ —	$ 2	$ 13
Amortization of acquired intangibles	4	—	1	—	—	5
Acquisition-related costs	—	—	—	—	7	7
Russia/Ukraine asset impairment	—	(1)	(3)	—	—	(4)
Charge resulting from legal matter	22	—	—	—	—	22
Total adjustments to operating profit	$ 28	$ 5	$ 1	$ —	$ 9	$ 43
Adjusted operating profit	**$ 613**	**$ 152**	**$ 135**	**$ (16)**	**$ (22)**	**$ 862**
Adjusted operating margin	*18.1 %*	*14.6 %*	*15.2 %*			*16.5 %*

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

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2023 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Six Months Ended June 30, 2023					
(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	**$ 7,838**	**$ 1,870**	**$ 1,801**	**$ (244)**	**$ —**	**$ 11,265**
Segment operating profit	**$ 1,177**	**$ 220**	**$ (64)**	**$ (184)**	**$ (105)**	**$ 1,044**
Reported operating margin	*15.0 %*	*11.8 %*	*(3.6)%*			*9.3 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 2	$ 10	$ 12	$ 2	$ —	$ 26
Amortization of acquired intangibles	73	—	4	—	—	77
Acquisition step-up amortization (1)	21	—	—	—	—	21
Acquisition-related costs	—	—	—	—	26	26
Viessmann-related hedges	—	—	—	111	—	111
TCC acquisition-related gain (2)	8	—	—	—	—	8
KFI deconsolidation	—	—	293	—	—	293
Total adjustments to operating profit	$ 104	$ 10	$ 309	$ 113	$ 26	$ 562
Adjusted operating profit	**$ 1,281**	**$ 230**	**$ 245**	**$ (71)**	**$ (79)**	**$ 1,606**
Adjusted operating margin	*16.3 %*	*12.3 %*	*13.6 %*			*14.3 %*

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

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

2022 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	Six Months Ended June 30, 2022					
Net sales	**$ 6,358**	**$ 2,017**	**$ 1,705**	**$ (215)**	**$ —**	**$ 9,865**
Segment operating profit	**$ 1,055**	**$ 254**	**$ 1,352**	**$ (40)**	**$ (65)**	**$ 2,556**
Reported operating margin	*16.6 %*	*12.6 %*	*79.3 %*			*25.9 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 6	$ 6	$ 9	$ —	$ 2	$ 23
Amortization of acquired intangibles	8	—	2	—	—	10
Acquisition-related costs	—	—	—	—	13	13
Chubb gain	—	—	(1,112)	—	—	(1,112)
Russia/Ukraine asset impairment	—	4	1	—	—	5
Charge resulting from legal matter	22	—	—	—	—	22
Total adjustments to operating profit	$ 36	$ 10	$ (1,100)	$ —	$ 15	$ (1,039)
Adjusted operating profit	**$ 1,091**	**$ 264**	**$ 252**	**$ (40)**	**$ (50)**	**$ 1,517**
Adjusted operating margin	*17.2 %*	*13.1 %*	*14.8 %*			*15.4 %*

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

Q2 2023 EPS Reconciliation

	(Unaudited)					
	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
(In millions, except per share amounts)	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	**$ 5,992**	**$ —**	**$ 5,992**	**$ 11,265**	**$ —**	**$ 11,265**
Operating profit	$ 489	475 a	$ 964	$ 1,044	562 a	$ 1,606
Operating margin	*8.2 %*		*16.1 %*	*9.3 %*		*14.3 %*
Income from operations before income taxes	$ 422	496 a,b	$ 918	$ 931	583 a,b	$ 1,514
Income tax expense	$ (189)	(25) c	$ (214)	$ (311)	(43) c	$ (354)
Effective tax rate	*44.8 %*		*23.3 %*	*33.4 %*		*23.4 %*
Net income attributable to common shareowners	**$ 199**	**$ 471**	**$ 670**	**$ 572**	**$ 540**	**$ 1,112**
Summary of Adjustments:						
Restructuring costs		$ 9 a			$ 26 a	
Amortization of acquired intangibles		38 a			77 a	
Acquisition step-up amortization (1)		10 a			21 a	
Acquisition-related costs		14 a			26 a	
Viessmann-related hedges		111 a			111 a	
TCC acquisition-related gain (2)		— a			8 a	
KFI deconsolidation		293 a			293 a	
Bridge loan financing costs		21 b			21 b	
Total adjustments		$ 496			$ 583	
Tax effect on adjustments above		$ (25)			$ (43)	
Total tax adjustments		$ (25) c			$ (43) c	
Shares outstanding - Diluted	850.9		850.9	851.5		851.5
Earnings per share - Diluted	**$ 0.23**		**$ 0.79**	**$ 0.67**		**$ 1.31**

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

Carrier

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Q2 2022 EPS Reconciliation

(In millions, except per share amounts)	Three Months Ended June 30, 2022 Reported	Three Months Ended June 30, 2022 Adjustments	Three Months Ended June 30, 2022 Adjusted	Six Months Ended June 30, 2022 Reported	Six Months Ended June 30, 2022 Adjustments	Six Months Ended June 30, 2022 Adjusted
	(Unaudited)					
Net sales	**$ 5,211**	$ —	**$ 5,211**	**$ 9,865**	$ —	**$ 9,865**
Operating profit	$ 819	43 a	$ 862	$ 2,556	(1,039) a	$ 1,517
Operating margin	*15.7 %*		*16.5 %*	*25.9 %*		*15.4 %*
Income from operations before income taxes	$ 757	43 a,b	$ 800	$ 2,445	(1,067) a,b	$ 1,378
Income tax expense	$ (170)	(13) c	$ (183)	$ (471)	195 c	$ (276)
Effective tax rate	*22.5 %*		*22.9 %*	*19.3 %*		*20.0 %*
Net income attributable to common shareowners	**$ 573**	**$ 30**	**$ 603**	**$ 1,952**	**$ (872)**	**$ 1,080**
Summary of Adjustments:						
Restructuring costs		$ 13 a			$ 23 a	
Amortization of acquired intangibles		5 a			10 a	
Acquisition-related costs		7 a			13 a	
Chubb gain		— a			(1,112) a	
Russia/Ukraine asset impairment		(4) a			5 a	
Charge resulting from legal matter		22 a			22 a	
Debt extinguishment (gain), net (1)		— b			(28) b	
Total adjustments		$ 43			$ (1,067)	
Tax effect on adjustments above		$ (8)			$ 200	
Tax specific adjustments		(5)			(5)	
Total tax adjustments		$ (13) c			$ 195 c	
Shares outstanding - Diluted	862.7		862.7	868.4		868.4
Earnings per share - Diluted	**$ 0.67**		**$ 0.70**	**$ 2.25**		**$ 1.24**

(1) The Company repurchased approximately $1.15 billion of aggregate principal senior notes on March 30, 2022 and recognized a net gain of $33 million and wrote-off $5 million of unamortized deferred financing costs in Interest (expense) income, net.

Carrier

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Free Cash Flow Reconciliation

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

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

Net Debt Reconciliation

(In millions)	(Unaudited) June 30, 2023	(Unaudited) December 31, 2022
Long-term debt	$ 8,655	$ 8,702
Current portion of long-term debt	134	140
Less: Cash and cash equivalents	3,209	3,520
Net debt	**$ 5,580**	**$ 5,322**

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

Amortization of Acquired Intangibles

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

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