Carrier Global Corporation

Patrick Goris, SVP & CFO

Bank of America
Global Industrials Conference

March 21, 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 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.

THE CARRIER INVESTMENT THESIS

Iconic brands with leading market positions	Growing market with secular tailwinds	Outsized digitally-enabled aftermarket opportunity	Productivity and simplification focus	Portfolio and capital deployment optionality

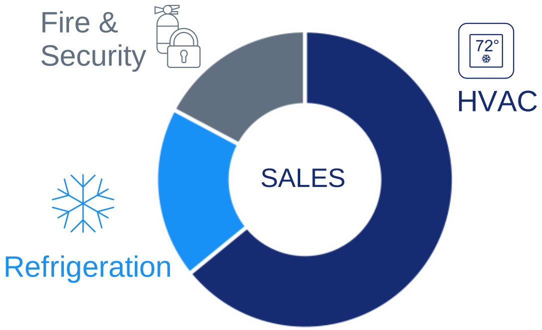
Compelling investment opportunity

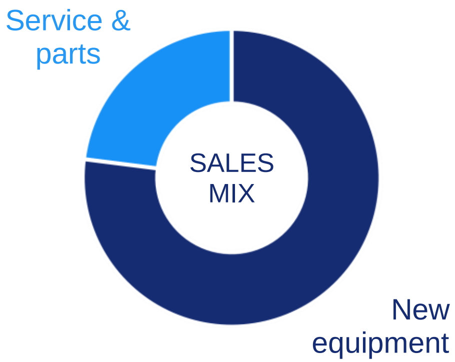
CARRIER OVERVIEW

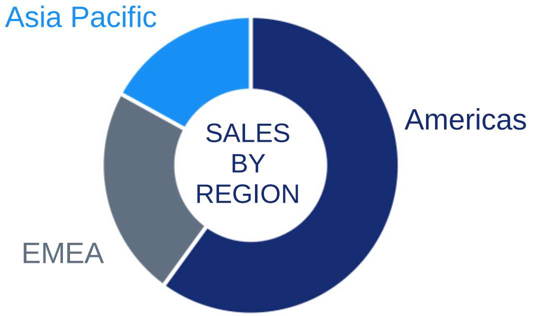
2022 KEY DATA POINTS

$20.4B SALES	~52,000 EMPLOYEES
14.2% ADJ. OP. MARGIN* %	160+ COUNTRIES
$1.4B FREE CASH FLOW*	~$250B TAM[1]

WHAT WE DO







DIGITAL AND TECHNOLOGY LEADERSHIP

ABOUND	Cloud-based platform that optimizes building performance
LYNX	Cloud-based platform that delivers real-time visibility and intelligence to the cold chain
ELECTRIFICATION	Leader in differentiated electric and sustainable offerings

ESG EXCELLENCE

SUSTAINABLE OPERATIONS	Carbon neutral operations by 2030
SUSTAINABLE PRODUCTS	>1 gigaton greenhouse gas reduction by 2030
TALENTED WORKFORCE	~50% diverse executives
RECOGNIZED LEADER	ESG Rating of AA | MSCI ESG Top Rating | Sustainalytics

INDUSTRY LEADERSHIP

N.A. Residential HVAC	#1
N.A. Light Commercial HVAC	#1
Global Transport Refrigeration	#1
European Comm. Refrigeration	#1
Global Residential Fire	#1
Global Access Software	#1
Global Commercial Fire	#2
Global Applied HVAC	#3

Global leader in healthy, safe, sustainable and intelligent building and cold chain solutions

* See appendix for additional information regarding non-GAAP measures
1. Total addressable building and cold chain solutions market (internal estimates)

SEGMENT OVERVIEW

HVAC

$13.4B NET SALES

15.2% ADJ. OP. MARGIN* %

WHAT WE DO

- Heating, ventilation, and cooling
- Building controls and automation
- Energy management services

CUSTOMER OUTCOMES

- Improved indoor air quality
- Increased comfort
- Sustainability through emissions reduction and energy efficiency

MARKET POSITION

N.A. Residential	#1
N.A. Unitary	#1
Global Applied	#3
VRF	Leading brands
Aftermarket & Controls	Global

Fire & Security

$3.6B NET SALES

15.2% ADJ. OP. MARGIN* %

WHAT WE DO

- Building and home safety / security
- Fire protection systems

CUSTOMER OUTCOMES

- Improved safety and security
- Enhanced detection and mitigation
- Connected, seamless customer experience

MARKET POSITION

Global Fire & Security Products	#1
Residential Fire	#1
Commercial Fire	#2
Access Software	#1
Industrial Fire	#1
N.A. Real Estate Access	#1
Hospitality Electronic Locks	#2
Water Mist Suppression	#1

Refrigeration

$3.9B NET SALES

12.8% ADJ. OP. MARGIN* %

WHAT WE DO

- Transport & commercial refrigeration
- Cargo monitoring

CUSTOMER OUTCOMES

- Reduced food and pharma waste
- Improved end-to-end cold chain visibility
- Sustainability through emissions reduction and energy efficiency

MARKET POSITION

Global Container Refrigeration	#1
Global Truck/Trailer Refrigeration	#1
Emerging Market Truck/Trailer Refrigeration	#1
Cold Chain Cargo Monitoring	#1
EMEA Commercial Refrigeration	#1
China Commercial Refrigeration	#2

Segments have leading positions in their respective markets

Carrier

* See appendix for additional information regarding non-GAAP measures

VALUE CREATION FRAMEWORK

Above-market revenue growth + **Margin expansion** + **Tax efficiency** + **Strong free cash flow** + **Capital deployment**

Re-invest in profitable growth

- **6-8% organic revenue growth**
- **>50 bps/year**
- **~23% ongoing ETR[1]**
- **~100% of net income**
- **Acquisitions / net share-count reduction[2]**

Double-digit adjusted EPS growth through the cycle

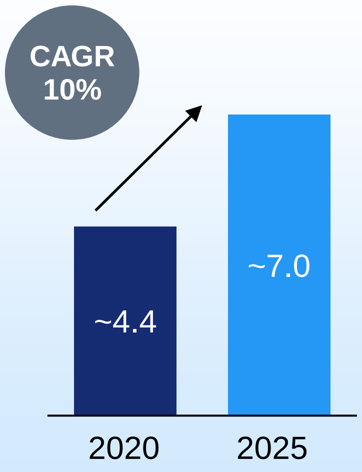
Carrier

1. Includes a one point impact from the Toshiba Carrier acquisition consolidation
2. Flexibility to toggle between acquisitions and share repurchases

SECULAR TRENDS DRIVE SUSTAINED GROWTH

HEALTH AND WELLNESS

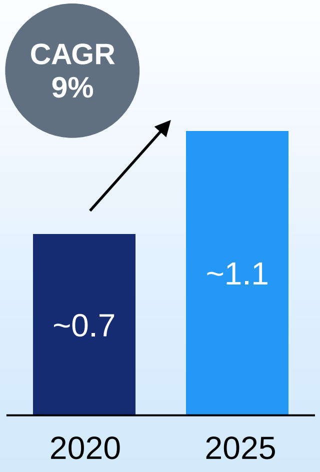
Wellness economy ($T)[1]



Healthy indoor environments

SUSTAINABILITY

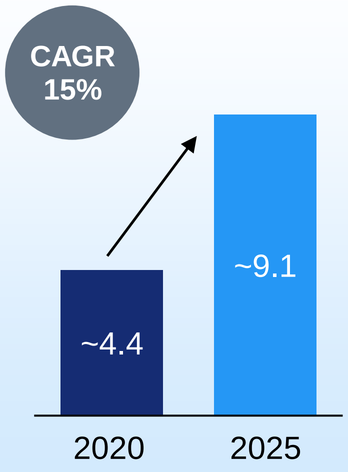
Annual infrastructure investments for global net zero by 2050 ($T)[2]



Electrification and energy efficiency

DIGITALIZATION

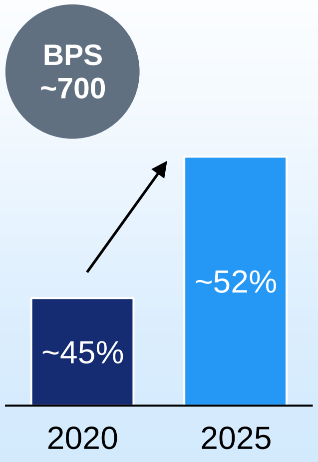
Global spend on digital transformation ($T)[3]



Connected and intelligent solutions

GROWING MIDDLE CLASS

Middle-class population (% total)[4]

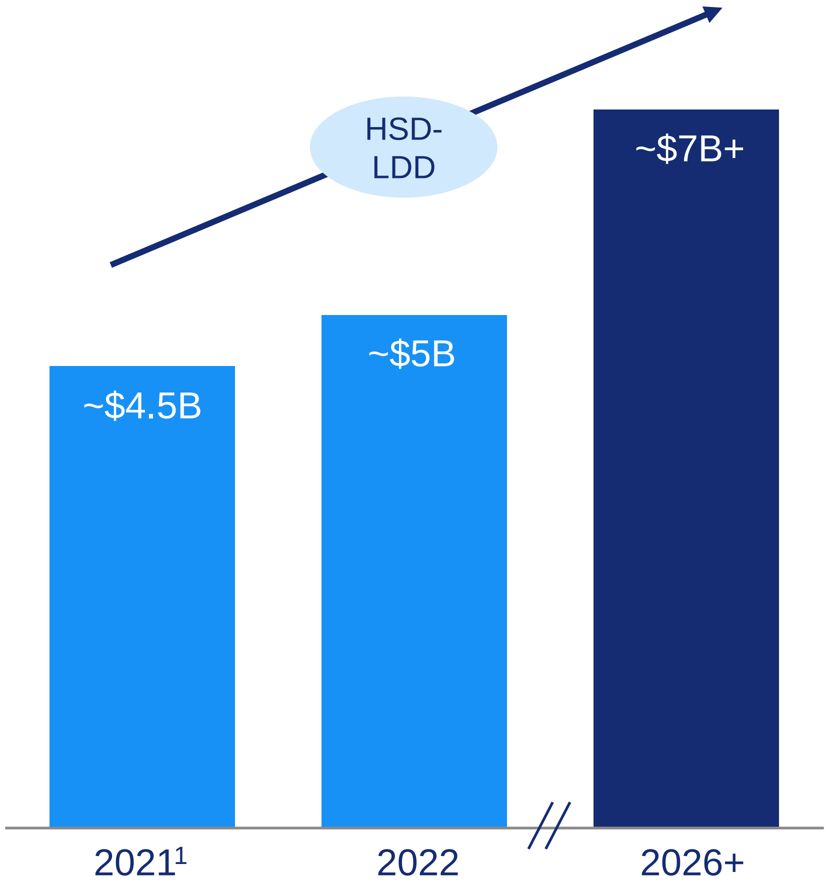


Demand for comfort, safety and cold chain solutions

…further boosted by government incentives and regulations

1. Global Wellness Institute | 2. Goldman Sachs: Carbonomics June 2021
3. International Data Corporation (IDC) | 4. The Brookings Institution

AFTERMARKET FOCUS FUELS GROWTH…



Attractive business

- Gross margins **10+ points higher** than Carrier average

Large growth potential vs. TAM

- Massive current installed base
- **~$2.5B** growth in **~5 years**

Proven playbook already delivering results

High single to low double digit growth

…at >10 points higher than company average gross margins

1. Excludes Chubb

PRODUCTIVITY AND SIMPLIFICATION

FOCUS AREAS

Supply Chain

- Material substitution
- Low-cost sourcing
- Dual sourcing of critical components

Factory

- Footprint optimization
- Automation
- Carrier Excellence

G&A

- Organizational streamlining
- Shared services
- Digital infrastructure simplification
- Legal entity and JV reduction

Targeting 2-3% per year in gross productivity

PORTFOLIO OPTIMIZATION AND CAPITAL DEPLOYMENT

Portfolio Actions

Acquisitions

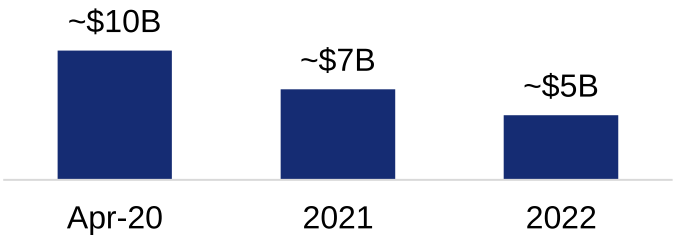
- Toshiba Carrier
- Giwee
- Nlyte, BrokerBay and Cavius

Divestitures

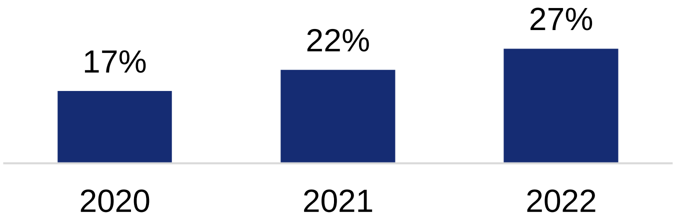
- Beijer ownership stake
- Chubb
- JV count reduced from 41 to 29

Improved Financial Strength

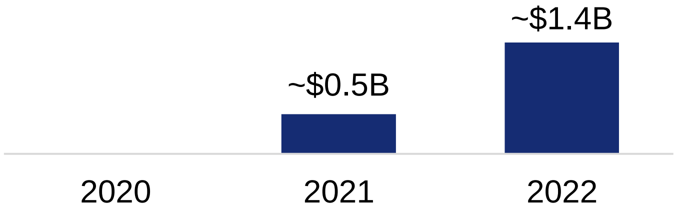
Significant Net Debt Reduction*



Growing Dividend Payout



Increased Share Repurchase



M&A Priorities

- ✓ Enhance sustainability leadership
- ✓ Bolster building and cold chain ecosystems
- ✓ Accelerate digital and aftermarket growth
- ✓ Enhance technology differentiation and disruption
- ✓ Expand adjacencies and geographic coverage

Strong progress made; portfolio assessment and disciplined capital allocation to continue

* See appendix for additional information regarding non-GAAP measures

CAPITAL DEPLOYMENT PRIORITIES

Organic growth

Inorganic growth

Growing dividend

Share repurchase

KEY MESSAGES

- P&L investments funded by productivity
- Capex ~1.75% of sales

- Primary metric: FCF yield > WACC + risk premium by years 3-5

- Sustainable through the cycle
- ~30% payout ratio

- ~$2.2B authorization outstanding as of Dec. 31, 2022
- Will toggle between acquisitions and share repurchases

…focused on long-term value creation

ESG RECOGNITION

Ranked No. 8 of
100 Most Sustainable Companies
Barron's, 2023

Named to
Carbon Clean200
Corporate Knights, 2022

Achieved
Prime ESG Corporate Rating
ISS ESG, 2022

Achieved
ESG Leader Rating
MSCI ESG Ratings, 2022

Among
America's Most Responsible Companies
Newsweek, 2022

Named an
ESG Industry Top-Rated Company
Sustainalytics, 2022

Committed to set GHG reduction targets in line with a Science Based Targets Initiative (SBTi) criteria

THE CARRIER INVESTMENT THESIS

1. **Iconic brands with leading market positions**
2. **Growing market with secular tailwinds**
3. **Outsized digitally-enabled aftermarket opportunity**
4. **Productivity and simplification focus**
5. **Portfolio and capital deployment optionality**

Global leader in 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”), 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, 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, 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 2022 VS 2021 SALES RECONCILIATION

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	**FX Translation**	**Acquisitions / Divestitures, net**	**Other**	**Total**
HVAC	12%	(2)%	8%	—%	18%
Refrigeration	—%	(6)%	—%	—%	(6)%
Fire & Security	5%	(2)%	(38)%	—%	(35)%
Consolidated	**8%**	**(3)%**	**(6)%**	**—%**	**(1)%**

2022 ADJUSTED OPERATING PROFIT RECONCILIATION

	(Unaudited)					
	Year Ended December 31, 2022					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 13,408**	**$ 3,883**	**$ 3,570**	**$ (440)**	**$ —**	**$ 20,421**
Segment operating profit	**$ 2,610**	**$ 483**	**$ 1,630**	**$ (80)**	**$ (128)**	**$ 4,515**
Reported operating margin	*19.5 %*	*12.4 %*	*45.7 %*			*22.1 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 8	$ 10	$ 11	$ —	$ 2	$ 31
Amortization of acquired intangibles (1)	46	—	4	—	—	50
Acquisition step-up amortization (2)	51	—	—	—	—	51
Acquisition-related costs	—	—	—	—	31	31
Chubb gain	—	—	(1,105)	—	—	(1,105)
TCC acquisition-related gain (3)	(705)	—	—	—	—	(705)
Russia/Ukraine asset impairment	—	3	1	—	—	4
Charge resulting from legal matter	22	—	—	—	—	22
Total adjustments to operating profit	$ (578)	$ 13	$ (1,089)	$ —	$ 33	$ (1,621)
Adjusted operating profit	**$ 2,032**	**$ 496**	**$ 541**	**$ (80)**	**$ (95)**	**$ 2,894**
Adjusted operating margin	*15.2 %*	*12.8 %*	*15.2 %*			*14.2 %*

(1) Beginning in Q3 2022, we exclude the impact of amortization of acquired intangibles from our non-GAAP financial measures including adjusted operating profit. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods. Historical periods have been updated to conform with the current period presentation.
(2) Amortization of the step-up to fair value of acquired inventory and backlog.
(3) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

2021 ADJUSTED OPERATING PROFIT RECONCILIATION

	(Unaudited)					
	Year Ended December 31, 2021					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 11,390**	**$ 4,127**	**$ 5,515**	**$ (419)**	**$ —**	**$ 20,613**
Segment operating profit	**$ 1,738**	**$ 476**	**$ 662**	**$ (96)**	**$ (135)**	**$ 2,645**
Reported operating margin	*15.3 %*	*11.5 %*	*12.0 %*			*12.8 %*
Adjustments to segment operating profit:						
Restructuring Cost	$ 33	$ 25	$ 26	$ —	$ 5	$ 89
Amortization of acquired intangibles (1)	15	—	—	—	—	15
Acquisition step-up amortization (2)	5	—	—	—	—	5
Acquisition-related costs	—	—	—	—	2	2
Chubb transaction costs	—	—	42	—	1	43
Separation costs	—	—	—	17	3	20
Total adjustments to operating profit	$ 53	$ 25	$ 68	$ 17	$ 11	$ 174
Adjusted operating profit	**$ 1,791**	**$ 501**	**$ 730**	**$ (79)**	**$ (124)**	**$ 2,819**
Adjusted operating margin	*15.7 %*	*12.1 %*	*13.2 %*			*13.7 %*

(1) Beginning in Q3 2022, we exclude the impact of amortization of acquired intangibles from our non-GAAP financial measures including adjusted operating profit. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods. Historical periods have been updated to conform with the current period presentation.
(2) Amortization of the step-up to fair value of acquired inventory and backlog.

2022 EPS RECONCILIATION

(In millions, except per share amounts)	(Unaudited) Three Months Ended December 31, 2022 Reported	Adjustments	Adjusted	Year Ended December 31, 2022 Reported	Adjustments	Adjusted
Net sales	$ 5,105	$ —	$ 5,105	$ 20,421	$ —	$ 20,421
Operating profit	$ 433	83 a	$ 516	$ 4,515	(1,621) a	$ 2,894
Operating margin	*8.5 %*		*10.1 %*	*22.1 %*		*14.2 %*
Income from operations before income taxes	$ 377	83 a	$ 460	$ 4,292	(1,649) a,b	$ 2,643
Income tax expense	$ (99)	(13) c	$ (112)	$ (708)	135 c	$ (573)
Income tax rate	*26.3 %*		*24.3 %*	*16.5 %*		*21.7 %*
Net income attributable to common shareowners	**$ 270**	**$ 70**	**$ 340**	**$ 3,534**	**$ (1,514)**	**$ 2,020**
Summary of Adjustments:						
Restructuring costs		$ 2 a			$ 31 a	
Amortization of acquired intangibles (1)		23 a			50 a	
Acquisition step-up amortization (2)		27 a			51 a	
Acquisition-related costs		3 a			31 a	
Chubb gain		— a			(1,105) a	
TCC acquisition-related gain (3)		27 a			(705) a	
Russia/Ukraine asset impairment		1 a			4 a	
Charge resulting from legal matter		—			22 a	
Debt extinguishment (gain), net (4)		—			(28) b	
Total adjustments		$ 83			$ (1,649)	
Tax effect on adjustments above		$ (13)			$ 172	
Tax specific adjustments		—			(37)	
Total tax adjustments		$ (13) c			$ 135 c	
Shares outstanding - Diluted	852.2		852.2	861.2		861.2
Earnings per share - Diluted	**$ 0.32**		**$ 0.40**	**$ 4.10**		**$ 2.34**

(1) Beginning in Q3 2022, we exclude the impact of amortization of acquired intangibles from our non-GAAP financial measures including adjusted operating profit, adjusted net income and adjusted EPS. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods. Historical periods have been updated to conform with the current period presentation.
(2) Amortization of the step-up to fair value of acquired inventory and backlog.
(3) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.
(4) 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.

2021 EPS RECONCILIATION

	(Unaudited)					
	Three Months Ended December 31, 2021			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	58 [a]	$ 521	$ 2,645	174 [a]	$ 2,819
Operating margin	*9.0 %*		*10.2 %*	*12.8 %*		*13.7 %*
Income from operations before income taxes	$ 405	58 [a,b]	$ 463	$ 2,400	193 [a,b]	$ 2,593
Income tax expense	$ (73)	10 [c]	$ (63)	$ (699)	167 [c]	$ (532)
Income tax rate	*18.0 %*		*13.6 %*	*29.1 %*		*20.5 %*
Net income attributable to common shareowners	**$ 324**	**$ 68**	**$ 392**	**$ 1,664**	**$ 360**	**$ 2,024**
Summary of Adjustments:						
Restructuring costs		$ 37 [a]			$ 89 [a]	
Amortization of acquired intangibles (1)		4 [a]			15 [a]	
Acquisition step-up amortization (2)		— [a]			5 [a]	
Acquisition-related costs		2 [a]			2 [a]	
Chubb transaction costs		14 [a]			43 [a]	
Separation costs		1 [a]			20 [a]	
Debt prepayment costs		—			19 [b]	
Total adjustments		$ 58			$ 193	
Tax effect on adjustments above		$ (11)			$ (33)	
Tax specific adjustments		21			200	
Total tax adjustments		$ 10 [c]			$ 167 [c]	
Shares outstanding - Diluted	888.5		888.5	890.3		890.3
Earnings per share - Diluted	**$ 0.36**		**$ 0.44**	**$ 1.87**		**$ 2.27**

(1) Beginning in Q3 2022, we exclude the impact of amortization of acquired intangibles from our non-GAAP financial measures including adjusted operating profit, adjusted net income and adjusted EPS. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods. Historical periods have been updated to conform with the current period presentation.
(2) Amortization of the step-up to fair value of acquired inventory and backlog.

NET DEBT RECONCILIATION

(In millions)	(Unaudited) As of December 31, 2022	2021	2020(1)
Long-term debt	$ 8,702	$ 9,513	$ 10,036
Current portion of long-term debt	140	183	191
Less: Cash and cash equivalents	3,520	2,987	3,115
Net debt	**$ 5,322**	**$ 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.

NET SALES EXCLUDING CHUBB RECONCILIATION

	(Unaudited)			
	Three Months Ended December 31, 2021		Year Ended December 31, 2021	
	Carrier	Fire and Security	Carrier	Fire and Security
Net Sales:				
Reported	$ 5,133	$ 1,431	$ 20,613	$ 5,515
Chubb	(536)	(536)	(2,158)	(2,158)
Net sales excluding impact of Chubb	$ 4,597	$ 895	$ 18,455	$ 3,357
Percentage increase in *Net sales* excluding impact of Chubb	**11 %**	**7 %**	**11 %**	**6 %**

FREE CASH FLOW RECONCILIATION

	(Unaudited)									
	Q1	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
(In millions)	**2021**	**2021**	**2021**	**2021**	**2021**	**2022**	**2022**	**2022**	**2022**	**2022**
Net cash flows provided by operating activities	$ 184	$ 561	$ 579	$ 913	$ 2,237	$ (202)	$ 32	$ 790	$ 1,123	$ 1,743
Less: Capital expenditures	53	79	74	138	344	56	66	91	140	353
Free cash flow	**$ 131**	**$ 482**	**$ 505**	**$ 775**	**$ 1,893**	**$ (258)**	**$ (34)**	**$ 699**	**$ 983**	**$ 1,390**

AMORTIZATION OF ACQUIRED INTANGIBLES

	(Unaudited)									
(In millions)	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**	**FY 2021**	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q4 2022**	**FY 2022**
HVAC	$ —	$ 4	$ 7	$ 4	$ 15	$ 4	$ 4	$ 16	$ 22	$ 46
Fire & Security	—	—	—	—	—	1	1	1	1	4
Total Carrier	—	4	7	4	15	5	5	17	23	50
Associated tax effect	—	(1)	(2)	(1)	(4)	(1)	(1)	(7)	(4)	(13)
Net impact to adjusted results	**$ —**	**$ 3**	**$ 5**	**$ 3**	**$ 11**	**$ 4**	**$ 4**	**$ 10**	**$ 19**	**$ 37**