



Q1 2021 EARNINGS CONFERENCE CALL

April 29, 2021



Cautionary Statement

This communication contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “confident,” “scenario” and other words of similar meaning in connection with a discussion of future operating or financial performance or the separation and distribution from United Technologies Corporation (the “Separation” and the “Distribution”), since renamed Raytheon Technologies Corporation. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flows, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, the estimated costs associated with the Separation, Carrier’s plans with respect to our 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 those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which Carrier and our businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions, pandemic health issues (including COVID-19 and its effects, among other things, on production and on global supply, demand, and distribution as the outbreak continues and results in a prolonged period of travel, commercial and other restrictions and limitations), natural disasters and the financial condition of our customers and suppliers; (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (3) future levels of indebtedness, capital spending and research and development spending; (4) future availability of credit and factors that may affect such availability, including credit market conditions and Carrier’s capital structure and credit ratings; (5) the timing and scope of future repurchases of Carrier’s common stock, including market conditions and the level of other investing activities and uses of cash; (6) delays and disruption in the delivery of materials and services from suppliers; (7) cost reduction efforts and restructuring costs and savings and other consequences thereof; (8) new business and investment opportunities; (9) risks resulting from being a smaller, less diversified company than prior to the Separation; (10) the outcome of legal proceedings, investigations and other contingencies; (11) the impact of pension plan assumptions on future cash contributions and earnings; (12) the impact of the negotiation of collective bargaining agreements and labor disputes; (13) the effect of changes in political conditions in the U.S. (including in connection with the new administration in Washington, D.C.) and other countries in which Carrier and our businesses operate, including the effect of changes in U.S. trade policies or the United Kingdom’s withdrawal from the European Union, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (14) the effect of changes (including potentially as a result of the new administration in Washington, D.C.) in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which we and our businesses operate; (15) the ability of Carrier to retain and hire key personnel; (16) the scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (17) the expected benefits of the Separation; (18) a determination by the U.S. Internal Revenue Service and other tax authorities that the Distribution or certain related transactions should be treated as taxable transactions; (19) risks associated with indebtedness, including that incurred as a result of financing transactions undertaken in connection with the Separation, as well as our ability to reduce indebtedness and the timing thereof; (20) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed Carrier’s estimates; and (21) the impact of the Separation on Carrier’s business and Carrier’s resources, systems, procedures and controls, diversion of management’s attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see Carrier’s reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC from time to time. Any forward-looking statement speaks only as of the date on which it is made, and Carrier assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Q1 2021 Summary

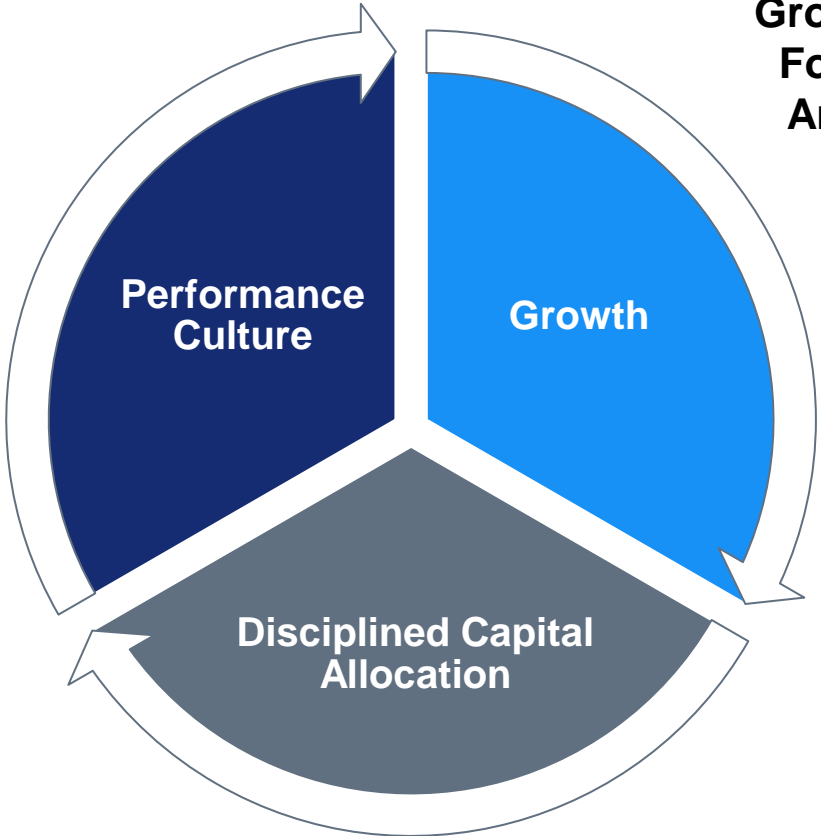
Sales	\$4,699M <i>Reported +21% Y/Y</i> <i>Organic* +17% Y/Y</i> <i>F/X +4% Y/Y</i>	Highlights Stronger than expected start to 2021 Improving order trends and backlog Continued traction on aftermarket initiatives Addressing supply chain challenges Solid free cash flow performance
Adjusted Operating Profit*	\$608M <i>+~40% Y/Y</i>	
Free Cash Flow*	\$131M	

Increasing full-year 2021 outlook

Driving Shareholder Returns

- Tenacious cost reduction
- Talent and inclusion
- Customer-centric
- G&A transformation and simplification
- Innovation leadership
- ESG

The Carrier Way



Growth Focus Areas

- ✓ Strengthen and grow core
- ✓ Product extensions and geographic coverage
- ✓ Grow services and digital

Capital Allocation Priorities

- Profitable growth
 - Organic and inorganic
- Dividends
- Share repurchases
- Debt paydown

Enterprise strategy: The world leader in healthy, safe, and sustainable building and cold chain solutions

Organic and Inorganic Growth

Organic



- Healthy, safe and sustainable buildings pipeline >\$500M and Q1 orders >\$80M
- ABOUND launched in April
- Sensitech sales up 16%
- Signed launch LYNX customers

Inorganic



- Expanding in attractive global VRF and light commercial markets
- Design and manufacturing capabilities in rapidly growing VRF segment
- Expanding Carrier brand and channel in China
- Anticipating close of controlling stake in Q2
- Expected to add ~\$200 million of annualized sales

Q1 2021 Results

	Q1 2021	Q1 2020	Y/Y
Sales	\$4,699M	\$3,888M	21%
Organic sales*			17%
FX			4%
Adjusted operating profit*	\$608M	\$436M	39%
Adjusted operating margin*	12.9%	11.2%	170bps
Adjusted effective tax rate*	21.1%	25.9%	(480)bps
Adjusted EPS*	\$0.48	\$0.35	\$0.13
Free cash flow*	\$131M	\$(1)M	\$132M



*See appendix for additional information regarding non-GAAP measures

Q1 2021 HVAC Results

	Q1 2021	Y/Y
Sales	\$2,486M	27%
Organic sales*		25%
FX		2%
Adjusted operating profit*	\$369M	52%
Adjusted operating margin*	14.8%	240bps



Meritage is now including a multispeed HVAC system as a standard feature in newly-constructed homes. The system is designed to operate more efficiently than traditional HVAC, allowing owners to better manage the comfort of their home while reducing their environmental impact and operating costs.

Highlights
48% sales growth in North American residential HVAC and distributor movement up ~20%
Mid-teens growth in commercial HVAC
Double digit growth in aftermarket
Encouraging order trends in light commercial

Q1 2021 Refrigeration Results

	Q1 2021	Y/Y
Sales	\$1,005M	24%
Organic sales*		19%
FX		5%
Adjusted operating profit*	\$129M	31%
Adjusted operating margin*	12.8%	50bps



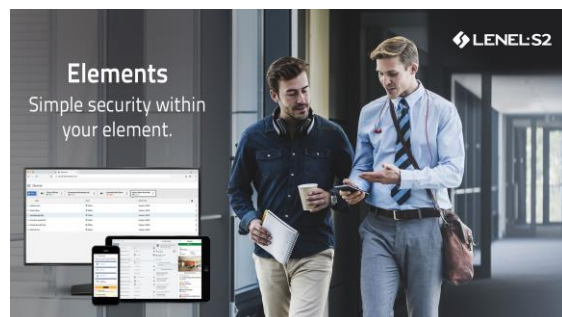
SeaCube selected the Lynx Fleet solution to deliver enhanced digital capabilities for 2,000 refrigerated containers.

Highlights
Strong container demand
Return to growth in commercial refrigeration
Unfavorable mix and supply chain challenges
North America truck / trailer beginning cyclical recovery

Q1 2021 Fire & Security Results

	Q1 2021	Y/Y
Sales	\$1,304M	8%
Organic sales*		3%
FX		5%
Adjusted operating profit*	\$164M	30%
Adjusted operating margin*	12.6%	220bps

Highlights
Strong demand in March for commercial and residential fire
Industrial fire declines due to oil & gas weakness
Chubb booked largest install order in history
Record installations backlog at Chubb



LenelS2 announced the release of the Elements™ system, a cloud-based, purpose-built access control and video management system delivered as a software-as-a-service (SaaS) solution. The Elements system can operate as an independent access control system for small / medium businesses, but it also supports enterprises' remote offices by utilizing the Elements OnGuard Connector.

Organic Order Trends

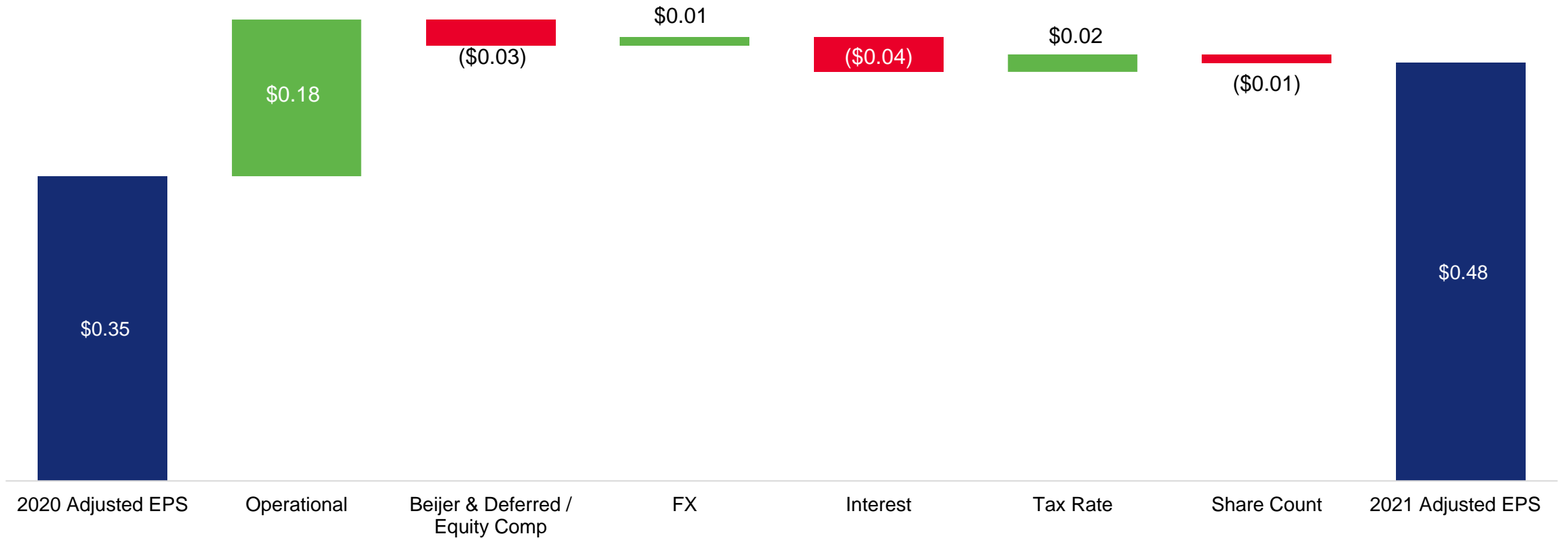
Orders by Key Business Line	Q1 2021 (Y/Y)
<u>HVAC*</u>	40% - 45%
<i>Residential & Light Commercial</i>	>60%
<i>Commercial HVAC*</i>	>15%
<u>Refrigeration</u>	35% - 40%
<i>Transport Refrigeration</i>	>55%
<i>Commercial Refrigeration</i>	~0%
<u>Fire & Security</u>	5% - 10%
<i>Fire & Security Products</i>	~5%
<i>Fire & Security Field</i>	10% - 15%
Total Carrier*	30% - 35%

Orders by Geography	Q1 2021 (Y/Y)
Americas*	>40%
EMEA	5% - 10%
China	>100%
Asia excluding China	>30%



*Excludes NORESKO

Q1 2021 Adjusted EPS* Bridge



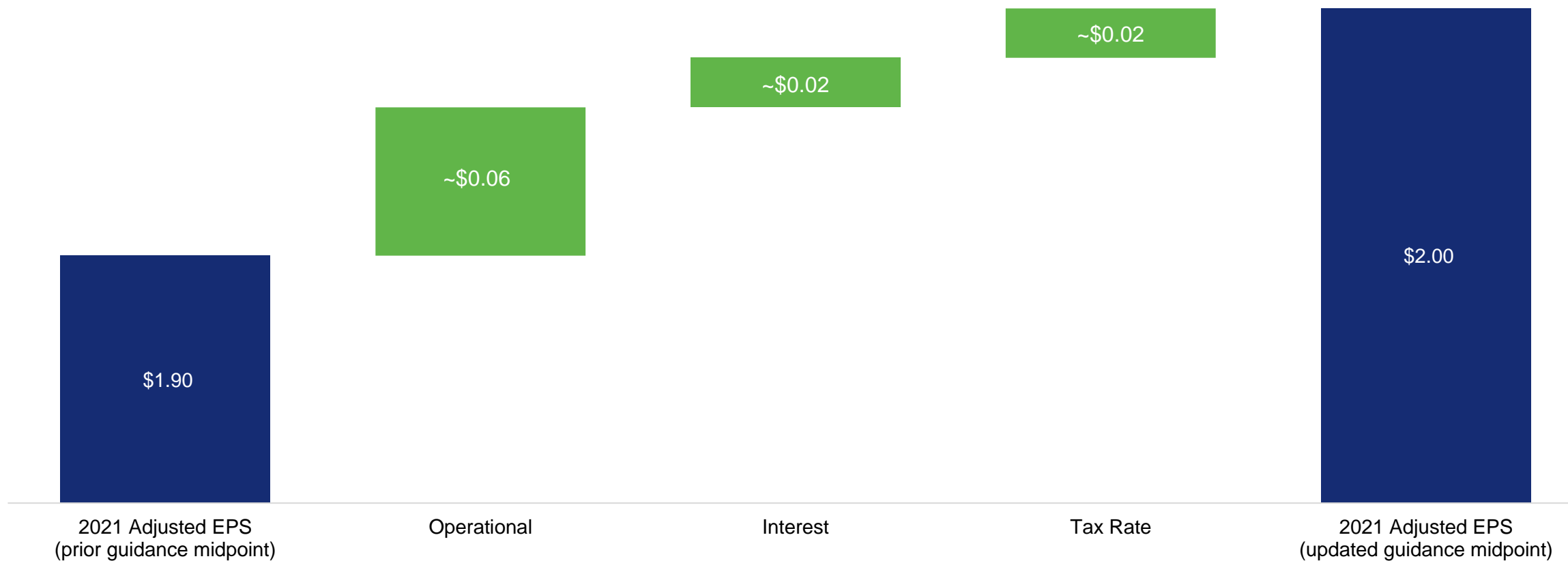
Updated 2021 Outlook

	Updated (Apr 29 th)	Prior (Feb 9 th)
Sales	Up 7% - 10% Y/Y <i>Organic* +5% - 8% Y/Y</i> <i>FX +2% Y/Y</i>	Up 6% - 8% Y/Y <i>Organic* +4% - 6% Y/Y</i> <i>FX +2% Y/Y</i>
Adjusted Operating Margin*	~13.5% <i>Up ~70 bps Y/Y</i>	~13.5% <i>Up ~70 bps Y/Y</i>
Adjusted Effective Tax Rate*	~24%	~25%
Adjusted EPS*	\$1.95 - \$2.05 <i>Up 17% - 23% Y/Y</i>	\$1.85 - \$1.95 <i>Up 11% - 17% Y/Y</i>
Free Cash Flow*	~\$1.7B	~\$1.6B

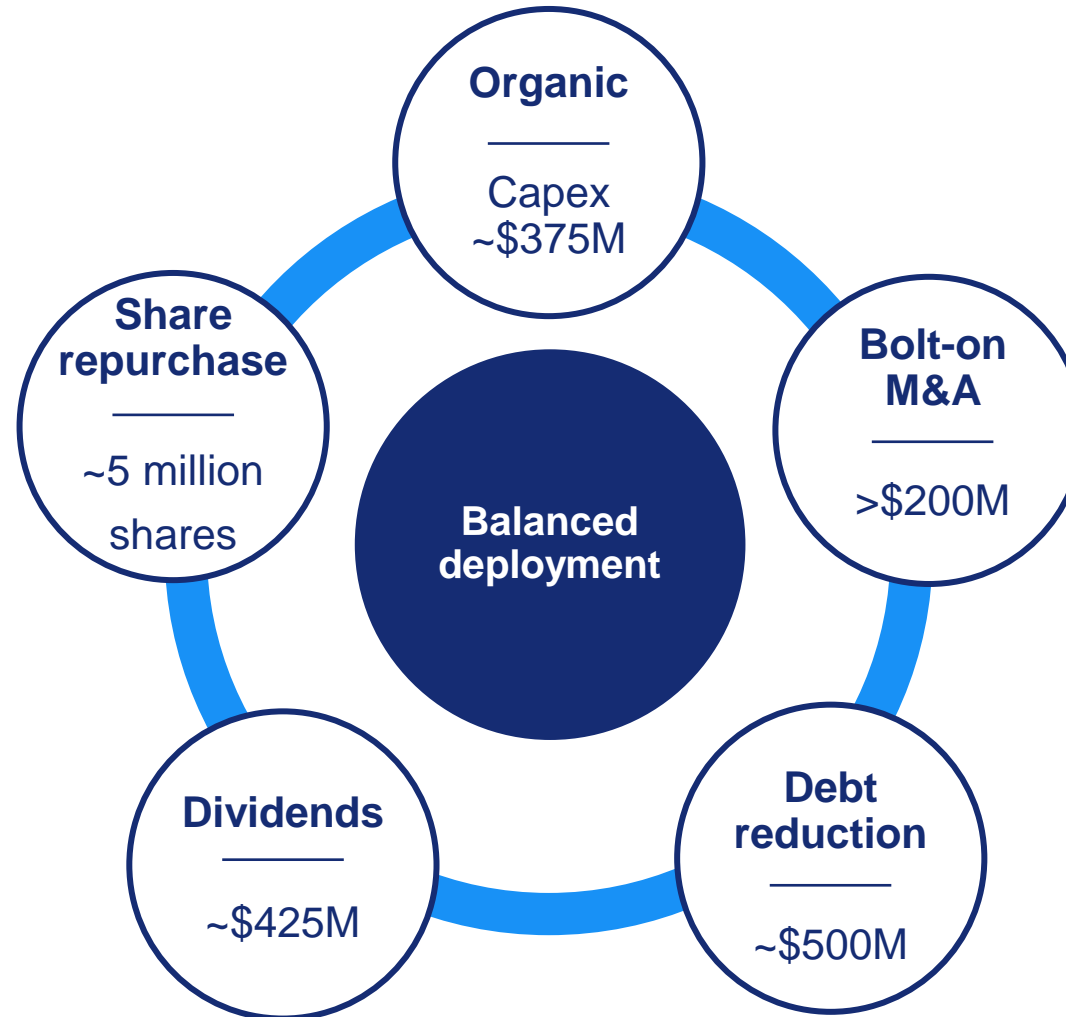


*See appendix for additional information regarding non-GAAP measures

2021 Adjusted EPS* Outlook Bridge



2021 Capital Allocation



Summary

Strong execution, improving demand

Positioned for strong top and bottom-line growth in 2021 and beyond

Implementing additional price increases given supply chain headwind

Strong free cash flow supports balanced capital allocation priorities

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

APPENDIX

Use and Definitions of Non-GAAP Financial Measures

Carrier Global Corporation ("Carrier") reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

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

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

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

Orders are contractual commitments with customers to provide specified goods or services for an agreed upon price and may not be subject to penalty if cancelled. Remaining performance obligations (or backlog) are unsatisfied performance obligations to provide products or services subject to penalty if cancelled.

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

Additional Items

	Updated outlook	Prior outlook
Shares outstanding (diluted)	~889M	~889M
Corporate expenses / eliminations	\$225M - \$250M	\$225M - \$250M
Adjusted interest expense, net*	\$295M - \$300M	\$300M - \$325M
Adjusted effective tax rate*	~24%	~25%
Non-service pension benefit	\$60M - \$70M	\$60M - \$70M
Capital expenditures	~\$375M	~\$375M
Depreciation & amortization	\$320M - \$330M	\$320M - \$330M



*See page 16 for additional information regarding non-GAAP measures

Carrier Q1 2021 vs 2020 Sales Reconciliation

Y/Y %

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

(Unaudited)

Factors Contributing to Total % change in Net Sales

	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	25 %	2 %	— %	— %	27 %
Refrigeration	19 %	5 %	— %	— %	24 %
Fire & Security	3 %	5 %	— %	— %	8 %
Consolidated	17 %	4 %	— %	— %	21 %



Segment Adjusted Operating Profit Reconciliation

<i>(dollars in millions - Income (Expense))</i>	(Unaudited)	
	For the Three Months Ended	
	March 31,	
	2021	2020
HVAC		
Net sales	\$ 2,486	\$ 1,959
Operating profit	\$ 365	\$ 167
Restructuring	(4)	(2)
Impairment of joint venture investment	—	(71)
Separation costs	—	(2)
Adjusted operating profit	\$ 369	\$ 242
Refrigeration		
Net sales	\$ 1,005	\$ 808
Operating profit	\$ 127	\$ 99
Restructuring	(2)	—
Adjusted operating profit	\$ 129	\$ 99
Fire & Security		
Net sales	\$ 1,304	\$ 1,206
Operating profit	\$ 150	\$ 120
Restructuring	(11)	(3)
Separation costs	—	(3)
Other	(3)	—
Adjusted operating profit	\$ 164	\$ 126

<i>(dollars in millions - Income (Expense))</i>	(Unaudited)	
	For the Three Months Ended	
	March 31,	
	2021	2020
General Corporate Expenses and Eliminations and Other		
Net sales	\$ (96)	\$ (85)
Operating profit	\$ (71)	\$ (71)
Restructuring	(1)	—
Separation costs	(16)	(40)
Adjusted operating profit	\$ (54)	\$ (31)
Carrier		
Net sales	\$ 4,699	\$ 3,888
Operating profit	\$ 571	\$ 315
Total restructuring costs	(18)	(5)
Total non-recurring and non-operational items	(19)	(116)
Adjusted operating profit	\$ 608	\$ 436



Q1 2021 EPS Reconciliation

<i>(In millions)</i>	(Unaudited)		
	For the Three Months Ended March 31, 2021		
	Reported	Adjustments	Adjusted
Net sales	\$ 4,699	\$ —	\$ 4,699
Operating profit	571	37 a	608
<i>Operating margin</i>	<i>12.2 %</i>		<i>12.9 %</i>
Income from operations before income taxes	496	56 a,b	552
Income tax expense	(104)	(13) c	(117)
<i>Income tax rate</i>	<i>21.0 %</i>		<i>21.1 %</i>
Net income attributable to common shareowners	<u>\$ 384</u>	<u>\$ 43</u>	<u>\$ 427</u>
Summary of Adjustments:			
Restructuring costs		\$ 18 a	
Separation costs		16 a	
Debt prepayment costs		19 b	
Other		3 a	
Total adjustments		<u>\$ 56</u>	
Tax effect on adjustments above		<u>\$ (13)</u>	
Total tax adjustments		<u>\$ (13) c</u>	
Shares outstanding - Diluted	889.8		889.8
Earnings per share - Diluted	<u>\$ 0.43</u>		<u>\$ 0.48</u>



Q1 2020 EPS Reconciliation

<i>(In millions)</i>	(Unaudited)		
	For the Three Months Ended March 31, 2020		
	Reported	Adjustments	Adjusted
Net sales	\$ 3,888	\$ —	\$ 3,888
Operating profit	315	121 a	436
<i>Operating margin</i>	<i>8.1 %</i>		<i>11.2 %</i>
Income from operations before income taxes	295	126 a,b	421
Income tax expense	(193)	84 c	(109)
<i>Income tax rate</i>	<i>65.4 %</i>		<i>25.9 %</i>
Net income attributable to common shareowners	<u>\$ 96</u>	<u>\$ 210</u>	<u>\$ 306</u>
Summary of Adjustments:			
Restructuring costs		\$ 5 a	
Impairment of equity method investment		71 a	
Separation costs		45 a	
Debt issuance costs		5 b	
Total adjustments		<u>\$ 126</u>	
Tax effect on adjustments above		\$ (13)	
Tax specific adjustments		97	
Total tax adjustments		<u>\$ 84 c</u>	
Shares outstanding - Diluted	866.2		866.2
Earnings per share - Diluted	<u>\$ 0.11</u>		<u>\$ 0.35</u>



Segment Net Sales and Operating Profit

<i>(In millions)</i>	(Unaudited)			
	For the Three Months Ended March 31,			
	2021		2020	
	Reported	Adjusted	Reported	Adjusted
Net sales				
HVAC	\$ 2,486	\$ 2,486	\$ 1,959	\$ 1,959
Refrigeration	1,005	1,005	808	808
Fire & Security	1,304	1,304	1,206	1,206
Segment sales	4,795	4,795	3,973	3,973
Eliminations and other	(96)	(96)	(85)	(85)
Net sales	\$ 4,699	\$ 4,699	\$ 3,888	\$ 3,888
Operating profit				
HVAC	\$ 365	\$ 369	\$ 167	\$ 242
Refrigeration	127	129	99	99
Fire & Security	150	164	120	126
Segment operating profit	642	662	386	467
Eliminations and other	(40)	(25)	(35)	5
General corporate expenses	(31)	(29)	(36)	(36)
Operating profit	\$ 571	\$ 608	\$ 315	\$ 436
Operating margin				
HVAC	14.7 %	14.8 %	8.5 %	12.4 %
Refrigeration	12.6 %	12.8 %	12.3 %	12.3 %
Fire & Security	11.5 %	12.6 %	10.0 %	10.4 %
Total Carrier	12.2 %	12.9 %	8.1 %	11.2 %



Free Cash Flow Reconciliation

<i>(dollars in millions)</i>	(Unaudited)					
	Q1	Q2	Q3	Q4	FY	Q1
	2020	2020	2020	2020	2020	2021
Net cash flows provided by operating activities	\$ 47	\$ 509	\$ 937	199	\$ 1,692	\$ 184
Less: Capital expenditures	48	46	57	161	312	53
Free cash flow	\$ (1)	\$ 463	\$ 880	\$ 38	\$ 1,380	\$ 131