FEB 22, 2022
INVESTOR DAY
This communication contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide management's current expectations or plans for Carrier's future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance or the separation from United Technologies Corporation (the "Separation"), since renamed Raytheon Technologies Corporation. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, the estimated costs associated with the Separation, Carrier's plans with respect to its indebtedness and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see Carrier's reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the U.S. Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and Carrier assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

In addition, please note that all forward-looking estimates exclude the impact of the pending Toshiba Carrier Corporation acquisition.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Time</th>
<th>Presenter</th>
</tr>
</thead>
</table>
| Opening Remarks              | 8:30 – 10:00 am | Sam Pearlstein  
Vice President Investor Relations |
| Carrier Strategic Overview   | 8:30 – 10:00 am | Dave Gitlin  
Chairman & CEO |
| Sustainability               | 8:30 – 10:00 am | Jennifer Anderson  
Senior Vice President Strategy, Business Development & Chief Sustainability Officer |
| Digital                      | 10:00 – 10:15 am| Bobby George  
Senior Vice President & Chief Digital Officer |
| Aftermarket                  | 10:00 – 10:15 am| Ajay Agrawal  
Senior Vice President Global Services, Healthy Buildings & Chief Strategy Officer |
| HVAC                         | 10:00 – 10:15 am| Chris Nelson  
President HVAC |
| Break                        | 10:00 – 10:15 am|                                                     |
| Fire & Security              | 10:15 – 11:15 am| Jurgen Timperman  
President Fire & Security |
| Refrigeration                | 10:15 – 11:15 am| Tim White  
President Refrigeration |
| Financial Outlook            | 11:15 – 12:00 pm| Patrick Goris  
Senior Vice President & Chief Financial Officer |
| Q&A                          | 11:15 – 12:00 pm| Carrier Leadership |
| Tours and Lunch              | 12:00 pm        |                                                     |
WHY CARRIER

1. Secular trends driving increased total addressable market

2. Carrier leading through technology / digital transformation, life-cycle solutions and ESG leadership

3. Rigorous cost reduction to fund investments and improve margins

4. Compelling financial algorithm

5. Strong balance sheet enables balanced capital allocation and ability to play offense on M&A

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

‘21 KEY DATA POINTS¹

- $20.6B SALES
- ~58,000 EMPLOYEES
- 13.6% ADJ. OP. PROFIT* %
- 160+ COUNTRIES
- $1.9B FREE CASH FLOW*

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

WHAT WE DO

Fire & Security
SALES²
Refrigeration
Aftermarket
SALES MIX²

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

* See appendix for additional information regarding non-GAAP measures
1. Includes Chubb    2. Excludes Chubb

Global leader in healthy, safe, sustainable and intelligent building and cold chain solutions
CARRIER SINCE SPIN: COMMITMENTS MADE AND KEPT

<table>
<thead>
<tr>
<th>February 2020 Investor Day</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>People and culture</td>
<td>✓ Living <em>The Carrier Way</em></td>
</tr>
<tr>
<td></td>
<td>✓ Cultivating a performance culture and a talented, diverse workforce</td>
</tr>
<tr>
<td></td>
<td>✓ ESG: embedded in DNA and growth strategy</td>
</tr>
<tr>
<td>Three pillars of growth</td>
<td>✓ Portfolio-wide share gains driving organic growth</td>
</tr>
<tr>
<td></td>
<td>✓ VRF expansion</td>
</tr>
<tr>
<td></td>
<td>✓ Double-digit aftermarket growth and launched two key platforms</td>
</tr>
<tr>
<td>Margin expansion</td>
<td>✓ Carrier 700 driving tenacious cost focus</td>
</tr>
<tr>
<td></td>
<td>✓ G&amp;A transformation underway</td>
</tr>
<tr>
<td></td>
<td>✓ Carrier Excellence / Carrier Alliance driving structural cost reduction</td>
</tr>
<tr>
<td>Portfolio and capital deployment</td>
<td>✓ Significantly de-levered balance sheet</td>
</tr>
<tr>
<td></td>
<td>✓ Increased dividend and share buyback</td>
</tr>
<tr>
<td></td>
<td>✓ Portfolio transformation underway and playing offense on M&amp;A</td>
</tr>
</tbody>
</table>

Foundation laid for continued superior performance
MEET THE MOMENT
SECULAR TRENDS DRIVE SUSTAINED GROWTH FOR BUILDING AND COLD CHAIN SOLUTIONS

HEALTH AND WELLNESS
Wellness economy ($T)¹

- 2020: ~4.4
- 2025: ~7.0

Healthy indoor environments

CAGR 10%

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

- 2020: ~0.7
- 2025: ~1.1

Electrification and energy efficiency

CAGR 9%

DIGITALIZATION
Global spend on digital transformation ($T)³

- 2020: ~4.4
- 2025: ~9.1

Connected and intelligent solutions

CAGR 15%

GROWING MIDDLE CLASS
Middle-class population (% total)⁴

- 2020: ~45%
- 2025: ~52%

Demand for comfort, safety and cold chain solutions

BPS ~700

3. International Data Corporation (IDC)  |  4. The Brookings Institution
SECULAR TRENDS DRIVING BUILDING TRANSFORMATION

BUILDINGS OF YESTERDAY

- Functional
- Carbon emitters
- Unprotected
- Disconnected

BUILDINGS OF TOMORROW

- Healthy
- Sustainable
- Safe
- Intelligent

People spend ~90% of our time indoors\(^1\)
Indoor air can be 3-5x more polluted than outdoor air\(^1\)
Buildings account for ~40% of greenhouse gas emissions\(^2\)
1 in 5 existing buildings retrofitted to meet net-zero emissions by 2050\(^2\)
Effective filtration can eliminate 99% of airborne pathogens\(^3\)
<30% of U.S. homes protected to National Fire Protection Association standards\(^4\)
>4 billion connected IoT devices in commercial buildings by 2028\(^5\)
Integrated smart building systems can reduce energy use ~10%-20%\(^6\)

4. NFPA | 5. Debitte, Gartner | 6. The Nesler Group, National University of Singapore
One-stop-shop for healthy, safe, sustainable, and intelligent solutions.
SECULAR TRENDS DRIVING COLD CHAIN TRANSFORMATION

COLD CHAIN OF YESTERDAY

- Carbon emitters
- Disconnected
- Unprotected

COLD CHAIN OF TOMORROW

- HEALTHY
- SUSTAINABLE
- SAFE
- INTELLIGENT

1 in 9 people go to bed hungry every night\(^1\)

As much as 50\% of annual vaccine are wasted or lost\(^1\)

Eliminating food waste could decrease global greenhouse gas emissions by \(\sim 10\%\)^2

475M tons of food could be saved each year with effective refrigeration\(^3\)

\(<15\%\) of perishable foods are protected by an effective cold chain in developing countries\(^3\)

\(~$35B\) of annual biopharma losses associated with temperature excursions\(^4\)

\(>$1T\) lost annually by retailers due to supply chain inefficiencies\(^5\)

\(>50\%\) of all perishable food loss could be avoided by using cold chain technology\(^6\)

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Carrier
GLOBAL MARKET GROWING AS A RESULT OF RECENT SECULAR TAILWINDS

GROWTH IN BUILDING SOLUTIONS MARKET

- Cumulative incremental opportunity 2021 – 2030: 5.5% - 6.0% CAGR
- Base market growth
- Uplift from: Sustainability, intelligent, healthy

GROWTH IN COLD CHAIN SOLUTIONS MARKET

- Cumulative incremental opportunity 2021 – 2030: 5.0% - 5.5% CAGR
- Base market growth
- Uplift from: Sustainability, intelligent, healthy

Incremental market opportunity of ~$250B through 2030

1. Internal estimates
STRONG ORGANIC GROWTH

**FEBRUARY 2020 ANALYST DAY**
STRATEGIC INITIATIVES TO OUTGROW BASE MARKET

- In-line with GDP\(^1\)
  - \(~3-4\%\)

- BASE BUSINESS GROWTH

- Strategic Initiatives
  - +\(~2\%\)
    - 1. Strengthen and grow core
    - 2. Product extensions and geographic coverage
    - 3. Digitally enabled aftermarket growth

- MSD growth
  - \(~5-6\%\)

**FEBRUARY 2022 ANALYST DAY**
CARRIER POSITIONED TO CAPTURE SHARE OF EXPANDED TAM

- UPLIFT FROM HEALTHY, SUSTAINABLE, INTELLIGENT
  - +\(~1-2\%\)

- M-HSD Growth
  - \(~6-8\%\)

MEDIUM-TERM GROWTH RATE

Increasing secular tailwinds bolster organic growth

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1. IHS Market estimates / historical data
DIFERENTIATION

STRATEGIC INITIATIVES TO OUTGROW BASE MARKET

- Unmatched installed base
  - 330K Commercial HVAC
  - 33M Residential HVAC
  - 1.8M Refrigeration equipment
  - 90M Fire and security

- Globally recognized iconic brands and extensive sales and service channels

- Differentiated sustainable technologies
  - AquaEdge 19MV Industry leading performance
  - E-Trailer Unmatched electrification technology

CARRIER POSITIONED TO CAPTURE SHARE OF EXPANDED TAM

- Integrated HVAC and F&S healthy and safe solutions

- Intelligent and connected platforms to drive customer value

- New business models driving sustainability solutions and life-cycle sales

1. See footnote on slide 45
ACCELERATED COST TRANSFORMATION

SUSTAINED 2-3% YoY GROSS PRODUCTIVITY

TARGETED COST CATEGORIES:
~$14B¹

SUPPLY CHAIN
FACTORY / FOOTPRINT OPTIMIZATION
G&A
ANNUAL COST REDUCTION

¹ 2021 excluding Chubb
OPERATIONAL EXCELLENCE

SUPPLY CHAIN
- Critical component dual sourcing
  - 2021: 35%
  - 2026: 75%
  - Increase by >2x

FACTORY
- Automation hours
  - 2021: 3M
  - 2026: 6M
  - Increase by 2x

FOOTPRINT OPTIMIZATION
- Low cost hours
  - 2021: 75%
  - 2026: 85%
  - Increase by +10%

G&A
- G&A as % of sales
  - 2021
  - 2026
  - Decrease by >200 bps

>50 bps of margin expansion / year
DISCIPLINED CAPITAL DEPLOYMENT WITHIN SOLID INVESTMENT GRADE CREDIT RATING

1. ORGANIC GROWTH
2. INORGANIC GROWTH
3. GROWING DIVIDEND
4. SHARE REPURCHASES
CONTINUED PORTFOLIO REVIEW AND PLAYING OFFENSE ON M&A

PRIORITY:

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

ACCOMPLISHMENTS:

- Acquisitions
  - Toshiba
  - Nlyte
  - Cavius
- Divestitures
  - Chubb
  - Brokerbay

Driving profitable growth and recurring revenues as leader in healthy, safe, sustainable and intelligent building and cold chain solutions

1. Toshiba acquisition not yet complete
CARRIER’S MEDIUM TERM VALUE CREATION FRAMEWORK

- Organic sales growth: ~6-8%
- Cost reduction: 2-3% annual productivity
- Adj. operating margin expansion: >50 bps/yr
- Adj. EPS: Double-digit growth
- Free cash flow: ~100% of net income

1. Before M&A, including Toshiba Carrier Corp.
Proud of our accomplishments thus far…
and we have tremendous opportunity ahead
WHY CARRIER ESG?

**SUSTAINABLE SOLUTIONS**
- Decarbonization enablement
- Electrification
- Digital technologies
- Energy efficiency and lower global warming potential refrigerants

**SUSTAINABLE INVESTMENTS**
- Carrier Ventures
  - Sustainable innovations
  - Disruptive building management and cold chain solutions

**ESG IN PRACTICE**
- Carbon neutrality focus
- 2030 ESG goals road map
- Committed Carrier leadership
- Diverse, global team

**OUR VISION:** To be the **industry leader** in designing and delivering the world’s most **efficient, innovative** and **disruptive** solutions to enable a healthier planet.
A CHANGING WORLD

Secular Drivers

- Health and wellness
- Sustainability
- Digitalization
- Growing middle class

The building sector accounts for 40% of global greenhouse gas emissions.

HVAC systems account for approximately 40% of a building’s energy consumption.

If food wastage were a country, it would be the 3rd largest emitting country in the world.

13% of food in the world is lost due to a lack of refrigeration.

7.6% annual greenhouse gas reduction target needed to limit global temperature to 1.5°C.

Sources: UNFAO, UNEP, IEA
SUSTAINABLE SOLUTIONS FRAMEWORK

Enable
- efficiencies through sustainable solutions

Design
- Lead with design and assessment expertise

Deliver
- recurring value via service and reporting

Monetizing opportunities across the lifecycle
FUTURE OF SUSTAINABLE BUILDINGS

MARKET OPPORTUNITY

~$225B

Aftermarket

Equipment

Incremental market revenue in Sustainability, Intelligent, and Healthy opportunities through 2030

SOLUTIONS OPPORTUNITY

Energy efficient HVAC solutions

- Sustainability consulting and master planning
- Electrification and heat pumps
- Service with continuous, remote monitoring
- Building Management Systems

CARRIER’S LEADERSHIP

- Founding company #1 of the U.S. Green Building Council® (USGBC)
- Founding member of the International WELL Building Institute™
- > 200M sq ft of building space certified under LEED for customers in China – EMSI
- First to announce worldwide phaseout of CFCs, 16 years ahead of the regulatory requirements
- First to announce lowest GWP replacement refrigerant for R410a in residential products
- AquaEdge 23XRV is the world’s leading efficiency screw chiller, 42% better than the industry standard¹
- Helped reduce >110 tons of plastic since 2015 by providing hotels with DirectKey technology to enable digital room keys – Onity
- Saved half a billion kilowatt hours of energy in 2021 – Abound

¹. Among electric-driven, water-cooled chillers as mentioned by Integrated Part Load Value conditions based on ASHRAE 90.1 2019 minimum requirement.

SUSTAINABILITY
## MARKET OPPORTUNITY

<table>
<thead>
<tr>
<th>Aftermarket</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental market revenue in Sustainability, Intelligent, and Healthy opportunities through 2030</td>
<td></td>
</tr>
</tbody>
</table>

## SOLUTIONS OPPORTUNITY

- **End to end supply chain visibility**
- **Engineless and electrified TRUs**
- **Reefer management and maintenance**
- **Lower GWP and natural refrigerants**
- **Cold chain adoption in emerging markets**

## CARRIER’S LEADERSHIP

- Founding member of Global Food Cold Chain Council
- **World’s first** natural refrigerant (CO₂) technology for container refrigeration – *NaturaLINE*
- **World’s first** autonomous electric refrigeration system – *Vector eCool*
- **World’s first** electric APU capable of providing cab cooling for extended periods formerly only achieved by diesel-powered units – *ComfortPro*
- **World’s first** hydrogen fuel-cell powered trailer refrigeration unit – *Vector HE 19*
- New zero-emission electric truck refrigeration technology – *Supra*
## SUSTAINABILITY

### GOOD FOR THE PLANET AND GOOD FOR CUSTOMERS

<table>
<thead>
<tr>
<th>Product</th>
<th>Planet</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="#">Vector eCool</a>¹ All electric TRU</td>
<td>65%</td>
<td>75%</td>
</tr>
<tr>
<td><a href="#">PowerCO₂OL</a>¹ Commercial refrigeration</td>
<td>77%</td>
<td>30%</td>
</tr>
<tr>
<td><a href="#">AquaEdge® 19DV</a>² Water-cooled chiller</td>
<td>62%</td>
<td>40%</td>
</tr>
<tr>
<td><a href="#">Infinity® 26 Air Conditioner with Greenspeed® Intelligence</a>² Residential air conditioner</td>
<td>38%</td>
<td>28%</td>
</tr>
<tr>
<td><a href="#">AquaSnap® 30RB/RQ</a>² Air-cooled chiller / heat pump</td>
<td>40%</td>
<td>8%</td>
</tr>
</tbody>
</table>

1. Estimated savings compared to minimum regulatory requirements.
2. Estimated savings compared to previous generation product.

Carrier’s gigatons goal is equivalent to avoiding the annual emissions of Japan
## HELPING OUR CUSTOMERS REACH THEIR SUSTAINABILITY GOALS

<table>
<thead>
<tr>
<th>Home Depot</th>
<th>City of London</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Technology implementation and process transformation</td>
<td>- Innovative district heating and cooling plant in the City of London</td>
</tr>
<tr>
<td>- Energy and maintenance management via predictive insights and proactive remote support</td>
<td>- Three Carrier high-efficiency geothermal heat pumps extract heat from underground and capture waste heat</td>
</tr>
</tbody>
</table>

**The Home Depot**

**City of London**

Digitally-enabled aftermarket, driving recurring revenues
INVESTING IN A SUSTAINABLE FUTURE

Carrier is committed to progressing our customers decarbonization goals through both M&A and Carrier Ventures.

**VRF AND HEAT PUMPS**

Consistent with our Strategy, the acquisitions of Toshiba Carrier and Giwee help support our Gigaton goal.

**Enhanced portfolio of:**

- VRF technology
- Heat pump technology

**CARRIER VENTURES**

**Mission:**
Invest in companies with sustainable innovations and disruptive technologies enabling the future of building and cold chain management systems.
ESG IS IN OUR DNA – 2030 GOALS

OUR PLANET
- Invest over $2B to develop healthy, safe, sustainable and intelligent building and cold chain solutions that incorporate sustainable design principles and reduce lifecycle impacts.
- Achieve carbon neutral operations.
- Reduce energy intensity by 10% across our operations.

OUR PEOPLE
- Achieve water neutrality in our operations, prioritizing water-scarce locations.
- Deliver zero waste to landfill from manufacturing locations.
- Establish a responsible supply chain program and assess key factory suppliers against program criteria.
- Exceed benchmark employee engagement.
- Achieve gender parity in senior leadership roles.
- Maintain world-class safety metrics.
- Achieve a diverse workforce that represents the communities in which we live and work.
- Foster the growth of Employee Resource Groups to drive social impact.

OUR COMMUNITIES
- Positively impact communities by enabling access to safe and healthy indoor environments, alleviating hunger and food waste, and volunteering our time and talent.
- Invest in science, technology, engineering and math education programs that promote diversity and inclusion.
- Promote sustainability through education, partnerships and climate resiliency programs.

REDUCE OUR CUSTOMERS’ CARBON FOOTPRINT BY MORE THAN 1 GIGATON.
2030 ESG GOALS – PROGRESS TO DATE

**ENVIRONMENTAL**

- **~137M** metric tons of GREENHOUSE GAS EMISSIONS AVOIDED from products sold and avoided food waste since 2020
- **1st** Carrier manufacturing facility CERTIFIED ZERO WASTE TO LANDFILL in Indiana
- **120,000 MT** CO₂ CARBON OFFSETS from N₂O abatement project in 2021
- **2021** COMMITTED TO SCIENCE BASED TARGETS

**SOCIAL**

- **1/3** WOMEN EXECUTIVES globally
- **50%** DIVERSE EXECUTIVES globally
- **1st** COMMUNITY SOLAR PROJECT supported by Carrier

**GOVERNANCE**

- **88%** INDEPENDENT DIRECTOR NOMINEES
- **CONNECTED COMPENSATION** Executive incentive compensation tied to progress against ESG goals
CARRIER’S CARBON NEUTRALITY ROADMAP

Scope 1: Direct emissions
On-site fuel use and refrigerants

Reduce our energy demand
- Invest in CapEx/OpEx
- Optimize energy consumption and emissions

Scope 2: Indirect emissions
Purchased electricity

Decarbonize our energy supply
- Purchase PPAs and VPPAs
- Install on-site renewable energy

Unabated Scope 1 emissions
On-site fuel use and refrigerants

Sequester remaining emissions
- Purchase third-party carbon credits
- Invest in the future of sustainable technologies

Absolute reduction of emissions is a critical component of the plan

Carbon Neutrality Strategy: Leverage high efficiency equipment, electrification and renewable energy to reduce absolute emissions. Sequester the remaining emissions with carbon offsets.
RECOGNITION & INDUSTRY LEADERSHIP

Named to
Change the World List
Fortune, 2021

Among the
Best Places to Work for LGBTQ Equality
Human Rights Campaign Foundation Corporate Equality Index, 2021

Among
America’s Most Responsible Companies
Newsweek, 2021

Named a
Carbon Clean 200 Company
Corporate Knights, 2022

Named a
Barron's 100 Most Sustainable U.S. Companies
Barron's, 2022

Named an
ESG Industry Top-Rated Company
Sustainalytics, 2021

Received a rating of
AA in the MSCI ESG Ratings assessment
MSCI, 2021

Founding member of
U.S. Green Building Council

Founding member of
International WELL Building Institute

Founding member of
Global Food Cold Chain Council
...WE ARE ONLY AT THE BEGINNING OF OUR JOURNEY

- Delivering Sustainable Solutions for our customers
- Investing in disruptive technologies through M&A and Carrier Ventures
- Defined roadmap for our internal 2030 goals
- Industry leadership in ESG
WHY CARRIER DIGITAL

### DOMAIN EXPERTISE

<table>
<thead>
<tr>
<th>Physical Products</th>
<th>Digital Products</th>
<th>Connected Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Assets</td>
<td>Countries Covered</td>
<td>Live Software Products</td>
</tr>
<tr>
<td>127M+</td>
<td>160+</td>
<td>40+</td>
</tr>
</tbody>
</table>

### INSTALLED BASE

- **127M+** Installed Assets
- **160+** Countries Covered
- **40+** Live Software Products

### TALENT TRANSFORMED

- **Digital Innovation Team with 800+** Software launches
- **55%** Digital team is new to Carrier
- **Agile methodology**

### PLATFORMS & SCALE

- **10+** Ecosystem Partnerships
- **40+** Shared Cloud and AI/ML Services
- **100s** of Design System Components

### TECHNOLOGY APPROACH

- **Interoperability and Open Standards**
- **Zero Day Onboarding**
- **Time-to-value**

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Hardware innovation and digital and open platforms creates differentiated value.
EVOLUTION OF DIGITALLY-ENABLED INNOVATION

Digital drives the evolution of our hardware—enabling connectivity, performance and optimized outcomes

YESTERDAY

- Hardware engineering
- Product attribute innovation
- Asset performance
- Focused on Carrier products

TODAY

- HW & SW innovation
- Data-driven value
- Insights via analytics & ML
- 3rd party API integrations

TOMORROW

- Software-defined hardware
- Outcomes as a Service
- AI-led optimization
- Ecosystem marketplace
CARRIER DIGITAL STRATEGY

Connect our installed base

Modernize legacy software for cloud

Launch new platforms, products and services

Leveraging cloud connectivity to drive customer outcomes

OUTCOMES
- HEALTHY & SUSTAINABLE
- INTELLIGENT
- SAFE

TAM
Customer intimacy
Service efficiency
Recurring revenue
Pull-through revenue

Partnership Ecosystem

ABOUND
LYNX
Connectivity → Remote Monitoring → Predictive Maintenance → Asset Optimization
Recurring Revenue Opportunity for Carrier

CONNECT OUR INSTALLED BASE

UNIFIED EDGE STRATEGY

- Edge Connectivity Types
  - Telematics
  - Edge device
  - Embedded edge

- Key Features
  - Comms protocol
  - Operating systems
  - Cybersecurity
  - Edge AI/ML
  - Ongoing upgrades

CONNECTED INSTALLED BASE: NON-RESIDENTIAL PRODUCTS

- +20M connected households
- ~10x Growth

IMPACT OF CONNECTIVITY

- Chillers
  +20% attach rate
- CCR
  15-20% reduction in equipment downtime
  10-15% improvement in field efficiencies
- RESI HVAC
  >50% improvement in first-time fix rates
THE CLOUD-BASED PLATFORM FOR HEALTHY, SAFE AND SUSTAINABLE BUILDINGS

**Beyond**

**Key Benefits**
- Cross-system insights
- Performance optimization
- Advanced analytics

**Differentiation**
- Open platform
- Rapid onboarding
- Scalable architecture
- User experience

**Monetization**
- SaaS applications
- API developer portal
- Up- and cross-sell Carrier hardware & services

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**Customer Outcomes**

- **Healthy & Well-Being**
- **Sustainability**
- **Safe & Secure**
- **Asset Management**

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**Software**

- APIs
- Applications
- Marketplace

**Enablers**

- AI/ML
- Edge Computing
- Virtual Asset
- Digital Twin
- Data Abstraction
- Cloud SaaS

**Hardware**

- Third Party Assets
- Third Party Data Sources
- Third Party Sensors
- CARR Assets
- CARR Sensors

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**Carrier**

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ACTIONABLE INTELLIGENCE ACROSS THE CONNECTED COLD CHAIN

Key Benefits
- Reduce food & medicine loss
- Optimize supply chain logistics
- Increase resilience to disruption
- Enable sustainability

Differentiation
- Advanced IoT
- End-to-end coverage
- Broad install base of equipment and IoT data

Monetization
- API feed with reefer analytics
- Fleet Mgmt. and Cargo Monitoring as a Service
- End-to-end SaaS for cargo monitoring

CUSTOMER OUTCOMES

SOFTWARE

ENABLERS

HARDWARE
Investments in platforms + talent + partnerships

Accelerated pace of innovation via software defined hardware

Greater customer intimacy driving lifecycle services

Increased TAM's, recurring revenue & margin accretive

Critical to accelerate transition to smart buildings and connected cold chains
WHY CARRIER AFTERMARKET

2021 SALES (~$4.5B\(^1\))

Comprehensive Portfolio
- Parts
- Digital/Service
- Modifications & Upgrades
- Rentals
- Controls (Field)
- Performance Contracting

- Large growth potential relative to TAM
- Growing need for healthy building and sustainability upgrades
- 10 points+ higher gross margins than Carrier average
- Strong potential for OEM/digital differentiation and new revenue streams

Significant growth opportunity at high margins and recurring revenues

1. Excludes Chubb
# Lifecycle Opportunity from Carrier Installed Base

Large installed base paving the way for substantial lifecycle value

<table>
<thead>
<tr>
<th>Product Family</th>
<th>Installed Base (units)</th>
<th>Potential Lifecycle Value (multiple of equipment sale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial HVAC</td>
<td>330K</td>
<td>~5-10x¹</td>
</tr>
<tr>
<td>Light Commercial HVAC</td>
<td>2M</td>
<td>~1-3x</td>
</tr>
<tr>
<td>Residential HVAC</td>
<td>33M</td>
<td>~0.5-1x</td>
</tr>
<tr>
<td>Refrigeration Equipment</td>
<td>1.8M</td>
<td>~0.5-1.5x¹</td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>90M+²</td>
<td>~0.5-5x¹</td>
</tr>
</tbody>
</table>

1. Upper range includes healthy, safe, sustainable & intelligent pull-through; Fire & Security potential lifecycle value of commercial and industrial systems only.

2. Internal estimate of: (1) global commercial and industrial systems in service; and (2) U.S. residences with Kidde smoke and/or carbon monoxide alarm units in service (90M ~ “Units”), derived from the approximate number of: (a) Units sold in U.S. since 2000 and remaining in service (400M); (b) U.S. residences (based on U.S. Census Bureau completed construction statistics and 2021 American Housing Survey); and (c) Units per U.S. residence (based on National Fire Protection Association requirements).
CARRIER AFTERMARKET OUTLOOK

INSTALLED BASE OPPORTUNITY

- Addressable market for Carrier installed base
- Carrier: $4.5B+ (2021) - $7.0B+ (2026+)

GROWTH DRIVERS

- Service coverage
- Digital offerings and remote solutions
- Modifications and upgrades
- Healthy building upgrades
- Energy efficiency/zero-carbon services
- Share gain and acquisitions

1. Excludes Chubb
## Vision

**CARRIER IS THE CUSTOMER’S FIRST CHOICE FOR SERVICE AND THE ONE-STOP SHOP ACROSS THE LIFECYCLE**

### Principles
- We design products with full lifecycle view
- We service our equipment
- We connect our equipment
- We upgrade fielded equipment
- We are the first choice at end-of-life

### Objectives

- **Leading technology and reliability**
- **Comprehensive parts catalog and competitive pricing**
- **World-class supply chain and channels**
- **Aim for 100% service coverage**
- **OEM value; globally recognized brand**
- **Tiered service offerings**
- **Factory-connected new equipment**
- **Leverage Abound and Lynx platforms**
- **Remote services and advanced analytics**
- **Healthy buildings & IAQ upgrades**
- **Decarbonization & energy efficiency upgrades**
- **Relentless focus on customers**
- **Solution focused, outcome oriented**

### Outcomes

<table>
<thead>
<tr>
<th>Parts</th>
<th>Service coverage</th>
<th>Full connectivity</th>
<th>Healthy, safe, sustainable</th>
<th>70+ Net Promoter Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven aftermarket growth playbook</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Carrier Playbook in Action

### Transformation Building Blocks

- Aftermarket leaders in place
- Lifecycle mapping and priorities
- Parts strategies and execution
- Global service brand
- Added sales capacity
- Digital platforms
- Talent upskilling
- Feedback loop/NPS surveys
- Metrics and cadence

### Go-to-Market

- **BLUEDGE**
  - 30K BluEdge service agreements since mid-2020 launch
- **LYNX**
  - Doubled subscriptions in last 12 months
- **ABOUND**
  - 750M+ sq. ft. monitored

### Customer Wins

- Service attachment at all-time highs across all BUs

### Customers and Team

- Net Promoter Score rollout
- BluEdge Service Excellence Award Winners

---

Concrete actions leading to tangible outcomes for customers & Carrier
**AFTERMARKET GROWTH DRIVERS**

Strong focus on recurring revenue models and momentum in Healthy Buildings

---

**AFTERMARKET**

---

**SERVICE COVERAGE**

<table>
<thead>
<tr>
<th>Chillers Under Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>~45K</td>
</tr>
<tr>
<td>~50K</td>
</tr>
<tr>
<td>60K+</td>
</tr>
<tr>
<td>130K+</td>
</tr>
</tbody>
</table>

- Pre-2019: ~45K
- 2020: ~50K
- 2021: 60K+
- 2026+: 130K+

- New equipment attach rate:
  - <20%
  - 25%
  - 38%
  - 60%+

- Add 10-15K chillers under contract per year
- Ramp to 60%+ new equipment attach rate
- Bring BluEdge value to customers
  - Digital services
  - Break/fix
  - Healthy/sustainability upgrades

---

**HEALTHY BUILDINGS**

- ~$500M
- ~$700M
- $190B+

- Vertical Focus
  - K-12
  - Higher Education
  - Hotels
  - Restaurants
  - Entertainment
  - Offices

- Research and Partnerships
  - 100%+ increase in cognitive function

---

1. Includes both equipment and aftermarket

---

**Differentiation**

- Products and Solutions
  - Multi-tier Assessments
  - Differentiated Products
  - Cloud-based Solutions

- Packaged Offerings
  - Assessments
  - Ventilation
  - Filtration
  - UV
  - Touchless
  - Abound

---

**Go-to-market**

- 2021 Orders
- Pipeline

---

1. Includes both equipment and aftermarket
CARRIER AFTERMARKET
GROWTH FORMULA

- Base Growth
  - Catalog expansion
  - Breeze/e-commerce

- Parts Capture
  - Service attachment
  - Tiered offerings
  - XaaS models

- Service Coverage
  - Abound/Lynx
  - Remote solutions
  - Prognostics

- Digital Offerings
  - “Healthy” upgrades
  - Zero-carbon outcomes
  - Abound energy management

- Healthy and Sustainable
  - Abound energy management

- Run-Rate Growth
EXAMPLE: ABOUND IN ACTION

INTELLIGENT BACKBONE

- Carrier’s award-winning AI platform
- Actionable intelligence from real-time data
- Product agnostic
- Cloud-based; flexible and integrated

REMOTE ENERGY MANAGEMENT

Managed Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Managed Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>500K</td>
</tr>
<tr>
<td>2026</td>
<td>1M+</td>
</tr>
</tbody>
</table>

Managed Sq Ft

<table>
<thead>
<tr>
<th>Year</th>
<th>Managed Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>750M</td>
</tr>
<tr>
<td>2026</td>
<td>1.3B+</td>
</tr>
</tbody>
</table>

CUSTOMER EXAMPLES

Home improvement retailer
- 2,000+ stores

Specialty and craft retailer
- 800+ stores

Consumer electronics retailer
- 500+ stores

Services

- 24/7 monitoring
- Energy management
- Condition based maintenance

Outcomes

- 10-25% energy savings
- 25-80% remote resolution
- 30-50% avoided failures

Half a billion kilowatt-hours saved during 2021

APAC Command Center - Bengaluru

Home improvement retailer
- 2,000+ stores

Specialty and craft retailer
- 800+ stores

Consumer electronics retailer
- 500+ stores

Services

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- Condition based maintenance

Outcomes

- 10-25% energy savings
- 25-80% remote resolution
- 30-50% avoided failures

Half a billion kilowatt-hours saved during 2021

APAC Command Center - Bengaluru
WINNING AND DRIVING CUSTOMER OUTCOMES

30K BluEdge agreements delivering high impact customer outcomes and Carrier recurring revenues

HVAC: ONE COURT SQUARE
- High-efficiency chillers modernization
- Building automation + VFD upgrade

HEALTHY & SUSTAINABLE
50% reduction in energy consumption
Remote Commissioning & inspection

REFRIGERATION:
- Telematics hardware + subscription
- Solar charging systems upgrade

INTELLIGENT
10-20% reduction in downtime
Multi-year software subscription

FIRE & SECURITY:
- HI-FOG fire protection for 75 cruise ships
- BluEdge Elite service agreement

SAFE
30% reduction in operating costs
5-year recurring revenue
AFTERMARKET KEY TAKEAWAYS

AFTERMARKET SALES 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**

**2017**
- $3.7B

**2020**
- $4.0B

**2021**
- $4.5B

**2026+**
- $7.0B+

- HSD-LDD

- ~3% CAGR

- 11%
<table>
<thead>
<tr>
<th>HVAC Leader</th>
<th>Slated for MSD-HSD Growth</th>
<th>Margin Runway</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 position in key segments</td>
<td>Share gains poised to continue</td>
<td>Material productivity</td>
</tr>
<tr>
<td>Iconic brand recognized globally</td>
<td>Global aftermarket opportunity</td>
<td>Aftermarket and controls: shifting portfolio mix</td>
</tr>
<tr>
<td>Most comprehensive global footprint</td>
<td>Well positioned for secular tailwinds</td>
<td>Factory optimization</td>
</tr>
</tbody>
</table>
HVAC OVERVIEW

2021 RESULTS¹

$11.4B NET SALES

15.6% ADJ. OPERATING MARGIN* %

WHAT WE DO

Portfolio

Professional

NA Residential & Light Commercial

VRF & Int’l Light Commercial

Service & Controls

Equipment

OEM / AM

GEOGRAPHY

Americas

Asia Pac

EMEA

Founder of HVAC

Global operations and footprint

Strong brand synonymous with innovation

Strong go-to-market with local presence

MARKET POSITION

N.A. Residential

#1

N.A. Unitary

#1

Applied

#3

VRF

Leading brands

Aftermarket & Controls

Global

DIFFERENTIATION

* See appendix for additional information regarding non-GAAP measures

¹. Financial data excludes Toshiba Carrier acquisition
A TRUE GLOBAL LEADER

Manufacturing and Design
- ~1,700 engineers
- ~9,500 manufacturing
- ~50% low cost

Service Footprint
- 700+ service locations spanning 40+ countries

Channel
- ~10,000 channel partners

Global brand

Global reach
## SINCE SPIN: COMMITMENTS MADE AND KEPT

<table>
<thead>
<tr>
<th>Category</th>
<th>Action 1</th>
<th>Action 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen and Grow Core</strong></td>
<td>Invest in sales force</td>
<td>Right products</td>
</tr>
<tr>
<td><strong>Increase Product Extensions and Geographic Coverage</strong></td>
<td>Rapidly grow VRF</td>
<td>Expand in Asia</td>
</tr>
<tr>
<td><strong>Grow Aftermarket and Controls</strong></td>
<td>Accelerate service growth</td>
<td>Digital offering</td>
</tr>
</tbody>
</table>
INVESTMENTS HAVE DRIVEN RESULTS

Revenue +20% • Adj. operating profit* +24% • Adj. operating margin* +0.5 pts

N.A. residential and light commercial

VRF sales were up ~2x including M&A

Chillers under contract >60k

Global applied solutions

>30% organic* growth in China

High-teens controls growth

*See appendix for additional information regarding non-GAAP measures
TCC: TRANSFORMATIONAL DEAL IN VRF

Strategic Rationale

1. Fast growing VRF segment
   - HSD CAGR\(^1\)
   - 2021
   - 2026

2. Differentiated technologies
   - Electrification and sustainability
   - Efficient heat pump technology
   - Leading VRF and inverter technology

3. Complementary, cost-efficient footprint

4. Iconic brand and complementary channel
   - Toshiba manufacturing presence
   - Carrier manufacturing presence
   - Complementary channel in China
   - Enables multi-brand strategy

Transformation Strategy

Seasoned segment leadership

New global business unit

Multi-brand, multi-channel go-to-market

Leverage scale in design, manufacturing, and supply chain

Disciplined synergies execution (~$100M)

1. VRF Market size, internal estimate (2021)
**Foundation for Success**

<table>
<thead>
<tr>
<th>Right Products</th>
<th>Aftermarket Momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>AquaEdge® 19MV</td>
<td>2019</td>
</tr>
<tr>
<td>Infinity 24 Heat Pump</td>
<td>2021</td>
</tr>
<tr>
<td>TruVu Controller</td>
<td></td>
</tr>
</tbody>
</table>

**Differentiated Technology**

- Advanced air management
- High efficiency evaporator
- Oil free centrifugal compressor

**New Growth Platform**

**Healthy**

- 20% of buildings surveyed had higher ratios of indoor to outdoor particulate matter concentration
- 68% of residential home-owners rank air quality and an air purifier related purchase as their top two priorities

**Sustainable**

- 40% of greenhouse gas emissions are attributable to buildings
- 15% HVAC’s contribution to the world’s greenhouse gas emissions

**On track for MSD growth**

**1-2 points of incremental volume at attractive margins**

**Accelerated assessments, upgrades and retrofits, increased cooling load**

**Accelerated retrofits**

**Higher value sales**

**Digital**

**Carrier**
COMMERCIAL BUILDINGS

Core Growth

Leading Product Platforms

- AquaEdge® 19MV
- AquaSnap® 30RB

Sales Force

Own VRF Capabilities

- New Carrier platform

Secular Trend Accelerators

Healthy

- Award winning air scrubber

Sustainable

- New high efficiency chiller
- Stronger focus on high efficiency, variable speed operation
- Mix shift to heat pumps (30% to 50%)

Demand for increased air changes and improved ventilation

Drives capacity increases for cooling and humidity control

Leader in sustainable solutions
### Core Growth

<table>
<thead>
<tr>
<th>Brodest Product Offering</th>
<th>Win 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award-winning split systems</td>
<td>Advanced air management</td>
</tr>
<tr>
<td>Comfortable &amp; efficient furnaces</td>
<td></td>
</tr>
<tr>
<td>Innovative light commercial solutions</td>
<td>High efficiency evaporator</td>
</tr>
</tbody>
</table>

### Secular Trend Accelerators

<table>
<thead>
<tr>
<th>Regulatory</th>
<th>Indoor Air Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puron ADVANCE Refrigerant</td>
<td>Pro-install</td>
</tr>
<tr>
<td>Dedicated Outdoor Air Systems</td>
<td>Direct-to-consumer</td>
</tr>
<tr>
<td>Cold Climate Heat Pump</td>
<td>OptiClean™ air scrubber</td>
</tr>
<tr>
<td>Expanding broad portfolio New technology</td>
<td>Accelerating growth Smart, integrated systems</td>
</tr>
</tbody>
</table>

North America market leader with technology differentiation
SMART Service 2026

- **Connected Customer**: 60%+ Attachment rate, ~130K chiller contracts
- **Connected Chiller (IoT)**: 65K+ chillers connected
- **Connected Technician**: 90% proactive alarm resolution
- **Connected Sales and Marketing**: 200-250 bps of growth

Secular Trend Accelerators

**Healthy Assessments**
- K-12 Assessment Tool
- Energy Audit

**Accelerated Retrofit**
- Centrifugal VFD Upgrade
- Evaporative Cooling

**Upgrades for Healthy buildings**
- Filtration
- UVC Light/Airside Upgrade

Growth in aftermarket reduces cycles and increases profitable growth
**Pillars of Growth**

- **Invest in cloud platform**
  - **ABOUND**

- **Expand building automation capability**
  - Technology
  - Field Footprint

  - Nlyte.Software
  - CSO
  - systemax

- New Digital Enabled Controllers
- Leading technology

**Secular Trend Accelerators**

- **ABOUND HEALTHY**
  - Continuous air monitoring and occupant engagement
  - Differentiated smart spaces to attract tenants

- **ABOUND SUSTAINABLE**
  - Guaranteed energy savings
  - Energy monitoring and analytics
  - Greenhouse gas reporting

Over 750M sq ft
Energy management
0.5B kWh
Saved for customers in 2021

Differentiated digital offerings to drive best-in-class lifecycle solutions
# Driving Sustained Margin Expansion

## Price/Cost

<table>
<thead>
<tr>
<th>Price/Cost:</th>
<th>At least neutral in 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shifting away from copper reliance:</td>
<td>~25% reduction in copper volume starting in ’23</td>
</tr>
</tbody>
</table>

## Aftermarket

<table>
<thead>
<tr>
<th>Aftermarket and controls mix:</th>
<th>30% over the medium term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accretive margins:</td>
<td>&gt;10 pts higher than equipment</td>
</tr>
</tbody>
</table>

## Operational Excellence

<table>
<thead>
<tr>
<th>High-cost vs. low-cost mix:</th>
<th>Shift to ~70% low cost over the medium term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply chain resilience:</td>
<td>Optimizing in-region sourcing needs to reduce risk and cost</td>
</tr>
</tbody>
</table>

Productivity and mix shift driving >50 bps margin expansion
### HVAC Leader

- **#1 position** in key segments
- **Iconic brand** recognized globally
- **Most comprehensive global footprint**

### Slated for MSD-HSD Growth

- **Share gains** poised to continue
- **Global aftermarket opportunity**
- **Well positioned for secular tailwinds**

### Margin Runway

- **Material productivity**
- **Aftermarket and controls: shifting portfolio mix**
- **Factory optimization**
INVESTOR DAY
FEB 22, 2022
FIRE & SECURITY
Jurgen Timperman
## WHAT’S CHANGED

### FIRE & SECURITY PRODUCTS + FIELD

- **$5.5 Billion** sales
- **13%** Adjusted operating margin
- **Labor-intensive** field business
- **Broad and complex** portfolio with **limited differentiation**

### NEW FIRE & SECURITY¹

- **~$3.4 Billion** sales
- **~15.6%** Adjusted operating margin
- **High tech** products and **digitally-enabled services**
- **Focused and differentiated core** with **high ROI**

1. 2021 financials
Why Carrier F&S

#1 or #2 in every segment with iconic brands

Highly profitable segment gaining share through focused investments

Global opportunity to increase protection of homes from fire and other hazards

Healthy, Safe & Intelligent tailwind adding 1-2 pts of organic growth

Margin accretion through digital innovation and operational excellence
Global leader in health & safety sensing technology and integrated digital solutions.

2021 RESULTS

~$3.4B
NET SALES

15.6%
ADJ. OPERATING MARGIN* %

WHAT WE DO

Industrial

Aftermarket

Residential

Commercial

Products

Asia Pacific

EMEA

Americas

FLAGSHIP BRANDS

FIRE

Kidde

EDWARDS

Marioff

SECURITY

LENEL:S2

ARITECH

Supra

 nationality

GLOBAL FIRE & SECURITY PRODUCTS

RESIDENTIAL FIRE

COMMERCIAL FIRE

ACCESS SOFTWARE

INDUSTRIAL FIRE

NA REAL ESTATE ACCESS

HOSPITALITY ELECTRONIC LOCKS

WATER MIST SUPPRESSION

COMPELLING STATISTICS

Kidde installed base of ~90M² homes and 400M smoke alarms sold in US alone

Edwards Genesis LED notification devices draw ~65-80% less current than leading competitors

LenelS2 is in more than half of the Fortune 100 companies

Marioff uses ~70% less water in a ship cabin vs. traditional low-pressure sprinkler

* See appendix for additional information regarding non-GAAP measures

1. Represents only the Products portion of Fire & Security segment’s $5.5B in sales and $0.7B adjusted operating profit

2. See footnote on slide 45
MEGATRENDS DRIVING SUSTAINABLE GROWTH

### HOMES

- **<30%** of U.S. homes protected to NFPA standard

### HEALTH & SAFETY

- **90%+** building occupants believe touchless access has a significant impact on the health & safety of a building
- **$12B** in building damages due to fires per year in the U.S. alone

### BUILDING SECURITY

- **$80B+** Global market for the Internet of Things in Smart Commercial Buildings
- **$10T+** Cost of cybercrime to grow 15% a year to $10T+ by 2025

#### Increased regulatory push for fire protection

#### Increased occupant pull for indoor health & safety

#### Increased demand for connected & seamless experience

Source: Market research, analyst reports, National Fire Protection Association, internal estimates
Differentiated Position

Total Addressable Market (TAM) in billions

**FIRE**
- Carrier #1
- TAM: $11B

**SECURITY**
- Carrier #2
- TAM: $8B

Differentiation

**Residential Fire**
- Unparalleled installed base
- Best-in-class detection tech
- Lowest cost manufacturing

**Commercial Fire**
- Channel loyalty
- Design for installation/service
- Flexible platform architecture

**Access Solutions**
- Open platform web of partners
- Customer stickiness
- North America installed base

TAM: ~$12B+ Under-protected homes, digital services, close adjacencies

Significant growth opportunities and Carrier positioned to win
Carrier Growth Pillars

**Grow Core with Innovation**
- NPD Vitality
  - 2021: ~60+ New Product Launches per year
  - 2026: 2X
  - 2021: + ~15% Engineering HC in 2 years
  - 2026: + ~20% patents registered over last 2 years

**Grow in Adjacencies – Healthy Buildings & Homes**
- HB&H Sales
  - 2021: >6X
  - 2026: 2X
  - Expand detection & mitigation (e.g., IAQ, gas, water leak)
  - Integrating Carrier ecosystem with Abound and Carrier Cloud

**Grow through Digital & Recurring Services**
- Growth rates
  - Core: 2X
  - Digital: 2X
  - ~ 30%+ connected installed base in 5 years
  - Software as a Service
  - New subscription revenues
  - Lifecycle management and aftermarket

**Strategy:** #1 in Fire & Security: Win customers with leading health & safety sensing technology and integrated, digital solutions
HEALTHY, SAFE, SUSTAINABLE & INTELLIGENT HOMES

How are we winning today?

1. US only; see footnote on slide 45

400M devices sold in 90M homes

- Expanded portfolio
- Digitized installed base
- Smart home integration
- Total portfolio sales
- Share gain
- Market expansion (Replacement cycle)
- Operating margin (Recurring revenue)
- Cross sell HVAC solutions
- Marketing, education, regulatory
- New services with partners

Medium-term outlook:
~20M+ connected homes, increased share gains
HEALTHY, SAFE, SUSTAINABLE & INTELLIGENT BUILDINGS (FIRE)

How are we winning today?

Growth Accelerators

Pioneering Innovation Globally
- 1st to market with new standards
- Wireless Fire Alarm
- Indoor Air Quality
- Intelligent Evacuation
- Emergency responder communication enhancement

Healthy Buildings
- Expanded portfolio with IAQ and other close adjacencies

Expanded Lifecycle Services
- Remote monitoring, diagnostics and other value-added services

Medium-term outlook:
~30%+ connected installed base, increased share gains
HEALTHY, SAFE, SUSTAINABLE & INTELLIGENT BUILDINGS (ACCESS)

How are we winning today?

- #1 Access Software
  - EXTENSIVE OPEN PARTNER PLATFORM FOR BUILDINGS
  - >70K INSTALLATIONS
- Growth Accelerators
  - Software as Service
  - Mobile Credentials
  - Occupant Experience Services

Growth Accelerators:

- Software as Service
- Mobile Credentials
- Occupant Experience Services

- Market expansion (enhanced services)
- Recurring revenue growth
- Share gain (healthy buildings, services)

Medium-term outlook:

- ~5X SaaS revenues, ~40%+ recurring, increased share gains
EXAMPLE: MOBILE CREDENTIALING

What is it?
A secure, unique, personalized digital key on your mobile phone to grant Access Anywhere Anytime

What is it?

Progress to date (2019-21)

Supra + BROKERBAY
875K → 1M agents

Onity
60M → 150M doors opened

LENEL-S2
3M+ → 4M+ connected devices

Immensely potential for continued growth

1 Increase penetration of installed base <20% today

2 Expand to new verticals and geographies

3 New services
   • Wayfinding
   • Contact notification
   • Elevator calling

Medium-term outlook:
~3x credential growth, 2x recurring revenues, accretive margins
TOTAL BUILDING SOLUTIONS FOR CARRIER

Core Building Systems

- **FIRE**
  - Detection
  - Panel/Control

- **SECURITY**
  - Access control
  - Unified security

- **HVAC**
  - HVAC system
  - Controls

Building Platforms

- Notification
- Evacuation

- Mobile credentials
- Electronic locks

- Condensers
- Chillers

Solutions (F&S only)

- Intelligent Detection (Fire, IAQ) & Mitigation
- Remote Monitoring
- Asset Health Monitoring & Predictive Maintenance
- Security Threat ID, Prevention & Mgmt.
- Touchless Access, Occupancy Mgmt. & User Services
- X As A Service (Fire, Security, Software, Integration)

Outcomes

- Healthy
- Safe
- Sustainable
- Intelligent

Targeting sustained MSD to HSD growth at high teens operating margin
Driving Sustained Margin Expansion

**Innovation & Pricing**

- **Innovation**: margin accretive NPD through differentiation and value-based pricing
- **Pricing to cover inflation**: at least price cost neutral

**Operational Excellence**

- **Productivity**: 2-3% gross benefit
- **Automation investment**: 6x increase in percent of manufacturing cost standard hours automated

**Aftermarket & Digital**

- **Aftermarket Growth**: ~2x rate of core, higher margin
- **E-Commerce**: accelerating instances ~3x and revenues ~2x

Driving >50 bps margin expansion per year
WHY CARRIER F&S

#1 or #2 in every segment with iconic brands

Highly profitable segment gaining share through focused investments

Global opportunity to increase protection of homes from fire and other hazards

Healthy, Safe & Intelligent tailwind adding 1-2 pts of organic growth

Margin accretion through digital innovation and operational excellence
WHY CARRIER REFRIGERATION

Cold Chain Leader

- #1 position in key segments
- $35B addressable market
- Largest installed base and service network
- End-to-end solutions

Slated for MSD-HSD Growth

- Differentiated sustainability solutions
- Growth in emerging cold chain markets
- Growth in aftermarket and digital services
- Continued market share strength

Margin Runway

- Aftermarket and digital portfolio mix shift
- Commercial refrigeration transformation
- Carrier Excellence
REFRIGERATION OVERVIEW

2021 RESULTS

$4.1B NET SALES
12.1% ADJ. OPERATING MARGIN* %

WHAT WE DO

SALES BY SEGMENT
Commercial Refrigeration
Transport

SALES MIX
Aftermarket

SALES BY REGION
Original equipment
Americas
Asia Pacific
EMEA

COMPREHENSIVE COLD CHAIN SOLUTIONS PORTFOLIO

CONTAINER
Container refrigeration
Controlled atmosphere

TRUCK / TRAILER
Trailer refrigeration
Truck refrigeration

CARGO MONITORING
Temperature monitoring
Cold chain visibility

COMMERCIAL REFRIGERATION
Remote cabinet
Compressor rack

INDUSTRY LEADERSHIP

GLOBAL CONTAINER REFRIGERATION #1
GLOBAL TRUCK TRAILER REFRIGERATION #1
EMERGING MARKET TRUCK TRAILER REF. #1
COLD CHAIN CARGO MONITORING #1
EMEA COMMERCIAL REFRIGERATION #1
CHINA COMMERCIAL REFRIGERATION #2

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

* See appendix for additional information regarding non-GAAP measures
MACRO TRENDS SUPPORTING GROWTH

SUSTAINABILITY
Reducing carbon emissions

~$200B
Food loss
from insufficient cold chain

~$35B
Pharma loss
from temperature excursions

~1B MT
CO₂ eq. emissions
annual from insufficient cold chain

~100M MT
CO₂ eq. emissions
from global installed base of trailer refrigeration units over lifecycle

EMERGING MARKETS
Cold chain infrastructure development

Emerging market transport refrigeration spend and growth outlook

Transport Refrigeration Annual Spend per Capita

Transport Refrigeration CAGR Through 2030

DIGITALIZATION
Increasing real-time data and analytics

Installed base of active cold chain tracking devices

~$35B annual addressable market growing MSD

---

1. UN Environment Programme and Carrier internal estimate
2. IATA and IQVIA Institute for Human Data Science
3. International Institute of Refrigeration and UN Environment Programme
4. Carrier internal estimate based on average annual emissions of 13MT per unit across 0.8M global refrigerated trailer units over 10-year lifecycle
5. World Bank data for latest population and Carrier internal estimate of annual segment size
6. Economist Intelligence Unit
7. Berg Insight
DIFFERENTIATION

END-TO-END COLD CHAIN SOLUTIONS

LEADING INNOVATION AND TECHNOLOGY

Sustainable electric transport refrigeration
First to market & largest installed base in trailer

Sustainable natural refrigerants
Largest installed base

Active controlled-atmosphere system
Extending transit life of fresh products

GLOBAL SCALE

Largest installed base

~1.8M Carrier transport refrigeration units

~50K stores with Carrier commercial refrigeration units

~$11B goods cooled by Carrier units on ocean daily

~16M shipments a year monitored by Carrier

Broadest network

Container
T/T Americas
T/T Europe

1,600+ dealers, distributors and service centers

Cargo monitoring
Multi-modal transport refrigeration
Stationary refrigeration
Lynx end-to-end digital platform

Most Comprehensive & Differentiated
**TRANSPORT: REDUCING CYCLICALITY**

**PROGRESSIVE GROWTH**

- **Global refrigerated container unit sales**
- **North America refrigerated trailer unit sales**

**ACCELERATORS**

**Three sources of sustained, stable growth**

- **Aftermarket & Digital, recurring revenue**
  - Parts, service agreements, digital software
  - “Safe & Intelligent”

- **Emerging market acceleration**
  - “Healthy & Sustainable”

- **Growth in sustainable transport solutions**
  - Electrification, CARB compliant offerings
  - “Sustainable”

**Refrigeration sales mix: shifting to greater aftermarket share, more recurring revenue**

- 2021: 72% / 28%
- 2026E: ~65% / 35%

**MSD to HSD growth in global transport business**
eCool: ELECTRIC TRANSPORT REFRIGERATION

Trailer
Regional/long-haul

Vector eCool: EMEA ('20) + APAC ('21) + Americas ('22)

Truck
Middle-mile/city-to-city

Syberia eCool
New product launch

Light Commercial
Last-mile/inner city

Neos eCool
New product launch

Auxiliary Power Unit
Anti-idling/cabin comfort

ComfortPro eCool

First to market / Global leader

Industrial partnerships in place

By 2030, >50% of unit sales will be electric

1. Carrier segment estimate of unit sales across all platforms
We have always believed in electrical energy sources and are thrilled our collaboration with Carrier Transicold has meant we can offer our customers a truly zero-emission refrigerated trailer.

Units in operation globally across 10+ countries

LIFECYCLE REVENUE TO CARRIER

1.5 to 2x increase

Total system value
Service attachment
Software subscriptions

LIFECYCLE VALUE TO CUSTOMER

Lifecycle cost savings
Zero direct CO₂ emissions
CARB + EU compliance
COMMERCIAL REFRIGERATION

**FUNDAMENTALS**

Turnkey stationary refrigeration solutions provide complete lifecycle coverage

- Equipment
  - CO₂ refrigeration systems
- Aftermarket
  - Solutions delivery
  - Service
  - Digital & remote monitoring

- High-efficiency refrigeration cabinets

**ACCELERATORS**

- Natural refrigerant CO₂ systems
  - PowerCO₂OL racks
  - “Sustainable”

- Warehouse refrigeration
  - Industrial systems
  - “Safe”

- China growth
  - Wet market conversion and storage
  - “Healthy”

**Forecasted growth; priority is annual margin expansion**
DIGITAL SOLUTIONS

FUNDAMENTALS

Cloud-based ecosystem for both current and new cold chain customers

ACCELERATORS

New Lynx products delivering value-added customer outcomes

<table>
<thead>
<tr>
<th>Lynx Fleet</th>
<th>Refrigerated road and shipping fleets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equipment health and uptime</td>
</tr>
<tr>
<td></td>
<td>Operational savings</td>
</tr>
<tr>
<td></td>
<td>Energy and emissions reductions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lynx Cargo</th>
<th>Cargo owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Product safety and compliance</td>
</tr>
<tr>
<td></td>
<td>Visibility and traceability</td>
</tr>
<tr>
<td></td>
<td>Supply chain intelligence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lynx Cold Systems</th>
<th>Commercial refrigeration equipment owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equipment health and uptime</td>
</tr>
<tr>
<td></td>
<td>Operational savings</td>
</tr>
<tr>
<td></td>
<td>Energy and emissions reductions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lynx Cold Chain</th>
<th>Expandable applications for integrated cold chain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cargo insurance solutions</td>
</tr>
<tr>
<td></td>
<td>Safety and quality certifications</td>
</tr>
</tbody>
</table>

*Healthy, Safe, Sustainable & Intelligent*

Doubled digital subscriptions in 2021
AFTERMARKET

Connected + analytics-enabled
Installed base of equipment / monitoring and Lynx

“Intelligent”
Services and aftermarket software solutions

Lifecycle + outcomes focused

Lynx + Bluedge

Services
- Service agreements
- Remote monitoring and diagnostics
- Advanced dispatch planning
- Mid-life upgrades

Aftermarket software solutions
- Fleet telematics
- Condition-based monitoring
- Managed services
- Virtual repair tools

Asset lifecycle visibility
Service relationship management

Big data and enhanced analytics

Digital intelligence: AI/ML

Equipment performance
Analytics and recommendations

Reduced lifecycle costs
Compliance & loss reduction
Sustainability improvements

HSD to LDD growth in aftermarket / digital
WINNING WITH CUSTOMERS: INTELLIGENCE

ADDING INTELLIGENCE AND VALUE ACROSS THE COLD CHAIN

COLD CHAIN COMPLIANCE

~60% improvement in food loss reduction for an international fast-food chain

PRE-TRIP INSPECTIONS

$200K+ annual operating cost savings opportunity identified attributable to remote vs. manual PTIs per every 1,000 fleet units

CONDITION-BASED MAINTENANCE

20%+ reduction in food retail store equipment downtime deployed in 3,000+ locations
**MARGIN EXPANSION**

**Aftermarket Growth**
- Higher margin service and digital sales
- Asset-light, value-driven retrofits

**Commercial Refrigeration Transformation**
- Complexity and overhead reduction
- Pricing
- Turnkey & service process improvements

**Carrier Excellence**
- Automation
- Lean
- Supply chain resilience
- 2-3% annual productivity

**Medium-term margin expansion of >50 bps annually**
# WHY CARRIER REFRIGERATION

<table>
<thead>
<tr>
<th>Cold Chain Leader</th>
<th>Slated for MSD-HSD Growth</th>
<th>Margin Runway</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 position in key segments</td>
<td>Differentiated sustainability solutions</td>
<td>Aftermarket and digital portfolio mix shift</td>
</tr>
<tr>
<td>$35B addressable market</td>
<td>Growth in emerging cold chain markets</td>
<td>Commercial refrigeration transformation</td>
</tr>
<tr>
<td>Largest installed base and service network</td>
<td>Growth in aftermarket and digital services</td>
<td>Carrier Excellence</td>
</tr>
<tr>
<td>End-to-end solutions</td>
<td>Continued market share strength</td>
<td></td>
</tr>
</tbody>
</table>
STRONG PERFORMANCE SINCE SPIN…

2021 RESULTS

- Highest organic* revenue growth amongst peers at 15%
- 80 bps adjusted operating margin* expansion
- 36% adjusted EPS* growth
- $1.9B free cash flow*, 114% of net income

CAPITAL STRUCTURE

- Divested non-core assets
- ~$3.7B net proceeds
- Improved balance sheet
- Net debt*: ~$10B → ~$4B
- Net debt / adj. EBITDA*: 3.4x → 2.1x
- Implemented balanced capital deployment

TOTAL SHAREHOLDER RETURN

- Initiated dividend
- $2B+ share repurchase authorization
- 266% TSR through 1/31/22 (vs. S&P 500 of 84%)
- #1 – S&P Industrials
- Top 5% – S&P 500

* See appendix for additional information regarding non-GAAP measures

…and plenty of opportunity ahead
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
- ~22% ongoing ETR
- ~100% of net income
- Acquisitions / net share-count reduction

Double-digit adjusted EPS growth through the cycle

1. Flexibility to toggle between acquisitions and share repurchases
ABOVE-MARKET REVENUE GROWTH…

RESEARCH & DEVELOPMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>401</td>
<td>2.2%</td>
</tr>
<tr>
<td>2021</td>
<td>503</td>
<td>2.4%</td>
</tr>
<tr>
<td>2022E</td>
<td>~540</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

SALESFORCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~4,900</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>~5,800</td>
<td></td>
</tr>
<tr>
<td>2022E</td>
<td>~5,800</td>
<td></td>
</tr>
</tbody>
</table>

Funded by investments

1. Excludes Chubb
MARGIN EXPANSION

~25-30% gross margin

- Productivity
- Aftermarket mix
- Price

+ ~$100M / year

~30-35% core earnings conversion
(excluding impact of currency and acquisitions)

Current operating margin %
Volume leverage on organic sales
Tailwinds
Headwinds
Medium-term operating margin %

>50 bps margin expansion/year at 6-8% organic sales growth
PRODUCTIVITY

TARGETED COST CATEGORIES: ~$14B¹

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

¹. 2021 excluding Chubb
AFTERMARKET FOCUS FUELS GROWTH…

KEY TAKE-AWAYS

- Attractive business
- Large growth potential
- Proven playbook already delivering results
- High single to low double-digit growth

...at >10 points higher than company average gross margins

1. Excludes Chubb
INVESTMENTS...

PRIORITIES

Accelerate organic growth
- R&D
- Digital capabilities and offerings
- Selling resources

Productivity
- Operational efficiency
- Salesforce effectiveness
- Field resource utilization
- Enabling technologies
- Talent development

HOW WE MEASURE SUCCESS

- Organic growth
- Aftermarket and recurring revenues
- Service attachment
- Margin expansion
- Selling expense as % of gross margin dollars
- Lower G&A % of sales
- Reduced working capital, higher ROIC
- Employee engagement score

...focused on driving organic growth and productivity
TAX EFFICIENCY - A VALUE DRIVER...

...expecting ~22% ongoing adjusted effective tax rate

*Includes discrete tax items; see appendix for additional information regarding non-GAAP measures
Note: under current tax law, and excluding impact of pending TCC acquisition
FREE CASH FLOW

KEY MESSAGES

• Strong free cash flow generation

• Chubb divestiture and JV structure simplification improve FCF profile
  • Non-cash pension income eliminated
  • Reducing JV equity vs. dividend income gap

• ~$400M cash tax headwinds 2023-2026 related to the 2017 U.S. TCJA – Tax Cuts and Jobs Act
  • ~$35M in 2023

Now targeting ~100% free cash flow conversion of net income
WORKING CAPITAL
EFFICIENCY IMPROVING…

~$2.5B

13.6%

12.0%

2019

2021*

FOCUS AREAS

Accounts payable
- Consolidating payment runs
- Centralized vendor negotiations
- Extending terms with vendors

Inventory
- Supplier consolidation
- Increased direct shipments
- Improved supplier visibility
- Risk-based inventory management

Accounts receivable
- Shared services
- Global credit function and policy

Contract assets/liabilities
- Terms and progress payments

...and an opportunity to free up $250M+ in additional cash

* See appendix for additional information regarding non-GAAP measures
VERY ATTRACTIVE DEBT PROFILE…

KEY MESSAGES

- Targeting Baa2 / BBB investment-grade credit rating
  - Net debt / adj. EBITDA ~2.0x
- Attractive maturity schedule
- Weighted average coupon <3%
- $750M debt paydown in 2022

...provides flexibility for value-add capital deployment
DISCIPLINED CAPITAL DEPLOYMENT…

Organic growth

Inorganic growth

Growing dividend

Share repurchase

…focused on long-term value creation

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 by 2023 vs. ~27% 2022E

- Net share-count reduction / year
- Will flex with acquisition opportunities
ACQUISITIONS

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

FINANCIAL ASSESSMENT METRICS

FCF Yield

EPS accretive by year 2

Margin accretive

Expand addressable market, accelerate organic growth, and increase recurring revenues
VALUE CREATION FRAMEWORK

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

6-8% organic revenue growth
>50 bps/year
~22% ongoing ETR
~100% of net income
Acquisitions / net share-count reduction

Re-invest in profitable growth

Double-digit adjusted EPS growth through the cycle

1. Flexibility to toggle between acquisitions and share repurchases
Differentiated financial returns since spin

Value creation framework to drive continued performance

Multiple self-help levers

Significant capital deployment capacity
WHY CARRIER

1. Secular trends driving increased total addressable market

2. Carrier leading through technology / digital transformation, life-cycle solutions and ESG leadership

3. Rigorous cost reduction to fund investments and improve margins

4. Compelling financial algorithm

5. Strong balance sheet enables balanced capital allocation and ability to play offense on M&A

Global leader in healthy, safe, sustainable and intelligent building and cold chain solutions
Q&A
APPENDIX
## 2022 Guidance

### Total Company\(^1\)
(excludes impact of Toshiba)

<table>
<thead>
<tr>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$20B</td>
</tr>
<tr>
<td>Organic* up HSD</td>
</tr>
<tr>
<td>FX ~1%</td>
</tr>
<tr>
<td>Acquisitions ~1%</td>
</tr>
<tr>
<td>Divestitures ~10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted Operating Margin*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up ~75 bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted EPS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.20 - $2.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Free Cash Flow*</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$1.65B</td>
</tr>
<tr>
<td>Includes ~$200M in tax payments on Chubb gain</td>
</tr>
</tbody>
</table>

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### Segment Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC</td>
<td>Organic* up HSD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reported up HSD</td>
<td></td>
</tr>
<tr>
<td>Refrigeration</td>
<td>Organic* up M-HSD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reported up M-HSD</td>
<td></td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>Organic* up M-HSD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reported down ~30%</td>
<td></td>
</tr>
</tbody>
</table>

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### Segment Adjusted Operating Margin*

<table>
<thead>
<tr>
<th>Segment</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC</td>
<td>~16.0%</td>
</tr>
<tr>
<td></td>
<td>Up ~40 bps</td>
</tr>
<tr>
<td>Refrigeration</td>
<td>~12.5%</td>
</tr>
<tr>
<td></td>
<td>Up ~40 bps</td>
</tr>
<tr>
<td>Fire &amp; Security</td>
<td>~16.0%</td>
</tr>
<tr>
<td></td>
<td>Up ~280 bps</td>
</tr>
</tbody>
</table>

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* See appendix for additional information regarding non-GAAP measures

1. Unchanged from February 8, 2022
Carrier Global Corporation (“Carrier”) reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”).

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

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

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

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

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

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

(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>HVAC</th>
<th>Refrigeration</th>
<th>Fire &amp; Security</th>
<th>General Corporate Expenses and Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>17%</td>
<td>21%</td>
<td>7%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>FX Translation</td>
<td>1%</td>
<td>3%</td>
<td>4%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Acquisitions / Divestitures, net</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>20%</td>
<td>24%</td>
<td>11%</td>
<td>0%</td>
<td>18%</td>
</tr>
</tbody>
</table>
## SEGMENT ADJUSTED OPERATING PROFIT RECONCILIATION

### For the Year Ended December 31, 2021

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>HVAC</th>
<th>Refrigeration</th>
<th>Fire &amp; Security</th>
<th>General Corporate Expenses and Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$11,390</td>
<td>$4,127</td>
<td>$5,515</td>
<td>$(419)</td>
<td>$20,613</td>
</tr>
<tr>
<td>Segment operating profit</td>
<td>$1,738</td>
<td>$476</td>
<td>$662</td>
<td>$(231)</td>
<td>$2,645</td>
</tr>
<tr>
<td>Adjustments to segment operating profit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>$(33)</td>
<td>$(25)</td>
<td>$(26)</td>
<td>$(5)</td>
<td>$(89)</td>
</tr>
<tr>
<td>Acquisition and other related costs</td>
<td>$(5)</td>
<td>-</td>
<td>-</td>
<td>$(2)</td>
<td>$(7)</td>
</tr>
<tr>
<td>Chubb transaction costs</td>
<td>-</td>
<td>-</td>
<td>$(42)</td>
<td>$(1)</td>
<td>$(43)</td>
</tr>
<tr>
<td>Separation costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(20)</td>
<td>$(20)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>$1,776</td>
<td>$501</td>
<td>$730</td>
<td>$(203)</td>
<td>$2,804</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>15.6%</td>
<td>12.1%</td>
<td>13.2%</td>
<td>13.6%</td>
<td></td>
</tr>
</tbody>
</table>

### For the Year Ended December 31, 2020

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>HVAC</th>
<th>Refrigeration</th>
<th>Fire &amp; Security</th>
<th>General Corporate Expenses and Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$9,478</td>
<td>$3,333</td>
<td>$4,985</td>
<td>$(340)</td>
<td>$17,456</td>
</tr>
<tr>
<td>Segment operating profit</td>
<td>$2,462</td>
<td>$357</td>
<td>$584</td>
<td>$(320)</td>
<td>$3,083</td>
</tr>
<tr>
<td>Adjustments to segment operating profit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>$(7)</td>
<td>$(12)</td>
<td>$(28)</td>
<td>$(2)</td>
<td>$(49)</td>
</tr>
<tr>
<td>Impairment of equity method investment</td>
<td>$(71)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(71)</td>
</tr>
<tr>
<td>Gain on sale of joint venture</td>
<td>$1,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,123</td>
</tr>
<tr>
<td>Litigation matter</td>
<td>$(11)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(11)</td>
</tr>
<tr>
<td>Separation costs</td>
<td>$(2)</td>
<td>$(6)</td>
<td>$(16)</td>
<td>$(117)</td>
<td>$(141)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>$1,430</td>
<td>$375</td>
<td>$628</td>
<td>$(201)</td>
<td>$2,232</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>15.1%</td>
<td>11.3%</td>
<td>12.6%</td>
<td>12.8%</td>
<td></td>
</tr>
</tbody>
</table>
## EPS RECONCILIATION

### (In millions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31, 2021</th>
<th>For the Year Ended December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td>Adjustments</td>
<td>Adjusted</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 20,613</td>
<td>$ -</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>12.8 %</td>
<td>13.6 %</td>
</tr>
<tr>
<td>Income from operations before income taxes</td>
<td>2,400</td>
<td>178 ab</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(699)</td>
<td>171 c</td>
</tr>
<tr>
<td>Income tax rate</td>
<td>29.1 %</td>
<td>20.5 %</td>
</tr>
<tr>
<td>Net income attributable to common shareowners</td>
<td>$ 1,664</td>
<td>$ 349</td>
</tr>
</tbody>
</table>

### Summary of Adjustments:

|                                |                                      |                                      |          |            |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|          |            |                                      |
| Restructuring costs           | $ 89 a                               | $ 49 a                               |          |            |                                      |
| Separation costs             | 20 a                                 | 141 a                                |          |            |                                      |
| Acquisition and other related costs | 7 a                                  |                                      |          |            |                                      |
| Chubb transaction costs      | 43 a                                 |                                      |          |            |                                      |
| Gain on sale of joint venture | -                                    | (1,123) a                            |          |            |                                      |
| Impairment of equity method investment | -                                    | 71 a                                 |          |            |                                      |
| Litigation charge            | -                                    | 11 a                                 |          |            |                                      |
| Debt prepayment costs        | 19 b                                 |                                      |          |            |                                      |
| Debt issuance costs          | -                                    | 5 b                                  |          |            |                                      |
| Total adjustments            | $ 178                                | $(846)                               |          |            |                                      |

### Tax effect on adjustments above:

|                                |                                      |                                      |          |            |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|          |            |                                      |
| Tax specific adjustments      | $ 200                                |                                      |          |            |                                      |
| Total tax adjustments         | $ 171 c                              | $ 326 c                              |          |            |                                      |

### Shares outstanding - Diluted

|                                |                                      |                                      |          |            |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|          |            |                                      |
| Shares outstanding - Diluted  | 890.3                                | 890.3                                | 880.2    | 880.2      |                                      |

### Earnings per share - Diluted

|                                |                                      |                                      |          |            |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|          |            |                                      |
| Earnings per share - Diluted   | $ 1.87                               | $ 2.26                               | $ 2.25   | $ 1.66     |                                      |
## NET DEBT TO ADJUSTED EBITDA RECONCILIATION

### (Unaudited)

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>For the Year Ended December 31, 2021 (1)</th>
<th>For the Twelve Months Ended March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt</td>
<td>$9,513</td>
<td>$11,029</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>183</td>
<td>218</td>
</tr>
<tr>
<td>Less: Cash and cash equivalents</td>
<td>2,987</td>
<td>768</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>$6,709</strong></td>
<td><strong>$10,479</strong></td>
</tr>
<tr>
<td>Net income attributable to shareowners</td>
<td>$1,664</td>
<td>$1,812</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>319</td>
<td>87</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>699</td>
<td>570</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>338</td>
<td>331</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>$3,020</strong></td>
<td><strong>$2,800</strong></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-recurring and non-operational adjustments, including interest and tax adjustments</td>
<td>159</td>
<td>356</td>
</tr>
<tr>
<td>Non-service pension benefit</td>
<td>(61)</td>
<td>(132)</td>
</tr>
<tr>
<td>Non-controlling interest in subsidiaries’ earnings from operations</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$3,155</strong></td>
<td><strong>$3,066</strong></td>
</tr>
<tr>
<td><strong>Net debt to adjusted EBITDA</strong></td>
<td>2.1</td>
<td>3.4</td>
</tr>
</tbody>
</table>

(1) On January 3, 2022, Carrier received net proceeds of $2.6 billion from the Chubb divestiture, reducing net debt to approximately $4.1 billion upon the close of the transaction.
### Working Capital Reconciliation

#### (Unaudited)

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>December 31, 2021</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$2,403</td>
<td>$2,726</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,970</td>
<td>1,332</td>
</tr>
<tr>
<td>Contract assets, current</td>
<td>503</td>
<td>622</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(2,334)</td>
<td>(1,701)</td>
</tr>
<tr>
<td>Contract liabilities, current</td>
<td>(415)</td>
<td>(443)</td>
</tr>
<tr>
<td>Working capital</td>
<td>$2,127</td>
<td>$2,536</td>
</tr>
</tbody>
</table>

#### (Unaudited)

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>December 31, 2021 (Reported)</th>
<th>Chubb Held for Sale</th>
<th>December 31, 2021 (Adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$2,403</td>
<td>$445</td>
<td>$2,848</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,970</td>
<td>73</td>
<td>2,043</td>
</tr>
<tr>
<td>Contract assets, current</td>
<td>503</td>
<td>184</td>
<td>687</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(2,334)</td>
<td>(190)</td>
<td>(2,524)</td>
</tr>
<tr>
<td>Contract liabilities, current</td>
<td>(415)</td>
<td>(162)</td>
<td>(577)</td>
</tr>
<tr>
<td>Working capital including Chubb reclassified from held for sale</td>
<td>$2,127</td>
<td>$350</td>
<td>$2,477</td>
</tr>
</tbody>
</table>
FIRE & SECURITY SEGMENT RECONCILIATION

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>(Unaudited)</th>
<th>For the Year Ended December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fire &amp; Security (Reported)</td>
<td>Chubb</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$5,515</td>
<td>$(2,159)</td>
</tr>
<tr>
<td>Segment operating profit</td>
<td>$662</td>
<td>$133</td>
</tr>
<tr>
<td>Adjustments to segment operating profit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(26)</td>
<td>(19)</td>
</tr>
<tr>
<td>Acquisition and other related costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chubb transaction costs</td>
<td>(42)</td>
<td>(42)</td>
</tr>
<tr>
<td>Separation costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>$730</td>
<td>$194</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>13.2%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

(1) Adjusted Net Sales for Fire & Security does not include approximately $70 million of intercompany sales that will be treated as third-party post-acquisition. The addition of these sales would have a 40 basis point impact on adjusted operating margin for 2021.
## FREE CASH FLOW RECONCILIATION

### (Unaudited)

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>For the Year Ended December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows provided by operating activities</td>
<td>$2,237</td>
</tr>
<tr>
<td>Less: Capital expenditures</td>
<td>$344</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$1,893</td>
</tr>
</tbody>
</table>