Carrier

Q2 2022 EARNINGS CONFERENCE CALL

July 28, 2022

Cautionary Statement

This communication contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide management's current expectations or plans for Carrier's future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance 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.

Q2 2022 Summary

Sales	$5,211M *Organic* +7% Y/Y*
Adjusted Operating Profit*	$857M *+4% Y/Y*
Free Cash Flow*	($34M) *Includes ~$70M in tax payments on Chubb gain*

Highlights

Increased adjusted operating profit despite lower reported sales

Price/cost positive

Operating margins up 130 bps Y/Y

Aftermarket up double-digit Y/Y

Backlog up ~20% Y/Y

Strong first-half performance; increasing full-year adjusted EPS guidance

*See appendix for additional information regarding non-GAAP measures

Value Creation Framework

FOCUS AREAS	DRIVERS
Above-market organic growth	• Secular trends: Health / wellness, sustainability, digitalization, and growing middle class • Innovation and differentiation • Aftermarket
Margin expansion	• Price to at least offset inflation • 2-3% gross productivity to fund strategic investments • Over 50 bps annual margin expansion
Strong free cash flow	• Working capital improvements • Increasing recurring revenues • ~100% of net income
Disciplined capital allocation	• Organic / inorganic growth • Growing, sustainable dividend • Share repurchases

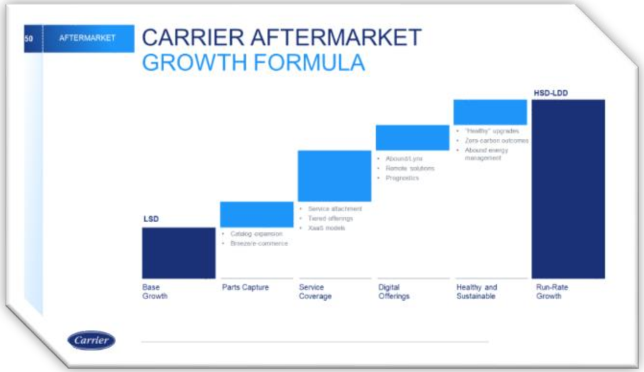
Global leader in healthy, safe, sustainable and intelligent building and cold chain solutions

Secular Trends Driving Sustained Growth

	Health / Wellness	Sustainability / ESG	Digitalization
Key Technologies	Advanced IAQ Sensors Multi-sensing & Sensor Fusion	Heat pumps Disruptive cooling Grid connectivity & telematics Electrification & hydrogen	Abound & Lynx Automation, Controls & Integration
Sales & Orders	Healthy building orders up ~20% Y/Y in Q2; pipeline remains over $800M	Major rental company in Europe ordered ~50 all-electric Vector e-Cool units	Over 7,500 Lynx systems ordered between Canadian logistics company and two major shipping companies
New Products	Kidde introduced a series of healthy and connected products, including industry-first smoke, CO and IAQ detector	Entire rooftop line equipped with industry-first technology; up to 40% more efficient vs. conventional systems	Lynx Fleet roll-out incorporates customer feedback to provide critical insights around cargo monitoring and equipment performance
Key Wins	Healthy Homes partnership with Procter & Gamble, focusing on education, innovation and integrated solutions	Carrier to provide Cooling-as-a-Service for a commercial high-rise building in Pittsburgh; contributing towards its targeted LEED Silver rating	Large tech company deploying Abound IAQ monitoring

Aftermarket and Recurring Revenues

Aftermarket Strategy
(February 22nd Investor Day)



Q2 Highlights

Q2 Aftermarket up double-digits Y/Y

Parts Capture	✓ Double-digit growth despite supply chain challenges ✓ New National Accounts added to Breeze Platform
Service Coverage	✓ Double-digit sales growth ✓ On-track for 70K chillers under BluEdge contract and greater than 40% attachment rate
Digital Solutions	✓ Ahead of plan for 20K connected chillers by year-end ✓ Strong ALC / Nlyte cross-sell synergies
Healthy and Sustainable	✓ Double-digit Healthy Building upgrade orders growth ✓ Launched 100+ healthy & sustainable solution packages

On-track for another year of double-digit aftermarket growth

Toshiba Carrier: Ready to Execute

Proven Integration Playbook

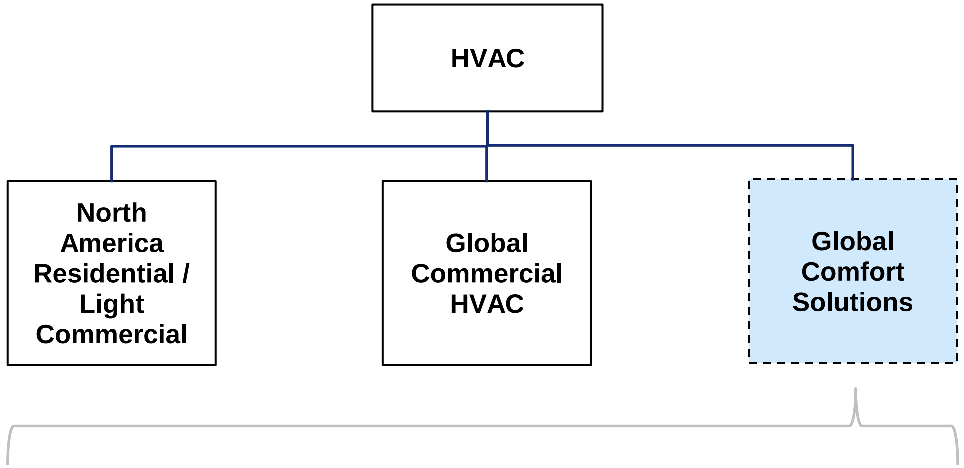
Focus Areas
- ✓ Variable Refrigerant Flow (VRF)
- ✓ International Light Commercial
- ✓ Commercial and Residential Heat Pumps

Multi Channel and Brands
- ✓ Complementary channel in China
- ✓ Multi-brand go-to-market strategy

Technology Leadership
- ✓ Efficient heat pump technology
- ✓ Leading VRF and inverter technology

Cost Optimization
- ✓ $100M run-rate savings
- ✓ Leverage scale and manufacturing footprint

Focused Team Poised to Win



- ✓ New business unit structure to better align strategic priorities
  - ✓ Combining Toshiba, Giwee, Riello and International Light Commercial
- ✓ Leadership from Toshiba Carrier, Carrier, and external
- ✓ Leveraging technology, scale, channel, and brands to win

Expected to close early August; team energized to seize the opportunity

Q2 2022 Results

	Q2 2022	Q2 2021	Y/Y
Sales	$5,211M	$5,440M	(4%)
Organic sales*			7%
Acquisitions / divestitures, net			(8%)
FX			(3%)
Sales excluding Chubb**			7%
Adjusted operating profit*	$857M	$821M	4%
Adjusted operating margin*	16.4%	15.1%	130 bps
Adjusted effective tax rate*	22.9%	25.0%	
Adjusted EPS*	$0.69	$0.64	8%
Free cash flow*	($34M)	$482M	

*See appendix for additional information regarding non-GAAP measures
**See appendix for additional information

Q2 2022 HVAC Results

	Q2 2022	Y/Y
Sales	$3,388M	9%
Organic sales*		8%
Acq / div, net		2%
FX		(1%)
Adjusted operating profit*	$609M	5%
Adjusted operating margin*	18.0%	(70) bps

Carrier introduced its redesigned Performance™ series two-stage air conditioner and heat pump that are compliant with the upcoming 2023 Department of Energy (DOE) minimum efficiency requirements. In addition, these two products have been tested under the new 2023 test procedures and have SEER2, EER2 and HSPF2 ratings published.

Highlights
Double-digit sales growth in NA residential HVAC driven by price realization
Sixth consecutive quarter of double-digit order growth in Commercial HVAC
Aftermarket up mid-teens Y/Y
Results include a $27M gain on Toshiba Carrier's sale of joint venture interests
Price/cost positive

*See appendix for additional information regarding non-GAAP measures

Q2 2022 Refrigeration Results

	Q2 2022	Y/Y
Sales	$1,041M	2%
Organic sales*		9%
FX		(7%)
Adjusted operating profit*	$152M	21%
Adjusted operating margin*	14.6%	230 bps

ZIM Integrated Shipping Services, a leading international carrier with a global network serving ports in more than 120 countries, ordered 2,000 PrimeLine refrigerated container units with Lynx digital platform capabilities, supporting routes between the Mediterranean, Africa, Asia and the Americas.

Highlights
Volume leverage and price realization driving margin expansion
North America truck/trailer sales up high-teens Y/Y
Sensitech up double digits
Results include a $7M gain on sale of joint venture
Price/cost positive

*See appendix for additional information regarding non-GAAP measures

Q2 2022 Fire & Security Results

	Q2 2022	Y/Y
Sales	$887M	(37%)
Organic sales*		3%
Acq / div, net		(38%)
FX		(2%)
Sales excluding Chubb**		4%
Adjusted operating profit*	$134M	(21%)
Adjusted operating margin*	15.1%	310 bps

Monta, one of the fastest growing e-commerce companies in the Netherlands, chose Aritech's security solutions for both intrusion detection and access control across their 15 independent warehouses.

Highlights
Organic sales growth driven by price
Solid orders growth across the business despite China weakness
Commercial Fire Americas and Controls up double-digits
Supply chain, especially electronics, remains an issue
Price/cost positive

*See appendix for additional information regarding non-GAAP measures
**See appendix for additional information

Organic Order Trends

Orders by Key Business Line	Q2 2022 (Y/Y)
HVAC*	0% - 5%
Residential & Light Commercial	*~(5%)*
*Commercial HVAC**	*10% - 15%*
Refrigeration	~(20%)
Transport Refrigeration	*(20%) – (15%)*
Commercial Refrigeration	*~(30%)*
Fire & Security	
Fire & Security Products	*10% - 15%*
Total Carrier*	*Flattish*

Orders by Geography	Q2 2022 (Y/Y)
Americas*	Flattish
EMEA	~(5%)
China	(15%) – (10%)
Asia excluding China	~15%

Backlog up 20% year-over-year

*Excludes NORESCO

Updated 2022 Guidance

	Prior Guidance (excluding the Toshiba Carrier Corp. acquisition)	Updated Guidance** (excluding the Toshiba Carrier Corp. acquisition)	**Updated Guidance** (including the Toshiba Carrier Corp. acquisition)**
Sales	~$20B Organic* up HSD *FX ~(1%)* *Acq / Div, net ~(9%)*	~$20B Organic* up HSD *FX ~(3%)* *Acq / Div, net ~(9%)*	~$20.8B Organic* up HSD *FX ~(3%)* *Acq / Div, net ~(5%)*
Adjusted Operating Margin*	Up ~75 bps	Up ~75 bps	Up ~40 bps
Adjusted EPS*	$2.20 - $2.30	$2.25 - $2.35	$2.25 - $2.35
Free Cash Flow*[1] [1]*Includes ~$200M in tax payments on Chubb gain*	~$1.65B	~$1.65B	~$1.65B

Strong first-half performance; increasing full-year adjusted EPS guidance

*See appendix for additional information regarding non-GAAP measures
**As of July 28, 2022

Summary

- Strong first-half performance; raising full-year earnings outlook
- Continued focus on technology differentiation and aftermarket opportunity
- Price / cost now expected to be positive for full-year
- Toshiba closing expected early August

Leadership in healthy, safe, sustainable and intelligent building and cold chain solutions

APPENDIX

Use and Definitions of Non-GAAP Financial Measures

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

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

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

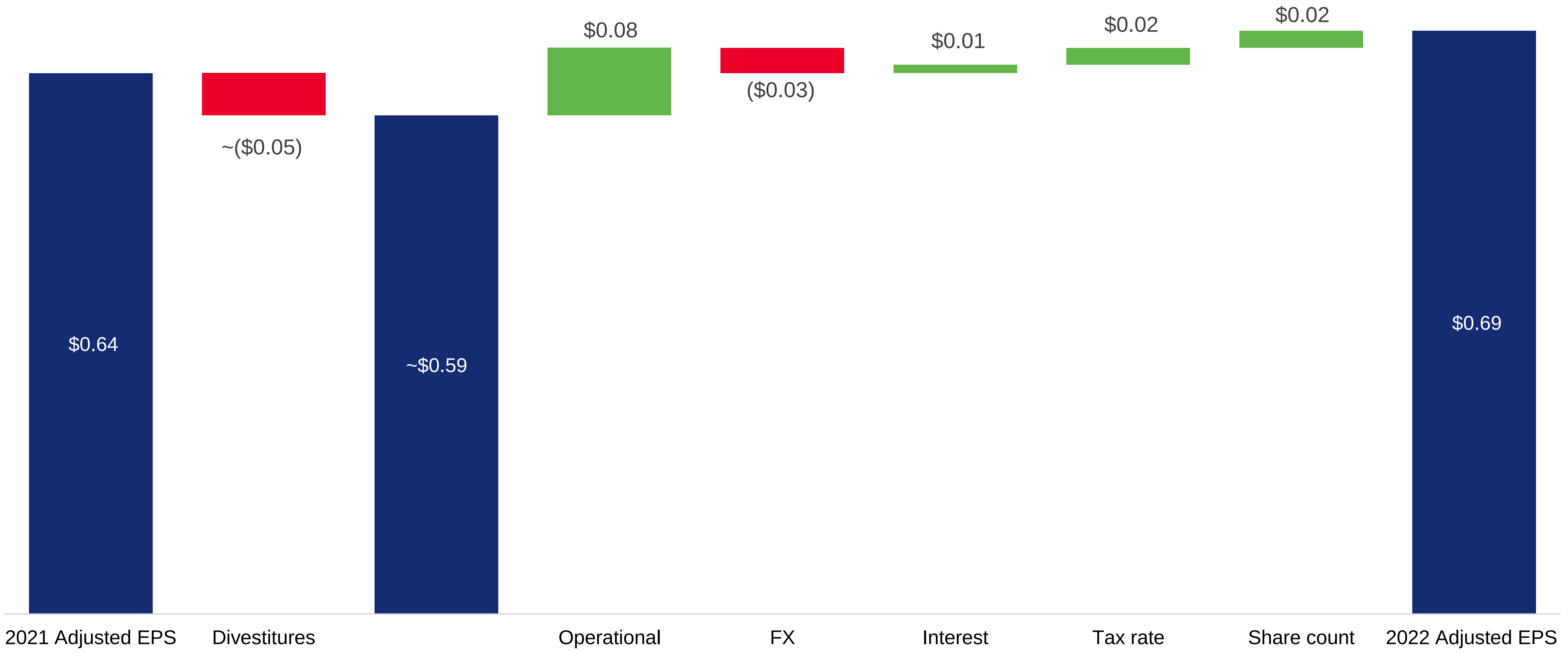
Following the close of the Toshiba Carrier Corporation acquisition, Carrier intends to exclude the impact of amortization of acquired intangibles from its non-GAAP financial measures including adjusted operating profit, adjusted net income and adjusted EPS. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods and facilitates better comparison to our peer group.

Additional Items

	Updated guidance	Prior guidance
Shares outstanding (diluted)	~860M	~865M
Corporate expenses / eliminations**	$200M - $220M	$210M - $230M
Adjusted interest expense, net*	$245M - $255M	$270M - $280M
Adjusted effective tax rate*	~22%	~22%
Non-service pension income / (expense)**	($10M) – ($5M)	($10M) – ($5M)
Capital expenditures**	$340M - $360M	$340M - $360M
Depreciation & amortization**	$300M - $315M	$300M - $315M

*See "Use and Definitions of Non-GAAP Financial Measures" for additional information regarding non-GAAP measures
**Excludes Toshiba Carrier Corporation

Q2 2022 Adjusted EPS* Bridge



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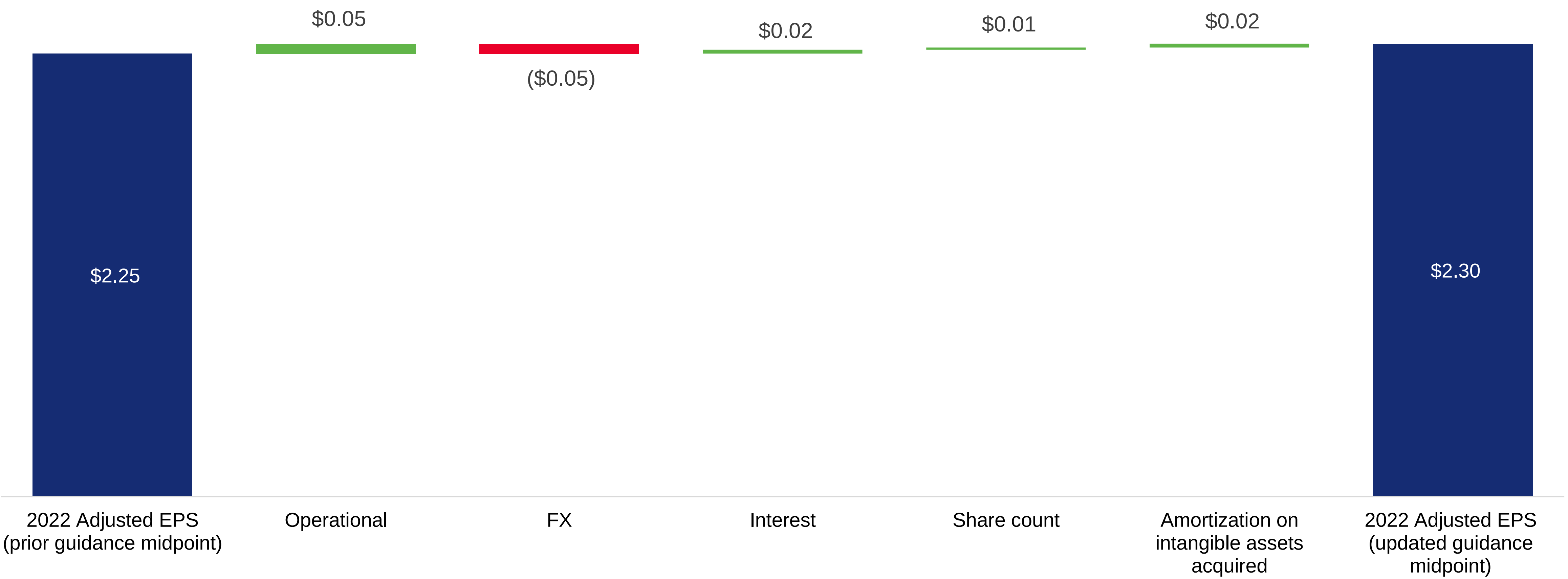
2022 Adjusted EPS* Guidance Bridge



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Carrier Q2 2022 vs 2021 Sales Reconciliation

Y/Y %

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

(Unaudited)

	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	8 %	(1) %	2 %	— %	9 %
Refrigeration	9 %	(7) %	— %	— %	2 %
Fire & Security	3 %	(2) %	(38) %	— %	(37) %
Consolidated	**7 %**	**(3)%**	**(8)%**	**— %**	**(4)%**

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

(Unaudited)

	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	12 %	(1) %	3 %	(1) %	13 %
Refrigeration	5 %	(5) %	— %	— %	— %
Fire & Security	4 %	(2) %	(39) %	— %	(37) %
Consolidated	**9 %**	**(3)%**	**(9)%**	**— %**	**(3)%**

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

2022 Adjusted Operating Profit Reconciliation

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	For the Three Months Ended June 30, 2022					
Net sales	**$ 3,388**	**$ 1,041**	**$ 887**	**$ (105)**	**$ —**	**$ 5,211**
Segment operating profit	**$ 585**	**$ 147**	**$ 134**	**$ (16)**	**$ (31)**	**$ 819**
Reported operating margin	*17.3 %*	*14.1 %*	*15.1 %*			*15.7 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 2	$ 6	$ 3	$ —	$ 2	$ 13
Charge resulting from legal matter	22	—	—	—	—	22
Acquisition and other related costs	—	—	—	—	7	7
Russia/Ukraine asset impairment	—	(1)	(3)	—	—	(4)
Total adjustments to operating profit	$ 24	$ 5	$ —	$ —	$ 9	$ 38
Adjusted operating profit	**$ 609**	**$ 152**	**$ 134**	**$ (16)**	**$ (22)**	**$ 857**
Adjusted operating margin	*18.0 %*	*14.6 %*	*15.1 %*			*16.4 %*

Carrier

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

2021 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	For the Three Months Ended June 30, 2021					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 3,120**	**$ 1,021**	**$ 1,403**	**$ (104)**	**$ —**	**$ 5,440**
Segment operating profit	**$ 573**	**$ 123**	**$ 148**	**$ (23)**	**$ (38)**	**$ 783**
Reported operating margin	*18.4 %*	*12.0 %*	*10.5 %*			*14.4 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 7	$ 3	$ 9	$ —	$ 2	$ 21
Acquisition and other related costs	2	—	—	—	—	2
Chubb transaction costs	—	—	12	—	—	12
Separation costs	—	—	—	2	1	3
Total adjustments to operating profit	$ 9	$ 3	$ 21	$ 2	$ 3	$ 38
Adjusted operating profit	**$ 582**	**$ 126**	**$ 169**	**$ (21)**	**$ (35)**	**$ 821**
Adjusted operating margin	*18.7 %*	*12.3 %*	*12.0 %*			*15.1 %*

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

2022 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	For the Six Months Ended June 30, 2022					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 6,358**	**$ 2,017**	**$ 1,705**	**$ (215)**	**$ —**	**$ 9,865**
Segment operating profit	**$ 1,055**	**$ 254**	**$ 1,352**	**$ (40)**	**$ (65)**	**$ 2,556**
Reported operating margin	*16.6 %*	*12.6 %*	*79.3 %*			*25.9 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 6	$ 6	$ 9	$ —	$ 2	$ 23
Chubb gain	—	—	(1,112)	—	—	(1,112)
Charge resulting from legal matter	22	—	—	—	—	22
Acquisition and other related costs	—	—	—	—	13	13
Russia/Ukraine asset impairment	—	4	1	—	—	5
Total adjustments to operating profit	$ 28	$ 10	$ (1,102)	$ —	$ 15	$ (1,049)
Adjusted operating profit	**$ 1,083**	**$ 264**	**$ 250**	**$ (40)**	**$ (50)**	**$ 1,507**
Adjusted operating margin	*17.0 %*	*13.1 %*	*14.7 %*			*15.3 %*

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

2021 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	For the Six Months Ended June 30, 2021					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 5,606**	**$ 2,026**	**$ 2,707**	**$ (200)**	**$ —**	**$ 10,139**
Segment operating profit	**$ 938**	**$ 250**	**$ 298**	**$ (63)**	**$ (69)**	**$ 1,354**
Reported operating margin	*16.7 %*	*12.3 %*	*11.0 %*			*13.4 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 11	$ 5	20	$ —	$ 3	$ 39
Acquisition and other related costs	2	—	—	—	—	2
Chubb transaction costs	—	—	15	—	—	15
Separation costs	—	—	—	17	2	19
Total adjustments to operating profit	$ 13	$ 5	$ 35	$ 17	$ 5	$ 75
Adjusted operating profit	**$ 951**	**$ 255**	**$ 333**	**$ (46)**	**$ (64)**	**$ 1,429**
Adjusted operating margin	*17.0 %*	*12.6 %*	*12.3 %*			*14.1 %*

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Q2 2022 EPS Reconciliation

(Unaudited)

(In millions, except per share amounts)	For the Three Months Ended June 30, 2022 Reported	Adjustments		Adjusted	For the Six Months Ended June 30, 2022 Reported	Adjustments		Adjusted
Net sales	$ 5,211	$ —		$ 5,211	$ 9,865	$ —		$ 9,865
Operating profit	$ 819	38	a	$ 857	$ 2,556	(1,049)	a	$ 1,507
Operating margin	*15.7 %*			*16.4 %*	*25.9 %*			*15.3 %*
Income from operations before income taxes	$ 757	38	a,b	$ 795	$ 2,445	(1,077)	a,b	$ 1,368
Income tax expense	$ (170)	(12)	c	$ (182)	$ (471)	197	c	$ (274)
Income tax rate	*22.5 %*			*22.9 %*	*19.3 %*			*20.0 %*
Net income attributable to common shareowners	**$ 573**	**$ 26**		**$ 599**	**$ 1,952**	**$ (880)**		**$ 1,072**
Summary of Adjustments:								
Restructuring costs		$ 13	a			$ 23	a	
Chubb gain		—	a			(1,112)	a	
Charge resulting from legal matter		22	a			22	a	
Acquisition and other related costs		7	a			13	a	
Russia/Ukraine asset impairment		(4)	a			5	a	
Debt extinguishment (gain), net		—	b			(28)	b	
Total adjustments		$ 38				$ (1,077)		
Tax effect on adjustments above		$ (7)				$ 202		
Tax specific adjustments		(5)				(5)		
Total tax adjustments		$ (12)	c			$ 197	c	
Shares outstanding- Diluted	862.7			862.7	868.4			868.4
Earnings per share- Diluted	**$ 0.67**			**$ 0.69**	**$ 2.25**			**$ 1.23**

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

Carrier

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

Q2 2021 EPS Reconciliation

	(Unaudited)										
	For the Three Months Ended June 30, 2021					For the Six Months Ended June 30, 2021					
(In millions, except per share amounts)	**Reported**	**Adjustments**		**Adjusted**		**Reported**	**Adjustments**		**Adjusted**		
Net sales	**$ 5,440**	**$ —**		**$ 5,440**		**$ 10,139**	**$ —**		**$ 10,139**		
Operating profit	$ 783	38	a	$ 821		$ 1,354	75	a	$ 1,429		
Operating margin	*14.4 %*			*15.1 %*		*13.4 %*			*14.1 %*		
Income from operations before income taxes	$ 731	38	a,b	$ 769		$ 1,227	94	a,b	$ 1,321		
Income tax expense	$ (234)	42	c	$ (192)		$ (338)	29	c	$ (309)		
Income tax rate	*32.0 %*			*25.0 %*		*27.5 %*			*23.4 %*		
Net income attributable to common shareowners	**$ 487**	**$ 80**		**$ 567**		**$ 871**	**$ 123**		**$ 994**		
Summary of Adjustments:											
Restructuring costs		$ 21	a				$ 39	a			
Acquisition and other related costs		14	a				17	a			
Separation costs		3	a				19	a			
Debt prepayment costs		—	b				19	b			
Total adjustments		$ 38					$ 94				
Tax effect on adjustments above		$ (1)					$ (14)				
Tax specific adjustments		43					43				
Total tax adjustments		$ 42	c				$ 29	c			
Shares outstanding - Diluted	890.9			890.9		890.4			890.4		
Earnings per share - Diluted	**$ 0.55**			**$ 0.64**		**$ 0.98**			**$ 1.12**		

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

Free Cash Flow Reconciliation

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

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

Net Debt Reconciliation

(In millions)	(Unaudited) June 30, 2022	December 31, 2021
Long-term debt	$ 8,298	$ 9,513
Current portion of long-term debt	269	183
Less: Cash and cash equivalents	3,017	2,987
Net debt	**$ 5,550**	**$ 6,709**

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

Net Sales Excluding Chubb Reconciliation

Y/Y %

	(Unaudited)			
	For the Three Months Ended June 30, 2021		For the Six Months Ended June 30, 2021	
	Carrier	**Fire and Security**	**Carrier**	**Fire and Security**
Net Sales:				
Reported	$ 5,440	$ 1,403	$ 10,139	$ 2,707
Chubb	(554)	(554)	(1,102)	(1,102)
Net sales excluding impact of Chubb	$ 4,886	$ 849	$ 9,037	$ 1,605
Percentage increase in *Net sales* excluding impact of Chubb	**7 %**	**4 %**	**9 %**	**6 %**