Q4 2022 EARNINGS CONFERENCE CALL

February 7, 2023

Cautionary Statement

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

Q4 2022 Summary

Sales	$5,105M *Organic* +5% Y/Y*
Adjusted Operating Profit*	$516M
Adjusted EPS*	$0.40
Free Cash Flow*	$983M

Highlights

Double digit sales growth in commercial HVAC, light commercial HVAC, controls and global truck/trailer

Continued double-digit aftermarket growth

Container and commercial refrigeration sales decline

Price/cost positive

Backlog up MSD; commercial HVAC backlog** up ~35% Y/Y

Toshiba Carrier progressing well

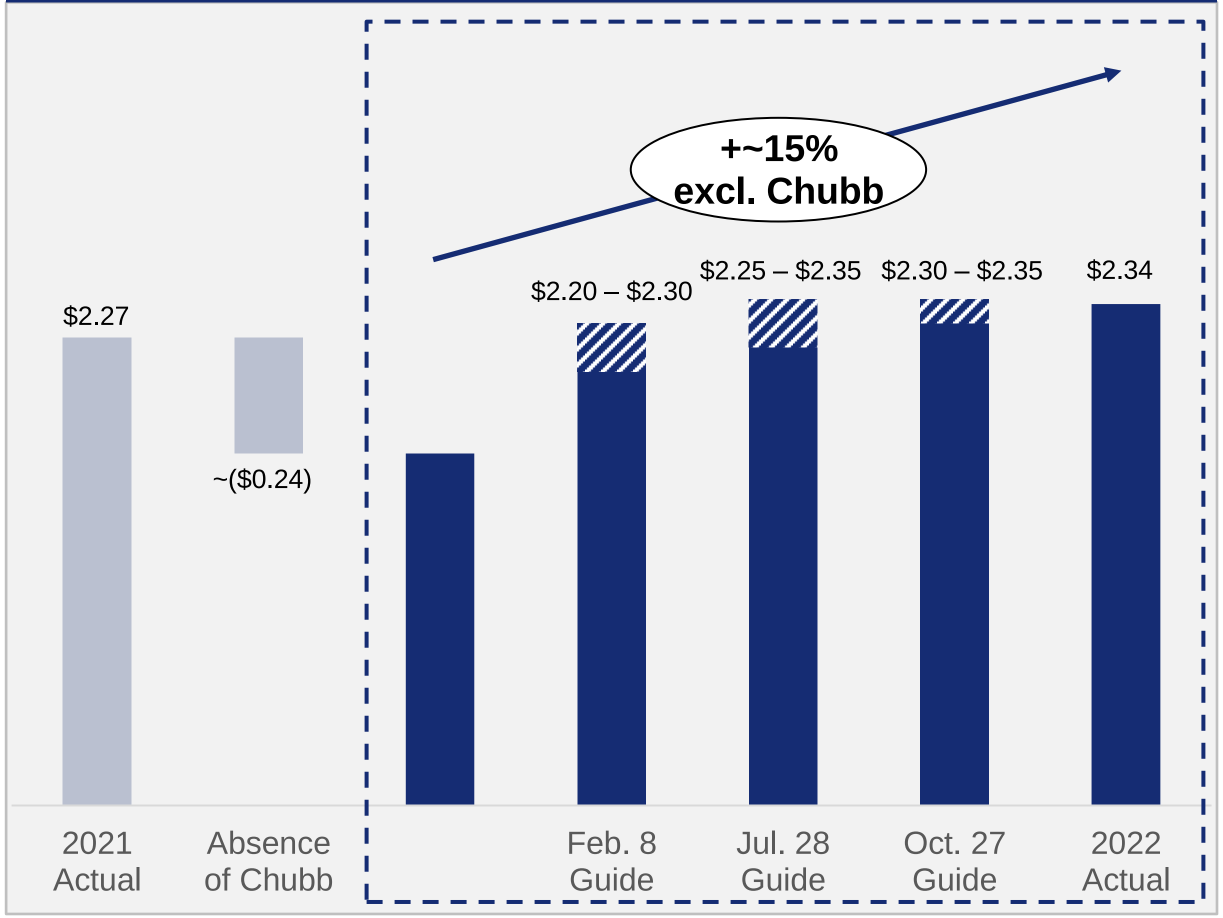
Continued execution in dynamic environment

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

2022 – Strong Financial Performance

	2/8/22 Guidance	10/27/22 Guidance**	FY 2022 Results**	
Sales	~$20B *Organic* up HSD*	~$20.4B *Organic* up HSD*	$20.4B *Organic* up 8%*	✔
Adjusted Op. Margin*	Up ~75 bps[2]	Up ~60 bps[2] *Including ~(40) bps TCC headwind*	Up 60 bps[2] *Including ~(40) bps TCC headwind*	✔
Free Cash Flow*	~$1.65B	~$1.4B	$1.4B	✖

Strong 2022 Adjusted EPS* Performance



Strong top and bottom-line execution throughout the year

*See appendix for additional information regarding non-GAAP measures
**Includes TCC acquisition
[2]Compared to 2021 prior to excluding the impact of amortization of acquired intangibles

Sustainability and Healthy Building Leadership

Sustainability Leadership	• NA residential heat pump sales up 35% in Q4 • European commercial heat pump sales up 30% in Q4 • Industry leading inverter technology • Electric transport units operating in 15 countries
Healthy Building Leadership	• Orders up over 80% Y/Y in Q4 • Pipeline increased to over $1B • K-12 orders up ~35% Y/Y for FY22 • K-12 pipeline up ~60% Y/Y

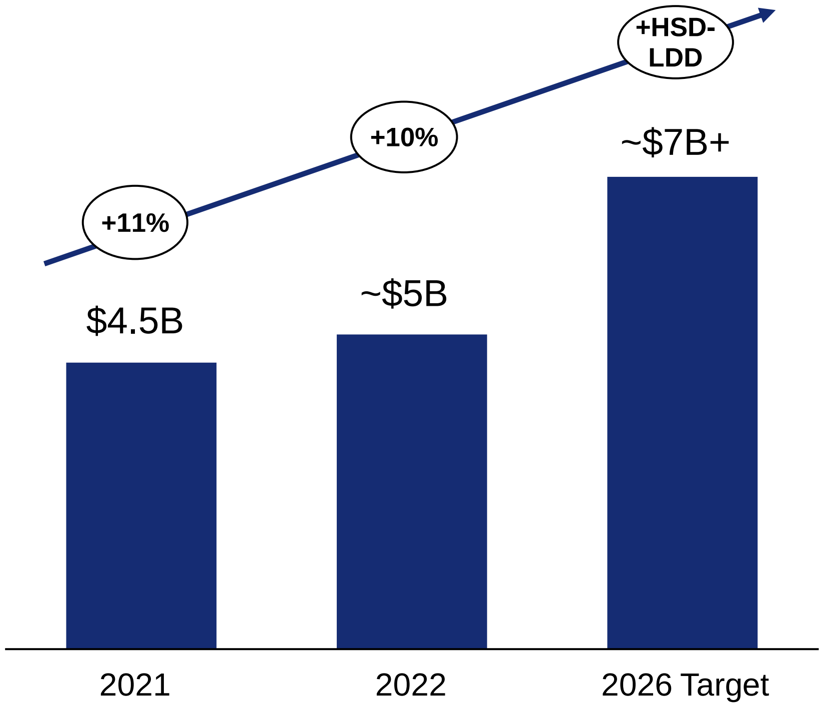
ESG Highlights and Recognitions:

- ✓ Committed to set greenhouse gas emissions reduction targets in line with a Science Based Targets initiative (SBTi) criteria
- ✓ Progressing our renewable energy strategy globally with onsite solar, green energy procurement and participation in renewable power purchase agreements
- ✓ Tracking to our scope 1, 2 and 3 commitments for 2030
- ✓ Won the Net Zero Hero Award for helping decarbonize the Citigen district heating energy centre in the city of London
- ✓ Sponsored World Cold Chain Symposium to promote action to create a sustainable global cold chain

Secular trends focused on sustainability and health and wellness are continued growth drivers

Digitally-Enabled Aftermarket Solutions

Aftermarket Sales



Aftermarket Highlights

Double-digit aftermarket growth

Over 1B square feet monitored by Abound

Continued customer interest and adoption of Lynx platform

~70K chillers under long-term agreements; expect another 10K in 2023

Double-digit aftermarket growth; positioned to outpace the market going forward

Portfolio Optimization and Disciplined Capital Deployment

Portfolio Actions

Acquisitions

- Toshiba Carrier
- Giwee
- Nlyte, BrokerBay and Cavius

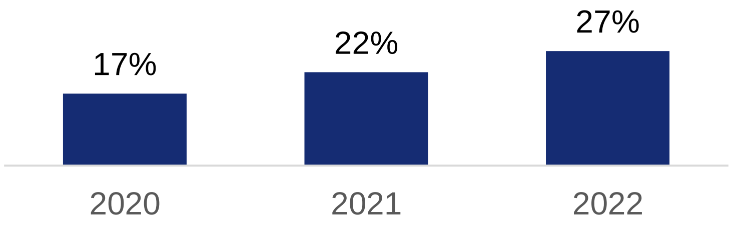
Divestitures

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

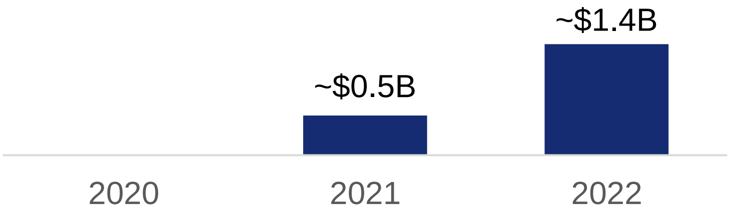
Improved Financial Strength

Significant Net Debt Reduction

Growing Dividend Payout



Increased Share Repurchase



M&A Priorities

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

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

Carrier

2023 Guidance

	2023 Guidance**
Sales	~$22B Organic* up LSD - MSD *FX down ~1%* *M&A up ~6%*
Adjusted Operating Margin*	~14% *Includes ~50 bps negative impact from TCC*
Adjusted EPS*	$2.50 - $2.60
Free Cash Flow*	~$1.9B

Key Focus Areas

- **Accelerate differentiated technical / digital offerings**
- **Double-digit aftermarket growth**
- **Sustainability and ESG leadership**
- **Operational excellence; driving ~$300M of gross productivity**
- **Disciplined capital allocation and continued portfolio optimization**

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

*See appendix for additional information regarding non-GAAP measures
**As of February 7, 2023

Q4 2022 Results

	Q4 2022	Q4 2021	Y/Y
Sales	$5,105M	$5,133M	(1%)
Organic sales*			5%
Acquisitions / divestitures, net			(2%)
FX			(4%)
Adjusted operating profit*	$516M	$521M	(1%)
Adjusted operating margin*	10.1%	10.2%	(10 bps)
Adjusted effective tax rate*	24.3%	13.6%	
Adjusted EPS*	$0.40	$0.44	
Free cash flow*	$983M	$775M	

*See appendix for additional information regarding non-GAAP measures

Q4 2022 HVAC Results

	Q4 2022	Y/Y
Sales	$3,316M	21%
Organic sales*		9%
Acquisitions / divestitures, net		16%
FX		(4%)
Adjusted operating profit*	$317M	29%
Adjusted operating margin*	9.6%	60 bps

Automated Logic secured a project with Alexandria City Public Schools in Virginia. The installation includes the WebCTRL® building automation system for the new Minnie Howard High School campus, which will have a geothermal HVAC system. Once the installation project is complete, the equipment will be placed under an Automated Logic Elite Assurance Plan.

Highlights

LSD sales growth in NA residential HVAC

Light commercial grew over 40%

Commercial HVAC aftermarket and controls up double-digits Y/Y

Commercial HVAC sales up DD in all regions

Eighth consecutive quarter of double-digit order growth in Commercial HVAC

Price/cost positive

*See appendix for additional information regarding non-GAAP measures

Q4 2022 Refrigeration Results

	Q4 2022	Y/Y
Sales	$943M	(14%)
Organic sales*		(7%)
FX		(7%)
Adjusted operating profit*	$114M	(9%)
Adjusted operating margin*	12.1%	60 bps

Secured orders from European grocery store operator MECCR across several countries (Bulgaria, Germany, Poland, Romania). METRO is remodeling its stores in Europe, under METRO's F-gas Exit Program, which aims to convert over 760 Cash & Carry stores to natural refrigerant systems and reduce its CO_2 footprint in half by 2030.

Highlights

North America and Europe Truck/Trailer sales up double-digits

Global Truck/Trailer orders up ~30% Y/Y

Container and Commercial Refrigeration sales and orders down Y/Y

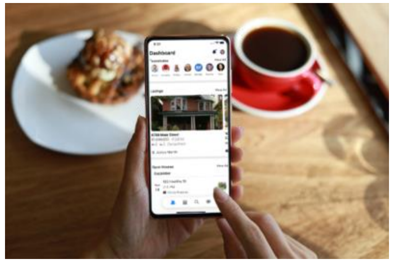
Supply chain challenges moderating but affected deliveries

Margin expansion driven by price and productivity

*See appendix for additional information regarding non-GAAP measures

Q4 2022 Fire & Security Results

	Q4 2022	Y/Y
Sales	$960M	(33%)
Organic sales*		6%
Acquisitions / divestitures, net		(36%)
FX		(3%)
Sales excluding Chubb**		7%
Adjusted operating profit*	$139M	(30%)
Adjusted operating margin*	14.5%	60 bps



Kansas City Regional Association of REALTORS (KCRAR) and its affiliate Heartland Multiple Listing Service (HMLS) have selected the Supra showing management and scheduling service, powered by BrokerBay, for their more than 13,000 REALTOR members serving 36 counties in both Missouri and Kansas in the greater Kansas City metropolitan area.

Highlights

Access Solutions sales growth over 40%

Double digit sales growth in the Americas

Commercial Fire Americas sales growth over 30%

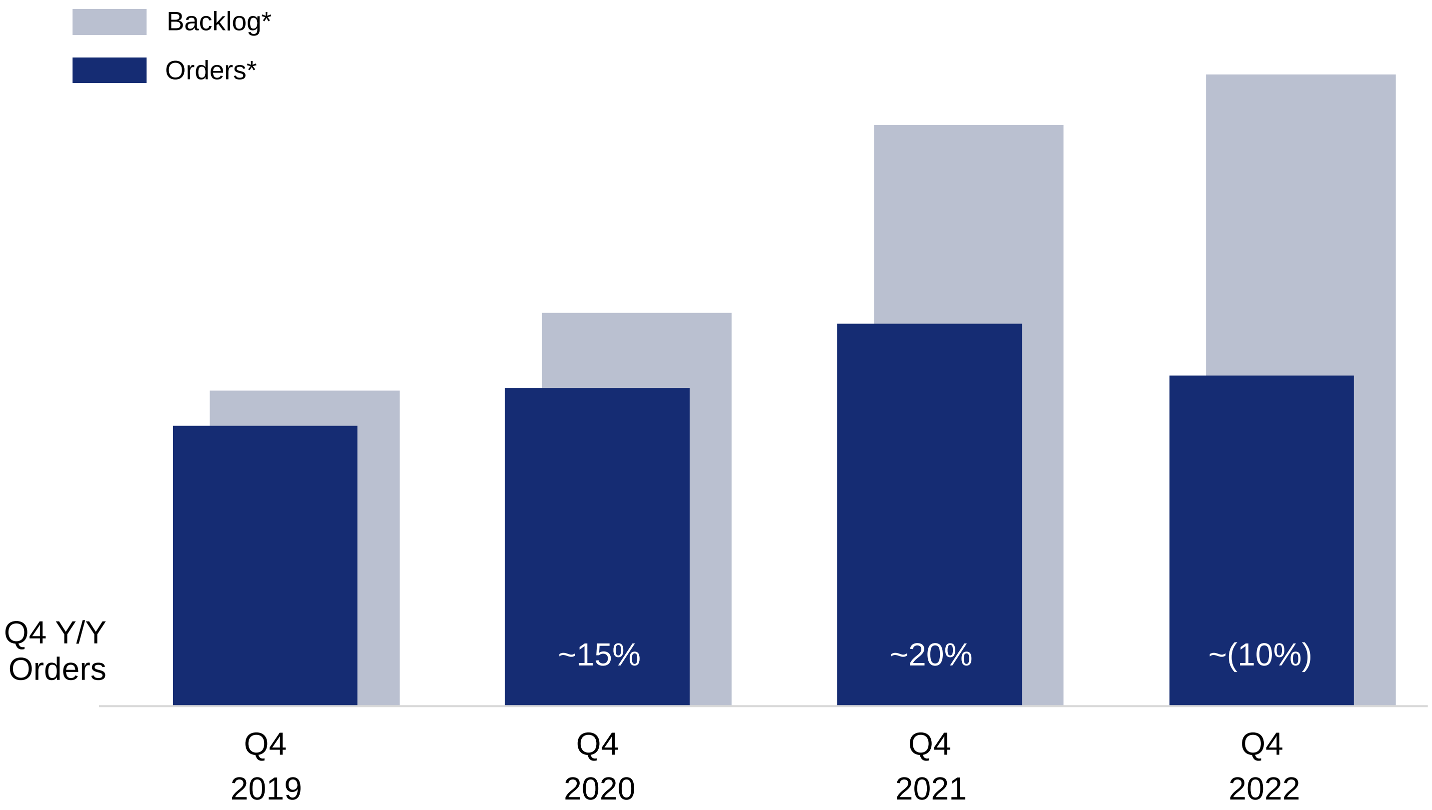
Margin performance weaker than expected

Asia sales down MSD

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

Organic Order Trends

Orders by Segment and Total Backlog*



Orders by Key Business Line	Q4 2022 (Y/Y)
HVAC**	~(15%)
Residential & Light Commercial	*~(30%)*
*Commercial HVAC***	*>10%*
Global Comfort Solutions	*(20%)-(15%)*
Refrigeration	~(10%)
Transport Refrigeration	*Flat*
Commercial Refrigeration	*~(15%)*
Fire & Security	
Fire & Security Products	*(5%)-Flat*
Total Carrier**	*~(10%)*

Difficult Q4 comparison; backlog up 2x vs. 2019 levels

Carrier

*Excludes NORESCO, Chubb, and Toshiba Carrier Corp; backlog and orders not on the same scale
**Excludes NORESCO

2023 Guidance

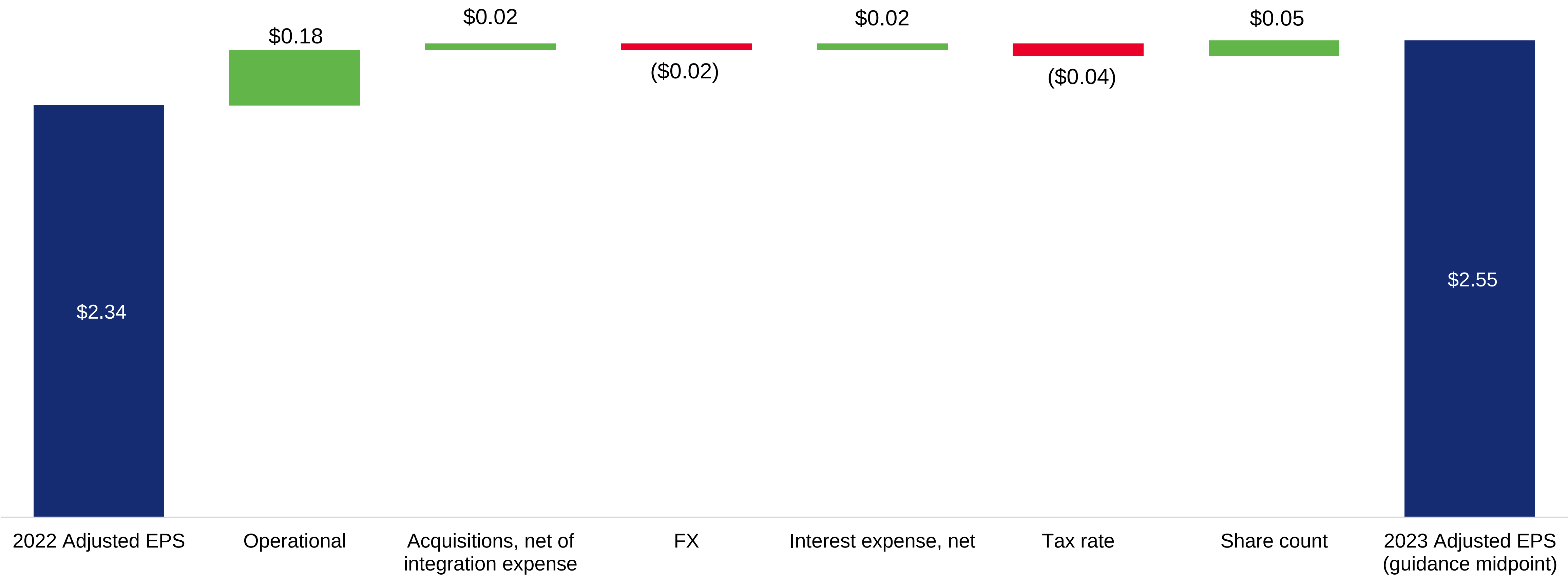
	Total Company**
Sales	~$22B Organic* up LSD - MSD *FX down ~1%* *M&A up ~6%*
Adjusted Operating Margin*	~14% *Includes ~50 bps negative impact from TCC*
Adjusted EPS*	$2.50 - $2.60
Free Cash Flow*	~$1.9B

Segment Sales	
HVAC	Organic* up MSD *Reported up LDD*
Refrigeration	Organic* flattish *Reported flattish*
Fire & Security	Organic* up LSD *Reported up LSD*

Segment Adjusted Operating Margin*	
HVAC	Over 15%
Refrigeration	~13%
Fire & Security	~15.5%

*See appendix for additional information regarding non-GAAP measures
**As of February 7, 2023

2023 Adjusted EPS* Guidance Bridge



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Capital Allocation

2022 ending cash balance: ~$3.5B; ~$1.9B 2023 FCF* guide

Organic growth	✓ Capital expenditures expected to be ~$400M in 2023
Inorganic growth	✓ Active and growing M&A pipeline; portfolio optimization to continue
Growing dividend	✓ Increased dividend payment by over 20% to about 30% payout ratio
Share repurchase	✓ ~$2.2B remaining on share repurchase authorization; expect ~$1.5B - $2B in share buyback in 2023

Well-positioned to create shareholder value through strategic capital deployment

*See appendix for additional information regarding non-GAAP measures

Summary

- Strong 2022 performance
- Targeting another strong year in 2023 despite an uncertain environment
- Balance sheet and portfolio optimization allows for further capital deployment opportunities

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

APPENDIX

Use and Definitions of Non-GAAP Financial Measures

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

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

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

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

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

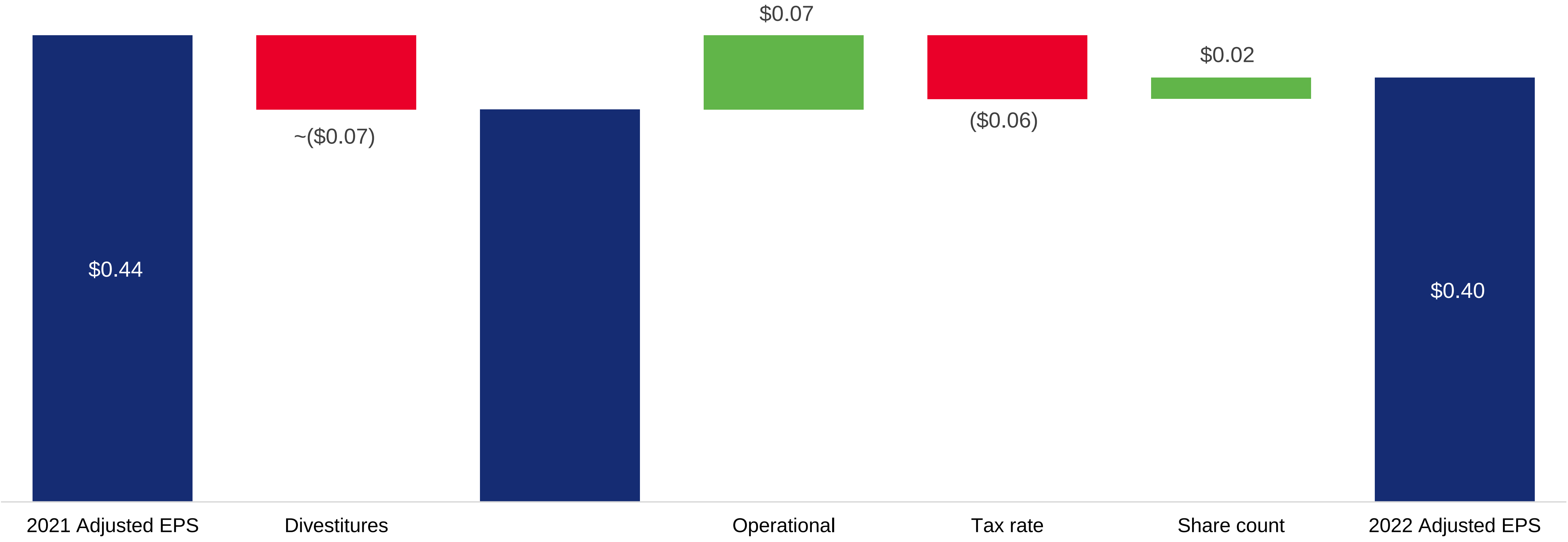
When we provide our expectations for organic sales, adjusted operating profit, adjusted operating margin, adjusted interest expense, net, adjusted effective tax rate, incremental margins/earnings conversion, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences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

Additional Items

	2023 guidance
Shares outstanding (diluted)	~840M
Corporate expenses / eliminations	~$200M
Adjusted interest expense, net*	~$225M
Adjusted effective tax rate*	~23%
Non-service pension income / (expense)	~$0M
Capital expenditures	~$400M
Depreciation & amortization	~$500M

*See appendix for additional information regarding non-GAAP measures

Q4 2022 Adjusted EPS* Bridge



*See appendix for additional information regarding non-GAAP measures

Carrier Q4 2022 vs 2021 Sales Reconciliation

Y/Y %

Three Months Ended December 31, 2022 Compared with Three Months Ended December 31, 2021

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	**FX Translation**	**Acquisitions / Divestitures, net**	**Other**	**Total**
HVAC	9%	(4)%	16%	—%	21%
Refrigeration	(7)%	(7)%	—%	—%	(14)%
Fire & Security	6%	(3)%	(36)%	—%	(33)%
Consolidated	**5%**	**(4)%**	**(2)%**	**—%**	**(1)%**

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

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

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

2022 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Three Months Ended December 31, 2022					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 3,316**	**$ 943**	**$ 960**	**$ (114)**	**$ —**	**$ 5,105**
Segment operating profit	**$ 241**	**$ 113**	**$ 136**	**$ (30)**	**$ (27)**	**$ 433**
Reported operating margin	*7.3 %*	*12.0 %*	*14.2 %*			*8.5 %*
Adjustments to segment operating profit:						
Restructuring costs	$ —	$ 1	$ 1	$ —	$ —	$ 2
Amortization of acquired intangibles (1)	22	—	1	—	—	23
Acquisition step-up amortization (2)	27	—	—	—	—	27
Acquisition-related costs	—	—	—	—	3	3
Chubb gain	—	—	—	—	—	—
TCC acquisition-related gain (3)	27	—	—	—	—	27
Russia/Ukraine asset impairment	—	—	1	—	—	1
Charge resulting from legal matter	—	—	—	—	—	—
Total adjustments to operating profit	$ 76	$ 1	$ 3	$ —	$ 3	$ 83
Adjusted operating profit	**$ 317**	**$ 114**	**$ 139**	**$ (30)**	**$ (24)**	**$ 516**
Adjusted operating margin	*9.6 %*	*12.1 %*	*14.5 %*			*10.1 %*

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

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

2021 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Three Months Ended December 31, 2021					
(In millions)	**HVAC**	**Refrigeration**	**Fire & Security**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 2,730**	**$ 1,090**	**$ 1,431**	**$ (118)**	**$ —**	**$ 5,133**
Segment operating profit	**$ 227**	**$ 107**	**$ 182**	**$ (23)**	**$ (30)**	**$ 463**
Reported operating margin	*8.3 %*	*9.8 %*	*12.7 %*			*9.0 %*
Adjustments to segment operating profit:						
Restructuring costs	$ 15	$ 18	$ 3	$ —	$ 1	$ 37
Amortization of acquired intangibles (1)	4	—	—	—	—	4
Acquisition step-up amortization (2)	—	—	—	—	—	—
Acquisition-related costs	—	—	—	—	2	2
Chubb transaction costs	—	—	14	—	—	14
Separation Costs	—	—	—	—	1	1
Total adjustments to operating profit	$ 19	$ 18	$ 17	$ —	$ 4	$ 58
Adjusted operating profit	**$ 246**	**$ 125**	**$ 199**	**$ (23)**	**$ (26)**	**$ 521**
Adjusted operating margin	*9.0 %*	*11.5 %*	*13.9 %*			*10.2 %*

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2022 Adjusted Operating Profit Reconciliation

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

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2021 Adjusted Operating Profit Reconciliation

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

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

Carrier

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2022 EPS Reconciliation

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

(1) Beginning in Q3 2022, we exclude the impact of amortization of acquired intangibles from our non-GAAP financial measures including adjusted operating profit, adjusted net income and adjusted EPS. Amortization of acquired intangibles, a non-cash expense, is unrelated to our core operating performance and amounts can vary significantly depending on the number, timing and size of acquisitions, among other factors. We believe this adjustment provides investors meaningful information to better evaluate our operating performance between periods. Historical periods have been updated to conform with the current period presentation.
(2) Amortization of the step-up to fair value of acquired inventory and backlog.
(3) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.
(4) The Company repurchased approximately $1.15 billion of aggregate principal senior notes on March 30, 2022 and recognized a net gain of $33 million and wrote-off $5 million of unamortized deferred financing costs in Interest (expense) income, net.

Carrier

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

2021 EPS Reconciliation

(Unaudited)									
	Three Months Ended December 31, 2021					Year Ended December 31, 2021			
(In millions, except per share amounts)	Reported	Adjustments		Adjusted	Reported	Adjustments		Adjusted
Net sales	$ 5,133	$ —		$ 5,133	$ 20,613	$ —		$ 20,613
Operating profit	$ 463	58	a	$ 521	$ 2,645	174	a	$ 2,819
Operating margin	*9.0 %*			*10.2 %*	*12.8 %*			*13.7 %*
Income from operations before income taxes	$ 405	58	a,b	$ 463	$ 2,400	193	a,b	$ 2,593
Income tax expense	$ (73)	10	c	$ (63)	$ (699)	167	c	$ (532)
Income tax rate	*18.0 %*			*13.6 %*	*29.1 %*			*20.5 %*
Net income attributable to common shareowners	**$ 324**	**$ 68**		**$ 392**	**$ 1,664**	**$ 360**		**$ 2,024**
Summary of Adjustments:								
Restructuring costs		$ 37	a			$ 89	a	
Amortization of acquired intangibles (1)		4	a			15	a	
Acquisition step-up amortization (2)		—	a			5	a	
Acquisition-related costs		2	a			2	a	
Chubb transaction costs		14	a			43	a	
Separation costs		1	a			20	a	
Debt prepayment costs		—				19	b	
Total adjustments		**$ 58**				**$ 193**		
Tax effect on adjustments above		$ (11)				$ (33)		
Tax specific adjustments		21				200		
Total tax adjustments		**$ 10**	c			**$ 167**	c	
Shares outstanding - Diluted	888.5			888.5	890.3			890.3
Earnings per share - Diluted	**$ 0.36**			**$ 0.44**	**$ 1.87**			**$ 2.27**

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

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Free Cash Flow Reconciliation

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

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

Net Debt Reconciliation

	(Unaudited)		
	As of December 31,		
(In millions)	**2022**	**2021**	**2020[1]**
Long-term debt	$ 8,702	$ 9,513	$ 10,036
Current portion of long-term debt	140	183	191
Less: Cash and cash equivalents	3,520	2,987	3,115
Net debt	**$ 5,322**	**$ 6,709**	**$ 7,112**

(1) On April 1 and April 2, 2020, Carrier received cash contributions totaling $590 million from UTC related to the Separation, resulting in net debt of approximately $9.9 billion as of April 3, 2020.

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

Net Sales Excluding Chubb Reconciliation

Y/Y %

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

Amortization of Acquired Intangibles

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

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