

FEB 22,
2022

INVESTOR DAY



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.

In addition, please note that all forward-looking estimates exclude the impact of the pending Toshiba Carrier Corporation acquisition.



AGENDA

Topic	Time	Presenter
Opening Remarks	8:30 – 10:00 am	Sam Pearlstein <i>Vice President Investor Relations</i>
Carrier Strategic Overview		Dave Gitlin <i>Chairman & CEO</i>
Sustainability		Jennifer Anderson <i>Senior Vice President Strategy, Business Development & Chief Sustainability Officer</i>
Digital		Bobby George <i>Senior Vice President & Chief Digital Officer</i>
Aftermarket		Ajay Agrawal <i>Senior Vice President Global Services, Healthy Buildings & Chief Strategy Officer</i>
HVAC		Chris Nelson <i>President HVAC</i>
Break	10:00 – 10:15 am	
Fire & Security	10:15 – 11:15 am	Jurgen Timperman <i>President Fire & Security</i>
Refrigeration		Tim White <i>President Refrigeration</i>
Financial Outlook		Patrick Goris <i>Senior Vice President & Chief Financial Officer</i>
Q&A	11:15 – 12:00 pm	Carrier Leadership
Tours and Lunch	12:00 pm	





FEB 22,
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INVESTOR DAY

Dave Gitlin



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

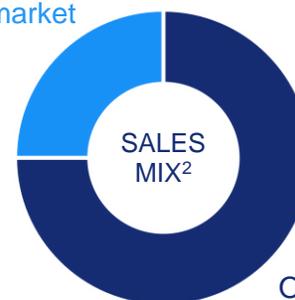
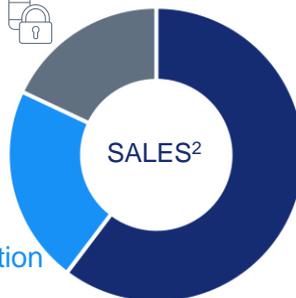
WHAT WE DO

Fire & Security



Aftermarket

Refrigeration



Original equipment

Asia Pacific

EMEA



Americas

ESG EXCELLENCE



SUSTAINABLE OPERATIONS

Carbon neutral operations by 2030



SUSTAINABLE PRODUCTS

>1 gigaton greenhouse gas reduction by 2030



TALENTED WORKFORCE

~50% diverse executives



RECOGNIZED LEADER

ESG Rating of AA | MSCI
ESG Top Rating | Sustainalytics

INDUSTRY LEADERSHIP

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

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



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

CARRIER SINCE SPIN: COMMITMENTS MADE AND KEPT

February 2020 Investor Day

Accomplishments

People and culture

- ✓ Living *The Carrier Way*
- ✓ Cultivating a performance culture and a talented, diverse workforce
- ✓ ESG: embedded in DNA and growth strategy

Three pillars of growth

- ✓ Portfolio-wide share gains driving organic growth
- ✓ VRF expansion
- ✓ Double-digit aftermarket growth and launched two key platforms

Margin expansion

- ✓ Carrier 700 driving tenacious cost focus
- ✓ G&A transformation underway
- ✓ Carrier Excellence / Carrier Alliance driving structural cost reduction

Portfolio and capital deployment

- ✓ Significantly de-levered balance sheet
- ✓ Increased dividend and share buyback
- ✓ Portfolio transformation underway and playing offense on M&A

 Foundation laid for continued superior performance



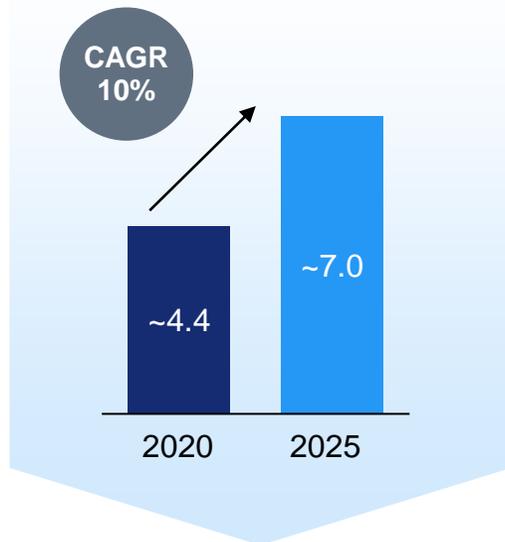


MEET
THE
MOMENT

SECULAR TRENDS DRIVE SUSTAINED GROWTH FOR BUILDING AND COLD CHAIN SOLUTIONS

HEALTH AND WELLNESS

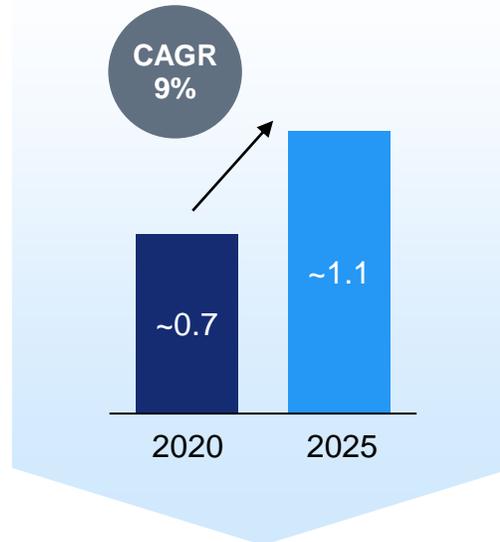
Wellness economy (\$T)¹



Healthy indoor environments

SUSTAINABILITY

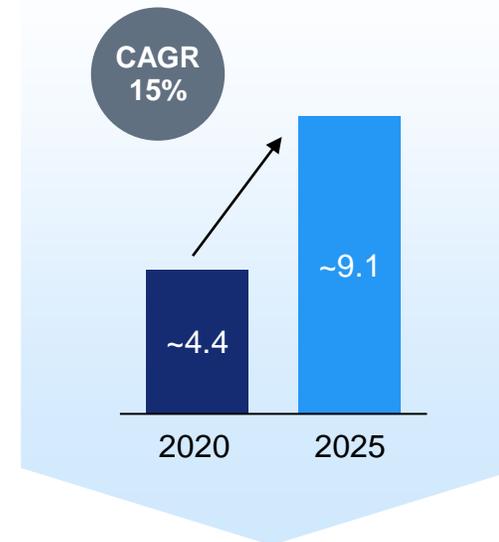
Annual infrastructure investments for global net zero by 2050 (\$T)²



Electrification and energy efficiency

DIGITALIZATION

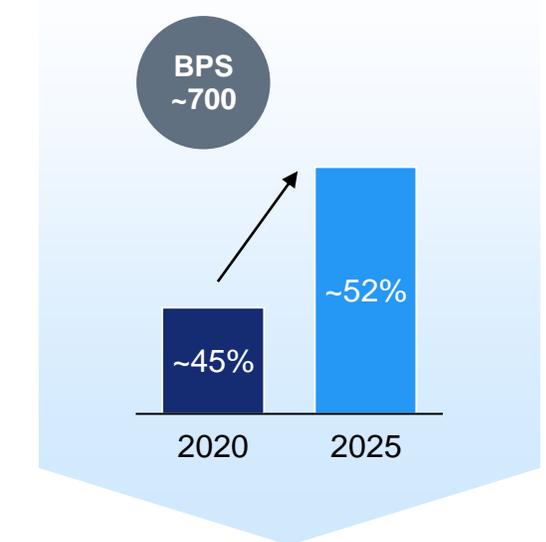
Global spend on digital transformation (\$T)³



Connected and intelligent solutions

GROWING MIDDLE CLASS

Middle-class population (% total)⁴

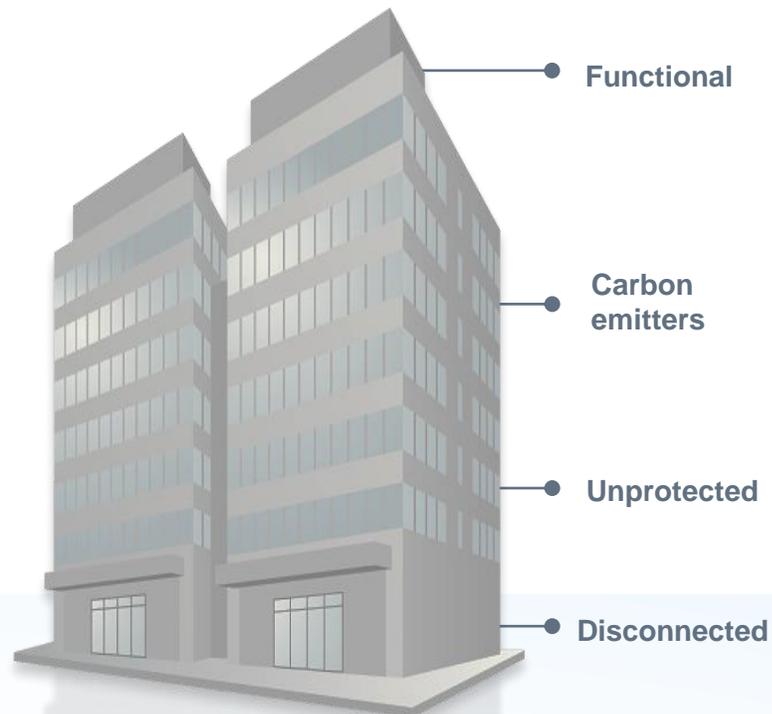


Demand for comfort, safety and cold chain solutions



SECULAR TRENDS DRIVING BUILDING TRANSFORMATION

BUILDINGS OF YESTERDAY



BUILDINGS OF TOMORROW



People spend
~90%
of our time
indoors¹

Indoor air can be
3-5x
more polluted than
outdoor air¹

Buildings account
for **~40%**
of greenhouse gas
emissions²

1 in 5 existing
buildings retrofitted to
meet net-zero
emissions by 2050²

Effective filtration can
eliminate **99%**
of airborne pathogens³

<30% of U.S.
homes protected to
National Fire Protection
Association standards⁴

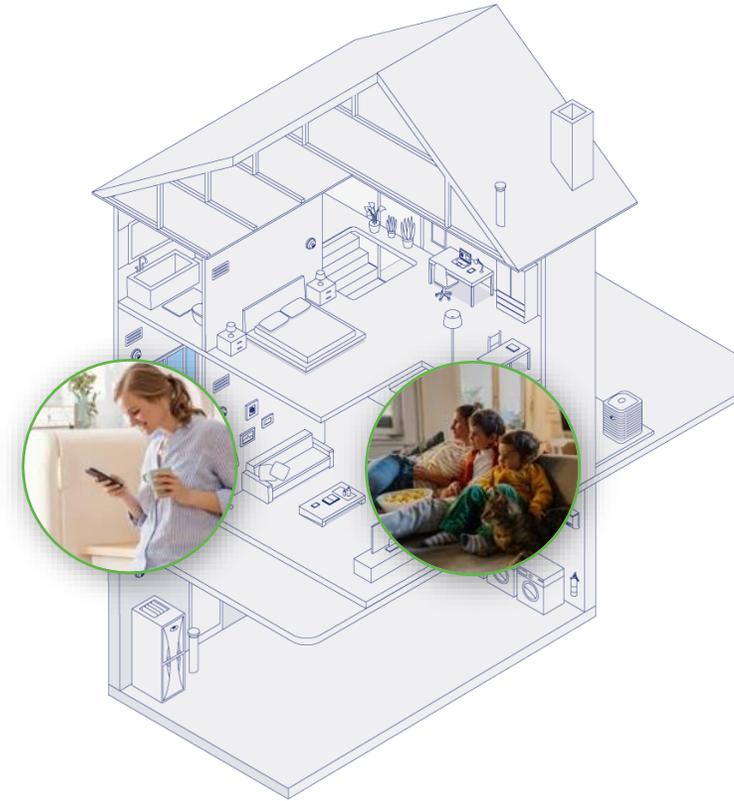
>4 billion
connected IoT devices
in commercial
buildings by 2028⁵

Integrated smart
building systems can
reduce energy use
~10%-20%⁶



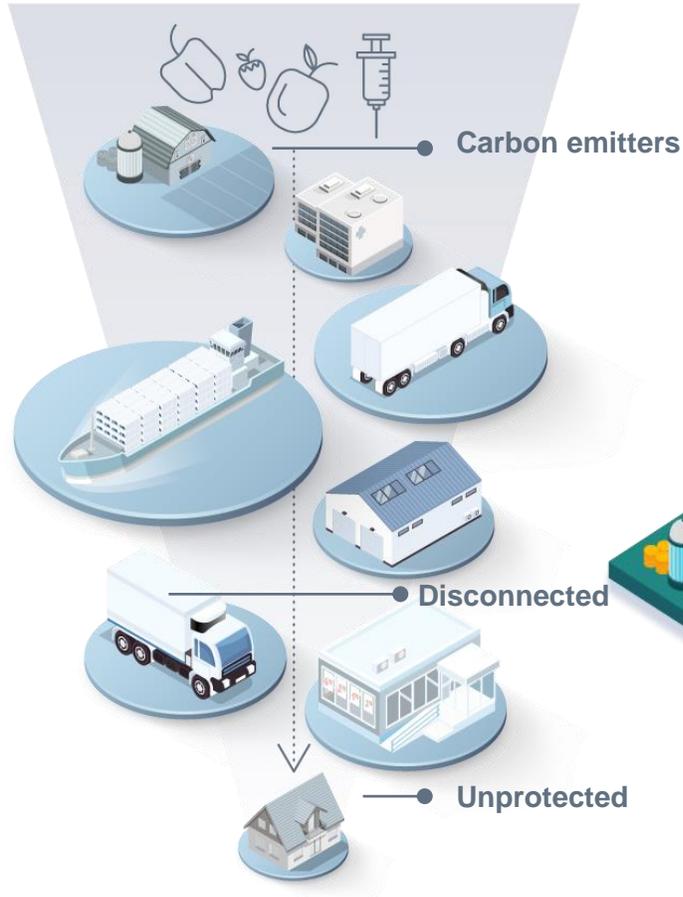
CARRIER'S INTEGRATED PORTFOLIO

One-stop-shop for **healthy,**
safe, sustainable,
and **intelligent**
solutions.



SECULAR TRENDS DRIVING COLD CHAIN TRANSFORMATION

COLD CHAIN OF YESTERDAY



COLD CHAIN OF TOMORROW



<p>1 in 9 people go to bed hungry every night¹</p>	<p>As much as 50% of annual vaccine are wasted or lost¹</p>
<p>Eliminating food waste could decrease global greenhouse gas emissions by ~10%²</p>	<p>475M tons of food could be saved each year with effective refrigeration³</p>
<p><15% of perishable foods are protected by an effective cold chain in developing countries³</p>	<p>~\$35B of annual biopharma losses associated with temperature excursions⁴</p>
<p>>\$1T lost annually by retailers due to supply chain inefficiencies⁵</p>	<p>>50% of all perishable food loss could be avoided by using cold chain technology⁶</p>

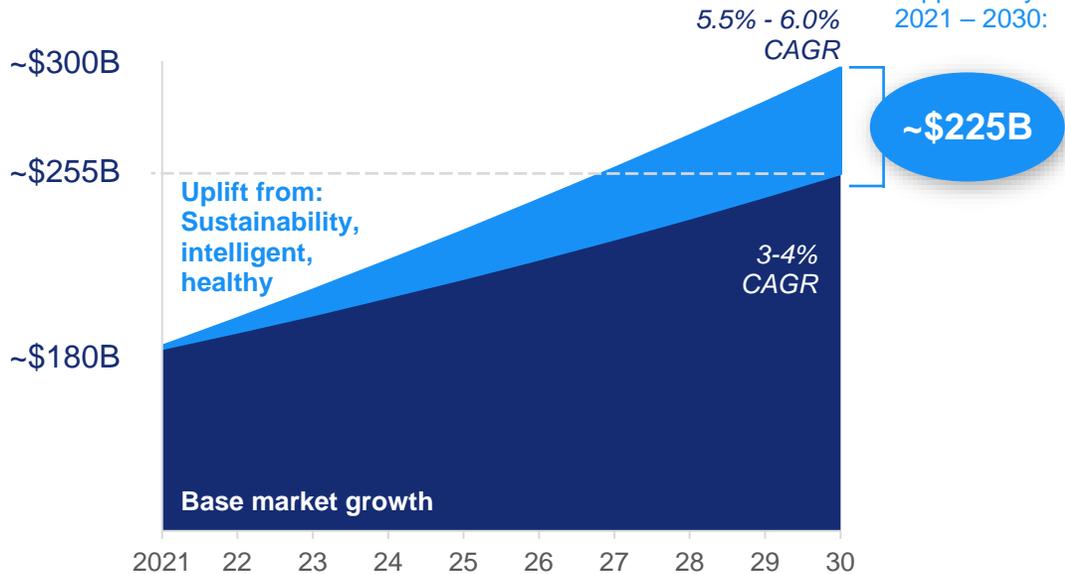


1. World Health Organization | 2. Worldwide Fund for Nature | 3. International Institute of Refrigeration
 4. International Air Transport Association | 5. IHL Group | 6. United Nations FAO

GLOBAL MARKET GROWING AS A RESULT OF RECENT SECULAR TAILWINDS

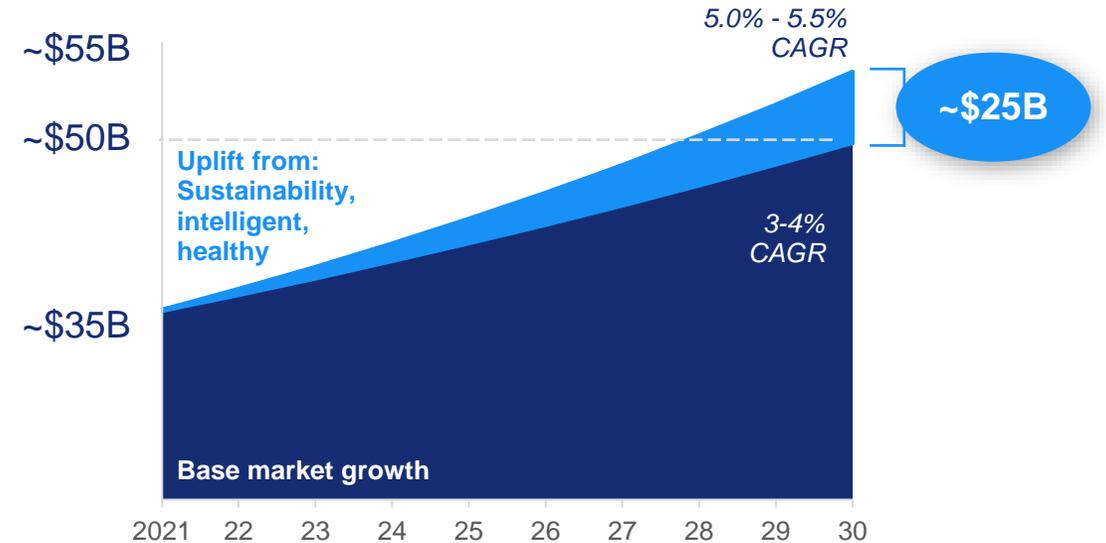
GROWTH IN BUILDING SOLUTIONS MARKET ¹

Annual total addressable market



GROWTH IN COLD CHAIN SOLUTIONS MARKET ¹

Annual total addressable market



Incremental market opportunity of ~\$250B through 2030

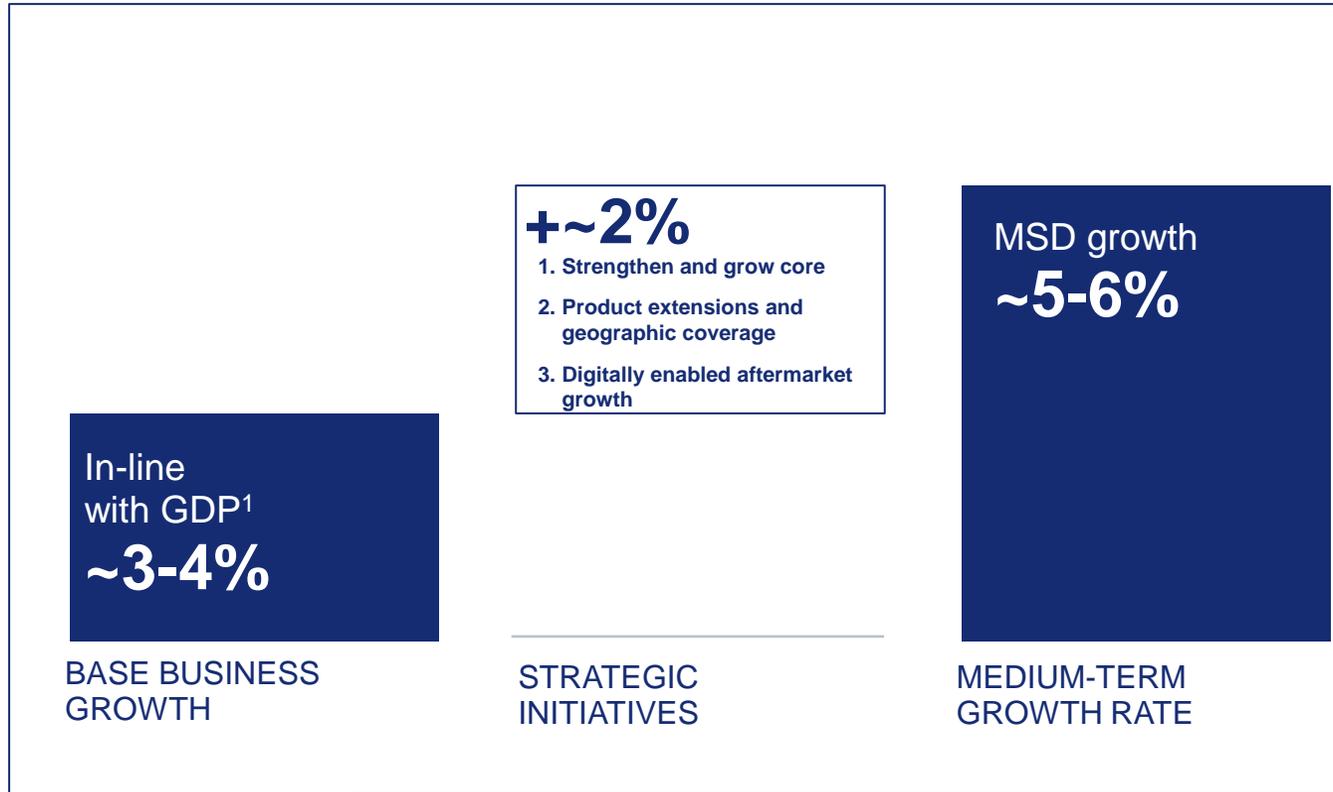


1. Internal estimates

STRONG ORGANIC GROWTH

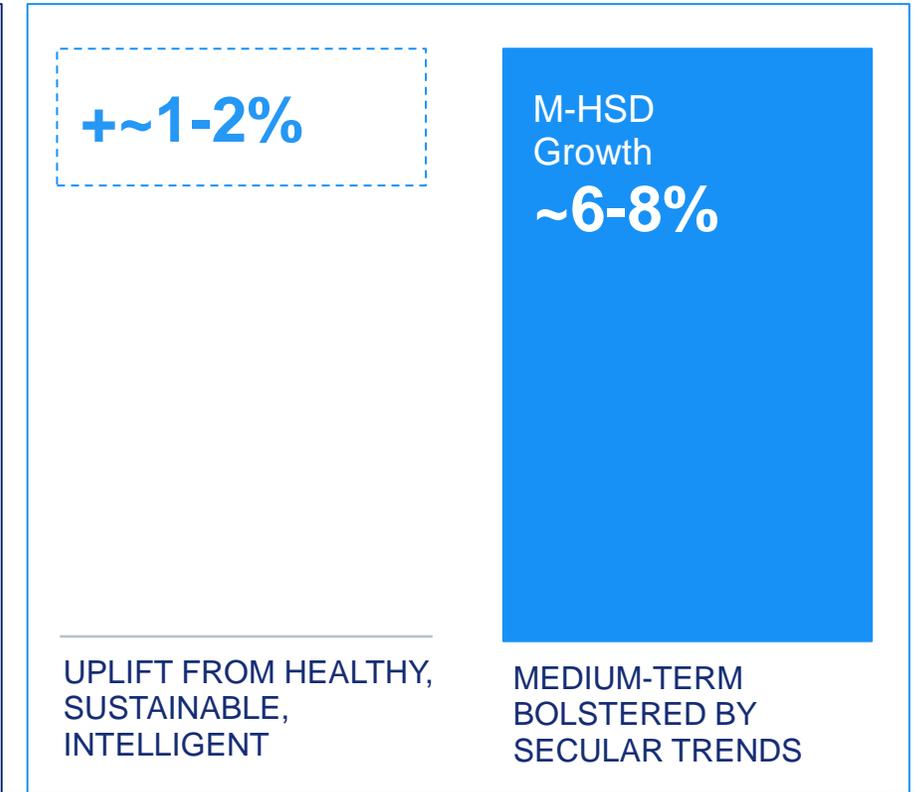
FEBRUARY 2020 ANALYST DAY

STRATEGIC INITIATIVES TO OUTGROW
BASE MARKET



FEBRUARY 2022 ANALYST DAY

CARRIER POSITIONED TO CAPTURE
SHARE OF EXPANDED TAM



 **Increasing secular tailwinds bolster organic growth**



DIFFERENTIATION

STRATEGIC INITIATIVES TO OUTGROW BASE MARKET

Unmatched installed base



330K
Commercial HVAC



33M
Residential HVAC



1.8M
Refrigeration equipment



90M+¹
Fire and security

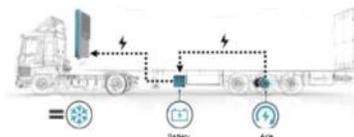
Globally recognized iconic brands and extensive sales and service channels



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

SUSTAINABILITY
as a service

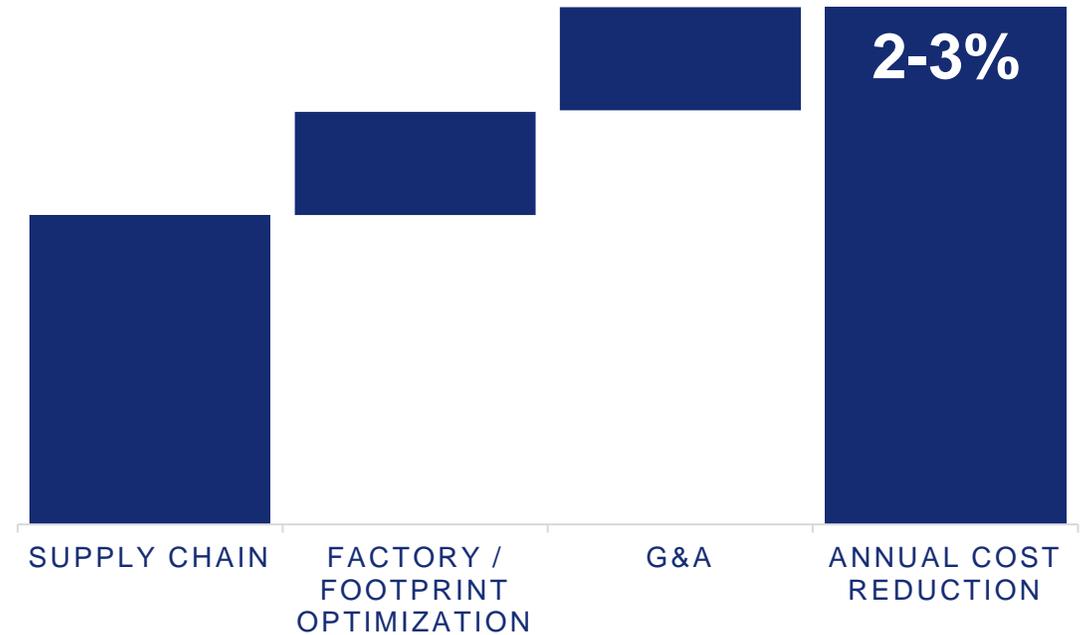
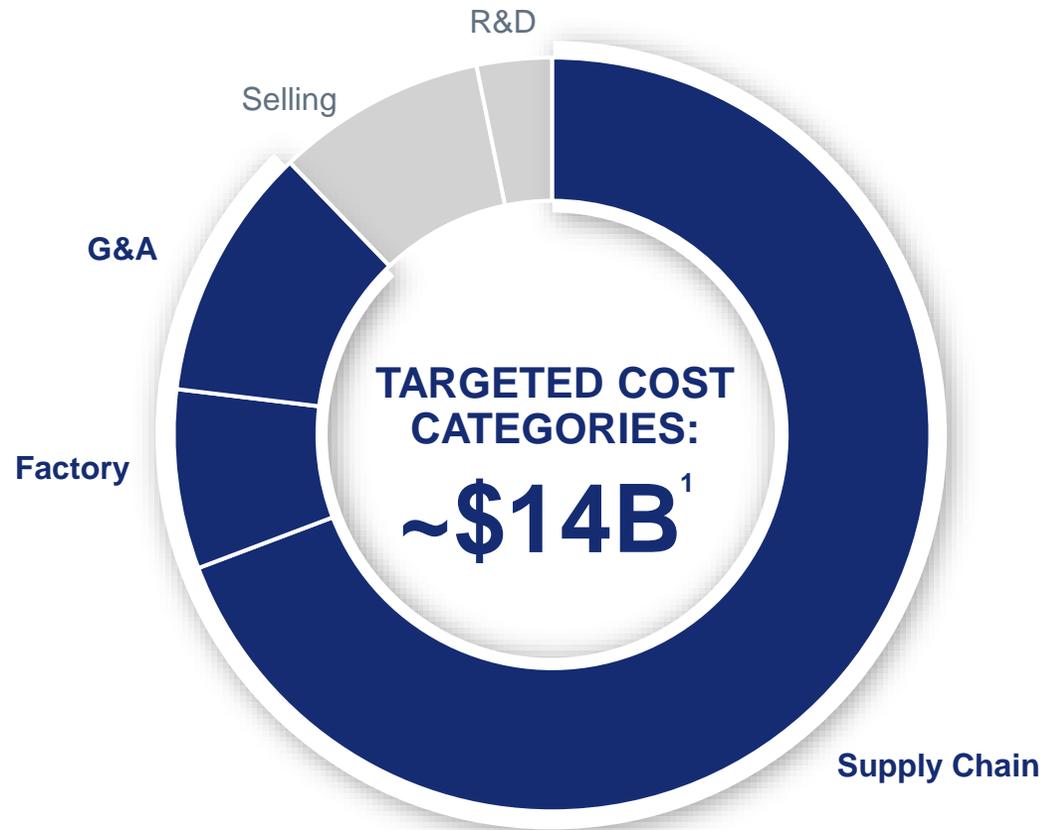
COOLING
as a service



1. See footnote on slide 45

ACCELERATED COST TRANSFORMATION

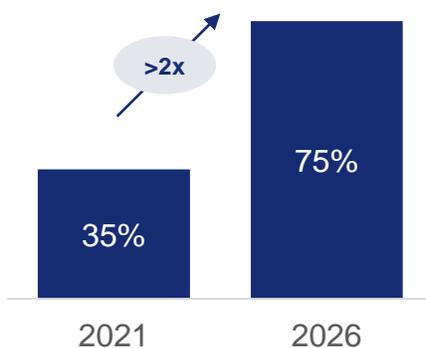
SUSTAINED 2-3% YoY GROSS PRODUCTIVITY



1. 2021 excluding Chubb

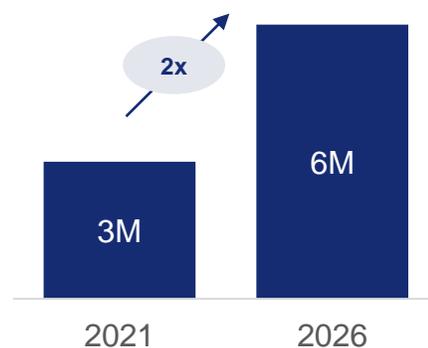
OPERATIONAL EXCELLENCE

SUPPLY CHAIN



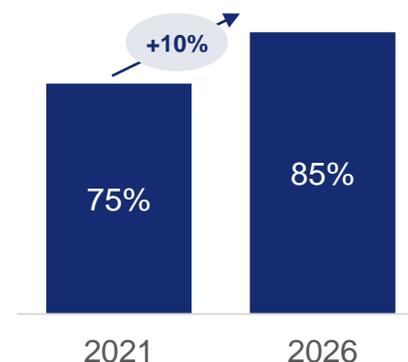
Critical component dual sourcing

FACTORY



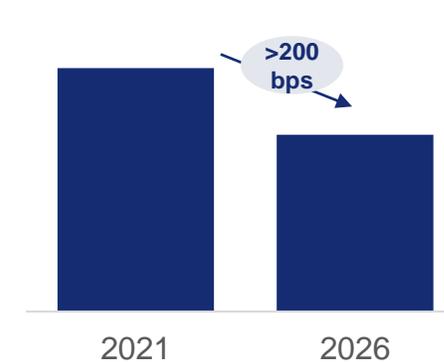
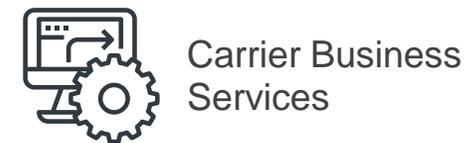
Automation hours

FOOTPRINT OPTIMIZATION



Low cost hours

G&A



G&A as % of sales

>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

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

ACCOMPLISHMENTS

Acquisitions

TOSHIBA¹  **Nlyte** **CAVIUS**
Carrier

 **GIWEE 积微**  **BROKERBAY**

Divestitures

Chubb **BEIJER REF**

 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 FRAMEWORK¹

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

**Proud of our accomplishments thus far...
and we have tremendous opportunity ahead**



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SUSTAINABILITY SOLUTIONS

Jennifer Anderson



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

TOSHIBA
Carrier



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



7.6%

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



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.



SUSTAINABLE SOLUTIONS FRAMEWORK

Enable

efficiencies through sustainable solutions



Design
Lead with
design and
assessment
expertise

Deliver
recurring value
via service and
reporting

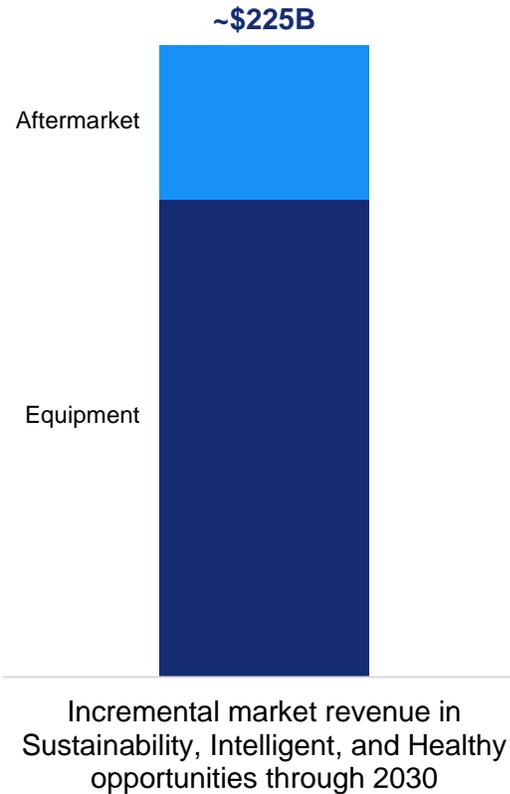


Monetizing opportunities across the lifecycle



FUTURE OF SUSTAINABLE BUILDINGS

MARKET OPPORTUNITY



SOLUTIONS OPPORTUNITY



Sustainability consulting and master planning



Electrification and heat pumps



Service with continuous, remote monitoring



Energy efficient HVAC solutions



Building Management Systems

CARRIER'S LEADERSHIP

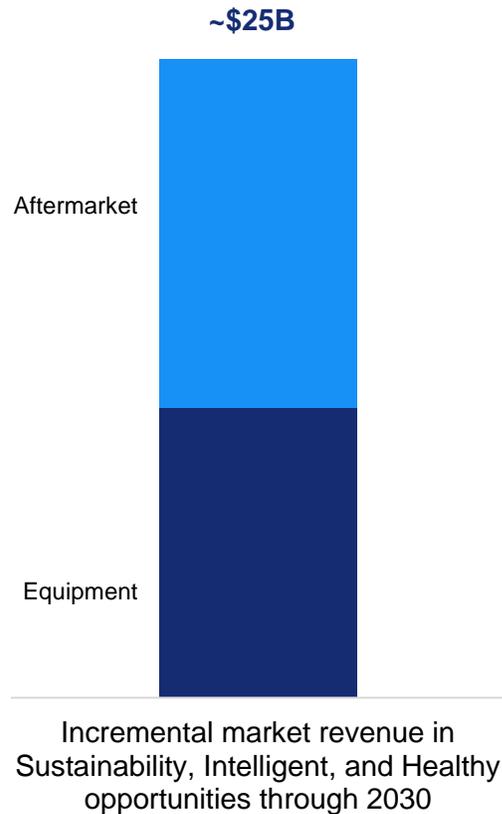
- **Founding company #1** of the U.S. Green Building Council® (USGBC)
- **Founding member** of the International WELL Building Institute™
- **> 200M sq ft of building space certified** under LEED for customers in China – **EMSI**
- **First to announce worldwide phaseout of CFCs**, 16 years ahead of the 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.

FUTURE OF SUSTAINABLE COLD CHAIN

MARKET OPPORTUNITY



SOLUTIONS OPPORTUNITY



End to end supply chain visibility



Engineless and electrified TRUs



Reefer management and maintenance



Cold chain adoption in emerging markets



Lower GWP and natural refrigerants

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**

GOOD FOR THE PLANET AND GOOD FOR CUSTOMERS

Product	Planet	Customer
	Annual GHG Savings	Annual Operational Savings
 <p>Vector eCool¹ <i>All electric TRU</i></p>	65%	75%
 <p>PowerCO₂OL¹ <i>Commercial refrigeration</i></p>	77%	30%
 <p>AquaEdge® 19DV² <i>Water-cooled chiller</i></p>	62%	40%
 <p>Infinity® 26 Air Conditioner with Greenspeed® Intelligence² <i>Residential air conditioner</i></p>	38%	28%
 <p>AquaSnap® 30RB/RQ² <i>Air-cooled chiller / heat pump</i></p>	40%	8%

Carrier's gigaton goal is equivalent to avoiding the annual emissions of Japan



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

HELPING OUR CUSTOMERS REACH THEIR SUSTAINABILITY GOALS

Home Depot

- Technology implementation and process transformation
- Energy and maintenance management via predictive insights and proactive remote support



ABOUND

City of London

- Innovative district heating and cooling plant in the City of London
- Three Carrier high-efficiency geothermal heat pumps extract heat from underground and capture waste heat



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

TOSHIBA
Carrier

GIWEE 积微

CARRIER VENTURES

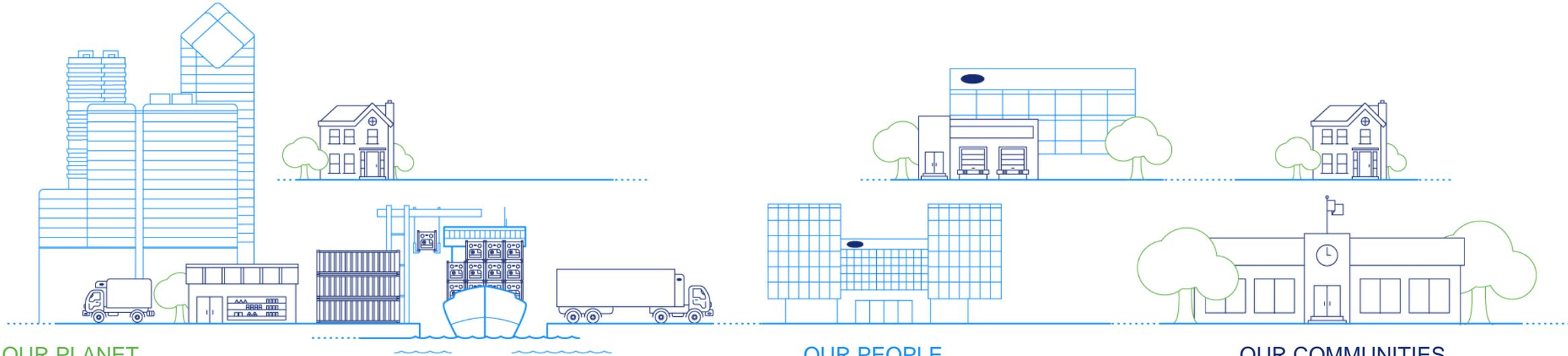
Mission:

Invest in companies with sustainable innovations and disruptive technologies enabling the future of building and cold chain management systems

 OhmConnect

ADDVOLT

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.



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.

OUR PEOPLE



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



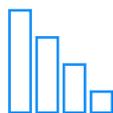
1st

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



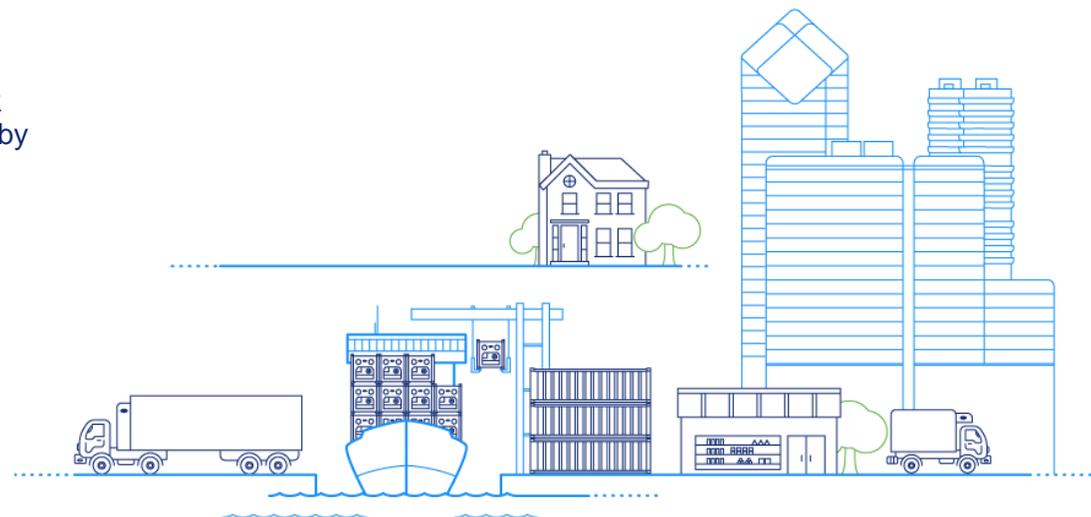
88%

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

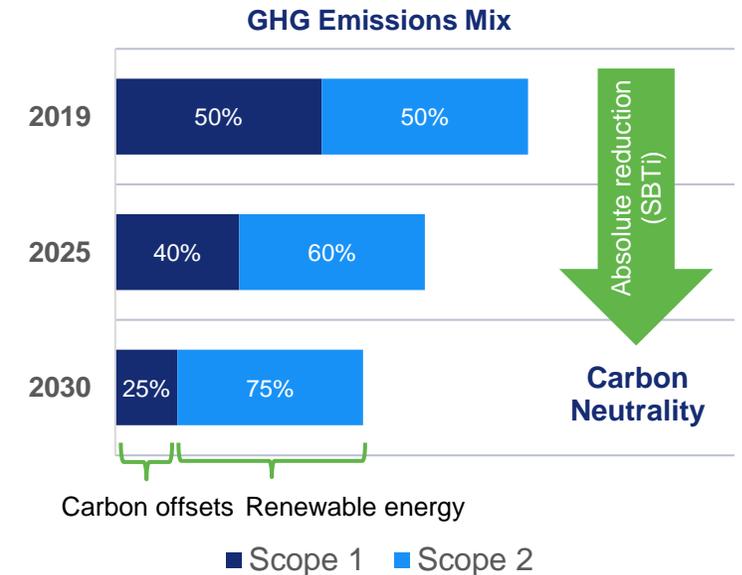
Unabated Scope 1 emissions

On-site fuel use and refrigerants

Sequester remaining emissions

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

Scope 1 & 2 Emissions: Path to Zero



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

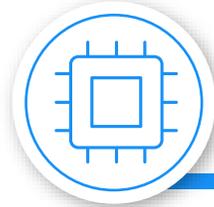
Founding member of
International WELL Building Institute

Founding member of
Global Food Cold Chain Council

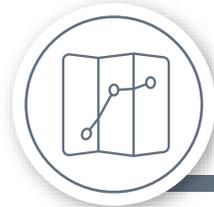
...WE ARE
ONLY AT THE
BEGINNING
OF OUR
JOURNEY



**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**



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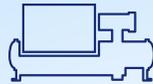
DIGITAL

Bobby George



WHY CARRIER DIGITAL

DOMAIN EXPERTISE



Physical Products



Digital Products



Connected Service

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



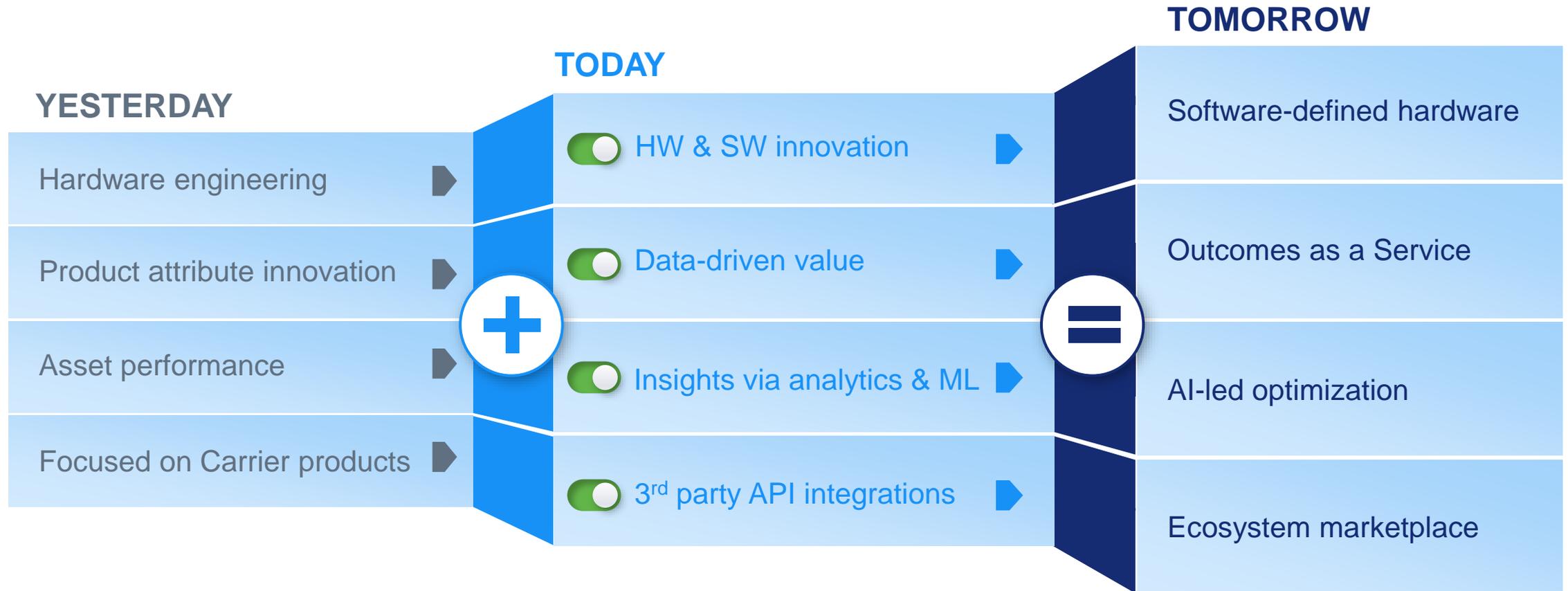
Zero Day Onboarding



Time-to-value

Hardware innovation and digital and open platforms creates differentiated value

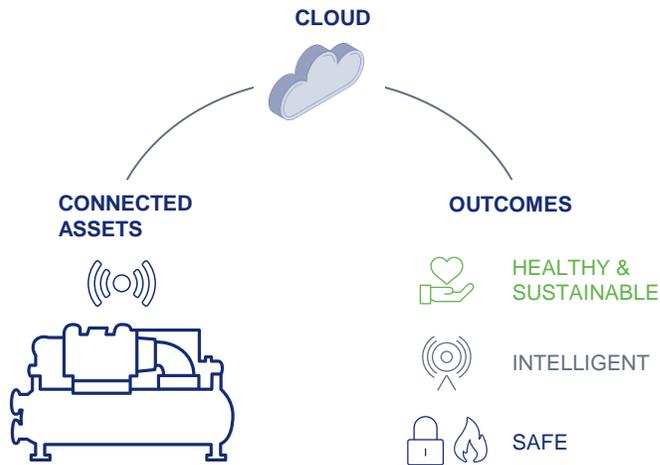
EVOLUTION OF DIGITALLY-ENABLED INNOVATION



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

CARRIER DIGITAL STRATEGY

Connect our installed base



Leveraging cloud connectivity to drive customer outcomes

Modernize legacy software for cloud



Launch new platforms, products and services



Partnership Ecosystem



TAM
 Customer intimacy
 Service efficiency
 Recurring revenue
 Pull-through revenue



CONNECT OUR INSTALLED BASE

UNIFIED EDGE STRATEGY

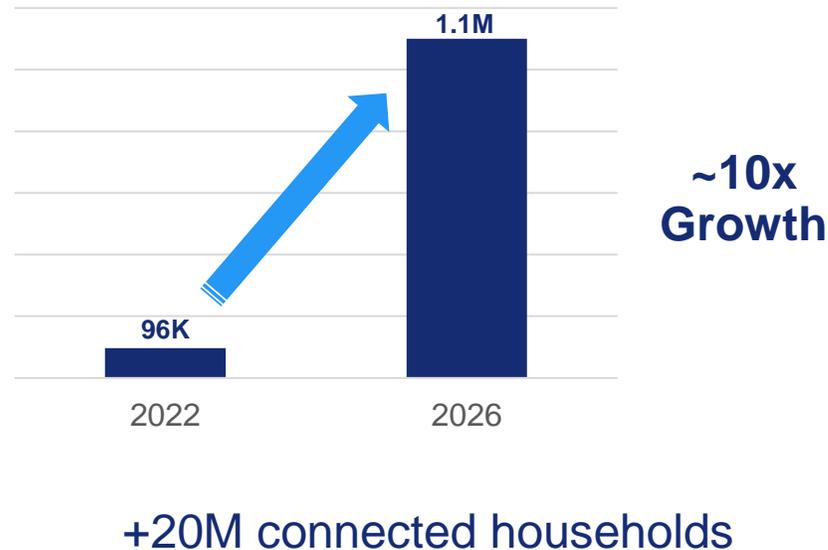
Edge Connectivity Types

- Telematics
- Edge device
- Embedded edge

Key Features

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

CONNECTED INSTALLED BASE: NON-RESIDENTIAL PRODUCTS



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

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

THE CLOUD-BASED PLATFORM FOR HEALTHY, SAFE AND SUSTAINABLE BUILDINGS

ABOUND

Key Benefits

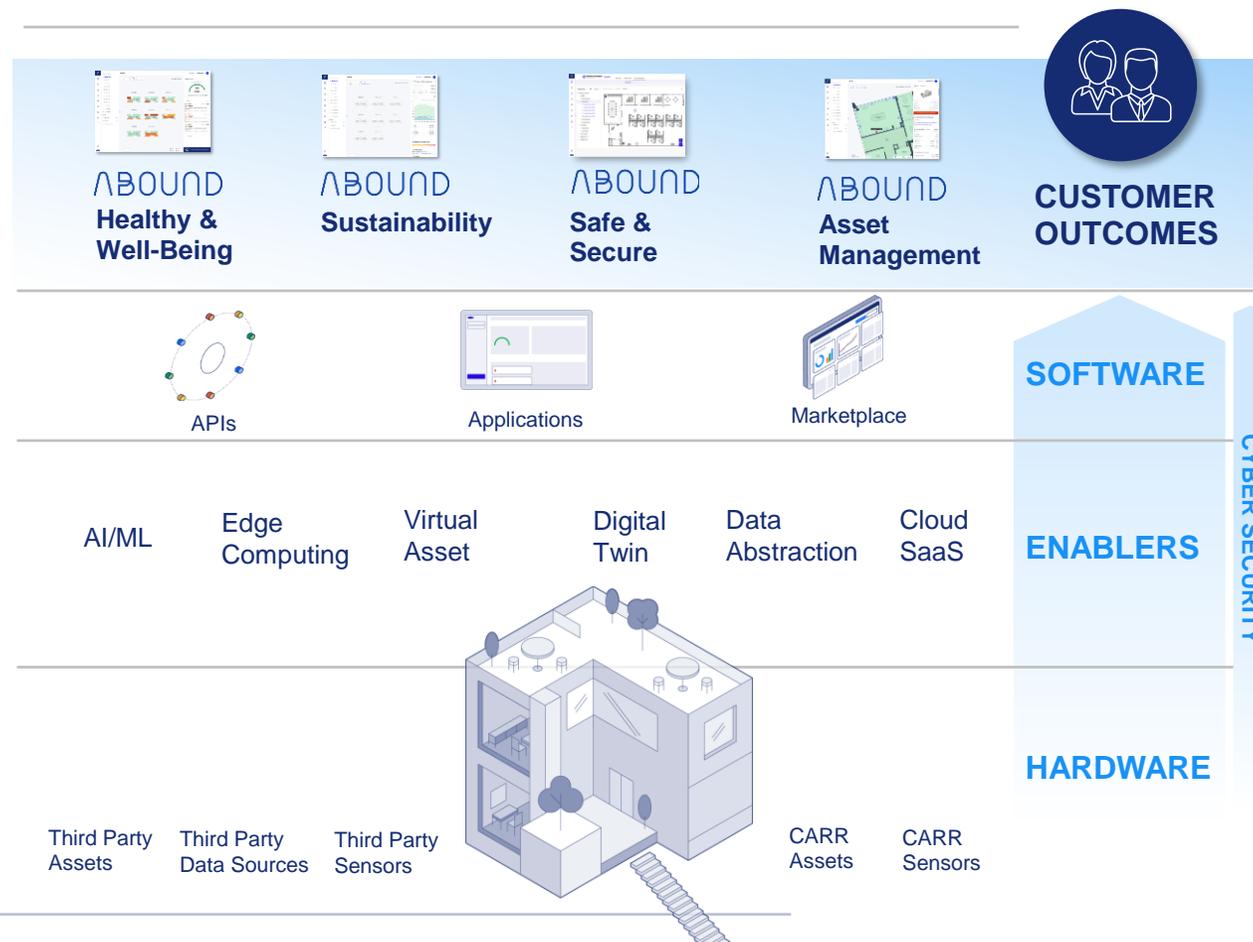
- Cross-system insights
- Performance optimization
- Advanced analytics

Differentiation

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

Monetization

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



ACTIONABLE INTELLIGENCE ACROSS THE CONNECTED COLD CHAIN



Key Benefits

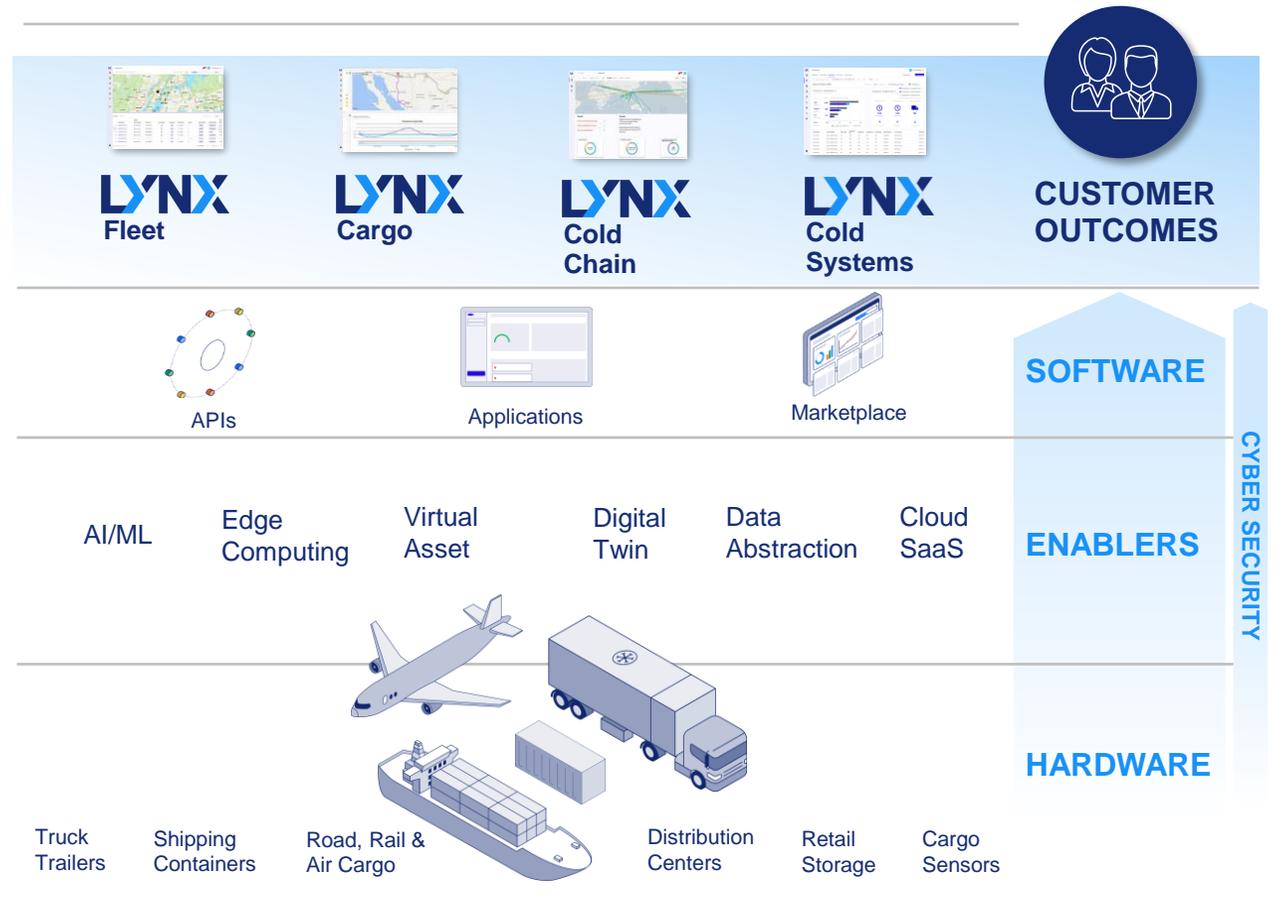
- Reduce food & medicine loss
- Optimize supply chain logistics
- Increase resilience to disruption
- Enable sustainability

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



DIGITAL DRIVES INCREASED LIFECYCLE VALUE

1

Investments in **platforms + talent + partnerships**

2

Accelerated pace of innovation via software defined hardware

3

Greater customer intimacy driving lifecycle services

4

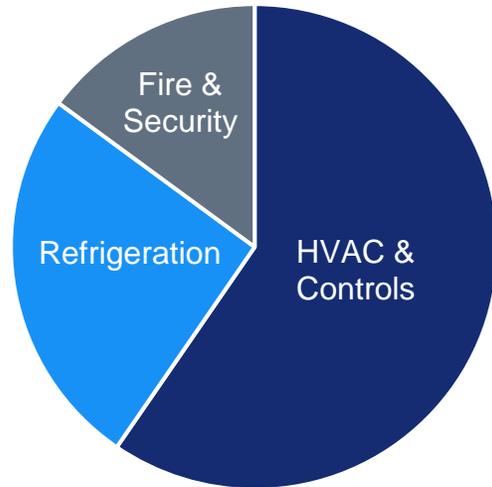
Increased TAM's, **recurring revenue & margin accretive**

5

Critical to accelerate transition to smart buildings and connected cold chains

WHY CARRIER AFTERMARKET

2021 SALES (~\$4.5B¹)



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

<u>PRODUCT FAMILY</u>	<u>INSTALLED BASE</u> (units)	<u>POTENTIAL LIFECYCLE VALUE</u> (multiple of equipment sale)
Commercial HVAC	 330K	~5-10x ¹
Light Commercial HVAC	 2M	~1-3x
Residential HVAC	 33M	~0.5-1x
Refrigeration Equipment	 1.8M	~0.5-1.5x ¹
Fire & Security	 90M+ ²	~0.5-5x ¹

Large installed base paving the way for substantial lifecycle value

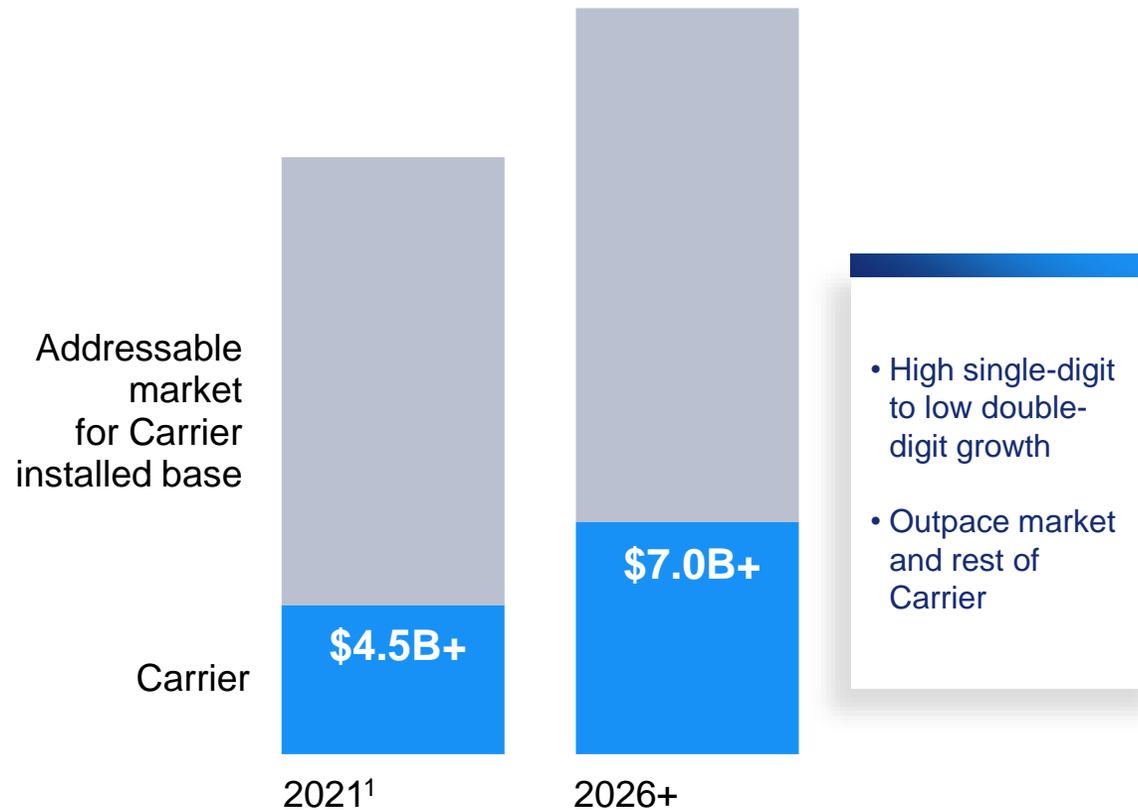


1. Upper range includes healthy, safe, sustainable & intelligent pull-through; Fire & Security potential lifecycle value of commercial and industrial systems only

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



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

LIFECYCLE SOLUTIONS APPROACH

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

Parts

Service coverage

Full connectivity

Healthy, safe, sustainable

70+ Net Promoter Score



Proven aftermarket growth playbook



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



30K BluEdge service agreements since mid-2020 launch



Doubled subscriptions in last 12 months



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

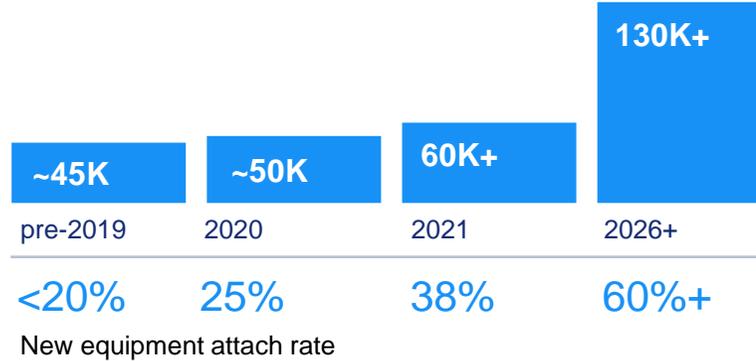
AFTERMARKET GROWTH DRIVERS

Strong focus on recurring revenue models and momentum in Healthy Buildings



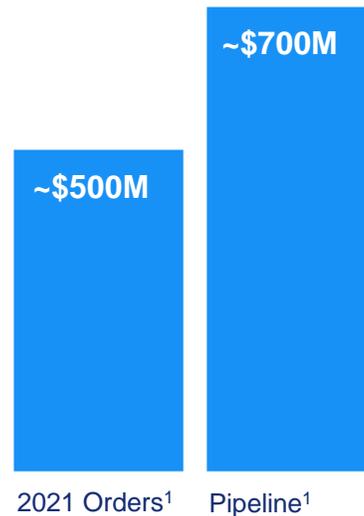
SERVICE COVERAGE

Chillers Under Contract



- 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



Differentiation

- Products and Solutions**
- Multi-tier Assessments
 - Differentiated Products
 - Cloud-based Solutions
- Packaged Offerings**
- Assessments
 - Ventilation
 - Filtration
 - UV
 - Touchless
 - Abound

Go-to-market

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

\$190B+ in U.S. government funds for K-12

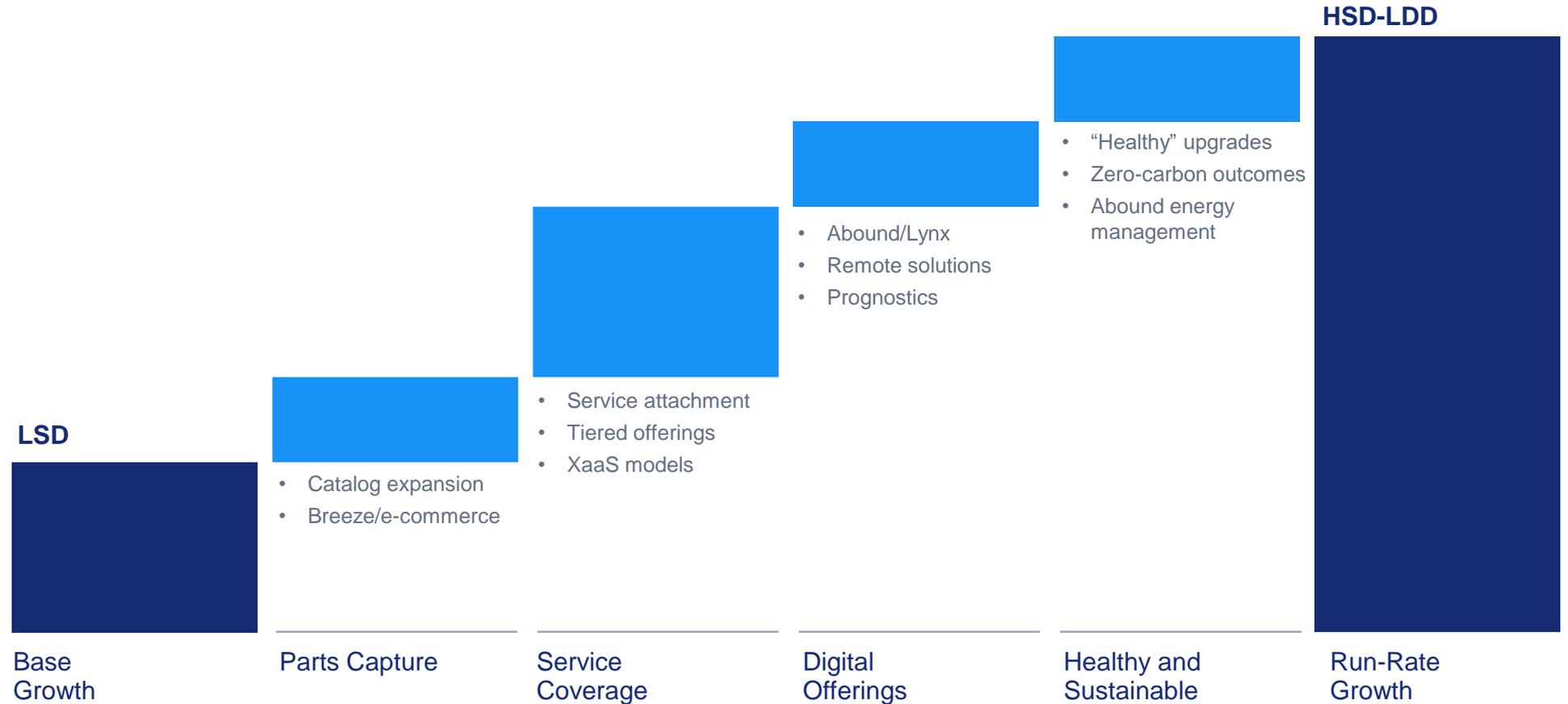
Research and Partnerships



100%+ increase in cognitive function

1. Includes both equipment and aftermarket

CARRIER AFTERMARKET GROWTH FORMULA



EXAMPLE: ABOUND IN ACTION

INTELLIGENT BACKBONE

CORTIX

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



FROST
&
SULLIVAN

- Overall IoT Company of the Year
- Best Predictive Analytics Platform
- Global Customer Value Leadership

REMOTE ENERGY MANAGEMENT

Managed Assets



Managed Sq Ft



APAC Command Center - Bengaluru



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

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



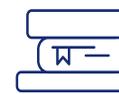
Attractive business

- 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

FEB 22,
2022

INVESTOR DAY

HVAC

Chris Nelson



WHY CARRIER HVAC

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**



HVAC OVERVIEW

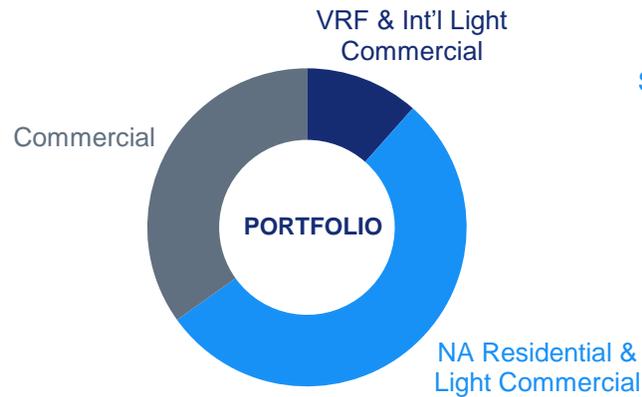


2021 RESULTS¹

\$11.4B
NET SALES

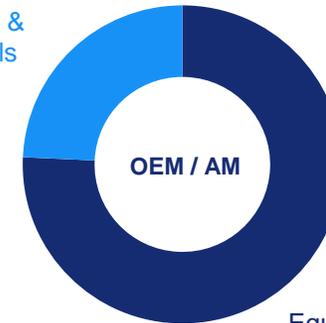


15.6%
ADJ. OPERATING
MARGIN* %



WHAT WE DO

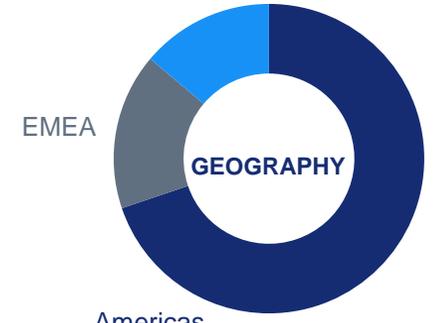
Service & Controls



Asia Pac

EMEA

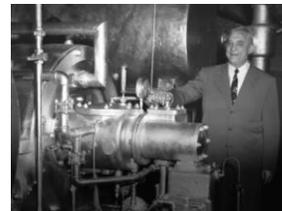
Americas



MARKET POSITION

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

DIFFERENTIATION



Founder of HVAC



Strong brand synonymous with innovation



Global operations and footprint



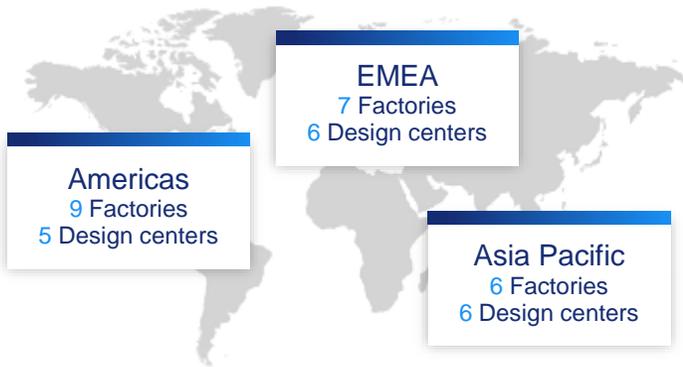
Strong go-to-market with local presence



* See appendix for additional information regarding non-GAAP measures
1. Financial data excludes Toshiba Carrier acquisition

A TRUE GLOBAL LEADER

Manufacturing and Design



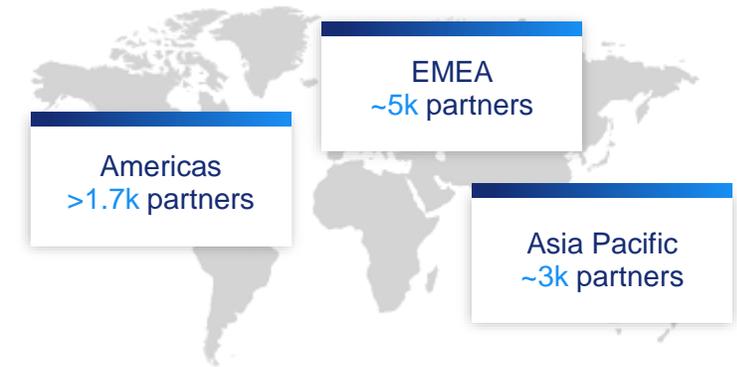
~1,700 engineers
~9,500 manufacturing
~50% low cost

Service Footprint



700+ service locations
spanning 40+ countries

Channel



~10,000 channel partners

Global brand



Global reach



SINCE SPIN: COMMITMENTS MADE AND KEPT

Strengthen and Grow Core



Invest in sales force



Right products

Increase Product Extensions and Geographic Coverage



Rapidly grow VRF



Expand in Asia

Grow Aftermarket and Controls



Accelerate service growth



Digital offering

INVESTMENTS HAVE DRIVEN RESULTS

(2021 VPY)

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

SHARE GROWTH



N.A. residential
and light commercial



Global applied
solutions

NEW GROWTH AREAS



VRF sales were up ~2x
including M&A



>30% organic* growth in
China

AFTERMARKET & CONTROLS



Chillers under contract
>60k



High-teens controls growth

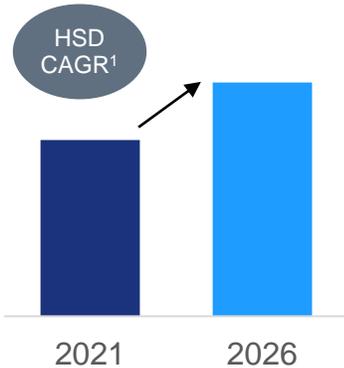


*See appendix for additional information regarding non-GAAP measures

TCC: TRANSFORMATIONAL DEAL IN VRF

Strategic Rationale

1 Fast growing VRF segment



2 Differentiated technologies

- ✓ Electrification and sustainability
- ✓ Efficient heat pump technology
- ✓ Leading VRF and inverter technology

3 Complementary, cost-efficient footprint



- Toshiba manufacturing presence
- Carrier manufacturing presence

4 Iconic brand and complementary channel

TOSHIBA

- ✓ Complementary channel in China
- ✓ Enables multi-brand strategy



1. VRF Market size, internal estimate (2021)

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)

POSITIONED FOR SUCCESS AND ACCELERATED GROWTH

Foundation for Success

Right Products



AquaEdge®
19MV



Infinity 24
Heat Pump



TruVu
Controller

Aftermarket Momentum



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

Accelerated assessments, upgrades and retrofits, increased cooling load

Sustainable



40% Of greenhouse gas emissions are attributable to buildings

15% HVAC's contribution to the world's greenhouse gas emissions

Accelerated retrofits
Higher value sales



On track for MSD growth

1-2 points of incremental volume at attractive margins



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

Demand for increased air changes and improved ventilation

Drives capacity increases for cooling and humidity control

Sustainable



New high efficiency chiller

Stronger focus on high efficiency, variable speed operation

Mix shift to heat pumps (30% to 50%)

Leader in sustainable solutions



N.A. RESIDENTIAL AND LIGHT COMMERCIAL

Core Growth

Broadest Product Offering



Award-winning split systems



Comfortable & efficient furnaces



Innovative light commercial solutions

Win 2023



Advanced air management



High efficiency evaporator

Secular Trend Accelerators

Regulatory

Puron
ADVANCE™

Lower GWP
Refrigerant



Dedicated
Outdoor Air
Systems

Cold Climate
Heat Pump

Expanding broad portfolio
New technology

Indoor Air Quality



Pro-install



Direct-to-
consumer



OptiClean™
air scrubber

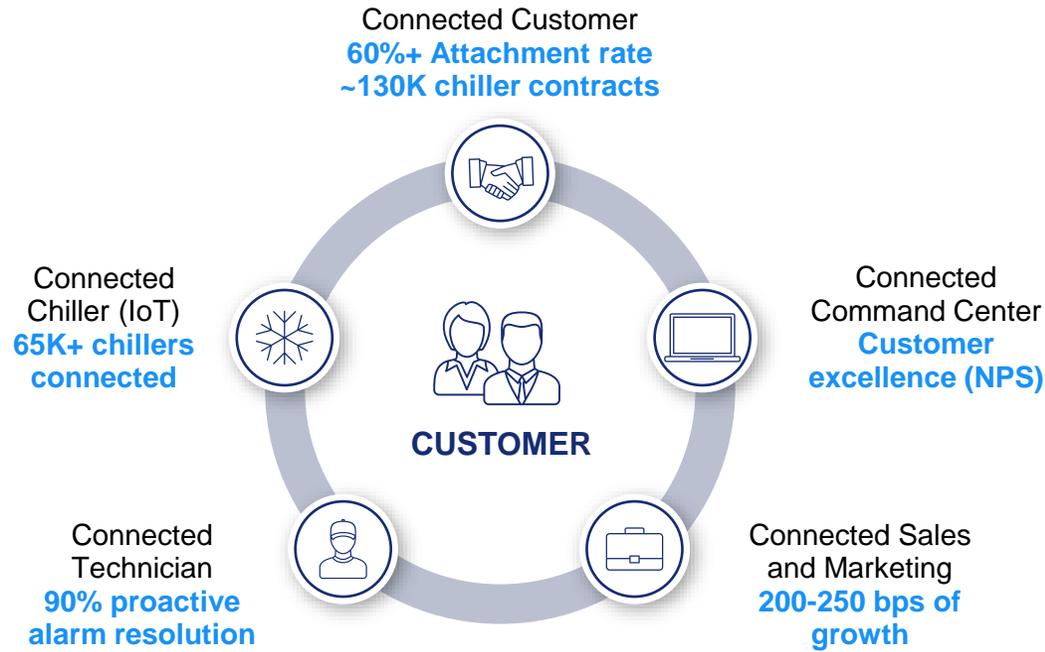
Accelerating growth
Smart, integrated systems

North America market leader with technology differentiation



AFTERMARKET

SMART Service 2026



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



Data Center Infrastructure Management Software



New Digital Enabled Controllers



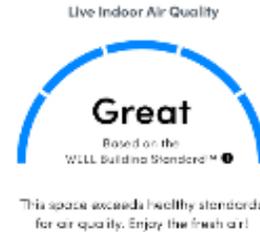
Leading technology

Field Footprint



Secular Trend Accelerators

ABOUND **HEALTHY**



Continuous air monitoring and occupant engagement
Differentiated smart spaces to attract tenants

ABOUND **SUSTAINABLE**

Over 750M sq ft
Energy management

0.5B kWh
Saved for customers in 2021

Guaranteed energy savings
Energy monitoring and analytics
Greenhouse gas reporting

Differentiated digital offerings to drive best-in-class lifecycle solutions



DRIVING SUSTAINED MARGIN EXPANSION

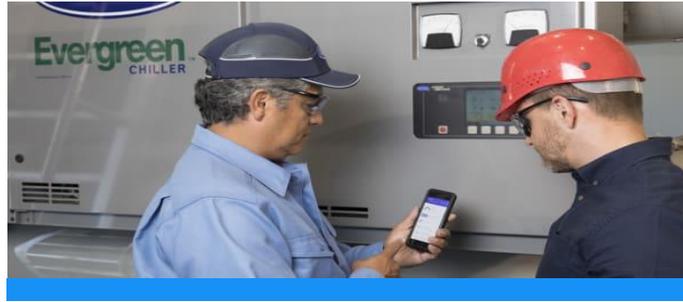
PRICE/COST



Price/Cost: At least neutral in 2022

Shifting away from copper reliance: ~25% reduction in copper volume starting in '23

AFTERMARKET



Aftermarket and controls mix: 30% over the medium term

Accretive margins: >10 pts higher than equipment

OPERATIONAL EXCELLENCE



High-cost vs. low-cost mix: Shift to ~70% low cost over the medium term

Supply chain resilience: Optimizing in-region sourcing needs to reduce risk and cost

Productivity and mix shift driving >50 bps margin expansion

WHY CARRIER HVAC

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**

FEB 22,
2022

INVESTOR DAY

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**



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**





FIRE & SECURITY OVERVIEW



2021 RESULTS¹

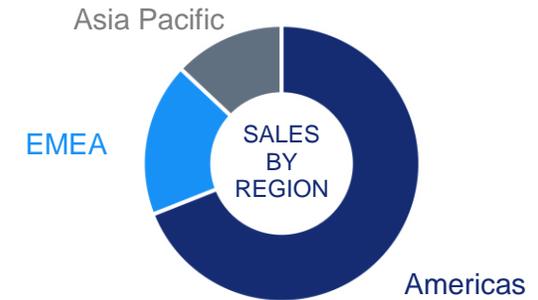
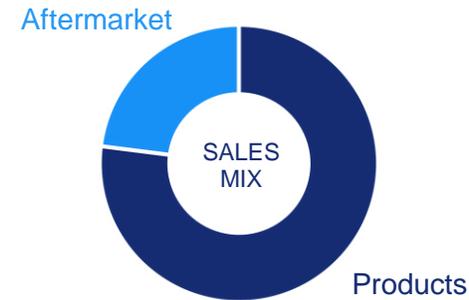
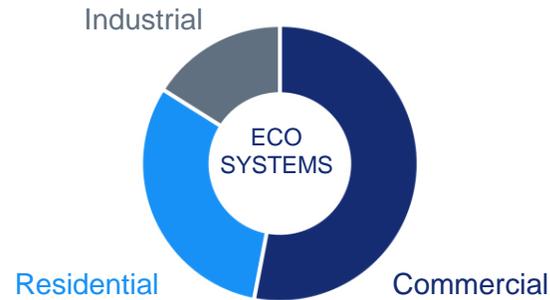
~\$3.4B
NET SALES



15.6%
ADJ. OPERATING
MARGIN* %



WHAT WE DO



FLAGSHIP BRANDS

FIRE



SECURITY



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

INDUSTRY LEADERSHIP

GLOBAL FIRE & SECURITY PRODUCTS	#1
RESIDENTIAL FIRE	#1
COMMERCIAL FIRE	#2
ACCESS SOFTWARE	#1
INDUSTRIAL FIRE	#1
NA REAL ESTATE ACCESS	#1
HOSPITALITY ELECTRONIC LOCKS	#2
WATER MIST SUPPRESSION	#1



Global leader in health & safety sensing technology and integrated digital solutions.



* 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

\$6B+

global under-protected residential fire safety market within 5 years

Increased regulatory push for fire protection

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

Increased occupant pull for indoor health & safety

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 demand for connected & seamless experience



DIFFERENTIATED POSITION

Total Addressable Market (TAM) in billions

FIRE

Carrier #1

TAM

\$11B



SECURITY

Carrier #2

TAM

\$8B



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

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

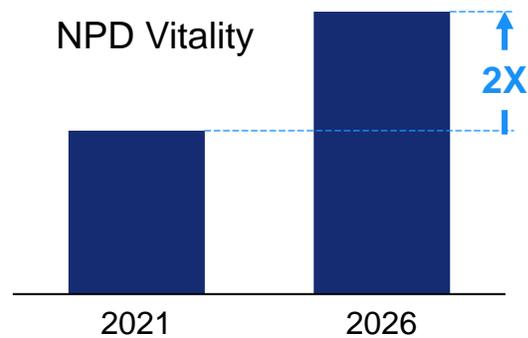
- Open platform web of partners
- Customer stickiness
- North America installed base

Significant growth opportunities and Carrier positioned to win

GROWTH STRATEGY

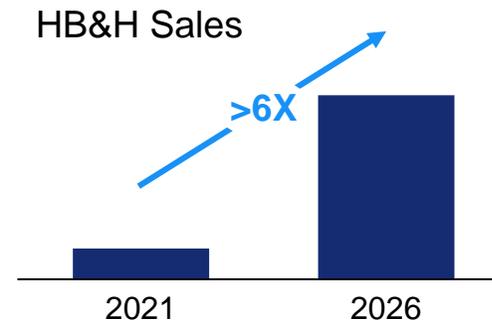
Carrier Growth Pillars

Grow Core with Innovation



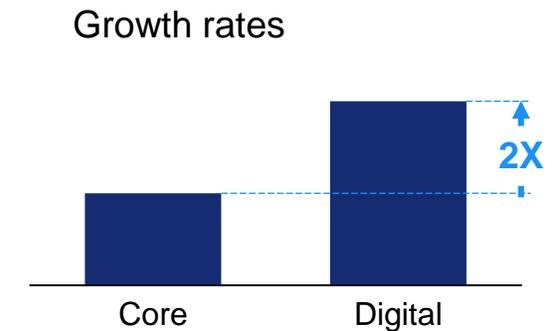
- ~ **60+** New Product Launches per year
- + ~**15%** Engineering HC in 2 years
- + ~**20%** patents registered over last 2 years

Grow in Adjacencies – Healthy Buildings & Homes



- Expand detection & mitigation (e.g., IAQ, gas, water leak)
- Integrating Carrier ecosystem with Abound and Carrier Cloud

Grow through Digital & Recurring Services



- ~ **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?



Growth Accelerators



Medium-term outlook:

~20M+ connected homes, increased share gains



1. US only; see footnote on slide 45

HEALTHY, SAFE, SUSTAINABLE & INTELLIGENT BUILDINGS (FIRE)

How are we winning today?



#2 Commercial Fire
 >700K BUILDINGS

Growth Accelerators

Pioneering Innovation Globally



1st to market with new standards

Healthy Buildings



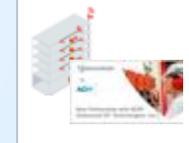
Wireless Fire Alarm



Indoor Air Quality



Intelligent Evacuation



Emergency responder communication enhancement

Expanded portfolio with IAQ and other close adjacencies

Expanded Lifecycle Services



Carrier Cloud



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



Near-field communication and expanded service capabilities with Apple partnership

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



Progress to date (2019-21)



875K → 1M agents

Unity

60M → 150M doors opened



3M+ → 4M+ connected devices

Immense 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

Building Platforms

Solutions (F&S only)

Outcomes

FIRE

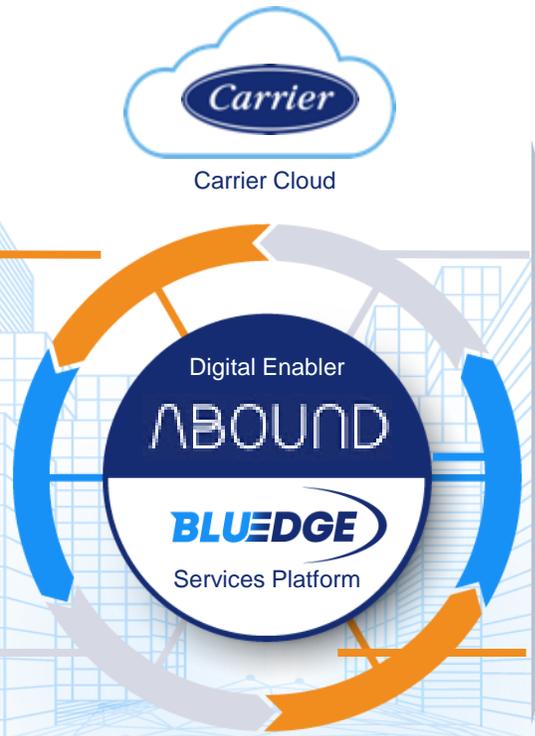
- Detection
- Panel/ Control
- Notification
- Evacuation

SECURITY

- Access control
- Unified security
- Mobile credentials
- Electronic locks

HVAC

- HVAC system
- Controls
- Condensers
- Chillers



- 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)

- 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**

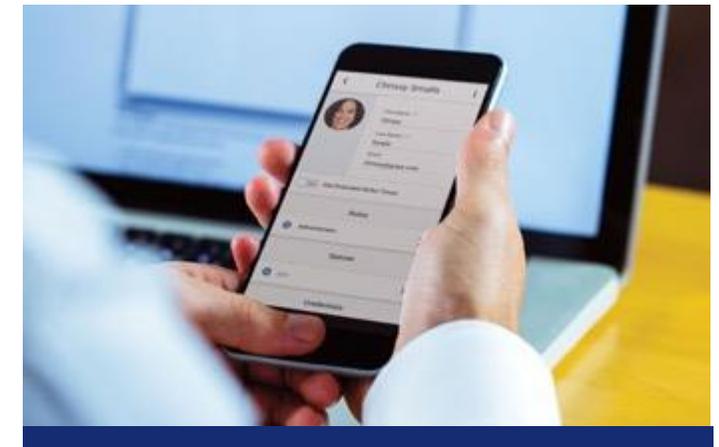
OPERATIONAL EXCELLENCE



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**



FEB 22,
2022

INVESTOR DAY

REFRIGERATION

Tim White



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

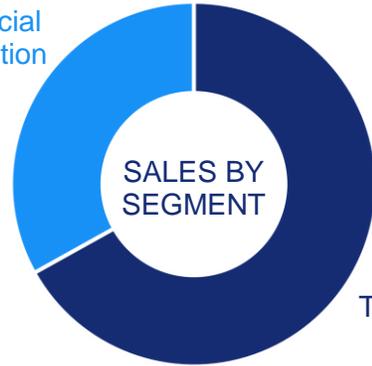


12.1%
ADJ. OPERATING
MARGIN* %



WHAT WE DO

Commercial
Refrigeration



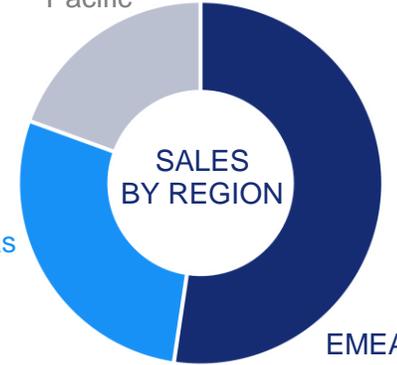
Transport

Aftermarket



Original
equipment

Asia
Pacific



Americas

EMEA

COMPREHENSIVE COLD CHAIN SOLUTIONS PORTFOLIO

CONTAINER	TRUCK / TRAILER	CARGO MONITORING	COMMERCIAL REFRIGERATION
 Container refrigeration  Controlled atmosphere	 Trailer refrigeration  Truck refrigeration	 Temperature monitoring  Cold chain visibility	 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 chain¹

~1B MT
CO₂ eq. emissions
annual from insufficient
cold chain³

~\$35B
Pharma loss
from temperature
excursions²

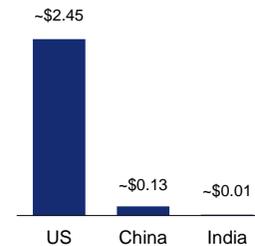
~100M MT
CO₂ eq. emissions
from global installed base
of trailer refrigeration units
over lifecycle⁴

EMERGING MARKETS

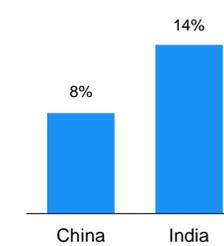
Cold chain infrastructure
development

Emerging market transport refrigeration
spend and growth outlook

Transport Refrigeration
Annual Spend per Capita⁵



Transport Refrigeration
CAGR Through 2030⁶

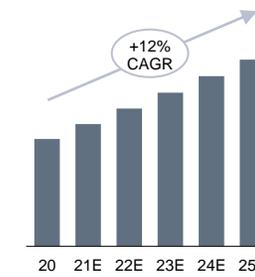


DIGITALIZATION

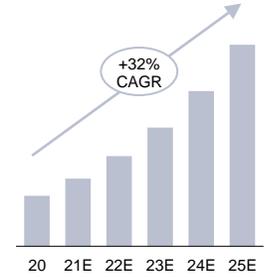
Increasing real-time data and
analytics

Installed base of active
cold chain tracking devices⁷

Trailer & Container
Connected Units



Real-Time Cargo
Monitoring Units



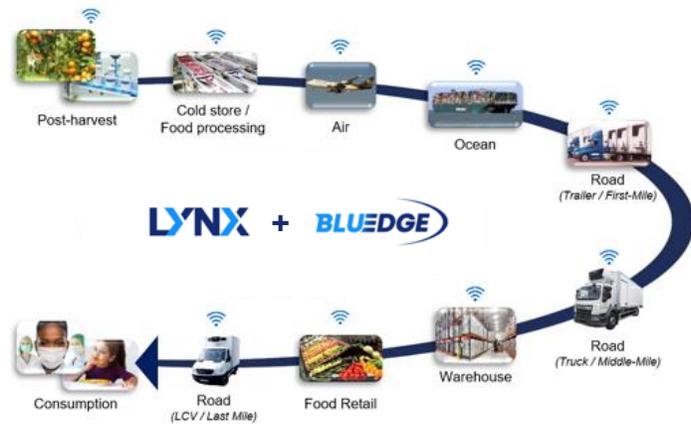
~\$35B annual addressable market growing MSD



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



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

Most Comprehensive & Differentiated



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

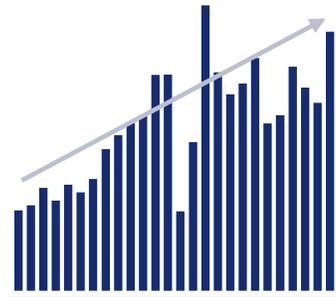


1,600+ dealers, distributors and service centers

TRANSPORT: REDUCING CYCLICALITY

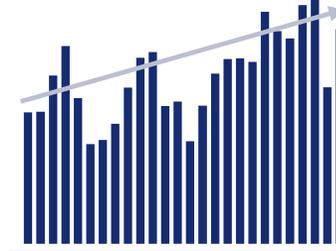
PROGRESSIVE GROWTH

Global refrigerated container unit sales



97 21
Source: Seabury; Drewry; IHS; Carrier Estimates

North America refrigerated trailer unit sales



97 21
Source: ACT; FTR; Carrier Estimates

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



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

ACCELERATORS

Three sources of sustained, stable growth



Aftermarket & Digital, recurring revenue

Parts, service agreements, digital software

+HSD to low DD growth

“Safe & Intelligent”



Emerging market acceleration

+Low DD growth

“Healthy & Sustainable”



Growth in sustainable transport solutions

Electrification, CARB compliant offerings

+DD growth

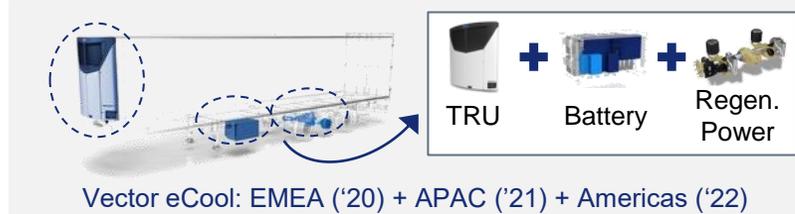
“Sustainable”

MSD to HSD growth in global transport business



eCool: ELECTRIC TRANSPORT REFRIGERATION

Trailer
Regional/long-haul



First to market /
Global leader

Truck
Middle-mile/city-to-city



Syberia eCool



New product launch

Industrial partnerships
in place

Light Commercial
Last-mile/inner city



Neos eCool



New product launch

ADDVOLT **CONMET**

Auxiliary Power Unit
Anti-idling/cabin comfort



ComfortPro eCool

100% electrified core
platforms in 2022

By 2030, >50% of unit sales will be electric¹



1. Carrier segment estimate of unit sales across all platforms

WINNING WITH CUSTOMERS: SUSTAINABILITY

FIRST AUTONOMOUS TRANSPORT ELECTRIC REFRIGERATION SYSTEM

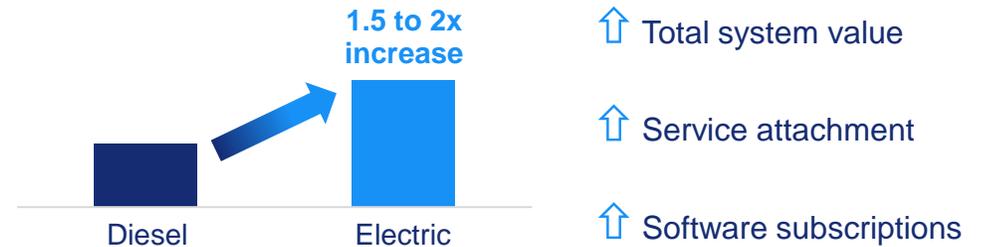


"We have always believed in electrical energy sources and are thrilled our collaboration with Carrier Transicold has meant we can offer our customers a truly zero-emission refrigerated trailer."



Units in operation globally across 10+ countries

LIFECYCLE REVENUE TO CARRIER



LIFECYCLE VALUE TO CUSTOMER

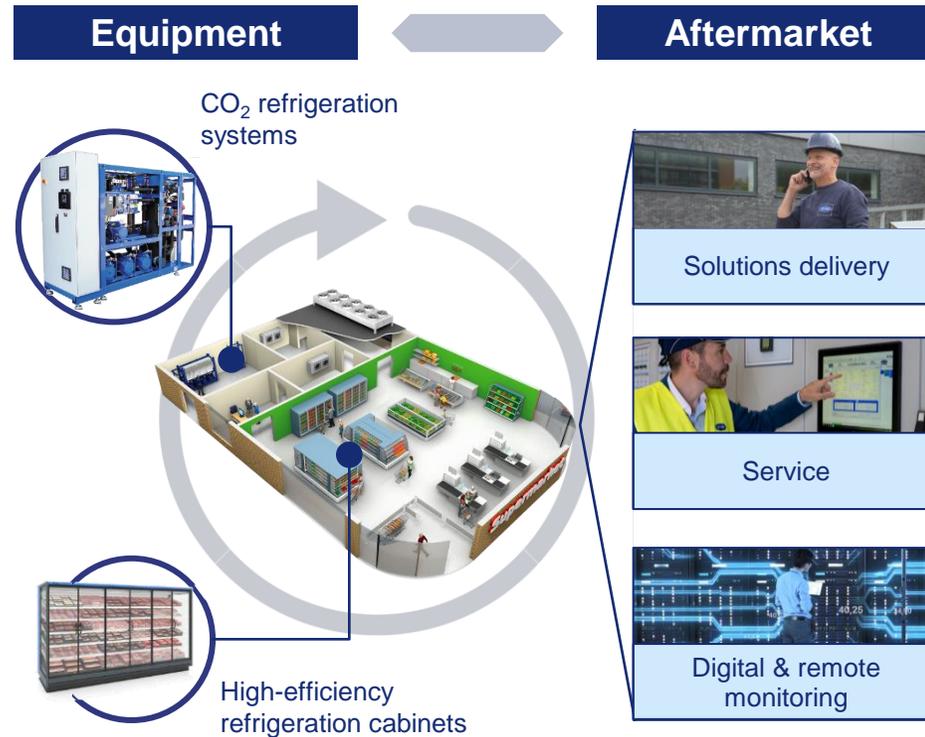
- ✓ Lifecycle cost savings
- ✓ Zero direct CO₂ emissions
- ✓ CARB + EU compliance



COMMERCIAL REFRIGERATION

FUNDAMENTALS

Turnkey stationary refrigeration solutions provide complete lifecycle coverage



ACCELERATORS



Natural refrigerant CO₂ systems
PowerCO₂OL racks

“Sustainable”



Warehouse refrigeration
Industrial systems

“Safe”



China growth
Wet market conversion and storage

“Healthy”

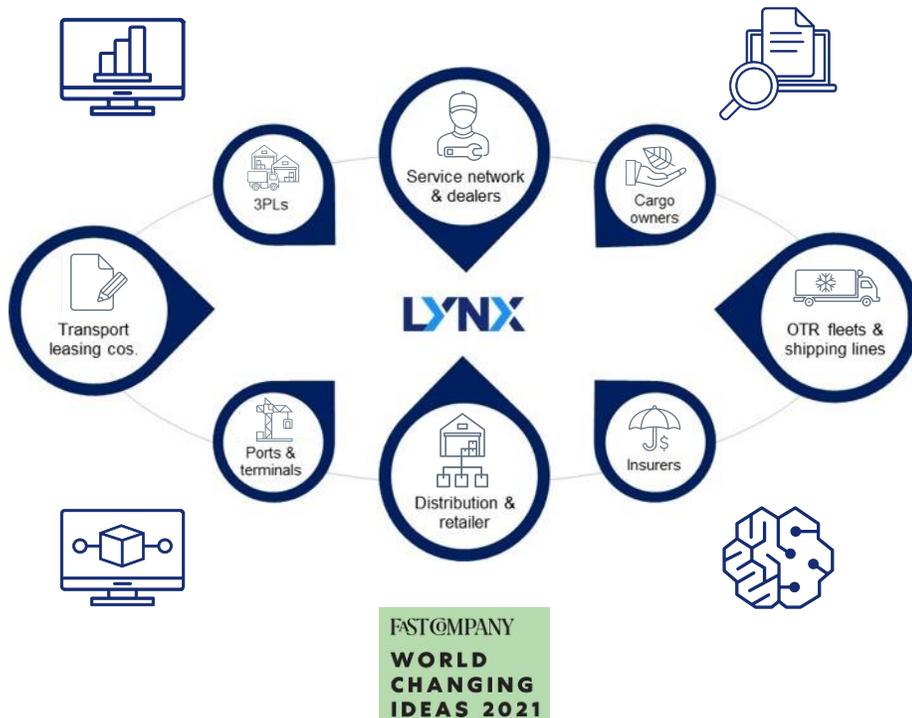
Forecasted growth; priority is annual margin expansion



DIGITAL SOLUTIONS

FUNDAMENTALS

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



ACCELERATORS

New Lynx products delivering value-added customer outcomes

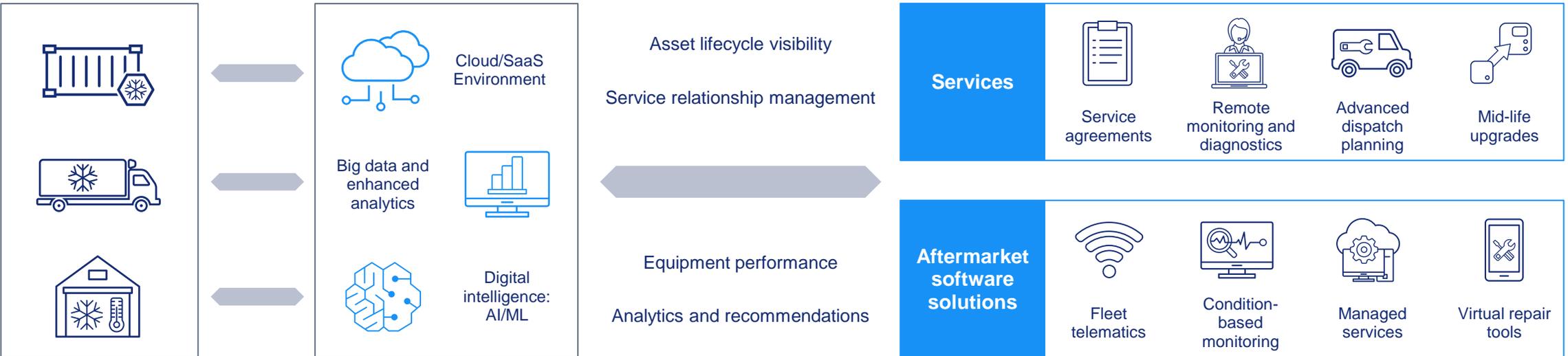
Lynx Fleet	Refrigerated road and shipping fleets	Equipment health and uptime	Operational savings	Energy and emissions reductions
Lynx Cargo	Cargo owners	Product safety and compliance	Visibility and traceability	Supply chain intelligence
Lynx Cold Systems	Commercial refrigeration equipment owners	Equipment health and uptime	Operational savings	Energy and emissions reductions
Lynx Cold Chain	Expandable applications for integrated cold chain	Cargo insurance solutions	Safety and quality certifications	

“Healthy, Safe, Sustainable & Intelligent”

Doubled digital subscriptions in 2021



AFTERMARKET



Reduced lifecycle costs

Compliance & loss reduction

Sustainability improvements

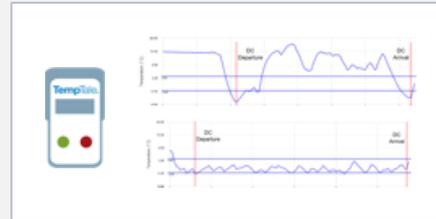
HSD to LDD growth in aftermarket / digital



WINNING WITH CUSTOMERS: INTELLIGENCE

ADDING INTELLIGENCE AND VALUE ACROSS THE COLD CHAIN

COLD CHAIN COMPLIANCE



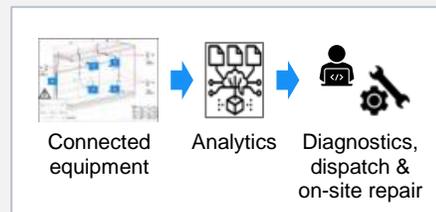
~60% improvement in food loss reduction for an international fast-food chain

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

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**

FEB 22,
2022

INVESTOR DAY

FINANCIAL UPDATE

Patrick Goris



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

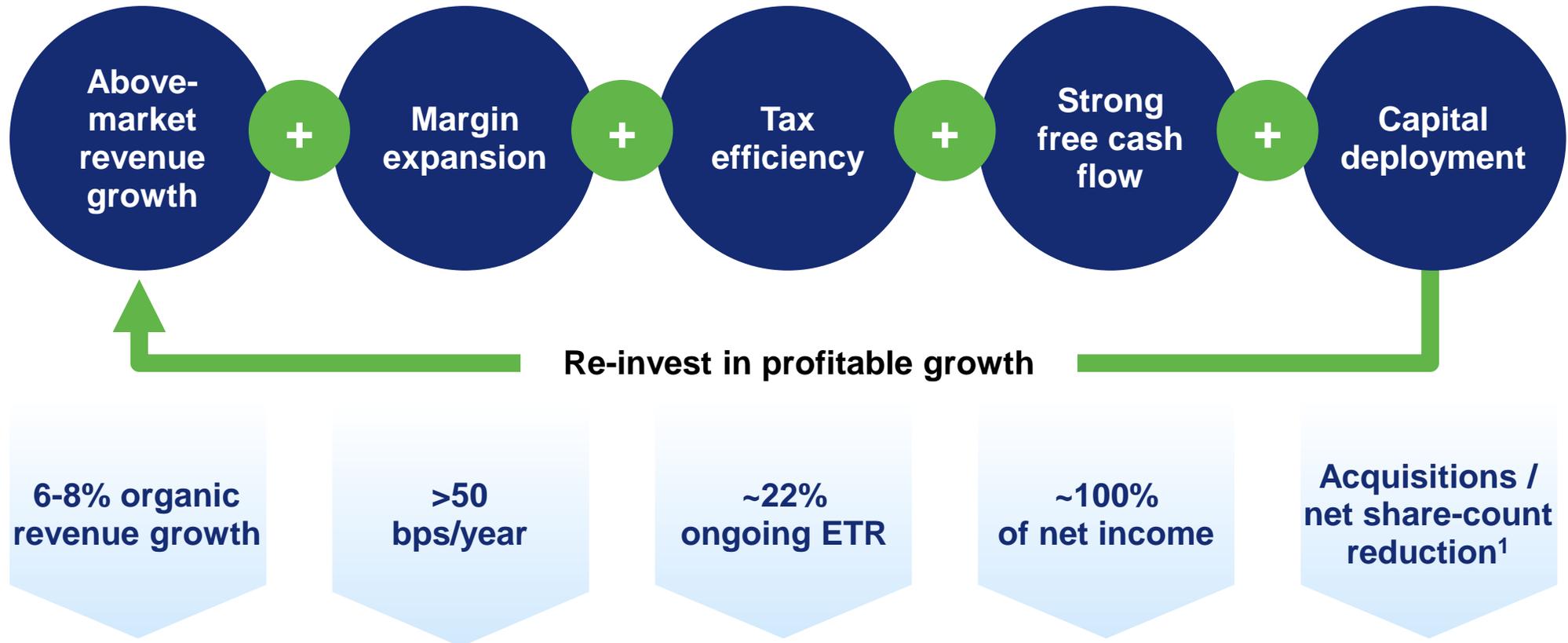
- Initiated dividend
- \$2B+ share repurchase authorization
- 266% TSR through 1/31/22 (vs. S&P 500 of 84%)
 - #1 – S&P Industrials
 - Top 5% – S&P 500

 ...and plenty of opportunity ahead



* See appendix for additional information regarding non-GAAP measures

VALUE CREATION FRAMEWORK



Double-digit adjusted EPS growth through the cycle

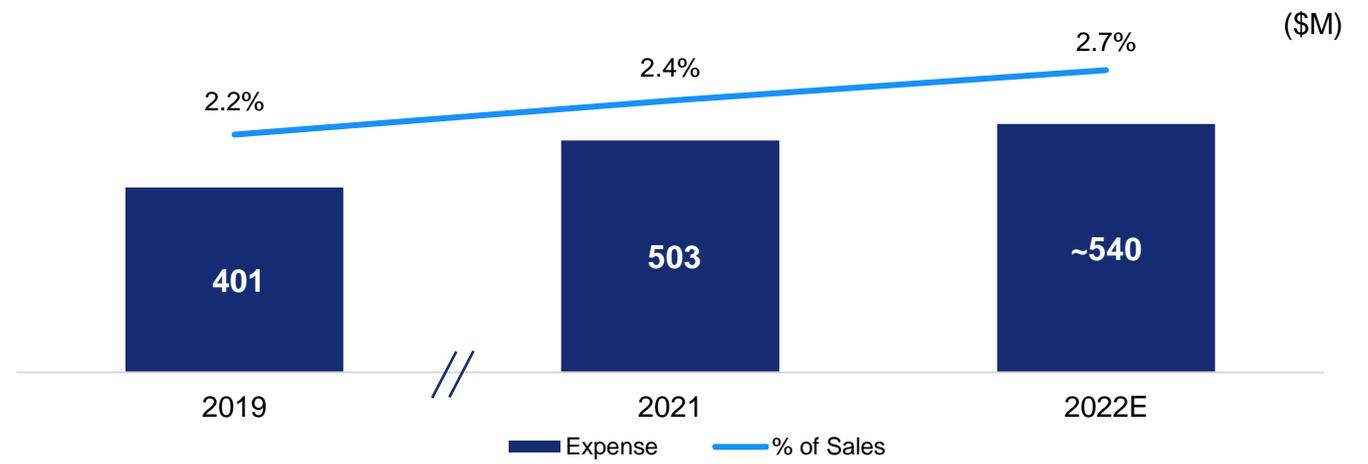


1. Flexibility to toggle between acquisitions and share repurchases

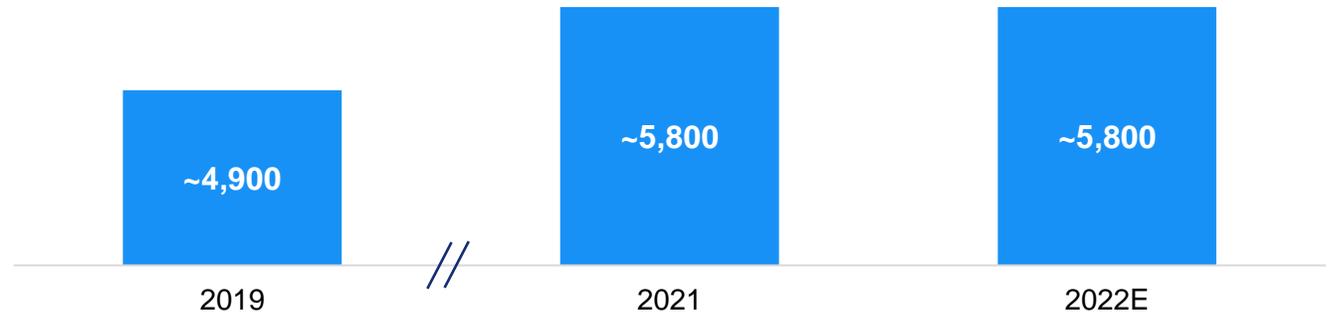
ABOVE-MARKET REVENUE GROWTH...



RESEARCH & DEVELOPMENT



SALESFORCE¹

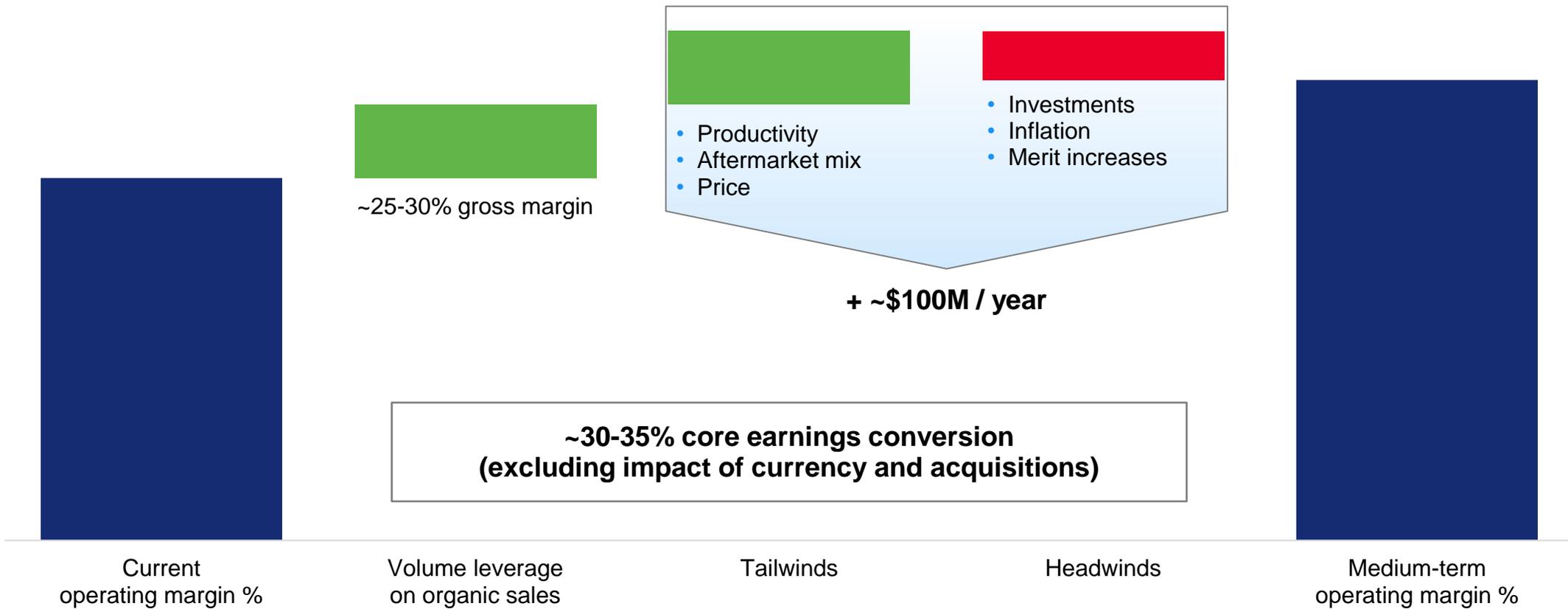


Funded by investments



1. Excludes Chubb

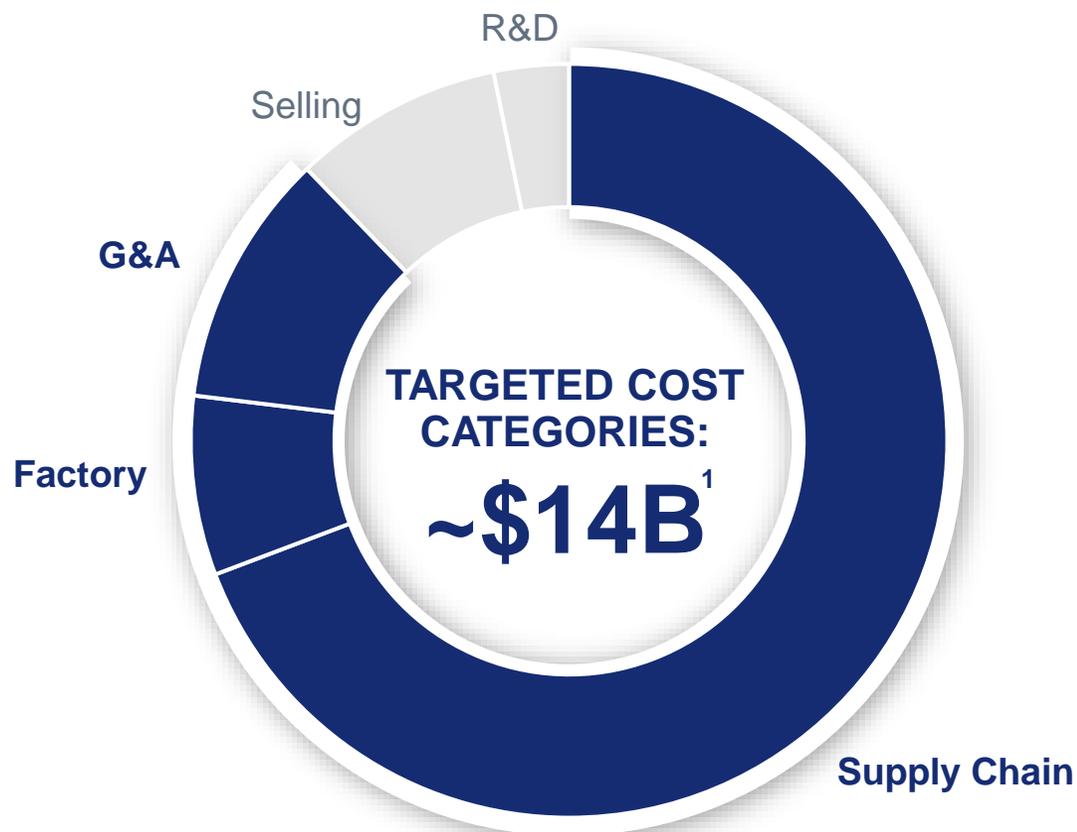
MARGIN EXPANSION



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



PRODUCTIVITY



FOCUS AREAS

Supply Chain

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

Factory

- Footprint optimization
- Automation
- Carrier Excellence

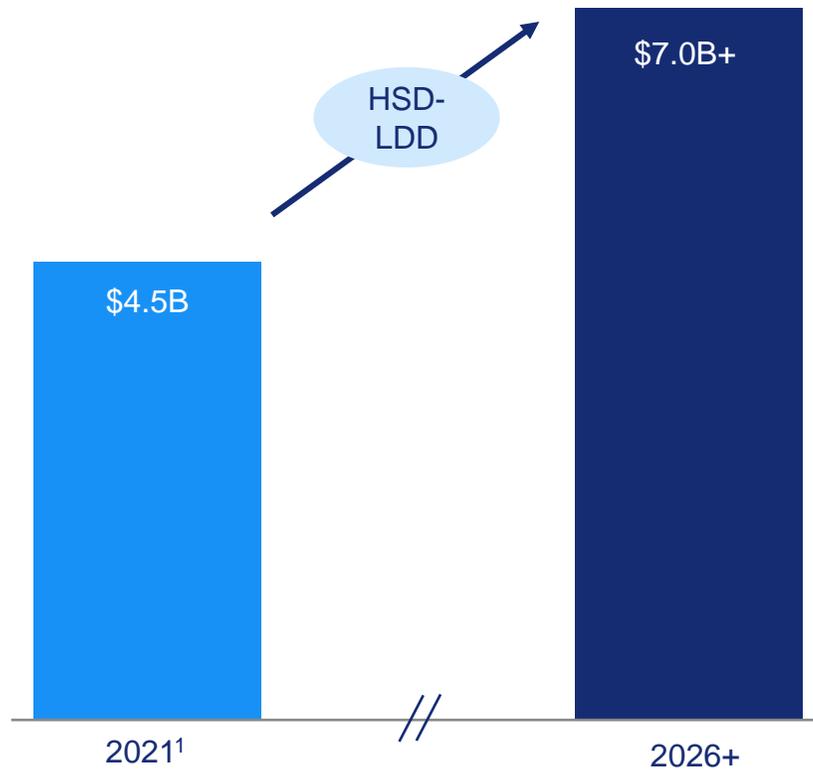
G&A

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

Targeting 2-3% per year in gross productivity



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



HOW WE MEASURE SUCCESS

- ✓ Organic growth
- ✓ Aftermarket and recurring revenues
- ✓ Service attachment



Productivity

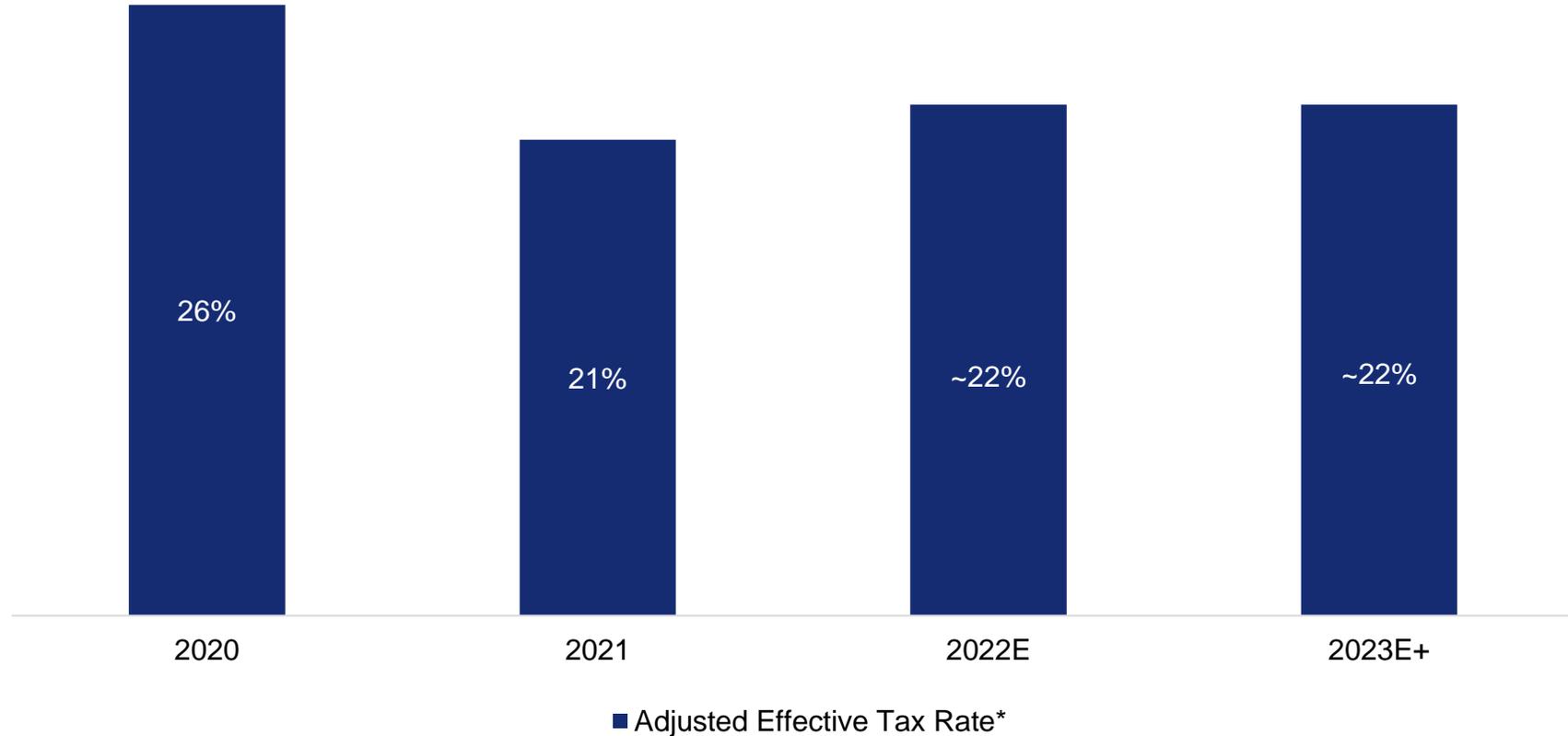
- Operational efficiency
- Salesforce effectiveness
- Field resource utilization
- Enabling technologies
- Talent development



- ✓ 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...

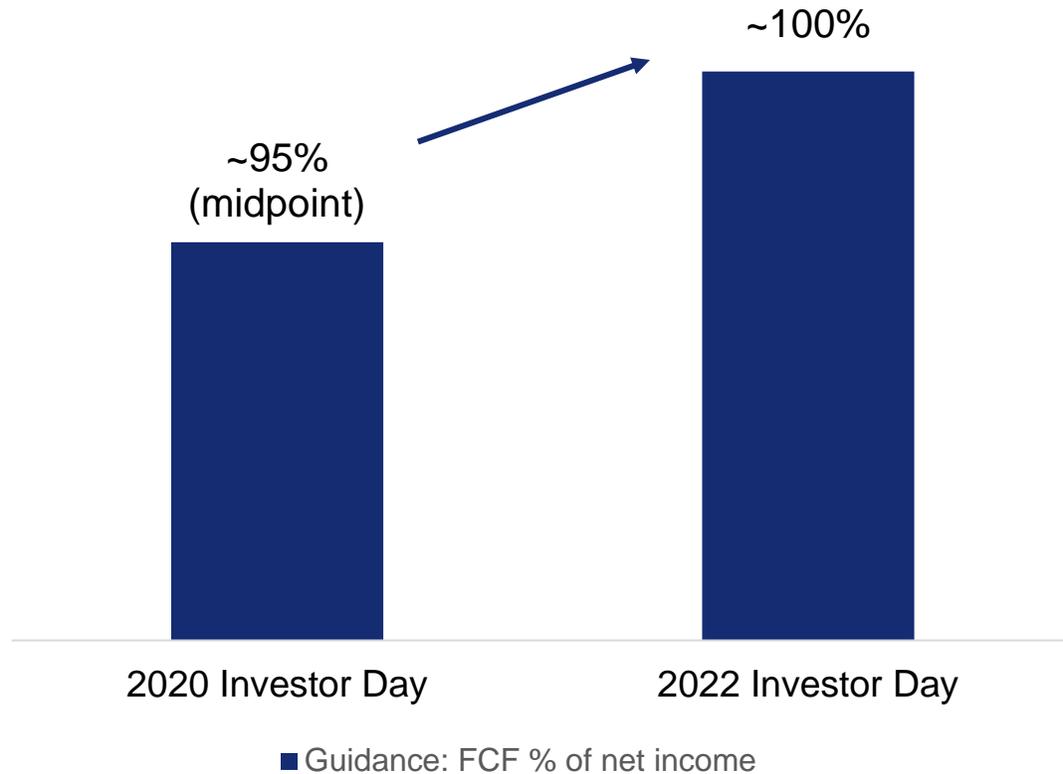


...expecting ~22% ongoing adjusted effective tax rate



*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

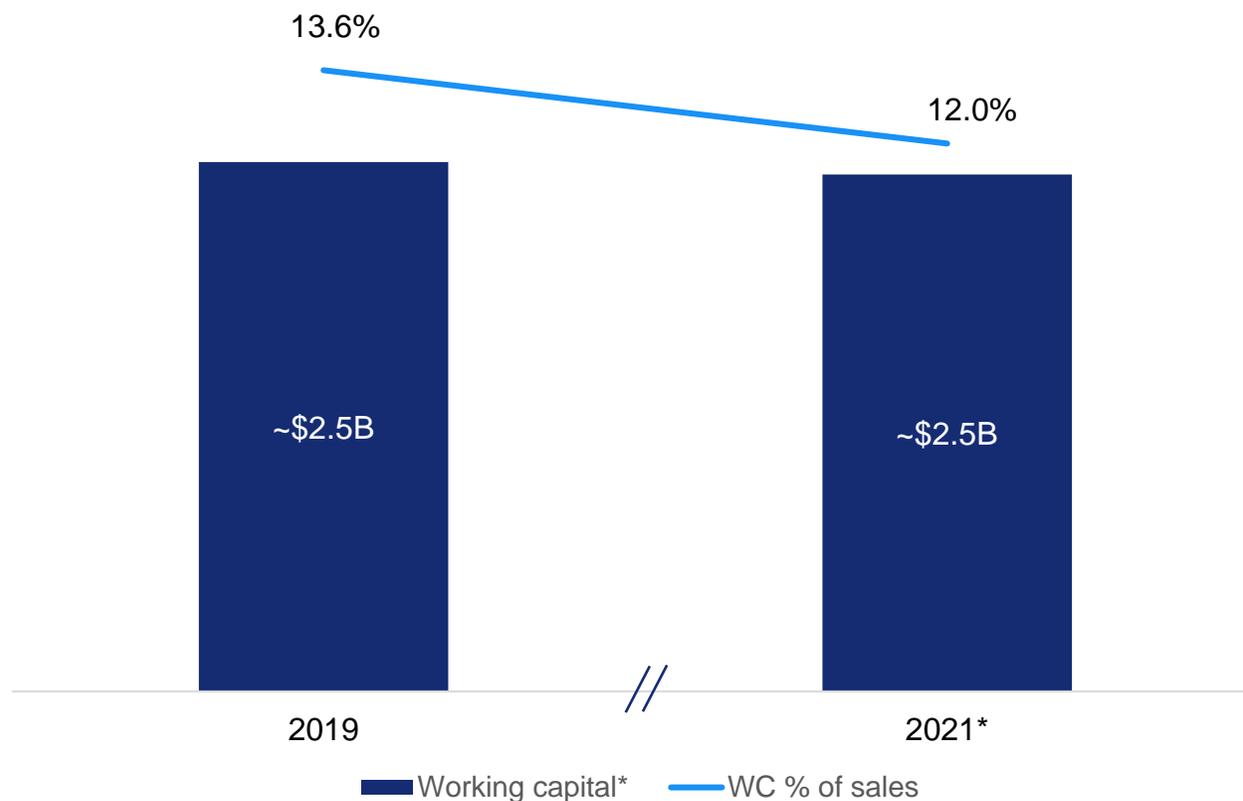


KEY MESSAGES

- **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...



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

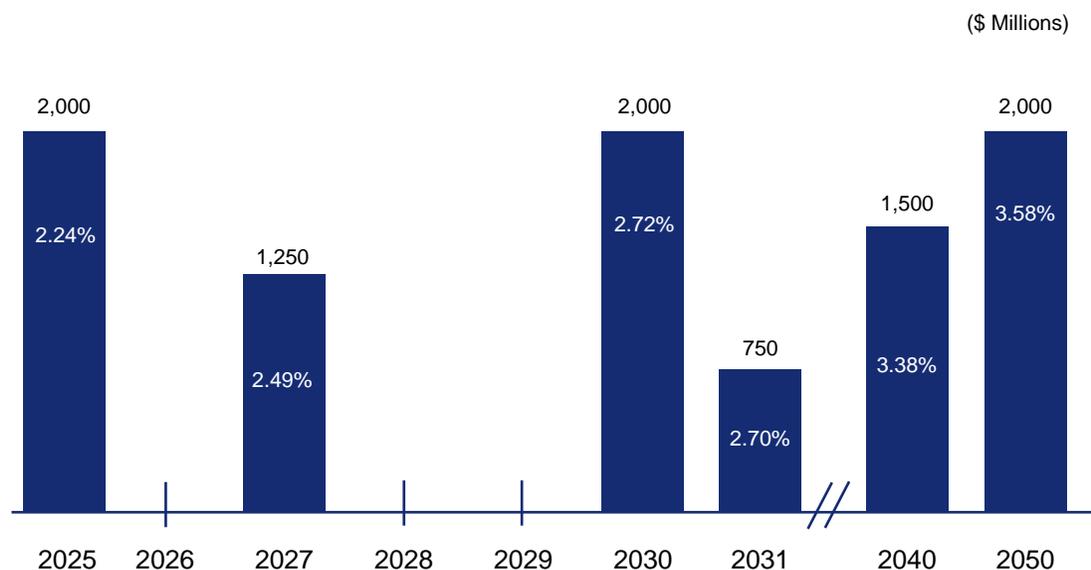
- Terms and progress payments

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



* See appendix for additional information regarding non-GAAP measures

VERY ATTRACTIVE DEBT PROFILE...

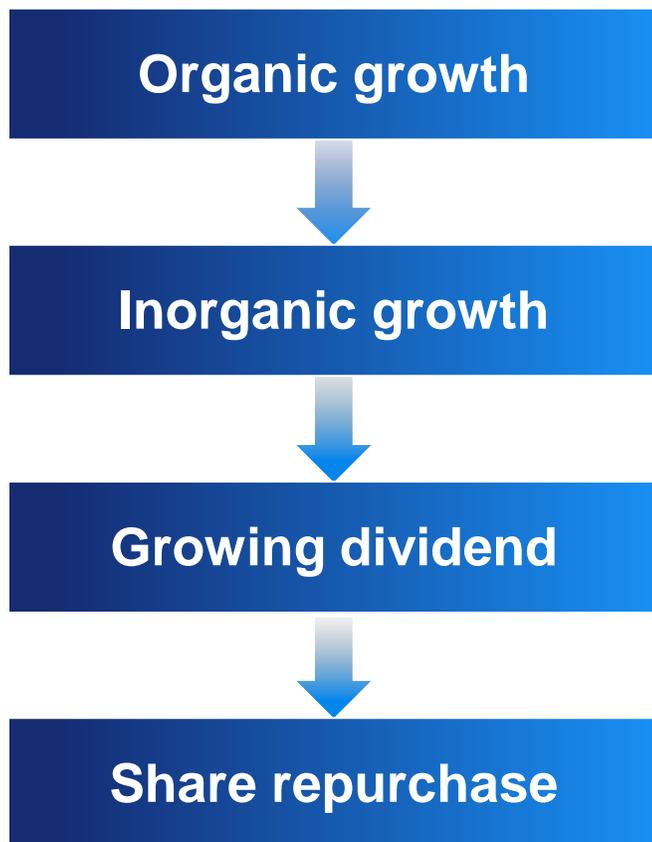


KEY MESSAGES

- ✓ 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...



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

...focused on long-term value creation

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

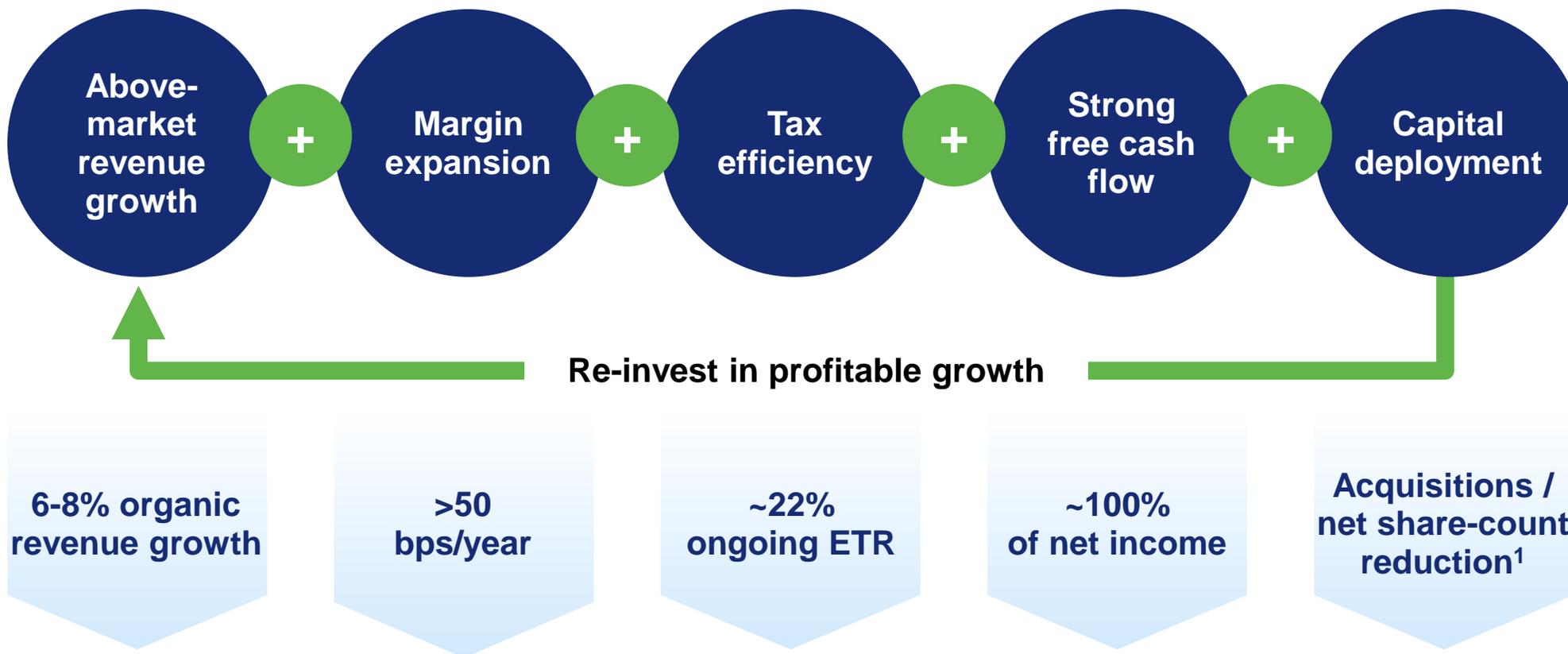
EPS accretive by year 2

Margin accretive

Expand addressable market, accelerate organic growth, and increase recurring revenues



VALUE CREATION FRAMEWORK



Double-digit adjusted EPS growth through the cycle



1. Flexibility to toggle between acquisitions and share repurchases

SUMMARY

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

FEB 22,
2022

INVESTOR DAY



APPENDIX



2022 GUIDANCE

Total Company ¹ (excludes impact of Toshiba)	
Sales	~\$20B Organic* up HSD FX ~(1%) Acquisitions ~1% Divestitures ~(10%)
Adjusted Operating Margin*	Up ~75 bps
Adjusted EPS*	\$2.20 - \$2.30
Free Cash Flow*	~\$1.65B Includes ~\$200M in tax payments on Chubb gain

Segment Sales	
HVAC	Organic* up HSD Reported up HSD
Refrigeration	Organic* up M-HSD Reported up M-HSD
Fire & Security	Organic* up M-HSD Reported down ~30%

Segment Adjusted Operating Margin*	
HVAC	~16.0% Up ~40 bps
Refrigeration	~12.5% Up ~40 bps
Fire & Security	~16.0% Up ~280 bps



* See appendix for additional information regarding non-GAAP measures
1. Unchanged from February 8, 2022

USE AND DEFINITIONS OF NON-GAAP FINANCIAL MEASURES

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

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

Organic sales, adjusted operating profit, adjusted operating margin, incremental margins / earnings conversion, earnings before interest, taxes and depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted net income, adjusted earnings per share ("EPS"), the adjusted effective tax rate, 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.



CARRIER 2021 VS 2020 SALES RECONCILIATION

	(Unaudited)				
	Factors Contributing to Total % Change in Net Sales				
	2021 vs 2020				
	HVAC	Refrigeration	Fire & Security	General Corporate Expenses and Eliminations and Other	Total
Organic	17%	21%	7%	0%	15%
FX Translation	1%	3%	4%	0%	2%
Acquisitions / Divestitures, net	2%	0%	0%	0%	1%
Other	0%	0%	0%	0%	0%
Total	20%	24%	11%	0%	18%



SEGMENT ADJUSTED OPERATING PROFIT RECONCILIATION

(In millions)	(Unaudited)				
	For the Year Ended December 31, 2021				
	HVAC	Refrigeration	Fire & Security	General Corporate Expenses and Eliminations and Other	Total
Net Sales	\$ 11,390	\$ 4,127	\$ 5,515	\$ (419)	\$ 20,613
Segment operating profit	\$ 1,738	\$ 476	\$ 662	\$ (231)	\$ 2,645
Adjustments to segment operating profit:					
Restructuring costs	(33)	(25)	(26)	(5)	(89)
Acquisition and other related costs	(5)	-	-	(2)	(7)
Chubb transaction costs	-	-	(42)	(1)	(43)
Separation costs	-	-	-	(20)	(20)
Adjusted operating profit	\$ 1,776	\$ 501	\$ 730	\$ (203)	\$ 2,804
Adjusted operating margin	15.6%	12.1%	13.2%		13.6%

(In millions)	(Unaudited)				
	For the Year Ended December 31, 2020				
	HVAC	Refrigeration	Fire & Security	General Corporate Expenses and Eliminations and Other	Total
Net Sales	\$ 9,478	\$ 3,333	\$ 4,985	\$ (340)	\$ 17,456
Segment operating profit	\$ 2,462	\$ 357	\$ 584	\$ (320)	\$ 3,083
Adjustments to segment operating profit:					
Restructuring costs	(7)	(12)	(28)	(2)	(49)
Impairment of equity method investment	(71)	-	-	-	(71)
Gain on sale of joint venture	1,123	-	-	-	1,123
Litigation matter	(11)	-	-	-	(11)
Separation costs	(2)	(6)	(16)	(117)	(141)
Adjusted operating profit	\$ 1,430	\$ 375	\$ 628	\$ (201)	\$ 2,232
Adjusted operating margin	15.1%	11.3%	12.6%		12.8%



EPS RECONCILIATION

(In millions, except per share amounts)	(Unaudited)					
	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	\$ 20,613	\$ -	\$ 20,613	\$ 17,456	\$ -	\$ 17,456
Operating profit	2,645	159 a	2,804	3,083	(851) a	2,232
<i>Operating margin</i>	<i>12.8 %</i>		<i>13.6 %</i>	<i>17.7 %</i>		<i>12.8 %</i>
Income from operations before income taxes	2,400	178 a,b	2,578	2,855	(846) a,b	2,009
Income tax expense	(699)	171 c	(528)	(849)	326 c	(523)
<i>Income tax rate</i>	<i>29.1 %</i>		<i>20.5 %</i>	<i>29.7 %</i>		<i>26.0 %</i>
Net income attributable to common shareowners	\$ 1,664	\$ 349	\$ 2,013	\$ 1,982	\$ (520)	\$ 1,462
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		<u>\$ 178</u>		<u>\$ (846)</u>		
Tax effect on adjustments above		\$ (29)		\$ 217		
Tax specific adjustments		200		109		
Total tax adjustments		<u>\$ 171 c</u>		<u>\$ 326 c</u>		
Shares outstanding - Diluted	890.3		890.3	880.2		880.2
Earnings per share - Diluted	\$ 1.87		\$ 2.26	\$ 2.25		\$ 1.66



NET DEBT TO ADJUSTED EBITDA RECONCILIATION

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

(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

(In millions)	(Unaudited)	
	December 31, 2021	December 31, 2019
Accounts receivable, net	\$ 2,403	\$ 2,726
Inventory	1,970	1,332
Contract assets, current	503	622
Accounts payable	(2,334)	(1,701)
Contract liabilities, current	(415)	(443)
Working capital	\$ 2,127	\$ 2,536

(In millions)	(Unaudited)		
	December 31, 2021 (Reported)	Chubb Held for Sale	December 31, 2021 (Adjusted)
Accounts receivable, net	\$ 2,403	\$ 445	\$ 2,848
Inventory	1,970	73	2,043
Contract assets, current	503	184	687
Accounts payable	(2,334)	(190)	(2,524)
Contract liabilities, current	(415)	(162)	(577)
Working capital including Chubb reclassified from held for sale	\$ 2,127	\$ 350	\$ 2,477



FIRE & SECURITY SEGMENT RECONCILIATION

(In millions)	(Unaudited)		
	For the Year Ended December 31, 2021		
	Fire & Security (Reported)	Chubb	Fire & Security (Adjusted) ⁽¹⁾
Net Sales	\$ 5,515	\$ (2,159)	\$ 3,356
Segment operating profit	\$ 662	\$ 133	\$ 529
Adjustments to segment operating profit:			
Restructuring costs	(26)	(19)	(7)
Acquisition and other related costs	-	-	-
Chubb transaction costs	(42)	(42)	-
Separation costs	-	-	-
Adjusted operating profit	\$ 730	\$ 194	\$ 536
Adjusted operating margin	13.2%		16.0%

(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

	<u>(Unaudited)</u>
<u>(In millions)</u>	<u>For the Year Ended December 31, 2021</u>
Net cash flows provided by operating activities	\$ 2,237
Less: Capital expenditures	344
Free cash flow	<u>\$ 1,893</u>

