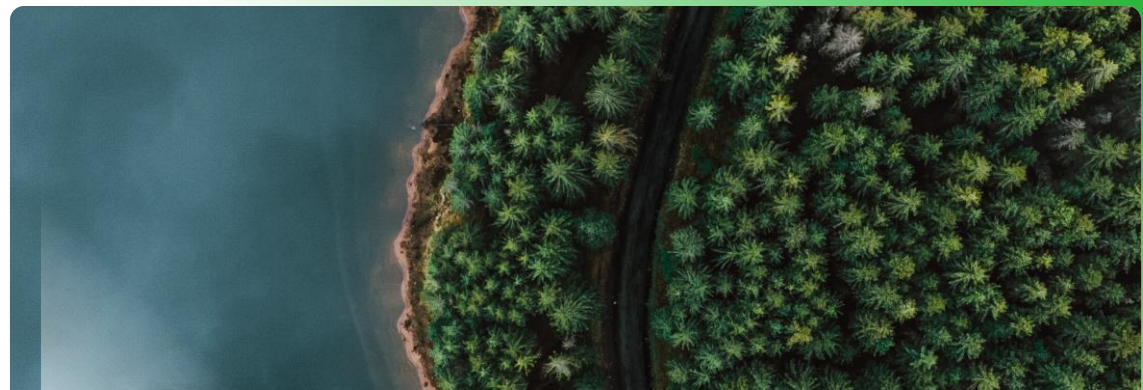
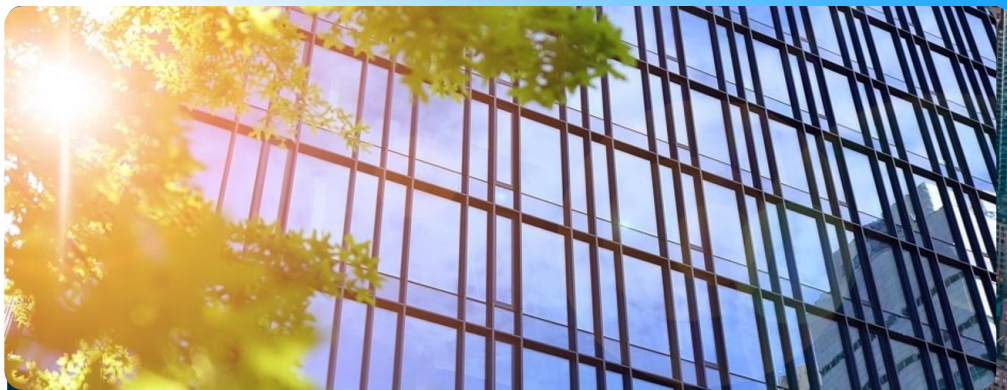




Q2 2024 Earnings Conference Call

July 25, 2024



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 revised outlook and guidance, 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.

Q2 2024 Summary

Sales	\$6,689M <i>Organic¹ +2% Y/Y</i>
Adjusted Operating Profit¹	\$1,213M <i>+26% Y/Y</i>
Adjusted Operating Margin¹	18.1% <i>+200 bps Y/Y</i>
Adjusted EPS¹	\$0.87 <i>+10% Y/Y</i>
Free Cash Flow¹	\$549M

Highlights

- Total company organic orders up ~30%; HVAC up over 40%
- Stronger than expected sales in Global Commercial HVAC and North America Light Commercial with weaker than expected sales in RLC EMEA and China
- North America Residential HVAC returned to volume growth
- Aftermarket up 9%²; poised for full-year double-digit growth with expected H2 acceleration
- Significant margin expansion
- Effectively executing on business exits; closed 2 of 4 transactions with remaining deals on track to close before year-end

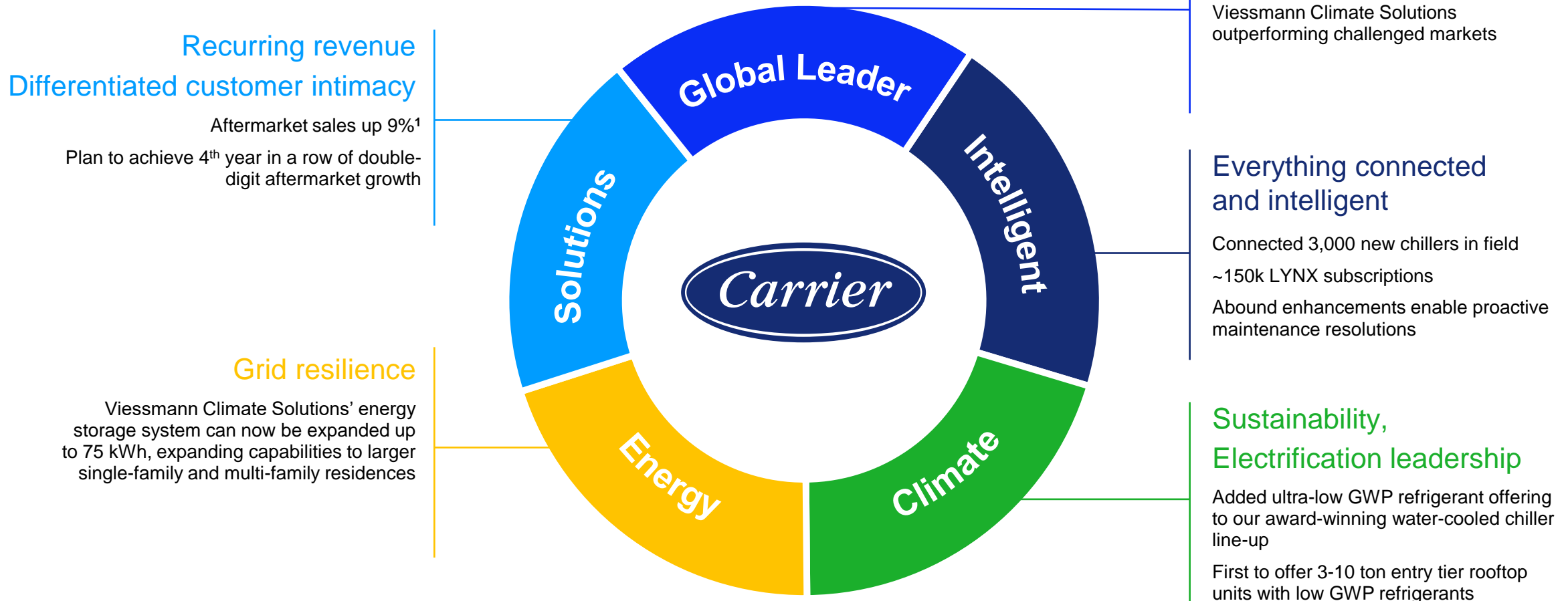
▶ Strong orders and significant margin expansion position Carrier for another strong year



1. See appendix for additional information regarding non-GAAP measures
2. Includes the Carrier businesses that will be retained

Global Leader in Intelligent Climate and Energy Solutions

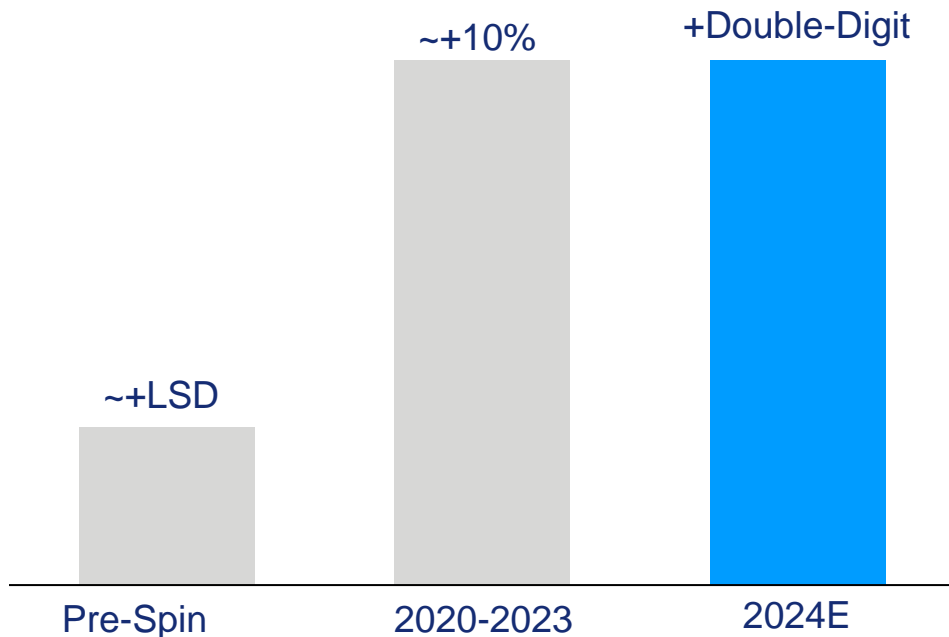
Q2 Highlights



1. Includes the Carrier businesses that will be retained

Aftermarket Focus Fuels Growth

Aftermarket revenue growth rate



Q2 Highlights

Parts capture

- Launched IntelliSense™ connected portal aimed at mid-tier offerings
- DD growth from Automated Logic Controls
- Continued DD growth at Viessmann Climate Solutions

Service coverage

- Continued DD growth in Commercial HVAC
- Commercial HVAC attachment rate now close to ~50%

Digital solutions

- Connected 3,000 chillers bringing total to ~40,000
- ~150k Lynx subscriptions; up over 50% YoY
- Environment+Energy “Top Project Award”

Vertical-centric solutions

- Launched new BluEdge Elite for Data Centers, a customized service offering for this key vertical

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

Delivering on our Portfolio Transformation



Successfully integrating with Viessmann Climate Solutions

Highly differentiated channel, iconic brand, leading technology driving share gains
Integration progressing well; cost and revenue synergies ahead of plan
Team taking aggressive actions to address near-term market headwinds



Exit Fire & Security and Commercial Refrigeration; Capital allocation as committed

Closed two transactions, expect to close Commercial Refrigeration around the end of Q3 and Residential/Commercial Fire in Q4
\$5B in net debt reduction Q2¹
Expect to repurchase ~\$1B worth of shares in H2 2024



Pureplay climate and energy solutions portfolio

Higher revenue and EBITDA growth profile
A leader in all major geographies in HVACR and energy solutions
Increased exposure to secular tailwinds such as sustainability, electrification and energy resilience

▶ Transforming into a simpler, more focused and higher growth company with increased exposure to secular tailwinds

Viessmann Climate Solutions Update

Business and Market Performance

► Business Execution

- Gained share in heat pumps in every primary country
- Expanding addressable market with new product introductions
- Significant cost reduction actions well underway
- Added ~1,500 direct-to-installer relationships this year
- Positive price realization year-to-date

► Market Environment

- Near-term market pressures in Europe; Q2 down ~30% year over year – expect full-year sales down ~15%
- Trend towards electrification and sustainability supports long-term sustained growth

Synergies

► Revenue Synergies

- Booked over \$15M in growth synergies orders year-to-date; targeting hundreds of millions over 4 years
- Integrating respective technological strengths to build best in class global platforms
- Carrier-branded AC units sold through Viessmann channel and order of 4,000 Beretta-branded units placed through the Viessmann channel

► Cost synergies

- On track to achieve \$75M in 2024 and \$200M by Year 3
- Onboarding over 20 European suppliers to Carrier Alliance partner program

► Premier company helping transform Carrier and persevering through challenging market; expect recovery in 2025

Balanced, Focused Portfolio

Leading Market Positions

Business	Carrier Position ¹
HVAC Americas	
Residential	#1
Light Commercial	#1
Commercial ²	#3
HVAC EMEA	
Commercial	#1
Residential / Light Commercial	#2
HVAC Asia Pacific	
Commercial	#2
VRF	#5
Global Transport Refrigeration	#1

Unique Portfolio Post-Transformation

Leading positions across product lines and geographies allow for resiliency through cycles

Unique ability to pivot towards growth verticals and geographies

Scale best-in-class technologies and operations to drive differentiated platforms and performance

▶ Differentiated portfolio provides balance and resiliency and drives higher growth profile



1. Market research, analyst reports, internal estimates
2. Includes Controls and Aftermarket

Q2 2024 Results

	Q2 2024	Q2 2023	Y/Y
Sales	\$6,689M	\$5,992M	12%
Organic sales*			2%
Acquisitions / Divestitures, net			11%
FX			(1%)
Adjusted operating profit*	\$1,213M	\$964M	26%
Adjusted operating margin*	18.1%	16.1%	200 bps
Adjusted effective tax rate*	22.0%	23.3%	
Adjusted EPS*	\$0.87	\$0.79	10%
Free cash flow*	\$549M	\$310M	

Q2 2024 HVAC Results

	Q2 2024	Y/Y	Highlights
Sales	\$4,970M	18%	Continued strength in global Commercial HVAC and aftermarket – both up double-digits
Organic sales*		2%	
Acquisitions / divestitures, net		17%	
FX		(1%)	
Adjusted operating profit*	\$991M	25%	North America Resi returned to volume growth
Adjusted operating margin*	19.9%	110 bps	Double-digit sales growth in Americas Light Commercial & Commercial
			Significant margin expansion driven by net price and productivity



Viessmann Climate Solutions and Carrier to provide technology for Germany's first climate-neutral solar village, delivering heating to approximately 180 connected properties



*See appendix for additional information regarding non-GAAP measures

Q2 2024 Refrigeration Results

	Q2 2024	Y/Y
Sales	\$973M	0%
Organic sales*		1%
FX		(1%)
Adjusted operating profit*	\$118M	(1%)
Adjusted operating margin*	12.1%	(10 bps)

Highlights
Container sales up ~35%
Global Truck & Trailer sales down mid single-digits driven by declines in North America; Europe up MSD
Asia Truck & Trailer up over 25%
Aftermarket sales up HSD
Achieved ~150k paid Lynx subscriptions



Carrier Transcold will supply Transgourmet France with 130 engineless Iceland and Syberia truck units. All units include BluEdge full-service maintenance agreements

Q2 2024 Fire & Security Results

	Q2 2024	Y/Y	Highlights
Sales	\$871M	(7%)	Residential and Commercial Fire sales up MSD
Organic sales*		3%	
Divestitures		(10%)	
Adjusted operating profit*	\$155M	13%	Sales growth and strong net price productivity drove significant margin expansion
Adjusted operating margin*	17.8%	310 bps	
			Closed on sale of Access Solutions in June & Industrial Fire in July



Edwards Commercial Fire released its latest advancement in early smoke detection – the ModuLaser® integration for EST4 – specifically engineered for complex environments like data centers, warehouses, and hospitals

Q2 Organic Order¹ Trends

HVAC Segment	Y/Y
Americas ²	~70%
Residential	>100%
Light Commercial	~5%
Commercial ²	40 – 45%
EMEA ³	10% – 15%
Residential & Light Commercial ³	(5%) – 0%
Commercial	15% – 20%
Asia Pacific	(5%) – 0%
Global Commercial ²	20 – 25%
Total HVAC^{2,3}	40 – 45%

Refrigeration Segment	Y/Y
Global Truck and Trailer	(20%) – (25%)
Container	40% – 45%
Commercial Refrigeration	(5%) – 0%
Total Refrigeration	(5%) – (10%)

Residential and Commercial Fire	10% – 15%
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Total Carrier^{2,3}	~30%
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▶ Larger part of portfolio returning to orders growth



1. See appendix for additional information regarding non-GAAP measures
 2. Excludes NORESKO
 3. Excludes Viessmann Climate Solutions

2024 Guidance

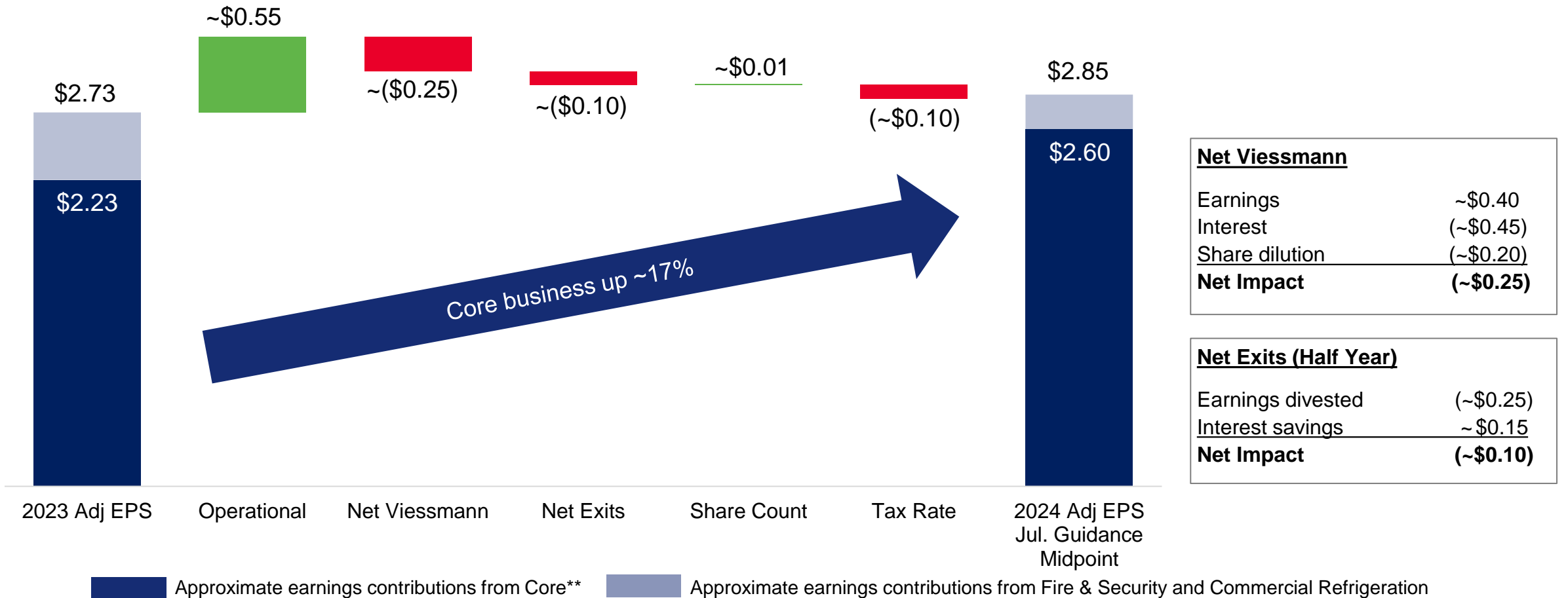
	July 25 Guidance**	April 25 Guidance
Sales	~\$25.5B Organic* up ~MSD FX (1%) Acquisitions up +16% Divestitures (5%)	~\$26B Organic* up ~MSD FX 0% Acquisitions up 18% Divestitures (6%)
Adjusted Operating Margin*	~15.5% Up ~100bps	~15.5% Up ~100bps
Adjusted EPS*	\$2.80 – 2.90	\$2.80 - \$2.90
Free Cash Flow*	~\$0.4B <i>Includes ~\$2B of expected tax payments on the gains from the announced business exits, restructuring, and transaction-related costs</i>	~\$0.4B <i>Includes ~\$2B of expected tax payments on the gains from the announced business exits, restructuring, and transaction-related costs</i>

▶ Updated guidance reflects Commercial Refrigeration for nine months



*See appendix for additional information regarding non-GAAP measures
**As of July 25, 2024; Commercial Refrigeration included through September

FY 2024 Adjusted EPS* Guidance Bridge



▶ Continue to project another year of strong financial performance



*See appendix for additional information regarding non-GAAP measures
 **Core includes the Carrier businesses that will be retained plus Viessmann Climate Solutions

Summary

Strong orders in Q2, positioning Carrier for a strong H2

Q2 adjusted operating margin up 200 bps and double digit adjusted EPS growth

Driving sustainability differentiation and sustained aftermarket growth

Strength in portfolio enables topline growth

Business exits on track; ~\$5B in net debt reduction in Q2¹; Expecting to repurchase about \$1B of shares in the second half of 2024

▶ Orders momentum picking up – portfolio transformation nearly complete

APPENDIX

Carrier's Road Map to Net-Zero

Strategies for a Sustainable Path Forward



▶ Carrier's Ambitious Climate and Net Zero Targets Validated by the Science-Based Target Initiative

2024 Recognitions & Awards Year to Date

BARRON'S 100 Most Sustainable Companies

WEC
World Environment Center Gold Medal Award

FORTUNE Fortune 500
World's Most Admired Companies
America's Most Innovative Companies

TIME World's Most Sustainable Companies

Newsweek Most Trustworthy Companies in America
America's Greatest Workplaces

USA TODAY America's Climate Leaders
Best Air Conditioner Brand

Brand Finance® Global - The World's 500 Most Valuable Brands 2024
U.S. - The 500 Most Valuable American Brands 2024

JUST capital Just 100 Rankings

Upcoming Event - New York Climate Week

REIMAGINING THE BUILT ENVIRONMENT FOR A NET ZERO FUTURE

Strategies for creating sustainable, energy-efficient and cost-effective buildings

September 24, 2:15 – 6:00 PM EDT

22 Vanderbilt, New York City

Presented by



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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"), core adjusted EPS, adjusted interest expense, net, adjusted effective tax rate and net debt are non-GAAP financial measures.

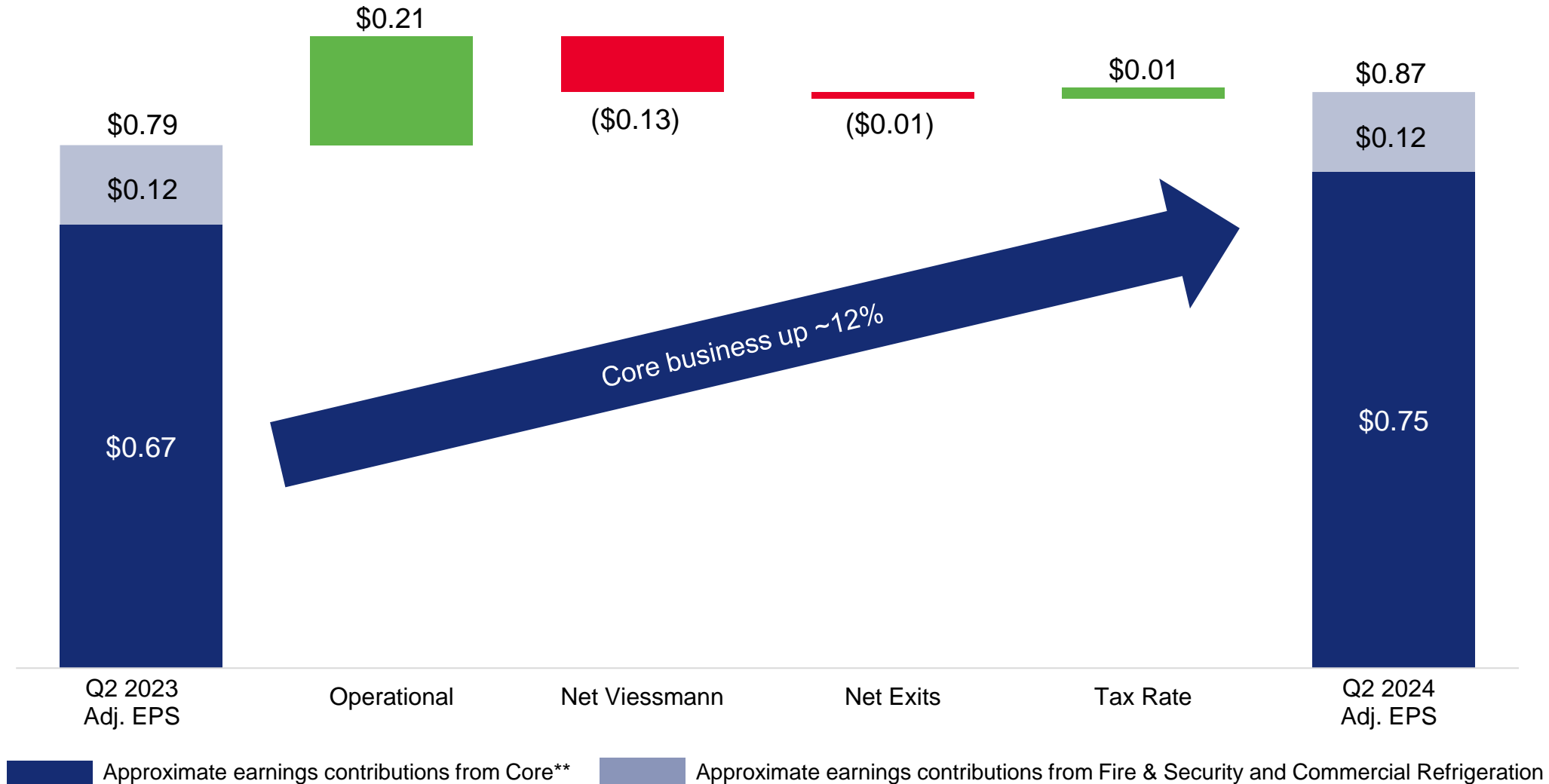
Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items of a nonoperational nature (hereinafter referred to as "other significant items"). 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, EBITDA, adjusted EBITDA, adjusted EPS, core 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, net income attributable to common shareowners, 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.

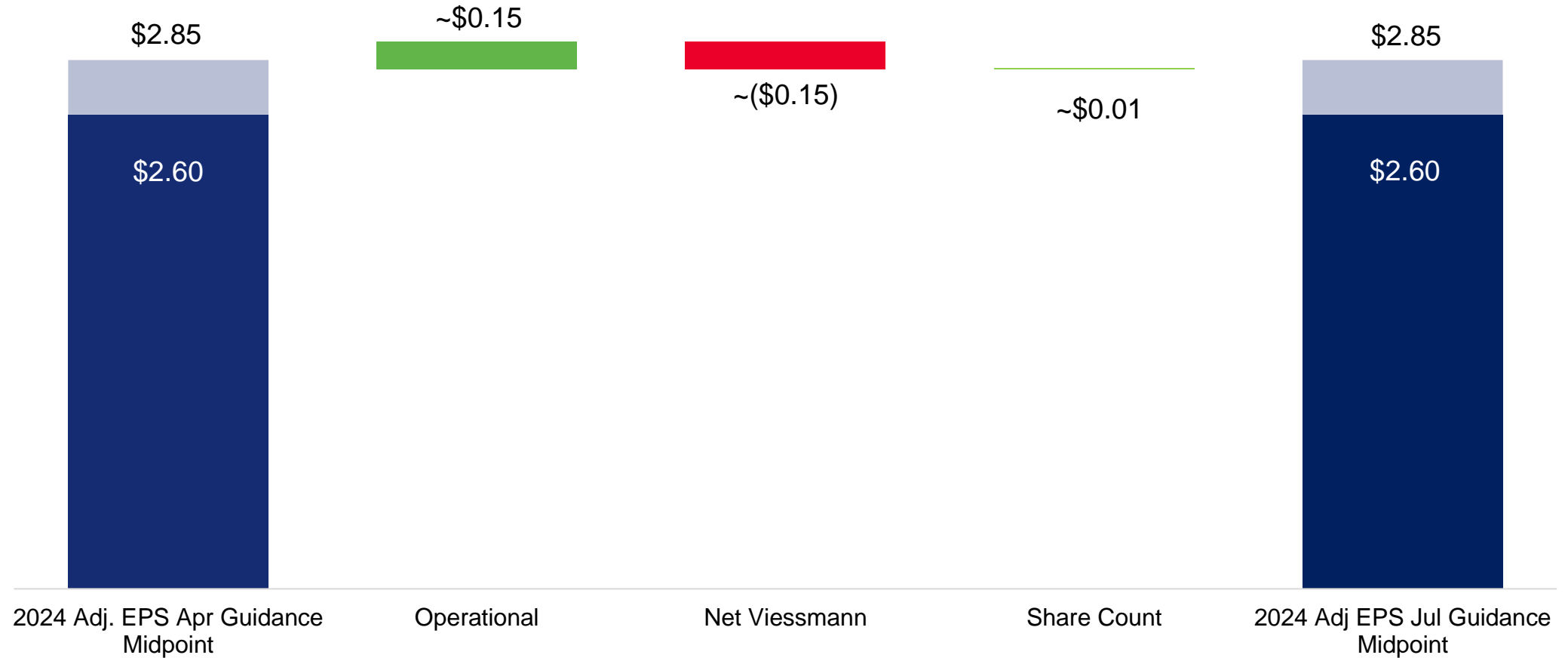
Q2 2024 Adjusted EPS* Bridge



*See appendix for additional information regarding non-GAAP measures

**Core includes the Carrier businesses that will be retained plus Viessmann Climate Solutions

FY 2024 Adjusted EPS* Guide to Guide Bridge



Approximate earnings contributions from Core**
 Approximate earnings contributions from Fire & Security and Commercial Refrigeration



*See appendix for additional information regarding non-GAAP measures
 **Core includes the Carrier businesses that will be retained plus Viessmann Climate Solutions

Additional Items

	7/25/24** Current Guidance (Includes Viessmann Climate Solutions)	4/25/24 Current Guidance (Includes Viessmann Climate Solutions)
Shares outstanding (diluted)	910M - 915M	~915M
Corporate expenses / eliminations	~\$250M	~\$275M
Adjusted interest expense, net*	\$500M - \$525M	\$500M - \$525M
Adjusted effective tax rate*	~23%	~23%
Capital expenditures	~\$550M	~\$550M
Depreciation & amortization	~1.2B	~\$1.2B



*See appendix for additional information regarding non-GAAP measures
 **As of July 25, 2024

Carrier Q2 2024 vs 2023 Sales Reconciliation

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

(Unaudited)

	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	2 %	(1) %	17 %	— %	18 %
Refrigeration	1 %	(1) %	— %	— %	— %
Fire & Security	3 %	— %	(10) %	— %	(7) %
Consolidated	2 %	(1) %	11 %	— %	12 %

Q2 2024 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Three Months Ended June 30, 2024					
<i>(In millions)</i>	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	\$ 4,970	\$ 973	\$ 871	\$ (125)	\$ —	\$ 6,689
Segment operating profit	\$ 687	\$ 113	\$ 3,001	\$ (23)	\$ (87)	\$ 3,691
Reported operating margin	13.8 %	11.6 %	344.5 %			55.2 %
Adjustments to segment operating profit:						
Restructuring costs	\$ 25	\$ 1	\$ 3	\$ 3	\$ —	\$ 32
Amortization of acquired intangibles	170	—	—	—	—	170
Acquisition step-up amortization ⁽¹⁾	109	—	—	—	—	109
Acquisition/divestiture-related costs	—	4	32	—	56	92
Access Solutions gain	—	—	(2,881)	—	—	(2,881)
Total adjustments to operating profit	\$ 304	\$ 5	\$ (2,846)	\$ 3	\$ 56	\$ (2,478)
Adjusted operating profit	\$ 991	\$ 118	\$ 155	\$ (20)	\$ (31)	\$ 1,213
Adjusted operating margin	19.9 %	12.1 %	17.8 %			18.1 %

Q2 2023 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Three Months Ended June 30, 2023					
<i>(In millions)</i>	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	\$ 4,216	\$ 972	\$ 932	\$ (128)	\$ —	\$ 5,992
Segment operating profit	\$ 742	\$ 112	\$ (157)	\$ (146)	\$ (62)	\$ 489
Reported operating margin	17.6 %	11.5 %	(16.8)%			8.2 %
Adjustments to segment operating profit:						
Restructuring costs	\$ 3	\$ 7	\$ (1)	\$ —	\$ —	\$ 9
Amortization of acquired intangibles	36	—	2	—	—	38
Acquisition step-up amortization ⁽¹⁾	10	—	—	—	—	10
Acquisition/divestiture-related costs	—	—	—	—	14	14
Viessmann-related hedges	—	—	—	111	—	111
KFI deconsolidation	—	—	293	—	—	293
Total adjustments to operating profit	\$ 49	\$ 7	\$ 294	\$ 111	\$ 14	\$ 475
Adjusted operating profit	\$ 791	\$ 119	\$ 137	\$ (35)	\$ (48)	\$ 964
Adjusted operating margin	18.8 %	12.2 %	14.7 %			16.1 %

⁽¹⁾ Amortization of the step-up to fair value of acquired inventory and backlog.

YTD 2024 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Six Months Ended June 30, 2024					
<i>(In millions)</i>	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	\$ 9,511	\$ 1,857	\$ 1,758	\$ (255)	\$ —	\$ 12,871
Segment operating profit	\$ 1,116	\$ 210	\$ 3,154	\$ (98)	\$ (191)	\$ 4,191
Reported operating margin	11.7 %	11.3 %	179.4 %			32.6 %
Adjustments to segment operating profit:						
Restructuring costs	\$ 32	\$ 1	\$ 10	\$ 4	\$ —	\$ 47
Amortization of acquired intangibles	342	—	—	—	—	342
Acquisition step-up amortization ⁽¹⁾	220	—	—	—	—	220
Acquisition/divestiture-related costs	1	6	36	—	138	181
Viessmann-related hedges	—	—	—	86	—	86
Gain on liability adjustment ⁽²⁾	—	—	—	(46)	—	(46)
Access Solutions gain	—	—	(2,881)	—	—	(2,881)
Total adjustments to operating profit	\$ 595	\$ 7	\$ (2,835)	\$ 44	\$ 138	\$ (2,051)
Adjusted operating profit	\$ 1,711	\$ 217	\$ 319	\$ (54)	\$ (53)	\$ 2,140
Adjusted operating margin	18.0 %	11.7 %	18.1 %			16.6 %

⁽¹⁾ Amortization of the step-up to fair value of acquired inventory and backlog.

⁽²⁾ Gain associated with an adjustment to our tax-related liability owed to UTC.

YTD 2023 Adjusted Operating Profit Reconciliation

	(Unaudited)					
	Six Months Ended June 30, 2023					
<i>(In millions)</i>	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	\$ 7,838	\$ 1,870	\$ 1,801	\$ (244)	\$ —	\$ 11,265
Segment operating profit	\$ 1,177	\$ 220	\$ (64)	\$ (184)	\$ (105)	\$ 1,044
<i>Reported operating margin</i>	<i>15.0 %</i>	<i>11.8 %</i>	<i>(3.6)%</i>			<i>9.3 %</i>
Adjustments to segment operating profit:						
Restructuring costs	\$ 2	\$ 10	\$ 12	\$ 2	\$ —	\$ 26
Amortization of acquired intangibles	73	—	4	—	—	77
Acquisition step-up amortization ⁽¹⁾	21	—	—	—	—	21
Acquisition/divestiture-related costs	—	—	—	—	26	26
Viessmann-related hedges	—	—	—	111	—	111
TCC acquisition-related gain ⁽²⁾	8	—	—	—	—	8
KFI deconsolidation	—	—	293	—	—	293
Total adjustments to operating profit	\$ 104	\$ 10	\$ 309	\$ 113	\$ 26	\$ 562
Adjusted operating profit	\$ 1,281	\$ 230	\$ 245	\$ (71)	\$ (79)	\$ 1,606
<i>Adjusted operating margin</i>	<i>16.3 %</i>	<i>12.3 %</i>	<i>13.6 %</i>			<i>14.3 %</i>

⁽¹⁾ Amortization of the step-up to fair value of acquired inventory and backlog.

⁽²⁾ Gain associated with an adjustment to our tax-related liability owed to UTC.

⁽³⁾ The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

Q2 and YTD 2024 EPS Reconciliation

(In millions, except per share amounts)	(Unaudited)					
	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Reported	Adjustmen	Adjusted	Reported	Adjustmen	Adjusted
Net sales	\$ 6,689	\$ —	\$ 6,689	\$ 12,871	\$ —	\$ 12,871
Operating profit	\$ 3,691	(2,478) a	\$ 1,213	\$ 4,191	(2,051) a	\$ 2,140
Operating margin	55.2 %		18.1 %	32.6 %		16.6 %
Income from operations before income taxes	\$ 3,524	(2,466) a,b	\$ 1,058	\$ 3,859	(2,039) a,b	\$ 1,820
Income tax expense	\$ (1,155)	922 c	\$ (233)	\$ (1,201)	791 c	\$ (410)
Effective tax rate	32.8 %		22.0 %	31.1 %		22.5 %
Net income attributable to common shareowners	\$ 2,337	\$ (1,544)	\$ 793	\$ 2,606	\$ (1,248)	\$ 1,358
Summary of Adjustments:						
Restructuring costs		\$ 32 a			\$ 47 a	
Amortization of acquired intangibles		170 a			342 a	
Acquisition step-up amortization ⁽¹⁾		109 a			220 a	
Acquisition/divestiture-related costs		92 a			181 a	
Access Solutions gain		(2,881) a			(2,881) a	
Viessmann-related hedges		— a			86 a	
Gain on liability adjustment ⁽²⁾		— a			(46) a	
Debt prepayment costs		12 b			12 b	
Total adjustments		\$ (2,466)			\$ (2,039)	
Tax effect on adjustments above		\$ 976			\$ 880	
Tax specific adjustments		(54)			(89)	
Total tax adjustments		\$ 922 c			\$ 791 c	
Shares outstanding - Diluted	915.3		915.3	913.6		913.6
Earnings per share - Diluted	\$ 2.55		\$ 0.87	\$ 2.85		\$ 1.49

⁽¹⁾ Amortization of the step-up to fair value of acquired inventory and backlog.

⁽²⁾ Gain associated with an adjustment to our tax-related liability owed to UTC.

Q2 and YTD 2023 EPS Reconciliation

<i>(In millions, except per share amounts)</i>	(Unaudited)					
	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	\$ 5,992	\$ —	\$ 5,992	\$ 11,265	\$ —	\$ 11,265
Operating profit	\$ 489	475 a	\$ 964	\$ 1,044	562 a	\$ 1,606
<i>Operating margin</i>	8.2 %		16.1 %	9.3 %		14.3 %
Income from operations before income taxes	\$ 422	496 a,b	\$ 918	\$ 931	583 a,b	\$ 1,514
Income tax expense	\$ (189)	(25) c	\$ (214)	\$ (311)	(43) c	\$ (354)
<i>Effective tax rate</i>	44.8 %		23.3 %	33.4 %		23.4 %
Net income attributable to common shareowners	\$ 199	\$ 471	\$ 670	\$ 572	\$ 540	\$ 1,112
Summary of Adjustments:						
Restructuring costs		\$ 9 a			\$ 26 a	
Amortization of acquired intangibles		38 a			77 a	
Acquisition step-up amortization ⁽¹⁾		10 a			21 a	
Acquisition/divestiture-related costs		14 a			26 a	
Viessmann-related hedges		111 a			111 a	
TCC acquisition-related gain ⁽²⁾		— a			8 a	
KFI deconsolidation		293 a			293 a	
Bridge loan financing costs		21 b			21 b	
Total adjustments		\$ 496			\$ 583	
Tax effect on adjustments above		\$ (25)			\$ (43)	
Total tax adjustments		\$ (25) c			\$ (43) c	
Shares outstanding - Diluted	850.9		850.9	851.5		851.5
Earnings per share - Diluted	\$ 0.23		\$ 0.79	\$ 0.67		\$ 1.31

⁽¹⁾ Amortization of the step-up to fair value of acquired inventory and backlog.

⁽²⁾ The carrying value of our previously held TCC equity investments were recognized at fair value at the TCC acquisition date.

Free Cash Flow Reconciliation

	(Unaudited)						
	Q1	Q2	Q3	Q4	FY	Q1	Q2
<i>(In millions)</i>	2023	2023	2023	2023	2023	2024	2024
Net cash flows provided by (used in) operating activities	\$ 120	\$ 384	\$ 1,041	\$ 1,062	\$ 2,607	\$ 40	\$ 660
Less: Capital expenditures	70	74	92	233	469	104	111
Free cash flow	\$ 50	\$ 310	\$ 949	\$ 829	\$ 2,138	\$ (64)	\$ 549

Net Debt Reconciliation

<i>(In millions)</i>	(Unaudited)	
	June 30, 2024	December 31, 2023
Long-term debt	\$ 11,270	\$ 14,242
Current portion of long-term debt	2,052	51
Less: Cash and cash equivalents	2,919	10,015
Net debt	\$ 10,403	\$ 4,278

Amortization of Acquired Intangibles

<i>(In millions)</i>	(Unaudited)							
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	
HVAC	\$ 37	\$ 36	\$ 35	\$ 35	\$ 143	\$ 172	\$ 170	
Fire & Security	2	2	2	—	6	—	—	
Total Carrier	39	38	37	35	149	172	170	
Associated tax effect	(12)	(11)	(11)	(11)	(45)	(46)	(42)	
Net impact to adjusted results	\$ 27	\$ 27	\$ 26	\$ 24	\$ 104	\$ 126	\$ 128	