



Q3 2021 EARNINGS CONFERENCE CALL

October 28, 2021



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.

Q3 2021 Summary

| | |
|-----------------------------------|---|
| Sales | \$5,341M <i>Reported +7% Y/Y</i> <i>Organic* +4% Y/Y</i> |
| Adjusted Operating Profit* | \$858M <i>(1)% Y/Y</i> |
| Free Cash Flow* | \$505M |

| Highlights |
|--|
| Strong demand driving backlog growth |
| Addressing unprecedented supply chain challenges |
| Double-digit aftermarket growth |
| M&A strategy progressing well |

Raising full-year outlook to the high-end of our adjusted EPS range



*See appendix for additional information regarding non-GAAP measures

Supply Chain

CHALLENGES

Commodity pricing and inflation

Electronics and part shortages

Labor shortages

Freight costs and availability



TACTICAL MITIGATION

- Metal blocking
- Embedded resources at suppliers
- 24-hour war rooms
- Proactive attendance and retention management
- Freight contracts and advanced booking
- Increasing forecast windows

STRATEGIC MITIGATION

- Systematic tier 2 management
- Copper substitution
- Dual and localized sourcing
- Risk-based stocking
- Strategic OEM partnerships
- Redesign critical components
- Automation, Productivity, Employer of Choice
- Expand Transportation Management System

Aggressively and structurally addressing supply chain challenges

Progress on Key Growth Initiatives

Healthy



K-12 healthy building wins

- ✓ Northern California Mantecha School District
- ✓ Township of West Orange, NJ
- ✓ Texas City, TX School District

Carrier Rental Systems UK

- ✓ Rolled out OptiClean Dual-Mode Air Scrubber and Negative Air Machine

Safe



Kidde

- ✓ Launched MOON Smart Home Devices in China

Supra

- ✓ California Regional Multiple Listing Service extended partnership with Supra

Sustainable



Carrier Transicold

- ✓ Equipped Pro à Pro's first all electric transport truck

HVAC

- ✓ CIAT heat pumps power river-source renewable energy project saving 44,000 metric tons of carbon emissions over the next 20 years

Recognition

- ✓ Named to the 2021 Fortune Change the World list

Intelligent



Abound

- ✓ Implemented at Emory Musculoskeletal Institute and Cherokee County School District

Lynx

- ✓ Fleet monitoring subscription wins with leading transport customers

Aftermarket Playbook Being Effectively Implemented

Digital

Connected devices / services
Remote monitoring / predictive analytics
E-commerce



Results

- ✓ Substantial increase in connected equipment
- ✓ EcoEnergy's big data / AI driven platform awarded Overall IoT Company of the Year¹
- ✓ On track to add 3,500 CCR stores under condition-based maintenance program

Service

Tiered service offerings
Recurring revenues
Healthy building upgrades



- ✓ Service coverage at all time highs in Commercial HVAC, Truck/Trailer, and CCR
- ✓ 35%+ attachment rate for chillers in Q3 2021
- ✓ On track to 60K chillers under contract in 2021

Parts

Tools and processes
Proprietary content
Strategic partnerships



- ✓ Expanded parts availability enabling 95% fill rate
- ✓ One-stop shop experience for national accounts in partnership with our channel partners

On track for double-digit aftermarket growth in 2021

Inorganic Growth

HVAC



- ✓ Leader in data center infrastructure management software
- ✓ Complements ALC, Carrier's best-in-class building management system
- ✓ Uses AI and ML to provide a one-stop shop solution for energy and cooling optimization
- ✓ Healthy / Sustainable

Fire & Security



- ✓ Leader in digital real estate solutions
- ✓ Complements Supra to form a comprehensive real estate access solution across the residential market
- ✓ Increases recurring revenues while providing revolutionized digital services revenue
- ✓ Intelligent cloud ecosystem optimizes scheduling and provides real-time communication with actionable feedback

Fire & Security



- ✓ Specializes in advanced residential alarm systems
- ✓ Complements Kidde by reinforcing its IoT product offerings with uniquely-designed, premium, smart smoke and heat alarms (Red Dot design award)
- ✓ Expands global territories, particularly in Europe, Australia, New Zealand
- ✓ Healthy / Safe

Grow the Core

Geographic Coverage & Adjacencies

Services & Digital

Strategic Growth Areas



Q3 2021 Results

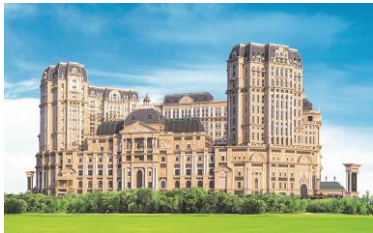
| | Q3 2021 | Q3 2020 | Y/Y |
|------------------------------|----------|----------|-----------|
| Sales | \$5,341M | \$5,002M | 7% |
| Organic sales* | | | 4% |
| Acquisition | | | 2% |
| FX | | | 1% |
| Adjusted operating profit* | \$858M | \$867M | (1)% |
| Adjusted operating margin* | 16.1% | 17.3% | (120) bps |
| Adjusted effective tax rate* | 19.7% | 24.9% | (520) bps |
| Adjusted EPS* | \$0.71 | \$0.67 | \$0.04 |
| Free cash flow* | \$505M | \$880M | \$(375M) |



*See appendix for additional information regarding non-GAAP measures

Q3 2021 HVAC Results

| | Q3 2021 | Y/Y |
|----------------------------|----------|-----------|
| Sales | \$3,054M | 6% |
| Organic sales* | | 2% |
| Acquisitions | | 3% |
| FX | | 1% |
| Adjusted operating profit* | \$583M | (3)% |
| Adjusted operating margin* | 19.1% | (160) bps |



The Grand Lisboa Palace Resort Macau celebrated its grand opening with a comfortable indoor environment supported by Carrier HVAC equipment. Carrier China provided seven AquaEdge® 19XR high-efficiency centrifugal chillers, four AquaForce® 30XW heat pumps and more than 3,000 low-noise fan coil units.

Highlights

Better than expected 2% sales decline in NA residential HVAC; balanced field inventory levels

14% sales growth in light commercial

Double-digit growth in aftermarket and controls

Announcing additional price increases



*See appendix for additional information regarding non-GAAP measures

Q3 2021 Refrigeration Results

| | Q3 2021 | Y/Y |
|----------------------------|----------|--------|
| Sales | \$1,011M | 15% |
| Organic sales* | | 14% |
| FX | | 1% |
| Adjusted operating profit* | \$121M | 19% |
| Adjusted operating margin* | 12.0% | 40 bps |

| Highlights |
|--|
| Transport sales up 24% |
| Sensitech and aftermarket up double-digits |
| Healthy backlog |
| Disappointing margin performance |



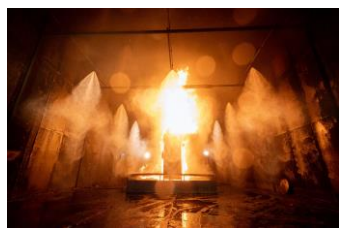
Carrier sponsored and participated in the initial World Cold Chain Symposium convened by the Global Food Cold Chain Council (GFCCC) and the United Nations Environment Programme (UNEP). In addition to high-level speakers from 60 countries, Refrigeration's President Tim White shared insights around Carrier's integral role in protecting the world's cold chain.



*See appendix for additional information regarding non-GAAP measures

Q3 2021 Fire & Security Results

| | Q3 2021 | Y/Y |
|----------------------------|----------|-----------|
| Sales | \$1,377M | 4% |
| Organic sales* | | 2% |
| FX | | 2% |
| Adjusted operating profit* | \$198M | (3)% |
| Adjusted operating margin* | 14.4% | (100) bps |



Marioff HI-FOG® high pressure water mist fire protection system with an electric pump unit has received an extended FM Approval to provide fire protection for combustion turbines and machinery with enclosures up to 2300m³, nearly doubling the amount of space covered.

| Highlights |
|--|
| Growth in commercial fire, access solutions, and industrial fire |
| Products grew 3% despite supply chain challenges |
| Chubb installation backlog remains at record levels |

Organic Order Trends

| Orders by Key Business Line | Q3 2021 (Y/Y) |
|---|------------------|
| <u>HVAC*</u> | 5% - 10% |
| <i>Residential & Light Commercial</i> | 0% - 5% |
| <i>Commercial HVAC*</i> | 10% - 15% |
| <u>Refrigeration</u> | 15% - 20% |
| <i>Transport Refrigeration</i> | >15% |
| <i>Commercial Refrigeration</i> | 15% - 20% |
| <u>Fire & Security</u> | 5% - 10% |
| <i>Fire & Security Products</i> | ~10% |
| <i>Fire & Security Field</i> | 5% - 10% |
| Total Carrier* | 5% - 10% |

| Orders by Geography | Q3 2021 (Y/Y) |
|----------------------|------------------|
| Americas* | ~5% |
| EMEA | ~15% |
| China | (5%) – (10%) |
| Asia excluding China | 35% - 40% |



*Excludes NORESKO

Updated 2021 Outlook

| | Updated (Oct 28 th) | Prior (Jul 29 th) |
|----------------------------|--|--|
| Sales | Up ~16% Y/Y <i>Organic* +~13% Y/Y</i> <i>Acquisitions +1% Y/Y</i> <i>FX +2% Y/Y</i> | Up 14% - 16% Y/Y <i>Organic* +10% - 12% Y/Y</i> <i>Acquisitions +1% Y/Y</i> <i>FX +3% Y/Y</i> |
| Adjusted Operating Margin* | >13.5% | >13.5% |
| Adjusted EPS* | ~\$2.20 <i>Adjusted Effective Tax Rate* ~22%</i> | \$2.10 - \$2.20 <i>Adjusted Effective Tax Rate* ~24%</i> |
| Free Cash Flow* | ~\$1.9B | ~\$1.9B |

2021 Adjusted EPS* Outlook Bridge



Carrier 700 outlook now ~\$75M; expecting Q4 price/cost to be neutral



*See appendix for additional information regarding non-GAAP measures

Summary

Continue to deliver on commitments in the face of supply chain challenges

Investing in, and driving organic growth tied to our strategic roadmap

Orders and backlog position us well for continued growth in Q4 and 2022

Executing on our disciplined M&A strategy

***Well-positioned to drive healthy, safe, sustainable and intelligent
building and cold chain solutions***

APPENDIX

Use and Definitions of Non-GAAP Financial Measures

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

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

Organic sales, adjusted operating profit, adjusted operating margin, incremental margins / earnings conversion, earnings before interest, taxes and depreciation and amortization (“EBITDA”), adjusted EBITDA, adjusted net income, adjusted earnings per share (“EPS”), 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.

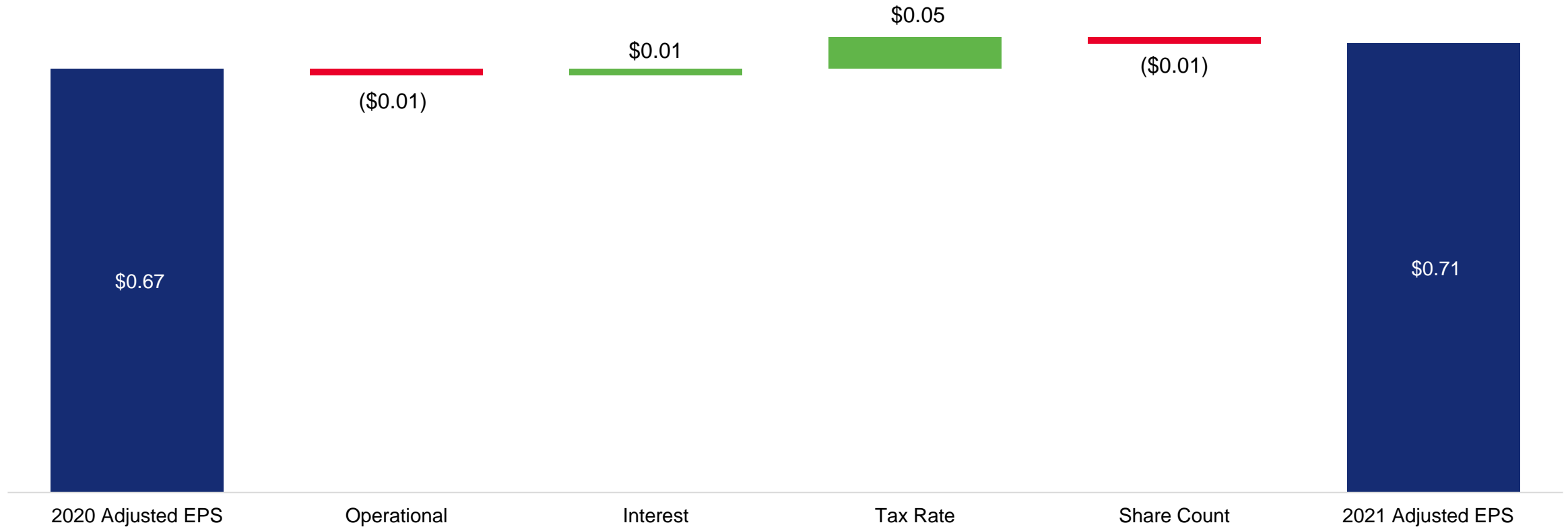
Additional Items

| | Updated outlook | Prior outlook |
|-----------------------------------|-----------------|-----------------|
| Shares outstanding (diluted) | ~890M | ~890M |
| Corporate expenses / eliminations | ~\$220M | \$220M - \$240M |
| Adjusted interest expense, net* | ~\$293M | \$285M - \$290M |
| Adjusted effective tax rate* | ~22% | ~24% |
| Non-service pension benefit | ~\$68M | ~\$70M |
| Capital expenditures | ~\$375M | ~\$375M |
| Depreciation & amortization | ~\$330M | \$330M - \$340M |



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

Q3 2021 Adjusted EPS* Bridge



Carrier Q3 2021 vs 2020 Sales Reconciliation

Y/Y %

Three Months Ended September 30, 2021 Compared with Three Months Ended September 30, 2020

| (Unaudited) | | | | | |
|---|------------|----------------|-------------------------------------|------------|------------|
| Factors Contributing to Total % change in Net Sales | | | | | |
| | Organic | FX Translation | Acquisitions / Divestitures, net | Other | Total |
| HVAC | 2 % | 1 % | 3 % | — % | 6 % |
| Refrigeration | 14 % | 1 % | — % | — % | 15 % |
| Fire & Security | 2 % | 2 % | — % | — % | 4 % |
| Consolidated | 4 % | 1 % | 2 % | — % | 7 % |

Nine Months Ended September 30, 2021 Compared with Nine Months Ended September 30, 2020

| (Unaudited) | | | | | |
|---|-------------|----------------|-------------------------------------|------------|-------------|
| Factors Contributing to Total % change in Net Sales | | | | | |
| | Organic | FX Translation | Acquisitions / Divestitures, net | Other | Total |
| HVAC | 18 % | 1 % | 2 % | — % | 21 % |
| Refrigeration | 23 % | 4 % | — % | — % | 27 % |
| Fire & Security | 9 % | 5 % | — % | — % | 14 % |
| Consolidated | 16 % | 3 % | 1 % | — % | 20 % |



Segment Adjusted Operating Profit Reconciliation

| <i>(dollars in millions - Income (Expense))</i> | (Unaudited) | | | |
|---|----------------------------|---------------|---------------------------|-----------------|
| | For the Three Months Ended | | For the Nine Months Ended | |
| | September 30, | | September 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| HVAC | | | | |
| Net sales | \$ 3,054 | \$ 2,892 | \$ 8,660 | \$ 7,142 |
| Operating profit | \$ 573 | \$ 839 | \$ 1,511 | \$ 1,364 |
| Restructuring | (7) | — | (18) | (3) |
| Gain on sales of joint venture | — | 252 | — | 252 |
| Impairment of joint venture investment | — | — | — | (71) |
| Separation costs | — | — | — | (2) |
| Charge resulting from litigation matter | — | (11) | — | (11) |
| Acquisition-related costs | (3) | — | (5) | — |
| Adjusted operating profit | \$ 583 | \$ 598 | \$ 1,534 | \$ 1,199 |
| Refrigeration | | | | |
| Net sales | \$ 1,011 | \$ 876 | \$ 3,037 | \$ 2,384 |
| Operating profit | \$ 119 | \$ 103 | \$ 369 | \$ 263 |
| Restructuring | (2) | 1 | (7) | (2) |
| Adjusted operating profit | \$ 121 | \$ 102 | \$ 376 | \$ 265 |
| Fire & Security | | | | |
| Net sales | \$ 1,377 | \$ 1,324 | \$ 4,084 | \$ 3,587 |
| Operating profit | \$ 182 | \$ 200 | \$ 480 | \$ 426 |
| Restructuring | (3) | (4) | (23) | (13) |
| Separation costs | — | — | — | (3) |
| Chubb transaction costs | (13) | — | (28) | — |
| Adjusted operating profit | \$ 198 | \$ 204 | \$ 531 | \$ 442 |

| <i>(dollars in millions - Income (Expense))</i> | (Unaudited) | | | |
|--|----------------------------|----------------|---------------------------|-----------------|
| | For the Three Months Ended | | For the Nine Months Ended | |
| | September 30, | | September 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| General Corporate Expenses and Eliminations and Other | | | | |
| Net sales | \$ (101) | \$ (90) | \$ (301) | \$ (251) |
| Operating profit | \$ (46) | \$ (61) | \$ (178) | \$ (215) |
| Restructuring | (1) | — | (4) | (1) |
| Separation costs | — | (24) | (19) | (87) |
| Chubb transaction costs | (1) | — | (1) | — |
| Adjusted operating profit | \$ (44) | \$ (37) | \$ (154) | \$ (127) |
| Carrier | | | | |
| Net sales | \$ 5,341 | \$ 5,002 | \$ 15,480 | \$ 12,862 |
| Operating profit | \$ 828 | \$ 1,081 | \$ 2,182 | \$ 1,838 |
| Total restructuring costs | (13) | (3) | (52) | (19) |
| Total non-recurring and non-operational items | (17) | 217 | (53) | 78 |
| Adjusted operating profit | \$ 858 | \$ 867 | \$ 2,287 | \$ 1,779 |



Q3 2021 EPS Reconciliation

| <i>(In millions)</i> | (Unaudited) | | | | | |
|--|---|-----------------|----------------|--|---------------|-----------------|
| | For the Three Months Ended September 30, 2021 | | | For the Nine Months Ended September 30, 2021 | | |
| | Reported | Adjustments | Adjusted | Reported | Adjustments | Adjusted |
| Net sales | \$ 5,341 | \$ — | \$ 5,341 | \$ 15,480 | \$ — | \$ 15,480 |
| Operating profit | 828 | 30 a | 858 | 2,182 | 105 a | 2,287 |
| <i>Operating margin</i> | <i>15.5 %</i> | | <i>16.1 %</i> | <i>14.1 %</i> | | <i>14.8 %</i> |
| Income from operations before income taxes | 768 | 30 a, b | 798 | 1,995 | 124 a, b | 2,119 |
| Income tax expense | (288) | 131 c | (157) | (626) | 160 c | (466) |
| <i>Income tax rate</i> | <i>37.5 %</i> | | <i>19.7 %</i> | <i>31.4 %</i> | | <i>22.0 %</i> |
| Net income attributable to common shareowners | \$ 469 | \$ 161 | \$ 630 | \$ 1,340 | \$ 284 | \$ 1,624 |
| Summary of Adjustments: | | | | | | |
| Restructuring costs | | \$ 13 a | | \$ 52 a | | |
| Separation costs | | — a | | 19 a | | |
| Debt prepayment costs | | — b | | 19 b | | |
| Acquisition-related costs | | 3 a | | 5 a | | |
| Chubb transaction costs | | 14 a | | 29 a | | |
| Total adjustments | | \$ 30 | | \$ 124 | | |
| Tax effect on adjustments above | | \$ (5) | | \$ (19) | | |
| Tax specific adjustments | | 136 | | 179 | | |
| Total tax adjustments | | \$ 131 c | | \$ 160 c | | |
| Shares outstanding - Diluted | 892.0 | | 892.0 | 890.9 | | 890.9 |
| Earnings per share - Diluted | \$ 0.53 | | \$ 0.71 | \$ 1.50 | | \$ 1.82 |



Q3 2020 EPS Reconciliation

| <i>(In millions)</i> | (Unaudited) | | | | | |
|--|---|-----------------|----------------|--|--------------|-----------------|
| | For the Three Months Ended September 30, 2020 | | | For the Nine Months Ended September 30, 2020 | | |
| | Reported | Adjustments | Adjusted | Reported | Adjustments | Adjusted |
| Net sales | \$ 5,002 | \$ — | \$ 5,002 | \$ 12,862 | \$ — | \$ 12,862 |
| Operating profit | 1,081 | (214) a | 867 | 1,838 | (59) a | 1,779 |
| <i>Operating margin</i> | <i>21.6 %</i> | | <i>17.3 %</i> | <i>14.3 %</i> | | <i>13.8 %</i> |
| Income from operations before income taxes | 1,009 | (214) a,b | 795 | 1,679 | (54) a,b | 1,625 |
| Income tax expense | (261) | 63 c | (198) | (560) | 138 c | (422) |
| <i>Income tax rate</i> | <i>25.9 %</i> | | <i>24.9 %</i> | <i>33.4 %</i> | | <i>26.0 %</i> |
| Net income attributable to common shareowners | \$ 741 | \$ (151) | \$ 590 | \$ 1,098 | \$ 84 | \$ 1,182 |
| Summary of Adjustments: | | | | | | |
| Restructuring costs | | \$ 3 a | | \$ 19 a | | |
| Gain on sale of joint venture | | (252) a | | (252) a | | |
| Impairment of equity method investment | | — a | | 71 a | | |
| Charge resulting from litigation matter | | 11 a | | 11 a | | |
| Separation costs | | 24 a | | 92 a | | |
| Debt issuance costs | | — b | | 5 b | | |
| Total adjustments | | \$ (214) | | \$ (54) | | |
| Tax effect on adjustments above | | \$ 51 | | \$ 29 | | |
| Tax specific adjustments | | 12 | | 109 | | |
| Total tax adjustments | | \$ 63 c | | \$ 138 c | | |
| Shares outstanding - Diluted | 881.5 | | 881.5 | 876.2 | | 876.2 |
| Earnings per share - Diluted | \$ 0.84 | | \$ 0.67 | \$ 1.25 | | \$ 1.35 |



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

Segment Net Sales and Operating Profit

| <i>(In millions)</i> | (Unaudited) | | | | | | | |
|----------------------------|--|-----------------|-----------------|-----------------|---|------------------|------------------|------------------|
| | For the Three Months Ended September 30, | | | | For the Nine Months Ended September 30, | | | |
| | 2021 | | 2020 | | 2021 | | 2020 | |
| | Reported | Adjusted | Reported | Adjusted | Reported | Adjusted | Reported | Adjusted |
| Net sales | | | | | | | | |
| HVAC | \$ 3,054 | \$ 3,054 | \$ 2,892 | \$ 2,892 | \$ 8,660 | \$ 8,660 | \$ 7,142 | \$ 7,142 |
| Refrigeration | 1,011 | 1,011 | 876 | 876 | 3,037 | 3,037 | 2,384 | 2,384 |
| Fire & Security | 1,377 | 1,377 | 1,324 | 1,324 | 4,084 | 4,084 | 3,587 | 3,587 |
| Segment sales | 5,442 | 5,442 | 5,092 | 5,092 | 15,781 | 15,781 | 13,113 | 13,113 |
| Eliminations and other | (101) | (101) | (90) | (90) | (301) | (301) | (251) | (251) |
| Net sales | \$ 5,341 | \$ 5,341 | \$ 5,002 | \$ 5,002 | \$ 15,480 | \$ 15,480 | \$ 12,862 | \$ 12,862 |
| Operating profit | | | | | | | | |
| HVAC | \$ 573 | \$ 583 | \$ 839 | \$ 598 | \$ 1,511 | \$ 1,534 | \$ 1,364 | \$ 1,199 |
| Refrigeration | 119 | 121 | 103 | 102 | \$ 369 | 376 | 263 | 265 |
| Fire & Security | 182 | 198 | 200 | 204 | \$ 480 | 531 | 426 | 442 |
| Segment operating profit | 874 | 902 | 1,142 | 904 | \$ 2,360 | 2,441 | 2,053 | 1,906 |
| Eliminations and other | (10) | (10) | (31) | (9) | \$ (73) | (56) | (122) | (40) |
| General corporate expenses | (36) | (34) | (30) | (28) | \$ (105) | (98) | (93) | (87) |
| Operating profit | \$ 828 | \$ 858 | \$ 1,081 | \$ 867 | \$ 2,182 | \$ 2,287 | \$ 1,838 | \$ 1,779 |
| Operating margin | | | | | | | | |
| HVAC | 18.8 % | 19.1% | 29.0% | 20.7% | 17.4 % | 17.7 % | 19.1 % | 16.8 % |
| Refrigeration | 11.8 % | 12.0% | 11.8% | 11.6% | 12.2 % | 12.4 % | 11.0 % | 11.1 % |
| Fire & Security | 13.2 % | 14.4% | 15.1% | 15.4% | 11.8 % | 13.0 % | 11.9 % | 12.3 % |
| Total Carrier | 15.5 % | 16.1% | 21.6% | 17.3% | 14.1 % | 14.8 % | 14.3 % | 13.8 % |



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

Free Cash Flow Reconciliation

| <i>(In millions)</i> | (Unaudited) | | | | | | | |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|
| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | FY 2020 | Q1 2021 | Q2 2021 | Q3 2021 |
| Net cash flows provided by operating activities | \$ 47 | \$ 509 | \$ 937 | \$ 199 | \$ 1,692 | \$ 184 | \$ 561 | \$ 579 |
| Less: Capital expenditures | 48 | 46 | 57 | 161 | 312 | 53 | 79 | 74 |
| Free cash flow | \$ (1) | \$ 463 | \$ 880 | \$ 38 | \$ 1,380 | \$ 131 | \$ 482 | \$ 505 |



Carrier Q3 2021 vs 2019 Organic Sales Reconciliation

Three Months Ended September 30, 2021 Compared with Three Months Ended September 30, 2019

(Unaudited)

| | Factors Contributing to Total % change in Net Sales | | | | |
|--------------|---|----------------|-------------------------------------|-------|-------|
| | Organic | FX Translation | Acquisitions / Divestitures, net | Other | Total |
| Consolidated | 7 % | 2 % | 2 % | — % | 11 % |



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