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# Carrier Global Corp. (CARR)

Baird Global Industrial Conference

## CORPORATE PARTICIPANTS

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

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## OTHER PARTICIPANTS

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

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## MANAGEMENT DISCUSSION SECTION

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

All right. Good afternoon. I'm Tim Wojs. I cover building products here at Baird, and we're delighted to have Carrier Global joining us this year at our Global Industrial Conference. Carrier is the leading manufacturer of residential and commercial HVAC and transportation refrigeration equipment.

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

You could say that. You said that leading.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Yeah. Okay, yeah. On stage with me today is the Chairman and CEO, Dave Gitlin; and we have Patrick Goris, who's SVP and CFO. We're going to start with some overview remarks from Dave, and then we're going to hop into Q&A after that.

So, I'll turn the floor over to Dave.

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

Okay. Well, thank you, Tim, to you and Baird for having us.

Six years ago, as we prepared for our spin, this was our first investor conference where we laid out our vision for the new Carrier. I am very proud of how far we've come. We have a new team, culture, operating system, aftermarket success, a far more focused and differentiated portfolio, a new energy purpose and vision that deeply galvanizes our team.

I'm even more excited about what lies ahead. We've been very purposeful about our portfolio. It is, by design, very focused. It is also, by design, balanced. This is underpinned by our strategy and playbook focus on driving sustained growth through leadership in products, aftermarket and systems. We are market leaders. We play in the right verticals, in the right geographies globally, and we hold leading positions across critical markets. We have chosen markets where we can leverage our brands, channels, technology and digital ecosystems to create sustained growth and margin expansion.

We like residential in North America and Europe where we can create differentiation and where our brands, technology and channels can provide a strong moat against commoditization. Commercial HVAC, we've made very significant investments since our spin, and we've been winning. We've expanded our product portfolio, added manufacturing and test lab capacity, increased the number of salespeople and technicians. We've maintained and improved our market-leading positions in Europe and Asia, and have made tremendous strides in the Americas.

Last quarter, our applied business in the Americas was up 60%. We're winning, we're growing, we're taking share, we're expanding margins. And of course, we like our exposure to data centers. Our data center revenues will double this year to \$1 billion. And with our backlog extending into 2028, we expect it to continue to be a strong source of growth next year and beyond.

Now, with 40% of our portfolio tied to aftermarket in commercial HVAC, we have both grown double digits for both of those over the last five years, and we feel well-positioned to see both of those continuing to grow double digits. A key question that we have been discussing with investors over the past few months has been about our Americas residential business. So, let me touch on this for a moment.

First of all, as we shared at our last earnings call, it is a tremendous business, and we are very pleased with our market position and financial profile. It goes without saying that in the second half of this year, this business has experienced significant weakness. And a key question is, what will this business do next year? So, let's level set.

We estimate that there are about 145 million homes in the United States, and about 90% of those have HVAC systems. So, about 130 million installed units. And we estimate that the replacement rates in the years preceding COVID to have been around 6% annually. That rate, of course, can vary year to year. Units last around 15 years, but replacements are not a perfect bell curve because of other factors such as interest rates, new and existing home purchases, the economy, strength of the consumer and weather. All of those can replace – can impact the replacement rates in a given year. The 6% replacement rate on a base of 130 million homes would equate to just under 8 million homes needing replacement annually.

New home construction adds another roughly 1 million to 1.5 million units per year. This would put the total unitary units on average at a bit over 9 million units annually. As we exit this year, we expect the market will be well-below this rate at about 7.5 million units. Though, a return to the norm next year would be tremendous and tremendous volume growth, and we know that some in our industry are projecting that. We do not believe that we will get back to those levels in just one year.

The reason is that over the past five years or so, the industry has averaged closer to 9.7 million units, so a bit above that 9 million average. So, call it, a few million units cumulative above the average over the past five years. With 2025 at roughly 7.5 million units, we will have eaten about halfway into that cumulative overage. When we recover to the 9 million units remains uncertain, but we do anticipate returning to that level over the coming few years.

During that period, we would expect to see some market unit growth, but not a snapback – during that period, we would expect to see some market unit growth, but we do not expect a snapback next year to the norm. Even devoid of significant market volume recovery, we would anticipate some outgrowth relative to the market next year from the absence of the severe destocking we are experiencing in 2025, especially in the second half of this year, which would be tailwind in the second half of next year.

As we mentioned at earnings, our number one priority right now is to ensure destocking headwinds don't persist into next year, by ending this year with field inventories down 30%, a field inventory unit level not seen since 2018-2019. As of today, we are in good position to achieve that, having exited October with field inventory down about over 25% versus last year. We will discuss more on our 2026 outlook, including the North American resi market when we report earnings in the New Year. But for now, we are assuming a flat volume market for next year.

It is a very short cycle business, as we all know, and we will be in a better position to opine on 2026 when we give our guidance in February. We do believe the coming few years are poised for a gradual recovery to that 9 million unit that I mentioned. The good news is that our gross margins are high in this business, and when revenues do recover, which they will, we're positioned for outsized top and bottom line growth.

It is important to note that we will continue to invest while remaining focused on rigorous and significant cost reductions to take out fixed cost and significantly improve productivity. We are taking difficult but necessary steps to significantly reduce overhead costs while driving productivity in a very disciplined and tenacious way. We remain obsessed with delivering for our customers and shareholders, executing with discipline and positioning Carrier for future accelerated growth.

2025 has been an important part of our journey. We will learn from this year while we go to enormous lengths to exceed expectations and get back on the track record of delivering outsized results that you all have grown accustomed to us doing. I stand here today having the same excitement for 2026 that we had when we were gearing up for our spin in 2020. Though markets can swing, I have enormous confidence in our ability to continue to win and drive outsized value for our customers and our shareholders.

And with that, Tim, Patrick and I are happy to get into the Q&A.

## QUESTION AND ANSWER SECTION

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah. No, thank you, guys. I appreciate those comments. If you have any questions, you can raise your hand or you can e-mail session2@rwbaird.com.

Dave, maybe just kind of extrapolating those comments a little bit, I mean, on your earnings call, you had talked about, about 40% of the business is supply and service, that's been growing double digits. And then the other kind of resi, kind of light commercial refrigeration, short cycle businesses. If you'd kind of assume flat to down a little bit, you kind of get into a low-single-digit growth kind of outlook for 2026. It doesn't sound like with your comments that's changed, but just kind of want to kind of walk through the puts and takes there.

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

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No, I think that as we sit here today, that's how we're thinking about it. If – there's a lot – if you look at both the United States, that kind of reversion back to that mean, that 7.5 million going back to 9 million, we have high confidence that that just will happen. Exactly when is not clear. In the first half of next year, we face some tough comps on the resi side. So, we will have a bit of calendarization where the second half of this year, our volume is down 40%. But in the first quarter of this year, we were up 20% in resi in North America, 11% in 2Q.

So in resi in North America, we will be a bit backend loaded for next year. But it's unclear exactly when we start to revert to that from that 7.5 million to 9 million. And in Europe, you have a kind of a similar phenomenon. If you take Germany as a microcosm, in 2022 and 2023, the total number of units, both boilers and heat pumps, in Germany were around 1 million, one year slightly above, one year slightly below. Then you went to two years ago, we were at about 700,000, and this year we'll be about 600,000 total units in Germany.

So, if you look at the average over any period of time, it's been about 800,000. So, above the mean by a couple of 100,000 for those two years, below it by 100,000, 200,000. Will it revert to that 800,000? We have very high confidence that it will. Exactly when that starts to phase next year and into the following year is uncertain. So, we're kind of – for our internal planning purposes, we're assuming those two markets don't provide any lift, so we can run the business from a cost perspective to be aggressive on the fixed cost takeout while investing in growth to position ourselves when they start to bounce back.

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. And I guess, as you kind of assessed on the resi side, kind of the root causes for some of the weaker volumes, how would you kind of stack rank some of the impacts? I know you don't necessarily control your channel, but you hear a lot from your customers. What are they telling you in terms of how much of this is refrigerant, how much is weather, how much is pre-buy, how much is – all those types of factors? Just kind of curious your...

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Yeah.

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

...your assessment.

Q

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

We were both running for it. I think the – probably the number one would have been some level of stocking that there's clearly – there was more than normal stocking levels last year, which we all knew. And we had been very clear about that with the pre-buy in front of the refrigerant change. We – it's not a perfect science exactly how much because that's a function of demand. And then, what happened this year is we knew that there were some excess stocking in the third and then, of course, into the fourth quarter. And then, we came out and had a really good first quarter. I mean, demand was good, movement was good. Our sales, we were up 20% in the first quarter. So, we were kind of working with our channel partners to say exactly how much excess stocking was there last year, obviously, with the benefit of hindsight, there was more than we thought.

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Clearly, new home build and existing home sales being very soft is a factor. If you think about existing home sales being very low, that has a double impact on us. First, we've mentioned that 20%, 25% of the time when you buy a new home, you replace your HVAC system. But on the other end, if you've been in your home for a long time, you're waiting for interest rates to come down, mortgage rates to come down before you buy, you're going to be very reluctant to replace your system before you sell your house.

So, I think that's having a bit of a dulling effect on the market as well. And are people limping by with some of the stress on the consumer? Are people limping by a little bit more with repair versus replace for a bunch of factors? We have no doubt anecdotally, that's true. Exactly how much is hard to – is exactly – it's a little bit hard to judge. Now, 50% of HVAC systems are replaced with financing today in the United States. So, financing has become more prevalent than in the – than it had been in the past. So, I think that all means that there were a bunch of factors that clearly we under-anticipated. We've learned from it. We're doing a lot with our modeling and our discussions, not only with our distribution partners, but dealers partners. I think it caught pretty much the whole industry by surprise, the severity of it. But we take everything as a learning opportunity.

So, we've done a lot. We were with a hyperscaler that we're hoping to win a lot of business with. We were with them earlier in this week. And we've been using their data scientists to really help what other factors could we be looking at in our resi forecasting model that might be more correlative.

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Okay. Okay. And then when you're talking about reducing, how do you balance reducing the fixed cost of the business with ultimately kind of getting back to a level that you might need those fixed costs? I mean, what – how do you kind of manage the possibility that maybe we do see a snapback next year, and if you take out too much cost, you wind up having to kind of under-anticipate that kind of phenomenon happening too?

Q

**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

Well, the cost that we're taking out, we actually don't anticipate putting that back in anytime soon. And if you look at what functions, there're actually some functions within the company where head count is increasing. Sales resources, field engineers, people who work in our digital area. The areas where we are reducing head count is very much in the G&A space. That includes people in finance, other supporting functions. There is some

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duplication in some parts of our company between back-office functions, and so we're very aggressively going after that.

We certainly have the intention not to have to backfill those, but rather through the use of technology to basically absorb as volume continues to increase.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. And as you kind of tweak your internal models, like what is the key driver to replace – I mean, because at the end of the day, there still is a replacement market, right.

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Yeah.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

And so, what would be the key drivers of that residential replacement in kind of your models?

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Yeah. I mean, look, 80% is replacement. So, it's fundamentally more so in the Americas than in Europe. It is a break/fix business. Europe, there can be more for residential planned replacements. In the US and Canada, it's typically a break/fix business. Now, will folks decide to either delay a replacement? If you are here in Chicago and your unit fails in September, you may push that out until the season as you get into April of next year. You might decide to limp along with either a change to a motor or a controller until, and that might get you by for another two to three years.

But, now that we've switched to a different refrigerant, there is going to be pent-up demand for full replacement. There's always going to be some level of shortage of skilled labor, and it's a lot easier for – to replace the entire system than to start repairing an HVAC system. The entire channel is incentivized to push more towards full replacing, and you're not going to want to keep replacing, and have the risk that the refrigerant costs of the 410A starts to increase. So, I think that there's going to be pent-up demand for a bunch of reasons to start seeing that recovery to that full replace.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. I mean, and naturally, when you see this type of kind of industry-wide volume correction, people start to ask about price and mix and those types of things. It doesn't sound like you see any sort of pressure from the OE, kind of the other OEs in terms of taking price down. I mean, if anything, it can still go up. So, just kind of talk about the pricing environment in an industry right now, where volumes are so pressured.

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

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It certainly is a watch item, because as you say, when volumes are down so much, it's the natural question that comes up. In Q3, our overall pricing was up double digits year-over-year. Now, that's a combination of the mix-up

with the new units, with the new refrigerant, which are more costly than the prior units and some price increase. Some of that, of course, relates to some of the input cost increases that we've seen. This quarter, the increase will probably be a little bit less year-over-year, but only because we're starting to lap quarters last year when we started selling the new refrigerant units.

And so, our intention is still that we would announce a price increase in residential in the Americas for next year, likely in the mid-single-digit range. And one of the reasons is we see continued to increase in some of the input cost. If you look at what copper has done, what aluminum is doing, we see some increases there. And so, we would expect to realize, call it, low-single-digit prices – price increases in the Americas resi for that reason.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. Okay. And then, I guess, as you kind of think about other swing factors next year on the margin side, I mean, we talked a lot about the kind of the revenue side. Anything, I mean, you get – you should have about, let's say, \$100 million, I think...

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

A

Yeah.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

...carryover cost savings kind of running through. Sounds like you're going to get priced to offset – at least offset cost. I mean, what are the other kind of...

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

A

Well, we...

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

...factors on the margin line?

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

A

... [indiscernible] (00:18:50) levels of organic growth, which we've discussed earlier, and whatever organic growth is, we would expect to convert at about 30% or so. We expect carryover savings of at least \$100 million next year. That's about \$0.10. And then, we spoke in the combination of lower expected tax rate and share repurchases to be about \$0.10, between \$0.10 and \$0.15. And so, that gives you carryover plus tax and share count, give or take, \$0.15, \$0.20 of tailwind. And on top of that, the benefit of the organic growth that we talked about earlier.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah, okay. Any questions from the audience? Just you held an Investor Day earlier this year. You talked about 6% to 8% organic growth over kind of the medium term. Relative to what you've done past three or four years prior to that, really the acceleration to be a couple of points on just kind of the underlying market and then a

couple of points from systems. I guess on the systems piece, could you talk about what you're doing to kind of – more detail just around how you're going to kind of implement the systems approach and kind of where that came from, and what's the kind of timing of that accretion from system sales?

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Well, let me first say, Tim, because we got a couple of questions from investors saying, do you still feel good about the 6% to 8%? And the answer is 100%, yes. But remember, the algorithm around that it starts with market. So, we started with what does the market do, and then we said we're going to get some level of growth through share gains because of things we're doing with multi-brand, multi-channel product differentiation. For example, with our water-cooled chillers, we've invested a lot in the product portfolio on capacity water-cooled chillers.

When we sat here, when we were getting ready to spin, our market share was 10%. This year, we're 38%. And that came through a lot of good work by a whole lot of people. And we're really proud of those share gains. So, that's product, get 1 point or 2 points of growth from continuing to outperform on the product side. Aftermarket, 25% of our business, grows 10%. That gives you 2.5 points. And then systems, this new frontier, will give us another 1 point or 2 points.

I really believe this is something that is pretty profound for Carrier because I think that from a differentiation perspective, we will often win on the system side. We will – I know that we just came right after one of our competitors today, and we would both sit here on stage and argue that our chillers and our residential air conditioning systems are better. Viessmann clearly differentiated from an acoustics and a energy efficiency level. But when you look at a systems level, with quantum leap for data centers, we're looking at how to leverage our ALC controls business, which has been very differentiated to combine the control systems for traditional cooling and liquid cooling, to provide better energy assumption for our – energy efficiency for our customers.

That will be, and is today, a very differentiated systems approach. Carrier Energy, here in the Americas, we've made tremendous progress with this integrated battery heat pump offering, which I do believe when we look back five years could be one of the surprises to the upside on exactly how much penetration we'll get from that. And we're doing some similar things in Europe on the residential side.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. Okay. On the Americas, business and just the commercial piece, can you talk a little bit about – just give us approximation of how big applied commercial is. Data center is about \$1 billion of that. That's something that you've really kind of focused on improving since the spin. Just kind of walk us through how that business has evolved? Kind of where you're seeing growth, and just kind of the outlook of that business over the next couple of years?

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Well, the commercial HVAC business totals about \$6.5 billion, about \$3 billion, \$3.5 billion this year in the Americas. And about \$1 billion total globally is data centers and then call that 70% in the Americas. We've made tremendous strides. As I mentioned, share gains significant on water-cooled. I'm very confident on air-cooled chillers. We are about to see very significant share gains because for data centers, we had introduced a maglev bearing design for water-cooled. We've now done it for air-cooled chiller. So, that is a 2-megawatt unit. It's being witnessed real time by customers on its capabilities. We think that will be in the market entering the – our first

delivery is in 1Q. And I am very, very confident that we will see significant share gains because that is a point solution for very critical hyperscalers here, and colos for the Americas.

So, we feel good about growth. Data centers is doubling this year. We said our backlog going into next year globally will be up 20% to 25%. So, we would expect to see strong growth in data centers next year. And our non-data center activity has been growing in the high-single digits.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. And I guess when you think about data centers, just how does that market – how do you see that kind of market evolving over time? I mean, your – you and some of your peers, you make a lot of chillers. I mean, there's other parts of that building that are going to need to be cooled. I mean, what do you – how do you want to serve that market, and kind of how do you see your portfolio kind of evolving over time to maybe expand in the data center market?

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

Look, we'll continue to lean in on traditional cooling. We continue to lean in on the controls piece of that. We have a business we bought in the UK called Nlyte that does – uses AI to look at load management and heat generation. By combining AI to look at where heat is being generated, if you picture a mixed line that has both CPUs and GPUs, we could be much more targeted on whether we use traditional cooling or liquid cooling based on the analytics around where the heat is actually being generated.

And then of course, we have liquid cooling. So, we have two VC investments, we have one in STL, one in ZutaCore. And we also have developed our own CDU. A CDU is effectively a mini chiller. So, we have 5,000 engineers, very, very tremendously talented engineers. So, we've developed our own 1.5 megawatt CDU. We're working on a bigger size, higher capacity CDU real time. We'll continue to work with these startups, the STL and ZurtaCore. And we saw – our recent acquisition, of course, the one that was \$9.5 billion. But that's not where our heads are or at to do a \$10 billion type acquisition for liquid cooling. But it is an area that we see as a growth area, and it's an area that we think we have a right to win in.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. Okay. I guess on the aftermarket side, that's been a huge focus for you. It's growing double digits. Where are you seeing kind of the most incremental traction on aftermarket? Is it just getting those attachment rates? Is it kind of an evolution of the service model?

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**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

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I would say, it's three things, Tim: parts capture, service attachment, and mods and upgrades. Those are the three things that are going to drive most of the growth. Parts capture, the reason we say euphemistically double-digit forever is we are in the very early innings of implementing our playbook here. So, we continue to improve parts capture, but it's a holistic game plan getting traction that will continue to grow.

Our attachment rate should be closer to 100%, but we're still in kind of that 50-ish percent range, getting a long-term agreement after we sell the chiller. By the way, when you compare us versus peers, when we talk about that attachment rate, we talk about all chillers, even the most – the least complex one. Others will say, well, I get

100%. We're close to 100% for our bigger complex chillers. We try to kind of grade ourselves as tough as possible.

And then for mods and upgrades, we've taken a much more holistic approach as we go into 2026. We have different folks in different parts of the world doing different solutions for our customers. We're now looking at solutions that cut across all customers that why would I replace a chiller before the end of its life, and how could I create value through doing that? We're coming up with solutions that are good for the – all of our salespeople globally. So, that's going to be something you're going to hear us talk a lot more about.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. And then, I guess as you look at HVAC Americas, we'll probably end the year at 21-ish percent type margins. What would be the scenarios where there's margin expansion next year, and really whether – could there be further kind of margin deterioration?

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

A

So within CSA, commercial HVAC would have margins slightly below, and clearly residential and light commercial would be above. Even in a scenario where you say all the growth comes from commercial, and let's assume that resi and light commercial is flat, I would expect margins to be up. And the reason is, is the significant cost takeout that we're driving. And in addition to that, the aftermarket part of our business, which covers resi and light commercial as well, we expect that to continue to grow at double digits.

And so, not that we're saying that is what will happen, but even in the case that resi and light commercial would be flat year-over-year from a unit sales point of view, we would be disappointed if margins do not increase for that segment.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay. And I guess just lastly, just given kind of where the share price volatility that you've seen this year, I mean, you've talked about buybacks being a tailwind. I mean, how do you kind of think about leaning in to a buyback with the stock kind of where it is today versus other sources of capital use?

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**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

A

Well, at this point, we've been very clear that a capital deployment after funding growth, after funding a dividend at about a 30% payout, it will be focused on smaller bolt-on acquisitions and a lot of share repurchase. And that's what we're doing this year. Share repurchase will be about \$3 billion this year. And where we stand today, we would expect that next year again, the majority of our capital deployment after funding organic growth and a dividend of course, will go towards share repurchase.

Should we see a larger sized acquisition that we think is unique and really important for our long-term future, then of course, we can reallocate or reprioritize. But at this point, it will be overweight on share repurchase.

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**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Okay.

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

A

And as we've said, Tim, we're in a phase as a company of heads-down focus on our customers and execution. So, as Patrick said, we're not looking at multibillion-dollar type acquisitions right now. It's – we have enormous confidence as we look ahead with where Viessmann and that acquisition will end up. Obviously, the first couple of years are a bit bumpy, but it's a great asset in a long-term great market. So right now, we're in a phase of hardcore heads-down execution...

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

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Great.

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

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...and growth.

**Timothy Wojs**

*Analyst, Robert W. Baird & Co., Inc.*

Well, we're out of time. So, please join me in thanking Carrier team for being here today.

**David L. Gitlin**

*Chairman & Chief Executive Officer, Carrier Global Corp.*

Thank you.

**Patrick P. Goris**

*Chief Financial Officer & Senior Vice President, Carrier Global Corp.*

Thank you, Tim.

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