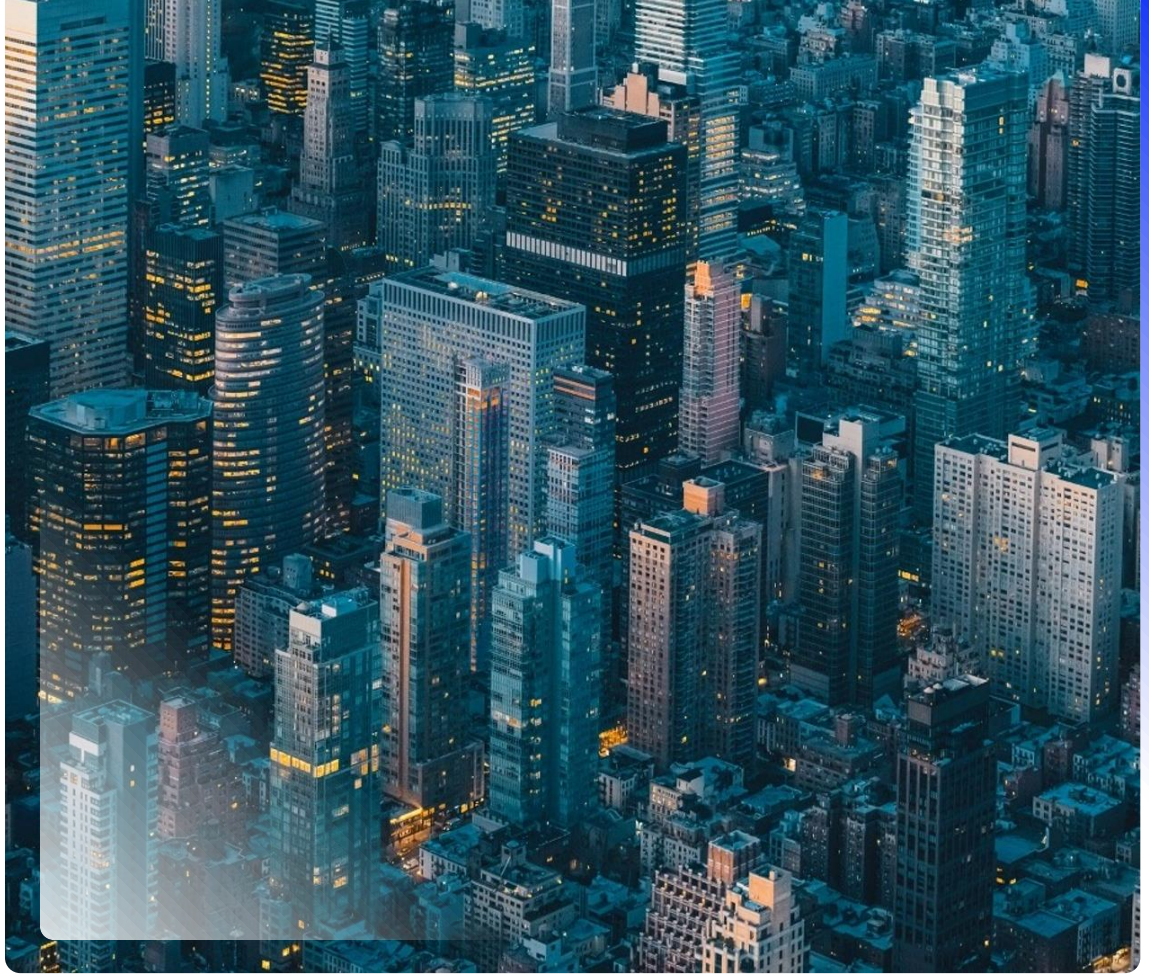
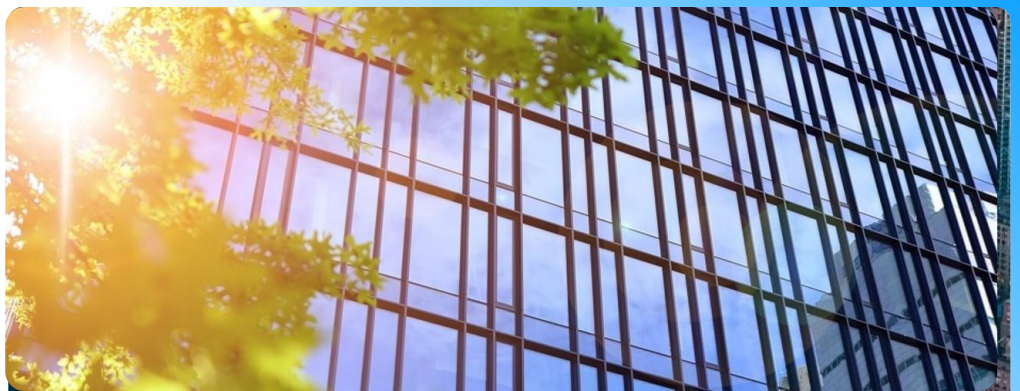
Carrier Global Corporation

David Gitlin, Chairman and CEO

Bank of America
Global Industrials Conference
March 20, 2025





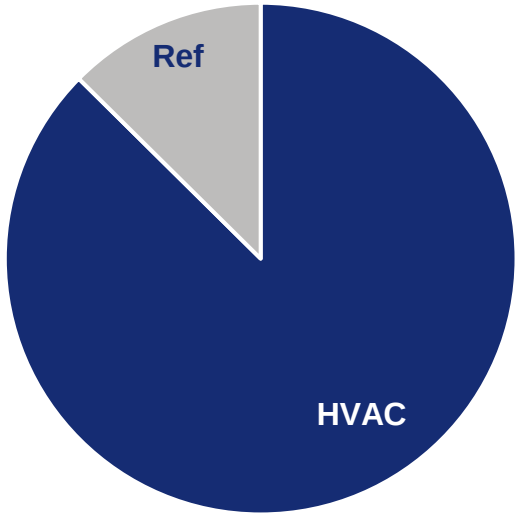


Cautionary Statement

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

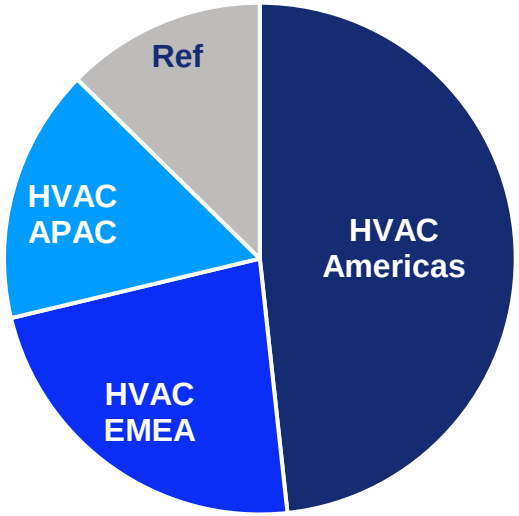
Carrier by the numbers 2024

Focused



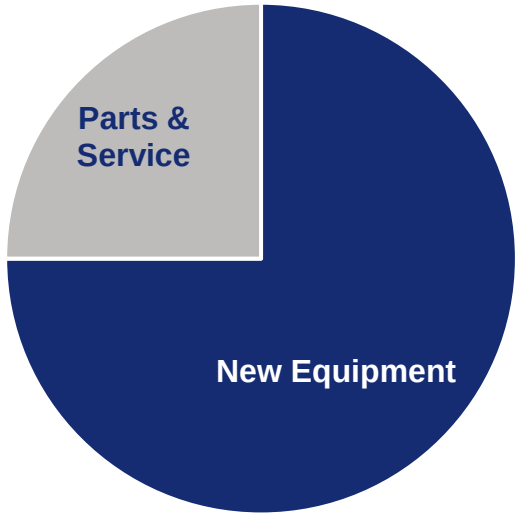
Sales by segment[2]

Balanced



Sales by region[2]

Growing aftermarket



Sales by type

$3.5B
Adj. operating profit[1]
+34% growth Y/Y

15.8%
Adj. operating margin[1]
+180 basis points expansion Y/Y

$2.56
Adj. earnings per share[1]
+16% growth Y/Y

160+
Countries

35+
Brands

~48,000
Employees in 2024

▶ Globally diversified across geographies and focused verticals

1. See appendix for Non-GAAP measures
2. Excludes Commercial Refrigeration

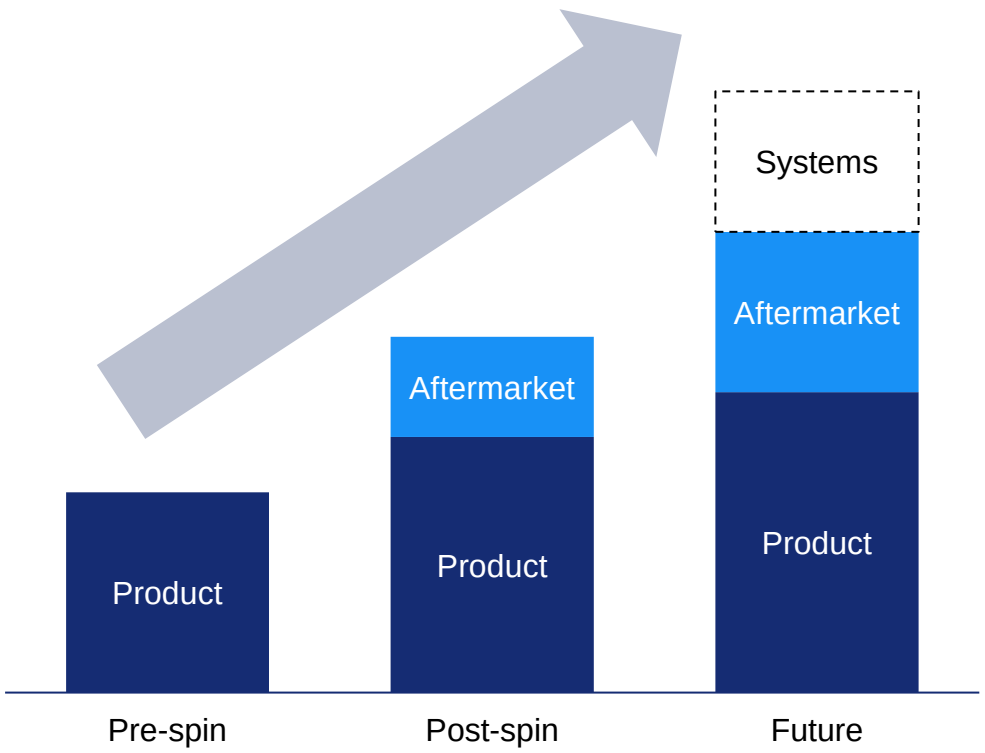
Unleashing value creation with transformed Carrier

Build Foundation	Performing while Transforming	Accelerating growth
2020 - 2022	*2023 - 2024*	*2025+*
Performance culture	Defined vision: Global Leader in Intelligent Climate and Energy Solutions	Laser focused on customers
Portfolio clean-up	Combined with Viessmann Climate Solutions	Pure-play climate and energy solutions company
Simplification and focus	Divested businesses for a combined mid-teens EBITDA multiple	100% exposed to secular trends
Carrier Excellence and productivity	Strong execution and productivity	Leading positions in all major geographies
Prioritized aftermarket	Continued margin expansion	Continued aftermarket and productivity execution
Invested in innovation / differentiation		

▶ Carrier positioned to accelerate growth in 2025 and beyond

Expanding addressable market and value to customers

Increasing value creation



Expanding offerings across ecosystems

Homes **Buildings** **Cold chain**

Fully-integrated systems

Digitally-enabled lifecycle solutions

Best-in-class products and global platforms

▶ Driving growth through higher margin and differentiated offerings to customers across ecosystems

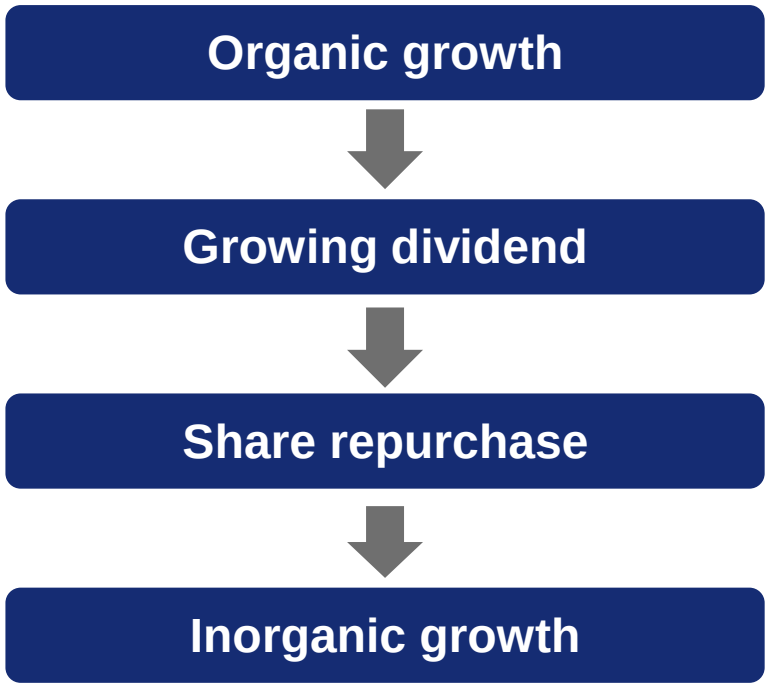
Strategic focus areas

Growth	2025 Priorities
Best-in-class products and global platforms	• New product launches leveraging common, global platforms • High efficiency residential and commercial heat pumps, data center portfolio expansion and transport electrification
Digitally-enabled lifecycle solutions	• Double digit aftermarket[1] growth for the fifth consecutive year • Increase CHVAC installed base under long-term service agreements (coverage) by ~10% • Increase connectivity and enhanced digital value propositions • Expand mods and upgrade offerings to reduce energy consumption
Fully-integrated systems	• Grow home energy management system sales in US and Europe • Increase integrated systems sales for key verticals and the cold chain
Margin expansion and productivity	• Projecting +~100 bps of margin expansion
Disciplined capital deployment	• Continued investments in organic growth • $1.2B debt paydown completed in February 2025 • ~$3.8B capital returns to shareholders through dividends and share repurchases

▶ Global Leader in Intelligent Climate and Energy Solutions

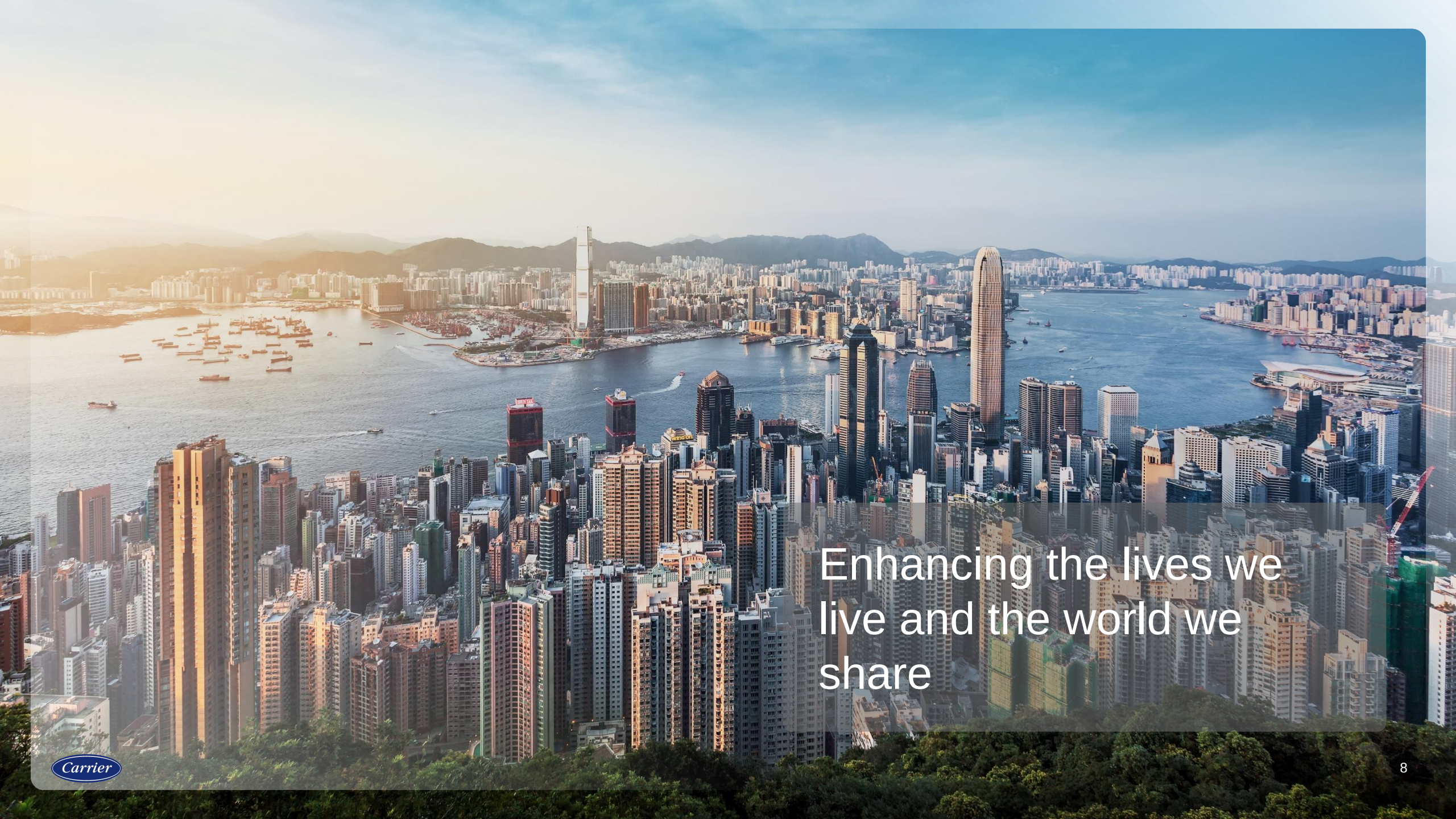
1. Excludes NORESCO

Capital deployment priorities



Key messages

- Continued investments in organic growth
- Expect ~$3.8B capital returns to shareholders through dividends and share repurchases in 2025
- Bolt-on acquisitions
- No outstanding debt due until 2027
  - $1.2B debt paydown completed in February 2025


Enhancing the lives we live and the world we share

APPENDIX

Use and definitions of non-GAAP financial measures

Carrier Global Corporation (“we” or "our") 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 (loss), adjusted earnings per share (“EPS”), adjusted interest expense, net, adjusted effective tax rate and net debt are non-GAAP financial measures and are associated with Carrier's continuing operations unless specifically noted.

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 earnings (loss) 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 (loss) represents net earnings (loss) 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 our ability to fund its activities, including the financing of acquisitions, debt service, repurchases of our common stock and distribution of earnings to shareowners.

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

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

Organic Sales Reconciliation

Three Months Ended December 31, 2024 Compared with Three Months Ended December 31, 2023

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	11%	—%	26%	—%	37%
Refrigeration	(6)%	—%	(27)%	—%	(33)%
Consolidated	**6%**	**—%**	**13%**	**—%**	**19%**

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
HVAC	5%	—%	21%	—%	26%
Refrigeration	(1)%	—%	(8)%	—%	(9)%
Consolidated	**3%**	**—%**	**16%**	**—%**	**19%**

2024 Adjusted Operating Profit Reconciliation

	(Unaudited) Year Ended December 31, 2024				
(InMs)	**HVAC**	**Refrigeration**	**Eliminations and Other**	**General Corporate Expenses**	**Carrier**
Net sales	**$ 19,078**	**$ 3,475**	**$ (67)**	**$ —**	**$ 22,486**
Segment operating profit	**$ 2,308**	**$ 715**	**$ (95)**	**$ (282)**	**$ 2,646**
Reported operating margin	*12.1 %*	*20.6 %*			*11.8 %*
Adjustments to segment operating profit:					
Restructuring costs	$ 87	$ 8	$ 13	$ —	$ 108
Amortization of acquired intangibles	689	—	—	—	689
Acquisition step-up amortization [(1)]	281	1	—	—	282
Acquisition/divestiture-related costs	5	10	—	80	95
CCR gain	—	(318)	—	—	(318)
Viessmann-related hedges	—	—	86	—	86
Gain on liability adjustment [(2)]	—	—	(46)	—	(46)
Total adjustments to operating profit	$ 1,062	$ (299)	$ 53	$ 80	$ 896
Adjusted operating profit	**$ 3,370**	**$ 416**	**$ (42)**	**$ (202)**	**$ 3,542**
Adjusted operating margin	*17.7 %*	*12.0 %*			*15.8 %*

(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.

2023 Adjusted Operating Profit Reconciliation

	(Unaudited)				
	Year Ended December 31, 2023				
(InMs)	HVAC	Refrigeration	Eliminations and Other	General Corporate Expenses	Carrier
Net sales	**$ 15,139**	**$ 3,818**	**$ (6)**	**$ —**	**$ 18,951**
Segment operating profit	**$ 2,275**	**$ 428**	**$ (200)**	**$ (343)**	**$ 2,160**
Reported operating margin	*15.0 %*	*11.2 %*			*11.4 %*
Adjustments to segment operating profit:					
Restructuring costs	$ 44	$ 21	$ 10	$ —	$ 75
Amortization of acquired intangibles	143	—	—	—	143
Acquisition step-up amortization [(1)]	41	—	—	—	41
Acquisition/divestiture-related costs	—	—	—	123	123
Bridge loan financing costs	—	—	3	—	3
TCC acquisition-related gain [(3)]	8	—	—	—	8
Viessmann-related hedges	—	—	96	—	96
Total adjustments to operating profit	$ 236	$ 21	$ 109	$ 123	$ 489
Adjusted operating profit	**$ 2,511**	**$ 449**	**$ (91)**	**$ (220)**	**$ 2,649**
Adjusted operating margin	*16.6 %*	*11.8 %*			*14.0 %*

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

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

Q4 and 2024 EPS Reconciliation

	(Unaudited)					
	Three Months Ended December 31, 2024			Year Ended December 31, 2024		
(In millions, except per share amounts)	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	$ 5,148	$ —	$ 5,148	$ 22,486	$ —	$ 22,486
Operating profit	$ 774	(96) [a]	$ 678	$ 2,646	896 [a]	$ 3,542
Operating margin	*15.0 %*		*13.2 %*	*11.8 %*		*15.8 %*
Earnings before income taxes	$ 693	(87) [a,b]	$ 606	$ 2,274	831 [a,b]	$ 3,105
Income tax (expense) benefit	$ (723)	627 [c]	$ (96)	$ (1,062)	400 [c]	$ (662)
Effective tax rate	*104.3 %*		*15.8 %*	*46.7 %*		*21.3 %*
Earnings from continuing operations attributable to common shareowners	**$ (48)**	**$ 540**	**$ 492**	**$ 1,108**	**$ 1,231**	**$ 2,339**
Summary of Adjustments:						
Restructuring costs		$ 11 [a]			$ 108 [a]	
Amortization of acquired intangibles		172 [a]			689 [a]	
Acquisition step-up amortization [(1)]		31 [a]			282 [a]	
Acquisition/divestiture-related costs		8 [a]			95 [a]	
CCR gain		(318) [a]			(318) [a]	
Viessmann-related hedges		— [a]			86 [a]	
Gain on liability adjustment [(2)]		— [a]			(46) [a]	
Debt extinguishment (gain)		— [b]			(97) [b]	
Debt prepayment costs		9 [b]			32 [b]	
Total adjustments		$ (87)			$ 831	
Tax effect on adjustments above		$ (35)			$ (262)	
Tax specific adjustments [(3)]		662			662	
Total tax adjustments		$ 627 [c]			$ 400 [c]	
Diluted shares outstanding	903.4		903.4	911.7		911.7
Diluted earnings per share:						
Continuing operations	**$ (0.05)**		**$ 0.54**	**$ 1.22**		**$ 2.56**

(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) Tax expense associated with the integration of the Viessmann and Carrier legal entity structure.

Q4 and 2023 EPS Reconciliation

(Unaudited)

(In millions, except per share amounts)	Three Months Ended December 31, 2023			Year Ended December 31, 2023		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	$ 4,316	$ —	$ 4,316	$ 18,951	$ —	$ 18,951
Operating profit	$ 539	(128) a	$ 411	$ 2,160	489 a	$ 2,649
Operating margin	*12.5 %*		*9.5 %*	*11.4 %*		*14.0 %*
Earnings before income taxes	$ 504	(111) a,b	$ 393	$ 1,999	538 a,b	$ 2,537
Income tax (expense) benefit	$ (68)	(3) c	$ (71)	$ (521)	(47) c	$ (568)
Effective tax rate	*13.5 %*		*18.1 %*	*26.1 %*		*22.4 %*
Earnings from continuing operations attributable to common shareowners	**$ 417**	**$ (114)**	**$ 303**	**$ 1,387**	**$ 491**	**$ 1,878**
Summary of Adjustments:						
Restructuring costs		$ 32 a			$ 75 a	
Amortization of acquired intangibles		35 a			143 a	
Acquisition step-up amortization (1)		10 a			41 a	
Acquisition/divestiture-related costs		65 a			123 a	
Viessmann-related hedges		(272) a			96 a	
TCC acquisition-related gain (2)		— a			8 a	
Bridge loan financing costs (3)		19 a,b			52 a,b	
Total adjustments		$ (111)			$ 538	
Tax effect on adjustments above		$ (20)			$ (83)	
Tax specific adjustments		17			36	
Total tax adjustments		$ (3) c			$ (47) c	
Diluted shares outstanding	854.2		854.2	853.0		853.0
Diluted earnings per share:						
Continuing operations	**$ 0.49**		**$ 0.36**	**$ 1.63**		**$ 2.20**

(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 and subsequently adjusted.

(3) Includes commitment fees recognized in *Operating profit*.