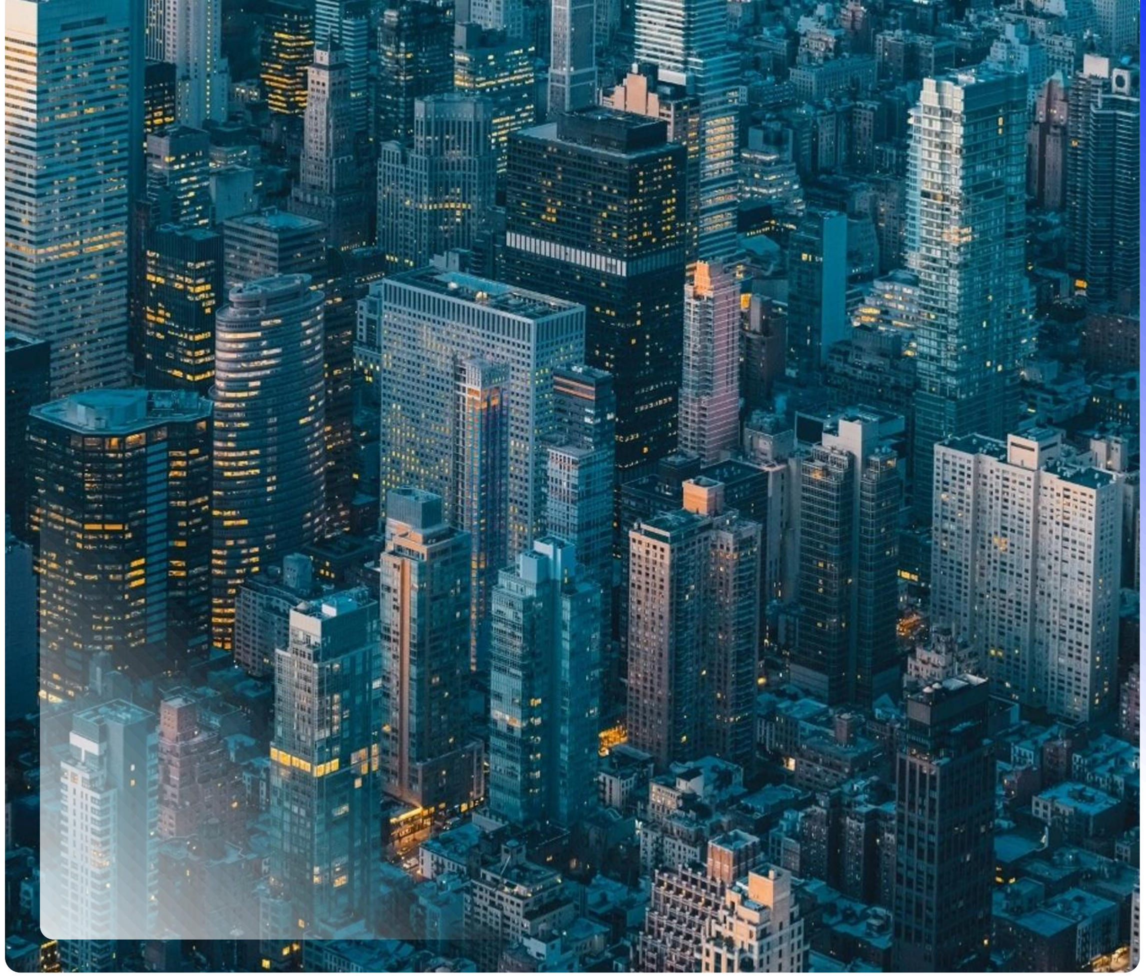
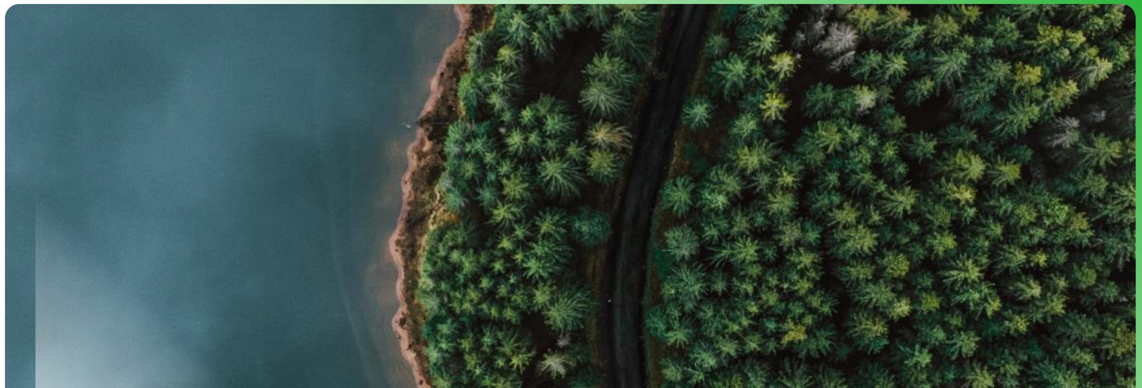
Carrier

Q1 2025 Earnings Conference Call

May 1, 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. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management's current expectations or plans for our 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 our 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 those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation, those described below and under the section titled "Risk Factors" in our most recent Annual Report on Form 10-K and in subsequent reports that we file with the SEC: the effect of economic conditions in the industries and markets in which Carrier and our businesses operate in the U.S. and globally and any changes therein, including financial market conditions, inflationary cost pressures, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions, pandemic health issues, natural disasters and the financial condition of our customers and suppliers; challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; future levels of capital spending and research and development spending; future availability of credit and factors that may affect such availability, including credit market conditions and Carrier's capital structure and credit ratings; the timing and scope of future repurchases of Carrier's common stock, including market conditions and the level of other investing activities and uses of cash; delays and disruption in the delivery of materials and services from suppliers; cost reduction efforts and restructuring costs and savings and other consequences thereof; new business and investment opportunities; the outcome of legal proceedings, investigations and other contingencies; the impact of pension plan assumptions on future cash contributions and earnings; the impact of the negotiation of collective bargaining agreements and labor disputes; the effect of changes in political conditions in the U.S. and other countries in which Carrier and our businesses operate, including the effect of changes in U.S. trade policies, on general market conditions, global trade policies, the imposition of tariffs, and currency exchange rates in the near term and beyond; the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which we and our businesses operate; the ability of Carrier to retain and hire key personnel; the scope, nature, impact or timing of acquisition and divestiture activity, such as our portfolio transformation transactions, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; a determination by the IRS and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; and risks associated with current and future indebtedness, as well as our ability to reduce indebtedness and the timing thereof. The forward-looking statements speak only as of the date of this communication. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

Q1 2025 Summary

Sales	**$5,218M** *Organic[1] +2% Y/Y*
Adjusted Operating Profit[1]	**$843M** *+10% Y/Y*
Adjusted Operating Margin[1]	**16.2%** *+210 bps Y/Y*
Adjusted EPS[1]	**$0.65** *+27% Y/Y*
Free cash flow[1,2]	**$420M**

Highlights

Organic orders up HSD with double-digit growth in Climate Solutions Europe and Climate Solutions Transportation

Within Climate Solutions Americas, residential and commercial[2] sales both up ~20%, offsetting weakness in light commercial

Total company backlog up over 15% sequentially and ~10% Y/Y

Global aftermarket sales up 8%

~100% core earnings conversion driven by productivity

$1.5B returned to shareholders through dividends and repurchases

▶ Strong start to 2025, positioning Carrier for another strong year

1. See appendix for additional information regarding non-GAAP measures
2. Includes results of continuing operations and discontinued operations
3. Excludes NORESCO

Strong progress on strategic focus areas

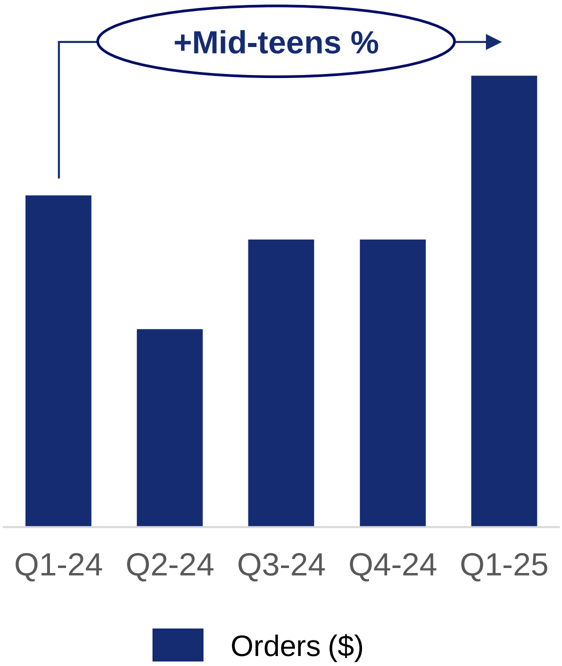
Growth	Q1 2025 Results
Best-in-class products, channels and brands	• Selling Carrier-branded air-to-air heat pumps in Europe leveraging Viessmann's channel • In Europe, introduced Carrier's first energy-efficient, air-cooled commercial heat pump using low-GWP refrigerant
Digitally-enabled lifecycle solutions	• +8% aftermarket growth[1] • Chiller attachment rate is over 60%, up from 48% in Q4 '24 • Launched smart device application for LYNX Fleet, offering real-time visibility
Fully-integrated systems	• Introduced Viessmann Profi in Europe to accelerate HEMS sales • Joined forces with Google Cloud to strengthen grid resilience with AI-powered HEMS
Margin expansion and productivity	• 210 bps of Adjusted Operating Margin expansion driven by continued strong productivity
Disciplined capital deployment	• $1.2B debt paydown completed in February 2025 • ~$1.5B capital returns to shareholders through dividends and share repurchases • S&P and Moody's rating upgrades

▶ Global Leader in Intelligent Climate and Energy Solutions

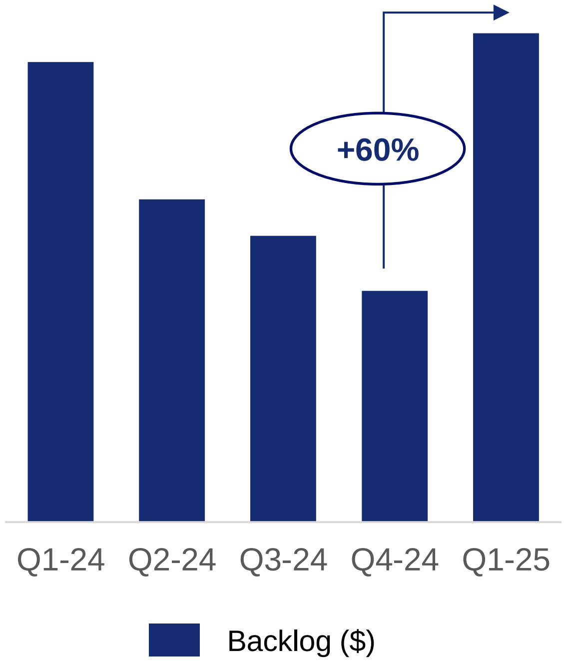
1. Excludes NORESCO

RLC Europe:[1] Backlog at highest levels in over a year

Strongest **orders** intake in over a year



First quarter of **backlog** growth in a year – backlog up 60% sequentially



Q1 Commentary

- Organic orders up mid-teens; Germany heat pump subsidy applications highest Q1 in past five years
- Organic sales down ~10% as expected; aftermarket up HSD
- Expect a return to organic growth in Q2
- Book to bill of 1.3x, driving sequential and year-over-year backlog growth
- Good start on revenue and cost synergies – on track for ~$100M in incremental revenue synergies in 2025 and over $200M cumulative cost synergies in 2026

1. In 2024, Residential and light commercial represented ~75% of Climate Solutions Europe (CSE) sales. Viessmann Climate Solutions represented ~85% of the CSE residential and light commercial business.

Driving performance in a dynamic environment

Guidance

	Current guide (May 2025)	Prior guide (Feb 2025)
Sales	**~$23B** *Organic[1] +MSD Y/Y*	$22.5 - $23.0B *Organic[1] +MSD Y/Y*
Adj. Operating Margin[1]	**16.5% - 17.0%** Up ~100 bps	16.5% - 17.0% Up ~100 bps
Adj. EPS[1]	**$3.00 - $3.10** +~17-21% Y/Y	$2.95 - $3.05 +~15-20% Y/Y
Free cash flow[1,2]	**$2.4 - $2.6B**	$2.4 - $2.6B

Tariffs

- Guide reflects full mitigation of tariffs in effect today through:
  - Supply chain actions, increased productivity and cost containment
  - Balance (~$300M) through incremental pricing
- Taking additional cost reduction measures
- Impact of further tariff escalation and potential economic downturn excluded

▶ Increasing full-year adjusted EPS guidance

1. See appendix for additional information regarding non-GAAP measures
2. Includes the expected results of continuing operations and discontinued operations

Q1 2025 Results

	Q1 2025	Q1 2024	Y/Y
Sales	$5,218M	$5,420M	(4%)
Organic sales[1]			2%
Acquisitions / Divestitures, net			(5%)
FX			(1%)
Adjusted operating profit[1]	$843M	$764M	10%
Adjusted operating margin[1]	16.2%	14.1%	210 bps
Adjusted effective tax rate[1]	22.0%	21.4%	
Adjusted EPS[1]	$0.65	$0.51	27%
Free cash flow[1,2]	$420M	($64M)	

1. See appendix for additional information regarding non-GAAP measures
2. Includes results of continuing operations and discontinued operations

Q1 2025 Climate Solutions Americas (CSA)

	Q1 2025	Q1 2024	Y/Y
Sales	$2,572M	$2,360M	9%
Organic sales[1]			9%
Acq / div, net			0%
FX			0%
Segment operating profit	$570M	$425M	34%
Segment operating margin	22.2%	18.0%	420 bps

Highlights

Continued strength in residential and commercial[2] – both up ~20%

Light commercial down year-over-year and lower than expected

Aftermarket[2] sales up HSD

Significant margin expansion driven by strong organic growth and productivity

1. See appendix for additional information regarding non-GAAP measures
2. Excludes NORESCO

Q1 2025 Climate Solutions Europe (CSE)

	Q1 2025	Q1 2024	Y/Y
Sales	$1,169M	$1,292M	(10)%
Organic sales[1]			(7)%
Acq / div, net			0%
FX			(3)%
Segment operating profit	$105M	$167	(37%)
Segment operating margin	9.0%	12.9%	(390) bps

Highlights

Residential and Light Commercial sales down low-double digits, in-line with expectations

Commercial sales up MSD

Aftermarket sales up MSD

Margin decline driven by lower volume, mix and investments partially offset by cost synergies

1. See appendix for additional information regarding non-GAAP measures

Q1 2025 Climate Solutions Asia Pacific Middle East & Africa (CSAME)

	Q1 2025	Q1 2024	Y/Y
Sales	$826M	$884M	(7)%
Organic sales[1]			(6)%
Acq / div, net			0%
FX			(1)%
Segment operating profit	$121M	$108M	12%
Segment operating margin	14.6%	12.2%	240 bps

Highlights

Continued weakness in China with sales (LDD)

Rest of CSAME sales flat with growth in Japan and India

Aftermarket sales up HSD

Strong margin expansion driven by productivity and the absence of a prior year unfavorable currency impact, partially offset by lower volume

1. See appendix for additional information regarding non-GAAP measures

Q1 2025 Climate Solutions Transportation (CST)

	Q1 2025	Q1 2024	Y/Y
Sales	$651M	$884M	(26)%
Organic sales[1]			2%
Acq / div, net			(27)%
FX			(1)%
Segment operating profit	$97M	$113M	(14%)
Segment operating margin	14.9%	12.8%	210 bps

Highlights

Container up ~20%

Global Truck & Trailer sales down LSD

Sensitech up MSD

Aftermarket sales up MSD

Strong margin expansion mainly due to the Commercial Refrigeration exit

1. See appendix for additional information regarding non-GAAP measures

Q1 2025 Organic orders up HSD

Climate Solutions Americas (CSA)[1]	+HSD
Residential	+HSD
Light commercial	+DD
Commercial[1]	+MSD

Climate Solutions Asia Pacific MEA (CSAME)	(LSD)
China	(HSD)
Balance of segment	+HSD

Climate Solutions Europe (CSE)	+LDD
Residential and Light commercial	+MT
Commercial	(LSD)

Climate Solutions Transportation (CST)[2]	+DD
Global Truck & Trailer	+DD
Container	(MT)

▶ Continued broad orders momentum

1. Excludes NORESCO
2. Excludes Commercial Refrigeration

FY 2025 Organic sales[1] guidance

Change vs. prior guide

Segment	Current guide (May 2025)	Prior guide (Feb. 2025)
Climate Solutions Americas (CSA)	**+HSD**	**+HSD**
Residential	+HSD - DD	+HSD
Light commercial	(DD)	+L-MSD
Commercial	+DD	+DD
Climate Solutions Europe (CSE)	**+LSD**	**+LSD**
Residential and Light commercial	~Flat	~Flat
Commercial	+DD	+DD
Climate Solutions Asia Pacific MEA (CSAME)	**+LSD**	**+LSD**
China	~Flat	~Flat
Balance of segment	+MSD	+MSD
Climate Solutions Transportation (CST)	**+MSD** ~(20%) reported	**+MSD** ~(20%) reported
Carrier	**~$23B** **Organic +MSD** FX 1% Acquisitions 0% Divestitures (3%) +LSD reported	**$22.5 - $23.0B** **Organic +MSD** FX (1%) Acquisitions 0% Divestitures (3%) +LSD reported

1. See appendix for additional information regarding non-GAAP measures

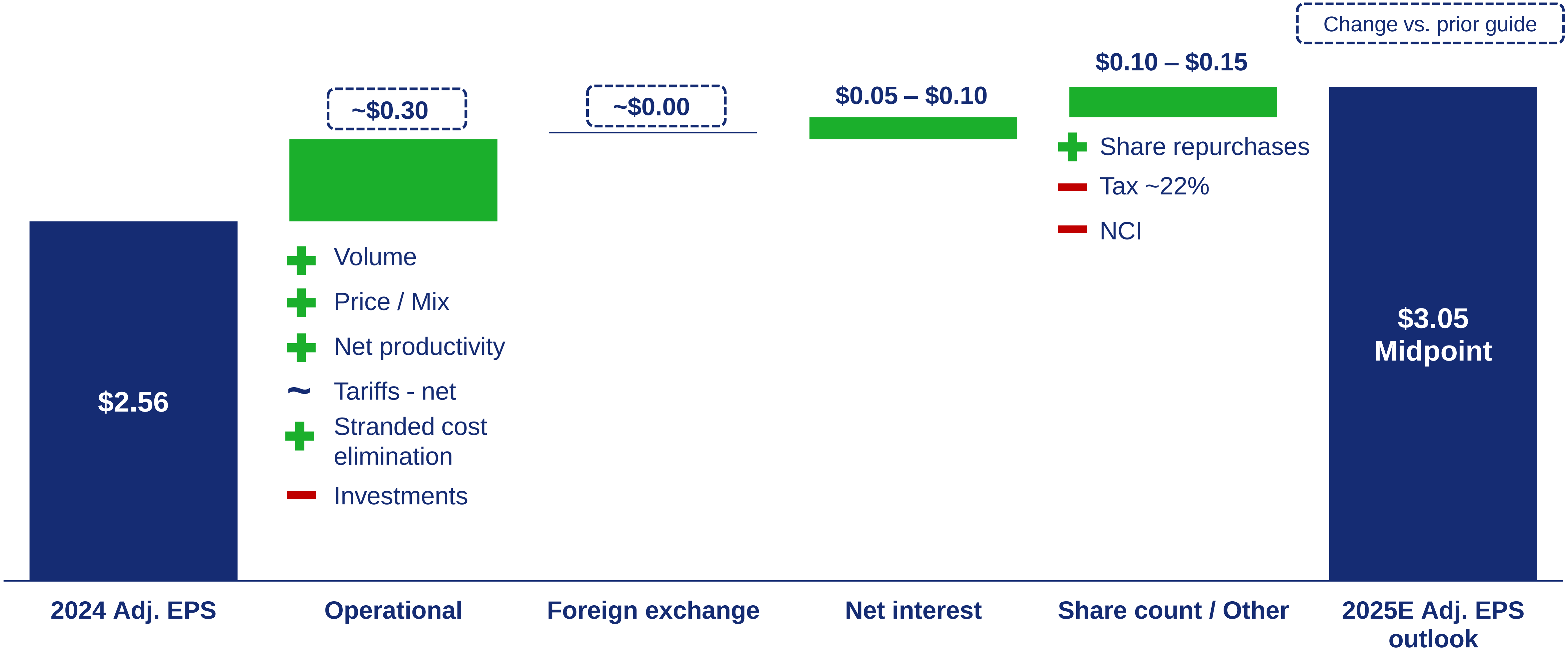
FY 2025 Profit and cash guidance

Change vs. prior guide

Segment	Current guide (May 2025)	Prior guide (Feb. 2025)
CS Americas	**~22.5% Margin** +~50 bps	N.M.[2]
CS Europe	**~10.5% Margin** +~100 bps	
CS Asia Pacific Middle East & Africa	**~13.5% Margin** ~Flattish	
CS Transportation	**~16.5% Margin** +~250 bps	
Carrier adj. operating margin[1]	**16.5 – 17.0% Margin** +~100 bps	**16.5 – 17.0% Margin** +~100 bps
Adj. EPS[1]	**$3.00 – $3.10**	**$2.95 – $3.05**
Free cash flow[1,3]	**$2.4 – $2.6B**	**$2.4 – $2.6B**
Share repurchases	**~$3B**	**~$3B**

1. See appendix for additional information regarding non-GAAP measures
2. Non-comparable due to re-segmentation
3. Includes results from continuing operations and discontinued operations

FY 2025 Adjusted EPS[1] guidance bridge



▶ Strong operational performance to drive another year of strong double-digit adjusted EPS growth

1. See appendix for additional information regarding non-GAAP measures

2025 Investor day

Carrier management to present strategic initiatives to accelerate growth

Theme: *Accelerating growth*

Key agenda topics: growth drivers, margin expansion, capital allocation

Presenters: CEO, CFO and business leaders

Logistics:

- **May 19th, 2025, 8:30am ET**
- **New York City**
- **Webcast: https://ir.carrier.com/**

APPENDIX

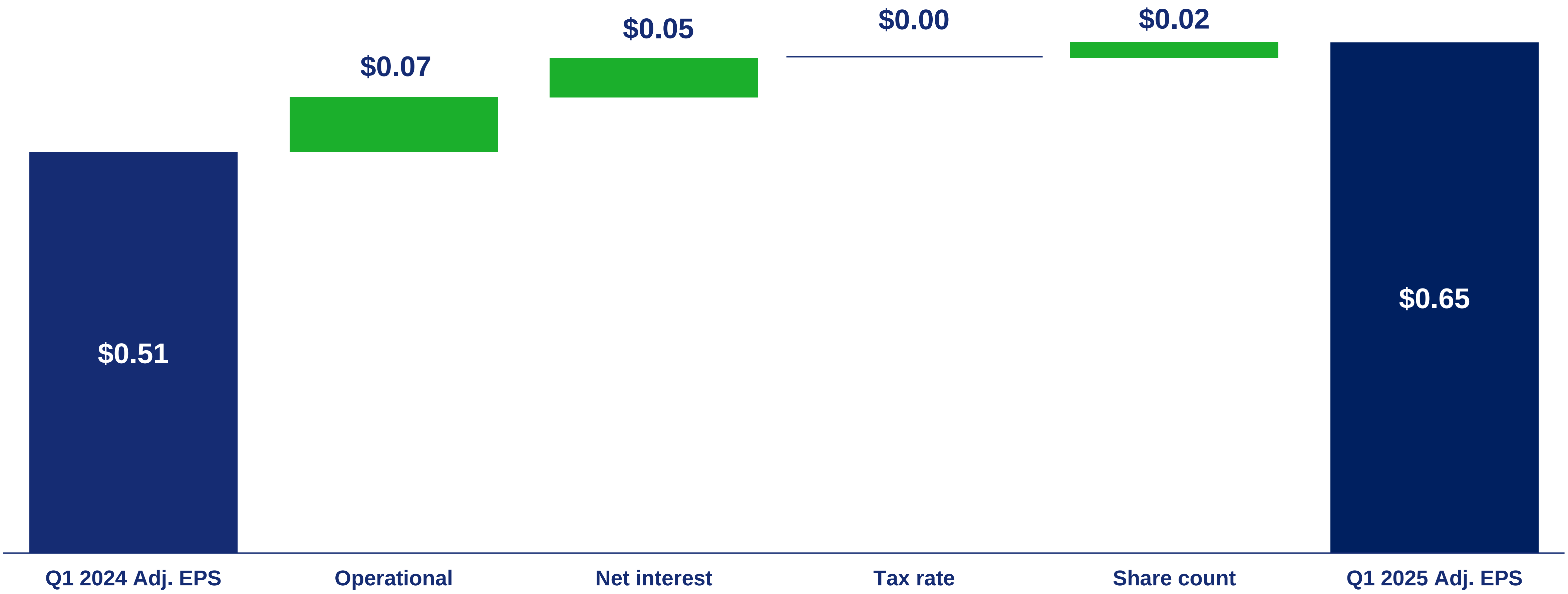
Additional items

	Current Guidance (May 2025)	Prior Guidance (Feb. 2025)
Average shares outstanding (diluted)	~865M	~865M
Corporate expenses / eliminations and other	~$225M	N.M.[2]
Interest expense, net[1]	$350 – $360M	$350 – $360M
Adjusted effective tax rate[1]	~22.0%	~22.0%
Non-controlling interest	~$110M	~$110M
Capital expenditures	~$500M	~$500M
Depreciation and amortization	~$1.2B	~$1.2B

Carrier

1. See appendix for additional information regarding non-GAAP measures
2. Non-comparable due to re-segmentation

Q1 2025 Adjusted EPS[1] bridge



1. See appendix for additional information regarding non-GAAP measures

Use and definitions of non-GAAP financial measures

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, adjusted net income, adjusted earnings per share (“EPS”), 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 consolidated 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 consolidated net sales (a GAAP measure). 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. 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).

Free cash flow is a non-GAAP financial measure that represents net cash flows provided by continuing 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 Carrier provides our expectations for organic sales, adjusted operating profit, adjusted operating margin, adjusted effective tax rate, 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 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.

As a result of Carrier's portfolio transformation, Carrier revised its reportable segments during the first quarter of 2025 to better reflect its business strategy, align its management reporting and increase transparency for investors. In connection with the revised structure, the Chief Operating Decision Maker changed the measure used to evaluate segment profitability from Operating profit to Segment operating profit. It represents operating profit (a GAAP measure) adjusted to exclude restructuring costs, amortization of acquired intangible assets and other significant items of a nonoperational nature. All prior period comparative information has been recast to reflect the revised segment structure.

Q1 2025 and 2024 Segment summary

	(Unaudited)	
	Three Months Ended March 31,	
(In millions)	**2025**	**2024**
Segment net sales		
Climate Solutions Americas	$ 2,572	$ 2,360
Climate Solutions Europe	1,169	1,292
Climate Solutions Asia Pacific, Middle East & Africa	826	884
Climate Solutions Transportation	651	884
Segment net sales	**$ 5,218**	**$ 5,420**
Segment operating profit		
Climate Solutions Americas	$ 570	$ 425
Climate Solutions Europe	105	167
Climate Solutions Asia Pacific, Middle East & Africa	121	108
Climate Solutions Transportation	97	113
Segment operating profit	**$ 893**	**$ 813**
Segment operating margin		
Climate Solutions Americas	22.2 %	18.0 %
Climate Solutions Europe	9.0 %	12.9 %
Climate Solutions Asia Pacific, Middle East & Africa	14.6 %	12.2 %
Climate Solutions Transportation	14.9 %	12.8 %

Organic sales reconciliation

Three Months Ended March 31, 2025 Compared with Three Months Ended March 31, 2024

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
Climate Solutions Americas	9 %	— %	— %	— %	9 %
Climate Solutions Europe	(7) %	(3) %	— %	— %	(10) %
Climate Solutions Asia Pacific, Middle East & Africa	(6) %	(1) %	— %	— %	(7) %
Climate Solutions Transportation	2 %	(1) %	(27) %	— %	(26) %
Consolidated	**2 %**	**(1)%**	**(5)%**	**— %**	**(4)%**

Q1 2025 and 2024 Earnings before income taxes reconciliation

	(Unaudited) Three Months Ended March 31,	
(In millions)	**2025**	**2024**
Reconciliation to Earnings before income taxes		
Segment operating profit	$ 893	$ 813
Corporate and other	(50)	(49)
Restructuring costs	(8)	(8)
Amortization of acquired intangibles	(201)	(172)
Acquisition on step-up amortization	—	(111)
Acquisition/divestiture-related costs	(5)	(48)
Viessmann-related hedges	—	(86)
Gain on liability adjustment	—	46
Non-service pension (expense) benefit	1	—
Interest (expense) income, net	(82)	(141)
Earnings before income taxes	**$ 548**	**$ 244**

Q1 2025 and 2024 Adjusted operating profit reconciliation

	(Unaudited) Three Months Ended March 31,	
(In millions)	**2025**	**2024**
Reconciliation of Segment operating profit to Adjusted operating profit		
Climate Solutions Americas	$ 570	$ 425
Climate Solutions Europe	105	167
Climate Solutions Asia Pacific, Middle East & Africa	121	108
Climate Solutions Transportation	97	113
Segment operating profit	$ 893	$ 813
Corporate and other	(50)	(49)
Adjusted operating profit	**$ 843**	**$ 764**

Q1 2025 EPS reconciliation

(In millions, except per share amounts)	(Unaudited) Three Months Ended March 31, 2025 Reported	Adjustments		Adjusted
Net sales	**$ 5,218**	$ —		**$ 5,218**
Operating profit	$ 629	214	a	$ 843
Operating margin	*12.1 %*			*16.2 %*
Earnings before income taxes	$ 548	214	a	$ 762
Income tax (expense) benefit	$ (111)	(57)	c	$ (168)
Effective tax rate	*20.3 %*			*22.0 %*
Earnings from continuing operations attributable to common shareowners	**$ 412**	**$ 157**		**$ 569**
Summary of Adjustments:				
Amortization of acquired intangibles		$ 201	a	
Restructuring costs		8	a	
Acquisition/divestiture-related costs		5	a	
Total adjustments		$ 214		
Tax effect on adjustments above		$ (57)		
Total tax adjustments		$ (57)	c	
Diluted shares outstanding	878.3			878.3
Diluted earnings per share:				
Continuing operations	**$ 0.47**			**$ 0.65**

Q1 2024 EPS reconciliation

(In millions, except per share amounts)	(Unaudited) Three Months Ended March 31, 2024 Reported	Adjustments		Adjusted
Net sales	**$ 5,420**	$ —		**$ 5,420**
Operating profit	$ 385	379	a	$ 764
Operating margin	*7.1 %*			*14.1 %*
Earnings before income taxes	$ 244	379	a	$ 623
Income tax (expense) benefit	$ (47)	(86)	c	$ (133)
Effective tax rate	*19.4 %*			*21.4 %*
Earnings from continuing operations attributable to common shareowners	**$ 177**	**$ 293**		**$ 470**
Summary of Adjustments:				
Amortization of acquired intangibles		$ 172	a	
Restructuring costs		8	a	
Acquisition/divestiture-related costs		48	a	
Acquisition on step-up amortization [(1)]		111	a	
Viessmann-related hedges		86	a	
Gain on liability adjustment [(2)]		(46)	a	
Total adjustments		$ 379		
Tax effect on adjustments above		$ (86)		
Total tax adjustments		$ (86)	c	
Diluted shares outstanding	913.0			913.0
Diluted earnings per share:				
Continuing operations	**$ 0.19**			**$ 0.51**

(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.

Free cash flow reconciliation

	(Unaudited)	
	Three Months Ended March 31,	
(In millions)	2025	2024
Net cash flows provided by operating activities	$ 483	$ 40
Less: Capital expenditures - continuing operations	(63)	(102)
Less: Capital expenditures - discontinued operations	—	(2)
Free cash flow	**$ 420**	**$ (64)**

Net debt reconciliation

(In millions)	(Unaudited) March 31, 2025	December 31, 2024
Long-term debt	$ 11,080	$ 11,026
Current portion of long-term debt	104	1,252
Less: Cash and cash equivalents	1,698	3,969
Net debt	**$ 9,486**	**$ 8,309**

HISTORICAL FINANCIAL INFORMATION

2024 Segment results

(In millions)	2024 Q1	Q2	Q3	Q4	Full Year
Climate Solutions Americas					
Net sales	$ 2,360	$ 2,865	$ 2,961	$ 2,341	$ 10,527
Segment operating profit	425	713	750	435	2,323
Segment operating margin	*18.0 %*	*24.9 %*	*25.3 %*	*18.6 %*	*22.1 %*
Climate Solutions Europe					
Net sales	$ 1,292	$ 1,194	$ 1,246	$ 1,252	$ 4,984
Segment operating profit	167	93	129	80	469
Segment operating margin	*12.9 %*	*7.8 %*	*10.4 %*	*6.4 %*	*9.4 %*
Climate Solutions Asia Pacific, Middle East & Africa					
Net sales	$ 884	$ 902	$ 840	$ 874	$ 3,500
Segment operating profit	108	157	106	95	466
Segment operating margin	*12.2 %*	*17.4 %*	*12.6 %*	*10.9 %*	*13.3 %*
Climate Solutions Transportation					
Net sales	$ 884	$ 973	$ 937	$ 681	$ 3,475
Segment operating profit	113	138	137	97	485
Segment operating margin	*12.8 %*	*14.2 %*	*14.6 %*	*14.2 %*	*14.0 %*
Segment Total					
Net sales	$ 5,420	$ 5,934	$ 5,984	$ 5,148	$ 22,486
Segment operating profit	813	1,101	1,122	707	3,743
Segment operating margin	*15.0 %*	*18.6 %*	*18.8 %*	*13.7 %*	*16.6 %*

2024 Earnings before income taxes reconciliation

	2024				
(In millions)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Reconciliation to Earnings before income taxes					
Segment operating profit	$ 813	$ 1,101	$ 1,122	$ 707	$ 3,743
Corporate and other	(49)	(45)	(78)	(29)	(201)
Restructuring costs	(8)	(29)	(60)	(11)	(108)
Amortization of acquired intangibles	(172)	(170)	(175)	(172)	(689)
Acquisition step-up amortization	(111)	(109)	(31)	(31)	(282)
Acquisition/divestiture-related costs	(48)	(24)	(15)	(8)	(95)
Viessmann-related hedges	(86)	—	—	—	(86)
Gain on liability adjustment	46	—	—	—	46
CCR gain	—	—	—	318	318
Non-service pension (expense) benefit	—	—	(1)	—	(1)
Interest (expense) income, net	(141)	(157)	8	(81)	(371)
Earnings before income taxes	**$ 244**	**$ 567**	**$ 770**	**$ 693**	**$ 2,274**

2024 Adjusted operating profit reconciliation

	2024				
(In millions)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Reconciliation of Segment operating profit to Adjusted operating profit					
Climate Solutions Americas	$ 425	$ 713	$ 750	$ 435	$ 2,323
Climate Solutions Europe	167	93	129	80	469
Climate Solutions Asia Pacific, Middle East & Africa	108	157	106	95	466
Climate Solutions Transportation	113	138	137	97	485
Segment operating profit	$ 813	$ 1,101	$ 1,122	$ 707	$ 3,743
Corporate and other	(49)	(45)	(78)	(29)	(201)
Adjusted operating profit	**$ 764**	**$ 1,056**	**$ 1,044**	**$ 678**	**$ 3,542**

2023 Segment results

(In millions)	2023 Q1	Q2	Q3	Q4	Full Year
Climate Solutions Americas					
Net sales	$ 2,215	$ 2,719	$ 2,694	$ 1,987	$ 9,615
Segment operating profit	332	579	660	260	1,831
Segment operating margin	*15.0 %*	*21.3 %*	*24.5 %*	*13.1 %*	*19.0 %*
Climate Solutions Europe					
Net sales	$ 522	$ 498	$ 453	$ 464	$ 1,937
Segment operating profit	61	43	44	29	177
Segment operating margin	*11.7 %*	*8.6 %*	*9.7 %*	*6.3 %*	*9.1 %*
Climate Solutions Asia Pacific, Middle East & Africa					
Net sales	$ 883	$ 993	$ 863	$ 842	$ 3,581
Segment operating profit	65	122	101	73	361
Segment operating margin	*7.4 %*	*12.3 %*	*11.7 %*	*8.7 %*	*10.1 %*
Climate Solutions Transportation					
Net sales	$ 898	$ 972	$ 925	$ 1,023	$ 3,818
Segment operating profit	124	132	121	117	494
Segment operating margin	*13.8 %*	*13.6 %*	*13.1 %*	*11.4 %*	*12.9 %*
Segment Total					
Net sales	$ 4,518	$ 5,182	$ 4,935	$ 4,316	$ 18,951
Segment operating profit	582	876	926	479	2,863
Segment operating margin	*12.9 %*	*16.9 %*	*18.8 %*	*11.1 %*	*15.1 %*

2023 Earnings before income taxes reconciliation

	2023				
(In millions)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Reconciliation to Earnings before income taxes					
Segment operating profit	$ 582	$ 876	$ 926	$ 479	$ 2,863
Corporate and other	(50)	(47)	(49)	(68)	(214)
Restructuring costs	(4)	(10)	(29)	(32)	(75)
Amortization of acquired intangibles	(37)	(36)	(35)	(35)	(143)
Acquisition step-up amortization	(11)	(10)	(10)	(10)	(41)
Acquisition/divestiture-related costs	(12)	(11)	(35)	(65)	(123)
TCC acquisition-related gain	(8)	—	—	—	(8)
Viessmann-related hedges	—	(111)	(257)	272	(96)
Bridge loan financing costs	—	—	(1)	(2)	(3)
Non-service pension (expense) benefit	—	—	—	(1)	(1)
Interest (expense) income, net	(32)	(55)	(39)	(34)	(160)
Earnings before income taxes	**$ 428**	**$ 596**	**$ 471**	**$ 504**	**$ 1,999**

2023 Adjusted operating profit reconciliation

	2023				
(In millions)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Reconciliation of Segment operating profit to Adjusted operating profit					
Climate Solutions Americas	$ 332	$ 579	$ 660	$ 260	$ 1,831
Climate Solutions Europe	61	43	44	29	177
Climate Solutions Asia Pacific, Middle East & Africa	65	122	101	73	361
Climate Solutions Transportation	124	132	121	117	494
Segment operating profit	$ 582	$ 876	$ 926	$ 479	$ 2,863
Corporate and other	(50)	(47)	(49)	(68)	(214)
Adjusted operating profit	**$ 532**	**$ 829**	**$ 877**	**$ 411**	**$ 2,649**