



# Q1 2026 Earnings Conference Call

April 30, 2026



# Cautionary statement

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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, expectations relating to our sales backlog, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, market conditions including with respect to residential end-markets, data center and otherwise, growth prospects for 2026 and beyond, expectations concerning the mitigation and net impact of tariffs during 2026, Carrier's guidance for full-year 2026, 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 ongoing uncertainty and/or 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 of Carrier from RTX Corporation (f/k/a United Technologies Corporation) 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 2026 Summary

(\$ Millions, except EPS)

## Sales

**\$5,341**  
*Organic<sup>1</sup> (1%) Y/Y*

## Adjusted Operating Profit<sup>1</sup>

**\$594**  
*(30%) Y/Y*

## Adjusted Operating Margin<sup>1</sup>

**11.1%**  
*(520 bps) Y/Y*

## Adjusted EPS<sup>1</sup>

**\$0.57**  
*(12%) Y/Y*

## Free cash flow<sup>1,2</sup>

**(\$15)**

## Highlights

- Orders<sup>3</sup> up >10%; global CHVAC<sup>3</sup> orders up 35% with data center orders up >500%
- Total backlog up ~15% sequentially and Y/Y
- Aftermarket sales up 9%
- CSA Resi and Light commercial (RLC) better than expected, down (12%) and up 9%, respectively
- CSE RLC showing strong heat pump growth across Europe
- Adjusted EPS<sup>1</sup> of \$0.57 ahead of expectations
- Returned ~\$500M to shareholders through share repurchases and dividends

▶ Better than expected start to 2026...CHVAC orders and backlog strength supporting strong full-year growth



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

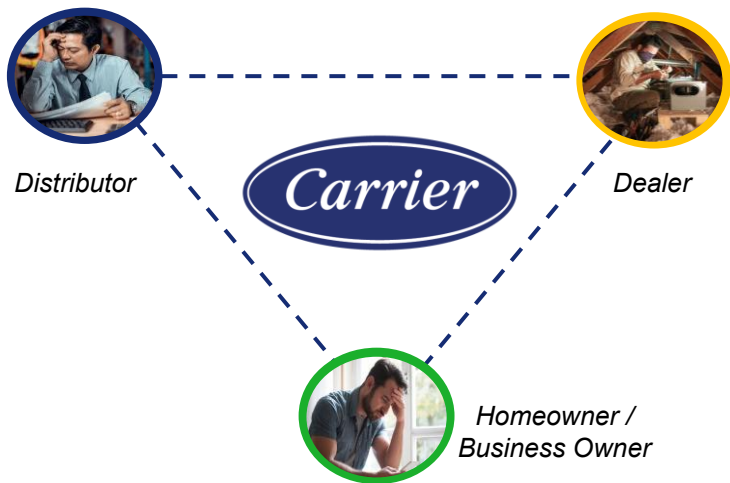
# CSA RLC initiatives to drive share gains and increase TAM

- Product
- Aftermarket
- Systems

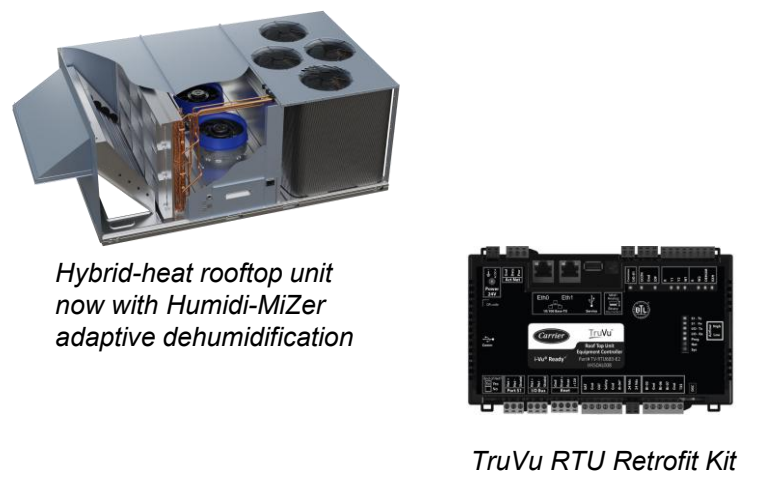
## New & connected Residential products



## Connected eco-system



## New & connected LCML products



- New fan coil technology resulting in increased efficiency, smaller footprint, improved acoustics and built-in intelligence
- Launching advanced thermostats for entire product range this year
- Expanding TAM through hydronics, leveraging Viessmann technologies

- Deeper homeowner engagement and higher renewal rates
- Increased dealer and distributor efficiency and loyalty
- Increased aftermarket parts and accessories sales

- Introduced hybrid heat pump rooftop unit (RTU) that maximizes electrification with natural gas back-up
- Driving connected RTUs to improve operational insights and expand parts / service capture

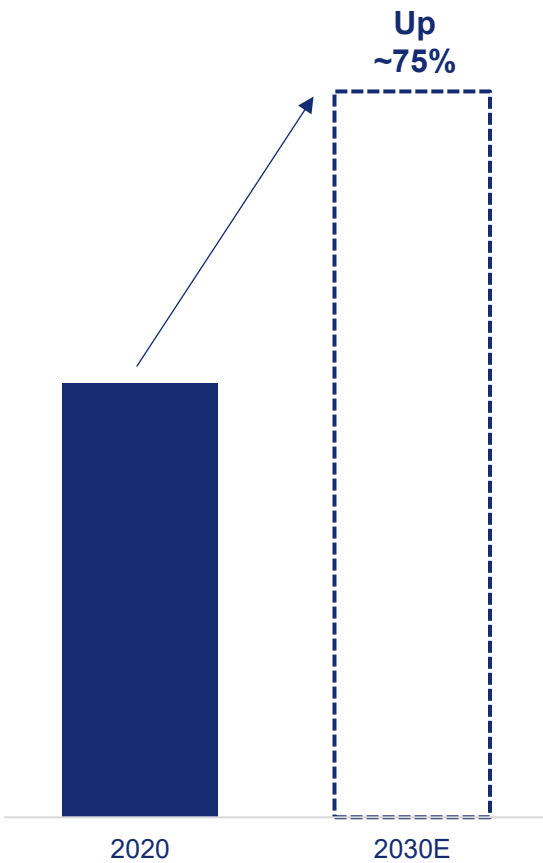
▶ Driving customer stickiness and increased TAM through product and digital differentiation and new system offerings

# Transformed CHVAC product portfolio, technicians and capacity

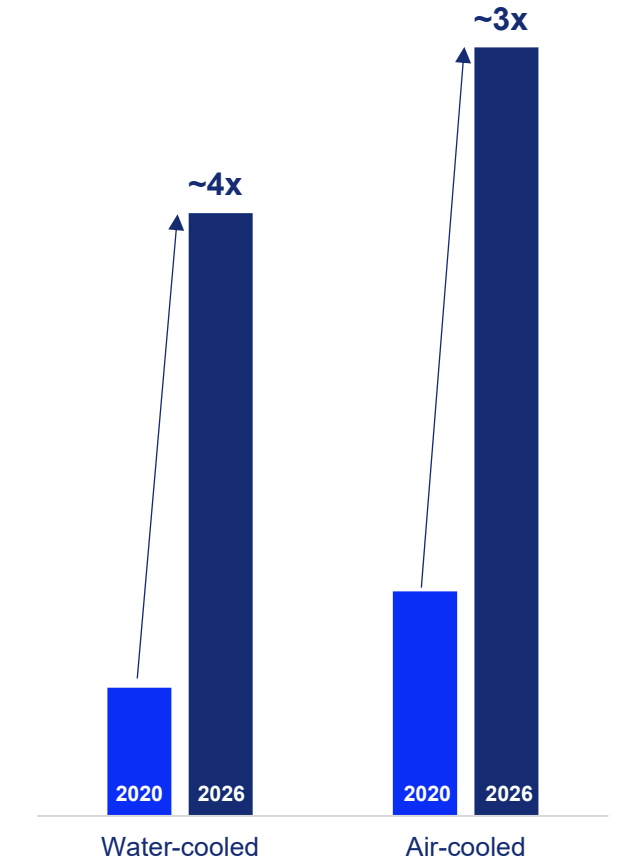
2020 Ability to bid (est. market size, ~\$5B)			
Capacity (kw)	< 200	200 – 900	> 900
Est. market mix	~20%	~30%	~50%
Air-cooled chillers			
Water-cooled chillers			
Coolant distribution units			

2026+ Ability to bid (est. market size, >\$10B)			
Capacity (kw)	< 200	200 – 900	> 900
Est. market mix	<10%	~20%	>70%
Air-cooled chillers			
Water-cooled chillers			
Coolant distribution units			

## Global CHVAC technicians



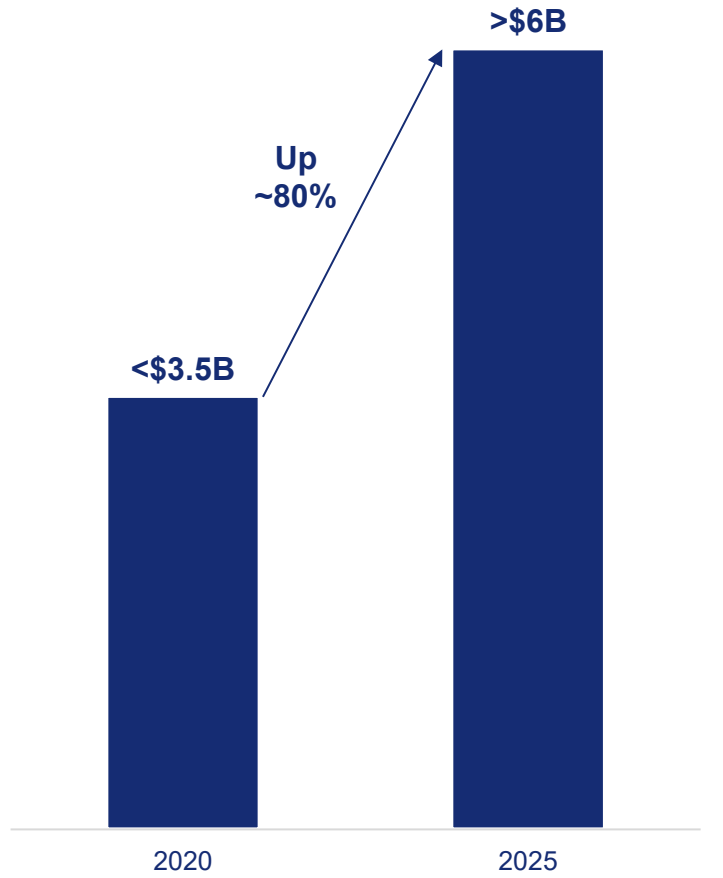
## CSA chiller capacity additions



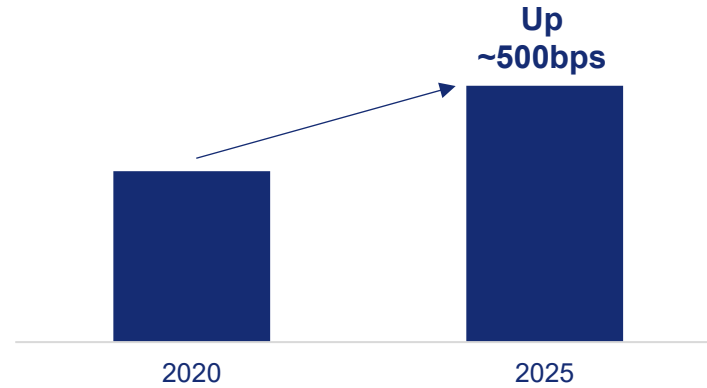
# Commercial HVAC<sup>1</sup> transformation delivering results

- Product
- Aftermarket
- Systems

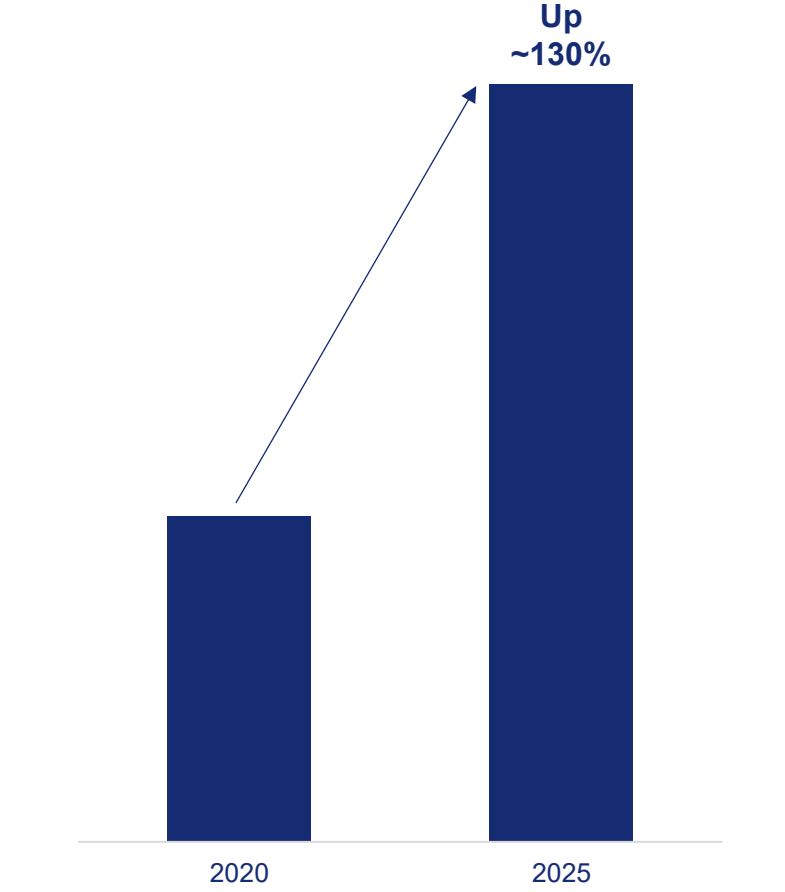
## Global CHVAC sales



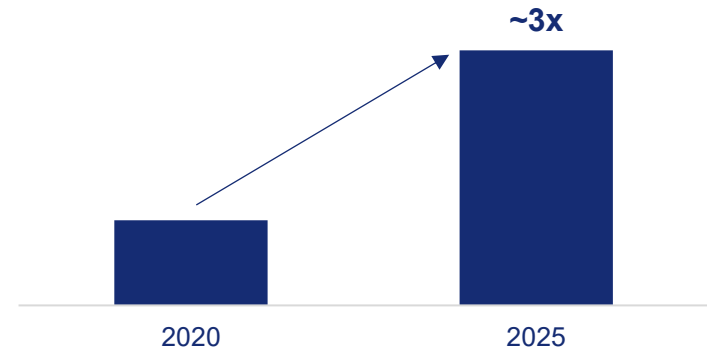
## CSA CHVAC chiller share



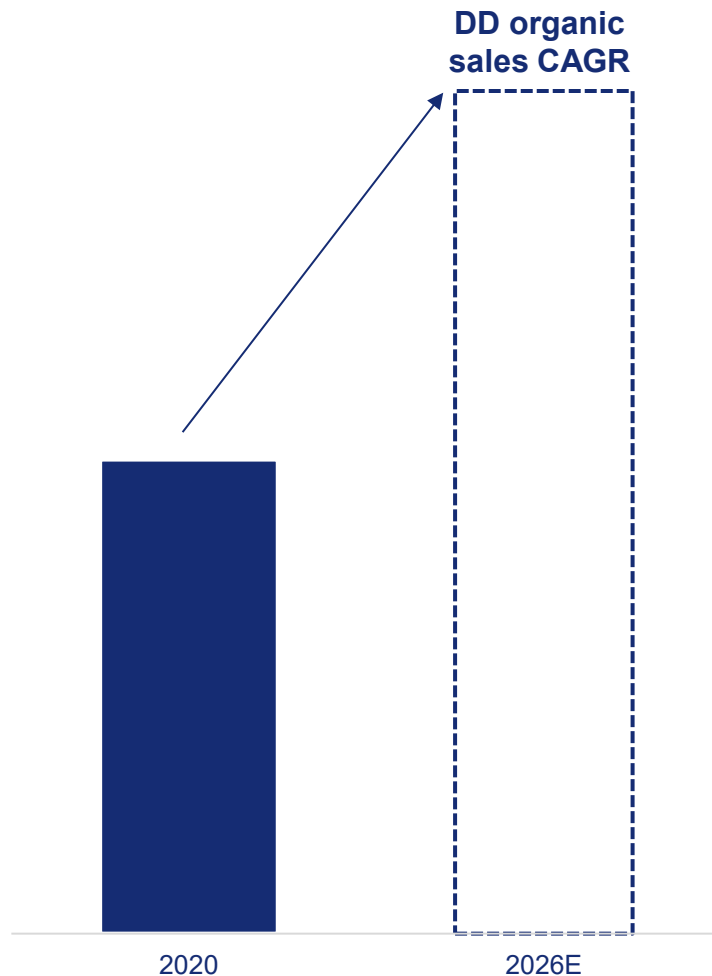
## Global CHVAC backlog



## CSA applied equipment margins



# Aftermarket playbook working; on-track for 6<sup>th</sup> year of DD growth



## Highlights

### Parts

- Strategic partnerships through national accounts expanding channel reach
- Operational excellence with focus on parts availability and on-time delivery to increase customer capture rates

### Service

- Connected chillers up >25% YoY
- Significant increase in number of highly skilled CHVAC technicians
- Refreshing and growing rental fleet

### Mods and upgrades

- Continued strong performance with Q1 sales up LT
- Customer value through new offerings emphasizing improved efficiency and reduced maintenance costs

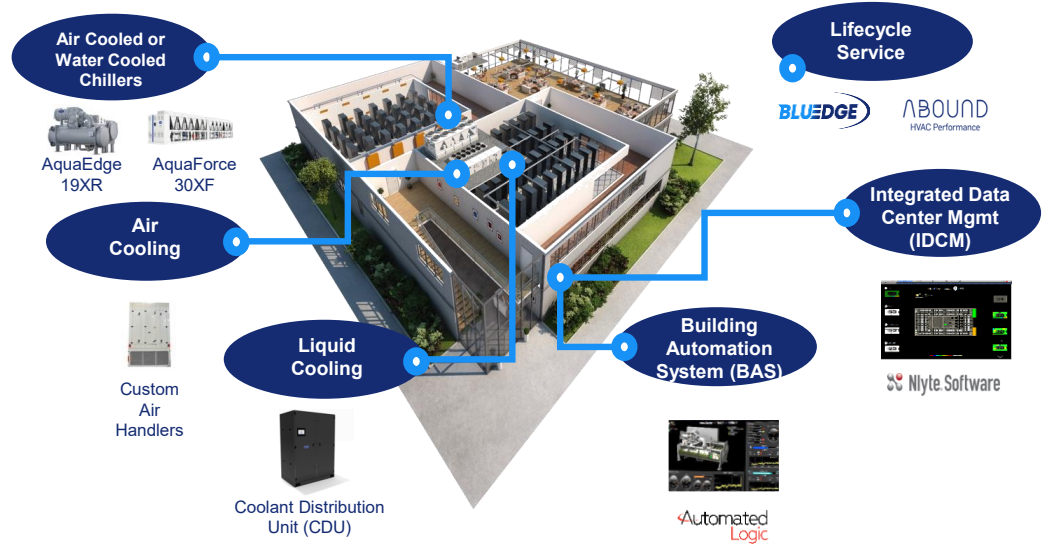
### Data centers

- Significant TAM expansion with increased installed base
- Customer centric service strategy supporting data center end-to-end needs

# Driving growth and customer value through system solutions

## QuantumLeap™

## CST connected eco-system



### Fully integrated solution addressing data center thermal management needs

### Single, unified, connected eco-system

- Intelligent, integrated building and asset management solution
- New suite of differentiated chillers and CDUs
- Complete digitally-enabled lifecycle service and support

- Smart, sensor-driven cold chain network
- One cloud platform, prognostic health monitoring, real-time insights, proactive management
- Unlocking subscription monetization and aftermarket revenue streams

▶ Differentiated system solutions delivering value to customers and accelerating growth

# Q1 2026 Results

(\$ Millions, except EPS)

	Q1 2026	Q1 2025	Y/Y
Sales	\$5,341	\$5,218	2%
Organic sales <sup>1</sup>			(1%)
Acquisitions / Divestitures, net			0%
FX			3%
Adjusted operating profit <sup>1</sup>	\$594	\$848	(30%)
Adjusted operating margin <sup>1</sup>	11.1%	16.3%	(520 bps)
Adjusted effective tax rate <sup>1</sup>	(1%)	22%	
Adjusted EPS <sup>1</sup>	\$0.57	\$0.65	(12%)
Free cash flow <sup>1,2</sup>	(\$15)	\$420	



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

# Q1 2026 Climate Solutions Americas (CSA)

(\$ Millions)	Q1 2026	Q1 2025	Y/Y
Sales	\$2,501	\$2,572	(3%)
Organic sales <sup>1</sup>			(3%)
Acq / div, net			0%
FX			0%
Segment operating profit	\$373	\$570	(35%)
Segment operating margin	14.9%	22.2%	(730 bps)

## Highlights

- Orders<sup>2</sup> up ~25% with Commercial up ~80%, driven by strong data center orders
- Residential sales down (12%), better than expected
  - Field inventory levels down ~(35%) Y/Y
- Light commercial up 9% driven by strong retail national account performance
- Commercial up LSD; significant ramp-up expected starting in 2H26 (data centers)
- Margin decline largely reflects lower Residential sales and associated factory under-absorption

# Q1 2026 Climate Solutions Europe (CSE)

(\$ Millions)	Q1 2026	Q1 2025	Y/Y
Sales	\$1,293	\$1,169	11%
Organic sales <sup>1</sup>			0%
Acq / div, net			0%
FX			11%
Segment operating profit	\$89	\$105	(15%)
Segment operating margin	6.9%	9.0%	(210 bps)

## Highlights

- RLC sales returned to growth, up LSD
  - Shift towards electrification continues
  - Germany up MSD, Italy up HSD, France down (MSD)
  - Heat pump sales up LT, boilers down (MSD)
- Commercial down (MSD); expect sequential improvement in 2H26 (data centers)
- Margin declines driven by lower Commercial volume and higher promotions, partially offset by RLC volume growth and strong productivity

# Q1 2026 Climate Solutions Asia Pacific Middle East & Africa (CSAME)

(\$ Millions)	Q1 2026	Q1 2025	Y/Y
Sales	\$834	\$826	1%
Organic sales <sup>1</sup>			(1%)
Acq / div, net			0%
FX			2%
Segment operating profit	\$81	\$121	(33%)
Segment operating margin	9.7%	14.6%	(490 bps)

## Highlights

- Commercial ex. China region<sup>2</sup> up HT
  - India up ~35% and Australia up ~65%
- Strong aftermarket performance, up MT
- Pressure in China region, down (LT)
  - RLC down ~(25%)
  - Commercial down (LSD)
- Middle East down (MSD)
- Margin decline as expected, mainly driven by China RLC

# Q1 2026 Climate Solutions Transportation (CST)

(\$ Millions)	Q1 2026	Q1 2025	Y/Y
Sales	\$713	\$651	10%
Organic sales <sup>1</sup>			5%
Acq / div, net			0%
FX			5%
Segment operating profit	\$101	\$97	4%
Segment operating margin	14.2%	14.9%	(70 bps)

## Highlights

- Strong growth in Container, up >35% driven by strong OptimaLine sales
- Global Truck and Trailer sales down (HSD)
- Decline in segment operating margin reflects unfavorable mix

# Q1 2026 Organic orders<sup>1</sup> up 11%

## Climate Solutions Americas (CSA)<sup>1</sup> ~25%

Residential	~5%
Light commercial	~10%
Commercial <sup>1</sup>	~80%

## Climate Solutions Asia Pacific MEA (CSAME) ~Flat

China region <sup>2</sup>	~(15%)
Balance of segment	~15%

## Climate Solutions Europe (CSE) ~Flat

Residential and Light commercial	~5%
Commercial	~(15%)

## Climate Solutions Transportation (CST) ~(10%)

Global Truck & Trailer	~(20%)
Container	~55%

▶ Strong performance in CHVAC<sup>1</sup>, up 35% globally, with data center orders growth >500%



1. Excludes NORESKO  
2. China region includes Mainland China, Hong Kong, Taiwan and Macau

# Reaffirming FY 2026 Organic sales<sup>1</sup> guidance

Sales	Current guide (Apr. 2026)	Prior guide (Feb. 2026)
<b>Climate Solutions Americas (CSA)</b> Residential Light commercial Commercial <sup>2</sup>	<b>~LSD</b> (HSD) (HSD) MT	<b>~LSD</b> (HSD) (HSD) MT
<b>Climate Solutions Europe (CSE)</b> Residential and Light commercial Commercial	<b>~LSD</b> Flat MSD	<b>~LSD</b> Flat MSD
<b>Climate Solutions Asia Pacific MEA (CSAME)</b> China region <sup>3</sup> Balance of segment	<b>~Flat</b> (HSD) M-HSD	<b>~Flat</b> (HSD) M-HSD
<b>Climate Solutions Transportation (CST)</b>	<b>~Flat</b>	<b>~Flat</b>
<b>Carrier</b>	<b>~\$22B</b> <b>Organic Flat to LSD</b> FX +1% Divestitures (1%) <sup>4</sup> Flat to LSD reported	<b>~\$22B</b> <b>Organic Flat to LSD</b> FX +1% Divestitures (1%) <sup>5</sup> Flat to LSD reported

1. See appendix for additional information regarding non-GAAP measures  
2. Excludes NORESKO  
3. China region includes Mainland China, Hong Kong, Taiwan and Macau  
4. Assumes exit of Riello by the end of Q2 2026  
5. Assumed exit of Riello by the end of Q1 2026



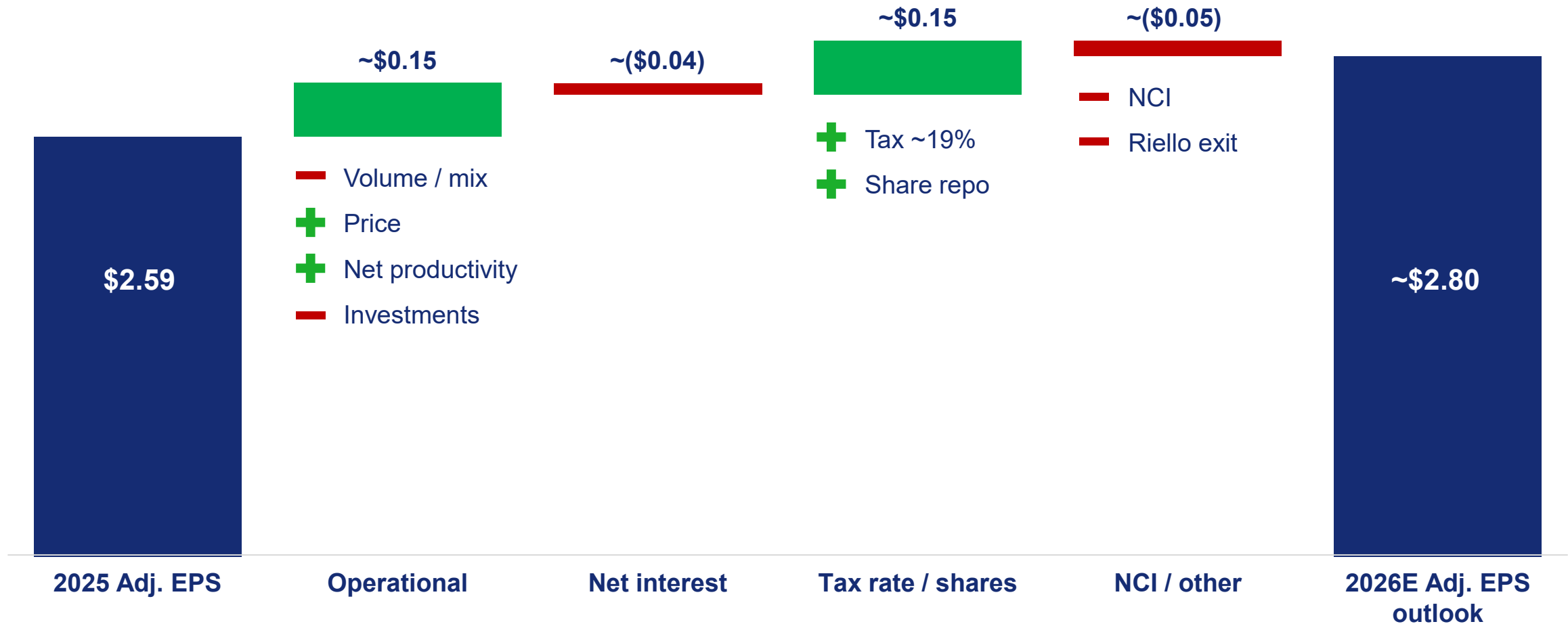
# Reaffirming FY 2026 profit and cash guidance

	Change vs. prior guide	
Segment operating margin	Current guide (Apr. 2026)	Prior guide (Feb. 2026)
CS Americas	25 – 50 bps	25 – 50 bps
CS Europe	~100 bps	~100 bps
CS Asia Pacific Middle East & Africa	~(50 bps) <i>Due to Middle East conflict</i>	Flat – 25 bps
CS Transportation	~50 bps	Flat – 25 bps
<b>Carrier adj. operating profit<sup>1</sup></b>	<b>~\$3.4B</b>	<b>~\$3.4B</b>
Adj. EPS <sup>1</sup>	~\$2.80	~\$2.80
Free cash flow <sup>1,2</sup>	~\$2.0B	~\$2.0B
Share repurchases	~\$1.5B	~\$1.5B



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

# FY 2026 Adjusted EPS<sup>1</sup> guidance bridge



# APPENDIX

# Q1 2026 Adjusted EPS<sup>1</sup> bridge



# Additional items

(\$ Millions, except D&A)	Current outlook (Apr. 2026)	Prior outlook (Feb. 2026)
Average shares outstanding (diluted)	~833	~833
Corporate expenses / eliminations and other	~\$240	~\$240
Interest expense, net	~\$400	~\$400
Adjusted effective tax rate <sup>1</sup>	~19%	~19%
Non-controlling interest	~\$120	~\$120
Capital expenditures	~\$500	~\$500
Depreciation and amortization	~\$1.3B	~\$1.3B



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

# Use and definitions of non-GAAP financial measures

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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 2026 and 2025 Segment summary

<i>(In millions)</i>	<b>(Unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Segment net sales</b>		
Climate Solutions Americas	\$ 2,501	\$ 2,572
Climate Solutions Europe	1,293	1,169
Climate Solutions Asia Pacific, Middle East & Africa	834	826
Climate Solutions Transportation	713	651
<b>Segment net sales</b>	<b>\$ 5,341</b>	<b>\$ 5,218</b>
 <b>Segment operating profit</b>		
Climate Solutions Americas	\$ 373	\$ 570
Climate Solutions Europe	89	105
Climate Solutions Asia Pacific, Middle East & Africa	81	121
Climate Solutions Transportation	101	97
<b>Segment operating profit</b>	<b>\$ 644</b>	<b>\$ 893</b>
 <b>Segment operating margin</b>		
Climate Solutions Americas	14.9 %	22.2 %
Climate Solutions Europe	6.9 %	9.0 %
Climate Solutions Asia Pacific, Middle East & Africa	9.7 %	14.6 %
Climate Solutions Transportation	14.2 %	14.9 %

# Organic sales reconciliation

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

	(Unaudited)				
	Factors Contributing to Total % change in Net Sales				
	Organic	FX Translation	Acquisitions / Divestitures, net	Other	Total
Climate Solutions Americas	(3) %	— %	— %	— %	(3) %
Climate Solutions Europe	— %	11 %	— %	— %	11 %
Climate Solutions Asia Pacific, Middle East & Africa	(1) %	2 %	— %	— %	1 %
Climate Solutions Transportation	5 %	5 %	— %	— %	10 %
<b>Consolidated</b>	<b>(1) %</b>	<b>3 %</b>	<b>— %</b>	<b>— %</b>	<b>2 %</b>

# Q1 2026 and 2025 Earnings before income taxes reconciliation

<i>(In millions)</i>	<b>(Unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Reconciliation to Earnings before income taxes</b>		
Segment operating profit	\$ 644	\$ 893
Corporate and other	(50)	(45)
Restructuring costs	(108)	(8)
Amortization of acquired intangible assets	(213)	(201)
Acquisition/divestiture-related costs	(14)	(10)
Non-service pension (expense) benefit	1	1
Interest (expense) income, net	(90)	(82)
<b>Earnings before income taxes</b>	<b>\$ 170</b>	<b>\$ 548</b>

# Q1 2026 and 2025 Adjusted operating profit reconciliation

<i>(In millions)</i>	<b>(Unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Reconciliation of Segment operating profit to Adjusted operating profit</b>		
Climate Solutions Americas	\$ 373	\$ 570
Climate Solutions Europe	89	105
Climate Solutions Asia Pacific, Middle East & Africa	81	121
Climate Solutions Transportation	101	97
Segment operating profit	\$ 644	\$ 893
Corporate and other	(50)	(45)
<b>Adjusted operating profit</b>	<b>\$ 594</b>	<b>\$ 848</b>

# Q1 2026 EPS reconciliation

<i>(In millions, except per share amounts)</i>	(Unaudited)		
	Three Months Ended March 31, 2026		
	Reported	Adjustments	Adjusted
Net sales	\$ 5,341	\$ —	\$ 5,341
Operating profit	\$ 259	335 a	\$ 594
<i>Operating margin</i>	<i>4.8 %</i>		<i>11.1 %</i>
Earnings before income taxes	\$ 170	335 a	\$ 505
Income tax (expense) benefit	\$ 96	(92) b	\$ 4
<i>Effective tax rate</i>	<i>(56.5)%</i>		<i>(0.8)%</i>
<b>Earnings from continuing operations attributable to common shareowners</b>	<b>\$ 239</b>	<b>\$ 243</b>	<b>\$ 482</b>
<b>Summary of Adjustments:</b>			
Restructuring costs		\$ 108 a	
Amortization of acquired intangible assets		213 a	
Acquisition/divestiture-related costs		14 a	
<b>Total adjustments</b>		<b>\$ 335</b>	
Tax effect on adjustments above		\$ (92)	
<b>Total tax adjustments</b>		<b>\$ (92) b</b>	
Diluted shares outstanding	842.8		842.8
<b>Diluted earnings per share:</b>			
<b>Continuing operations</b>	<b>\$ 0.28</b>		<b>\$ 0.57</b>

# Q1 2025 EPS reconciliation

<i>(In millions, except per share amounts)</i>	(Unaudited)		
	Three Months Ended March 31, 2025		
	Reported	Adjustments	Adjusted
Net sales	\$ 5,218	\$ —	\$ 5,218
Operating profit	\$ 629	219 a	\$ 848
<i>Operating margin</i>	<i>12.1 %</i>		<i>16.3 %</i>
Earnings before income taxes	\$ 548	219 a	\$ 767
Income tax (expense) benefit	\$ (111)	(58) b	\$ (169)
<i>Effective tax rate</i>	<i>20.3 %</i>		<i>22.0 %</i>
<b>Earnings from continuing operations attributable to common shareowners</b>	<b>\$ 412</b>	<b>\$ 161</b>	<b>\$ 573</b>
<b>Summary of Adjustments:</b>			
Restructuring costs		\$ 8 a	
Amortization of acquired intangible assets		201 a	
Acquisition/divestiture-related costs		10 a	
<b>Total adjustments</b>		<b>\$ 219</b>	
Tax effect on adjustments above		\$ (58)	
<b>Total tax adjustments</b>		<b>\$ (58) b</b>	
Diluted shares outstanding	878.3		878.3
<b>Diluted earnings per share:</b>			
<b>Continuing operations</b>	<b>\$ 0.47</b>		<b>\$ 0.65</b>

# Free cash flow reconciliation

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<i>(In millions)</i>	<u>(Unaudited)</u>	
	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2026</u>	<u>2025</u>
Net cash flows provided by operating activities	\$ 79	\$ 483
Less: Capital expenditures	<u>(94)</u>	<u>(63)</u>
<b>Free cash flow</b>	<b>\$ (15)</b>	<b>\$ 420</b>

# Net debt reconciliation

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<i>(In millions)</i>	<b>(Unaudited)</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Long-term debt	\$ 10,422	\$ 11,365
Short-term borrowings and current portion of long-term debt	1,736	468
Less: Cash and cash equivalents	1,371	1,555
<b>Net debt</b>	<b>\$ 10,787</b>	<b>\$ 10,278</b>



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