Carrier

Q2 2026 Earnings Conference Call

July 28, 2026

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, 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 acquisition of the VCS business and 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.

Q2 2026 Summary

($ Millions, except EPS)

Sales	**$6,351** *Organic[1] 3% Y/Y*
Adjusted Operating Profit[1]	**$1,095** *(6%) Y/Y*
Adjusted Operating Margin[1]	**17.2%** *(190 bps) Y/Y*
Adjusted EPS[1]	**$0.86** *(7%) Y/Y*
Free cash flow[1,2]	**$810**

Highlights

- Orders[3] up ~40%; global Commercial[3] HVAC orders up ~65% with data center orders up >300%
- Increasing FY 2026 data centers sales to ~$2B; adding capacity to support demand for 2027 and beyond
- Total backlog[3] of >$8B, up ~40% Y/Y and ~20% seq.
- RLC in CSA and CSE organic sales up HSD
- Returned ~$640M to shareholders through share repurchases and dividends
- Continuing portfolio optimization; announced 75F acquisition (July 23rd), completed *Riello* exit (July 1st); announced *NORESCO* exit

▶ Better than expected first half of the year; accelerating second half growth

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

75F: Enabling Intelligent and Autonomous Building Solutions

Integrated tech stack…

Enabled by 75F

Additional BMS offering to expand TAM

Small-to-mid size building applications

International expansion

Differentiating current BMS offerings

AI-enabled, cloud-native, wireless

Tiered offering (WebCTRL, *ClimaVision*)

Integral addition to system-level offerings

Equipment/sensors/WebCTRL/*75F*/Nlyte/Abound[1]

Seamlessly connectable, interoperable

75F + Carrier

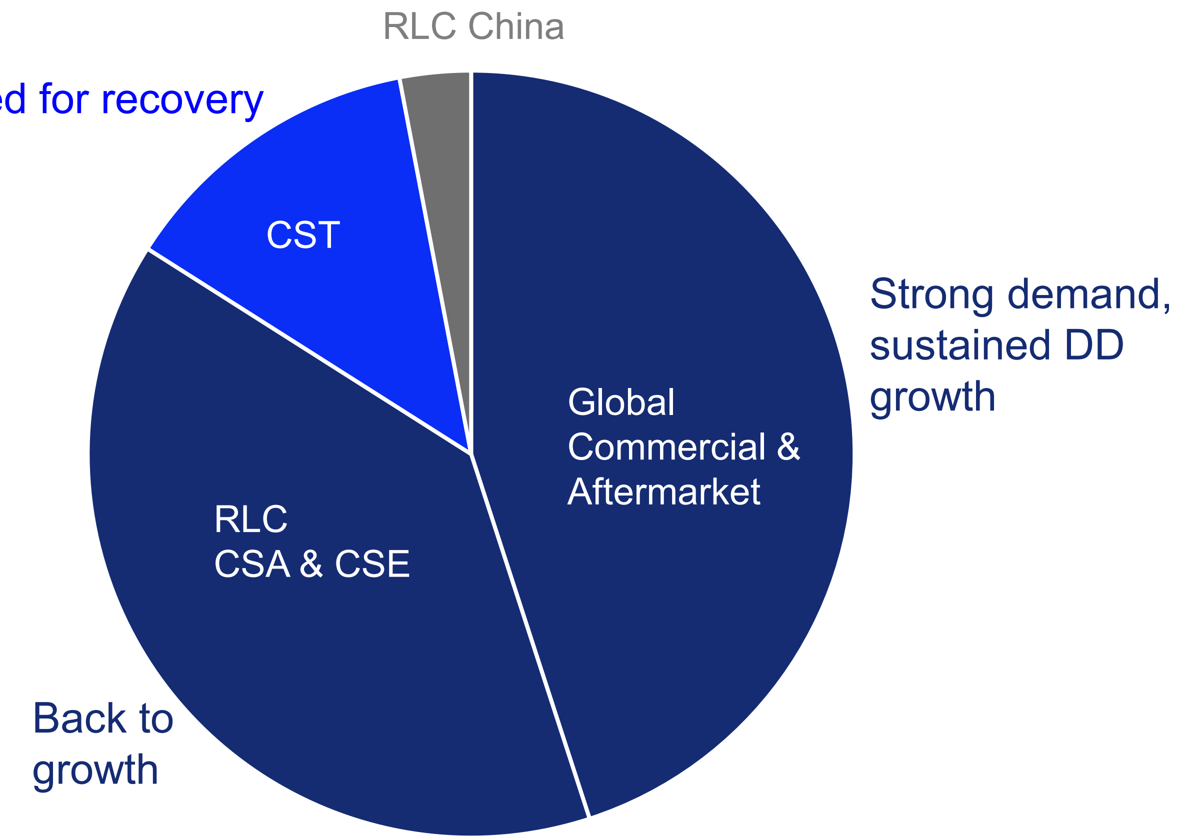
…driving differentiated outcomes

- ✓ Customer loyalty
- ✓ Access to new markets (~$20B TAM[2])
- ✓ Enhanced efficiency and comfort
- ✓ Easier to commission, retrofit
- ✓ Agentic AI offerings
- ✓ Real-time prognostics / diagnostics / self-optimizing
- ✓ Improved reliability and uptime
- ✓ Lower total cost of ownership
- ✓ Increased recurring revenues
- ✓ Stronger lifecycle attachment
- ✓ Autonomous grid interaction

▶ The Future of Buildings: 75F’s AI-enabled offerings + Carrier’s differentiated technology and market reach

1. WebCTRL is Carrier’s (AutomatedLogic) building automation and control system; Nlyte is Carrier’s data center infrastructure management software; Abound is Carrier’s cloud-native connected building lifecycle solution
2. Internal estimate

Well-positioned for accelerating growth

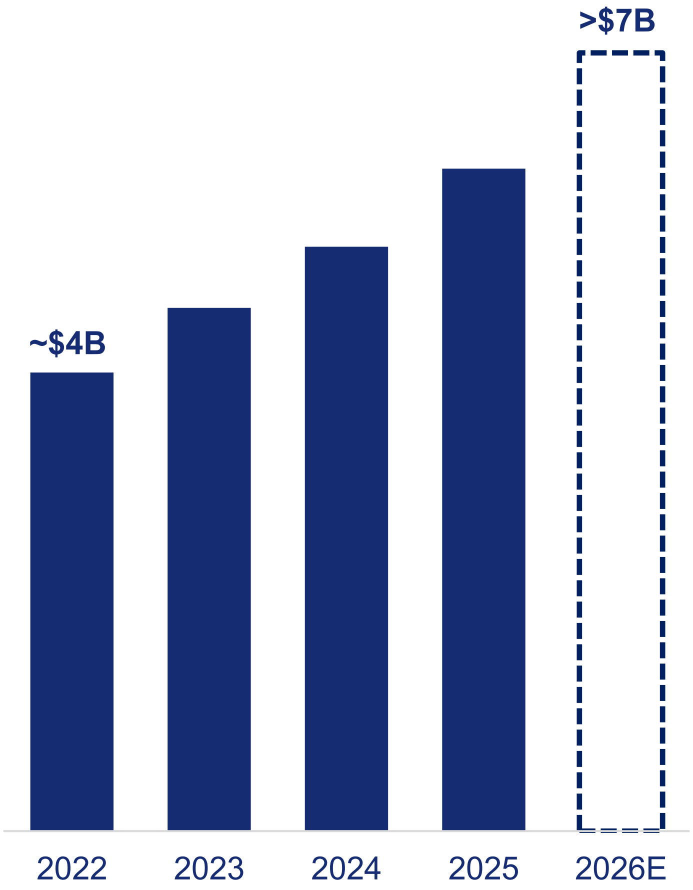


Expecting mid-teens organic sales growth in 2H 2026

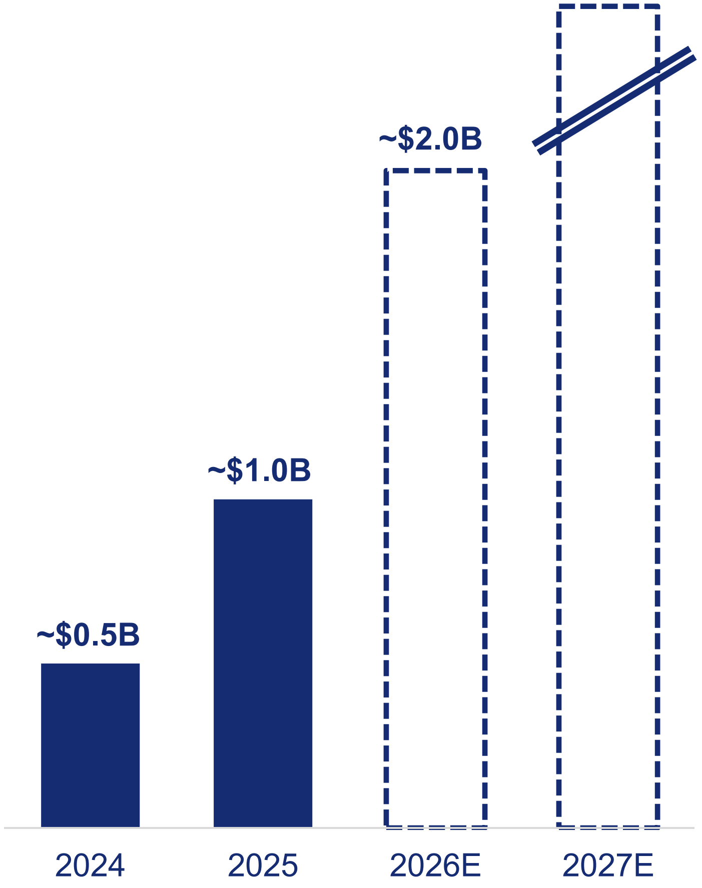
▶ Longer and shorter cycle businesses aligning for expected strong growth

Continued strong momentum in Commercial[1]

Continued strong sales growth



Accelerating global DC sales



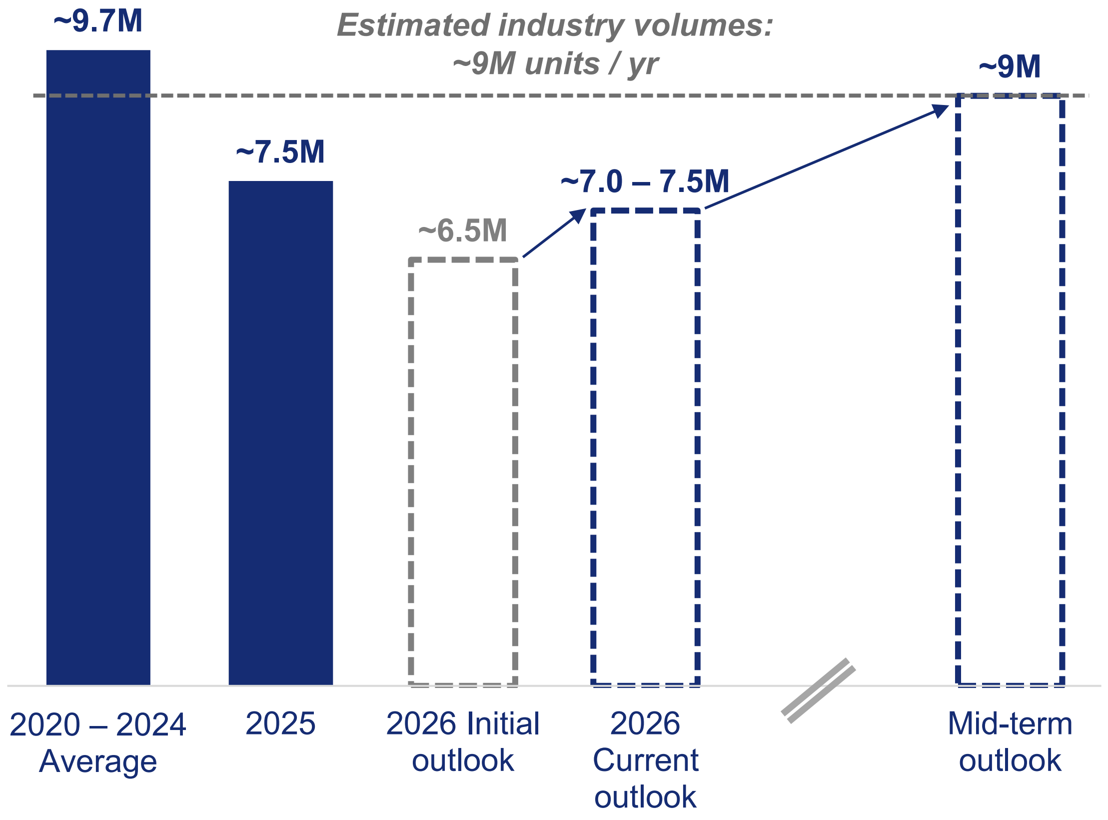
Highlights

- ~15-20% global Commercial sales growth Y/Y in 2026
- Increasing full-year DC sales to ~$2B, up from ~$1.5B prior guide
- Record backlog positions us for continued strong growth
- QuantumLeap™ orders increasing; CDU product portfolio expanding
- Expanding manufacturing and lab capacity in U.S. and India
- Rapidly growing installed base provides significant long-term aftermarket opportunity

1. Excludes NORESCO

CSA Residential: strong growth in 2Q; positioned for strength in 2H

CSA Residential industry units

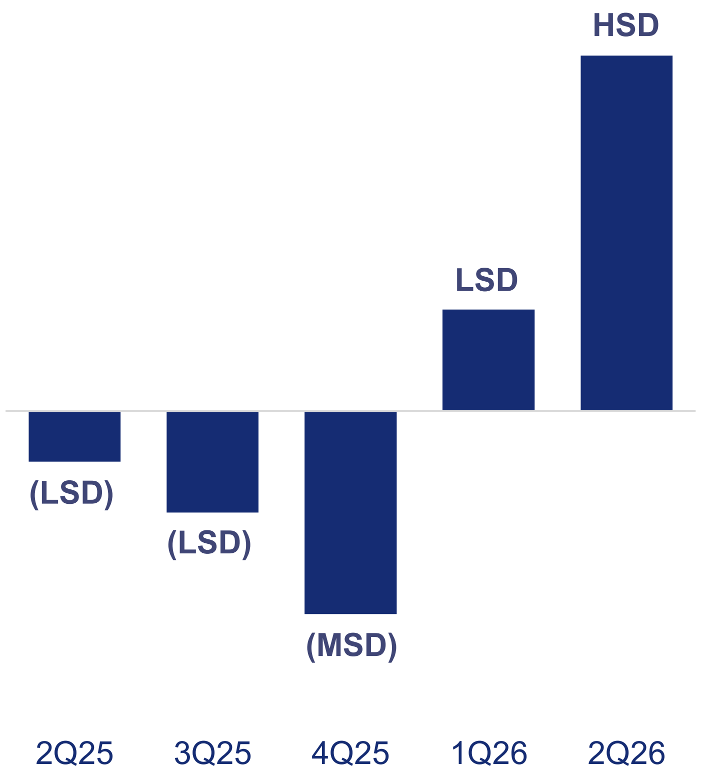


Highlights

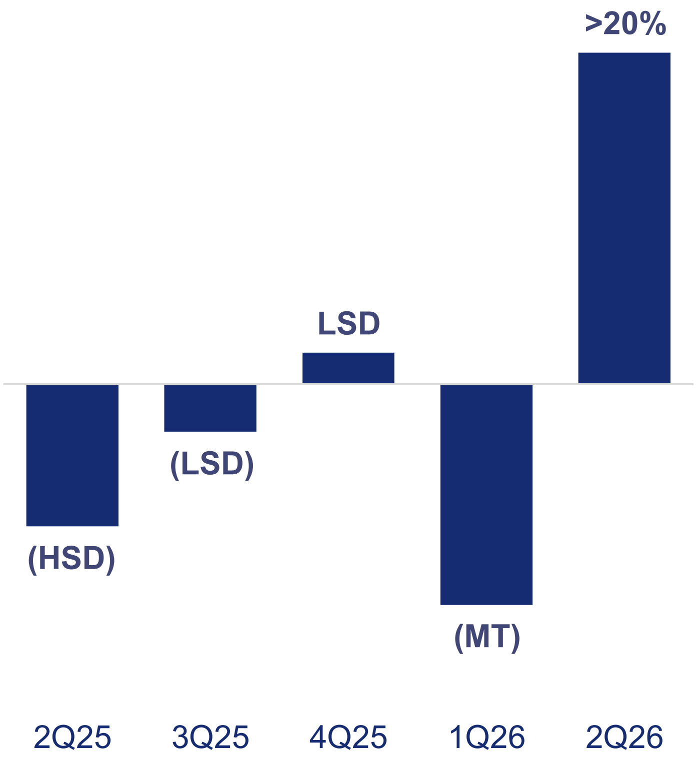
- 2Q sales up HSD Y/Y
- 2Q price realization ~3% Y/Y
- Field inventory levels healthy, down ~25% Y/Y
- ~55K technicians leveraging remote diagnostics, improving customer experience; up ~35% Y/Y
- Now expecting FY26 sales growth of ~HSD vs. prior guide of (HSD)

CSE market conditions improving

RLC sales growth Y/Y



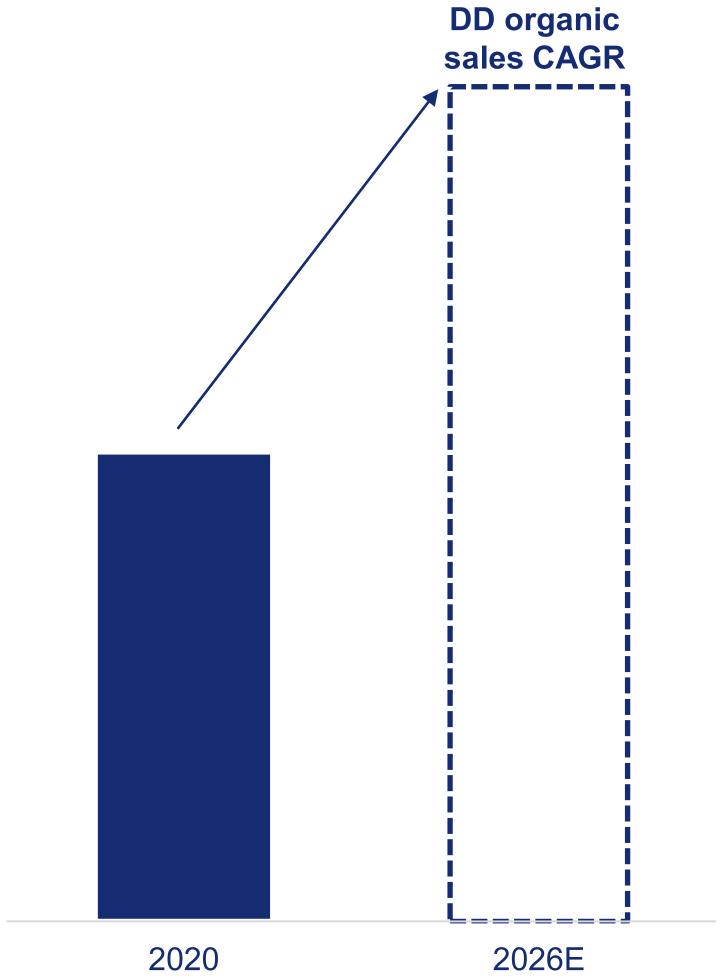
Commercial orders growth Y/Y



Highlights

- RLC market recovering; 2Q sales up HSD; 2Q heat pumps up ~20%
- Favorable electricity to gas ratio and continued German subsidies supporting continued heat pump demand
- Key new product introduction to address mid-tier segment; significantly increases TAM
- Higher temperatures driving A/C demand; 2Q orders up >20% Y/Y
- Data center demand accelerating; 1H orders up >30% Y/Y

Driving sustained aftermarket growth



Highlights

Parts

- Solid order rate with Book:Bill >1
- Expanded North America network to drive on-time delivery and increase wallet share

Service

- Strong momentum for equipment connectivity; ~75K+ chillers connected, ~250K Lynx subscriptions; ~110K chillers under LTAs
- Launched digital inspection report to drive technician productivity
- Significant investment in rental fleet with strong utilization

Mods and upgrades

- Strong momentum with double-digit sales and orders growth in 1H
- 75%+ backlog coverage for 2H
- 26 new upgrade packages in 2026, aligned with customer needs

Data centers

- Substantial TAM expansion with increasing installed base
- Extended warranty and initial provisioning of mission critical parts driving sales for data centers

FY 2026 Updated outlook

	CS Americas	CS Europe	CS AME	CS Transportation
2026 Updated business outlook	Commercial ++	Commercial ~	China CHVAC ~	Truck / Trailer –
	Residential +	RLC HPs ++	China RLC –	Container ++
	Light CML +	RLC boilers –	Rest of Asia ++	Sensitech +
	Aftermarket ++			
Updated outlook drivers	Increased data center and RLC sales	Heat pump demand accelerating	Region ex. China up DD	Container remains strong, offsetting weak Global Truck & Trailer markets

2026 Guidance[1]	
Sales	~$23 Billion
Adj. operating profit	~$3.5 Billion
Adj. EPS	~$2.90
Free cash flow	~$2.0 Billion

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

Q2 2026 Results

($ Millions, except EPS)	Q2 2026	Q2 2025	Y/Y
Sales	$6,351	$6,113	4%
Organic sales[1]			3%
Acquisitions / Divestitures, net			0%
FX			1%
Adjusted operating profit[1]	$1,095	$1,166	(6%)
Adjusted operating margin[1]	17.2%	19.1%	(190 bps)
Adjusted effective tax rate[1]	23.2%	22.1%	
Adjusted EPS[1]	$0.86	$0.92	(7%)
Free cash flow[1,2]	$810	$568	

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

Q2 2026 Climate Solutions Americas (CSA)

($ Millions)	Q2 2026	Q2 2025	Y/Y
Sales	$3,372	$3,252	4%
Organic sales[1]			4%
Acq / div, net			0%
FX			0%
Segment operating profit	$823	$879	(6%)
Segment operating margin	24.4%	27.0%	(260 bps)

Highlights

- Orders[2] up ~65% with Commercial up ~2x, driven by strong data center orders up >300%
- Residential sales up 9%, better than expected
  - Field inventory levels down ~(25%) Y/Y
- Light commercial up 10% driven by strong retail and K-12 performance
- Commercial down (HSD) driven by customer delivery timing; significant ramp-up expected in 2H26 (data centers)
- Margin decline as revenue growth mainly reflects pricing, more than offset by unfavorable mix and input costs

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

Q2 2026 Climate Solutions Europe (CSE)

($ Millions)	**Q2 2026**	**Q2 2025**	**Y/Y**
Sales	$1,324	$1,253	6%
Organic sales[1]			3%
Acq / div, net			0%
FX			3%
Segment operating profit	$95	$99	(4%)
Segment operating margin	7.2%	7.9%	(70 bps)

Highlights

- RLC momentum with sales up HSD
  - Shift towards electrification continues
  - Heat pump sales up ~20%, boilers down (HSD)
- Commercial down (MSD); expect sequential improvement in 2H26 (data centers)
- Margin declines reflect the benefits of volume growth and favorable price / cost more than offset by unfavorable mix and selling investments

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

Q2 2026 Climate Solutions Asia Pacific Middle East & Africa (CSAME)

($ Millions)	**Q2 2026**	**Q2 2025**	**Y/Y**
Sales	$917	$882	4%
Organic sales[1]			4%
Acq / div, net			0%
FX			0%
Segment operating profit	$108	$135	(20%)
Segment operating margin	11.8%	15.3%	(350 bps)

Highlights

- Sales ex. China region[2] up >20%
  - India up ~35%, Middle East up ~35%, Australia ~30% and SE Asia up ~20%
- Strong aftermarket performance, up ~12%
- Pressure in China region, down (MT)
  - RLC down ~(25%)
  - Commercial down (MSD)
- Margin decline as expected, reflecting volume growth and productivity more than offset by unfavorable mix and lower JV income due to the impacts from the Middle East conflict

1. See appendix for additional information regarding non-GAAP measures
2. China region includes Mainland China, Hong Kong, Taiwan and Macau

Q2 2026 Climate Solutions Transportation (CST)

($ Millions)	**Q2 2026**	**Q2 2025**	**Y/Y**
Sales	$738	$726	2%
Organic sales[1]			0%
Acq / div, net			0%
FX			2%
Segment operating profit	$118	$128	(8%)
Segment operating margin	16.0%	17.6%	(160 bps)

Highlights

- Strong growth in Container, up ~40% driven by strong OptimaLine sales
- Global Truck and Trailer sales down (LT)
- Decline in segment operating margin reflects unfavorable mix from higher Container volume offset by lower Global Truck and Trailer volume

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

Q2 2026 Organic orders[1] up ~40%

Climate Solutions Americas (CSA)	~65%
Residential	~70%
Light commercial	~25%
Commercial	~100%

Climate Solutions Asia Pacific MEA (CSAME)	~5%
China region[2]	~(15%)
Balance of segment	~25%

Climate Solutions Europe (CSE)	~20%
Residential and Light commercial	~20%
Commercial	~20%

Climate Solutions Transportation (CST)	~5%
Global Truck & Trailer	~5%
Container	~5%

▶ Orders growth across all segments; global CHVAC up ~65% with data centers up >300%

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

Raising FY 2026 Organic sales[1] guidance

Sales	Current guide (Jul. 2026)	Prior guide (Apr. 2026)
Climate Solutions Americas (CSA)	**~MT**	**~LSD**
Residential	HSD	(HSD)
Light commercial	HSD	(HSD)
Commercial[2]	M-20s	MT
Climate Solutions Europe (CSE)	**~LSD**	**~LSD**
Residential and Light commercial	LSD	Flat
Commercial	Flat	MSD
Climate Solutions Asia Pacific MEA (CSAME)	**~Flat**	**~Flat**
China region[3]	(LT)	(HSD)
Balance of segment	DD	M-HSD
Climate Solutions Transportation (CST)	**~Flat**	**~Flat**
Carrier	**~$23B** **Organic ~M-HSD** FX +1% Divestitures (2%)[4]	**~$22B** **Organic Flat to LSD** FX +1% Divestitures (1%)[4]

1. See appendix for additional information regarding non-GAAP measures
2. Excludes NORESCO
3. China region includes Mainland China, Hong Kong, Taiwan and Macau
4. Riello exit July 1st; announced NORESCO exit

Raising FY 2026 profit guidance

Segment operating margin	Current guide (July 2026)	Prior guide (April 2026)
CS Americas	*~Flat*	*25 – 50 bps*
CS Europe	*~Flat*	*~100 bps*
CS Asia Pacific Middle East & Africa	*~(200 bps)*	*~(50 bps)*
CS Transportation	*~Flat*	*~50 bps*
Carrier adj. operating profit[1]	**~$3.5B**	**~$3.4B**
Adj. EPS[1]	**~$2.90**	**~$2.80**

Free cash flow[1,2]	**~$2.0B**	**~$2.0B**
Share repurchases	**~$1.5B**	**~$1.5B**

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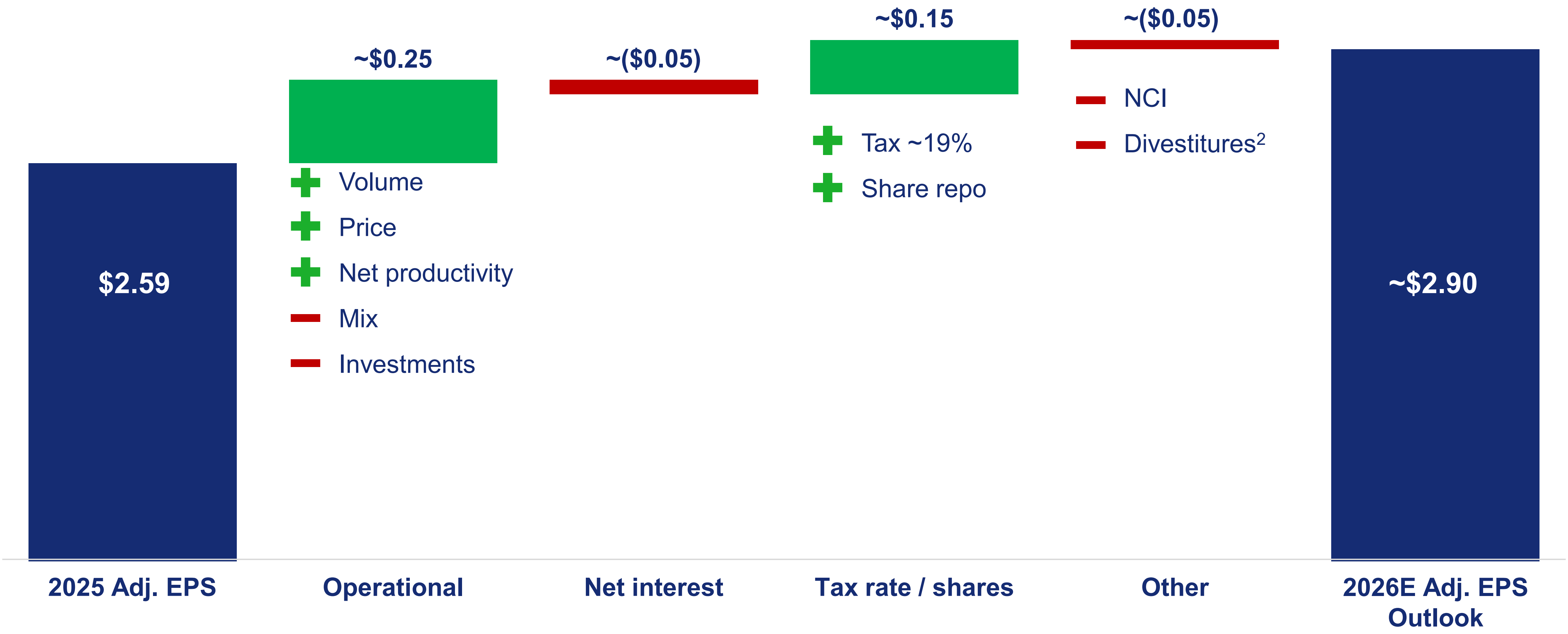
1. See appendix for additional information regarding non-GAAP measures
2. Includes results of continuing operations and discontinued operations

APPENDIX

Q2 2026 Adjusted EPS[1] bridge

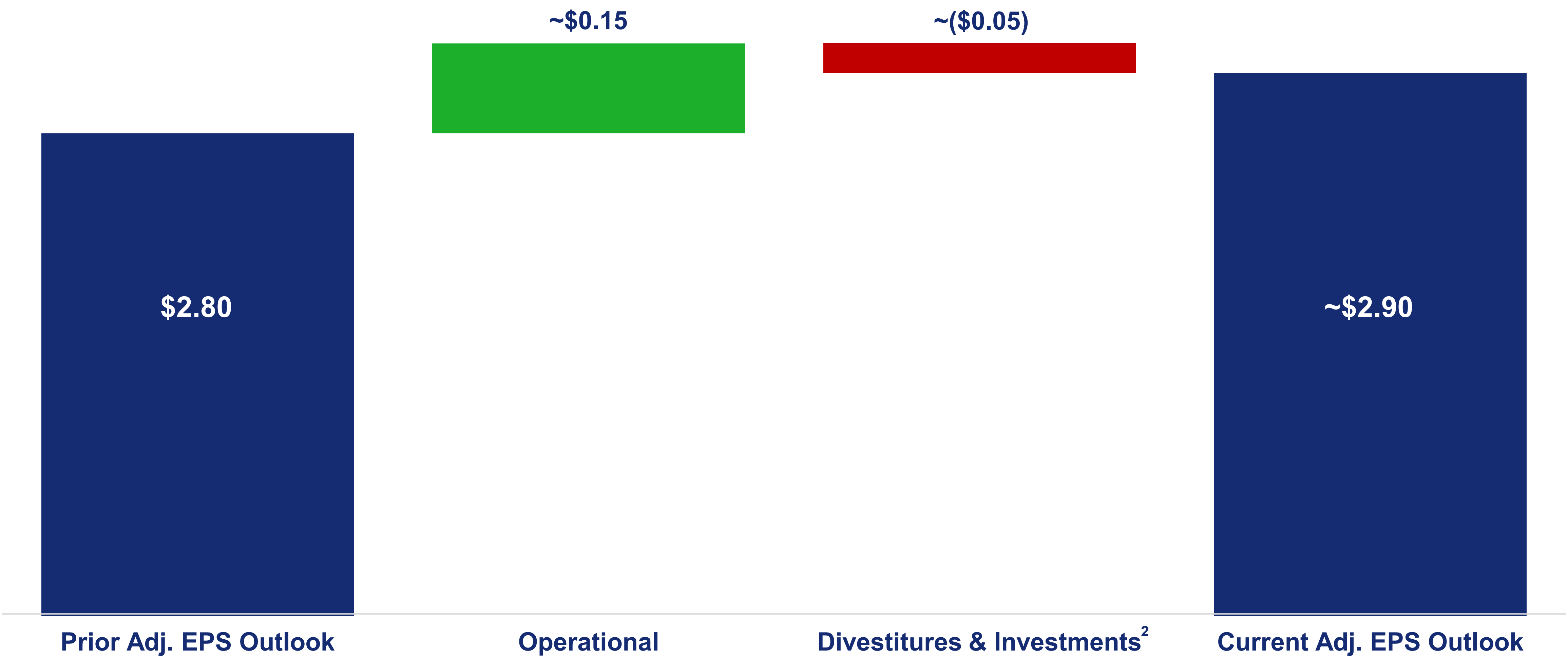
1. See appendix for additional information regarding non-GAAP measures

FY 2026 Adjusted EPS[1] guidance bridge



1. See appendix for additional information regarding non-GAAP measures
2. Riello exit closed July 1st; announced NORESCO exit

FY 2026 Adjusted EPS[1] guidance bridge vs prior guide



1. See appendix for additional information regarding non-GAAP measures
2. Riello exit closed July 1st; announced NORESCO exit. Investments refer to start-up costs related to the new U.S. manufacturing site

Additional items

($ Millions, except D&A)	Current outlook (Jul. 2026)	Prior outlook (Apr. 2026)
Average shares outstanding (diluted)	~833	~833
Corporate expenses / eliminations and other	~$240	~$240
Interest expense, net	~$400	~$400
Adjusted effective tax rate[1]	~19%	~19%
Non-controlling interest	~$120	~$120
Capital expenditures	~$600	~$500
Depreciation and amortization	~$1.3B	~$1.3B

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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.

Price/cost represents the combined impact of realized pricing, cost inflation and productivity actions, including manufacturing efficiencies, sourcing initiatives and certain productivity measures.

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.

Segment summary

(In millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(Unaudited)			
Segment net sales				
Climate Solutions Americas	$ 3,372	$ 3,252	$ 5,873	$ 5,824
Climate Solutions Europe	1,324	1,253	2,617	2,422
Climate Solutions Asia Pacific, Middle East & Africa	917	882	1,751	1,708
Climate Solutions Transportation	738	726	1,451	1,377
Segment net sales	**$ 6,351**	**$ 6,113**	**$ 11,692**	**$ 11,331**
Segment operating profit				
Climate Solutions Americas	$ 823	$ 879	$ 1,196	$ 1,449
Climate Solutions Europe	95	99	184	204
Climate Solutions Asia Pacific, Middle East & Africa	108	135	189	256
Climate Solutions Transportation	118	128	219	225
Segment operating profit	**$ 1,144**	**$ 1,241**	**$ 1,788**	**$ 2,134**
Segment operating margin				
Climate Solutions Americas	24.4 %	27.0 %	20.4 %	24.9 %
Climate Solutions Europe	7.2 %	7.9 %	7.0 %	8.4 %
Climate Solutions Asia Pacific, Middle East & Africa	11.8 %	15.3 %	10.8 %	15.0 %
Climate Solutions Transportation	16.0 %	17.6 %	15.1 %	16.3 %

Organic sales reconciliation

Three Months Ended June 30, 2026 Compared with Three Months Ended June 30, 2025

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

Earnings before income taxes reconciliation

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2026**	**2025**	**2026**	**2025**
Reconciliation to Earnings before income taxes				
Segment operating profit	$ 1,144	$ 1,241	$ 1,788	$ 2,134
Corporate and other	(49)	(75)	(99)	(120)
Restructuring costs	(8)	(47)	(116)	(55)
Amortization of acquired intangible assets	(213)	(214)	(426)	(415)
Acquisition/divestiture-related costs	(8)	(6)	(18)	(11)
Riello impairment	(46)	—	(46)	—
CCR gain	—	7	—	7
Other	5	(3)	—	(8)
Non-service pension (expense) benefit	1	—	2	1
Interest (expense) income, net	(105)	(91)	(195)	(173)
Earnings before income taxes	**$ 721**	**$ 812**	**$ 890**	**$ 1,360**

Adjusted operating profit reconciliation

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2026**	**2025**	**2026**	**2025**
Reconciliation of Segment operating profit to Adjusted operating profit				
Climate Solutions Americas	$ 823	$ 879	$ 1,196	$ 1,449
Climate Solutions Europe	95	99	184	204
Climate Solutions Asia Pacific, Middle East & Africa	108	135	189	256
Climate Solutions Transportation	118	128	219	225
Segment operating profit	$ 1,144	$ 1,241	$ 1,788	$ 2,134
Corporate and other	(49)	(75)	(99)	(120)
Adjusted operating profit	**$ 1,095**	**$ 1,166**	**$ 1,689**	**$ 2,014**

Q2 and YTD 2026 EPS reconciliation

	(Unaudited)					
	Three Months Ended June 30, 2026			Six Months Ended June 30, 2026		
(In millions, except per share amounts)	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	**$ 6,351**	**$ —**	**$ 6,351**	**$ 11,692**	**$ —**	**$ 11,692**
Operating profit	$ 825	270 a	$ 1,095	$ 1,083	606 a	$ 1,689
Operating margin	*13.0 %*		*17.2 %*	*9.3 %*		*14.4 %*
Earnings before income taxes	$ 721	270 a	$ 991	$ 890	606 a	$ 1,496
Income tax (expense) benefit	$ (180)	(50) b	$ (230)	$ (84)	(142) b	$ (226)
Effective tax rate	*25.0 %*		*23.2 %*	*9.4 %*		*15.1 %*
Earnings from continuing operations attributable to common shareowners	**$ 501**	**$ 220**	**$ 721**	**$ 739**	**$ 464**	**$ 1,203**
Summary of Adjustments:						
Restructuring costs		$ 8 a			$ 116 a	
Amortization of acquired intangible assets		213 a			426 a	
Acquisition/divestiture-related costs		8 a			18 a	
Riello impairment		46 a			46 a	
Other		(5) a			— a	
Total adjustments		$ 270			$ 606	
Tax effect on adjustments above		$ (50)			$ (142)	
Total tax adjustments		$ (50) b			$ (142) b	
Diluted shares outstanding	836.5		836.5	839.6		839.6
Diluted earnings per share:						
Continuing operations	**$ 0.60**		**$ 0.86**	**$ 0.88**		**$ 1.43**

Q2 and YTD 2025 EPS reconciliation

	(Unaudited)									
	Three Months Ended June 30, 2025					Six Months Ended June 30, 2025				
(In millions, except per share amounts)	Reported	Adjustments		Adjusted		Reported	Adjustments		Adjusted	
Net sales	**$ 6,113**	**$ —**		**$ 6,113**		**$ 11,331**	**$ —**		**$ 11,331**	
Operating profit	$ 903	263	a	$ 1,166		$ 1,532	482	a	$ 2,014	
Operating margin	*14.8 %*			*19.1 %*		*13.5 %*			*17.8 %*	
Earnings before income taxes	$ 812	263	a	$ 1,075		$ 1,360	482	a	$ 1,842	
Income tax (expense) benefit	$ (162)	(75)	b	$ (237)		$ (273)	(133)	b	$ (406)	
Effective tax rate	*20.0 %*			*22.1 %*		*20.1 %*			*22.1 %*	
Earnings from continuing operations attributable to common shareowners	**$ 608**	**$ 188**		**$ 796**		**$ 1,020**	**$ 349**		**$ 1,369**	
Summary of Adjustments:										
Restructuring costs		$ 47	a				55	a		
Amortization of acquired intangible assets		214	a				$ 415	a		
Acquisition/divestiture-related costs		6	a				11	a		
CCR gain		(7)	a				(7)	a		
Other		3	a				8	a		
Total adjustments		$ 263					$ 482			
Tax effect on adjustments above		$ (69)					$ (127)			
Tax specific adjustments		(6)					(6)			
Total tax adjustments		$ (75)	b				$ (133)	b		
Diluted shares outstanding	866.3			866.3		872.3			872.3	
Diluted earnings per share:										
Continuing operations	**$ 0.70**			**$ 0.92**		**$ 1.17**			**$ 1.57**	

Free cash flow reconciliation

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2026	2025	2026	2025
Net cash flows provided by operating activities	$ 927	$ 649	$ 1,006	$ 1,132
Less: Capital expenditures	(117)	(81)	(211)	(144)
Free cash flow	**$ 810**	**$ 568**	**$ 795**	**$ 988**

Net debt reconciliation

(In millions)	(Unaudited) June 30, 2026	(Unaudited) December 31, 2025
Long-term debt	$ 10,314	$ 11,365
Short-term borrowings and current portion of long-term debt	1,638	468
Less: Cash and cash equivalents	1,344	1,555
Net debt	**$ 10,608**	**$ 10,278**

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