



INVESTOR DAY

February 10, 2020



Cautionary Statement

Note: All results and expectations in this presentation reflect continuing operations unless otherwise noted.

This presentation 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 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” and other words of similar meaning in connection with a discussion of future operating or financial performance or the separation. 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, Otis or UTC following UTC’s separation into three independent public companies and/or following completion of the Raytheon merger, the separation, including the expected timing of completion of the separation and estimated costs associated with the separation, the Raytheon merger, including synergies or customer cost savings and the expected timing of the completion of the Raytheon merger, 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, Carrier claims 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: (1) the effect of economic conditions in the industries and markets in which Carrier and UTC and their respective businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions and natural disasters and the financial condition of Carrier’s customers and suppliers; (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (3) future levels of indebtedness, including indebtedness that may be incurred in connection with the separation, and capital spending and research and development spending; (4) future availability of credit and factors that may affect such availability, including credit market conditions and Carrier’s capital structure; (5) the timing and scope of future repurchases of Carrier’s common stock, which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (6) delays and disruption in delivery of materials and services from suppliers; (7) cost reduction efforts and restructuring costs and savings and other consequences thereof; (8) new business and investment opportunities; (9) the anticipated benefits of moving away from diversification and balance of operations across product lines, regions and industries; (10) the outcome of legal proceedings, investigations and other contingencies; (11) pension plan assumptions and future contributions; (12) the impact of the negotiation of collective bargaining agreements and labor disputes; (13) the effect of changes in political conditions in the U.S. and other countries in which Carrier and UTC and their respective businesses operate, including the effect of changes in U.S. trade policies or the U.K.’s pending withdrawal from the EU, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (14) 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 Carrier and UTC and their respective businesses operate; (15) the ability of Carrier and UTC to retain and hire key personnel; (16) the scope, nature, impact or timing of the separation and other acquisition and divestiture activity, 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; (17) the expected benefits and timing of the separation, and the risk that conditions to the separation will not be satisfied and/or that the separation will not be completed within the expected time frame, on the expected terms or at all; (18) a determination by the IRS and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; (19) the possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all; (20) expected financing transactions undertaken in connection with the separation and risks associated with the additional indebtedness; (21) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed Carrier’s estimates; (22) risks associated with the transactions contemplated by the Raytheon merger agreement or the announcement or pendency of such transactions, including disruptions to UTC’s or Carrier’s operations and the potential distraction of UTC or Carrier management or employees; (23) UTC’s obligations pursuant to the Raytheon merger agreement to consummate the Carrier distribution and the Otis distribution in accordance with the terms and conditions of the Raytheon merger agreement, including with respect to the timing of the distributions and the requirement that UTC obtain Raytheon’s prior written consent to effect certain changes to the terms of the separation or distributions, and the resulting limitations on UTC’s ability to determine or alter the structure or timing of the internal restructuring, the separation and the distributions or the terms and conditions of the separation agreement or ancillary agreements; and (24) the impact of the separation on Carrier’s business and the risk that the separation may be more difficult, time-consuming or costly than expected, including the impact on Carrier’s resources, systems, procedures and controls, diversion of management’s attention and the impact on relationships with customers, suppliers, employees and other business counterparties. There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of UTC on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC 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.

Agenda

Timing	Topics	Presenter
8:00am - 9:00am	Registration	
9:00am - 10:20am	Carrier Overview	David Gitlin President & CEO
	HVAC-Commercial	Chris Nelson President, HVAC-Commercial
	HVAC-Residential	Matthew Pine President, HVAC-Residential
10:20am - 10:45am	Break	
10:45am - 12:15pm	Refrigeration	David Appel President, Refrigeration
	Fire & Security	Jurgen Timperman President, Fire & Security
	Financial	Tim McLevish CFO
	Q&A	All Presenters
12:15pm - 1:15pm	Reception	

We've forged entire industries. We've built iconic brands. We've pioneered more than 100 years of firsts. And now, as an independent, focused company, our best days are ahead of us.

**This is the new Carrier –
and Change is in the Air.**

CHANGE IS IN THE AIR™



Why Carrier

Megatrends drive sustained industry growth

Strong foundation with leading positions

Runway to drive accelerated top and bottom line growth

Portfolio optionality enables further value creation



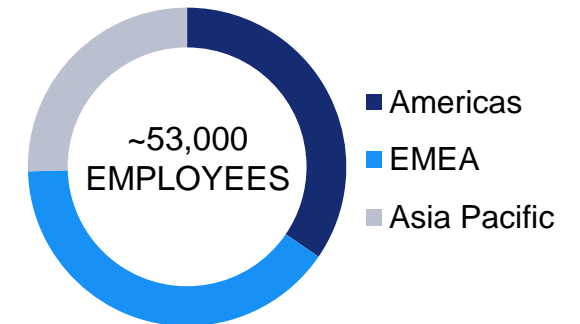
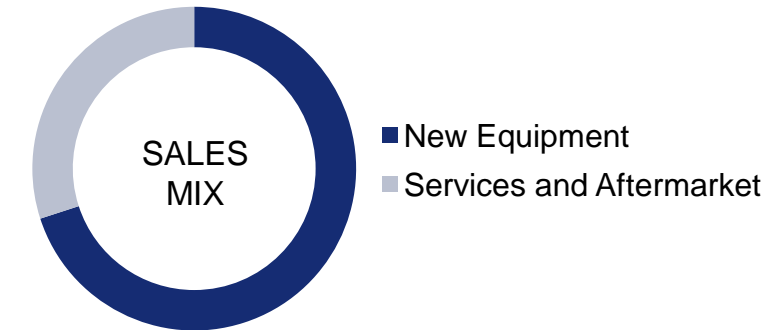
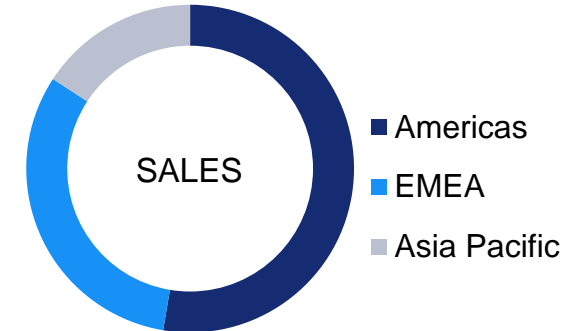
Carrier Overview

	Sales*	\$18.6B
	Adj. Op Profit**	\$2.6B
	Adj. Op Profit %**	14.2%

HVAC	Sales	\$9.7B
	Adj. Op**	\$1.6B
	Adj. Op %**	16.9%

Fire & Security	Sales	\$5.5B
	Adj. Op**	\$0.7B
	Adj. Op %**	13.5%

Refrigeration	Sales	\$3.8B
	Adj. Op**	\$0.5B
	Adj. Op %**	13.5%



*Total Carrier sales net of (\$0.4B) of eliminations

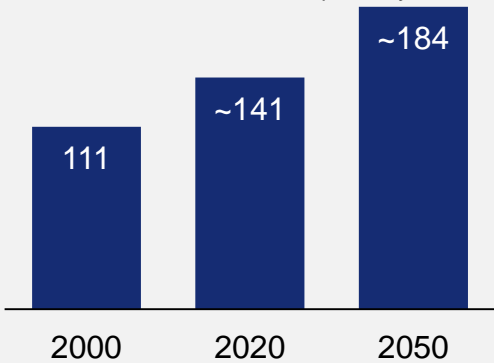
**2019 Standalone proforma adjusted operating profit. See appendix for additional information regarding these non-GAAP measures

Megatrends Drive Sustained Industry Growth

Climate and Regulation

Average number of days per year above 70°F - New York City

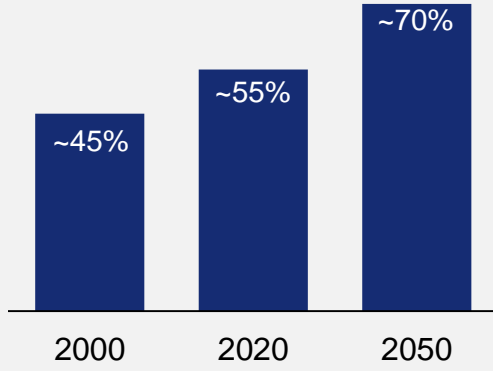
19 hottest years on record have been in the past 20 years



Source: NOAA, Crowther Lab.

Urbanization

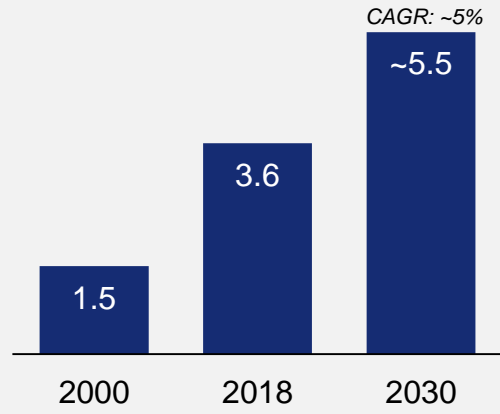
Global urban population (%)



Source: United Nations.

Growing Middle Class

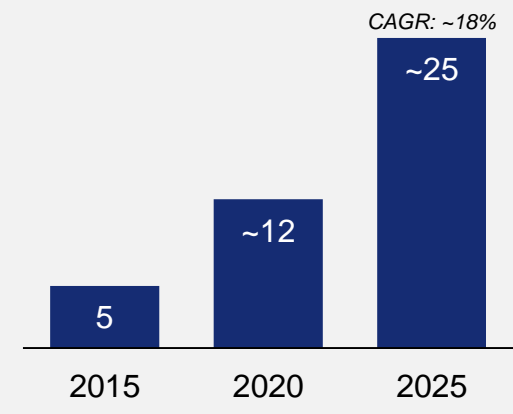
Middle class population - billions



Source: Brookings Institute.

Digitalization

Connected IoT devices - billions



Source: GSMA Intelligence.

Drives demand for Carrier offerings


















- Energy-efficient HVAC and refrigeration systems
- Next-generation low-GWP refrigerants
- Battery-powered transport solutions
- Fire detection systems compliance

- Cold chain solutions
- Driving technology for life safety solutions
- Rapid adoption of HVAC

- HVAC and fire and security systems
- Cold chain solutions

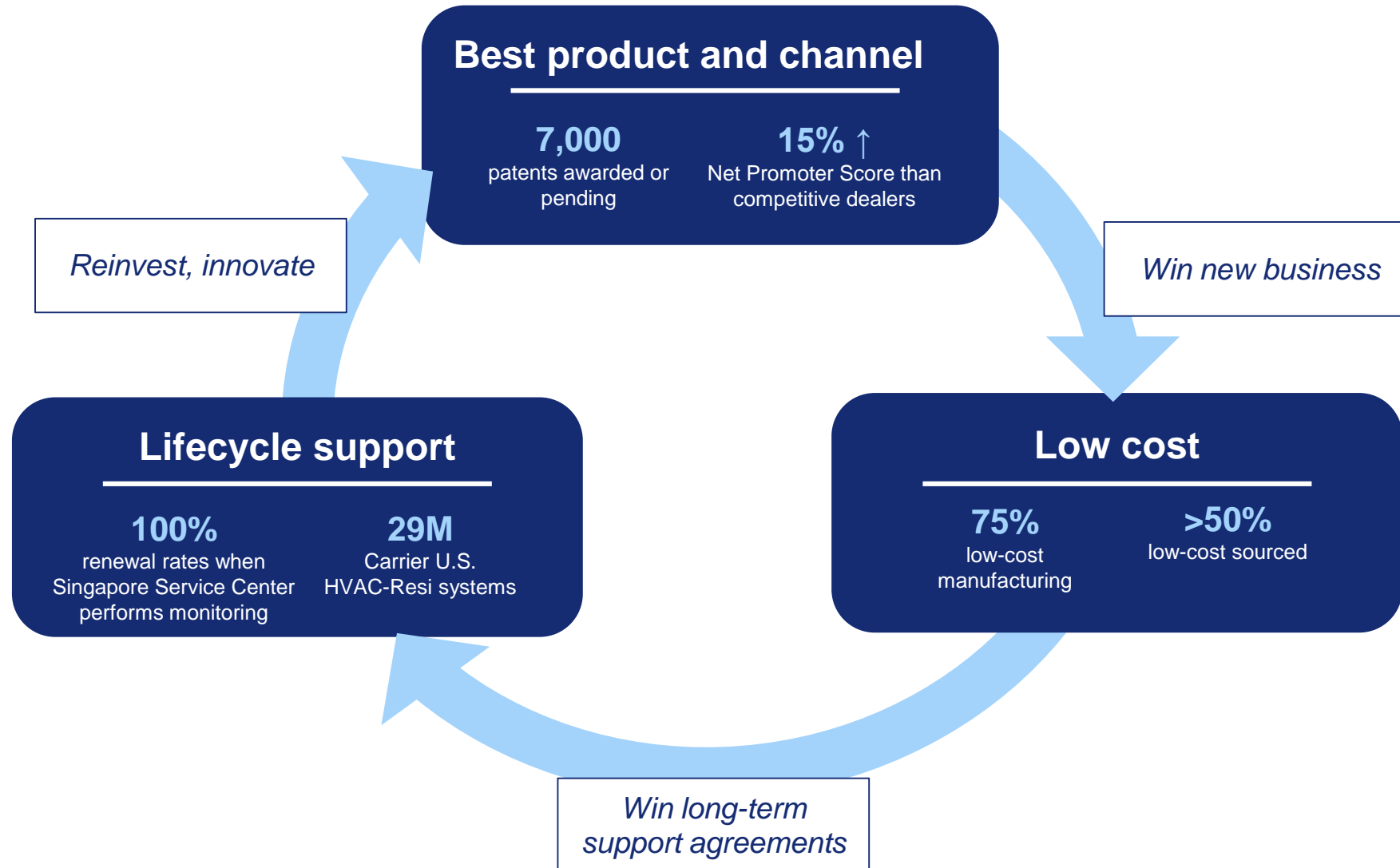
- Building controls and automation
- Predictive maintenance
- Monitoring connected service solutions

Strong Foundation with Leading Positions

	Position		Brands	
HVAC	U.S. Residential #1	 	 	
	U.S. Light Commercial #1			
	Global Applied #3			
Refrigeration	Global Transport Refrigeration #1	 	 	
	Europe Commercial Refrigeration #1			
Fire & Security*	Global Residential Fire Detection and Alarm #1	  	  	
	Global Access Control #1			 
	Global Commercial Fire Detection and Alarm #2			
	Global Fire and Security Field #2			

* Fire excludes sprinklers. Field business excludes China.
 Source: Public data, industry reports, IHS 2018, internal estimates.

Scale and Customer-Centric Approach



The New Carrier

New Leadership Team



CARRIER
Dave Gitlin
President & Chief Executive Officer

New since June 2019



HVAC-COMMERCIAL

Chris Nelson



HVAC-RESIDENTIAL

Matthew Pine



REFRIGERATION

David Appel



FIRE & SECURITY

Jurgen Timperman



FINANCE

Tim McLevish



LEGAL &
GOVERNMENT
RELATIONS

Kevin O'Connor



HUMAN RESOURCES

Nadia Villeneuve



STRATEGY &
SERVICES

Ajay Agrawal



OPERATIONS

Rishi Grover



ENGINEERING

Chris Kmetz



DIGITAL

Bobby George



GLOBAL BUSINESS
SERVICES &
TRANSFORMATION

Eva Azoulay



BUSINESS
DEVELOPMENT

George King



COMMUNICATIONS
& MARKETING

Mary Milmoe

New Operating System

Carrier Operating System



Customized



Achieving Competitive Excellence

The United Technologies Operating System

New Culture: The Carrier Way

Leading ESG Practices

Environmental



Carbon footprint: ↓ **44%** since 2006

Water consumption: ↓ **43%** since 2006

Hazardous waste: ↓ **2M** lbs since 2015

High-efficiency products: **~300M** metric tons
CO2e saved since 2010

Sustainability: Core to our mission

Social

EMPLOYEE DEVELOPMENT

\$150M

Employee Scholar Program investment*

75%

increase in women in senior leadership roles**

SAFETY PERFORMANCE

75%

improvement in recordable rate***

Investment in talent and commitment to safety

Governance

- Shareowner value
- Expertise and judgment
- Diversity of perspectives
- Integrity and independence
- Accountability and oversight
- Ethical foundation

BOARD OF DIRECTORS

John V. Faraci

Executive Chairman
Former Chairman and CEO
International Paper

Jean-Pierre Gamier

Lead Director
Former CEO
GlaxoSmithKline

David Gitlin

President & CEO
Carrier

John Greisch

Former President and CEO
Hill-Rom Holdings

Charles M. Holley, Jr.

Former EVP and CFO
Walmart Stores

Mike McNamara

Former CEO
Flex

Michael A. Todman

Former Vice Chairman
Whirlpool Corp.

Virginia Wilson

Former Sr. EVP and CFO
TIAA

Management incentives aligned with shareholders

* Since inception in 1996
** Since 2012
*** Since 2006

Strategic Focus to Drive Top and Bottom Line Growth

Strengthen and Grow Core



Increasing sales force: ~500 employees

Increasing R&D spending: ~\$50M

Increase share

Increase Product Extensions and Geographic Coverage



Targeted initiatives

Examples: VRF, China expansion, cold chain

Grow the pie:
Additional equipment sales

Grow Services and Digital

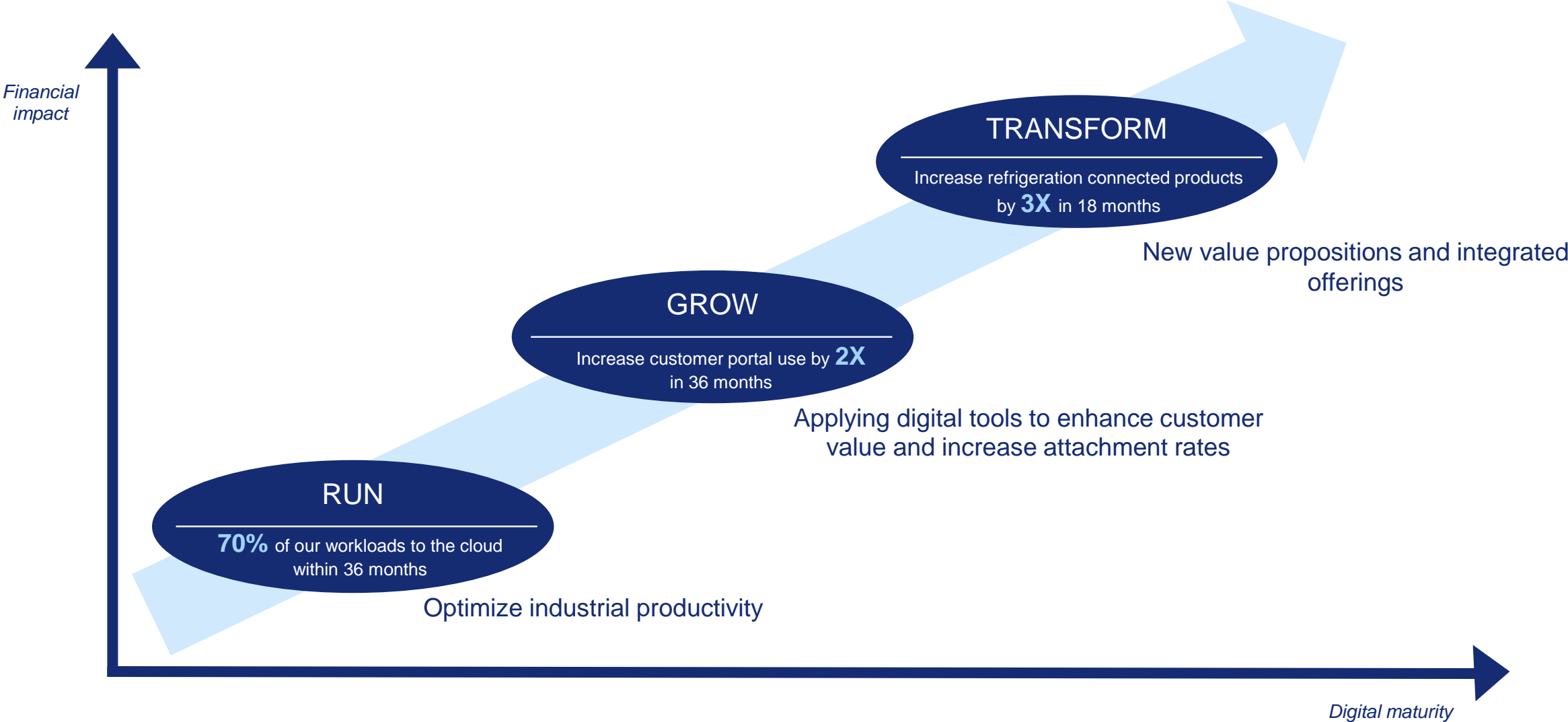


Increasing attachment rates

Tiered service offerings

Grow the pie:
Recurring revenue streams

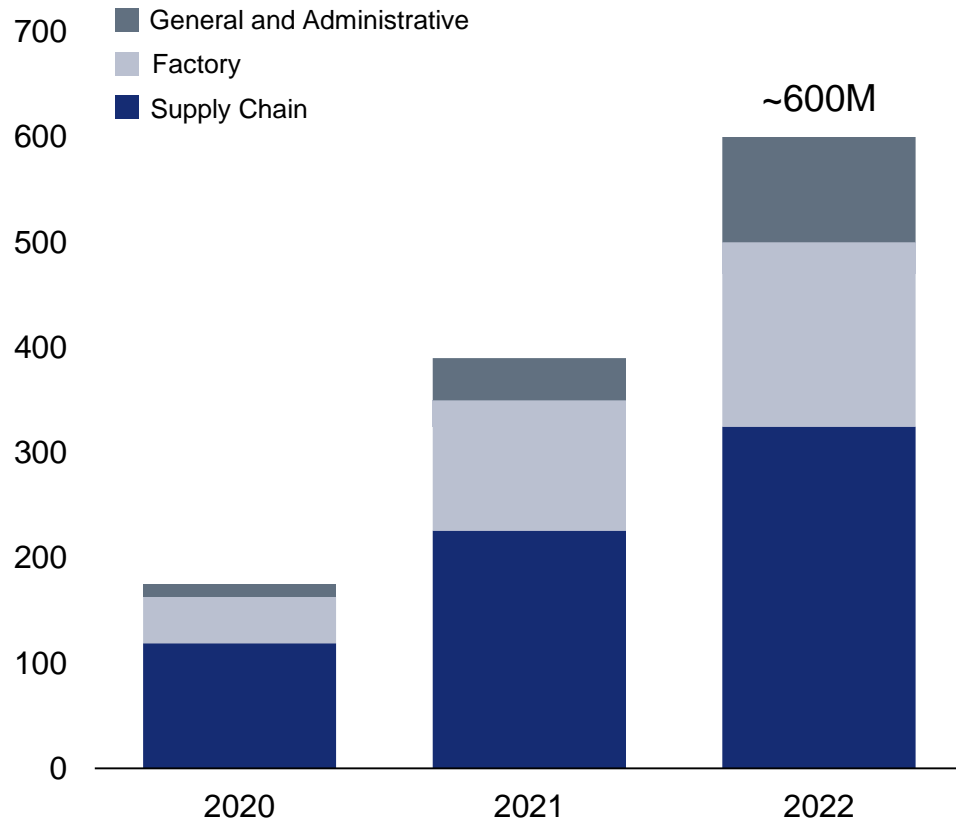
Digital to Drive Top and Bottom Line Growth



Carrier 600 to Drive Top and Bottom Line Growth

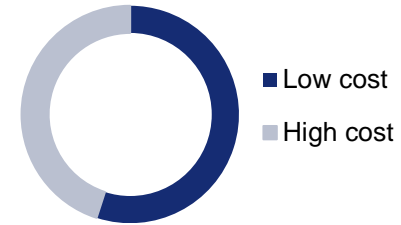
Cumulative Cost Reduction Target

(vs. 2019, \$M)

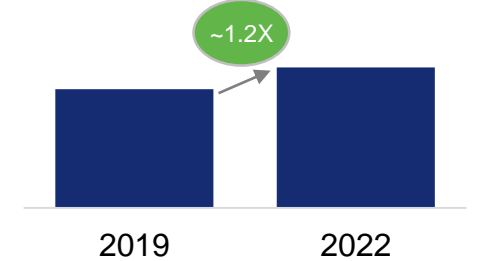


Supply Chain

Low-cost buy Spend

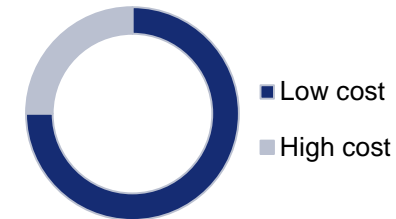


Low-cost buy Spend

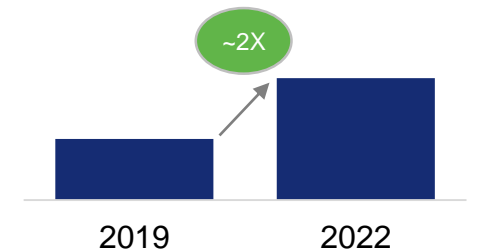


Factory

Low-cost make Hours



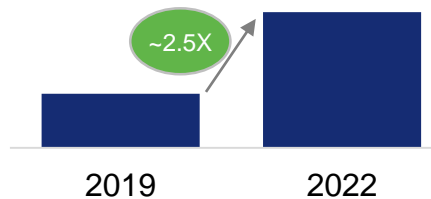
Automated hours



General and Administrative

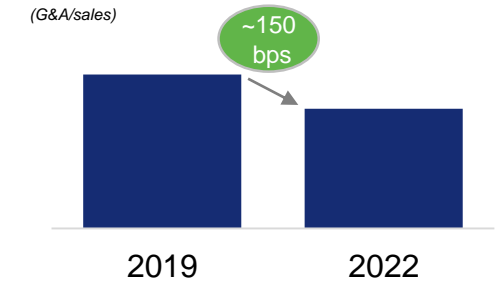
Global Business Services

(G&A employees performing shared service roles)

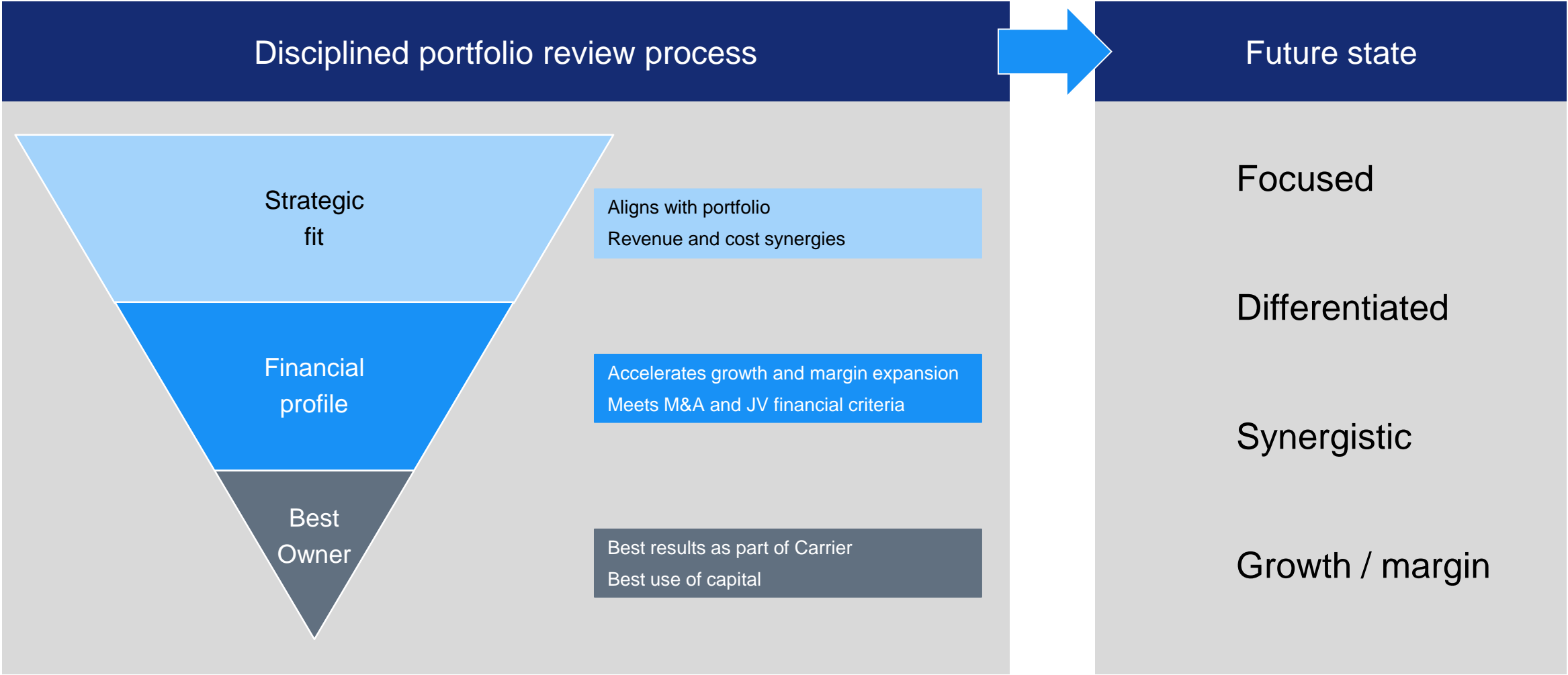


Shared services and automation

(G&A/sales)



Portfolio Optionality Enables Further Value Creation



2020 Outlook

	FY 2020 Outlook		Profit Commentary
Sales	Up slightly		<p>+</p> <p>New revenue sources</p> <p>Pricing</p> <p>Cost reduction</p> <p>Growth acceleration in 2H</p>
Adj. Operating Profit*	Up \$25M - \$75M		
Segment Sales	HVAC	Up low-single digit	<p>-</p> <p>Investments in growth</p> <p>Slower growth in 1H</p> <p>Tariffs / Other</p>
	Fire & Security	Up slightly	
	Refrigeration	Flattish	

* Adjusted Operating Profit @ actual currency
See appendix for additional information regarding these non-GAAP measures

Medium-term Expectations

Sales

Up mid-single digits

Adjusted EPS¹

Up high-single digits

Free Cash Flow¹

90 – 100% cash conversion

¹ See appendix for additional information regarding non-GAAP measures

Key Takeaways

Megatrends drive sustained industry growth

Strong foundation with leading positions

Runway to drive accelerated top and bottom line growth

Portfolio optionality enables further value creation



CHANGE
IS IN
THE AIR™

Great foundation ... and our best days are ahead



HVAC



Chris Nelson and Matthew Pine

HVAC-Commercial Overview




HVAC-Commercial


Equipment

Service, Aftermarket and Controls


Applied



Light Commercial



VRF



Service

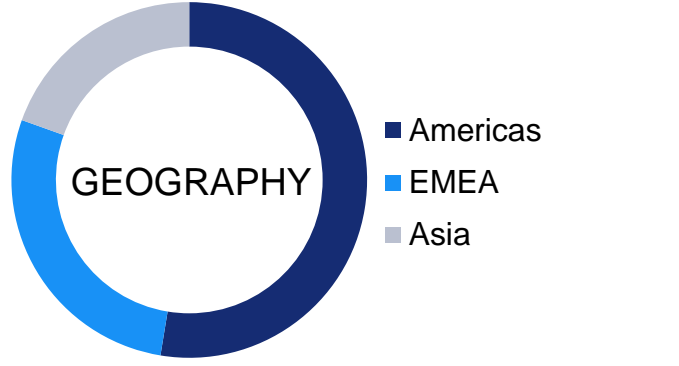
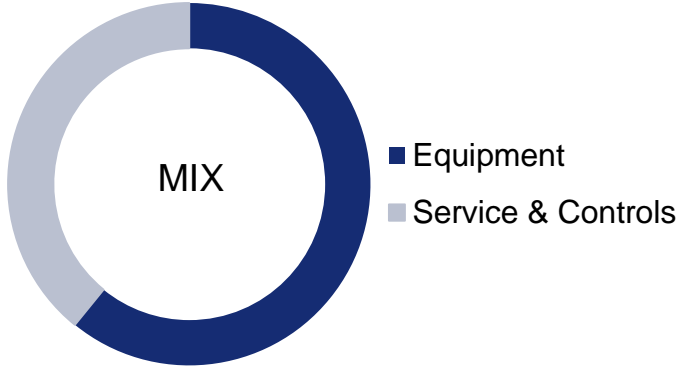


Automated Logic

Parts



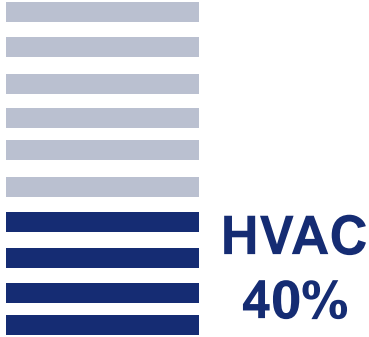
Controls

2019 sales ~\$6B

Industry Trends Support Sustained Growth

Climate and Regulation

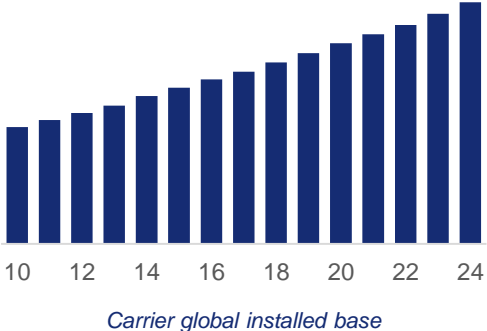


Building energy consumption

Urbanization



Growing Installed Base



Carrier global installed base

Digitalization



Accelerated demand for **high-efficiency** products

~25% of equipment sales are high efficiency

Higher demand for **new equipment**

Global sales channel

Service demand will grow above GDP

Service branches in 40+ countries

Access to data will drive **service opportunities**

400M+ sq. feet monitored

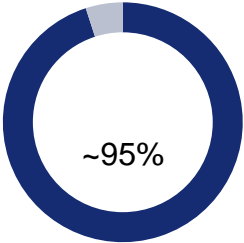
Industry Leader With Clear Growth Opportunities

Market	Position	Key Focus Areas
Unitary	#1	Regulatory investment Channel development
Applied	#3	Sales force capacity New product launches
Service & Aftermarket	Major player	Improve attachment rate Digital
Variable Refrigerant Flow	Minimal	Channel expansion Inorganic potential

*Sources: Trade association data, market research (BSRIA), trade publications, company reports/filings; internal estimates

Regulatory Product Refresh

Chillers

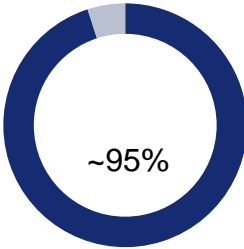


Product line impacted by 2024

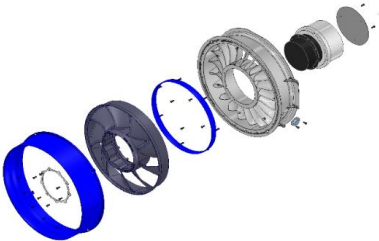


- Technology insertion
- Next-generation refrigerants
- Service diagnostics

North America Light Commercial

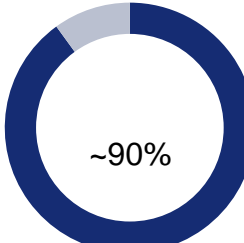


Product line impacted by 2024



- Efficiency upgrades
- Next-generation refrigerants
- Cost optimization

Variable Refrigerant Flow



Product line impacted by 2024



- Hybrid solutions
- Next-generation refrigerants
- Digital connectivity

Growth Strategies

Strengthen and Grow Core

Sales force capacity



Right products



Increase Product Extensions and Geographic Coverage

Rapidly grow VRF



Expansion in China

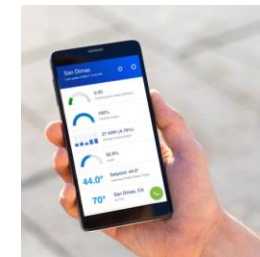


Grow Services and Digital

Accelerate service growth



Digital offering



Case Study: Grow the Base

Air-cooled platform



AQUAFORCE greenspeed

Applied air-cooled chiller

High-efficiency variable speed compressor

Low sound

Compact footprint

Launched in 2017

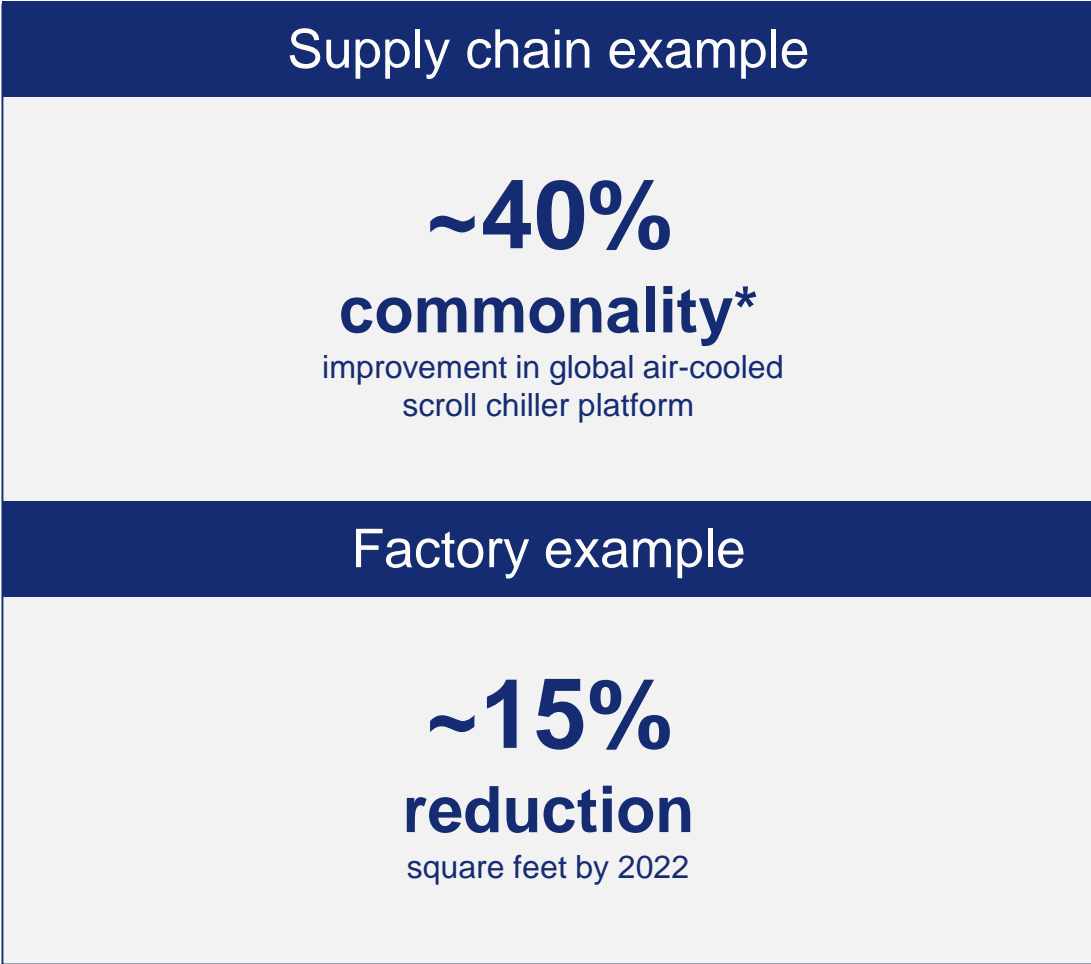
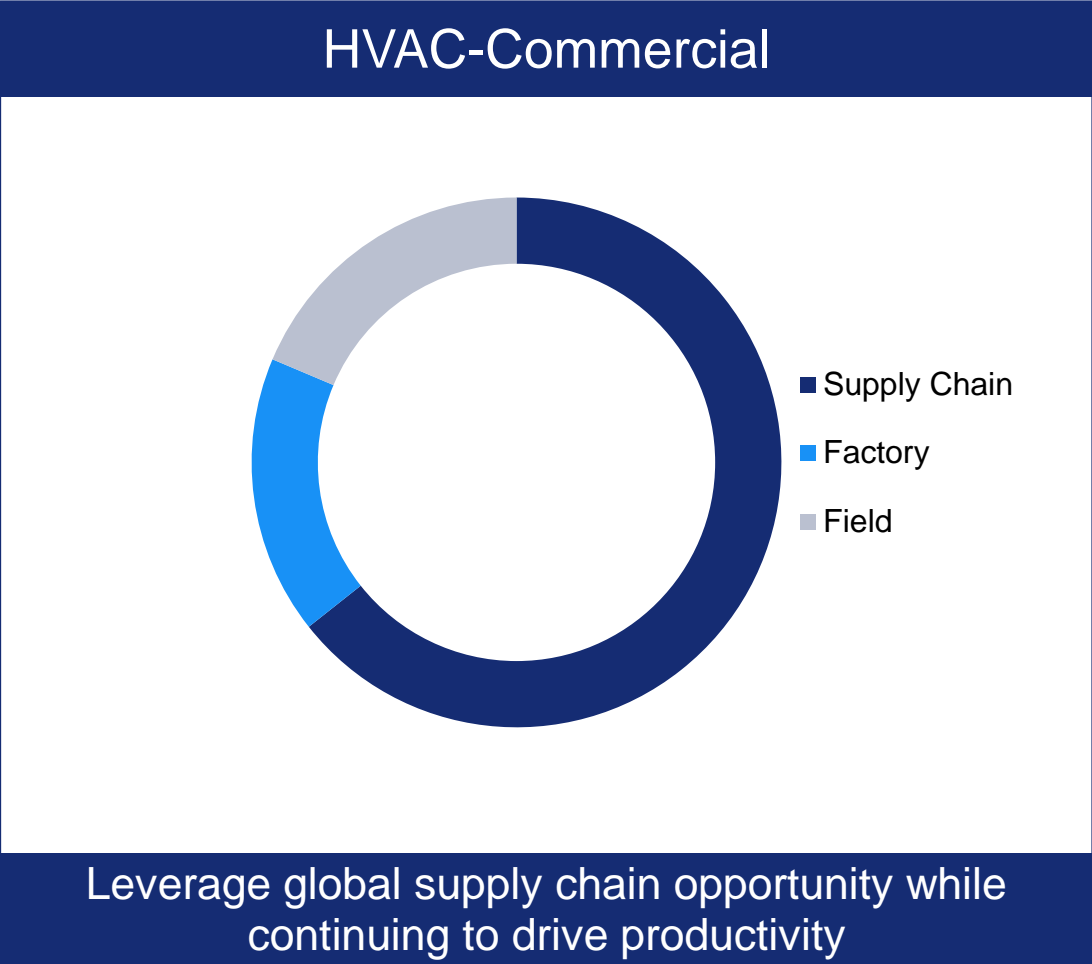
**Moved Carrier from
#3 to #1***

in global air-cooled segment

~2 year payback

*Sources: Trade association data, market research (BSRIA), trade publications, company reports/filings; internal estimates

Carrier 600



*Source: Internal engineering analysis

Wrap-up

Global business with iconic brand

Opportunity to grow in excess of core markets

Accelerate service growth through improved attachment

Focused investment in product and sales force

Cost productivity expected to fuel investments



HVAC



Chris Nelson and Matthew Pine

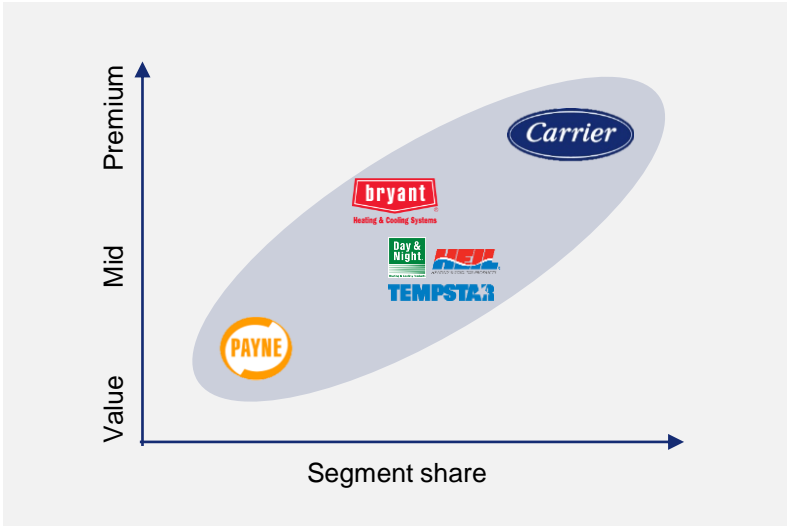
HVAC-Residential Overview



HVAC -
NA Residential




Brands

Strong brand portfolio



Leadership

Core products

	Air Conditioner / Heat Pump	#1
	Gas furnaces	#1
	Small packaged	#1

Distribution

Most trusted network

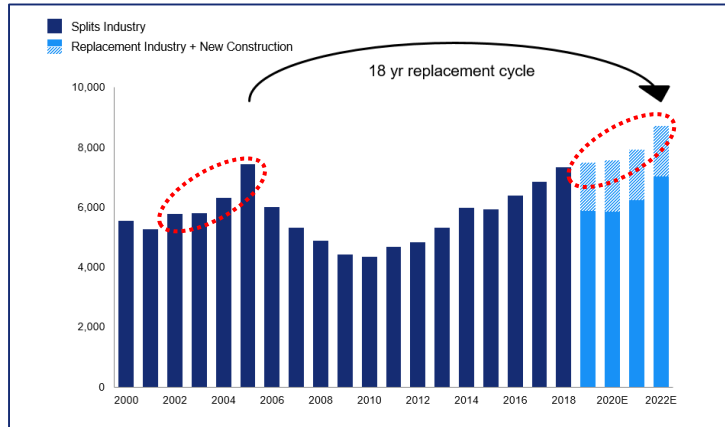
Net Promoter Score®

15% higher than competitive dealers

Source: AHRI, industry reports, investor presentations & internal estimates

Source: KeyStat. Net Promoter Score is a trademark of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld

Trends Support Industry Growth



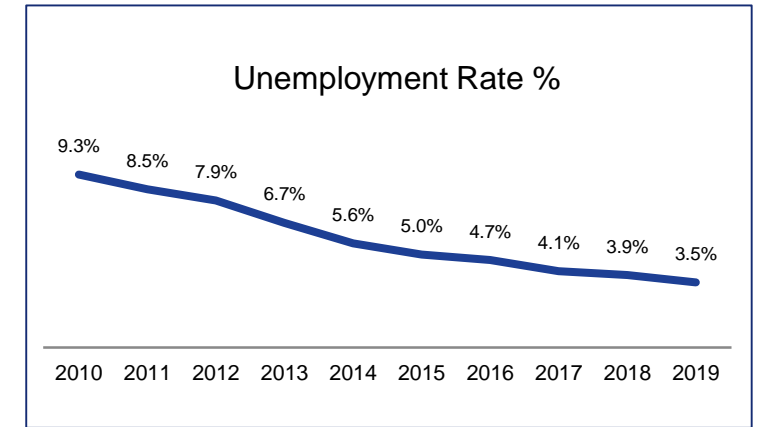
Replacement Cycle

Continued **replacement strength**
through coming years



Housing Starts

Expect **low interest rates** to
continue to drive near-term growth



Unemployment

50 year low in unemployment
driving strong consumer confidence

Source: U.S. Bureau of Labor Statistics. Seasonally adjusted. Annual, end of period

Differentiation

Ducted Air Conditioner / Heat Pump



Industry leadership
with Q2 launch

Outperform industry in high
SEER product sales

Ductless Air Conditioner / Heat Pump



42 SEER: industry-leading
efficiency*

Gas Furnaces



Most comprehensive
lineup

Digitalization



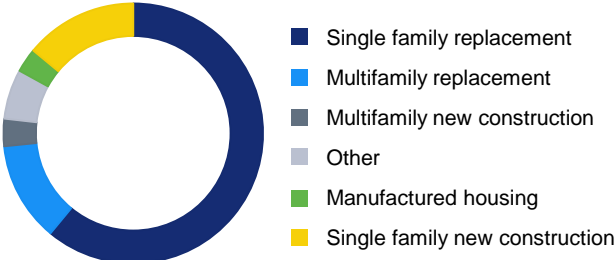
Interactive technician app
Reduce “time on wrench”

*Source: AHRI Unitary Small Equipment Operations Manual cites 9,000 Btu/h single zone ductless 42 SEER rating (1/22/18).

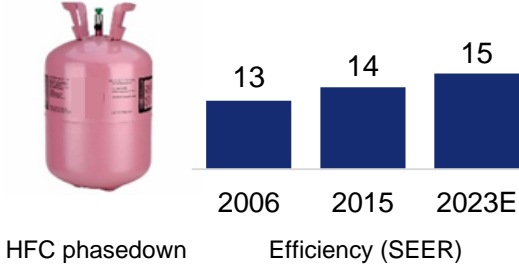
Growth Strategies

Strengthen and Grow Core

Underserved areas



Win in regulation



Increase Product Extensions and Geographic Coverage

Underpenetrated geographies



Expand ductless



Hybrid systems

Grow Services and Digital

Connected platforms

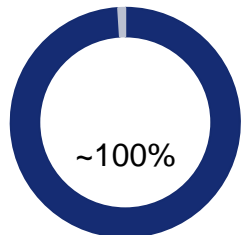


Aftermarket integration



Accelerated Product Innovation

Air Conditioner / Heat Pump



~100%

Product line impacted by 2023

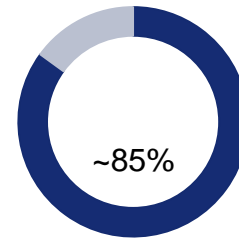


Design for regulation

Material substitution

Digital connectivity

Gas Furnaces/Coils



~85%

Product line impacted by 2023

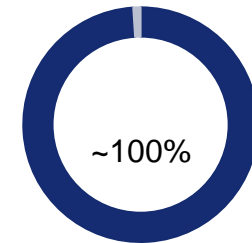


Blower efficiency

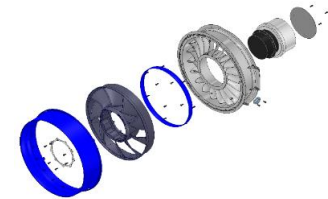
Heat transfer technology

Digital connectivity

Small Packaged



~100%

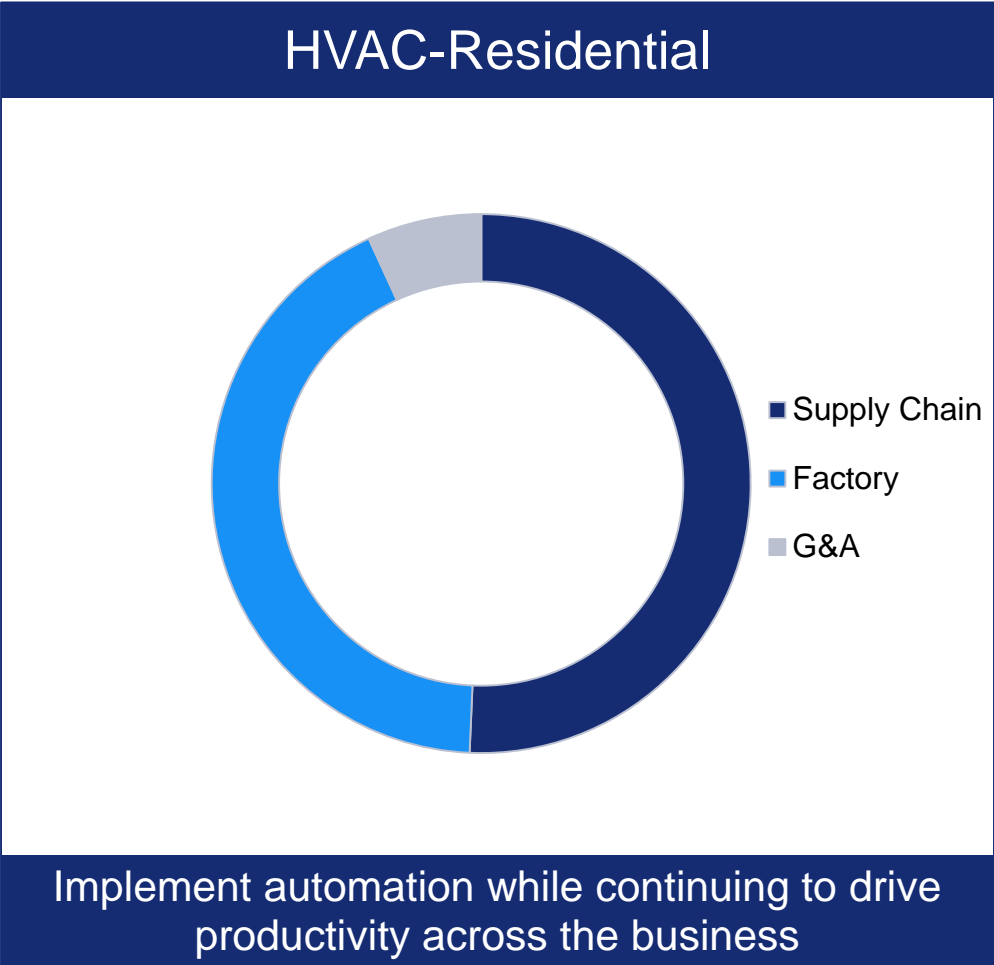


Air management

Reduced emissions

Variable speed technology

Carrier 600



Supply chain example

~5%
target freight savings*
routing guide compliance
load optimization

Factory example

~\$25M
target cost savings
automation and lean initiatives

*Source: Freight savings: Based on internal estimate of increased Residential HVAC pretax profit as a percentage of total Residential HVAC freight expense over the 5-year period 2019 - 2023. Automation savings: Based on internal projection of cumulative automation savings over the 3-year period 2020 – 2022.

Case Study: Carrier 600

Material Substitution

Indoor Fan Coil Aluminum Insertion



13%
cost reduction

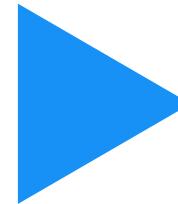
Significant shift from
copper to aluminum

Reduced volatility

Increased reliability

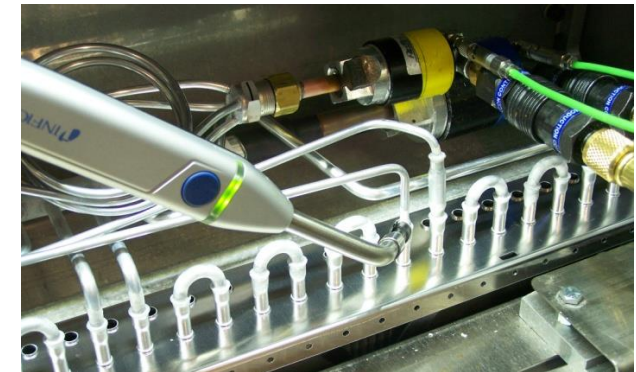
24%
Improvement in quality

Launched in 2014



Carrier 600: Aluminum Outdoor Coils

~\$20M – \$30M
target annual savings



2020 Launch

Wrap-up

Residential HVAC industry leader

Strong brands, products and distribution network

Focus on underserved markets and geographies

Investing in R&D and digital to drive growth

Continued focus on cost excellence

We've forged entire industries. We've built iconic brands. We've pioneered more than 100 years of firsts. And now, as an independent, focused company, our best days are ahead of us.

**This is the new Carrier –
and Change is in the Air.**

CHANGE IS IN THE AIR™





REFRIGERATION



David Appel

Segment Overview

Refrigeration

Sales	\$3.8B
Adj. Op Profit ¹	\$0.5B
Adj. Op Profit ¹ %	13.5%

Container



Container refrigeration



Controlled atmosphere

Truck Trailer



Trailer refrigeration



Truck refrigeration

Sensitech



Temperature monitoring solutions



Supply chain visibility

Commercial Refrigeration



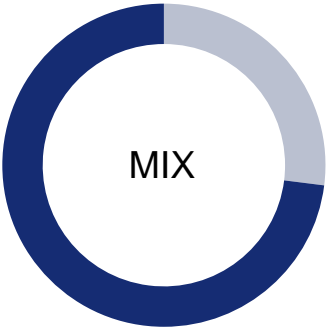
Remote cabinet



Compressor rack



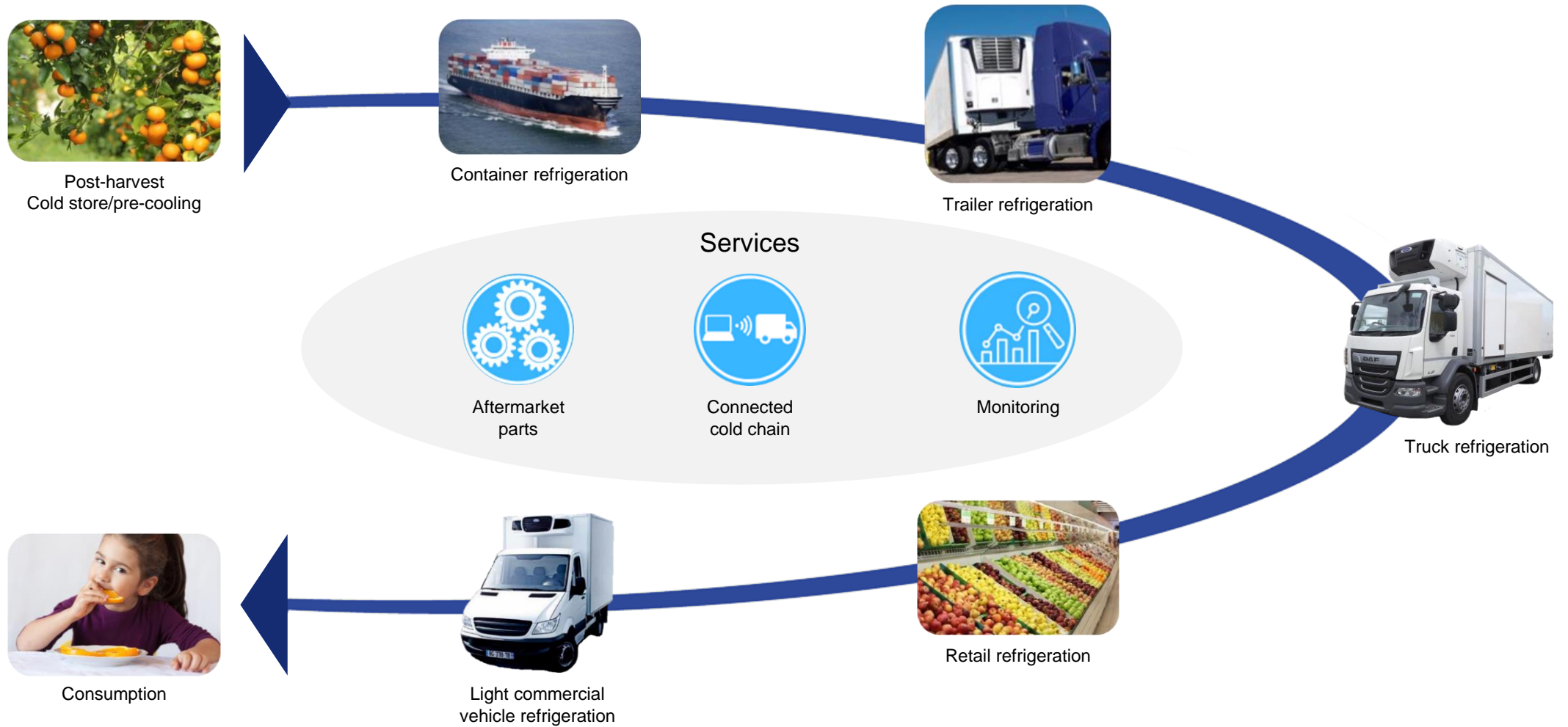
- Transport
- Commercial Refrigeration



- Equipment
- Services / Digital

¹2019 Standalone proforma adjusted operating profit
See appendix for additional information regarding these non-GAAP measures.

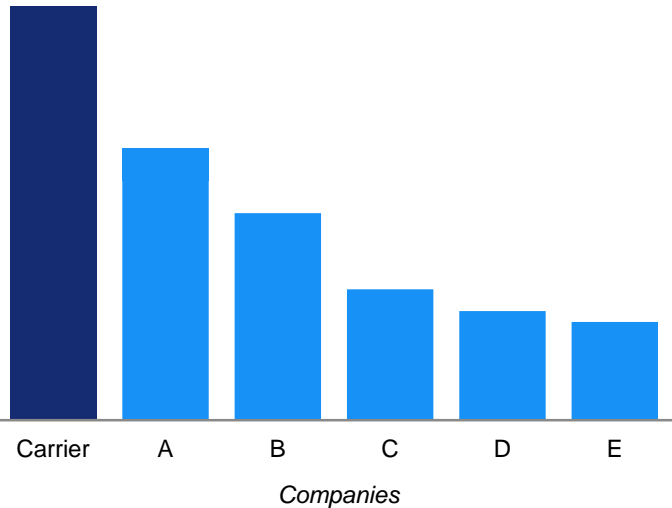
Winning Across the Cold Chain



Strong Position

Industry Leader

Sales
(Transport and Commercial Refrigeration)



Sources: SEC Filings, Analyst Estimates, Company Estimates.

Broad Network



400+ authorized service partners
Container



250+ dealer service locations
Truck Trailer Americas



700+ authorized workshops and branches
*Truck Trailer International/
Commercial Refrigeration*

Large Installed Base



1.2M Carrier transport refrigeration units



50K stores - Commercial refrigeration units



\$9B goods cooled by Carrier on ocean daily



15M shipments a year monitored by Sensitech

Industry-leading Innovation

Pioneering Industry Firsts

- 1968** Front wall container refrigeration unit
- 1980** External nose-mount trailer refrigeration unit
- 1999** All-electric drive trailer refrigeration unit
- 2004** CO₂ commercial refrigeration system
- 2013** CO₂ container refrigeration unit
- 2014** Hybrid truck refrigeration system

Accelerating the Pace of Innovation

2019



High-efficiency trailer unit



Warehouse refrigeration

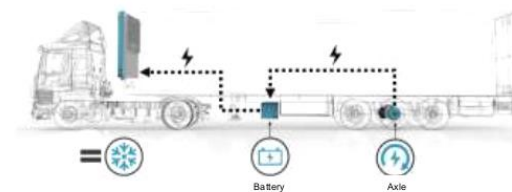


Near Field Communication temperature tracking

2020



Next-generation controlled atmosphere



Engineless trailer

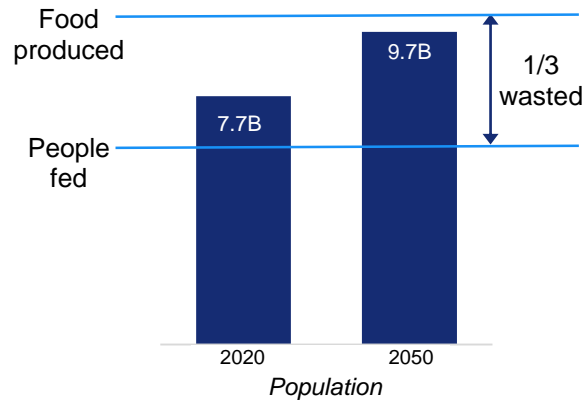


Real-time shipment tracking

Industry Trends Support Sustained Growth

Population Growth

Societal demand for refrigeration



50% of perishable food waste could be saved with refrigeration

Sustainable cold chain solutions

Urbanization

Longer distances for food and perishables

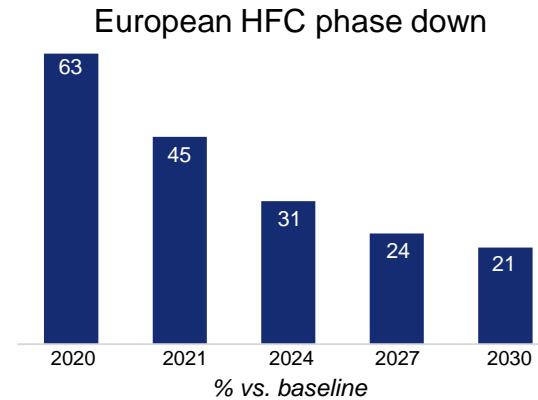


Increased transport refrigeration capacity

Innovative products and services

Regulation

Less emissions and noise



Need for alternative refrigerants and power sources

Greener products

Digitalization

More real-time data and analytics



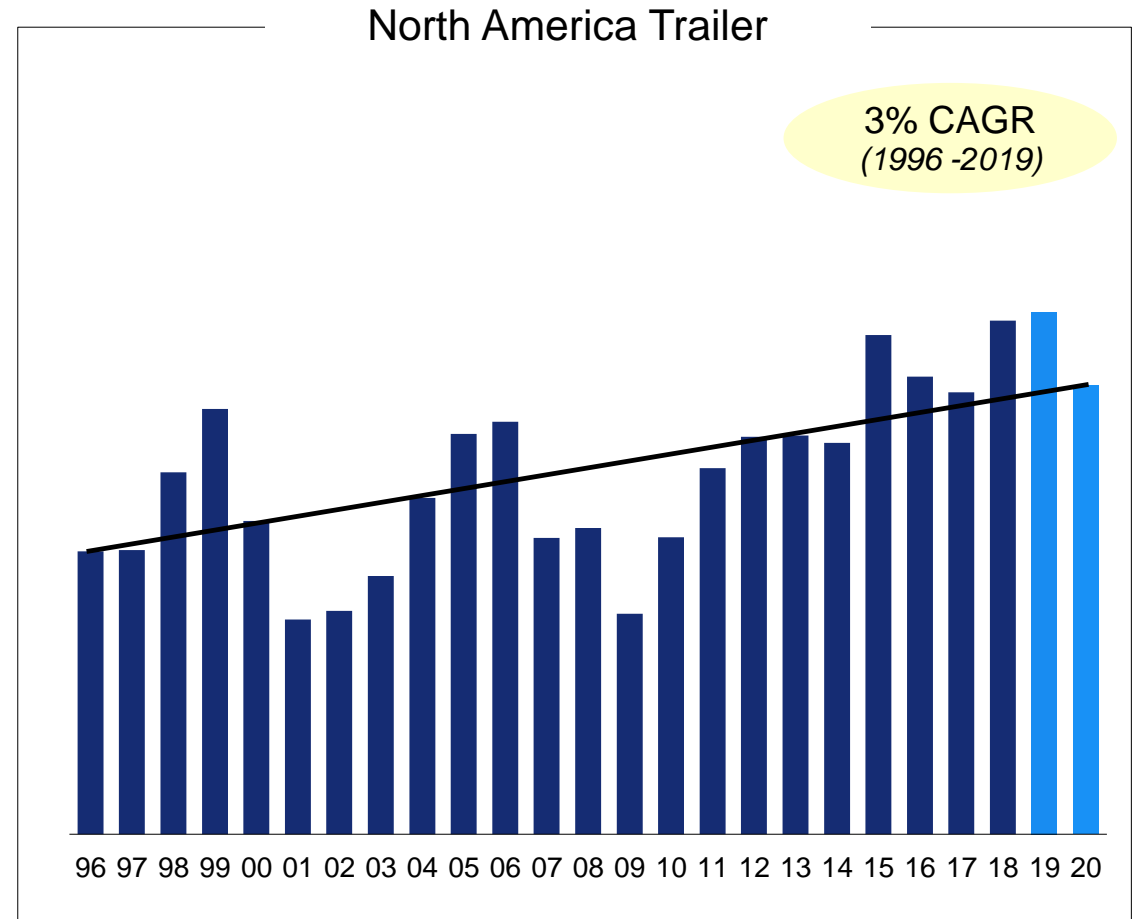
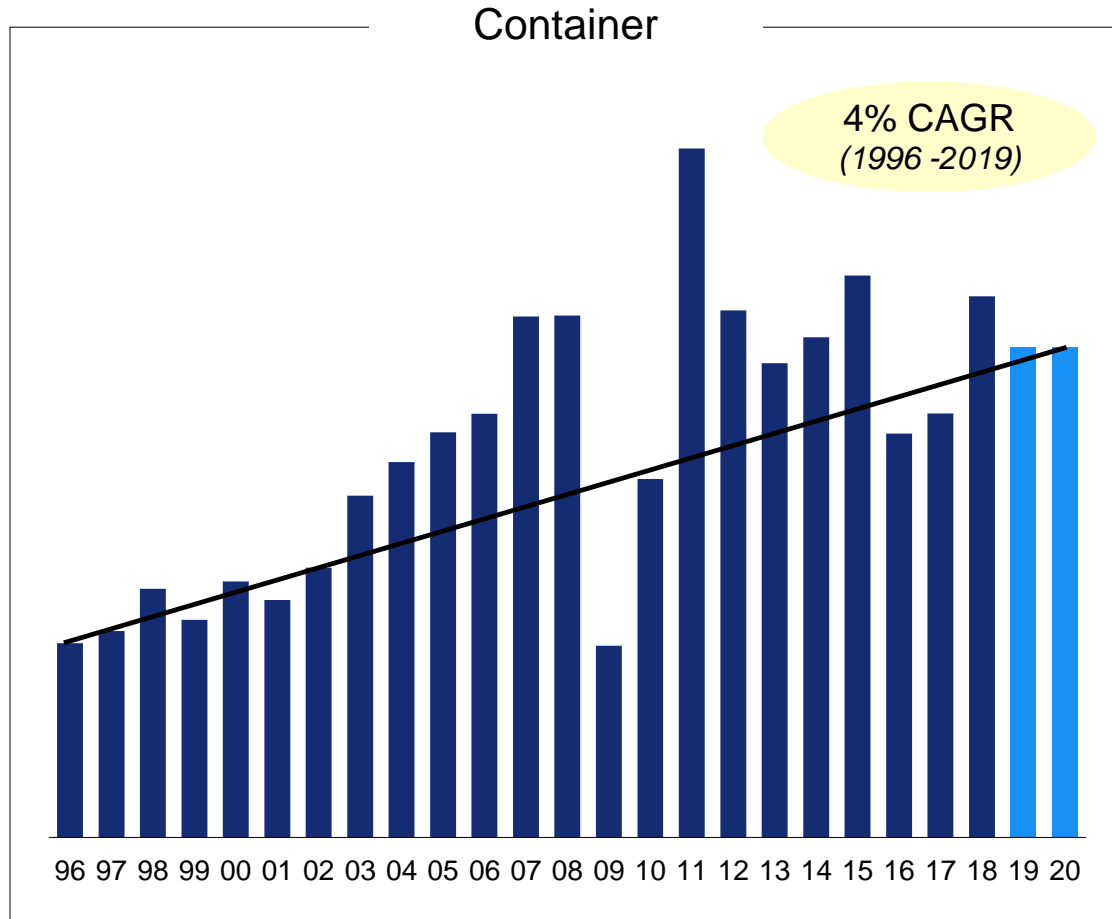
27% growth for active cargo tracking

Large installed base

Sources: United Nations, Food and Agriculture Organization, European Commission, IoT Business News.

Transport Refrigeration Markets

(Units, 000's)



Sources: Seabury/Drewry, IHS Markit, ACT



Growth Strategies

Strengthen and Grow Core



High-efficiency trailer unit



CO₂ racks

Increase Product Extensions and Geographic Coverage

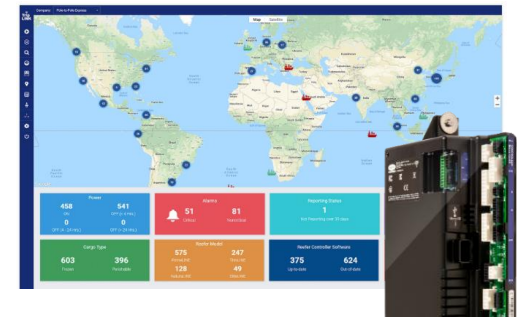


Auxiliary power units



Warehouse refrigeration

Grow Services and Digital



Container digital solutions



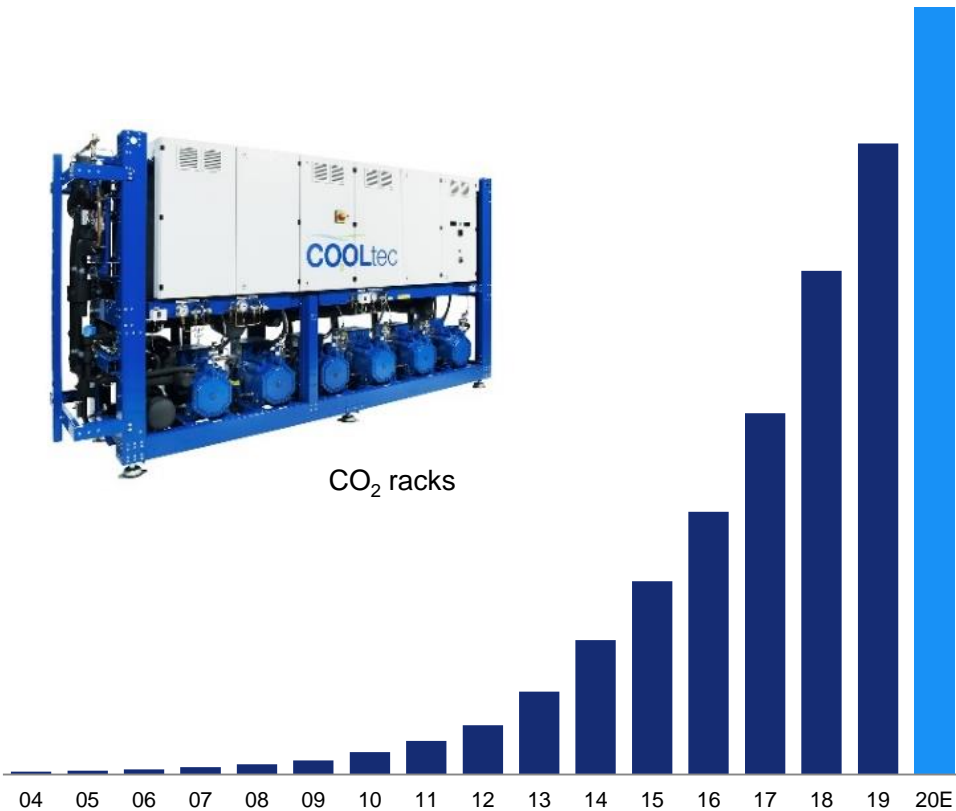
Aftermarket parts

Case Study: Leveraging CO₂ Systems for Growth

Food Retail Installed Base



CO₂ racks



Opportunities



Warehouse refrigeration

- Attractive growth potential
- Technical and cost advantages over ammonia
- Well positioned for ramp up



Container

- Proven performance
- Unit replacement growth potential



Trailer

- Leverages container technology
- Addresses global refrigerant/environmental regulations
- Prototype units in customer field trials

Carrier 600

Factory

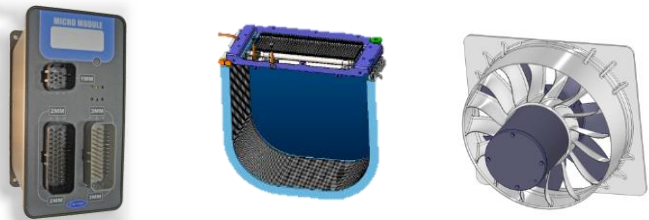


Optimization



Automation

Supply Chain



2%+

Annual material productivity target

- Low-cost country sourcing
- Supply base rationalization
- Increased dual sourcing
- Platform optimization

G&A

Decrease time for quoting orders



Process improvements



Field efficiency



Increase wrench time for repair

Wrap-up

Industry-leading businesses

World class technology

Solid long-term fundamentals

Runway for growth



FIRE & SECURITY



Jurgen Timperman

Segment Overview

Fire & Security

Sales	\$5.5B
Adj. Op Profit ¹	\$0.7B
Adj. Op Profit ¹ %	13.5%

Products

Field



Edwards and GST fire alarm systems



Marioff water mist



LenelS2 access control



LenelS2 mobile credentialing



Kidde smoke alarm



Det-Tronics flame detection



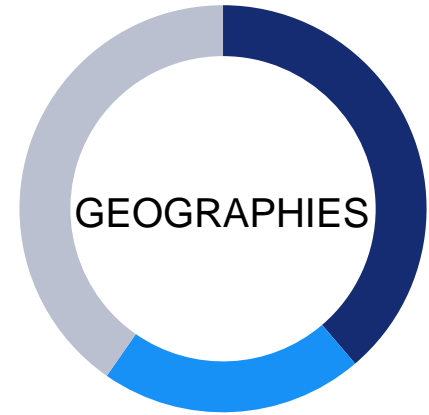
Onity electronic lock



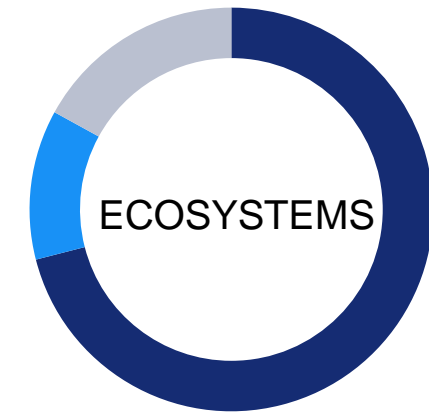
Industrial and HVAC controls



Install, maintain and monitor



- Americas
- APAC
- EMEA



- Commercial
- Residential
- Industrial

¹2019 Standalone proforma adjusted operating profit
See appendix for additional information regarding these non-GAAP measures

Megatrends Driving Sustainable Growth



Climate and Regulation

<30% of U.S. homes protected to NFPA standard, no in-home regulation in China
\$10B+ global under-protected residential fire market

Increased regulatory push for residential fire protection



Urbanization

4M+ high-rise buildings worldwide with **3.5M** over next 20 years
>1.5M people move to cities each week globally, **90%** in emerging markets

Increased need for intelligent safety & security management



Growing Middle Class

Asia Pacific share of global middle class to reach **~65%** by 2030
China average home ownership rate is **~90%** vs. ~70% in the U.S.

Increased consumer pull for residential fire protection



Digitalization

10B+ connected devices in buildings by 2021
14M+ identity frauds reported in 2018

Increased demand for access control and identity management

Sources: Public data, internal estimates.

Leadership in Core Businesses

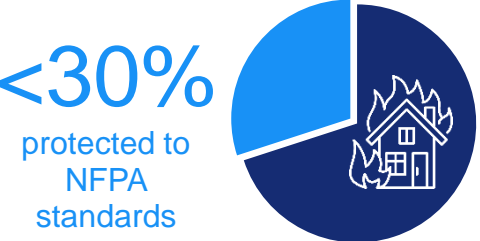
Business	Industry*	Position	
Fire	\$11B	#1	
Security	\$10B	#2	
HVAC Controls	\$2B	#2	
Field	\$90B	#2	

* Global market size for core businesses, including commercial, residential and industrial fire detection, alarm and suppression, excluding sprinklers and miscellaneous fire peripherals; commercial security, HVAC controls, excl. thermostats. Fire & security field services excludes China and residential monitoring. #1 in Field in top 6 countries, which represents 85% of sales. Source: Public data, industry reports, IHS 2018, internal estimates.

Growth Strategies

Strengthen and Grow Core

North America residential fire



Innovation and platforming



Increase Product Extensions and Geographic Coverage

China/Asia fire



Global controls



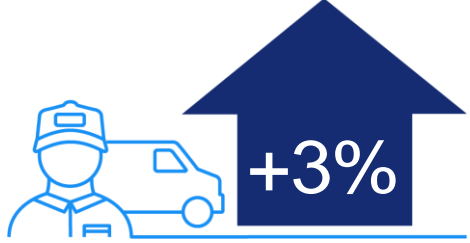
7X
SHARE
in North America
vs. Europe and
Asia

Grow Services and Digital

Access solutions



Service excellence & productivity



Field revenue per tech growth

Case Study: Services and Digital



REAL ESTATE/
COMMERCIAL



eKey

- Real estate industry's most widely used keybox management system
- 800K+ active users



HOSPITALITY



DirectKey

- 5K+ hotels online, 900K rooms worldwide
- 100M doors opened



ENTERPRISE



BlueDiamond

- Integrated with access control, 50K+ installed systems
- 2M+ connected devices in access solutions



COMMERCIAL



Mobile Credentialing

- Collects identity and occupancy data
- Transition path to future-proofed, seamless, frictionless access

Access Solutions: 20%+ sales/ ~30% margin growth over last 3 years. Digital: 60%+ of sales; 70% of margin

Carrier 600

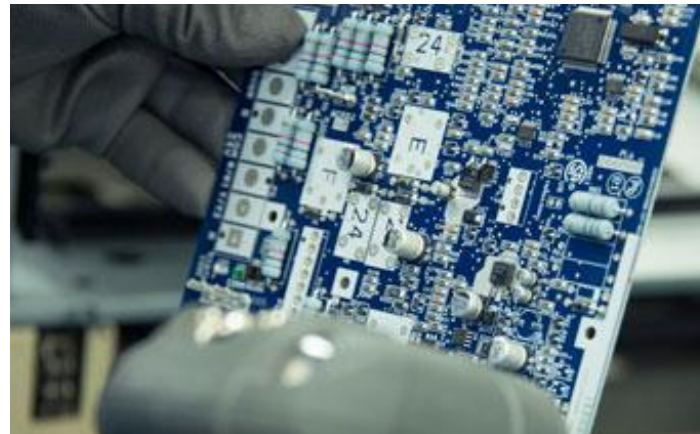
Factory



Footprint optimization: 60%+ reduction over last 9 years

Automation: 13% reduction in manufacturing employees over same period

Supply Chain



Supply chain: ~4% supplier reduction, **18%** inventory turns improvement over last 4 years

Material productivity: strong track record of **~2%** per year

G&A



COEs and shared services: 50%+ G&A headcount reduction and **30%+** indirect labor reduction over last 9 years

Wrap-up

Leader with iconic brands

Large installed base to drive margin accretive digital services

Significant opportunity in under-protected fire and adjacencies

Targeted investment in R&D and sales force expansion

Operational efficiency and productivity



FINANCIAL OVERVIEW



Timothy McLevish

Carrier Future Profile

Growth Model

✓ Grow sales faster than the industry

✓ Grow adjusted operating profit¹ faster than sales

✓ Grow adjusted EPS¹ faster than adj. OP¹

✓ Grow free cash flow¹ faster than earnings

Medium-term Expectations

Mid single-digits sales growth

**High single-digits
Adjusted EPS¹ growth**

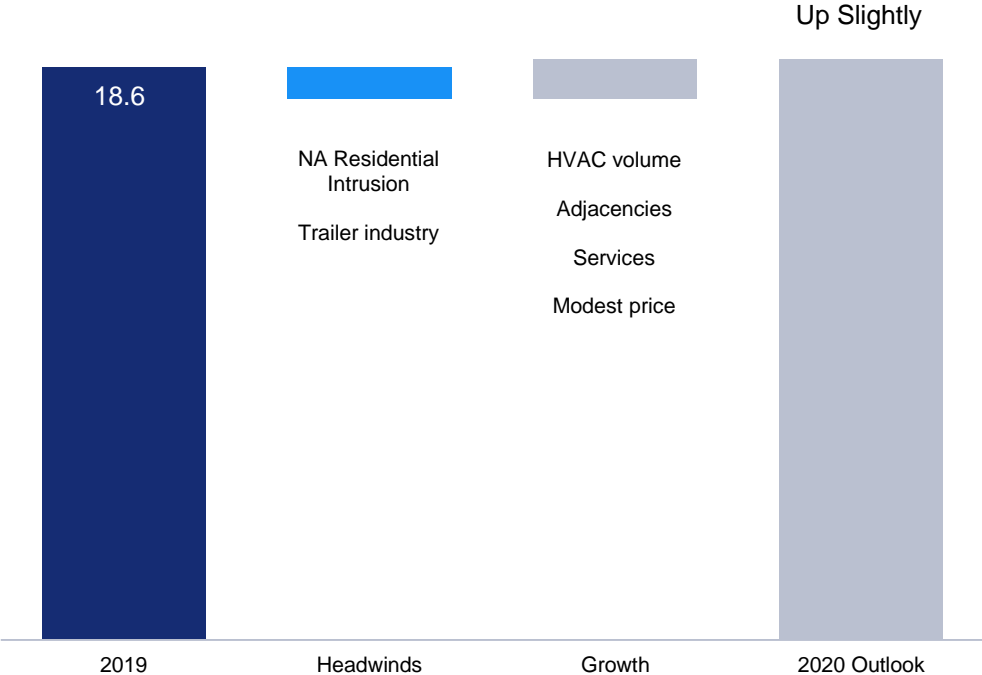
**90 – 100%
free cash flow¹ conversion**

¹ See appendix for additional information regarding non-GAAP measures

Investments in Sales Growth



(\$ billions)



Above Industry

- Benefits of investments in:
 - Sales coverage
 - New products
 - Technology
 - Service and aftermarket
 - Digital
- Geographic expansion

Industry

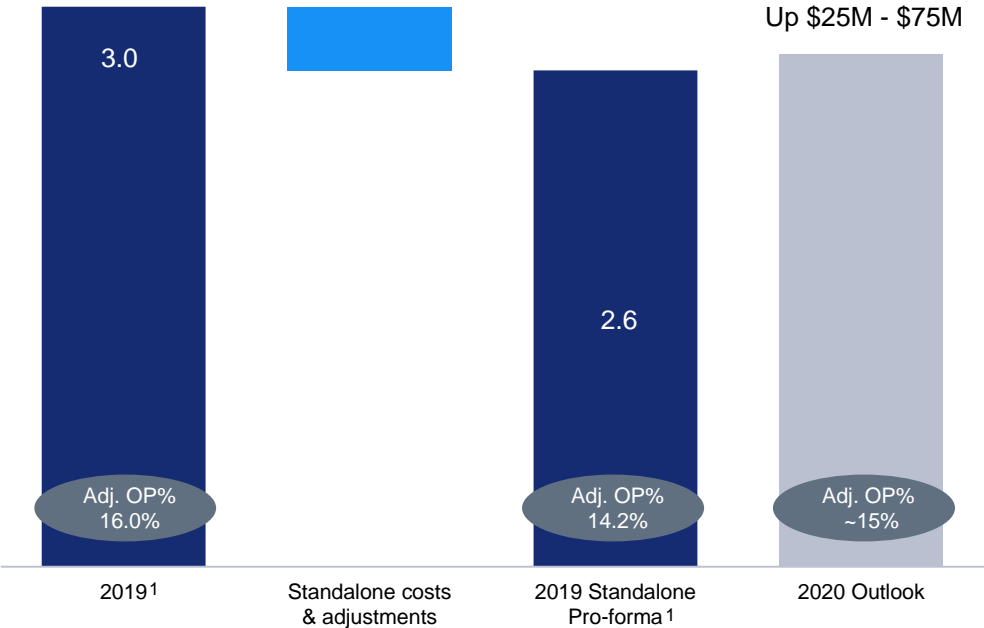
- Grow the base

Drives mid-single digits sales growth

Investing in Margin Expansion



(\$ billions)



- Leverage top-line growth
 - Drive new products, technologies and aftermarket
 - Cost reduction improvements
 - Benefits of investments
- Adj. Operating profit¹ growth to outpace sales growth

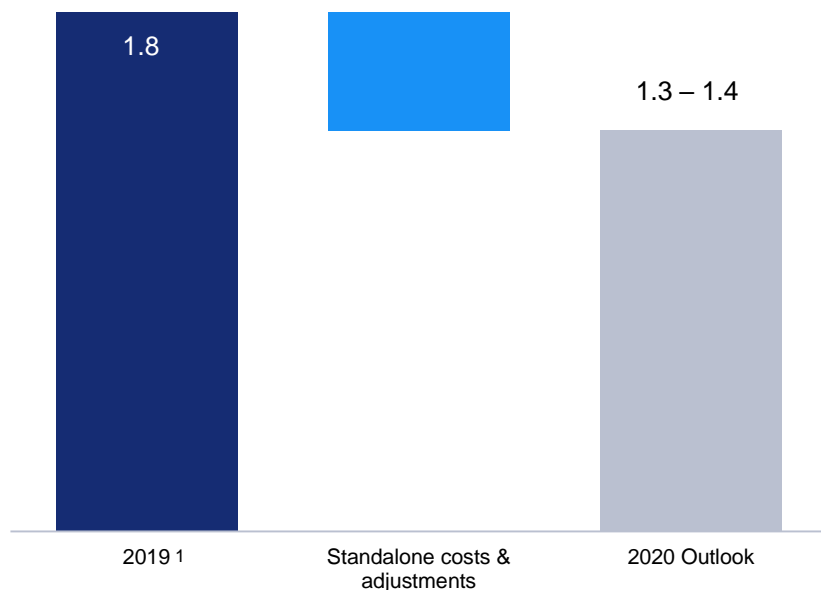
¹ See appendix for additional information regarding non-GAAP measures

Cash Flow Profile

2020 Free Cash Flow Outlook

Medium Term Expectations

(\$ billions)



Working capital improvements

Capital spend expected to moderate

Improve joint venture conversion

Grow free cash flow¹ faster than earnings

¹ See appendix for additional information regarding non-GAAP measures

Balanced Capital Allocation

Investment grade credit rating

Healthy and competitive dividend

Share repurchase program as appropriate

Disciplined approach to M&A

2020 Outlook

Sales	
Organic Sales ¹	Up slightly

Organic ¹ Segment Sales	
HVAC	Up low-single digit
Fire & Security	Up slightly
Refrigeration	Flattish

Profit and Cash Flow	
Adj. Operating Profit Growth ¹ (actual & constant currency)	Up \$25M - \$75M
Shares Outstanding (diluted)	~880M
Interest Expense	TBD
Adj. Effective Tax Rate ¹	~ 26%
Capital Expenditures	\$350 - \$400M
Free Cash Flow ¹	\$1.3 - \$1.4B

¹ See appendix for additional information regarding non-GAAP measures

Carrier Future Growth Model

Grow sales faster than the industry

- ✓ Sales and R&D investment
- ✓ New products
- ✓ New geographies

Grow adjusted operating profit¹ faster than sales

- ✓ Leverage sales
- ✓ Higher margin new products
- ✓ Carrier 600 and price

Grow adjusted EPS¹ faster than adj. OP¹

- ✓ Debt repayment
- ✓ Adjusted effective tax rate¹

Grow free cash flow¹ faster than earnings

- ✓ Capital expenditures
- ✓ Working capital
- ✓ Joint ventures

¹ See appendix for additional information regarding non-GAAP measures

Medium-term Expectations

Sales

Up mid-single digits

Adjusted EPS¹

Up high-single digits

Free Cash Flow¹

90 – 100% cash conversion

¹ See appendix for additional information regarding non-GAAP measures



Q&A





CHANGE
IS IN
THE AIR™



APPENDIX

Use and Definitions of Non-GAAP Financial Measures

Carrier Global Corporation (“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.

Adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share (“EPS”), and the adjusted effective tax rate are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (a GAAP measure), excluding significant items of a nonoperational nature (hereinafter referred to as “other significant items”). 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. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of net sales, operating profit and margins similarly reflect continuing operations, excluding restructuring and other significant items. GAAP financial results include the impact of changes in foreign currency exchange rates (“AFX”). We use the non-GAAP measure “at constant currency” or “CFX” to show changes in our financial results without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, income statement results are translated in U.S. dollars at the average exchange rate for the period presented. Management believes that the non-GAAP measures just mentioned are useful in providing period-to-period comparisons of the results of the Company’s ongoing operational performance.

Standalone pro forma sales and adjusted operating profit and margin are non-GAAP financial measures and adjust Carrier’s net sales and operating profit and margin previously reported by United Technologies Corporation (“UTC”) to include all sales and costs directly attributable to Carrier, costs for certain functions and services performed by UTC that were directly charged to Carrier and estimated costs associated with Carrier being a standalone public company. Management believes Standalone financial measures are useful in assessing the company as a standalone company compared to its historical performance as a business segment of UTC.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (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 shareholders.

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.

When we provide our expectation for standalone pro forma adjusted operating profit, adjusted EPS, adjusted operating profit, adjusted effective tax rate, organic sales 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 diluted EPS from continuing operations, operating profit, the effective tax rate, sales and expected cash flow from operations) 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, 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.

Carrier Operating Results Reconciliation

Financials as reported under UTC

(\$USD, Millions)

Net Sales	<u>2019</u> 18,608
Operating Profit	2,697
Restructuring	126
Other significant items of a non-operational nature (a)	<u>155</u>
Adjusted Operating Profit	<u>2,978</u>
<i>Adjusted Operating Profit Margin</i>	<u>16.0%</u>

(a) Details of other significant items of a non-operational nature

2019 Approximately \$108 million of pre-tax charges related to an investment impairment

Approximately \$34 million of pre-tax charges related to a consultant contract termination

Approximately \$13 million of pre-tax costs associated with the Company's intention to separate [from UTC]

Carrier Operating Results Reconciliation

2019 Standalone Pro Forma financials

(\$USD, Millions)

	<u>2019</u>
Net Sales - as reported in Form 10	18,608
Operating profit - as reported in Form 10	2,491
<i>Operating Profit Margin</i>	<i>13.4%</i>
Restructuring	126
Other significant items of a non-operational nature (a)	76
One-Time separation costs	53
Incremental Public company costs	(107)
Standalone Pro Forma Adjusted Operating Profit	<u>2,639</u>
<i>Standalone Pro Forma Adjusted Operating Profit Margin</i>	<i>14.2%</i>

(a) Details of other significant items of a non-operational nature

Approximately \$57 million of pre-tax gain on sales of interests in joint ventures

Approximately \$22 million of pre-tax net gain on sale of expropriated plant

Approximately \$108 million of pre-tax charges related to an investment impairment

Approximately \$34 million of pre-tax charges related to a consultant contract termination

Approximately \$13 million of pre-tax costs associated with the Company's intention to separate [from UTC]

Segment Data

(\$USD, Millions)

(\$ Millions except per share amounts)

HVAC

	2017	2018	2019
Net Sales	9,045	9,713	9,712
Operating Profit (a), (b), (d), (h)	2,001	1,720	1,563
Operating Profit %	22.1%	17.7%	16.1%

Refrigeration

Net Sales	3,823	4,095	3,792
Operating Profit (a), (c),(h)	562	1,353	532
Operating Profit %	14.7%	33.0%	14.0%

Fire & Security

Net Sales	5,324	5,531	5,500
Operating Profit (a), (h)	639	726	708
Operating Profit %	12.0%	13.1%	12.9%

Total Segments

Net Sales	18,192	19,339	19,004
Operating Profit	3,202	3,799	2,803
Operating Profit %	17.6%	19.6%	14.7%

Corporate, Eliminations, and Other

Net Sales:			
Eliminations and other	(378)	(425)	(396)
Operating Profit:			
General corporate expenses (h)	(140)	(138)	(156)
Eliminations and other (a), (e), (f), (g)	(32)	(24)	(156)

Consolidated

Net Sales	17,814	18,914	18,608
Operating Profit	3,030	3,637	2,491
Operating Profit %	17.0%	19.2%	13.4%

Standalone Pro Forma Segment Data Adjusted (Unaudited)

2019
9,712
1,642
16.9%
3,792
511
13.5%
5,500
740
13.5%
19,004
2,893
15.2%
(396)
(201)
(53)
18,608
2,639
14.2%

Segment Data – 2019

Standalone Pro Forma Notes

(\$USD, Millions)

Standalone Pro Forma discussion adjusts 2019 segment results for restructuring costs, certain significant non-operational items, and Carrier incremental public company costs

The following restructuring costs and significant non-operational items are included in current Form 10 results and have been excluded from the standalone pro forma adjusted results (non-GAAP measures) presented in the investor day presentation.

(a) Restructuring costs as included in 2019 results:

Operating Profit:
 HVAC
 Refrigeration
 Fire & Security
 Total Segments
 General corporate expenses
 Eliminations and other
 Total consolidated operating profit

Restructuring Costs	
2019	
	(56)
	(14)
	(53)
	(123)
	(3)
	-
	(126)

(b) Approximately \$57 million pre-tax gain on sales of interests in joint ventures

(c) Approximately \$22 million pre-tax net gain on sale of expropriated plant

(d) Approximately \$108 million pre-tax net loss due to an investment impairment

(e) Approximately \$34 million pre-tax net loss due to a consultant contract termination

(f) Approximately \$13M of pre-tax costs associated with the Company's intention to separate [from UTC]

(g) Approximately \$53M of pre-tax one-time separation costs

The following standalone public company costs were excluded from the current Form 10 results and have been included in the standalone pro forma adjusted results (non-GAAP measures) presented in the investor day presentation.

(h) Approximately \$107M of pre-tax incremental public company costs

Operating Profit:
 HVAC
 Refrigeration
 Fire & Security
 Total Segments
 General corporate expenses
 Eliminations and other
 Total consolidated operating profit

Standalone costs	
2019	
	(28)
	(13)
	(21)
	(62)
	(45)
	-
	(107)

Segment Operating Results Reconciliation

(\$USD, Millions)

	2019				
	<u>HVAC</u>	<u>Refrigeration</u>	<u>Fire & Security</u>	<u>Corp/Other</u>	<u>Carrier</u>
Net Sales - as reported in Form 10	9,712	3,792	5,500	(396)	18,608
Operating Profit - as reported in Form 10	1,563	532	708	(312)	2,491
<i>Operating Profit Margin - as reported in Form 10</i>	<i>16.1%</i>	<i>14.0%</i>	<i>12.9%</i>		<i>13.4%</i>
Restructuring	56	14	53	3	126
Other significant items of a non-operational nature (a)	51	(22)		47	76
One-Time separation costs				53	53
Incremental Public company costs	(28)	(13)	(21)	(45)	(107)
Standalone Pro Forma Adjusted Operating Profit	<u>1,642</u>	<u>511</u>	<u>740</u>	<u>(254)</u>	<u>2,639</u>
<i>Standalone Pro Forma Adjusted Operating Profit Margin</i>	<i>16.9%</i>	<i>13.5%</i>	<i>13.5%</i>		<i>14.2%</i>

(a) Details of other significant items of a non-operational nature

Approximately \$57 million of pre-tax gain on sales of interests in joint ventures

Approximately \$22 million or pre-tax net gain on sale of expropriated plant

Approximately \$108 million of pre-tax charges related to an investment impairment

Approximately \$34 million of pre-tax charges related to a consultant contract termination

Approximately \$13 million of pre-tax costs associated with the Company's intention to separate [from UTC]

Free Cash Flow Reconciliation

(\$USD, Millions)

	<u>2019</u>
Net cash flows provided by operating activities - as reported in Form 10	2,002
Capital Expenditures - as reported in Form 10	<u>(243)</u>
Free Cash flow	<u><u>1,759</u></u>

Operating Profit - Reported

Form 10 reconciliation

(\$USD, Millions)

	<u>2019</u>
Net Sales - as reported in Form 10	18,608
Operating Profit - as reported by UTC	2,697
UTC Corporate cost pushdown	(118)
One-Time separation costs	(53)
Other Form 10 items (a)	(35)
Operating profit - as reported in Form 10	<u>2,491</u>
<i>Operating Profit Margin - as reported in Form 10</i>	<i>13.4%</i>

(a) adjustments for asbestos, self-insurance and other items to present operating profit on a stand-alone basis

Operating Profit – Adjusted Standalone Pro Forma reconciliation

(\$USD, Millions)

	<u>2019</u>
Net Sales - as reported in Form 10	18,608
Adjusted Operating Profit - as reported by UTC	2,978
UTC Corporate cost pushdown	(118)
Incremental Public company costs	(107)
Other significant items of a non-recurring/non-operational nature (a)	(79)
Other Form 10 items (b)	(35)
Standalone Pro Forma Adjusted Operating Profit	<u>2,639</u>
<i>Standalone Pro Forma Adjusted Operating Profit Margin</i>	<i>14.2%</i>

(a) Details of other significant items of a non-operational nature

- Approximately \$57 million of pre-tax gain on sales of interests in joint ventures
- Approximately \$22 million of pre-tax net gain on sale of expropriated plant

(b) adjustments for asbestos, self-insurance and other items to present operating profit on a stand-alone basis