



OTIS

**Q4 2024
Earnings Call
January 29, 2025**

Forward-Looking Statements

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

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 Otis' 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," "medium-term," "near-term," "confident," "goals" 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, dividends, share repurchases, tax rates, research & development spend, restructuring or transformation actions (including UpLift and related reorganization and outsourcing activities), credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions, or statements that relate to climate change and our intent to achieve certain environmental, social and governance targets or goals, including operational impacts and costs associated therewith, 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, Otis 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 Otis and its businesses operate and any changes therein, including financial market conditions, fluctuations in commodity prices and other inflationary pressures, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues, natural disasters, whether as a result of climate change or otherwise, and the financial condition of Otis' customers and suppliers; (2) the effect of changes in political conditions in the U.S., including in connection with the new administration's policies and priorities, or otherwise, and other countries in which Otis and its businesses operate, including the effects of the ongoing conflict between Russia and Ukraine, the conflicts in the Middle East, and tensions between the U.S. and China, on general market conditions, commodity costs, global trade policies and related sanctions, export controls and tariffs, and currency exchange rates in the near term and beyond; (3) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (4) future levels of indebtedness, capital spending and research and development spending; (5) future availability of credit and factors that may affect such availability or costs thereof, including credit market conditions and Otis' capital structure; (6) the timing and scope of future repurchases of Otis' 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; (7) fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of changes in general economic conditions, geopolitical conflicts or otherwise; (8) cost reduction or containment actions, restructuring or transformation costs and related savings and other consequences thereof, including with respect to UpLift and related impacts of reorganization and outsourcing activities and change management; (9) new business and investment opportunities; (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, labor actions, including strikes or work stoppages, and labor inflation in the markets in which Otis and its businesses operate globally; (13) the effect of changes in tax, environmental, regulatory (including among other things import/export, tariffs, climate change or other ESG related legal and regulatory changes) and other laws and regulations in the U.S., including in connection with the new administration's policies and priorities, and other countries in which Otis and its businesses operate; (14) the ability of Otis to retain and hire key personnel; (15) the scope, nature, impact or timing of acquisition and divestiture activity, the integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (16) the determination by the Internal Revenue Service and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions in connection with the separation (the "Separation") of Otis and Carrier Global Corporation ("Carrier") from United Technologies Corporation (now known as RTX Corporation ("RTX")); and (17) our obligations and disputes that have or may hereafter arise under the agreements we entered into with RTX and Carrier in connection with the Separation. 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 from those stated in forward-looking statements, see Otis' registration statement on Form 10 and the reports of Otis 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 Otis 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.

Q4 and FY 2024 highlights

Sustained Service strength in Q4 and 2024 supports our long term strategy...

- Q4 Organic¹ sales up 1.9%... Service up 7.8%...modernization up 17.5%
- Q4 Adjusted EPS up 6.9%... up 8.2% in 2024
- Q4 Adjusted free cash flow¹ of \$682 million... \$1.6 billion in 2024
- Industry leading maintenance portfolio at ~2.4 million units... 9th consecutive quarter >4% growth
- Q4 Modernization orders up 18%; backlog up 13% at constant currency¹
- Maintained strong global New Equipment share at 20%²

...creating value for all stakeholders

- Repurchased \$200 million of shares in Q4, \$1.0 billion in 2024
- Earned Gold rating from EcoVadis for third consecutive year
- Increasing expected UpLift run rate savings to \$200 million and initiating China transformation

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

² Based on Otis internal estimates.

³ At constant currency.

FY 2024

6.8%

Service organic¹ sales growth

50 bps

adjusted operating profit margin expansion¹

8.2%

adjusted EPS growth¹

12.1%

modernization orders growth³

Q4 2024 orders & portfolio

Orders ¹	
	Y/Y
New Equipment & modernization orders	0.5%
New Equipment & modernization backlog	(1%)
New Equipment orders	(4.4%)
New Equipment backlog	(4%)
Modernization orders	18.0%
Modernization backlog	13%

Service	
	Y/Y
Portfolio units	4.2%

¹ At constant currency. See appendix for additional information regarding these non-GAAP financial measures.

Q4 2024 Orders



Mexican Social Security Institute
Mexico



The Trilight Towers
Hyderabad, India



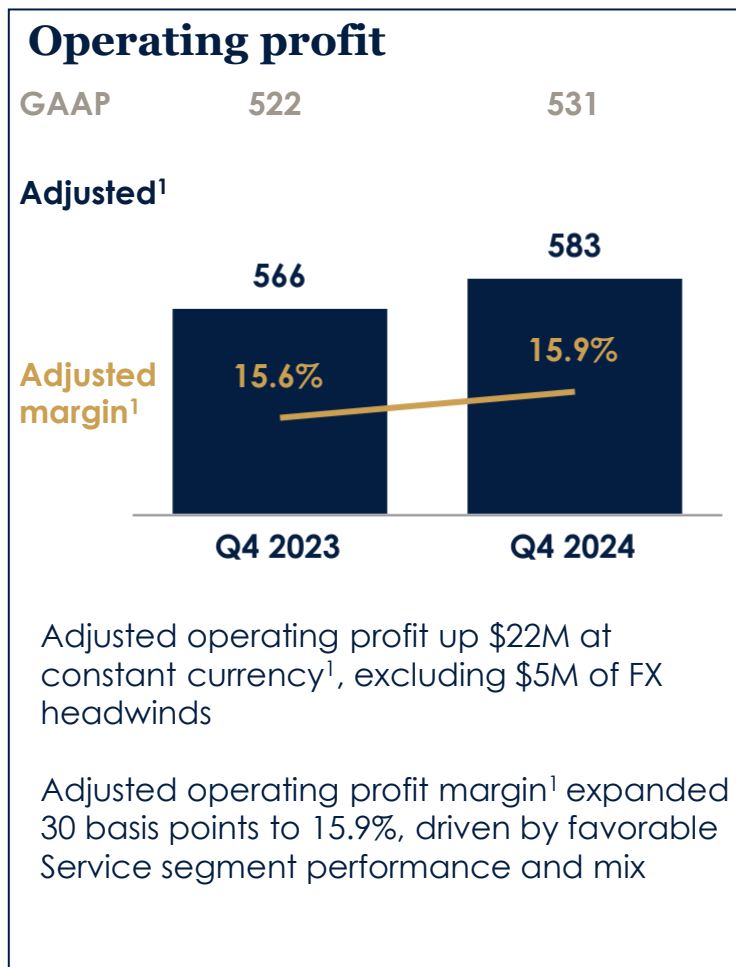
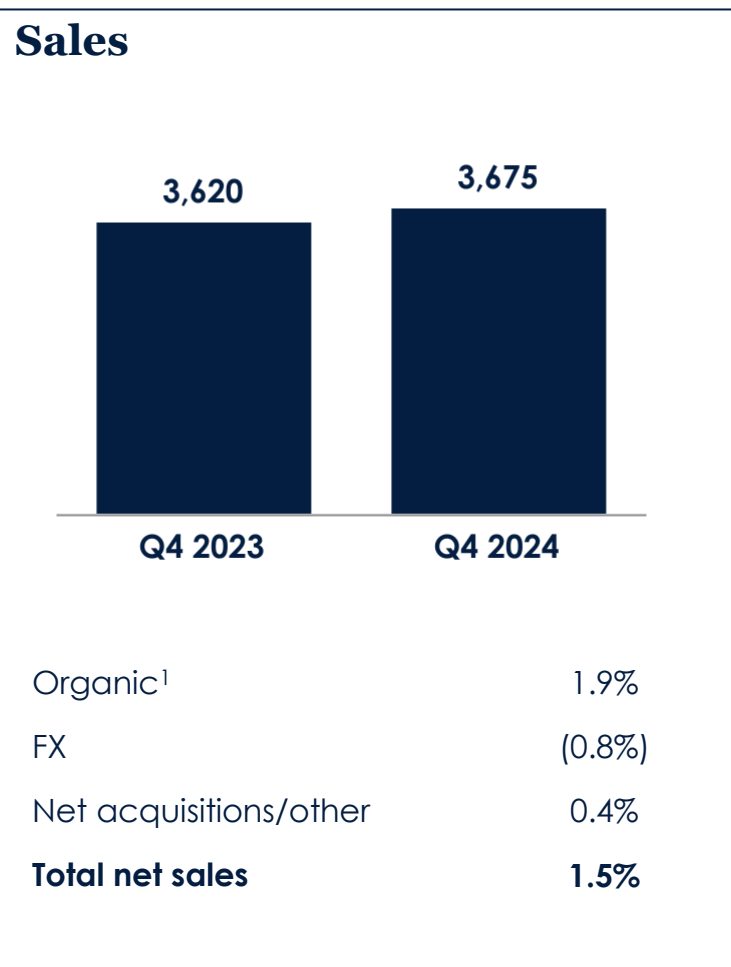
Xi'an Airport
China



Ellison Institute of Technology
Oxford, UK

Q4 2024 results

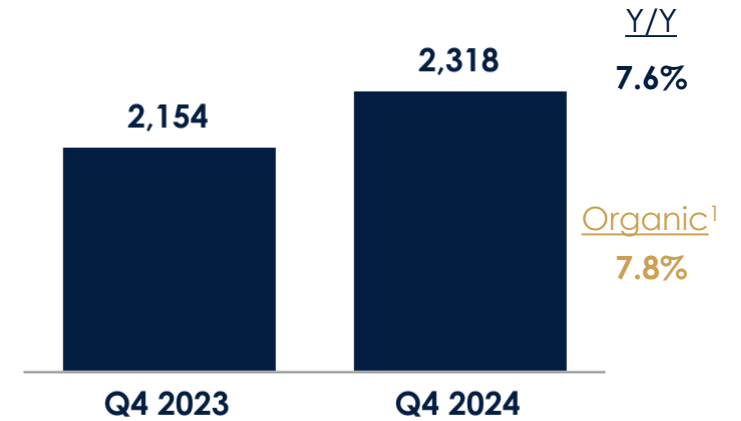
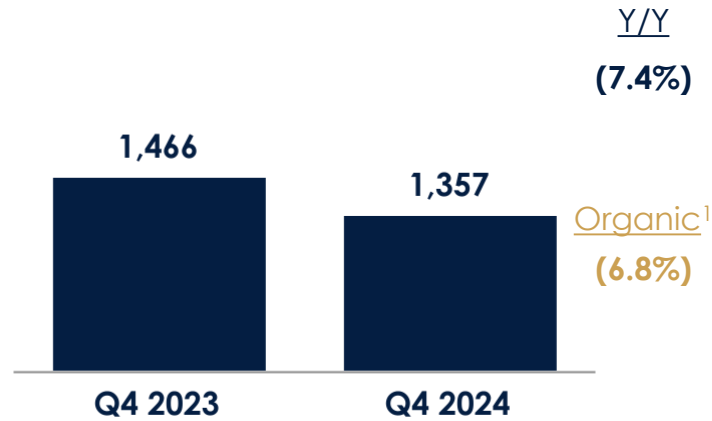
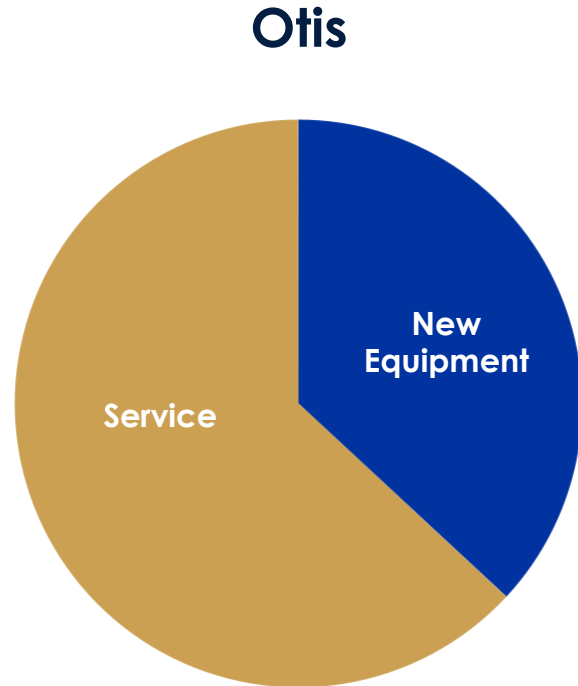
(\$ millions, except per share amounts)



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

Q4 2024 segment net sales results

(\$ millions)



Organic¹ sales down 6.8%

- Americas up 4.0%
- EMEA up 5.9%
- Asia down 20.2%
 - Asia Pacific up MSD
 - China down >20%

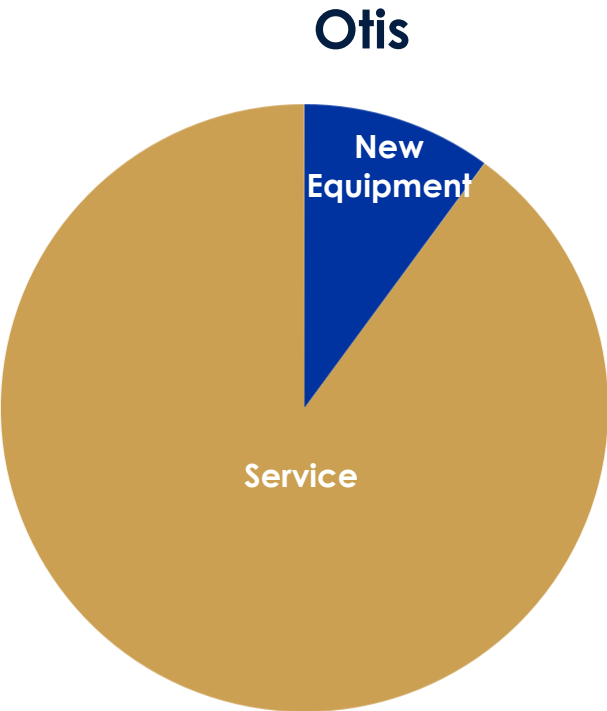
Organic¹ sales up 7.8%

- Maintenance & repair up 5.6%
- Modernization up 17.5%

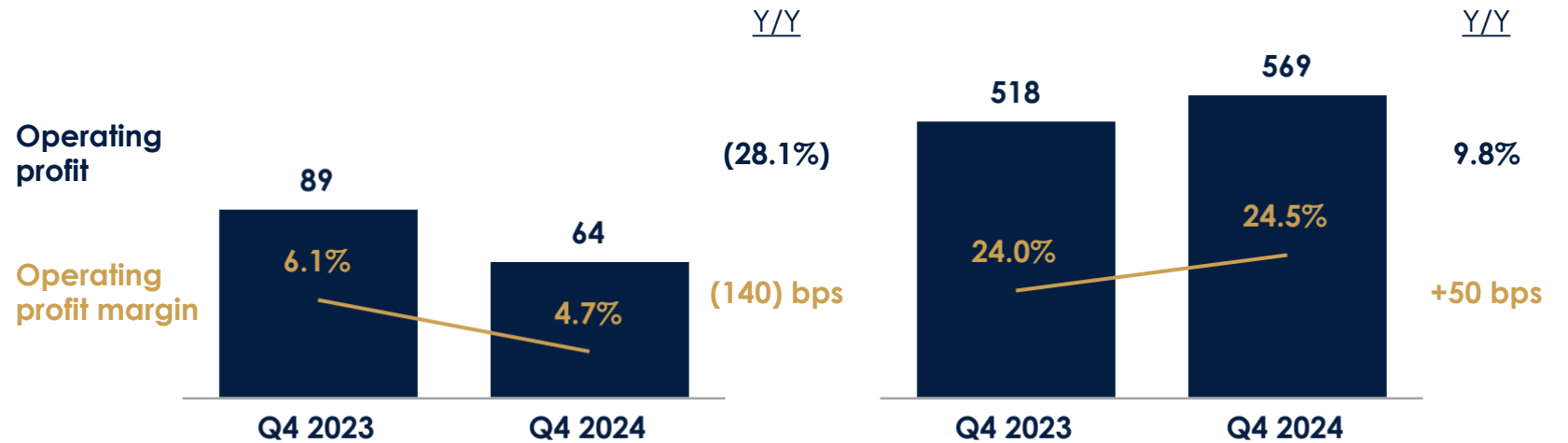
¹ See appendix for additional information regarding these non-GAAP financial measures. LSD: low single digits; MSD: mid single digits; HSD: high single digits.

Q4 2024 segment operating profit results

(\$ millions)



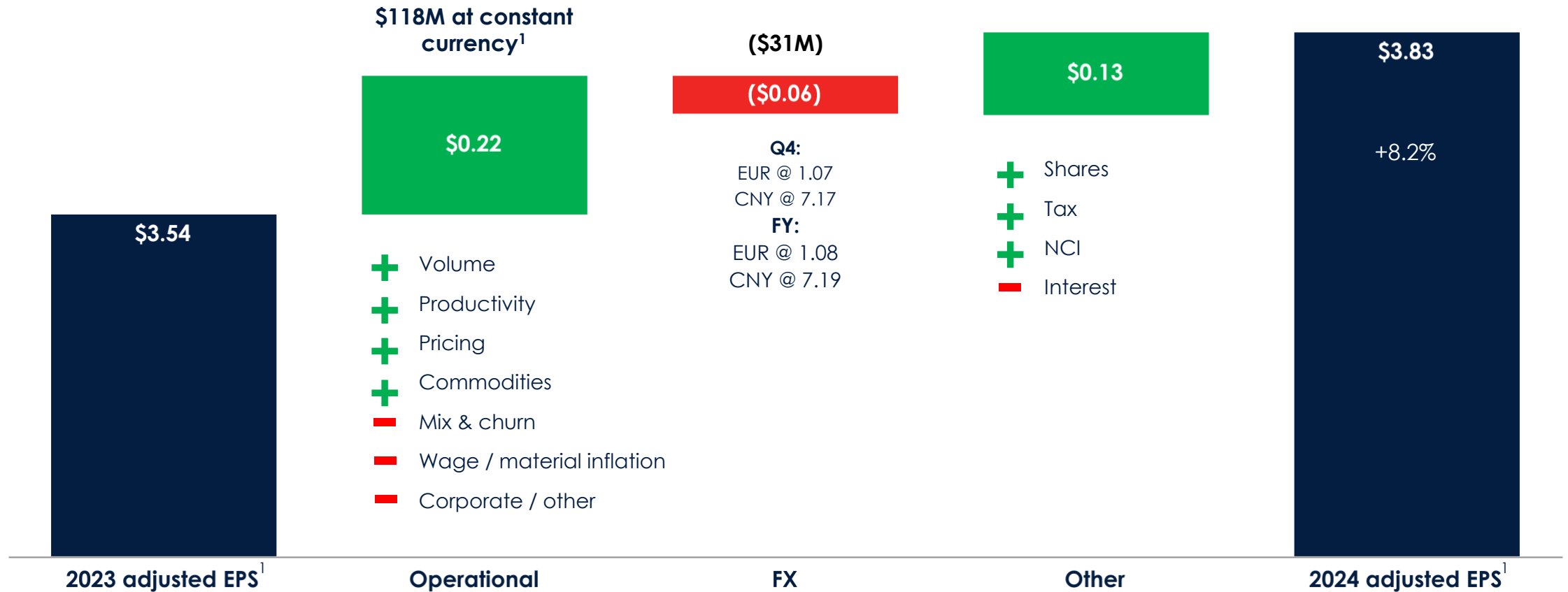
	New Equipment	Service
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New Equipment	Service
<p>Operating profit down \$24M at constant currency¹</p> <ul style="list-style-type: none"> + Pricing + Productivity + Commodities - Volume - Mix 	<p>Operating profit up \$54M at constant currency¹</p> <ul style="list-style-type: none"> + Volume + Pricing + Productivity - Annual wage inflation

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

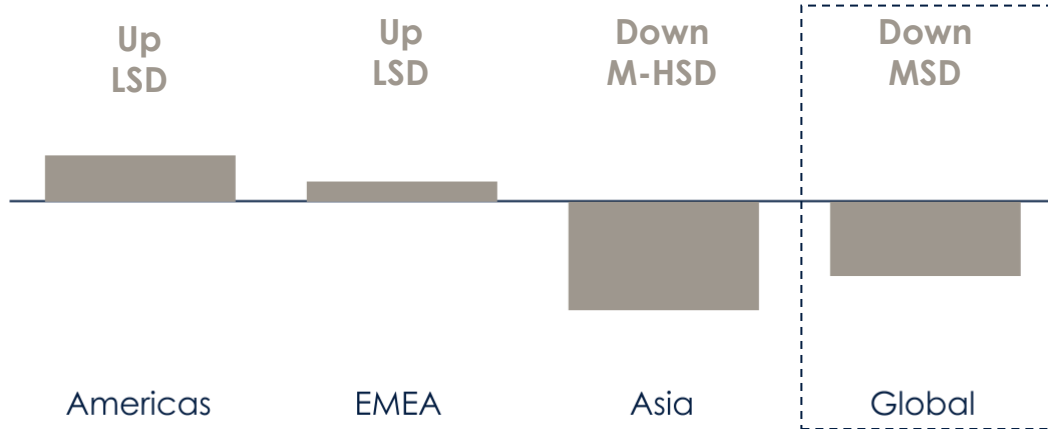
FY 2024 adjusted EPS¹ growth drivers



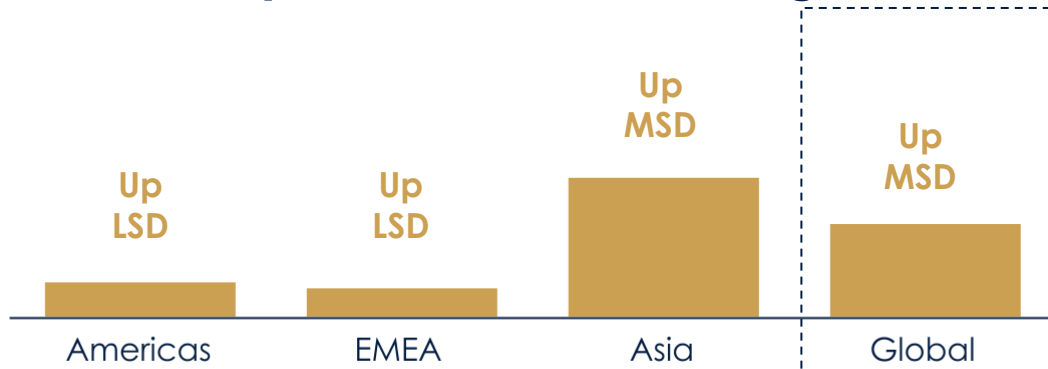
¹ See appendix for additional information regarding these non-GAAP financial measures.

Industry & 2025 outlook¹

Industry new equipment unit growth¹



Industry installed base unit growth¹



¹ Based on Otis internal estimates. LSD: low single digits; MSD: mid single digits; HSD: high single digits.

² See appendix for additional information regarding these non-GAAP financial measures.

Otis

- **Net sales** of \$14.1B to \$14.4B; organic² up 2% to 4%
- **Adjusted operating profit²** of \$2.4B to \$2.5B, up \$120M to \$150M at constant currency²; up \$55M to \$105M at actual currency
- **Adjusted EPS²** \$4.00 to \$4.10, up 4% to 7%
- **Adjusted free cash flow²** of ~\$1.6B
- **Disciplined capital allocation**
 - Share repurchases of ~\$800M

Transforming China for Service flywheel strategy¹

Driving modernization and Service growth

- Engaging our agents & distributors network to accelerate modernization growth
- Growing portfolio through conversions and recaptures

Optimizing costs

- Right-sizing New Equipment cost-structure
- Consolidating operations across two brands
- Rationalizing our product portfolio



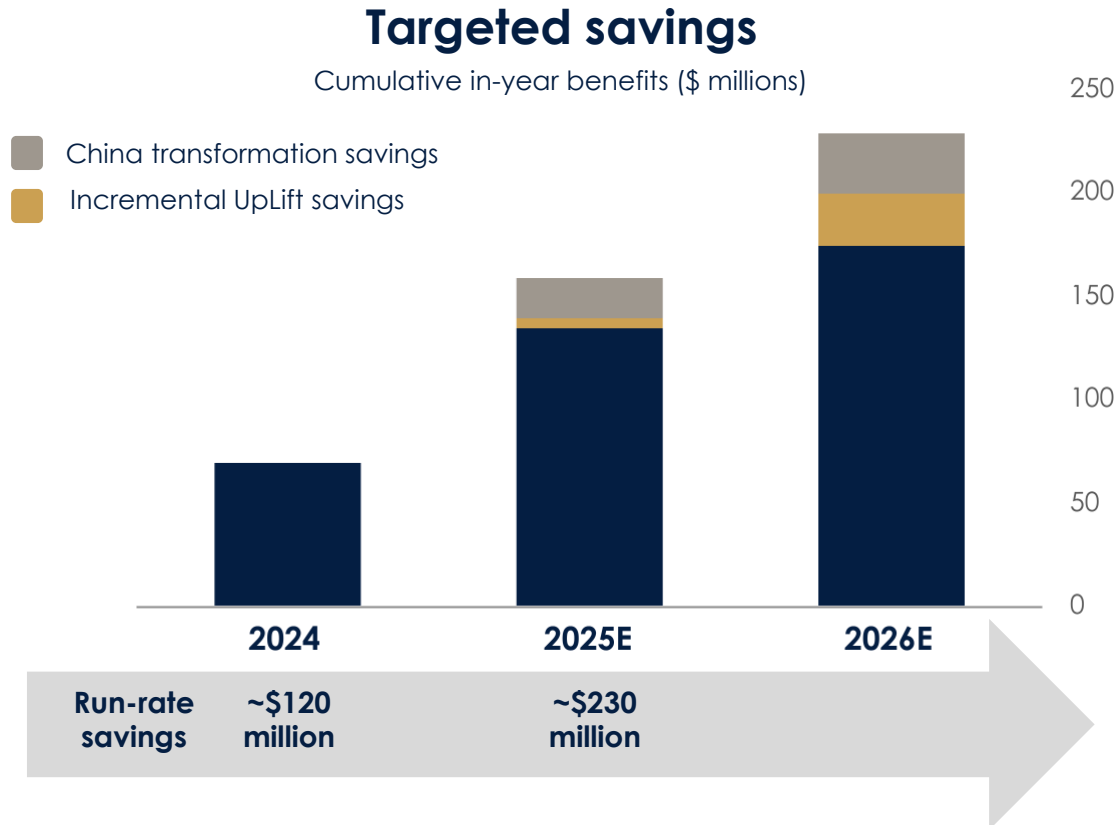
Targeting benefits

- Low teens Service portfolio growth
- Service margin expansion
- >20% modernization orders growth
- Low to mid-teens reduction in indirect costs
- ~30% reduction in real estate footprint
- Savings:
 - ~\$20M 2025 in year
 - ~\$30M run-rate by year end

Targeting run-rate cost savings of \$30M by the end of 2025

¹ China Transformation is expected to result in restructuring costs of approximately \$40 million.

Multiple initiatives to drive customer centricity and profitability¹



Total run-rate savings target of \$230M by the end of 2025

¹ UpLift is expected to result in approximately \$300 million of restructuring and other incremental costs. China Transformation is expected to result in restructuring costs of approximately \$40 million.

UpLift

- Achieved \$70M of cost savings in FY24; exiting 2024 with a run-rate of \$120M
- Increased run-rate savings target to \$200M by H2 2025¹

China Transformation

- Adjusting our operating model to adapt to changing market conditions
- Targeting \$30M in run-rate savings by end of 2025

2025 organic¹ sales outlook

	2024 actuals	2025 outlook
New Equipment	down 6.4%	down 1% to 4%
Americas	up mid-single	down low single
EMEA	up low single	up low to mid-single
Asia	down high teens	down low to mid-single
Service	up 6.8%	up 6% to 7%
Maintenance & repair	up 5.7%	up mid-single
Modernization	up 11.7%	up high single
Otis	up 1.4%	up 2% to 4%

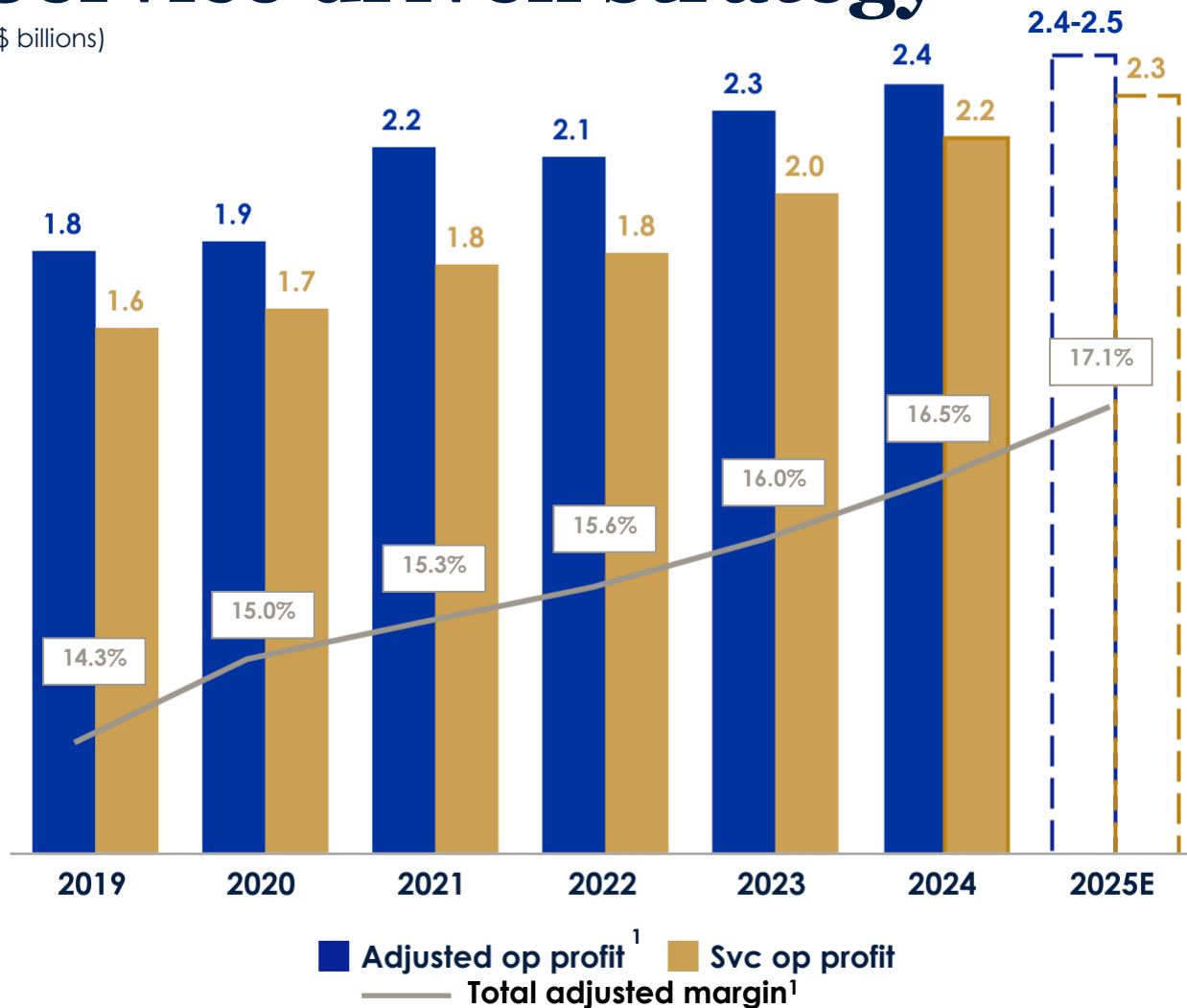
Outlook drivers

- Strong maintenance portfolio growth and disciplined pricing
- Continued strong modernization and repair performance
- New Equipment market challenges in China

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

Service driven strategy

(\$ billions)



¹ See appendix for additional information regarding these non-GAAP financial measures. For comparability, Russia is also excluded from 2019 and 2020 adjusted results.

Service

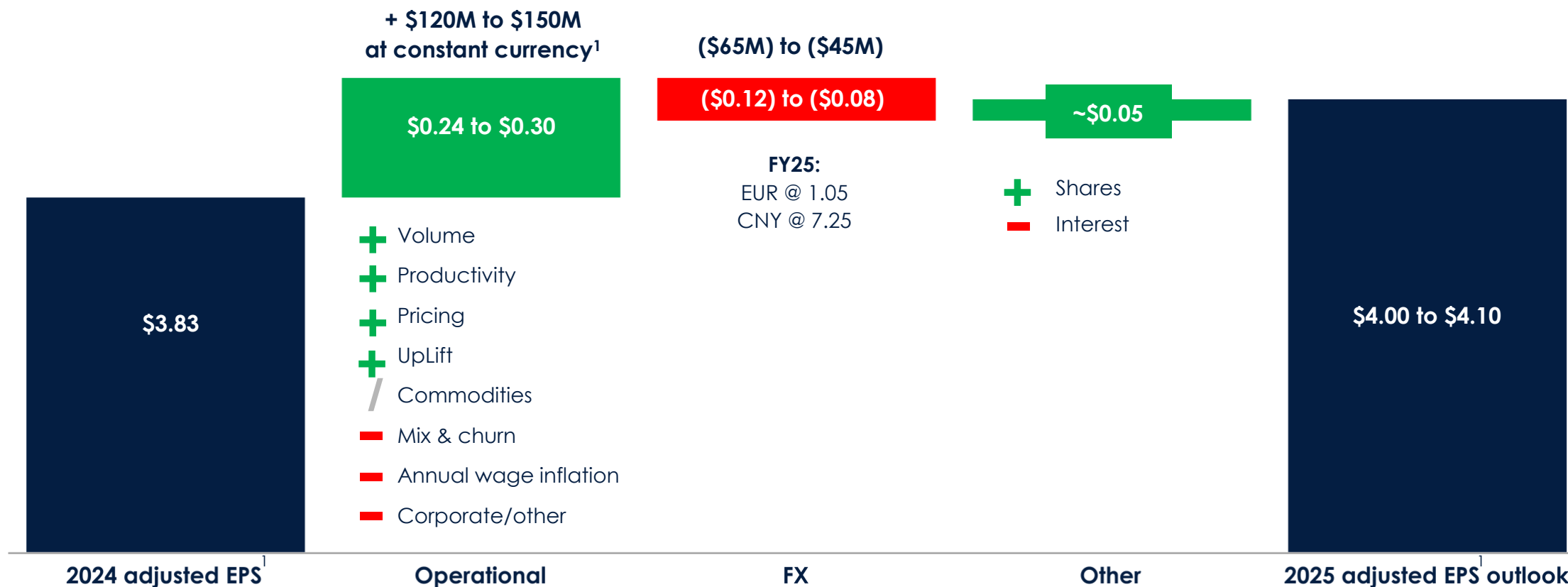
- + ~4% portfolio growth
- + Modernization
- + Pricing
- + Productivity including UpLift and China transformation
- Annual wage inflation

New Equipment

- + Productivity including UpLift and China transformation
- / Commodities
- Pricing
- Volume and mix

Building on adjusted operating profit margin¹ expansion of 220 bps since 2019 driven by sustained Service growth

2025 adjusted EPS¹ growth outlook drivers



4% to 7% adjusted EPS¹ growth

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

2025 financial outlook

	2024 actuals	2025 outlook
Constant currency adj. operating profit¹	up \$118M	up \$120M to \$150M
Total adjusted operating profit¹ margin	up 50 bps	up ~60 bps
Adjusted free cash flow^{1,2}	\$1.6B	~\$1.6B
Share repurchases	\$1.0B	~\$800 million

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

² Expected annual tax related toll charge payments are anticipated to conclude in 2026: 2024 \$50M, 2025E \$50M, 2026E \$60M.

OTIS

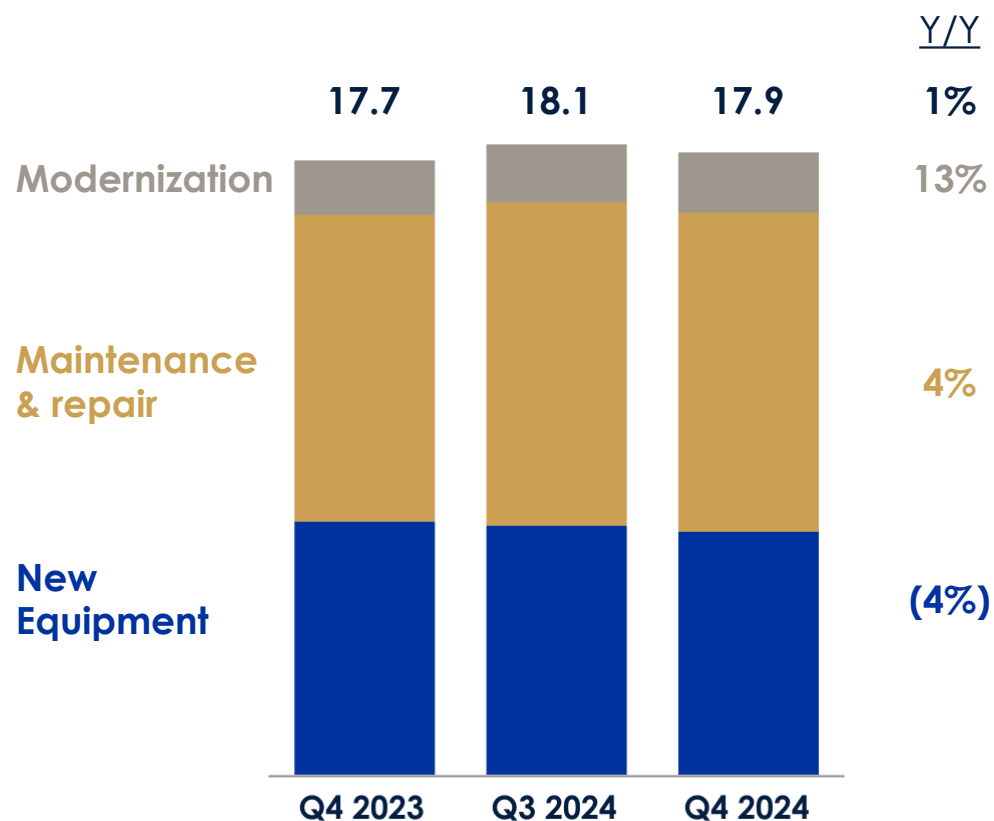
A photograph of the Chicago skyline at dusk, featuring the Willis Tower prominently in the center. The sky is a deep blue, and the city lights are beginning to glow. A semi-transparent dark blue rectangular overlay covers the middle portion of the image, serving as a background for the text.

Appendix

Backlog and orders

(\$ billions, at constant currency¹)

Remaining performance obligation



New Equipment orders

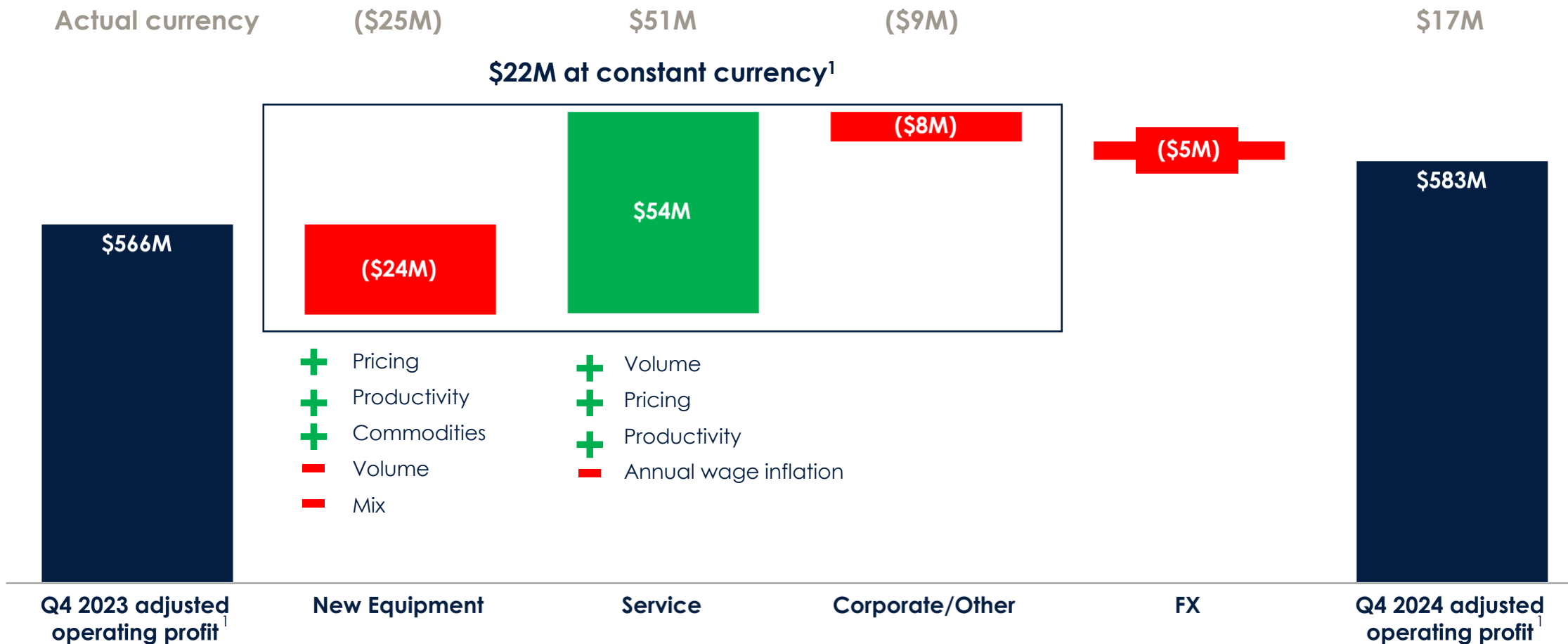
Region	Q4 2024 Y/Y	FY 2024 Y/Y
Total Otis	(4.4%)	(7.6%)
Americas	14.5%	(4.0%)
EMEA	(6.9%)	3.7%
Asia	(14.7%)	(14.7%)

Modernization orders

	Q4 2024 Y/Y	FY 2024 Y/Y
Total Otis	18.0%	12.1%

¹ See additional information regarding these non-GAAP financial measures.

Q4 2024 adjusted operating profit¹ drivers

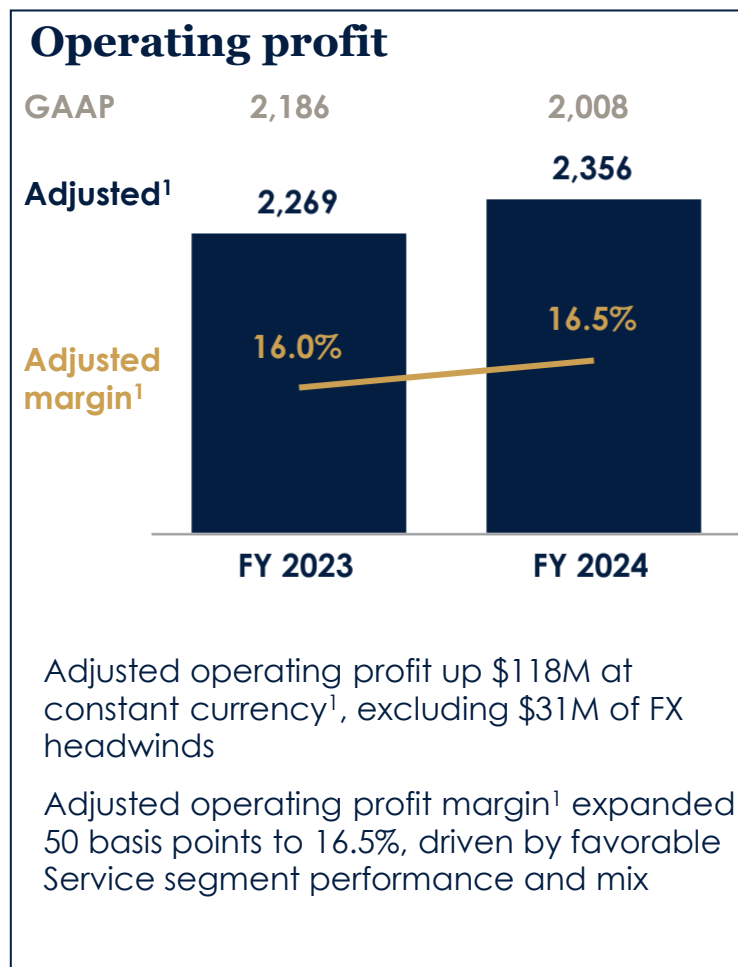
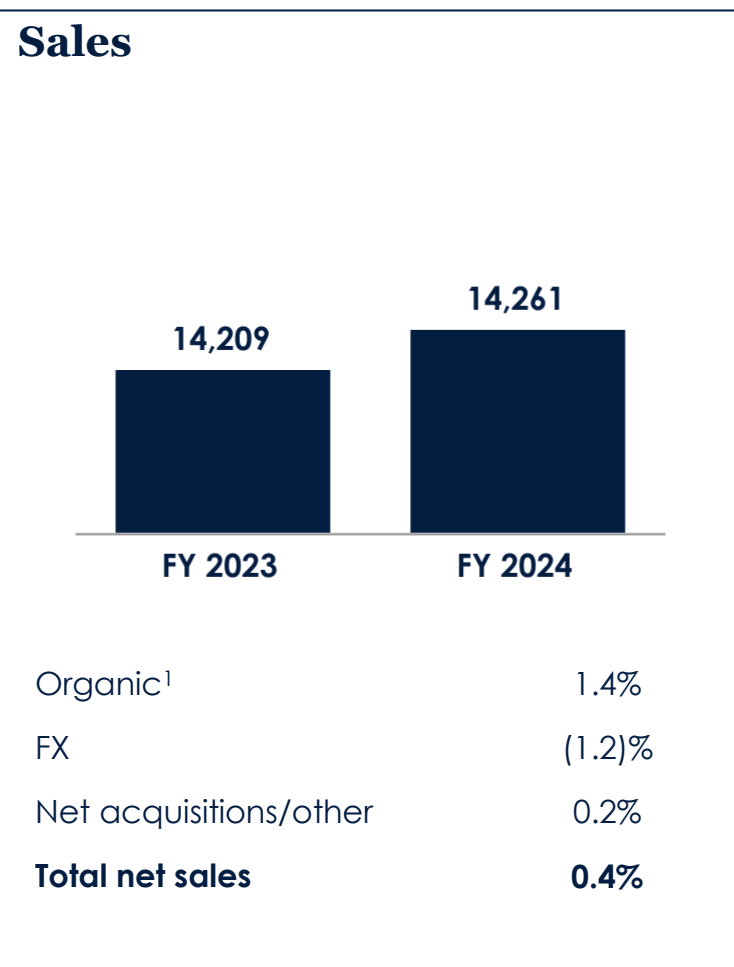


Adjusted operating profit margin¹ expanded 30 basis points to 15.9%

¹ See additional information regarding these non-GAAP financial measures.

FY 2024 results

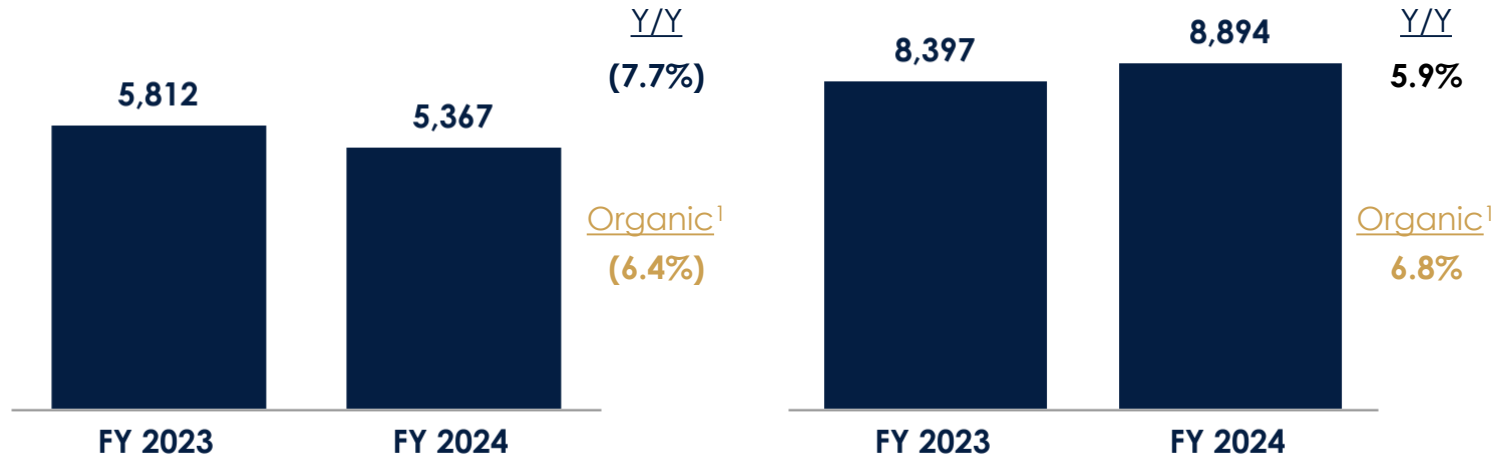
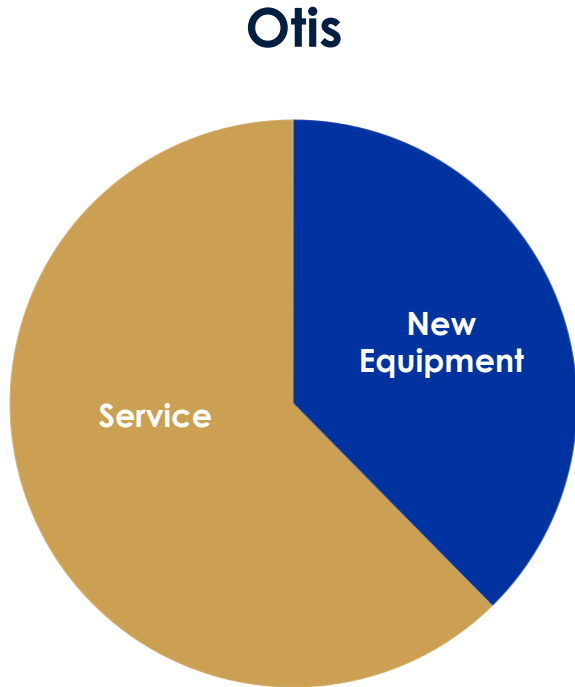
(\$ millions, except per share amounts)



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

FY 2024 segment net sales results

(\$ millions)



Organic¹ sales down 6.4%

- Americas up 5.7%
- EMEA up 1.4%
- Asia down 18.3%
 - Asia Pacific up MSD
 - China down >20%

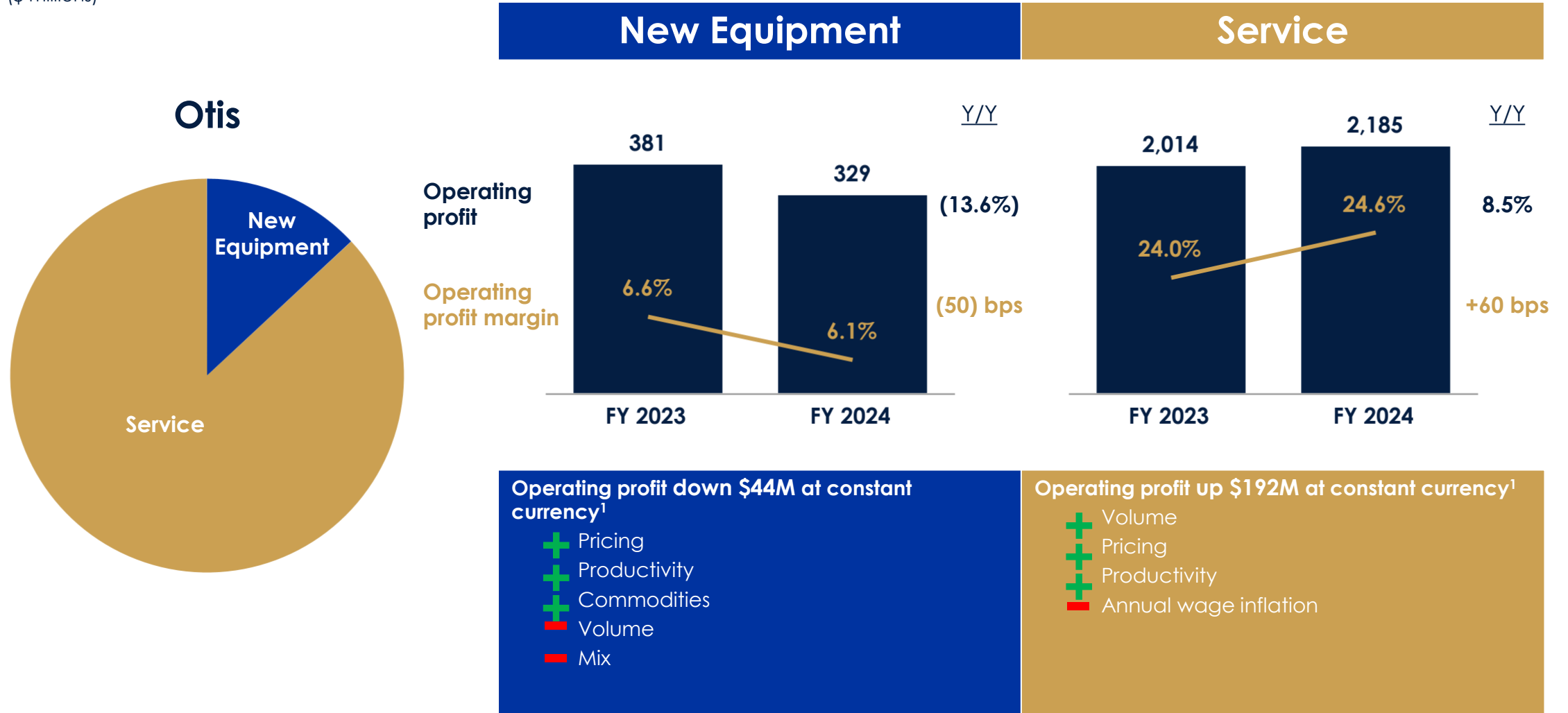
Organic¹ sales up 6.8%

- Maintenance & repair up 5.7%
- Modernization up 11.7%

¹ See appendix for additional information regarding these non-GAAP financial measures. LSD: low single digits; MSD: mid single digits; HSD: high single digits.

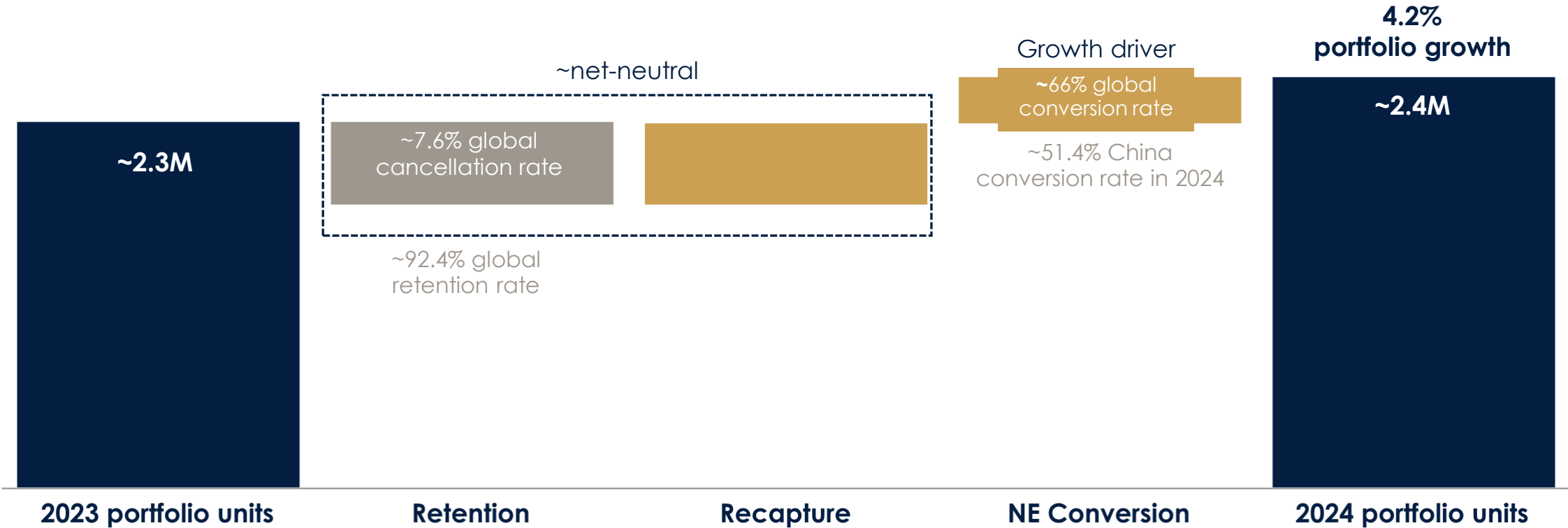
FY 2024 segment operating profit results

(\$ millions)



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

Accelerating portfolio growth



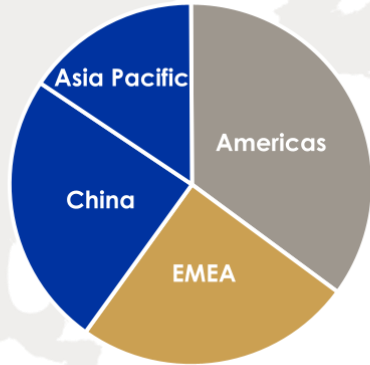
Portfolio growth of >4% supports MSD% organic Service sales growth

Retention rate = 1 - (canceled units / total portfolio units)
Conversion rate = units added to maintenance portfolio / total units eligible for conversion

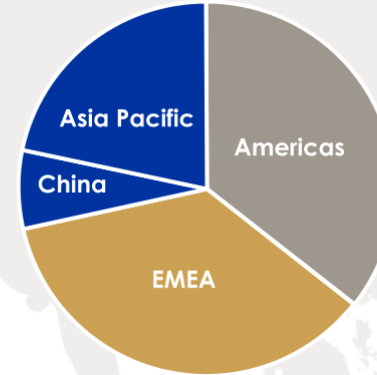
Strong geographic diversification

FY24 metrics

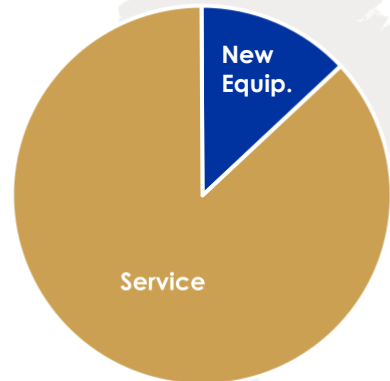
New Equipment sales
\$5.4B



Service sales
\$8.9B



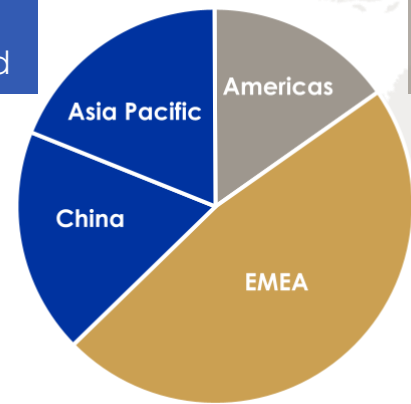
Adj. operating profit¹
\$2.4B



Adj. margin¹
6.1%

Adj. margin¹
24.6%

Maintenance units
~2.4M



~110K
connected

~80K
connected

~265K
connected

Total Otis:
~1M
connected

~520K
connected

¹ See additional information regarding these non-GAAP financial measures. Connected units including units under the warranty period.

Use and Definitions of Non-GAAP Financial Measures

Otis Worldwide Corporation ("Otis") 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 (referenced in this press release) to the corresponding amounts prepared in accordance with GAAP appears in the attached tables. These tables provide additional information as to the items and amounts that have been excluded from the adjusted measures. Below are our non-GAAP financial measures:

Non-GAAP measure	Definition
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 non-recurring and/or nonoperational nature ("other significant items"). Management believes organic sales is a useful measure in providing period-to-period comparisons of the results of the Company's ongoing operational performance.
Adjusted selling, general and administrative ("SG&A") expense	Represents SG&A expense (a GAAP measure), excluding restructuring costs and other significant items.
Adjusted operating profit	Represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items.
Adjusted net interest expense	Represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and related net interest expense pending the completion of a transaction and other significant items.
Adjusted noncontrolling interest in earnings	Represents noncontrolling interest in earnings (a GAAP measure), excluding restructuring costs and other significant items, including related tax effects.
Adjusted net income	Represents net income attributable to Otis Worldwide Corporation (a GAAP measure), excluding restructuring costs and other significant items, including related tax effects.
Adjusted earnings per share ("EPS")	Represents diluted earnings per share attributable to common shareholders (a GAAP measure), adjusted for the per share impact of restructuring and other significant items, including related tax effects.
Adjusted effective tax rate	Represents the effective tax rate (a GAAP measure) adjusted for other significant items and the tax impact of restructuring costs and other significant items.
Constant currency	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 this non-GAAP measure is useful in providing period-to-period comparisons of the results of the Company's ongoing operational performance.
Free cash flow	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 Otis' ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders. Free cash flow should not be considered an alternative to, or more meaningful than, net cash flows provided by operating activities, or any other measure of liquidity presented in accordance with GAAP.
Adjusted free cash flow	Represents cash flow from operations (a GAAP measure) less capital expenditures, adjusted to exclude certain items management believes affect the comparability of operating results. Management believes adjusted free cash flow is a useful measure of liquidity that provides investors additional information regarding the Company's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders. Adjusted free cash flow should not be considered an alternative to, or more meaningful than, net cash flows provided by operating activities, or any other measure of liquidity presented in accordance with GAAP.

Management believes that organic sales, adjusted SG&A, adjusted operating profit, adjusted net interest expense, adjusted noncontrolling interest in earnings, adjusted net income, adjusted EPS and the adjusted effective tax rate are useful measures in providing period-to-period comparisons of the results of the Company's ongoing operational performance.

When we provide our expectations for adjusted net sales, organic sales, adjusted operating profit, adjusted net interest expense, adjusted noncontrolling interest in earnings, adjusted net income, adjusted effective tax rate, adjusted EPS, free cash flow and adjusted 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, net 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.

Additional information

	Actuals					FY25 outlook
	1Q24	2Q24	3Q24	4Q24	FY24	
UpLift restructuring	\$1M	\$6M	\$4M	\$20M	\$31M	~\$250M
Other restructuring	\$19M	\$5M	\$5M	\$11M	\$40M	
China transformation restructuring	\$-M	\$-M	\$-M	\$-M	\$-M	
UpLift transformation costs	\$12M	\$15M	\$18M	\$20M	\$65M	
Non-service pension cost (benefit)	\$0M	(\$1M)	\$1M	\$-M	\$-M	~\$5M
Adjusted net interest expense (a)	\$44M	\$48M	\$51M	\$48M	\$191M	~\$220M
Adjusted effective tax rate (b)	26.0%	20.1%	26.7%	26.7%	24.8%	~24.8%
Adjusted noncontrolling interest expense (a,c)	\$21M	\$24M	\$17M	\$18M	\$80M	~\$75M
Capital expenditures	\$31M	\$24M	\$32M	\$39M	\$126M	~\$150M
Diluted shares outstanding	408.1M	405.5M	402.7M	401.3M	404.4M	~397M

Currency exposure	2024 sales
USD	30%
EUR	23%
CNY	13%
Other	34%

(a) Certain tax reserves were adjusted in 2024. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without \$21 million of interest income and \$11 million of the noncontrolling interest share of the reserves adjustments for the year ended December 31, 2024.

(b) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs and other significant non-recurring items.

(c) Includes a \$2 million adjustment for the noncontrolling interest share related to other restructuring programs for the quarter and year ended December 31, 2024

2024 GAAP to adjusted financials reconciliation

(\$ millions)

Income	1Q24	2Q24	3Q24	4Q24	FY 2024
Net income attributable to Otis	353	415	540	337	1,645
Noncontrolling interest in subsidiaries' earnings	21	35	17	16	89
Income tax expense (benefit)	126	94	(45)	130	305
Net interest expense (benefit)	44	27	(150)	48	(31)
Non-service pension cost (benefit)	0	(1)	1	0	0
GAAP operating profit	544	570	363	531	2,008
UpLift restructuring	1	6	4	20	31
Other restructuring	19	5	5	11	40
UpLift transformation costs	12	15	18	20	65
Separation-related adjustments (a)	(15)	(1)	193	0	177
Litigation and settlement costs (b)	0	18	0	0	18
Held for sale impairment	0	0	18	0	18
Other, net	0	0	(2)	1	(1)
Adjusted operating profit	561	613	599	583	2,356
<i>Adjusted operating profit margin</i>	<i>16.3%</i>	<i>17.0%</i>	<i>16.9%</i>	<i>15.9%</i>	<i>16.5%</i>
Non-service pension (expense)	0	1	(1)	0	0
Adjusted net interest expense (c, d)	(44)	(48)	(51)	(48)	(191)
Adjusted pre-tax profit	517	566	547	535	2,165
Adjusted income tax expense (c, d)	(135)	(114)	(145)	(143)	(537)
<i>Adjusted effective tax rate (e)</i>	<i>26.0%</i>	<i>20.1%</i>	<i>26.7%</i>	<i>26.7%</i>	<i>24.8%</i>
Adjusted noncontrolling interest (c, f)	(21)	(24)	(17)	(18)	(80)
Adjusted net income	361	428	385	374	1,548
Adjusted EPS	\$0.88	\$1.06	\$0.96	\$0.93	\$3.83

(a) Separation-related adjustments in the year ended December 31, 2024 represent amounts due to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement, including those amounts related to a favorable ruling received in August 2024 regarding a tax litigation in Germany.

(b) Litigation-related settlement costs in the year ended December 31, 2024 represent the aggregate amount of settlement costs and increase in loss contingency accruals, excluding legal costs, for certain legal matters that are outside of the ordinary course of business due to the size, complexity and unique facts of these matters.

(c) Certain tax reserves were adjusted in 2024. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without \$21 million of interest income and \$11 million of the noncontrolling interest share of the reserves adjustments for the year ended December 31, 2024.

(d) In August 2024, we received a favorable ruling regarding a tax litigation in Germany. As a result, income tax benefits and related interest income were recorded in the third and fourth quarter of 2024. Net interest expense is reflected as adjusted without \$1 million and \$201 million of interest income for the quarter and year ended December 31, 2024, respectively.

(e) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for other significant items and the tax impact of restructuring costs and other significant items.

(f) Noncontrolling interest is reflected as adjusted without \$2 million of the noncontrolling interest share of Other restructuring for the quarter and year ended December

Note: effective in the first quarter of 2024, the measure of segment performance used by Otis' Chief Operating Decision Maker changed and, as a result, our measure of segment operating profit was updated to not include restructuring and other unallocated items in the operating segments, which are now presented as part of Corporate and Unallocated. The change to segment operating profit aligns with the update to our measure of segment profitability.

2023 GAAP to adjusted financials reconciliation

(\$ millions)

Income	1Q23	2Q23	3Q23	4Q23	FY 2023
Net income attributable to Otis	331	376	376	323	1,406
Noncontrolling interest in subsidiaries' earnings	21	31	19	21	92
Income tax expense (benefit)	128	135	137	133	533
Net interest expense	33	37	39	41	150
Non-service pension benefit (expense)	0	1	0	4	5
GAAP operating profit	513	580	571	522	2,186
UpLift restructuring	0	0	0	25	25
Other restructuring	5	10	21	6	42
UpLift transformation costs	0	0	4	12	16
Other, net	0	0	(1)	1	0
Adjusted operating profit	518	590	595	566	2,269
<i>Adjusted operating profit margin</i>	<i>15.5%</i>	<i>15.9%</i>	<i>16.9%</i>	<i>15.6%</i>	<i>16.0%</i>
Non-service pension (expense)	0	(1)	0	(4)	(5)
Net interest expense	(33)	(37)	(39)	(41)	(150)
Adjusted pre-tax profit	485	552	556	521	2,114
Adjusted income tax expense	(129)	(138)	(142)	(144)	(553)
<i>Adjusted effective tax rate (a)</i>	<i>26.6%</i>	<i>25.0%</i>	<i>25.5%</i>	<i>27.6%</i>	<i>26.1%</i>
Noncontrolling interest	(21)	(31)	(19)	(21)	(92)
Adjusted net income	335	383	395	356	1,469
Adjusted EPS	\$0.80	\$0.92	\$0.95	\$0.87	\$3.54

(a) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs and other significant items.

Organic sales reconciliation

Q4 2024 Y/Y	Total Otis	New Equipment	Service	Maintenance & repair	Modernization
Organic	1.9%	(6.8%)	7.8%	5.6%	17.5%
FX	(0.8%)	(0.7%)	(0.7%)	(0.7%)	(1.0%)
Net acquisitions / divestitures	0.4%	0.1%	0.5%	0.6%	0.3%
Total net sales growth	1.5%	(7.4%)	7.6%	5.5%	16.8%

FY 2024 Y/Y	Total Otis	New Equipment	Service	Maintenance & repair	Modernization
Organic	1.4%	(6.4%)	6.8%	5.7%	11.7%
FX	(1.2%)	(1.4%)	(1.2%)	(1.1%)	(1.5%)
Net acquisitions / divestitures	0.2%	0.1%	0.3%	0.3%	0.1%
Total net sales growth	0.4%	(7.7%)	5.9%	4.9%	10.3%

Segment and total adjusted operating profit at constant currency reconciliations

(\$ millions)	Q4 2023	Q4 2024	Y/Y	FY 2023	FY 2024	Y/Y
New Equipment						
Operating profit	89	64	(25)	381	329	(52)
Impact of foreign exchange	0	1	1	0	8	8
Operating profit at constant currency	89	65	(24)	381	337	(44)
Service						
Operating profit	518	569	51	2,014	2,185	171
Impact of foreign exchange	0	3	3	0	21	21
Operating profit at constant currency	518	572	54	2,014	2,206	192
Otis Consolidated						
Adjusted operating profit	566	583	17	2,269	2,356	87
Impact of foreign exchange	0	5	5	0	31	31
Adjusted operating profit at constant currency	566	588	22	2,269	2,387	118

SG&A reconciliation

(\$ millions)	Q4 2023	Q4 2024	FY 2023	FY 2024
Net sales	3,620	3,675	14,209	14,261
SG&A expense	498	495	1,884	1,861
UpLift restructuring	(25)	(14)	(25)	(23)
Other restructuring	(11)	(3)	(36)	(20)
Separation-related / other	1	(1)	0	1
Adjusted SG&A expense	463	477	1,823	1,819
<i>Adjusted SG&A % of sales</i>	<i>12.8%</i>	<i>13.0%</i>	<i>12.8%</i>	<i>12.8%</i>

Diluted EPS and Tax reconciliations

	Q4 2023	Q4 2024	FY 2023	FY 2024
GAAP diluted earnings per share	\$0.79	\$0.84	\$3.39	\$4.07
Impact of non-recurring items on diluted earnings per share	\$0.08	\$0.09	\$0.15	(\$0.24)
Adjusted diluted earnings per share	\$0.87	\$0.93	\$3.54	\$3.83

	Q4 2023	Q4 2024	FY 2023	FY 2024
Effective tax rate	27.9%	26.9%	26.2%	15.0%
Impact of adjustments on effective tax rate	(0.3%)	(0.2%)	(0.1%)	9.8%
Adjusted effective tax rate	27.6%	26.7%	26.1%	24.8%

Adjusted free cash flow reconciliation

(\$ millions)	Q4 2023	Q4 2024	FY 2023	FY 2024
Operating cash flow	597	690	1,627	1,563
Capital expenditures	(42)	(39)	(138)	(126)
Free cash flow	555	651	1,489	1,437
UpLift restructuring payments	12	12	12	32
UpLift transformation payments	6	20	8	54
Separation-related payments (a)	0	0	25	49
German tax litigation refund	0	(1)	0	(1)
Adjusted free cash flow	573	682	1,534	1,571

(a) In April of 2023 and 2024, we made payments to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement. These annual payments are anticipated to conclude in 2026.

Other reconciliations

Remaining performance obligation (RPO)

(\$ billions)	Q4 2023	Q3 2024	Q4 2024
RPO at actual currency (GAAP measure)	18.0	18.6	17.6
FX	(0.3)	(0.5)	0.3
RPO at constant currency	17.7	18.1	17.9

Backlog

Q4 2024 Y/Y Growth	New Equipment	Maintenance & repair	Modernization
Actual currency (GAAP measure)	(7%)	—%	10%
FX	3%	4%	3%
Backlog at constant currency	(4%)	4%	13%