OTIS

Q2 2020 Earnings Call

July 28, 2020

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," "confident" and other words of similar meaning in connection with a discussion of future operating or financial performance or the separation and distribution. 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 and other measures of financial performance or potential future plans, strategies or transactions of Otis following its separation from United Technologies Corporation, including the estimated costs associated with the separation and distribution 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 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, pandemic health issues (including COVID-19 and its effects, among other things, on global supply, demand, and distribution disruptions as the outbreak continues and results in an increasingly prolonged period of travel, commercial and/or other similar restrictions and limitations), natural disasters and the financial condition of Otis' 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, 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 Otis' capital structure; (5) 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; (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 Otis and its businesses operate, including the effect of changes in U.S. trade policies or the United Kingdom's withdrawal from the European Union, 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 Otis and its businesses operate; (15) the ability of Otis to retain and hire key personnel; (16) the scope, nature, impact or timing of 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 of the separation and distribution; (18) a determination by the Internal Revenue Service and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; (19) risks associated with indebtedness incurred as a result of financing transactions undertaken in connection with the separation; (20) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed Otis' estimates; and (21) the impact of the separation on Otis' businesses and Otis' resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties. 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 statements on Form 10 and Form S-3 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.

Highlights

All factories open…~90% NE job sites open, up from a low of ~65%...providing essential services and proactively containing costs to mitigate the impact of COVID-19

Ended Q2 with a strong liquidity position…$1.9B cash balance and $1.5B undrawn revolving credit facility

Executing on long-term strategy…innovative new products, productivity and IoT expansion…continued New Equipment share gain, up ~90 bps[1] in H1

Joined the Paradigm for Parity® coalition…pledging commitment to close the global leadership gender gap by 2030…women currently represent more than 1/3 of Otis executives

1 Based on Otis internal estimates.

Q2 2020 update

Q2 2020 Results

- New Equipment orders down 6.8% at constant currency[1]…flat on a rolling 12-month basis
- New Equipment backlog up 2% versus prior year at constant currency[1]
- Organic[1] sales down 6.5%...NE down 10.4%, Service down 3.3%
- Adjusted operating profit margin[1] expanded 30 bps…Service segment margin expanded 170 bps
- Free cash flow[1] of $628M…280% conversion…strong working capital performance

Revised 2020 Outlook

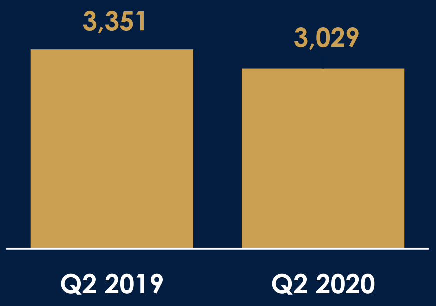
- Improved organic[1] sales outlook…expected to be down 2 to 4%
- Adjusted operating profit[1] flat to down $50M at constant currency[1]…$75M improvement versus prior outlook at the midpoint
- Adjusted operating profit[1] margin expansion of 30 bps at the midpoint
- Adjusted diluted EPS[1] expected to be between $2.20 to $2.30…$0.20 improvement at the midpoint
- Free cash flow in a range of $1.0 to $1.1B…$75M improvement versus prior outlook at the midpoint…130 to 140% conversion[1] of GAAP net income

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

Q2 2020 results

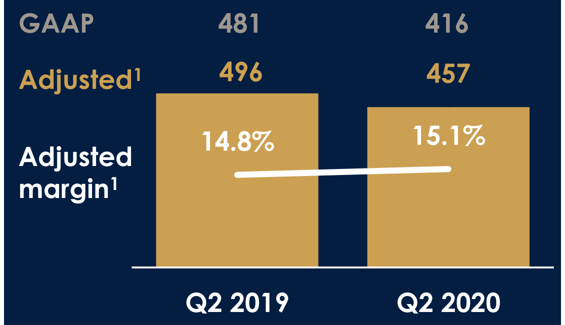
($ millions, except per share amounts)

Sales



Organic[1]	(6.5%)
FX	(2.6%)
Net divestitures	(0.5%)
Total	**(9.6%)**

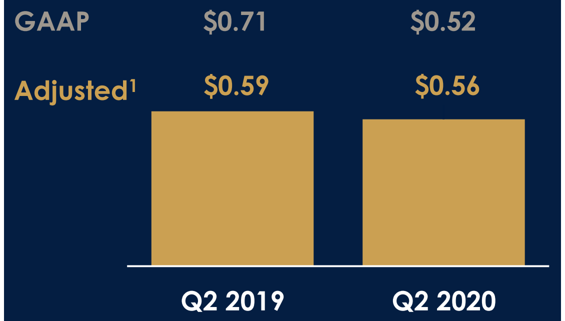
Operating profit



Q2 adjusted operating profit[1] down $39M…down $24M at constant currency[1]

Q2 adjusted operating profit margin[1] expanded 30 bps…170 bps Service margin expansion

Diluted earnings per share



Adj. operating profit[1]	($0.05)
Net interest / tax / NCI	$0.02

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

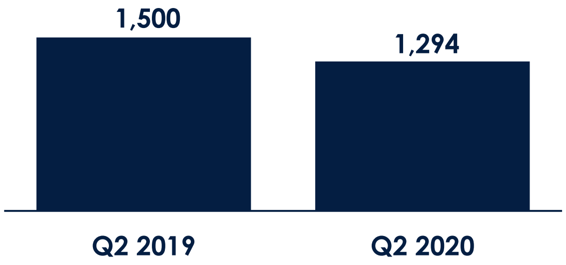
New Equipment

($ millions)

Sales

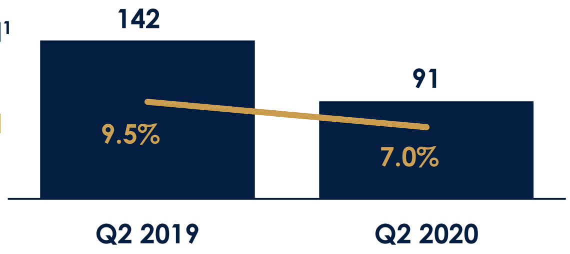
Y/Y

(13.7%)



Operating profit

	Q2 2019	Q2 2020	Y/Y
GAAP	138	79	(42.8%)
Adjusted[1]	142	91	(35.9%)
Adjusted margin[1]	9.5%	7.0%	(250) bps



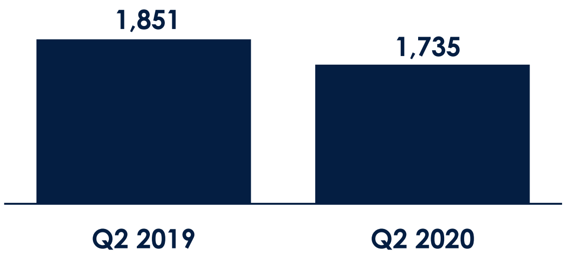
1 See appendix for additional information regarding these non-GAAP financial measures.
2 Based on Otis internal estimates.

- Q2 orders down 6.8% at constant currency[1]…~flat on a rolling 12-month basis
- Q2 share up ~110 bps[2] …H1 share up ~90 bps[2]
- New Equipment backlog up 2% at constant currency[1]
- Q2 organic[1] sales down 10.4%
  - Americas down 19.7%
  - EMEA down 22.1%
  - Asia up 1.6%…China up HSD
- Q2 adjusted operating profit[1] down $46M at constant currency[1]…lower volume partially offset by material productivity and cost containment

Service

($ millions)

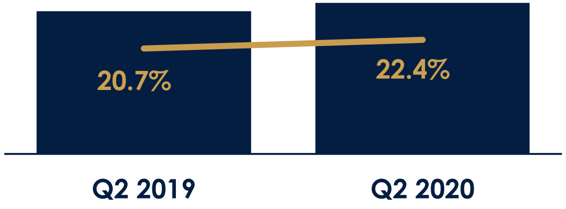
Sales



Y/Y
(6.3%)

Operating profit

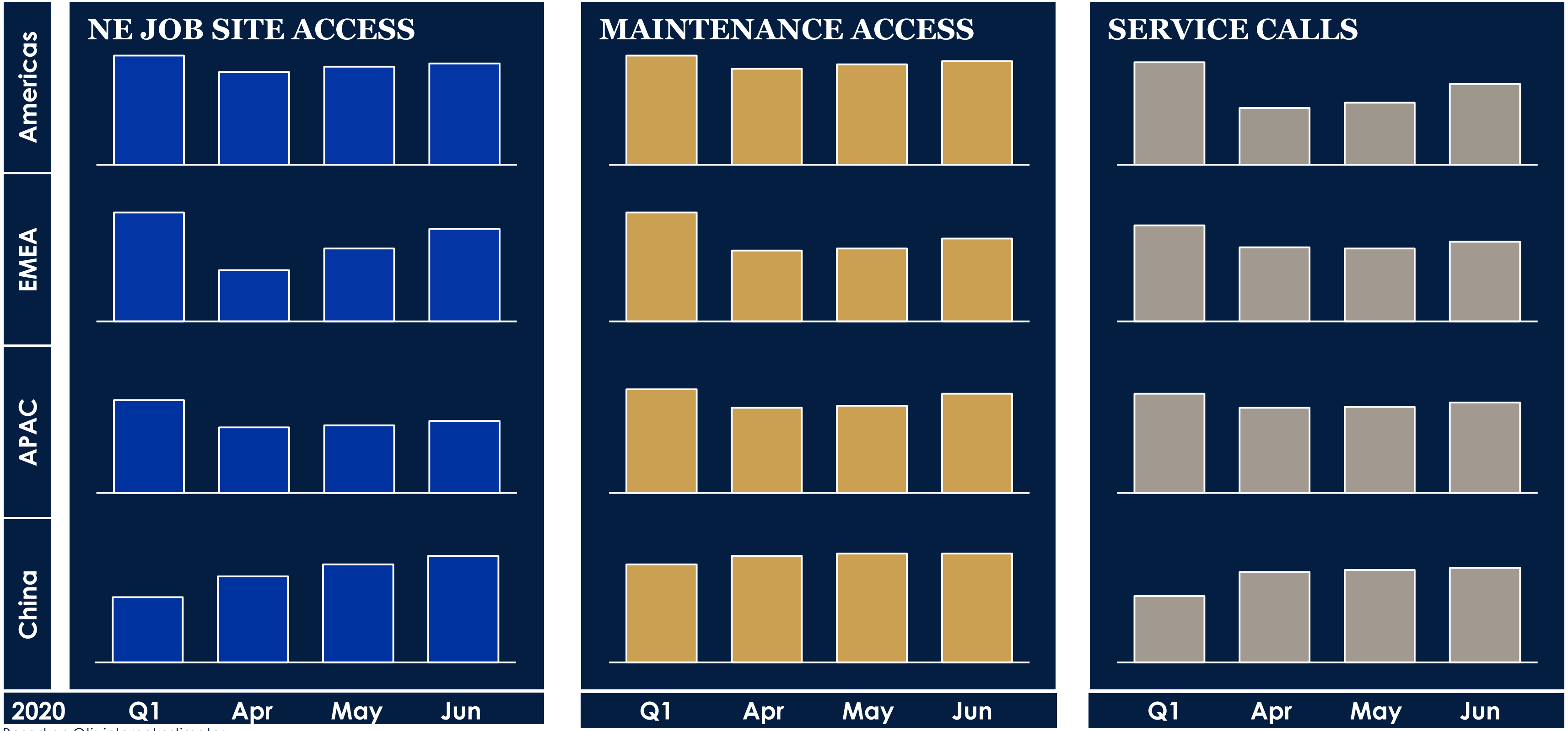
	Q2 2019	Q2 2020	Y/Y
GAAP	388	381	(1.8%)
Adjusted[1]	**384**	**389**	**1.3%**
Adjusted margin[1]	20.7%	22.4%	+ 170 bps



- Maintenance units up 1% versus prior year
- Modernization orders down 4.0% at constant currency[1]...up double digits in Asia
- Q2 organic[1] sales down 3.3%
  - Maintenance & Repair down 3.6%
  - Modernization down 1.5%
- Q2 adjusted operating profit[1] up $14M at constant currency[1] with margin[1] expansion of 170 basis points…strong contribution from productivity and cost containment

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

Improving operational trends[1]



1 Based on Otis internal estimates.

2020 financial outlook

Improving 2020 outlook across all metrics

	Prior outlook	Current outlook
Organic[1] sales	**Otis** down 3 to 7% **New Equipment** down 5 to 10% **Service** down low to mid single digits	**Otis** down 2 to 4% **New Equipment** down mid to high single digits **Service** flat to down low single digits
Adjusted operating profit[1]	**Constant currency**[1] down $25 to 175M **Actual currency** down $85 to 235M	**Constant currency**[1] flat to down $50M **Actual currency** down $40 to 100M
Adjusted net income & EPS[1]	**Adjusted net income**[1] $840 to $940M **Adjusted EPS**[1] $1.93 to $2.16	**Adjusted net income**[1] $955 to $1,000M **Adjusted EPS**[1] $2.20 to $2.30
Free cash flow[1] & capital deployment	**Free cash flow**[1] $0.925 to 1.025B **2020 Debt repayment** $250M **Dividend payout ratio** ~40%	**Free cash flow**[1] $1.0 to 1.1B **2020 Debt repayment** $350M **Dividend payout ratio** ~40%

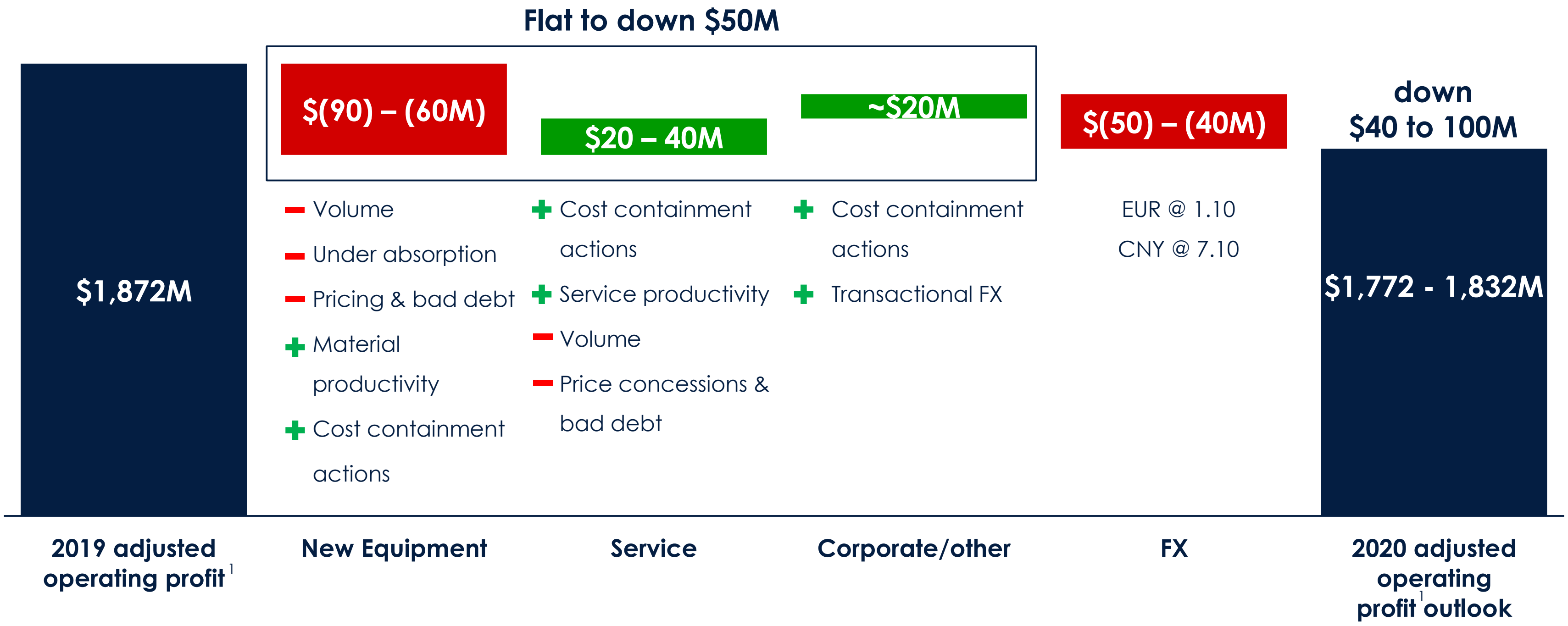
1 See appendix for additional information regarding these non-GAAP financial measures.

2020 organic[1] sales outlook

	Prior outlook (May 7, 2020)	Updated outlook	Change vs. prior outlook
New Equipment	**down 5 to 10%**	**down mid to high single**	
Americas	down mid single to ~10%	down mid single to ~10%	• Unchanged, assumes 2H recovery
EMEA	down high single to ~10%	down high single	• N. Europe job site access recovery to pre-COVID levels quicker than expected
Asia	down mid to high single	down mid single	• Strong China recovery in Q2 expected to continue in the second half
Service	**down low to mid single**	**flat to down low single**	
Maintenance & repair	down low single	flat to down slightly	• Resilient contractual maintenance
Modernization	down mid to high single	flat to down low single	• Higher than expected demand in Asia Pacific
Otis	**down 3 to 7%**	**down 2 to 4%**	

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

2020 adjusted operating profit[1] drivers

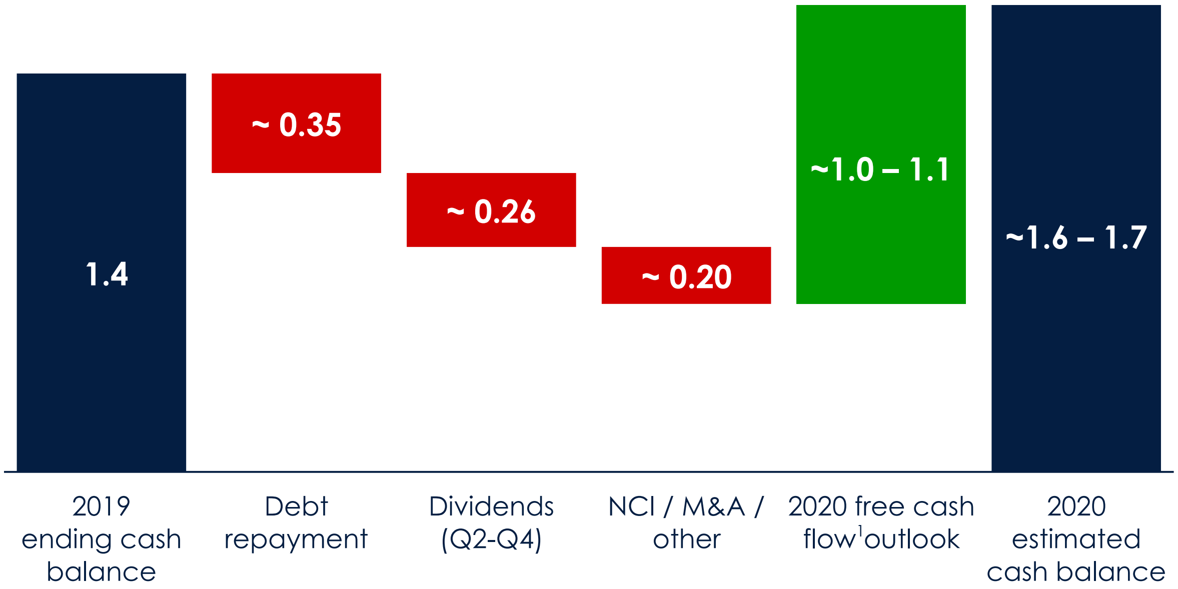


1 See appendix for additional information regarding these non-GAAP financial measures.

Capital deployment outlook

($billions)

2020 Sources and uses of cash



Q2 2020 Leverage

Cash	$1.9
Debt	$6.3
Net debt / EBITDA[1,2]	2.2x

1 See appendix for additional information regarding these non-GAAP financial measures.
2 Trailing 12 months adjusted earnings before interest, taxes, depreciation and amortization.

Otis fundamentals[1]

Iconic global brand in a large, growing industry	
Sustainable growth over the medium-term	Gaining share in NE[2]
Expanding Service portfolio	Expanding margins through productivity
Investing through the cycle	Sustainable level of R&D and Capex
Robust free cash flow generation	>100% FCF conversion
Focus on creating shareholder value	~40% dividend payout

1 Based on Otis' current expectations.
2 Based on Otis internal estimates.

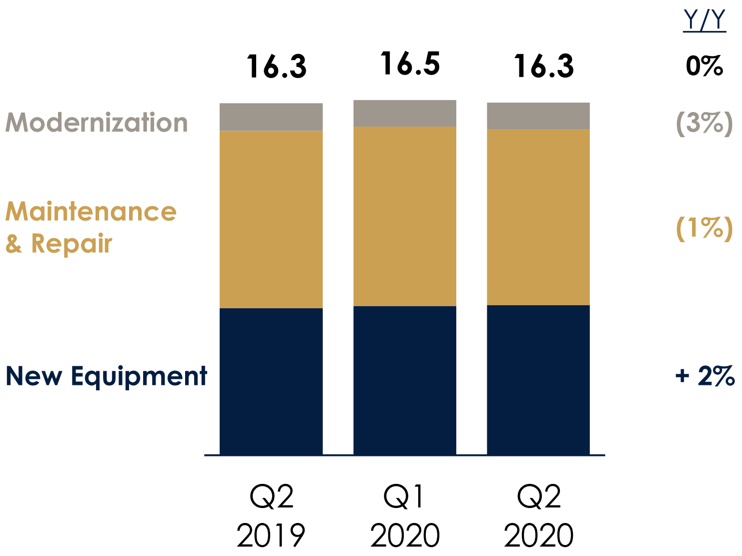
OTIS

Appendix

Backlog and orders

($billions, at constant currency[1])

Remaining performance obligation



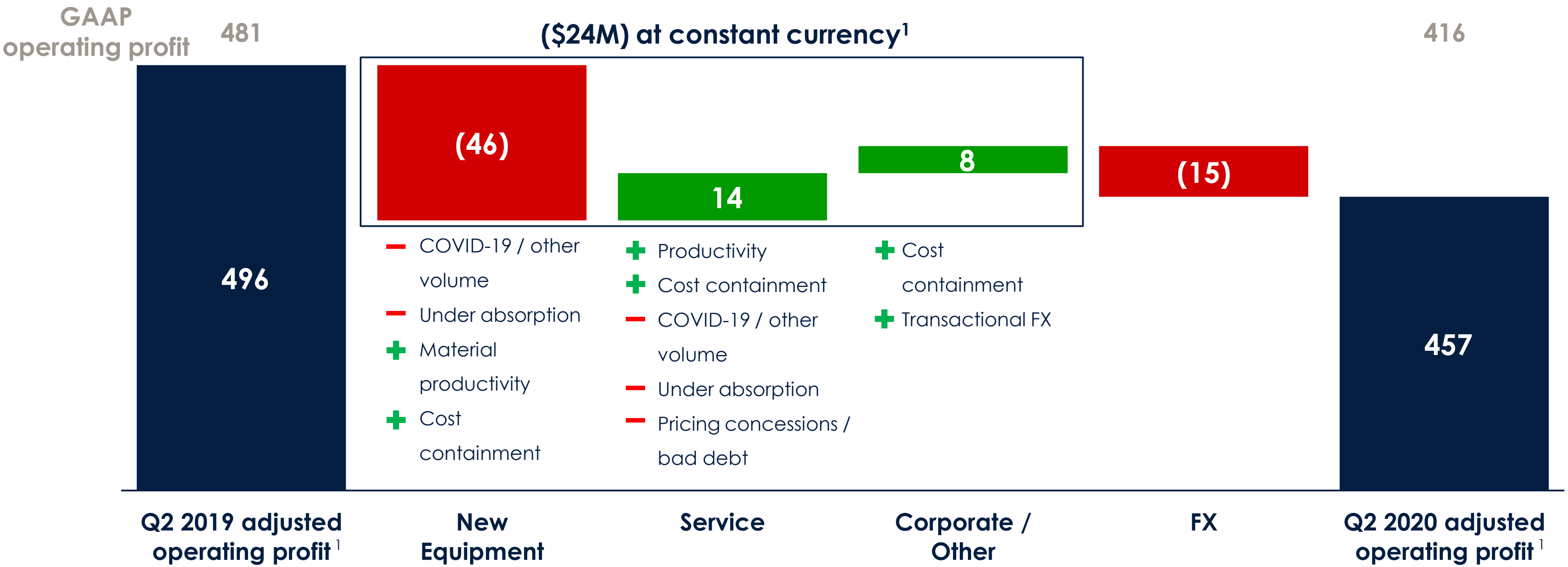
New Equipment orders

Region	Q2 2020 Y/Y	12-month rolling
Total Otis	**(6.8%)**	**0.1%**
Americas	(12.8%)	5.6%
EMEA	(16.6%)	(2.6%)
Asia	0.5%	(1.5%)

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

Q2 2020 operating profit drivers

($millions)

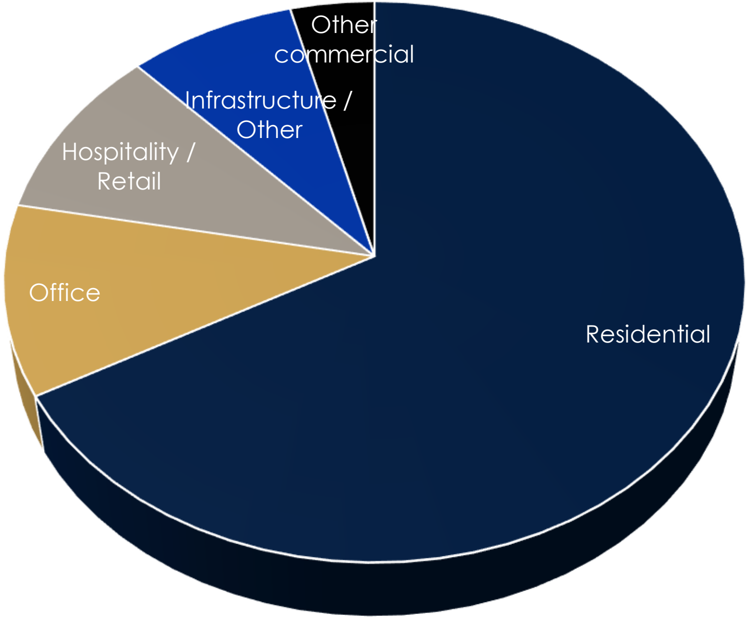


30 basis points of adjusted operating profit margin[1] expansion

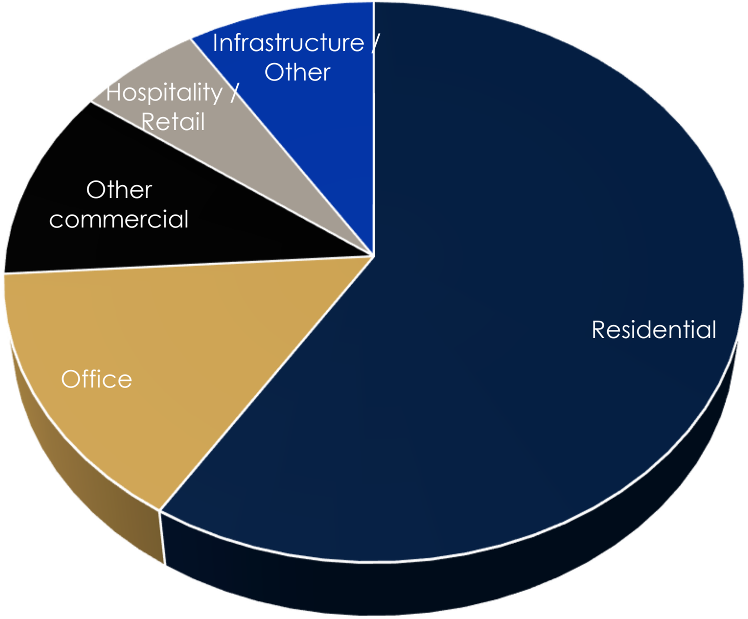
1 See additional information regarding these non-GAAP financial measures.

Otis end-market exposure[1]

New Equipment
(2019 booked units)



Service
(2019 maintenance units)

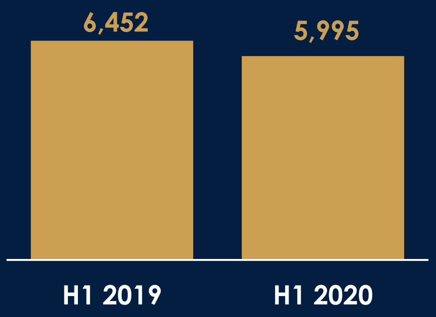


1 Based on Otis internal estimates.

H1 2020 results

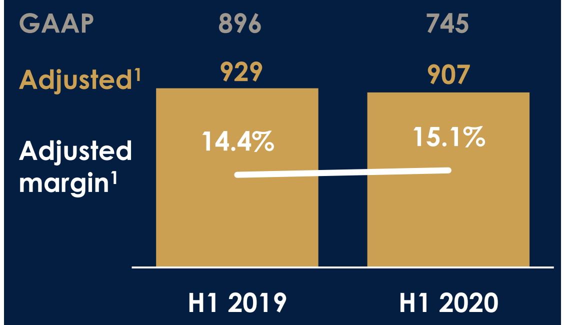
($ millions, except per share amounts)

Sales



Organic[1]	(4.4%)
FX	(2.3%)
Net divestitures	(0.4%)
Total	**(7.1%)**

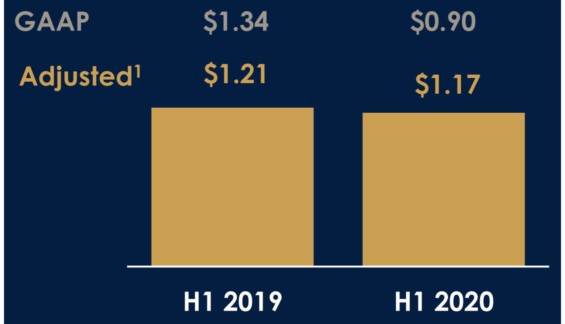
Operating profit



H1 adjusted operating profit[1] down $22M…up $3M at constant currency[1]

H1 adjusted operating profit margin[1] expanded 70 bps to 15.1%

Diluted earnings per share



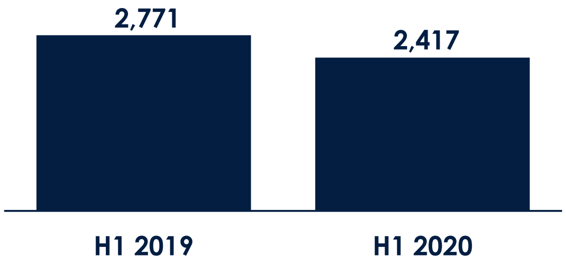
Adj. operating profit[1]	($0.01)
Net interest	$0.02
Tax	($0.04)
NCI	($0.01)

1 See additional information regarding these non-GAAP financial measures

New Equipment

($ millions)

Sales



Y/Y

(12.8%)

Operating profit

	H1 2019	H1 2020	Y/Y
GAAP	197	143	(27.4%)
Adjusted[1]	206	156	(24.3%)
Adjusted margin[1]	7.4%	6.5%	(90) bps

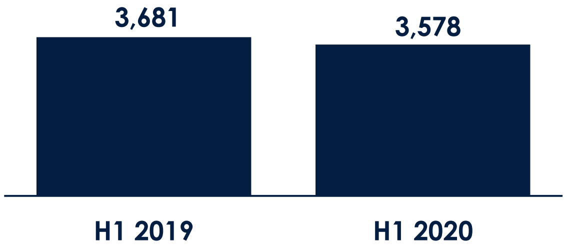
- H1 orders down 3.8% at constant currency[1]
- H1 share up ~90 bps[2]
- H1 organic[1] sales down 10.1%
  - Americas down 14.3%
  - EMEA down 12.9%
  - Asia down 5.5%
- H1 adjusted operating profit[1] down $43M at constant currency[1]

1 See additional information regarding these non-GAAP financial measures.
2 Based on Otis internal estimates.

Service

($ millions)

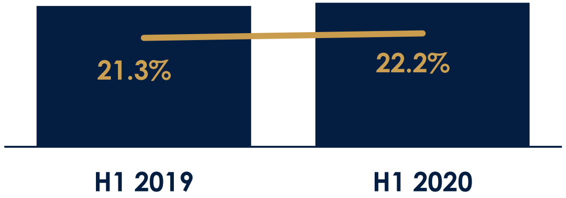
Sales



Y/Y: (2.8%)

Operating profit

	H1 2019	H1 2020	Y/Y
GAAP	774	781	0.9%
Adjusted[1]	783	794	1.4%
Adjusted margin[1]	21.3%	22.2%	+ 90 bps



- H1 Modernization orders down 0.7% at constant currency[1]
- H1 organic[1] sales down 0.1%
  - Maintenance & Repair down 0.6%
  - Modernization up 2.6%
- H1 adjusted operating profit[1] up $28M at constant currency[1] with margin[1] expansion of 90 basis points

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

Additional information

	Prior FY20 outlook (May 7, 2020)	FY20 outlook
Standalone cost	~$150M (~$175M run rate)	~$150M ($175M run rate)
Restructuring expense	$70 – 80M	$70 – 80M
Non-service pension expense / (benefit)	$5 – 15M	$5 – 15M
Net interest expense	~$160M	~$135M
Adjusted non-GAAP tax rate	~32%	~31.5%
Noncontrolling interest expense	~$160M	~$160M
Capital expenditures	$170 – 200M	$170 – 200M
Diluted shares outstanding	~436M	~434M

Foreign exchange	2019 sales
USD	28%
EUR	22%
CNY	16%
Other	34%

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.

Organic sales, adjusted selling, general and administrative ("SG&A") expense, earnings before interest taxes and depreciation ("EBITDA"), adjusted EBITDA, adjusted operating profit, adjusted net income, adjusted diluted earnings per share ("EPS"), adjusted effective tax rate and free cash flow are non-GAAP financial measures.

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 SG&A expense represents SG&A expense (a GAAP measure), excluding restructuring costs, other significant items and allocated costs for certain functions and services previously performed by United Technologies Corporation ("UTC") prior to our separation ("UTC allocated costs") and including estimated standalone public company costs, as though Otis' operations had been conducted independently from UTC ("standalone costs"). Standalone costs for the 2019 fiscal year are based on quarterly estimates determined during Otis' annual planning process for the 2020 fiscal year.

Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs, other significant items and allocated costs for certain functions and UTC allocated costs and including estimated standalone public company costs.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items and UTC allocated costs and including estimated standalone public company costs, estimated adjustments to non-service pension expense, net interest expense and income tax expense as if Otis was a standalone public company ("standalone operating income adjustments"). Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), adjusted for the per share impact of restructuring, other significant items and standalone operating income adjustments.

The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs, significant items and the tax impact of the additional adjustments (estimated standalone public company costs, interest expense and non-service pension expense).

EBITDA represents net income from operations (a GAAP measure), adjusted for noncontrolling interests, income tax expense, net interest expense, non-service pension expense and depreciation and amortization. Adjusted EBITDA represents EBITDA, as calculated above, adjusted for the impact of restructuring, other significant items and UTC allocated costs including estimated standalone public company costs. Management believes that adjusted SG&A, EBITDA, adjusted EBITDA, adjusted operating profit, 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 as if it had been a standalone public company.

Additionally, 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 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 Otis' ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders.

When we provide our expectations for organic sales, adjusted operating profit, adjusted net income, 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 (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.

Pro forma standalone financials reconciliation

($millions)

Otis

Sales	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20
Net Sales	3,101	3,351	3,313	3,353	13,118	2,966	3,029
Income							
Net income attributable to Otis	273	308	317	218	1,116	165	224
Noncontrolling interest in subsidiaries' earnings	27	44	44	36	151	37	41
Income tax expense	125	143	143	183	594	125	109
Net interest expense	1	-3	-6	-6	-14	5	41
Non-service pension expense	-11	-11	-16	5	-33	-3	1
GAAP Operating profit	415	481	482	436	1,814	329	416
Restructuring	25	15	4	10	54	6	20
Loss on disposal of businesses	0	19	-1	8	26	0	0
One-time separation costs	0	3	7	33	43	32	21
Fixed asset impairment	0	0	0	0	0	67	0
UTC allocated corporate expenses (a)	17	19	20	24	80	16	0
Standalone public company costs (b)	-22	-42	-41	-42	-147	0	0
Other	-2	1	-1	4	2	0	0
Adjusted operating profit	433	496	470	473	1,872	450	457
Adjusted operating profit margin	14.0%	14.8%	14.2%	14.1%	14.3%	15.2%	15.1%
Non-service pension expense (c)	3	-4	-4	-4	-9	3	-1
Net interest expense (d)	-14	-49	-48	-49	-160	-5	-41
Adjusted pre-tax profit	422	443	418	420	1,703	448	415
GAAP tax expense	-125	-143	-143	-183	-594	-125	-109
Tax impact of adjustments	-3	2	10	4	13	-24	-21
Adjusted income tax expense	-128	-141	-133	-179	-581	-149	-130
Adjusted tax rate (e)	30.3%	31.8%	31.8%	42.6%	34.1%	33.3%	31.3%
Noncontrolling interest	-27	-44	-44	-36	-151	-37	-41
Adjusted net income	267	258	241	205	971	262	244

New Equipment

Sales	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20
Net Sales	1,271	1,500	1,450	1,427	5,648	1,123	1,294
GAAP Operating profit	59	138	115	81	393	64	79
Restructuring	6	8	2	3	19	1	12
Loss on disposal of businesses	0	0	0	0	0	0	0
One-time separation costs	0	0	0	0	0	0	0
Fixed asset impairment	0	0	0	0	0	0	0
UTC allocated corporate expenses (a)	1	2	1	2	6	0	0
Standalone public company costs (b)	-3	-4	-5	-4	-16	0	0
Other	1	-2	1	0	0	0	0
Adjusted operating profit	64	142	114	82	402	65	91
Adjusted operating profit margin	5.0%	9.5%	7.9%	5.7%	7.1%	5.8%	7.0%

Service

Sales	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20
Net Sales	1,830	1,851	1,863	1,926	7,470	1,843	1,735
GAAP Operating profit	386	388	407	422	1,603	400	381
Restructuring	19	8	1	7	35	5	8
Loss on disposal of businesses	0	0	0	0	0	0	0
One-time separation costs	0	0	0	0	0	0	0
Fixed asset impairment	0	0	0	0	0	0	0
UTC allocated corporate expenses (a)	3	4	3	4	14	0	0
Standalone public company costs (b)	-9	-16	-15	-16	-56	0	0
Other	0	0	1	2	3	0	0
Adjusted operating profit	399	384	397	419	1,599	405	389
Adjusted operating profit margin	21.8%	20.7%	21.3%	21.8%	21.4%	22.0%	22.4%

Corporate/Other

Sales	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20
Net Sales	0	0	0	0	0	0	0
GAAP Operating profit	-30	-45	-40	-67	-182	-135	-44
Restructuring	0	-1	1	0	0	0	0
Loss on disposal of businesses	0	19	-1	8	26	0	0
One-time separation costs	0	3	7	33	43	32	21
Fixed asset impairment	0	0	0	0	0	67	0
UTC allocated corporate expenses (a)	13	13	16	18	60	16	0
Standalone public company costs (b)	-10	-22	-21	-22	-75	0	0
Other	-3	3	-3	2	-1	0	0
Adjusted operating profit	-30	-30	-41	-28	-129	-20	-23

(a) Reflects costs for certain functions and services performed by UTC organizations that are allocated to Otis for purposes of carve-out financial statements.
(b) Adjustments have been made to 2019 to represent estimated standalone public company costs, as though Otis' operations had been conducted independently from UTC. 2020 costs are reflected as a part of GAAP operating profit and are not adjusted.
(c) Non-service pension expenses included in GAAP net income attributable to Otis includes amounts associated with Otis' participation in UTC retained pension plans. The amounts related to these plans are removed from Otis' results for the 2019 year, as though Otis' operations have been conducted independently from UTC.
(d) 2019 Net Interest reflects adjustments as though Otis' February 2020 debt issuance took place in 2019.
(e) The adjusted effective tax rate represents the effective tax rate (a GAAP measure)adjusted for the tax impact of restructuring costs, other significant items and the tax impact of the additional adjustments (standalone costs, additional interest expense and non-service pension expenses)

Organic sales reconciliation

Q2 2020	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	(6.5%)	(10.4%)	(3.3%)	(3.6%)	(1.5%)
FX	(2.6%)	(3.2%)	(2.2%)	(2.4%)	(1.8%)
Net acquisitions / divestitures	(0.5%)	(0.1%)	(0.8%)	(0.5%)	(1.9%)
Total growth	**(9.6%)**	**(13.7%)**	**(6.3%)**	**(6.5%)**	**(5.2%)**

H1 2020	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	(4.4%)	(10.1%)	(0.1%)	(0.6%)	2.6%
FX	(2.3%)	(2.6%)	(2.0%)	(2.1%)	(1.7%)
Net acquisitions / divestitures	(0.4%)	(0.1%)	(0.7%)	(0.5%)	(2.0%)
Total growth	**(7.1%)**	**(12.8%)**	**(2.8%)**	**(3.2%)**	**(1.1%)**

SG&A reconciliation

($millions)	Q2 2019	Q2 2020	H1 2019	H1 2020
SG&A expense	**444**	**441**	**885**	**906**
Restructuring	(7)	(10)	(24)	(16)
One-time separation costs	(3)	(21)	(3)	(53)
UTC allocated corporate expenses (a)	(19)	0	(36)	(16)
Standalone public company costs (b)	36	0	58	0
Other	(2)	1	(2)	0
Adjusted SG&A	**449**	**411**	**878**	**821**

(a) Reflects costs for certain functions and services performed by UTC organizations that are allocated to Otis for purposes of carve-out financial statements.
(b) Adjustments have been made to 2019 to represent estimated standalone public company costs, as though Otis' operations had been conducted independently from UTC. 2020 costs are reflected as a part of GAAP operating profit and are not adjusted.

Diluted earnings per share reconciliation

	Q2 2019	Q2 2020	H1 2019	H1 2020
GAAP diluted earnings per share	$0.71	$0.52	$1.34	$0.90
Impact of non-recurring items on diluted earnings per share	($0.12)	$0.04	($0.13)	$0.27
Adjusted diluted earnings per share	**$0.59**	**$0.56**	**$1.21**	**$1.17**

Free cash flow reconciliation

($millions)	Q2 2019	Q2 2020	H1 2019	H1 2020
Operating cash flow[1]	354	664	651	823
Capital expenditures	(35)	(36)	(63)	(75)
Free cash flow[1]	**319**	**628**	**588**	**748**
GAAP net income	**308**	**224**	**581**	**389**
FCF conversion	104%	280%	101%	192%

1 Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Trailing 12-month EBITDA

($millions)	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Net income attributable to Otis	**317**	**218**	**165**	**224**
Noncontrolling interest	44	36	37	41
Income tax expense	143	183	125	109
Net interest expense	-6	-6	5	41
Non-service pension expense	-16	5	-3	1
Depreciation & amortization	44	45	43	49
EBITDA	**526**	**481**	**372**	**465**
Restructuring	4	10	6	20
Loss on disposal of businesses	-1	8	0	0
One-time separation costs	7	33	32	21
Fixed asset impairment	0	0	67	0
UTC allocated corporate expenses	20	24	16	0
Standalone public company costs	-41	-42	0	0
Other	-1	4	0	0
Adjusted EBITDA	**514**	**518**	**493**	**506**
Trailing 12 month adjusted EBITDA[1]				**2,031**

1 Our revolving and term loan credit agreements require that we maintain a maximum consolidated leverage ratio, commencing with the test period ending September 30, 2020. Please review our credit agreements as filed with the SEC from time to time for more information regarding the adjustments and other terms related to the calculation of such ratio, which differ in certain respects from Adjusted EBITDA provided herein.

Remaining performance obligation (RPO)

($billions)	Q2 2019	Q1 2020	Q2 2020
RPO at actual currency	16.6	16.3	16.4
FX	(0.3)	0.2	(0.1)
RPO at constant currency	**16.3**	**16.5**	**16.3**