OTIS

Q4 2020 Earnings Call

February 1, 2021

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, if commenced, 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., including the new U.S. Administration, and other countries in which Otis and its businesses operate, including the United Kingdom's recent 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, including changes as a result of the new U.S. Administration; (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 the timing thereof; (18) the 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, 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.

Full year 2020 results

New Equipment backlog up 2% versus prior year at constant currency[1]

Organic[1] sales down 2.1%..NE down 4.0%, Service down 0.7%

Adjusted operating profit[1] up $52M at constant currency[1]…$17M improvement from the prior outlook at the midpoint…70 bps of margin expansion

Adjusted diluted EPS[1] up 12.5% to $2.52…$0.10 improvement from the prior outlook

Free cash flow[1] of $1.3B…~$150M improvement from the prior outlook…143% conversion[1] of GAAP net income

Otis returns to the NYSE as an independent company


Collins House awarded Elevator World Project of the Year

Commitment to Change launched globally

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

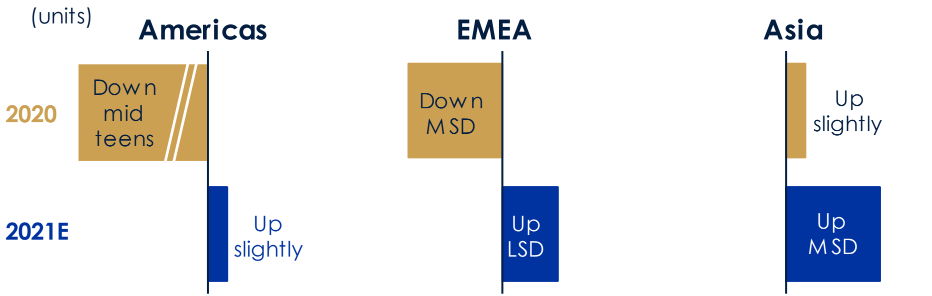
2020: Making progress on strategic priorities

New Equipment	• ~60 bps[1] of New Equipment share gain • Surpassed 1 million Gen2 units sold…launched Gen2 Prime in India
Service	• Maintenance portfolio units up 2%...growth in all major regions • Strong productivity…110 bps of adjusted operating profit margin[2] expansion • Deployed ~100K Otis ONE units…~540K portfolio units connected
Operations	• Drove material productivity initiatives…achieved 3% savings • Rationalized adjusted SG&A[2]…down $38M versus prior year • Reduced the adjusted effective tax rate[2]…down 370 bps versus prior year
Cash generation & capital allocation	• Generated $1.3B in free cash flow[2]…conversion of 143% • Disciplined capital allocation…completed ~$350M of debt reduction, initiated dividend at payout ratio[3] of ~40% and made targeted acquisitions

1 Based on Otis internal estimates.
2 See appendix for additional information regarding these non-GAAP financial measures.
3 As a percentage of GAAP net income.

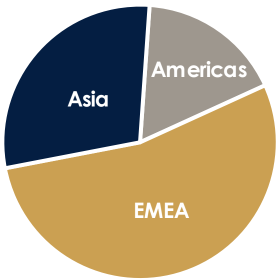
2021 outlook

Industry New Equipment growth[1]

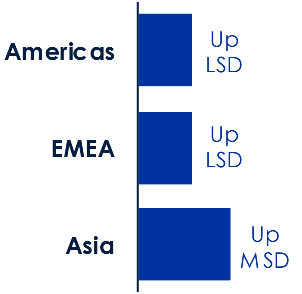


Industry installed base growth[1]

Otis Portfolio



2021E Industry growth[1]



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.

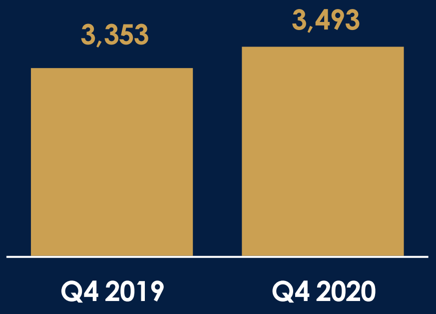
Otis

- **Net sales** of $13.3 to $13.6B, up 4.5 to 6.5% at actual currency; organic[2] up 2 to 4%
- **Adjusted operating profit[2]** of $2.0 to $2.1B, up $125 to $175M at actual currency
- **Adjusted EPS[2]** $2.67 to $2.77, up 6 to 10%
- **Free cash flow[2]** $1.3 to $1.4B, conversion ~120%
- **Disciplined capital allocation**

Q4 2020 results

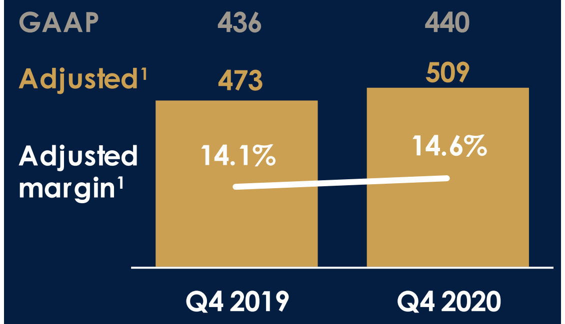
($ millions, except per share amounts)

Sales



Organic[1]	1.3%
FX	2.6%
Net divestitures/other	0.3%
Total net sales	**4.2%**

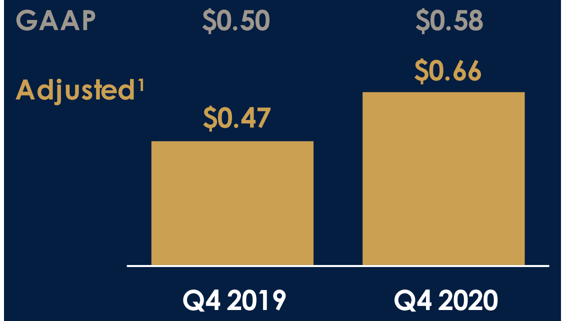
Operating profit



Q4 adjusted operating profit[1] up $36M… up $19M at constant currency[1]

Q4 adjusted operating profit margin[1] expanded 50 bps…expansion in both New Equipment and Service segments

Diluted earnings per share



Adj. EPS drivers

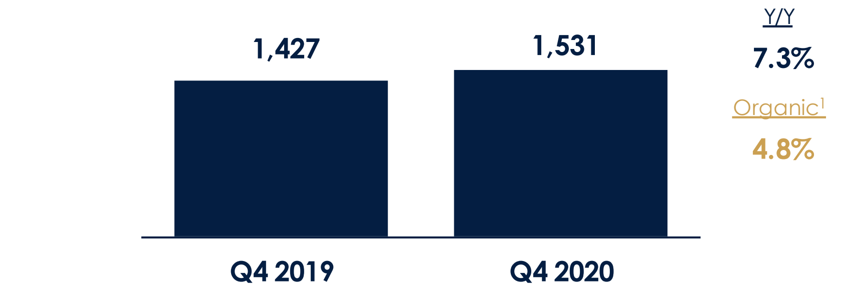
Operating profit[1]	$0.05
Tax[1]	$0.11
Net interest[1]/ NCI	$0.03

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

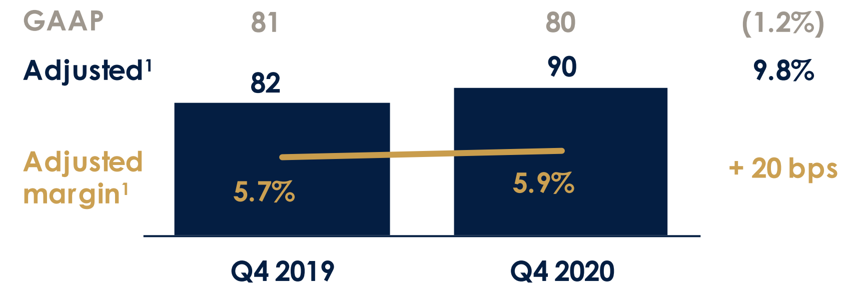
New Equipment

($ millions)

Net sales



Operating profit



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

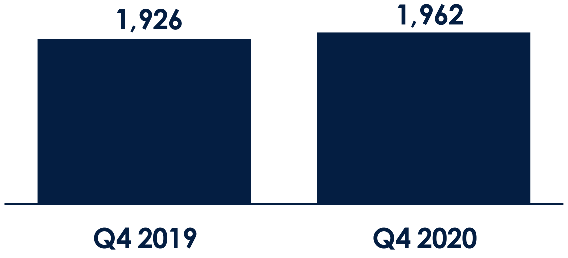
Q4 Results

- Orders down ~3.5% at constant currency[1] …growth in EMEA and Asia
- FY share up ~60 bps[2]
- New Equipment backlog up 2% at constant currency[1]
- Organic[1] sales up 4.8%
  - Americas up 17.7%
  - EMEA up 5.4%
  - Asia down 3.8%
- Adjusted operating profit[1] up $7M at constant currency[1]…higher volume and material productivity partially offset by unfavorable rate

Service

($ millions)

Net sales

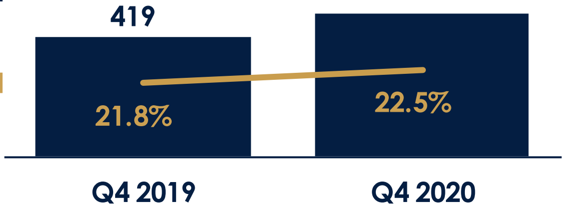


Y/Y
1.9%

Organic[1]
(1.4%)

Operating profit

	Q4 2019	Q4 2020	
GAAP	422	421	(0.2%)
Adjusted[1]	419	442	5.5%
Adjusted margin[1]	21.8%	22.5%	+ 70 bps

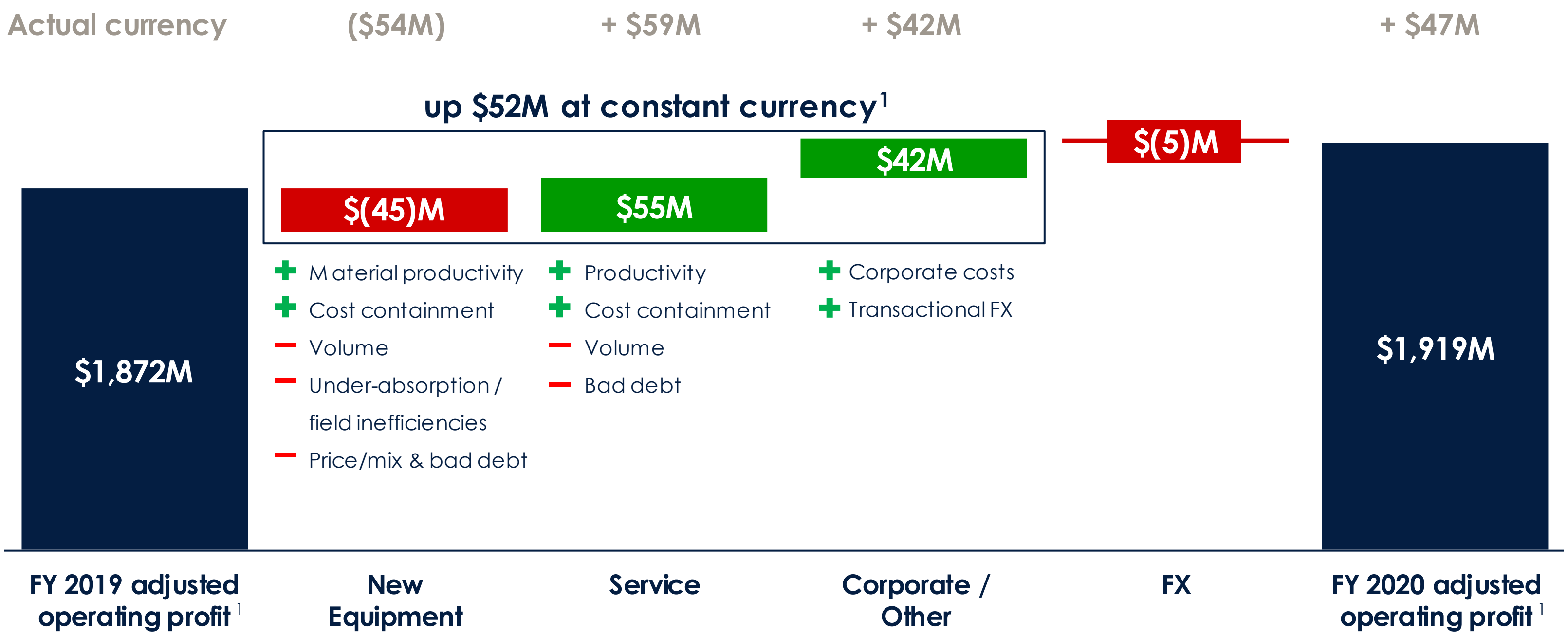


1 See appendix for additional information regarding these non-GAAP financial measures.

Q4 Results

- Maintenance units up 2% versus prior year…HSD growth in China
- Modernization orders up 4.9% at constant currency[1]...up double digits in Asia
- Organic[1] sales down 1.4%
  - Maintenance & Repair down 1.1%
  - Modernization down 2.5%
- Adjusted operating profit[1] up $8M at constant currency[1]…strong contribution from productivity

Full year 2020 adjusted operating profit[1] drivers



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

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

2021 financial outlook

	Outlook
Organic[1] sales	**Otis** up 2 to 4% **New Equipment** up 2 to 5% **Service** up 2 to 4%
Adjusted operating profit[1]	**Constant currency[1]** up \$75 to \$125M **Actual currency** up \$125 to \$175M
Adjusted net income & EPS[1]	**Adjusted net income[1]** \$1,160 to \$1,200M **Adjusted EPS[1]** \$2.67 to \$2.77, up 6 to 10%
Free cash flow[1] & capital deployment	**Free cash flow[1]** \$1.3B to \$1.4B **2021 Debt repayment** \$150M **Share repurchases** ~\$300M

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

2021 organic[1] sales outlook

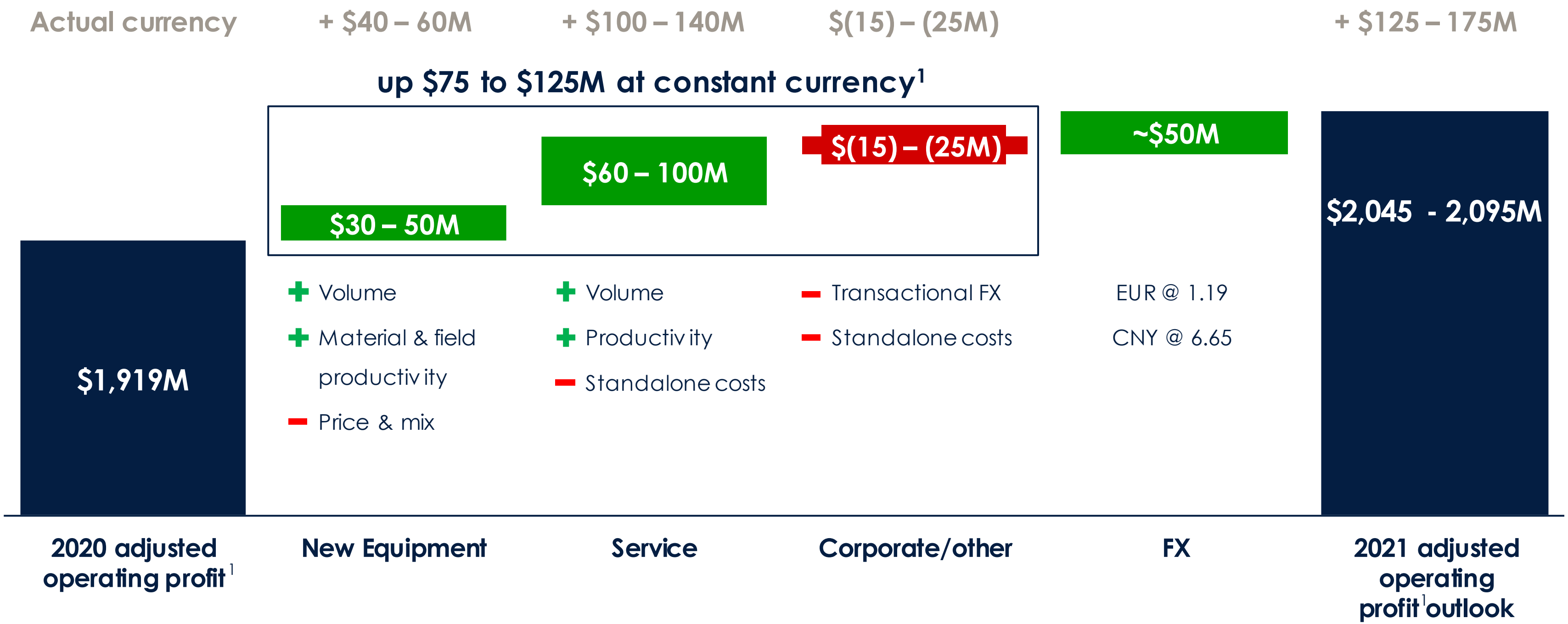
	2020 Actual	Outlook
New Equipment	**Down 4.0%**	**up 2 to 5%**
Americas	Down 3.3%	up low to mid single
EMEA	Down 5.5%	up low single
Asia	Down 3.5%	up mid single
Service	**Down 0.7%**	**up 2 to 4%**
Maintenance & repair	Down 0.9%	up 2 to 4%
Modernization	~flat	up low to mid single
Otis	**Down 2.1%**	**up 2 to 4%**

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

Outlook drivers

- 2020 New Equipment backlog up 2% at constant currency[1]… accelerating conversion
- New Equipment market returns to growth
- Continued maintenance portfolio growth
- Recovery on discretionary repair & modernization… accelerates post-Q1

2021 adjusted operating profit[1] drivers



30 to 40 basis points of adjusted operating profit margin[1] expansion

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

Otis fundamentals[1]

Iconic global brand in a large, growing industry	
Sustainable growth over the medium-term	Gaining share in NE[2] & accelerating Service portfolio growth
Driving profitability	Expanding margins through growth & productivity
Investing through the cycle	Sustainable level of R&D and Capex
Robust free cash flow[3] generation	>100% FCF conversion[3]
Focus on creating shareholder value	~40% dividend payout[4] & share repurchases

[1] Based on Otis' current expectations. [2] Based on Otis internal estimates. [3] See appendix for additional information regarding these non-GAAP financial measures. [4] As a percentage of GAAP net income.

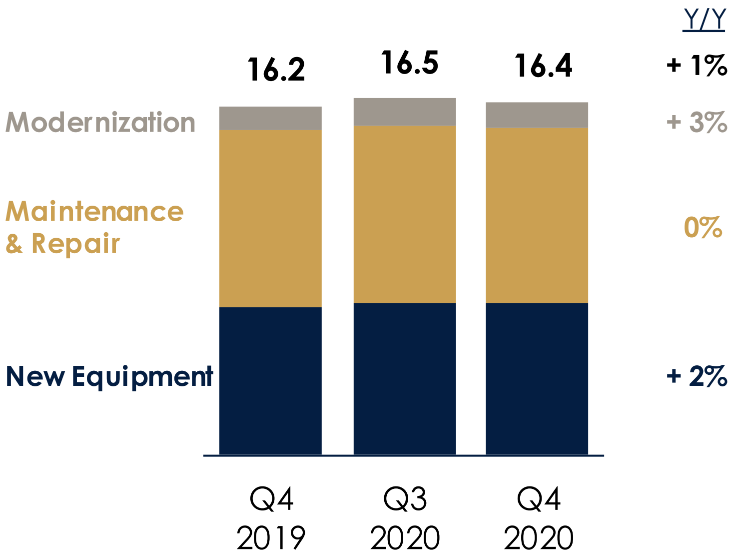
OTIS

Appendix

Backlog and orders

($billions, at constant currency[1])

Remaining performance obligation

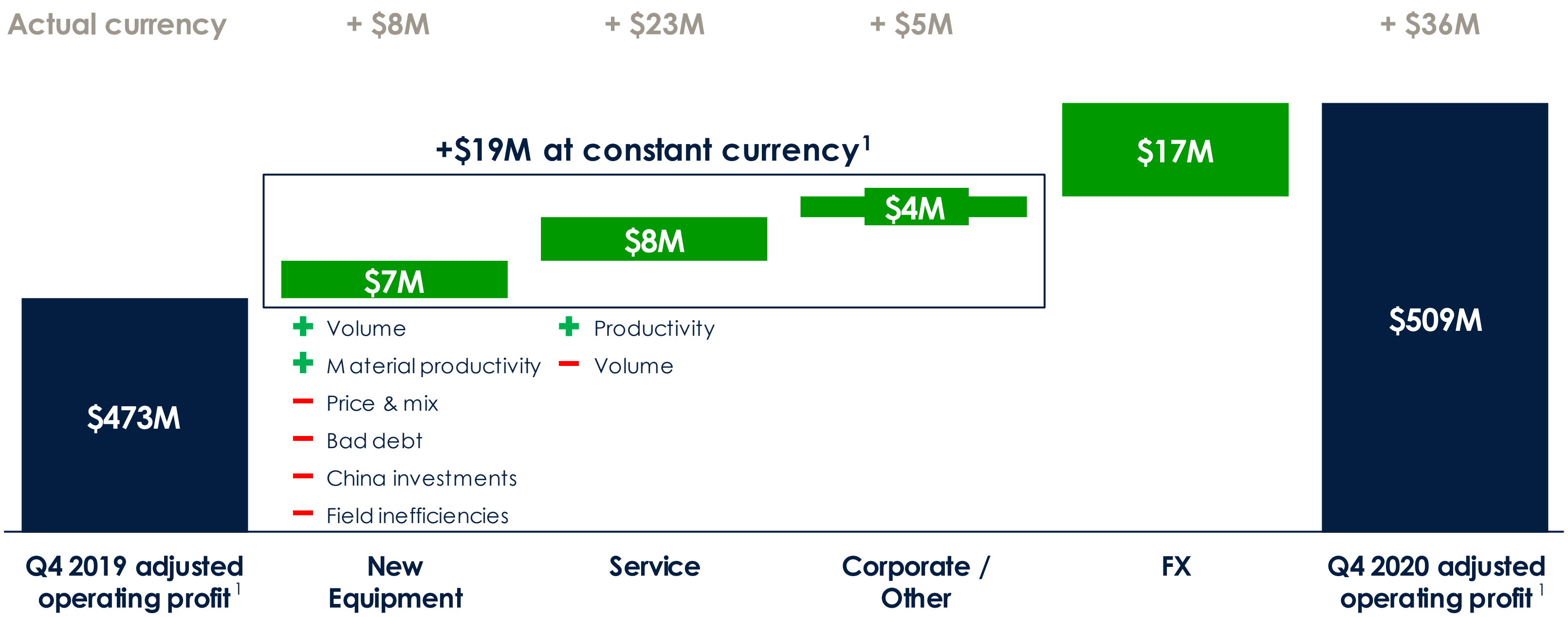


New Equipment orders

Region	Q4 2020 Y/Y	2020 Y/Y
Total Otis	**(3.5%)**	**(2.7%)**
Americas	(21.0%)	(6.1%)
EMEA	1.2%	(1.8%)
Asia	6.3%	(1.2%)

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

Q4 2020 adjusted operating profit[1] drivers



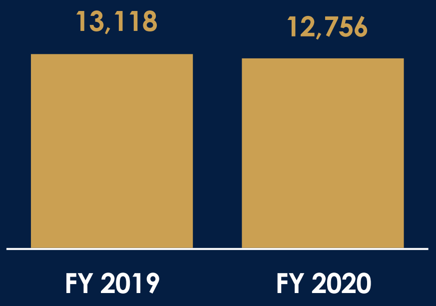
50 basis points of adjusted operating profit margin[1] expansion

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

Full year 2020 results

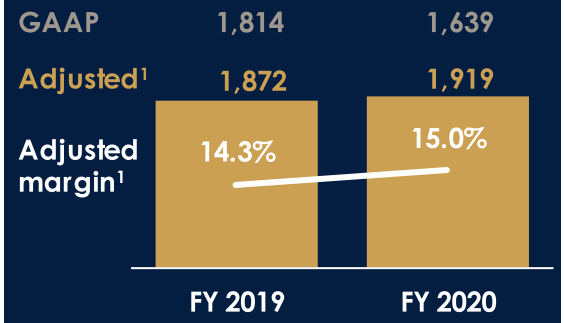
($ millions, except per share amounts)

Sales



Organic[1]	(2.1%)
FX	(0.4%)
Net divestitures / other	(0.3%)
Total net sales	**(2.8%)**

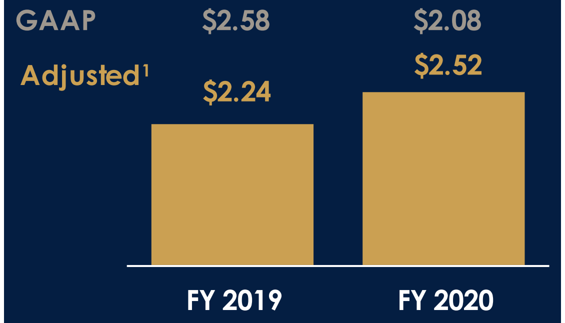
Operating profit



FY adjusted operating profit[1] up $47M… up $52M at constant currency[1]

FY adjusted operating profit margin[1] expanded 70 bps to 15.0%

Diluted earnings per share



Adj. EPS drivers

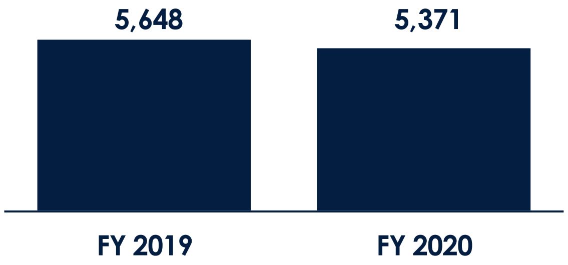
Operating profit[1]	$0.07
Net interest[1]	$0.06
Tax[1]	$0.15

1 See additional information regarding these non-GAAP financial measures

New Equipment

($ millions)

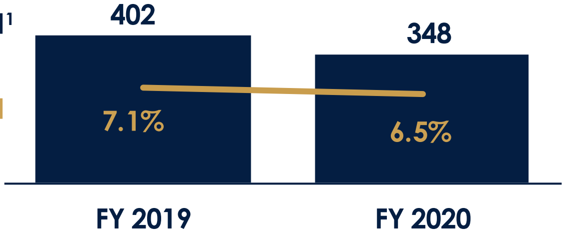
Net sales



Y/Y
(4.9%)
Organic[1]
(4.0%)

Operating profit

	FY 2019	FY 2020	
GAAP	393	318	(19.1%)
Adjusted[1]	402	348	(13.4%)
Adjusted margin[1]	7.1%	6.5%	(60) bps



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

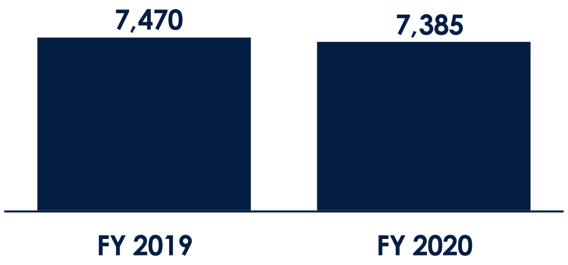
FY Results

- Orders down 2.7% at constant currency[1]
- Share up ~60 bps[2]
- Organic[1] sales down 4.0%
  - Americas down 3.3%
  - EMEA down 5.5%
  - Asia down 3.5%
- Adjusted operating profit[1] down $45M at constant currency[1]

Service

($ millions)

Net sales

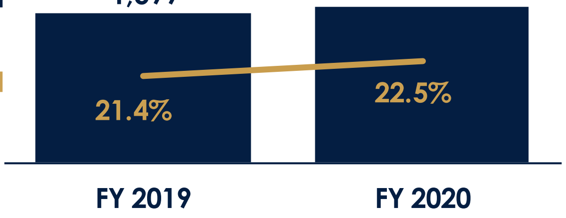


Y/Y
(1.1%)

Organic[1]
(0.7%)

Operating profit

	FY 2019	FY 2020	
GAAP	1,603	1,611	0.5%
Adjusted[1]	1,599	1,658	3.7%
Adjusted margin[1]	21.4%	22.5%	+ 110 bps



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

FY Results

- Modernization orders down 1.3% at constant currency[1]
- Organic[1] sales down 0.7%
  - Maintenance & Repair down 0.9%
  - Modernization ~flat
- Adjusted operating profit[1] up $55M at constant currency[1] with margin[1] expansion of 100 basis points

Additional information

	FY20 Actual	FY21 outlook
Restructuring expense	$77M	$60 – 70M
Non-service pension expense	$5M	$10 – 15M
Net interest expense	$123M	~$135M
Adjusted effective tax rate	30.4%	~29.5%
Noncontrolling interest expense	$150M	~$175M
Capital expenditures	$183M	$160 – 170M
Diluted shares outstanding	434.6M	~434M

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.

2019 Pro forma standalone financials reconciliation

($millions)

Otis

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

New Equipment

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

Service

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

Corporate/Other

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

(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)

2020 GAAP to adjusted financials reconciliation

($millions)

Otis	1Q20	2Q20	3Q20	4Q20	FY 2020
Sales					
Net Sales	**2,966**	**3,029**	**3,268**	**3,493**	**12,756**
Income					
Net income attributable to Otis	**165**	**224**	**266**	**251**	**906**
Noncontrolling interest in subsidiaries' earnings	37	41	44	28	150
Income tax expense	125	109	103	118	455
Net interest expense	5	41	39	37	122
Non-service pension expense	-3	1	2	6	6
GAAP Operating profit	**329**	**416**	**454**	**440**	**1,639**
Restructuring	6	20	20	31	77
Loss on disposal of businesses	0	0	0	0	0
One-time separation costs	32	21	29	37	119
Insurance recovery	0	0	0	-17	-17
Fixed asset impairment	67	0	0	18	85
UTC allocated corporate expenses (a)	16	0	0	0	16
Adjusted operating profit	**450**	**457**	**503**	**509**	**1,919**
Adjusted operating profit margin	*15.2%*	*15.1%*	*15.4%*	*14.6%*	*15.0%*
Non-service pension expense (b)	3	-1	-2	-5	-5
Net interest expense	-5	-41	-39	-38	-123
Adjusted pre-tax profit	**448**	**415**	**462**	**466**	**1,791**
GAAP tax expense	*-125*	*-109*	*-103*	*-118*	*-455*
Tax impact of adjustments	*-24*	*-21*	*-13*	*-32*	*-90*
Adjusted income tax expense	-149	-130	-116	-150	-545
Adjusted tax rate (c)	*33.3%*	*31.3%*	*25.1%*	*32.1%*	*30.4%*
Noncontrolling interest	-37	-41	-44	-28	-150
Adjusted net income	**262**	**244**	**302**	**288**	**1,096**

	New Equipment					Service					Corporate/Other				
Sales	1Q20	2Q20	3Q20	4Q20	FY 2020	1Q20	2Q20	3Q20	4Q20	FY 2020	1Q20	2Q20	3Q20	4Q20	FY 2020
Net Sales	**1,123**	**1,294**	**1,423**	**1,531**	**5,371**	**1,843**	**1,735**	**1,845**	**1,962**	**7,385**	**0**	**0**	**0**	**0**	**0**
GAAP Operating profit	**64**	**79**	**95**	**80**	**318**	**400**	**381**	**409**	**421**	**1,611**	**-135**	**-44**	**-50**	**-61**	**-290**
Restructuring	1	12	7	10	30	5	8	13	21	47	0	0	0	0	0
Loss on disposal of businesses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
One-time separation costs	0	0	0	0	0	0	0	0	0	0	32	21	29	37	119
Insurance recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	-17	-17
Fixed asset impairment	0	0	0	0	0	0	0	0	0	0	67	0	0	18	85
UTC allocated corporate expenses (a)	0	0	0	0	0	0	0	0	0	0	16	0	0	0	16
Adjusted operating profit	**65**	**91**	**102**	**90**	**348**	**405**	**389**	**422**	**442**	**1,658**	**-20**	**-23**	**-21**	**-23**	**-87**
Adjusted operating profit margin	*5.8%*	*7.0%*	*7.2%*	*5.9%*	*6.5%*	*22.0%*	*22.4%*	*22.9%*	*22.5%*	*22.5%*					

(a) Reflects costs for certain functions and services performed by UTC organizations that were allocated to Otis for purposes of carve-out financial statements.
(b) Non-service pension expense included in GAAP net income attributable to Otis pre-Separation includes amounts associated with Otis' participation in UTC retained pension plans.
(c) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs, other significant non-recurring items

Organic sales reconciliation

Q4 2020	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	1.3%	4.8%	(1.4%)	(1.1%)	(2.5%)
FX	2.6%	2.3%	2.9%	2.8%	3.0%
Net acquisitions / divestitures	0.3%	0.2%	0.4%	0.4%	0.3%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Total net sales growth	**4.2%**	**7.3%**	**1.9%**	**2.1%**	**0.8%**

FY 2020	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	(2.1%)	(4.0%)	(0.7%)	(0.9%)	0.1%
FX	(0.4%)	(0.8%)	(0.1%)	(0.1%)	0.1%
Net acquisitions / divestitures	(0.2%)	0.0%	(0.3%)	(0.2%)	(1.1%)
Other	(0.1%)	(0.1%)	0.0%	0.0%	0.0%
Total net sales growth	**(2.8%)**	**(4.9%)**	**(1.1%)**	**(1.2%)**	**(0.9%)**

Adjusted operating profit at constant currency reconciliation

($millions)	Q4 2019	Q4 2020	Y/Y	FY 2019	FY 2020	Y/Y
New Equipment						
Adjusted operating profit	82	90	8	402	348	(54)
Impact of foreign exchange		(1)	(1)		9	9
Adjusted operating profit at constant currency	82	89	7	402	357	(45)
Service						
Adjusted operating profit	419	442	23	1,599	1,658	59
Impact of foreign exchange		(15)	(15)		(4)	(4)
Adjusted operating profit at constant currency	419	427	8	1,599	1,654	55
Otis Consolidated						
Adjusted operating profit	473	509	36	1,872	1,919	47
Impact of foreign exchange		(17)	(17)		5	5
Adjusted operating profit at constant currency	473	492	19	1,872	1,924	52

SG&A reconciliation

($millions)	Q4 2019	Q4 2020	FY 2019	FY 2020
SG&A expense	**481**	**537**	**1,810**	**1,924**
Restructuring	(10)	(28)	(35)	(55)
One-time separation costs	(33)	(37)	(43)	(106)
UTC allocated corporate expenses (a)	(24)	0	(80)	(16)
Standalone public company costs (b)	38	0	133	0
Other	(2)	1	(2)	(2)
Adjusted SG&A	**450**	**473**	**1,783**	**1,745**

(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

	Q4 2019	Q4 2020	FY 2019	FY 2020
GAAP diluted earnings per share	$0.50	$0.58	$2.58	$2.08
Impact of non-recurring items on diluted earnings per share	($0.03)	$0.08	($0.34)	$0.44
Adjusted diluted earnings per share	**$0.47**	**$0.66**	**$2.24**	**$2.52**

Free cash flow reconciliation

($millions)	Q4 2019	Q4 2020	FY 2019	FY 2020
Operating cash flow[1]	454	309	1,469	1,480
Capital expenditures	(47)	(71)	(145)	(183)
Free cash flow	**407**	**238**	**1,324**	**1,297**
GAAP net income	**218**	**251**	**1,116**	**906**
FCF conversion	187%	95%	119%	143%

1 Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Remaining performance obligation (RPO)

($billions)	Q4 2019	Q3 2020	Q4 2020
RPO at actual currency	16.4	16.9	17.2
FX	(0.2)	(0.4)	(0.8)
RPO at constant currency	**16.2**	**16.5**	**16.4**

New Equipment backlog

Growth %	Q4 2020
Constant currency	2%
FX	4%
Actual currency	**6%**