OTIS

Q2 2021 Earnings Call

July 26, 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,” "goals" 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 in the U.S. and other countries in which Otis and its businesses operate 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) fluctuations in prices of and 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 China’s response to the new U.S. administration and 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 distribution 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 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

Positive momentum…executing on long-term strategy

- Q2 New Equipment share gain, up ~1 pt[1]
- Maintenance portfolio up 3%
- Organic[2] sales growth in both segments
  - New Equipment growth in all regions
  - Service growth in all lines of business
- Margin expansion in both segments
- Launched new, IoT connected platforms

Creating value for shareholders

- Increasing full year share repurchase target to ~$750M…$0.5B completed in 1H21

Driving ESG initiatives…goals embedded in long-term strategy

Q2 orders

M City Phase 3
Mississauga, Canada

U.S. Bank Tower
Los Angeles, California

Innovation

Gen360™ platform

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

Q2 2021 update

Q2 2021 Results

- New Equipment orders up 23.9% at constant currency[1]…up 9.4% on a rolling 12-month basis
- New Equipment backlog up 10% and 5% at constant currency[1]
- Organic[1] sales up 15.4%...New Equipment up 25.4%, Service up 7.8%
- Adjusted operating profit margin[1] expanded 40 bps
- Free cash flow[1] of $493M…151% conversion[1] of GAAP net income

Revised 2021 Outlook

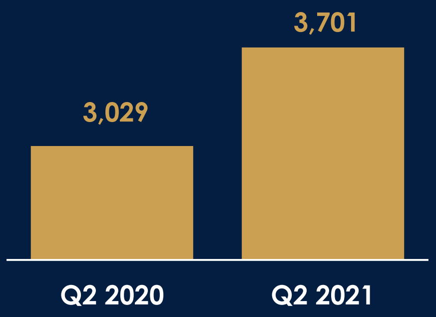
- Improved across all key metrics
- Net sales of $14.1 to $14.2B, up 10.5 to 11%; organic up 7.5 to 8%
- Adjusted operating profit[1] of $2.16 to $2.18B, up $240 to $260M; constant currency[1] up $170 to $190M
- Adjusted diluted EPS[1] of $2.89 to $2.93, up 15 to 16%
- Free cash flow[1] of $1.45 to $1.50B…~120% conversion[1] of GAAP net income

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

Q2 2021 results

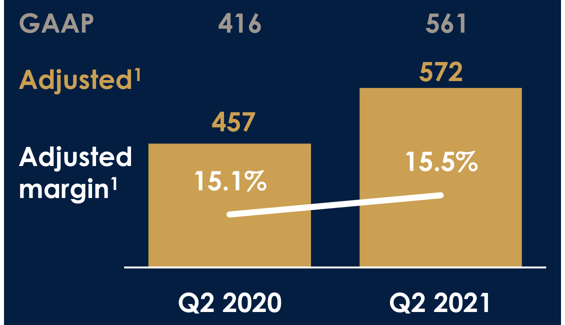
($ millions, except per share amounts)

Sales



Organic[1]	15.4%
FX	6.5%
Net acquisitions/other	0.3%
Total net sales	**22.2%**

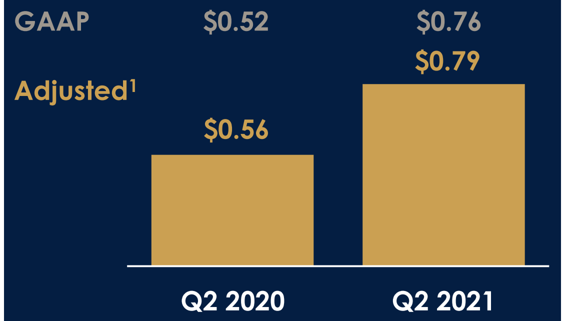
Operating profit



Q2 adjusted operating profit[1] up $115M…up $80M at constant currency[1]

Q2 adjusted operating profit margin[1] expanded 40 bps, including ~60 bps of segment mix headwind

Diluted earnings per share



Adjusted EPS[1] drivers

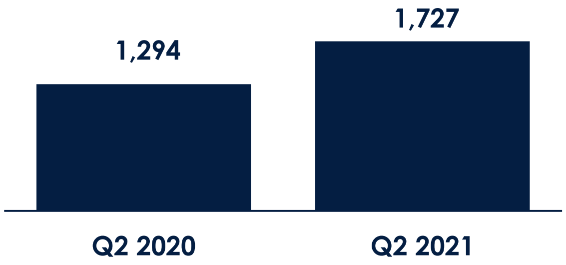
Operating profit	$0.18
Tax	$0.06
Net interest	$0.02
NCI / Other	($0.03)

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

New Equipment

($ millions)

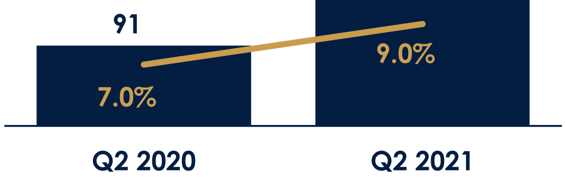
Net sales



Y/Y
33.5%
Organic[1]
25.4%

Operating profit

	Q2 2020	Q2 2021	Y/Y
GAAP	79	147	86.1%
Adjusted[1]	91	155	70.3%
Adjusted margin[1]	7.0%	9.0%	+ 200 bps



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

Q2 Results

- Orders up 23.9% at constant currency[1]… growth in all regions…record bookings in China
- New Equipment share up ~1 pt[2]
- New Equipment backlog up 10%, and 5% at constant currency[1]…broad based growth
- Organic[1] sales up 25.4%
  - Americas up 36.6%
  - EMEA up 36.2%
  - Asia up 14.1%
- Adjusted operating profit[1] up $64M…primarily driven by higher volume

Service

($ millions)

Net sales

Y/Y
13.8%
Organic[1]
7.8%

Operating profit

	Q2 2020	Q2 2021	Y/Y
GAAP	381	441	15.7%
Adjusted[1]	389	444	14.1%
Adjusted margin[1]	22.4%	22.5%	+ 10 bps

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

Q2 Results

- Maintenance units up 3% versus prior year…growth in all regions
- Modernization orders up 16.8% at constant currency[1]…growth in the Americas and EMEA
- Organic[1] sales up 7.8%
  - Maintenance & Repair up 7.5%
  - Modernization up 9.3%
- Adjusted operating profit[1] up $55M…higher volume, improved pricing, and FX, partially offset by higher SG&A and field costs, including headwinds from COVID-19 recovery

2021 financial outlook

Improving 2021 outlook across key metrics

	Prior outlook	Current outlook
Organic[1] sales	**Otis** up 4 to 6% **New Equipment** up 7.5 to 8.5% **Service** up 2 to 4%	**Otis** up 7.5 to 8.0% **New Equipment** up 12.0 to 13.0% **Service** up 4.0 to 4.5%
Adjusted operating profit[1]	**Constant currency[1]** up \$120 to \$160M **Actual currency** up \$175 to \$215M	**Constant currency[1]** up \$170 to \$190M **Actual currency** up \$240 to \$260M
Adjusted net income & EPS[1]	**Adjusted net income[1]** \$1,200 to \$1,225M **Adjusted EPS[1]** \$2.78 to \$2.84, up 10 to 13%	**Adjusted net income[1]** \$1,250 to \$1,265M **Adjusted EPS[1]** \$2.89 to \$2.93, up 15 to 16%
Free cash flow[1] & capital deployment	**Free cash flow[1]** \$1.35 to 1.45B **Quarterly dividend per share** \$0.24 **Share repurchases** ~\$500M	**Free cash flow[1]** \$1.45 to \$1.50B **Quarterly dividend per share** \$0.24 **Share repurchases** ~\$750M

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

2021 organic[1] sales outlook

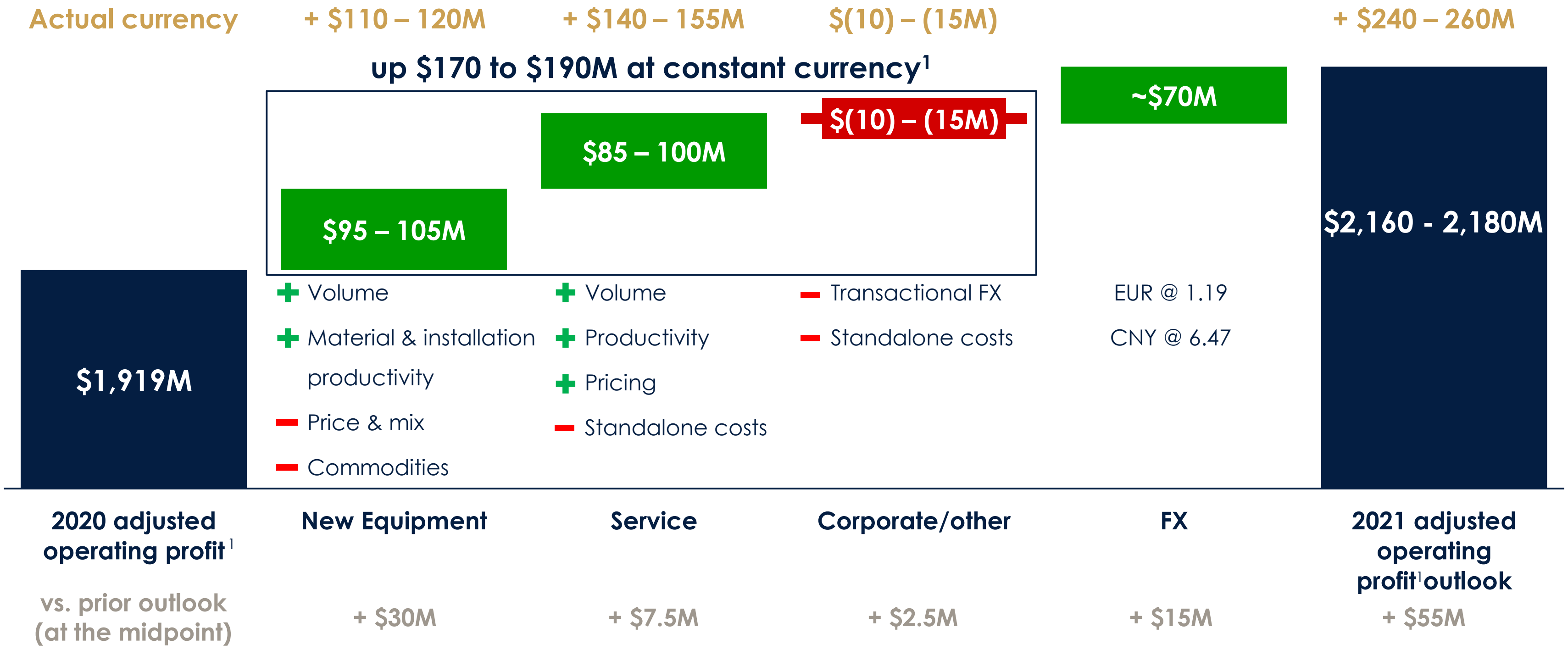
	Prior outlook (April 26, 2021)	Updated outlook
New Equipment	**up 7.5 to 8.5%**	**up 12.0 to 13.0%**
Americas	up high single	up low teens
EMEA	up low to mid single	up mid to high single
Asia	up ~10%	up low teens
Service	**up 2 to 4%**	**up 4.0 to 4.5%**
Maintenance & repair	up 2 to 4%	up 3.5 to 4.5%
Modernization	up low to mid single	up mid single
Otis	**up 4 to 6%**	**up 7.5 to 8.0%**

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

Outlook drivers

- Q2 New Equipment backlog up 10%, 5% at constant currency[1]… accelerating conversion
- New Equipment market returns to growth
- Continued maintenance portfolio growth…up 3% in Q2
- Continued recovery on discretionary repair & modernization

2021 adjusted operating profit[1] drivers



~30 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 & stakeholder value	Healthy dividend, accelerated share repurchases & ESG commitments

[1] Based on Otis' current expectations. [2] Based on Otis internal estimates. [3] See appendix for additional information regarding these non-GAAP financial measures.

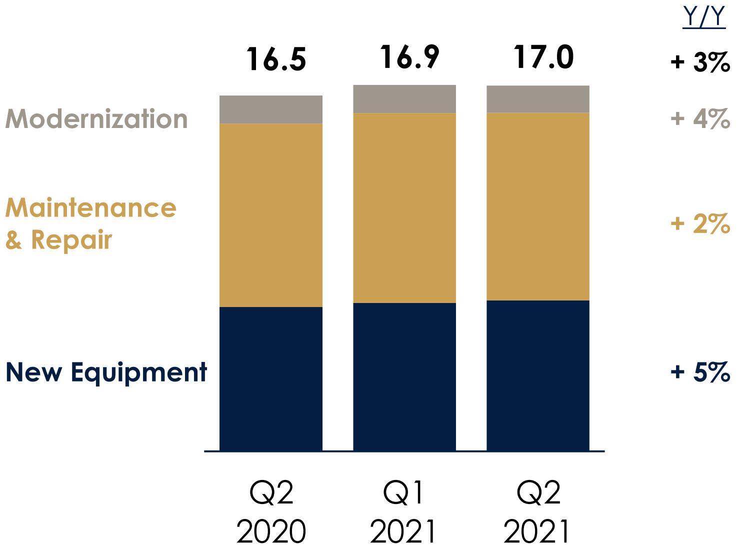
OTIS

Appendix

Backlog and orders

($billions, at constant currency[1])

Remaining performance obligation

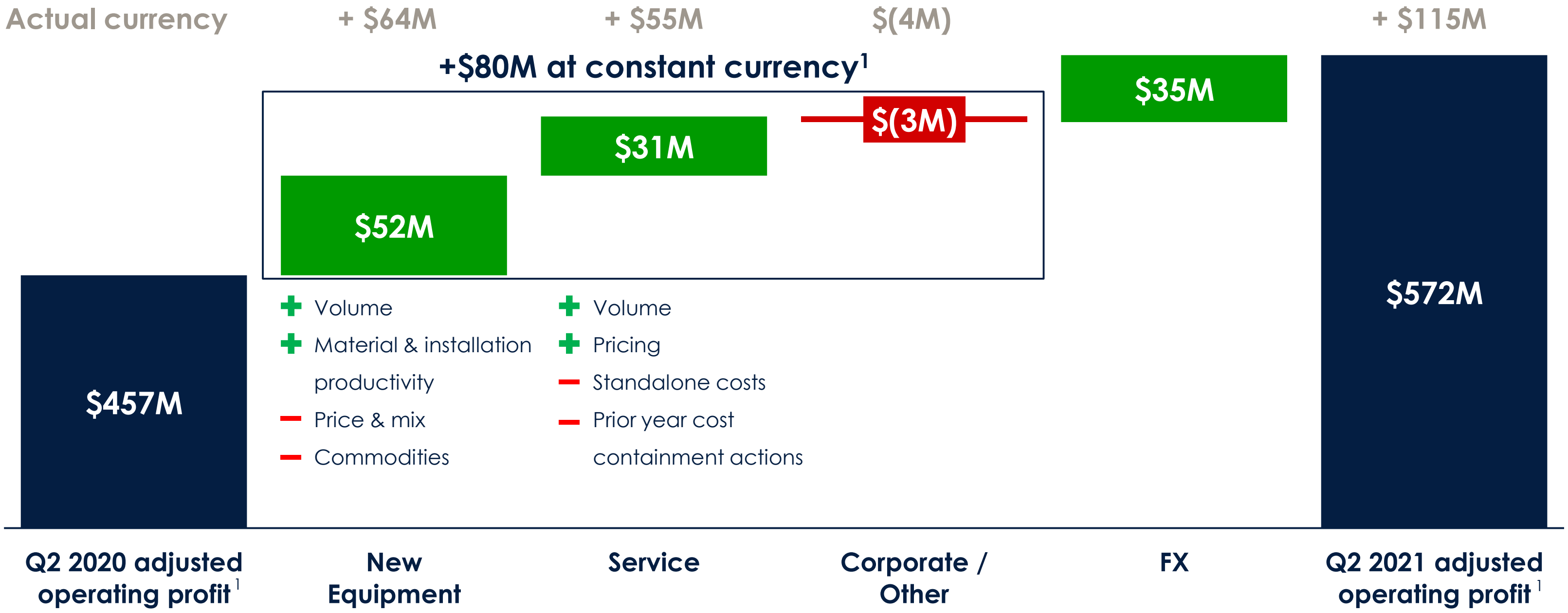


New Equipment orders

Region	Q2 2021 Y/Y	YTD 2021 Y/Y	12-month rolling
Total Otis	**23.9%**	**21.4%**	**9.4%**
Americas	47.3%	29.5%	5.0%
EMEA	19.0%	10.6%	6.2%
Asia	16.9%	22.4%	13.5%

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

Q2 2021 adjusted operating profit[1] drivers



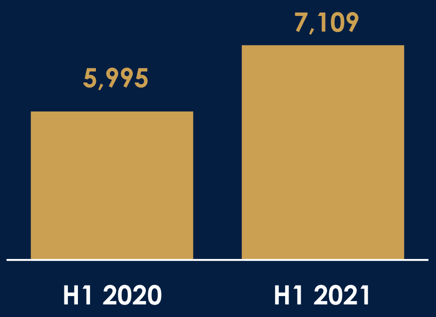
40 basis points of adjusted operating profit margin[1] expansion

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

H1 2021 results

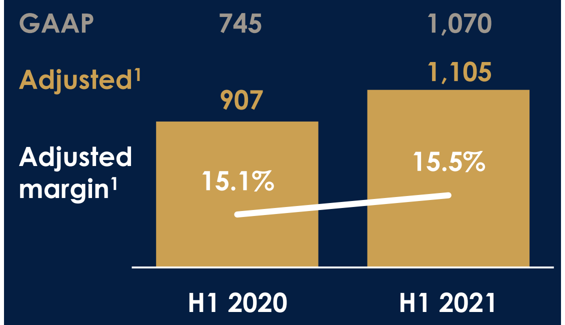
($ millions, except per share amounts)

Sales



Organic[1]	12.9%
FX	5.5%
Net acquisitions/other	0.2%
Total net sales	**18.6%**

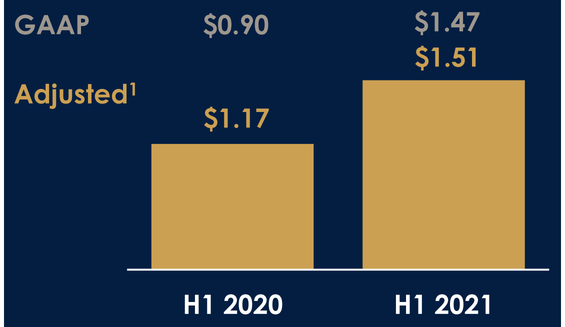
Operating profit



H1 adjusted operating profit[1] up $198M…up $137M at constant currency[1]

H1 adjusted operating profit margin[1] expanded 40 bps

Diluted earnings per share



Adjusted EPS[1] drivers

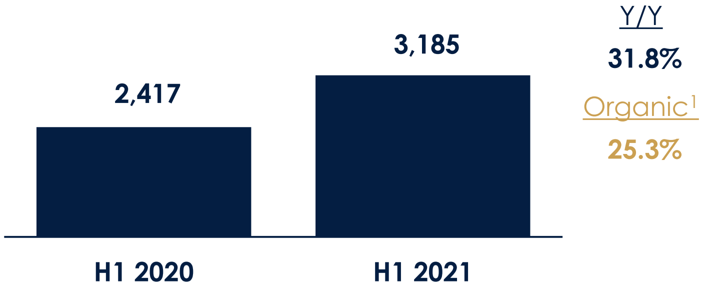
Operating profit	$0.31
Tax	$0.11
Net interest	($0.02)
NCI / Other	($0.06)

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

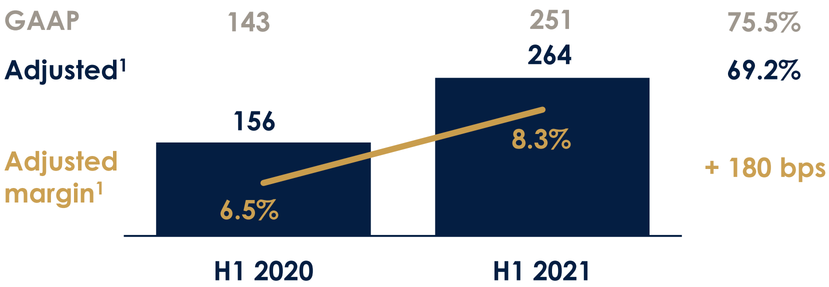
New Equipment

($ millions)

Net sales



Operating profit



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

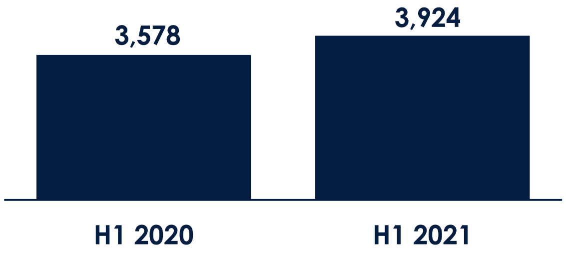
H1 Results

- Orders up 21.4% at constant currency[1]
- New Equipment share up ~1.5 pts[2]
- Organic[1] sales up 25.3%
  - Americas up 28.6%
  - EMEA up 18.5%
  - Asia up 26.0%
- Adjusted operating profit[1] up $108M and $91M at constant currency[1]

Service

($ millions)

Net sales

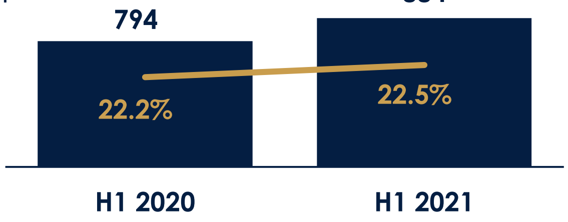


Y/Y
9.7%

Organic[1]
4.5%

Operating profit

	H1 2020	H1 2021	Y/Y
GAAP	781	871	11.5%
Adjusted[1]	794	884	11.3%
Adjusted margin[1]	22.2%	22.5%	+ 30 bps



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

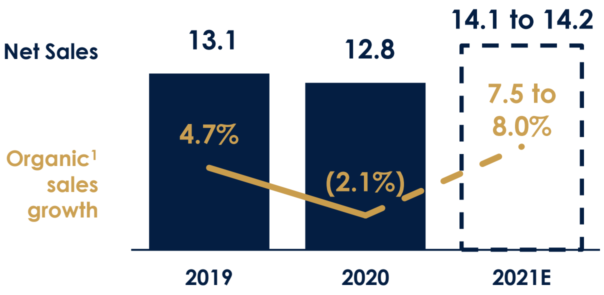
H1 Results

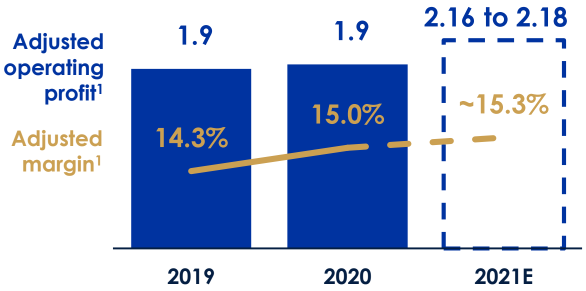
- Modernization orders up 8.2% at constant currency[1]
- Organic[1] sales up 4.5%
  - Maintenance & Repair up 4.4%
  - Modernization up 4.7%
- Adjusted operating profit[1] up $90M and $46M at constant currency[1]

Financial performance

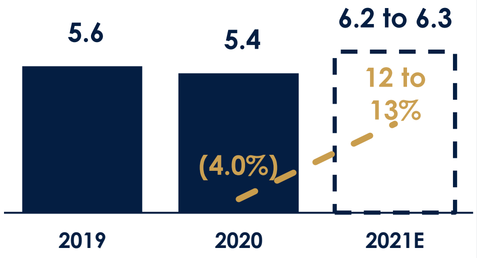
($ billions)

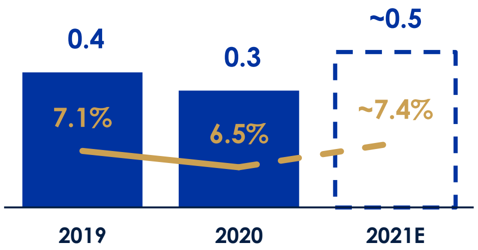
Otis



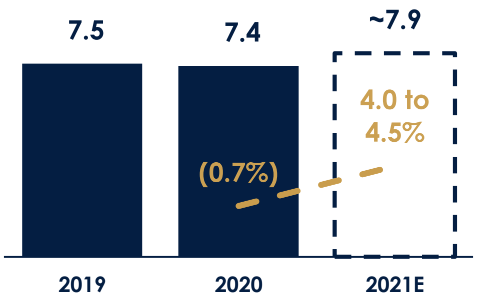


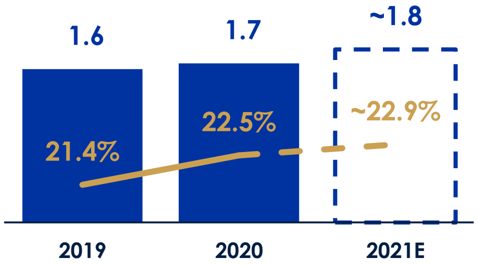
New Equipment





Service





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

Additional information

	Actuals			FY21 Outlook	
	1Q21	2Q21	1H21	Prior (April 26, 2021)	Updated
Restructuring expense	$15M	$11M	$26M	$60 – 70M	$60 – 70M
Non-service pension expense	$2M	$2M	$4M	$10 – 15M	$10 – 15M
Net interest expense	$32M	$27M	$59M	~$125M	~$120M
Adjusted effective tax rate	28.7%	26.9%	27.9%	~29.5%	~29.0%
Noncontrolling interest expense	$44M	$53M	$97M	$180 – 185M	$185 – 190M
Capital expenditures	$44M	$40M	$84M	$160 – 170M	$160 – 170M
Diluted shares outstanding	433.7M	431.6M	432.7M	~432M	~432M

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 solely for fiscal years prior to 2020 estimated standalone public company costs, as though Otis' operations had been conducted independently from UTC ("standalone costs"). Standalone costs for fiscal years prior to 2020 are based on quarterly estimates determined during Otis' annual planning process for the 2020 fiscal year. Recurring standalone costs for 2021 and 2020 are not adjusted.

Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs, other non-recurring significant items, UTC allocated costs and including solely for fiscal years prior to 2020 estimated standalone public company costs.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other non-recurring significant items and UTC allocated costs and including solely for fiscal years prior to 2020 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 solely for fiscal years prior to 2020 estimated 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, non-recurring significant items and solely for fiscal years prior to 2020 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 solely for fiscal years prior to 2020, 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 and to the extent applicable as if it had been a standalone public company for fiscal years prior to 2020.

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.

GAAP to adjusted financials reconciliation

($millions)	Otis		New Equipment		Service		Corporate/other	
Sales	**FY 2019**	**FY 2020**	**FY 2019**	**FY 2020**	**FY 2019**	**FY 2020**	**FY 2019**	**FY 2020**
Net sales	**13,118**	**12,756**	**5,648**	**5,371**	**7,470**	**7,385**	**0**	**0**
Income								
Net income attributable to Otis	**1,116**	**906**						
Noncontrolling interest in subsidiaries' earnings	151	150						
Income tax expense	594	455						
Net interest expense	(14)	122						
Non-service pension benefit (expense)	(33)	6						
GAAP operating profit	**1,814**	**1,639**	**393**	**318**	**1,603**	**1,611**	**(182)**	**(290)**
Restructuring	54	77	19	30	35	47	0	0
Loss on disposal of businesses	26	0	0	0	0	0	26	0
One-time separation costs	43	119	0	0	0	0	43	119
Insurance recovery	0	(17)	0	0	0	0	0	(17)
Fixed asset impairment	0	85	0	0	0	0	0	85
UTC allocated corporate expenses (a)	80	16	6	0	14	0	60	16
Standalone public company costs (b)	(147)	0	(16)	0	(56)	0	(75)	0
Other	2	0	0	0	3	0	(1)	0
Adjusted operating profit	**1,872**	**1,919**	**402**	**348**	**1,599**	**1,658**	**(129)**	**(87)**
Adjusted operating profit margin	*14.3%*	*15.0%*	*7.1%*	*6.5%*	*21.4%*	*22.5%*		
Non-service pension benefit (expense) (c)	(9)	(5)						
Net interest expense (d)	(160)	(123)						
Adjusted pre-tax profit	**1,703**	**1,791**						
Adjusted income tax expense	(581)	(545)						
Adjusted tax rate (e)	*34.1%*	*30.4%*						
Noncontrolling interest	(151)	(150)						
Adjusted net income	**971**	**1,096**						

(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)

2021 GAAP to adjusted financials reconciliation

($millions)	Otis				New Equipment				Service				Corporate/other			
Sales	**1Q20**	**2Q20**	**1Q21**	**2Q21**	**1Q20**	**2Q20**	**1Q21**	**2Q21**	**1Q20**	**2Q20**	**1Q21**	**2Q21**	**1Q20**	**2Q20**	**1Q21**	**2Q21**
Net sales	**2,966**	**3,029**	**3,408**	**3,701**	**1,123**	**1,294**	**1,458**	**1,727**	**1,843**	**1,735**	**1,950**	**1,974**	**0**	**0**	**0**	**0**
Income																
Net income attributable to Otis	**165**	**224**	**308**	**326**												
Noncontrolling interest in subsidiaries'	37	41	44	53												
Income tax expense	125	109	123	153												
Net interest expense	5	41	32	27												
Non-service pension benefit (expense)	(3)	1	2	2												
GAAP operating profit	**329**	**416**	**509**	**561**	**64**	**79**	**104**	**147**	**400**	**381**	**430**	**441**	**(135)**	**(44)**	**(25)**	**(27)**
Restructuring	6	20	15	11	1	12	5	8	5	8	10	3	0	0	0	0
One-time separation costs	32	21	9	0	0	0	0	0	0	0	0	0	32	21	9	0
Fixed asset impairment	67	0	0	0	0	0	0	0	0	0	0	0	67	0	0	0
UTC allocated corporate expenses (a)	16	0	0	0	0	0	0	0	0	0	0	0	16	0	0	0
Adjusted operating profit	**450**	**457**	**533**	**572**	**65**	**91**	**109**	**155**	**405**	**389**	**440**	**444**	**(20)**	**(23)**	**(16)**	**(27)**
Adjusted operating profit margin	*15.2%*	*15.1%*	*15.6%*	*15.5%*	*5.8%*	*7.0%*	*7.5%*	*9.0%*	*22.0%*	*22.4%*	*22.6%*	*22.5%*				
Non-service pension benefit (expense) (b)	3	(1)	(2)	(2)												
Net interest expense	(5)	(41)	(32)	(27)												
Adjusted pre-tax profit	**448**	**415**	**499**	**543**												
Adjusted income tax expense	(149)	(130)	(143)	(148)												
Adjusted tax rate (c)	*33.3%*	*31.3%*	*28.7%*	*26.9%*												
Noncontrolling interest	(37)	(41)	(44)	(53)												
Adjusted net income	**262**	**244**	**312**	**342**												

(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 and includes rounding.

Organic sales reconciliation

Q2 2021	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	15.4%	25.4%	7.8%	7.5%	9.3%
FX	6.5%	7.9%	5.7%	5.7%	4.8%
Net acquisitions / divestitures	0.3%	0.2%	0.3%	0.4%	0.3%
Total net sales growth	**22.2%**	**33.5%**	**13.8%**	**13.6%**	**14.4%**

H1 2021	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	12.9%	25.3%	4.5%	4.4%	4.7%
FX	5.5%	6.3%	4.9%	5.1%	4.2%
Net acquisitions / divestitures	0.2%	0.2%	0.3%	0.3%	0.2%
Total net sales growth	**18.6%**	**31.8%**	**9.7%**	**9.8%**	**9.1%**

Total Otis	2019	2020
Organic	4.7%	(2.1%)
FX	(3.1%)	(0.4%)
Net acquisitions / divestitures & other	0.0%	(0.3%)
Total net sales growth	**1.6%**	**(2.8%)**

Adjusted operating profit at constant currency reconciliation

($millions)	Q2 2020	Q2 2021	Y/Y	H1 2020	H1 2021	Y/Y
New Equipment						
Adjusted operating profit	91	155	64	156	264	108
Impact of foreign exchange	--	(12)	(12)	--	(17)	(17)
Adjusted operating profit at constant currency	91	143	52	156	247	91
Service						
Adjusted operating profit	389	444	55	794	884	90
Impact of foreign exchange	--	(24)	(24)	--	(44)	44
Adjusted operating profit at constant currency	389	420	31	794	840	46
Otis Consolidated						
Adjusted operating profit	457	572	115	907	1,105	198
Impact of foreign exchange	--	(35)	(35)	--	(61)	(61)
Adjusted operating profit at constant currency	457	537	80	907	1,044	137

SG&A reconciliation

($millions)	Q2 2020	Q2 2021	H1 2020	H1 2021
SG&A expense	**441**	**484**	**906**	**966**
Restructuring	(10)	(1)	(16)	(12)
One-time separation costs	(21)	(3)	(53)	(12)
UTC allocated corporate expenses (a)	0	0	(16)	0
Other	1	(1)	0	0
Adjusted SG&A	**411**	**480**	**821**	**942**
Adjusted SG&A % of sales	*13.6%*	*13.0%*	*13.7%*	*13.3%*

(a) Reflects costs for certain functions and services performed by UTC organizations that are allocated to Otis for purposes of carve-out financial statements.

Diluted earnings per share reconciliation

	Q2 2020	Q2 2021	H1 2020	H1 2021
GAAP diluted earnings per share	$0.52	$0.76	$0.90	$1.47
Impact of non-recurring items on diluted earnings per share	$0.04	$0.03	$0.27	$0.04
Adjusted diluted earnings per share	**$0.56**	**$0.79**	**$1.17**	**$1.51**

Free cash flow reconciliation

($millions)	Q2 2020	Q2 2021	H1 2020	H1 2021
Operating cash flow[1]	664	533	823	1,118
Capital expenditures	(36)	(40)	(75)	(84)
Free cash flow	**628**	**493**	**748**	**1,034**
GAAP net income	**224**	**326**	**389**	**634**
FCF conversion	280%	151%	192%	163%

1 Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Remaining performance obligation (RPO)

($billions)	Q2 2020	Q1 2021	Q2 2021
RPO at actual currency	16.4	17.3	17.5
FX/other[1]	0.1	(0.4)	(0.5)
RPO at constant currency	**16.5**	**16.9**	**17.0**

New Equipment backlog

Growth %	Q2 2021
Actual currency	10%
FX	(5%)
Constant currency	**5%**

1 Balances have been updated to reflect the impact of the constant currency calculation and other adjustments to ensure comparability.