OTIS

Q1 2022 Earnings Call

April 25, 2022

Forward-Looking Statements

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

This communication contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management's current expectations or plans for Otis' future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "medium-term," "near-term," "confident," "goals" and other words of similar meaning in connection with a discussion of future operating or financial performance, the tender offer by Otis to acquire the remaining issued and outstanding shares of Zardoya Otis, S.A (the "Tender Offer") and the separation (the "Separation") from United Technologies Corporation (now known as Raytheon Technologies Corporation ("RTX")). Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, dividends, share repurchases, tax rates, research & development spend, credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions of Otis in connection with the Tender Offer, statements that relate to climate change and our intent to achieve certain environmental, social and governance targets or goals, including operational impacts and costs associated therewith, and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, Otis claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which Otis and its businesses operate 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, pandemic health issues (including COVID-19 and variants thereof and the ongoing economic recovery therefrom and their effects on, among other things, global supply, demand and distribution), natural disasters, whether as a result of climate change or otherwise, and the financial condition of Otis' customers and suppliers; (2) the effect of changes in political conditions in the U.S. and other countries in which Otis and its businesses operate, including the effects of the ongoing conflict between Russia and Ukraine and related sanctions and export controls, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (3) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (4) future levels of indebtedness, capital spending and research and development spending; (5) future availability of credit and factors that may affect such availability, credit market conditions and Otis' capital structure; (6) the timing and scope of future repurchases of Otis' common stock ("Common Stock"), which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (7) fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of COVID-19, the ongoing conflict between Russia and Ukraine or otherwise; (8) cost reduction or containment actions, restructuring costs and related savings and other consequences thereof; (9) new business and investment opportunities; (10) the outcome of legal proceedings, investigations and other contingencies; (11) pension plan assumptions and future contributions; (12) the impact of the negotiation of collective bargaining agreements and labor disputes; (13) 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 as a result of the ongoing conflict between Russia and Ukraine; (14) the ability of Otis to retain and hire key personnel; (15) the scope, nature, impact or timing of acquisition and divestiture activity, the integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (16) the ability to achieve the expected benefits of the Tender Offer and the timing thereof; (17) the ability to achieve the expected benefits of the Separation; (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; and (19) the amount of our obligations and nature of our disputes that have or may hereafter arise under the agreements we entered into with RTX and Carrier Corporation in connection with the Separation. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary from those stated in forward-looking statements, see Otis' registration statement on Form 10 and the reports of Otis on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC from time to time. Any forward-looking statement speaks only as of the date on which it is made, and Otis assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Q1 2022 highlights

Strong start to the year

- New Equipment share gain, up ~1 pt[1]
- Maintenance portfolio up >3%... retention, conversion and recapture rates up year-over-year
- Organic[2] sales growth, driven by Service
- Adjusted EPS[2] up 6.9%...driven by operating profit growth and progress on reducing the adj. tax rate

Progress on capital allocation…creating value

- Repurchased $200M of shares…additional $300M planned in 2022…Board approved new $1B share repurchase authorization
- Increased quarterly dividend by 20.8% in April... increased 45% since spin
- Acquired over 95% ownership in Zardoya Otis in April…delisting expected in May

Orders

Yonghyun Xi Crest Apartments
Incheon, Korea

Shenzhen Metro
Shenzhen, China

Published inaugural ESG report

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

OTIS

Q1 2022 update

Q1 2022 Results

- New Equipment orders up 8.8% at constant currency[1]…up 10.9% on a rolling 12-month basis
- New Equipment backlog up 4% and 6% at constant currency[1]
- Organic[1] sales up 3.1%... Service up 5.8%, New Equipment down 0.5%
- Adjusted operating profit margin[1] expanded 30 bps
- Free cash flow[1] of $474M…152% conversion[1] of GAAP net income

Revised 2022 Outlook

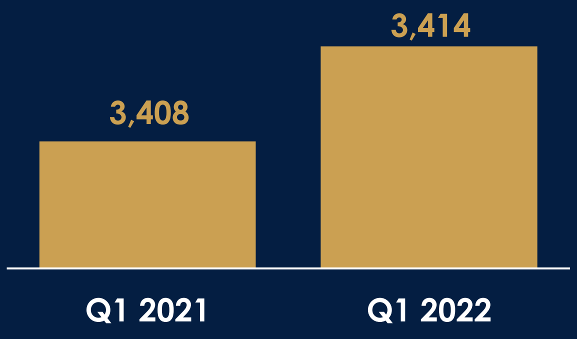
- Removed Russia operations from current outlook and prior year compares[2]
- Adjusted net sales[1] of $14.1 to $14.3B, up 0.5 to 1.5%; organic up 3 to 4%
- Adjusted operating profit[1] of $2.2 to $2.25B, up $105 to $155M at constant currency[1]; up $40 to $90M at actual currency
- Adjusted EPS[1] of $3.22 to $3.27, up 9 to 11%
- Free cash flow[1,3] of ~$1.6B…~120% conversion[1] of GAAP net income

1 See appendix for additional information regarding these non-GAAP financial measures. 2 For the purpose of year-over-year comparisons, 2021 has been adjusted to exclude Russia when discussing outlook. Beginning in Q2 2022 Otis will report adjusted results excluding Russia. 3 Free cash flow and free cash flow conversion outlook includes Russia results.

Q1 2022 results

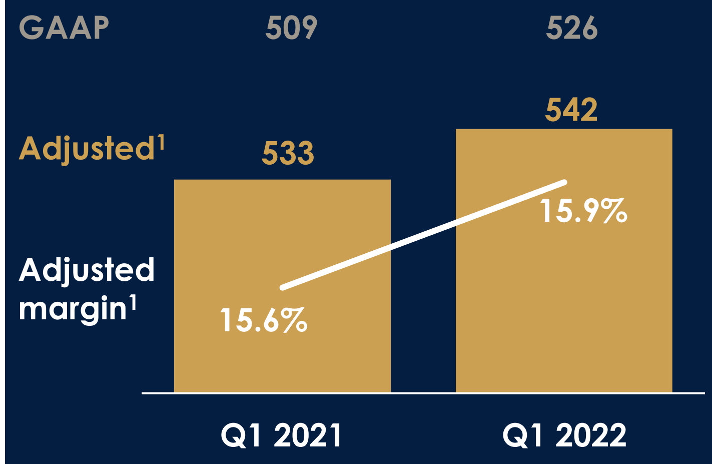
($ millions, except per share amounts)

Sales



Organic[1]	3.1%
FX	(3.0%)
Net acquisitions/other	0.1%
Total net sales	**0.2%**

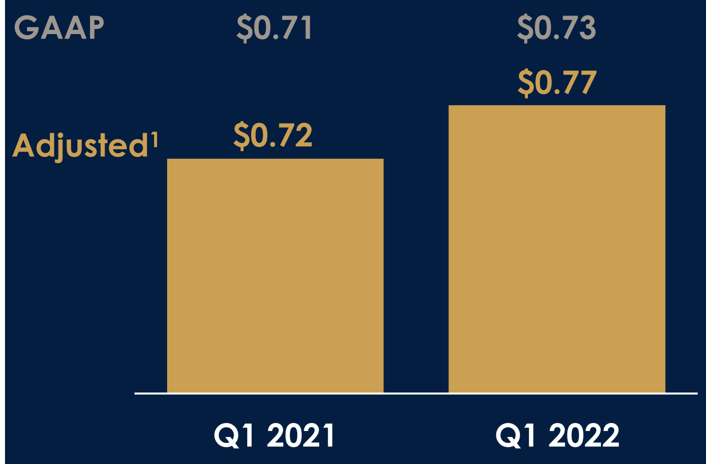
Operating profit



Constant Currency[1]	29
FX	(20)
Actual Currency	**9**

Adjusted operating profit margin[1] expanded 30 basis points to 15.9%, driven by Service

Diluted earnings per share



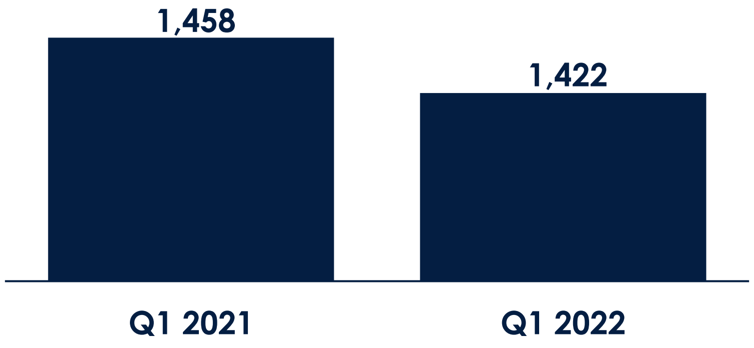
Adjusted EPS[1] drivers	
Operating profit	$0.02
Tax	$0.02
Shares	$0.01

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

New Equipment

($ millions)

Net sales

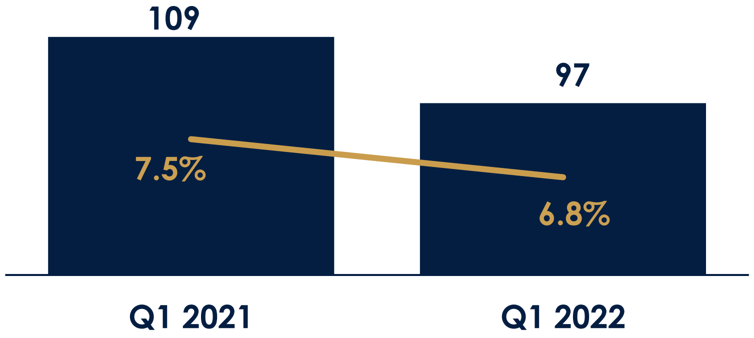


Y/Y
(2.5%)

Organic[1]
(0.5%)

Operating profit

	Q1 2021	Q1 2022	Y/Y
GAAP	104	93	(10.6%)
Adjusted[1]	**109**	**97**	**(11.0%)**
Adjusted margin[1]	7.5%	6.8%	(70) bps



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

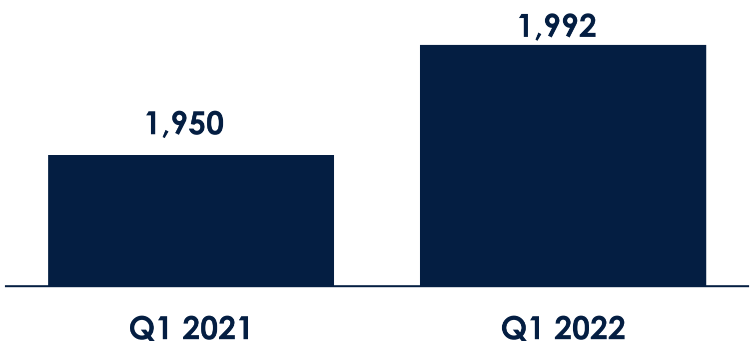
Q1 Results

- Orders up 8.8% at constant currency[1]… growth in all regions with 8th consecutive quarter of growth in China
- 1Q22 New Equipment share up ~1 pt[2]
- New Equipment backlog up 4%, and 6% at constant currency[1]
- Organic[1] sales down 0.5%
  - Americas down 2.2%
  - EMEA up 3.9%
  - Asia down 2.2%
- Adjusted operating profit[1] down $12 million… installation productivity and lower bad debt expense more than offset by commodity headwinds and lower volume

Service

($ millions)

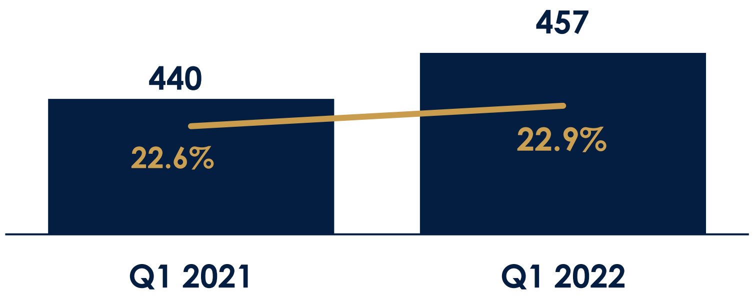
Net sales



Y/Y
2.2%
Organic[1]
5.8%

Operating profit

	Q1 2021	Q1 2022	Y/Y
GAAP	430	447	4.0%
Adjusted[1]	440	457	3.9%
Adjusted margin[1]	22.6%	22.9%	+ 30 bps



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

Q1 Results

- Maintenance units up >3% versus prior year…growth in all regions
- Modernization orders down 5.9% at constant currency[1]…up 5.7% on a rolling 12-month basis…backlog up 3%
- Organic[1] sales up 5.8%
  - Maintenance & Repair up 5.6%
  - Modernization up 6.9%
- Adjusted operating profit[1] up $17M and up $40M at constant currency[1]… higher volume, favorable pricing and productivity, partially offset by headwinds from labor inflation

2022 financial outlook

	Prior outlook	Current outlook (excludes Russia[3])
Organic[1] sales	**Otis** up 2.5 to 4.5% **New Equipment** up 0.5 to 3.0% **Service** up 4.0 to 6.0%	**Otis** up 3 to 4% **New Equipment** flat to up 1.5% **Service** up 5.0 to 6.0%
Adjusted operating profit[1] margin	**Otis** up ~30 bps **New Equipment** flat to up 20 bps **Service** up ~50 bps	**Otis** up ~30 bps **New Equipment** down 20 to 60 bps **Service** up ~70 bps
Adjusted EPS[1]	**Adjusted EPS[1]** $3.20 to $3.30, up 6 to 10%	**Adjusted EPS[1]** $3.22 to $3.27, up 9 to 11%
Free cash flow[1] & capital deployment	**Free cash flow[1]** ~$1.6B, 115 to 120% conversion **Debt repayment** ~$500M **Share repurchases** after debt repayment[2]	**Free cash flow[4]** ~$1.6B, ~120% conversion **Debt repayment** ~$500M **Share repurchases** ~$500M

1 See appendix for additional information regarding these non-GAAP financial measures. 2 Due to the increased debt incurred to fund the Zardoya Otis tender offer, we temporarily suspended share repurchases as we focused on deleveraging. 3 For the purpose of year-over-year comparisons, 2021 has been adjusted to exclude Russia when discussing outlook. Beginning in Q2 2022 Otis will report adjusted results excluding Russia. 4 Free cash flow and free cash flow conversion includes Russia results.

2022 organic[1] sales outlook

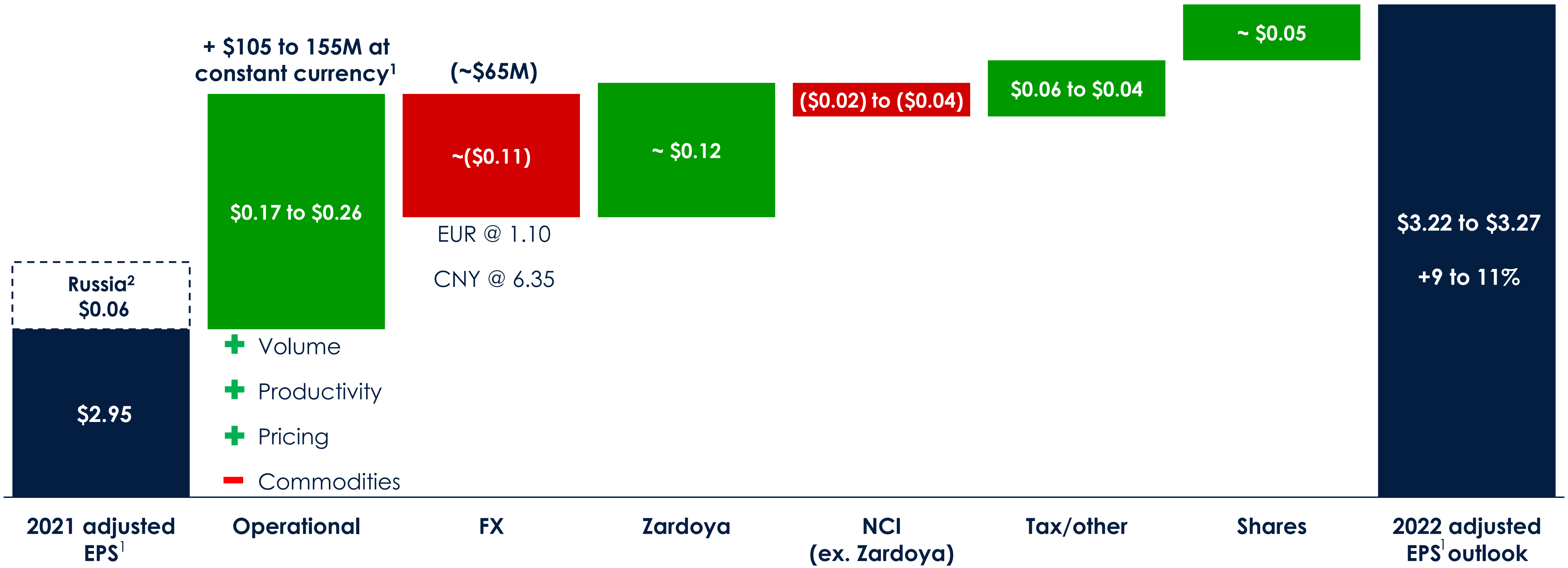
	Prior outlook (January 31, 2022)	Updated outlook (excluding Russia[2])
New Equipment	**up 0.5 to 3.0%**	**flat to up 1.5%**
Americas	up low single	up low single
EMEA	up mid single	up low to mid single
Asia	up or down slightly	down slightly
Service	**up 4.0 to 6.0%**	**up 5 to 6.0%**
Maintenance & repair	up 4.0 to 6.0%	up 5.0 to 6.0%
Modernization	up 4.0 to 6.0%	up 5.0 to 6.0%
Otis	**up 2.5 to 4.5%**	**up 3 to 4%**

1 See appendix for additional information regarding these non-GAAP financial measures. 2 For the purpose of year-over-year comparisons, 2021 has been adjusted to exclude Russia when discussing outlook. Beginning in Q2 2022 Otis will report adjusted results excluding Russia.

Outlook drivers

- Q1 New Equipment backlog up 6% at constant currency[1]…conversion slower than prior estimate due to customer delays
- New Equipment and Service pricing tailwinds
- Accelerated maintenance portfolio growth…up >3% in Q1
- Continued recovery on discretionary repair
- Increased modernization demand and backlog conversion…backlog up 3% at constant currency[1]

2022 adjusted EPS[1] growth outlook drivers



vs. prior outlook (at the midpoint)

2021 adjusted EPS	Operational	FX	Zardoya	NCI (ex. Zardoya)	Tax/other	Shares	2022 adjusted EPS outlook
($0.06)	$ -	($0.04)	+$0.02	$ -	+$0.03	+$0.05	$ -

1 See appendix for additional information regarding these non-GAAP financial measures.
2 For the purpose of year-over-year comparisons, 2021 has been adjusted to exclude Russia when discussing outlook. Beginning in Q2 2022 Otis will report adjusted results excluding Russia.

Otis fundamentals…driving value creation[1]

Sales

- Invest in innovation
- Gain New Equipment share
- Accelerate portfolio growth

Sustainable growth

Operating Profit

- Drop through from volume
- Optimize supply chain & installation process
- Drive service productivity
- Rationalize SG&A

Expand operating margin

Cash & Capital Deployment

- Reduce effective tax rate
- Make targeted investments
- Raise dividends
- Continue share repurchases

Return cash to shareholders

1 Based on Otis internal estimates and expectations.

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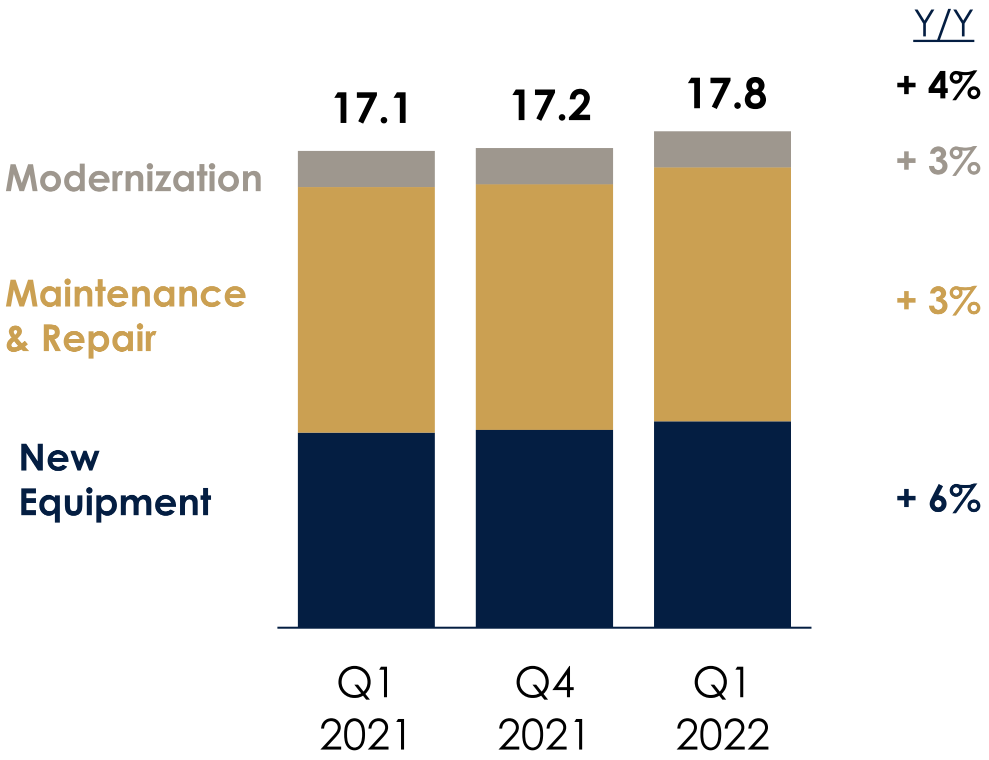
Appendix

Backlog and orders

($billions, at constant currency[1])

Remaining performance obligation

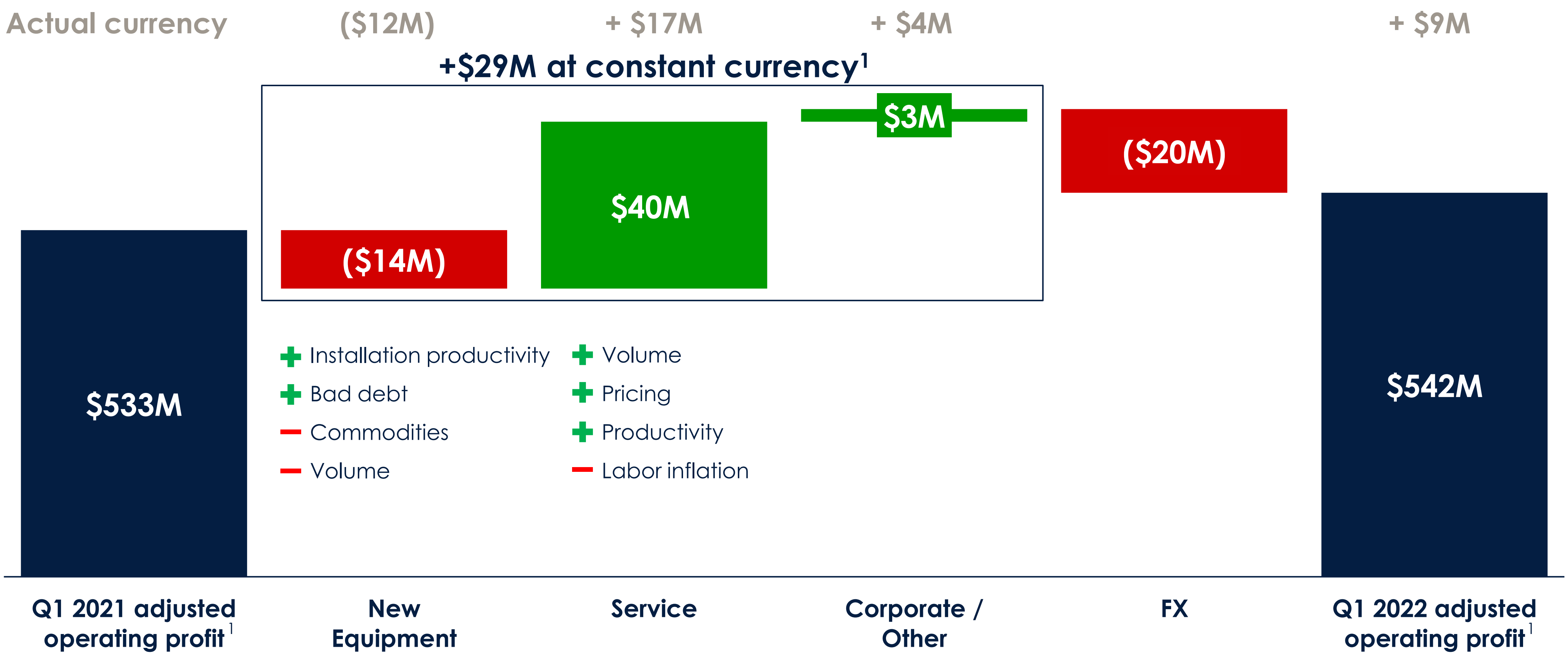


New Equipment orders

Region	Q1 2022 Y/Y	12-month rolling
Total Otis	**8.8%**	**10.9%**
Americas	9.1%	13.0%
EMEA	16.8%	7.8%
Asia	4.9%	11.3%

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

Q1 2022 adjusted operating profit[1] drivers



Adjusted operating profit margin[1] expanded 30 basis points to 15.9%

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

Additional information

	Actuals	FY22 Outlook	
	1Q22	Prior (Jan 31, 2022)	Updated
Restructuring expense	$14M	$70 to $75M	$70 to $75M
Non-service pension expense	$0M	~$8M	~$5M
Adjusted net interest expense (a)	$32M	$130 to $135M	$130 to $135M
Adjusted effective tax rate (b)	27.3%	27.5 to 28.0%	~27.7%
Noncontrolling interest expense	$42M	$135 to $145M	$125 to $135M
Capital expenditures	$30M	$170 to $180M	$150 to $160M
Diluted shares outstanding	427.7M	~432M	~425M

Currency exposure	2021 sales
USD	26%
EUR	21%
CNY	20%
Other	33%

(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest expense in Q321 and Q421 related to the pending Zardoya Otis transaction.
(b) 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.

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. Adjusted net sales, organic sales, adjusted selling, general and administrative ("SG&A") expense, adjusted operating profit, adjusted net income, adjusted diluted earnings per share ("EPS"), adjusted effective tax rate, adjusted remaining performance obligation ("RPO"), constant currency and free cash flow are non-GAAP financial measures. Adjusted net sales represents net sales (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature ("other significant items"). Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items. 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 and other significant items. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and related net interest expense pending the completion of a transaction. The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for other significant items and the tax impact of restructuring costs and other significant items. Adjusted net income represents net income attributable to Otis Worldwide Corporation (a GAAP measure), excluding restructuring costs and other significant items, adjusted net interest expense and adjusted effective tax expense. Adjusted EPS represents diluted earnings per share from attributable to common shareholders (a GAAP measure), adjusted for the per share impact of restructuring and other significant items. Adjusted RPO represents RPO (a GAAP measure), excluding other significant items. Management believes that adjusted net sales, organic sales, adjusted SG&A, adjusted operating profit, adjusted net income, adjusted EPS, adjusted effective tax rate and adjusted RPO are useful measures in providing period-to-period comparisons of the results of the Company's ongoing operational performance. 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 adjusted net sales, 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.

Q1 2022 GAAP to adjusted financials reconciliation

($millions)	Otis	New Equipment	Service	Corporate/ other
Sales	**1Q22**	**1Q22**	**1Q22**	**1Q22**
Net sales	**3,414**	**1,422**	**1,992**	**0**
Income				
Net income attributable to Otis	**311**			
Noncontrolling interest in subsidiaries'	42			
Income tax expense	136			
Net interest expense	37			
Non-service pension benefit (expense)	0			
GAAP operating profit	**526**	**93**	**447**	**(14)**
Restructuring	14	4	10	0
One-time separation costs	2	0	0	2
Adjusted operating profit	**542**	**97**	**457**	**(12)**
Adjusted operating profit margin	*15.9%*	*6.8%*	*22.9%*	
Non-service pension benefit (expense)	0			
Adjusted net interest expense (a)	(32)			
Adjusted pre-tax profit	**510**			
Adjusted income tax expense	(139)			
Adjusted effective tax rate (b)	*27.3%*			
Noncontrolling interest	(42)			
Adjusted net income	**329**			

(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related net interest expense related to the pending Zardoya Otis transaction.
(b) 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 includes rounding.

2021 GAAP to adjusted financials reconciliation

Otis

($millions)	1Q21	2Q21	3Q21	4Q21	FY 2021
Sales					
Net sales	**3,408**	**3,701**	**3,620**	**3,569**	**14,298**
Income					
Net income attributable to Otis	**308**	**326**	**331**	**281**	**1,246**
Noncontrolling interest in subsidiaries'	44	53	48	29	174
Income tax expense	123	153	128	137	541
Net interest expense	32	27	33	44	136
Non-service pension benefit (expense)	2	2	2	5	11
GAAP operating profit	**509**	**561**	**542**	**496**	**2,108**
Restructuring	15	11	9	21	56
One-time separation costs	9	0	15	3	27
Adjusted operating profit	**533**	**572**	**566**	**520**	**2,191**
Adjusted operating profit margin	*15.6%*	*15.5%*	*15.6%*	*14.6%*	*15.3%*
Non-service pension benefit (expense)	(2)	(2)	(2)	(5)	(11)
Adjusted net interest expense (a)	(32)	(27)	(33)	(30)	(122)
Adjusted pre-tax profit	**499**	**543**	**531**	**485**	**2,058**
Adjusted income tax expense	(143)	(148)	(150)	(146)	(587)
Adjusted effective tax rate (b)	*28.7%*	*26.9%*	*28.2%*	*30.1%*	*28.5%*
Noncontrolling interest	(44)	(53)	(48)	(29)	(174)
Adjusted net income	**312**	**342**	**333**	**310**	**1,297**

New Equipment

($millions)	1Q21	2Q21	3Q21	4Q21	FY 2021
Net sales	**1,458**	**1,727**	**1,681**	**1,562**	**6,428**
GAAP operating profit	**104**	**147**	**131**	**77**	**459**
Restructuring	5	8	4	6	23
One-time separation costs	0	0	0	0	0
Adjusted operating profit	**109**	**155**	**135**	**83**	**482**
Adjusted operating profit margin	*7.5%*	*9.0%*	*8.0%*	*5.3%*	*7.5%*

Service

($millions)	1Q21	2Q21	3Q21	4Q21	FY 2021
Net sales	**1,950**	**1,974**	**1,939**	**2,007**	**7,870**
GAAP operating profit	**430**	**441**	**444**	**447**	**1,762**
Restructuring	10	3	5	15	33
One-time separation costs	0	0	0	0	0
Adjusted operating profit	**440**	**444**	**449**	**462**	**1,795**
Adjusted operating profit margin	*22.6%*	*22.5%*	*23.2%*	*23.0%*	*22.8%*

Corporate/other

($millions)	1Q21	2Q21	3Q21	4Q21	FY 2021
Net sales	**0**	**0**	**0**	**0**	**0**
GAAP operating profit	**(25)**	**(27)**	**(33)**	**(28)**	**(113)**
Restructuring	0	0	0	0	0
One-time separation costs	9	0	15	3	27
Adjusted operating profit	**(16)**	**(27)**	**(18)**	**(25)**	**(86)**

(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest expense in Q321 and Q421 related to the pending Zardoya Otis transaction.
(b) 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 includes rounding.

Organic sales reconciliation

Q1 2022	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	3.1%	(0.5%)	5.8%	5.6%	6.9%
FX	(3.0%)	(1.9%)	(3.8%)	(3.9%)	(3.4%)
Net acquisitions / divestitures	0.1%	(0.1%)	0.2%	0.2%	0.0%
Total net sales growth	**0.2%**	**(2.5%)**	**2.2%**	**1.9%**	**3.5%**

Adjusted operating profit at constant currency reconciliation

($millions)	Q1 2021	Q1 2022	Y/Y
New Equipment			
Adjusted operating profit	109	97	(12)
Impact of foreign exchange		(2)	(2)
Adjusted operating profit at constant currency	109	95	(14)
Service			
Adjusted operating profit	440	457	17
Impact of foreign exchange		23	23
Adjusted operating profit at constant currency	440	480	40
Otis Consolidated			
Adjusted operating profit	533	542	9
Impact of foreign exchange		20	20
Adjusted operating profit at constant currency	533	562	29

SG&A reconciliation

($millions)	Q1 2021	Q1 2022
SG&A expense	**482**	**459**
Restructuring	(11)	(11)
One-time separation costs	(9)	(3)
Adjusted SG&A	**462**	**445**
Adjusted SG&A % of sales	*13.6%*	*13.0%*

Diluted EPS and Tax reconciliations

	Q1 2021	Q1 2022
GAAP diluted earnings per share	$0.71	$0.73
Impact of non-recurring items on diluted earnings per share	$0.01	$0.04
Adjusted diluted earnings per share	**$0.72**	**$0.77**

	Q1 2021	Q1 2022
Effective tax rate	25.9%	27.8%
Impact of adjustments on effective tax rate	2.8%	(0.5%)
Adjusted effective tax rate	**28.7%**	**27.3%**

Free cash flow reconciliation

($millions)	Q1 2021	Q1 2022
Operating cash flow[1]	585	504
Capital expenditures	(44)	(30)
Free cash flow	**541**	**474**
GAAP net income	**308**	**311**
FCF conversion	176%	152%

1 Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Remaining performance obligation (RPO)

($billions)	Q1 2021	Q4 2021	Q1 2022
RPO at actual currency	17.3	17.1	17.5
FX/other[1]	(0.2)	0.1	0.3
RPO at constant currency	**17.1**	**17.2**	**17.8**

New Equipment backlog

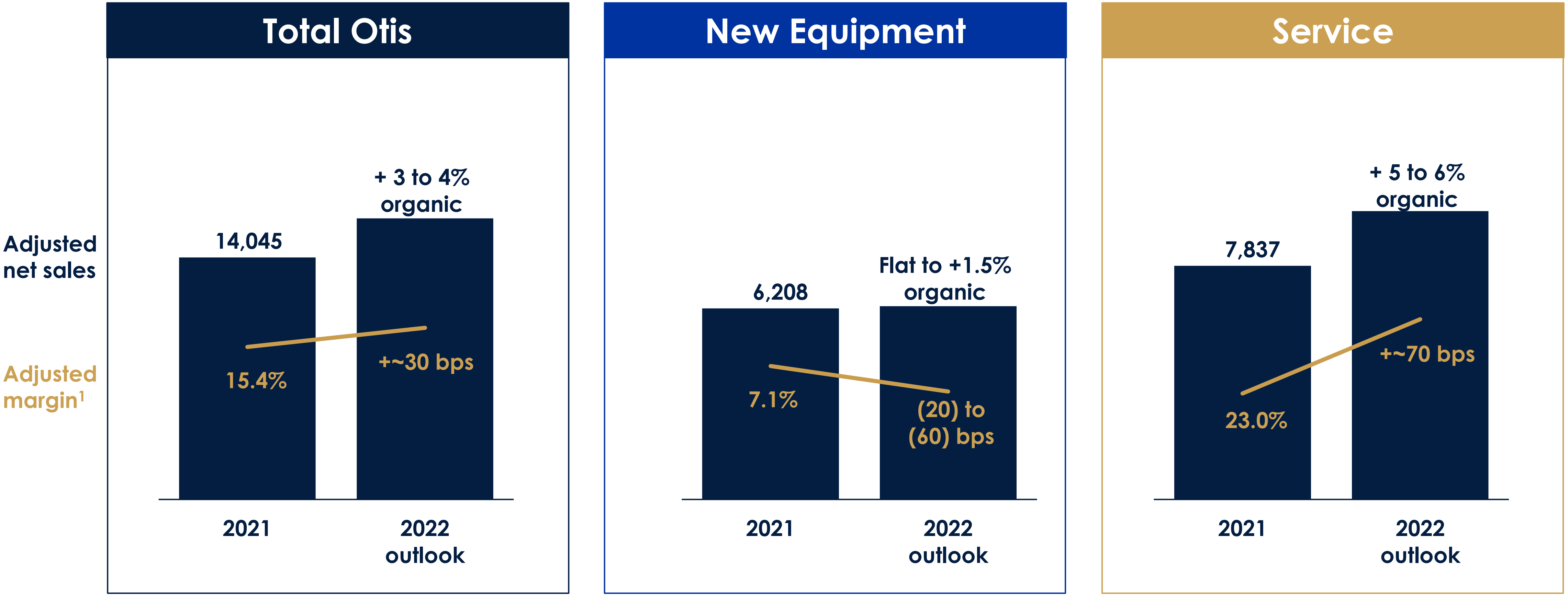
Growth %	Q1 2022
Actual currency	4%
FX	2%
Constant currency	**6%**

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

Adjusted historical results and 2022 outlook excluding Russia

2022 outlook (excluding Russia[2])

($ millions)



1 See appendix for additional information regarding these non-GAAP financial measures.
2 For the purpose of year-over-year comparisons, 2021 has been adjusted to exclude Russia when discussing outlook. Beginning in Q2 2022 Otis will report adjusted results excluding Russia.

Otis Russia

TRAILING 5 QUARTERS

($millions)

Otis

Sales	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	53	72	65	63	253	54

Income	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net income attributable to Otis	8	9	7	2	26	5
Noncontrolling interest in subsidiaries'	-	-	-	1	1	-
Income tax expense	2	2	1	2	7	1
Net interest expense	-	(1)	-	-	(1)	(1)
Non-service pension benefit (expense)	-	-	-	-	-	-
GAAP operating profit	10	10	8	5	33	5
Restructuring	-	-	-	-	-	-
One-time separation costs	-	-	-	-	-	-
Adjusted operating profit	10	10	8	5	33	5
Adjusted operating profit margin	*18.9%*	*13.9%*	*12.3%*	*7.9%*	*13.0%*	*9.3%*
Non-service pension	-	-	-	-	-	-
Adjusted net interest expense	-	1	-	-	1	1
Adjusted pre-tax profit	10	11	8	5	34	6
Adjusted income tax expense	(2)	(2)	(1)	(2)	(7)	(1)
Adjusted effective tax rate	*20.0%*	*18.2%*	*12.5%*	*40.0%*	*20.6%*	*16.7%*
Noncontrolling interest	-	-	-	(1)	(1)	-
Adjusted net income	8	9	7	2	26	5
Adjusted EPS	$0.02	$0.02	$0.01	$0.00	$0.06	$0.01

New Equipment

	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	45	64	57	54	220	47
GAAP operating profit	11	13	9	7	40	4
Restructuring	-	-	-	-	-	-
One-time separation costs	-	-	-	-	-	-
Adjusted operating profit	11	13	9	7	40	4
Adjusted operating profit margin	*24.4%*	*20.3%*	*15.8%*	*13.0%*	*18.2%*	*8.5%*

Service

	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	8	8	8	9	33	7
GAAP operating profit	(2)	(1)	(2)	(1)	(6)	(2)
Restructuring	-	-	-	-	-	-
One-time separation costs	-	-	-	-	-	-
Adjusted operating profit	(2)	(1)	(2)	(1)	(6)	(2)
Adjusted operating profit margin	*(25.0%)*	*(12.5%)*	*(25.0%)*	*(11.1%)*	*(18.2%)*	*(28.6%)*

Corporate/other

	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	-	-	-	-	-	-
GAAP operating profit	1	(2)	1	(1)	(1)	3
Restructuring	-	-	-	-	-	-
One-time separation costs	-	-	-	-	-	-
Adjusted operating profit	1	(2)	1	(1)	(1)	3

Total Otis results excluding Russia

TRAILING 5 QUARTERS

($millions)

Otis

Sales	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	3,408	3,701	3,620	3,569	14,298	3,414
Russia	53	72	65	63	253	54
Adjusted net sales	3,355	3,629	3,555	3,506	14,045	3,360

New Equipment

Sales	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	1,458	1,727	1,681	1,562	6,428	1,422
Russia	45	64	57	54	220	47
Adjusted net sales	1,413	1,663	1,624	1,508	6,208	1,375

Service

Sales	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	1,950	1,974	1,939	2,007	7,870	1,992
Russia	8	8	8	9	33	7
Adjusted net sales	1,942	1,966	1,931	1,998	7,837	1,985

Corporate/other

Sales	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net sales	-	-	-	-	-	-
Russia	-	-	-	-	-	-
Adjusted net sales	-	-	-	-	-	-

Otis

Income	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
Net income attributable to Otis	308	326	331	281	1,246	311
Noncontrolling interest in subsidiaries'	44	53	48	29	174	42
Income tax expense	123	153	128	137	541	136
Net interest expense	32	27	33	44	136	37
Non-service pension benefit (expense)	2	2	2	5	11	0
GAAP operating profit	509	561	542	496	2,108	526
Restructuring	15	11	9	21	56	14
One-time separation costs	9	0	15	3	27	2
Russia	(10)	(10)	(8)	(5)	(33)	(5)
Adjusted operating profit	523	562	558	515	2,158	537
Adjusted operating profit margin	15.6%	15.5%	15.7%	14.7%	15.4%	16.0%
Non-service pension (expense)	(2)	(2)	(2)	(5)	(11)	0
Adjusted net interest expense (a)	(32)	(28)	(33)	(30)	(123)	(33)
Adjusted pre-tax profit	489	532	523	480	2,024	504
Adjusted income tax expense	(141)	(146)	(149)	(144)	(580)	(138)
Adjusted effective tax rate (b)	28.8%	27.4%	28.5%	30.0%	28.7%	27.4%
Noncontrolling interest	(44)	(53)	(48)	(28)	(173)	(42)
Adjusted net income	304	333	326	308	1,271	324
Adjusted EPS	$0.70	$0.77	$0.76	$0.72	$2.95	$0.76

New Equipment

Income	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
GAAP operating profit	104	147	131	77	459	93
Restructuring	5	8	4	6	23	4
One-time separation costs	0	0	0	0	0	0
Russia	(11)	(13)	(9)	(7)	(40)	(4)
Adjusted operating profit	98	142	126	76	442	93
Adjusted operating profit margin	6.9%	8.5%	7.8%	5.0%	7.1%	6.8%

Service

Income	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
GAAP operating profit	430	441	444	447	1,762	447
Restructuring	10	3	5	15	33	10
One-time separation costs	0	0	0	0	0	0
Russia	2	1	2	1	6	2
Adjusted operating profit	442	445	451	463	1,801	459
Adjusted operating profit margin	22.8%	22.6%	23.4%	23.2%	23.0%	23.1%

Corporate/other

Income	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22
GAAP operating profit	(25)	(27)	(33)	(28)	(113)	(14)
Restructuring	0	0	0	0	0	0
One-time separation costs	9	0	15	3	27	2
Russia	(1)	2	(1)	1	1	(3)
Adjusted operating profit	(17)	(25)	(19)	(24)	(85)	(15)

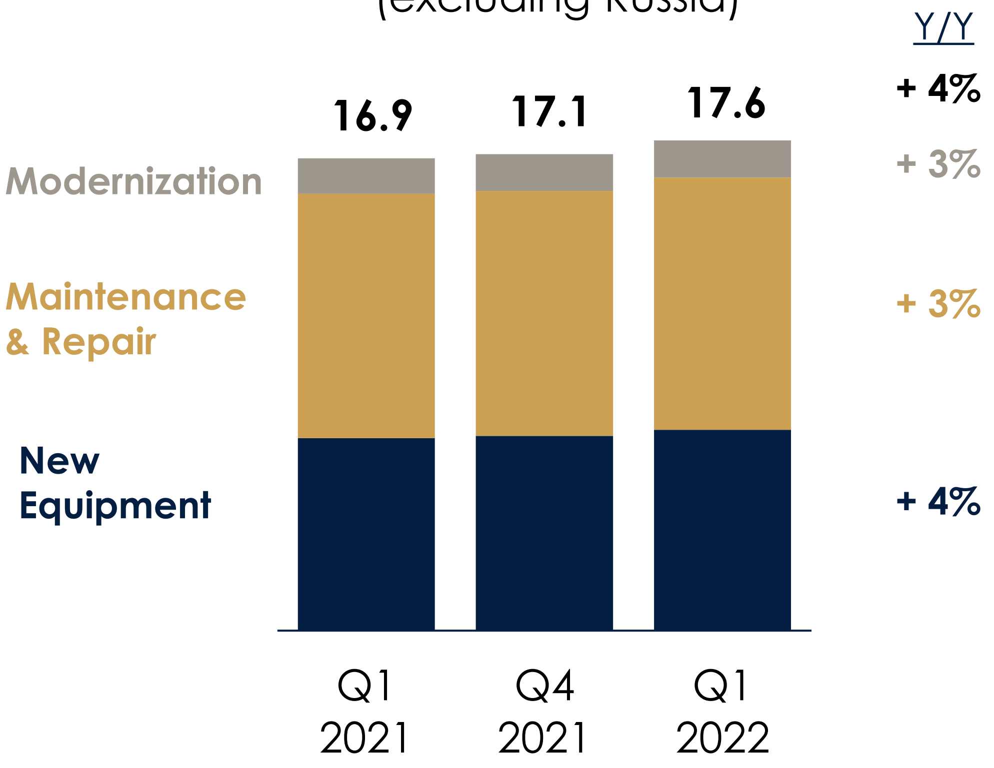
(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest expense related to the pending Zardoya Otis transaction.
(b) The adjusted effective tax rate represents the effective tax rate (a GAAP measure)adjusted for the tax impact of restructuring costs, other significant items and includes rounding.

Backlog and orders excluding Russia

($billions, at constant currency[1])

Adjusted remaining performance obligation[1]

(excluding Russia)



New Equipment orders

(excluding Russia)

Region	Q1 2022 Y/Y	12-month rolling
Total Otis	**6.7%**	**10.2%**
Americas	9.1%	13.0%
EMEA	7.7%	3.6%
Asia	4.9%	11.3%

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

Other reconciliations excluding Russia

Remaining performance obligation (RPO)

($billions)	Q1 2021	Q4 2021	Q1 2022
RPO at actual currency (GAAP measure)	17.3	17.1	17.5
Russia	(0.2)	0.0	(0.2)
FX/other[1]	(0.2)	0.1	0.3
Adjusted RPO at constant currency	**16.9**	**17.1**	**17.6**

New Equipment backlog

Growth %	Q1 2022
Actual currency (GAAP measure)	4%
Russia	(1%)
FX	1%
Adjusted NE backlog at constant currency	**4%**

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