OTIS

Q2 2022 Earnings Call

July 27, 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 pending sale of Otis' Russia business, 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, including the sale of its Russia business, 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, including the sale of Otis' Russia business, 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.

Q2 2022 highlights

Solid second quarter…making progress on long-term strategy

- Record New Equipment orders…New Equipment share up ~1 pt[1]
- Maintenance portfolio up nearly 3.5%... retention, conversion and recapture rates up year-over-year
- Organic[2] sales growth, driven by Service
- Adjusted EPS[2] up 11.7%

Creating value for shareholders

- Repurchased $200M of shares in Q2, $400M year-to-date
- Delisted Zardoya Otis in May

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

Q2 Orders

Terminal 4 at LAX
Los Angeles, California

Tour Triangle
Paris, France

Greater Bay Area
China

TP Tower
Seoul, South Korea

Q2 2022 update

Q2 2022 Results

- New Equipment orders up 16.5% at constant currency[1]…up 8.5% on a rolling 12-month basis
- New Equipment backlog up 6% and adjusted backlog up 10% at constant currency[1]
- Organic[1] sales up 0.4%... Service up 5.2%, New Equipment down 5.0%
- Adjusted operating profit margin[1] expanded 20 bps
- Free cash flow[1] of $326M…102% conversion[1] of GAAP net income

Revised 2022 Outlook

- Adjusted net sales[1] of $13.6 to $13.8B, up 2.5 to 3.5% organically and down 2 to 3% at actual currency
- Adjusted operating profit[1] of $2.1 to $2.2B, up $120 to $150M at constant currency[1]; up $5M to down $25M at actual currency with 30 basis points of margin expansion
- Adjusted EPS[1] of $3.17 to $3.21, up 7 to 9%
- Free cash flow[1] of ~$1.6B…~125% conversion[1] of GAAP net income
- Increasing share repurchase target to $700M in 2022

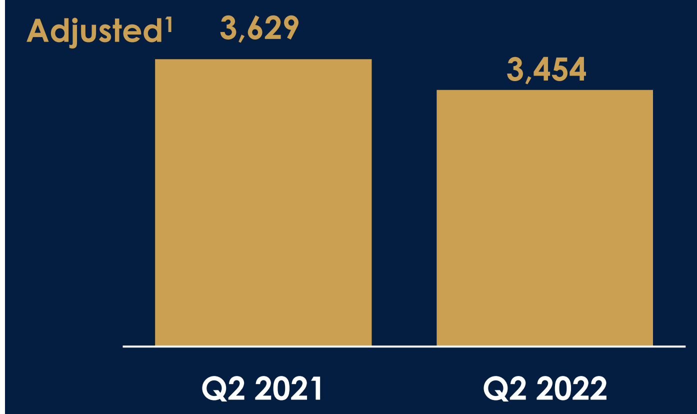
1 See appendix for additional information regarding these non-GAAP financial measures.

Q2 2022 results

($ millions, except per share amounts)

Sales

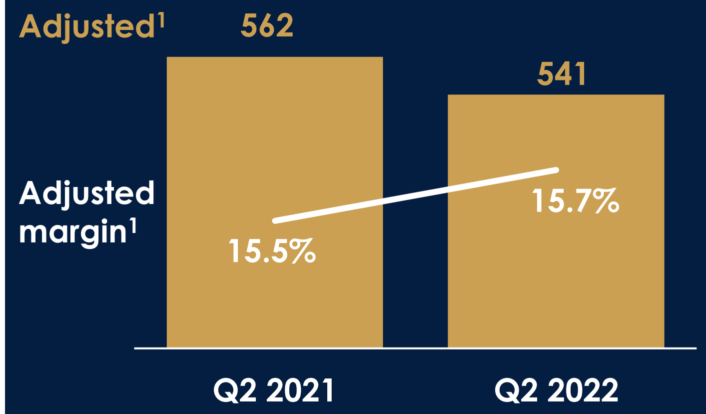
	Q2 2021	Q2 2022
GAAP	3,701	3,488



Organic[1]	0.4%
Russia	(1.0%)
FX	(5.3%)
Net acquisitions/other	0.1%
Total net sales	**(5.8%)**

Operating profit

	Q2 2021	Q2 2022
GAAP	561	487

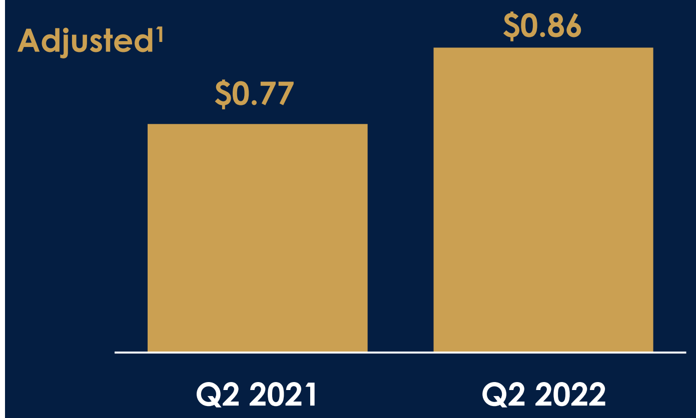


Adjusted operating profit[1] up $16M at constant currency[1], excluding $37M of FX headwinds

Adjusted operating profit margin[1] expanded 20 basis points to 15.7%, driven by Service

Diluted earnings per share

	Q2 2021	Q2 2022
GAAP	$0.76	$0.76



Adjusted EPS[1] drivers

Operational	$0.03
FX	($0.06)
Tax	$0.06
Shares	$0.02
Zardoya accretion	$0.04

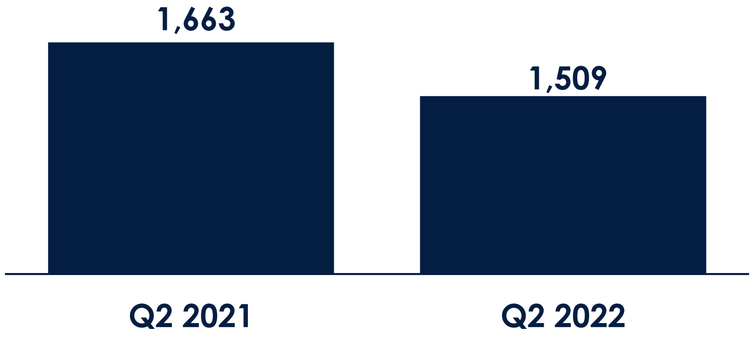
1 See appendix for additional information regarding these non-GAAP financial measures

New Equipment

($ millions)

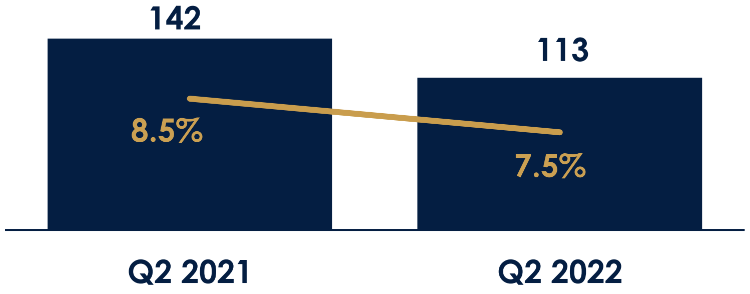
Net sales

	Q2 2021	Q2 2022	Y/Y
GAAP	1,727	1,534	(11.2%)
Adjusted[1]	1,663	1,509	(9.3%)
			Organic[1]
			(5.0%)



Operating profit

	Q2 2021	Q2 2022	Y/Y
GAAP	147	99	(32.7%)
Adjusted[1]	142	113	(20.4%)
Adjusted margin[1]	8.5%	7.5%	(100) bps



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

Q2 Results

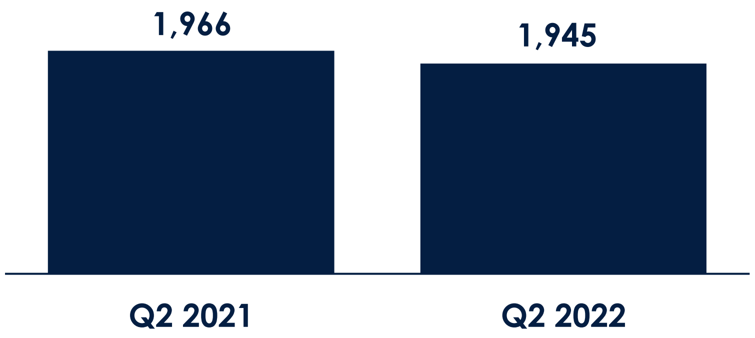
- Orders up 16.5% at constant currency[1]… double digit growth in the Americas and EMEA
- 2Q22 New Equipment share up ~1 pt[2]
- New Equipment backlog up 6% and adjusted backlog up 10% at constant currency[1]
- Organic[1] sales down 5.0%
  - Americas down 4.2%
  - EMEA up 2.7%
  - Asia down 8.7%
    - Asia Pacific up high single digits
    - China down low teens
- Adjusted operating profit[1] down $28 million at constant currency[1]… productivity and reductions in SG&A more than offset by the impact from lower volume, under absorption and commodity headwinds

Service

($ millions)

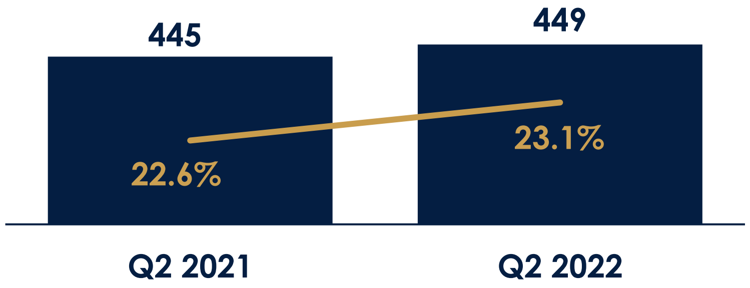
Net sales

	Q2 2021	Q2 2022	Y/Y
GAAP	1,974	1,954	(1.0%)
Adjusted[1]	1,966	1,945	(1.1%)
			Organic[1] 5.2%



Operating profit

	Q2 2021	Q2 2022	Y/Y
GAAP	441	435	(1.4%)
Adjusted[1]	445	449	0.9%
Adjusted margin[1]	22.6%	23.1%	+ 50 bps



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

Q2 Results

- Maintenance units up nearly 3.5% versus prior year…growth in all regions
- Modernization orders up 9.1% at constant currency[1]…backlog up 4%
- Organic[1] sales up 5.2%
  - Maintenance & Repair up 4.9%
  - Modernization up 6.4%
- Adjusted operating profit[1] up $39M at constant currency[1]… higher volume, favorable pricing and productivity, partially offset by annual wage inflation

2022 financial outlook

	Prior outlook	Current outlook
Organic[1] sales	**Otis** up 3 to 4% **New Equipment** flat to up 1.5% **Service** up 5.0 to 6.0%	**Otis** up 2.5 to 3.5% **New Equipment** down 0.5 to 1.0% **Service** up 5.5 to 6.5%
Constant currency adj. operating profit[1]	up $105 to $155M	up $120 to $150M
Adjusted operating profit[1] margin	**Otis** up ~30 bps **New Equipment** down 20 to 60 bps **Service** up ~70 bps	**Otis** up ~30 bps **New Equipment** down 20 to 60 bps **Service** up ~60 bps
Adjusted EPS[1]	$3.22 to $3.27, up 9 to 11%	$3.17 to $3.21, up 7 to 9%
Free cash flow[1] & capital deployment	**Free cash flow** ~$1.6B, ~120% conversion **Share repurchases** ~$500M	**Free cash flow** ~$1.6B, ~125% conversion **Share repurchases** ~$700M

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

2022 organic[1] sales outlook

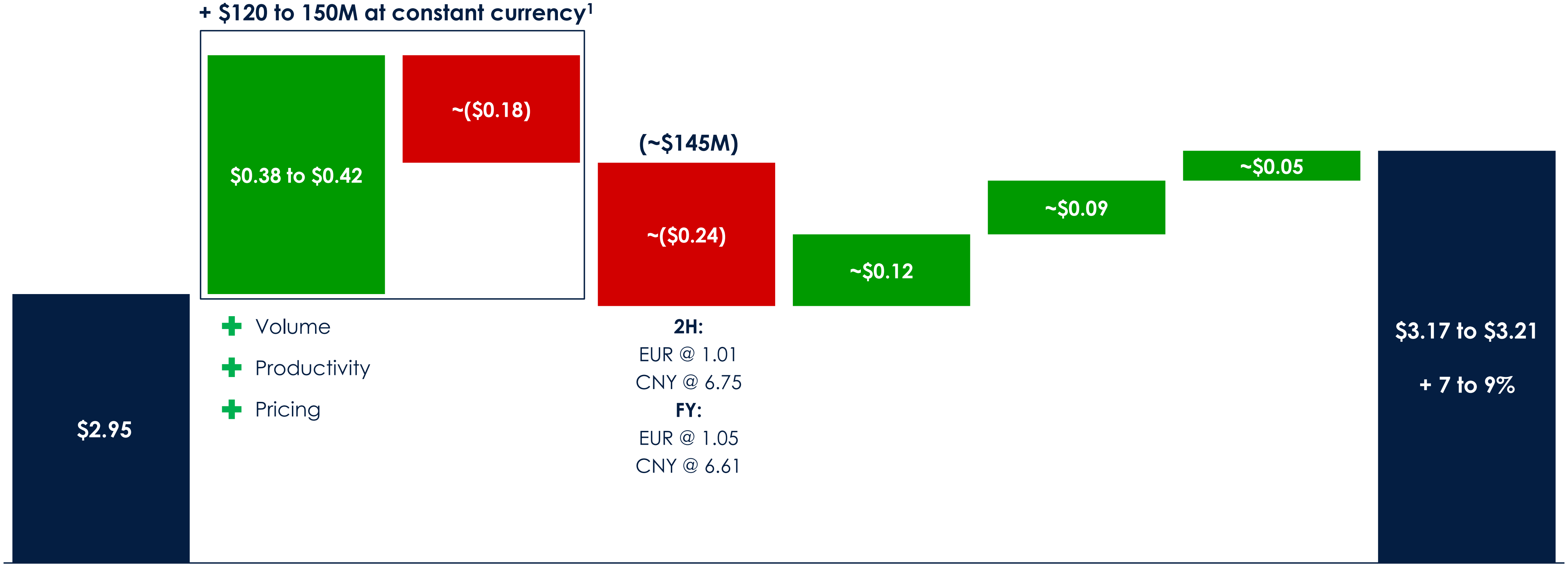
	Prior outlook (April 25, 2022)	Updated outlook
New Equipment	**flat to up 1.5%**	**down 0.5 to 1.0%**
Americas	up low single	~flat
EMEA	up low to mid single	up low to mid single
Asia	down slightly	down low single
Service	**up 5.0 to 6.0%**	**up 5.5 to 6.5%**
Maintenance & repair	up 5.0 to 6.0%	up 5.5 to 6.0%
Modernization	up 5.0 to 6.0%	up 6.0 to 9.0%
Otis	**up 3 to 4%**	**up 2.5 to 3.5%**

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

Outlook drivers

- Q2 New Equipment backlog up 10% at constant currency[1]… conversion slower than prior estimate due to construction delays and China market outlook
- Accelerated maintenance portfolio growth, up nearly 3.5% in Q2, and Service pricing tailwinds
- Continued recovery on discretionary repair
- Increased modernization demand and backlog conversion…backlog up 4% at constant currency[1]

2022 adjusted EPS[1] growth outlook drivers



	2021 adjusted EPS[1]	Operational execution	Commodities	FX	Zardoya	Tax/other	Shares	2022 adjusted EPS[1] outlook
vs. prior outlook (at the midpoint)		+ $0.01	$-	($0.13)	$-	+$0.06	$-	($0.06)

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

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.

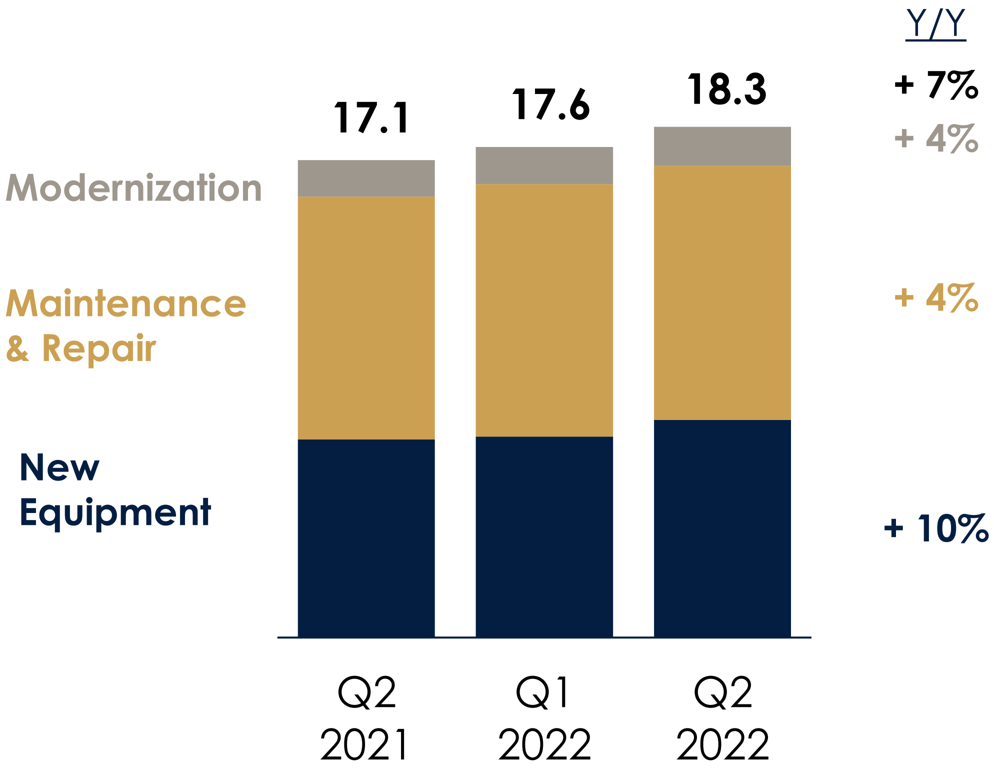
OTIS

Appendix

Backlog and orders

($billions, at constant currency[1])

Adjusted remaining performance obligation[1]

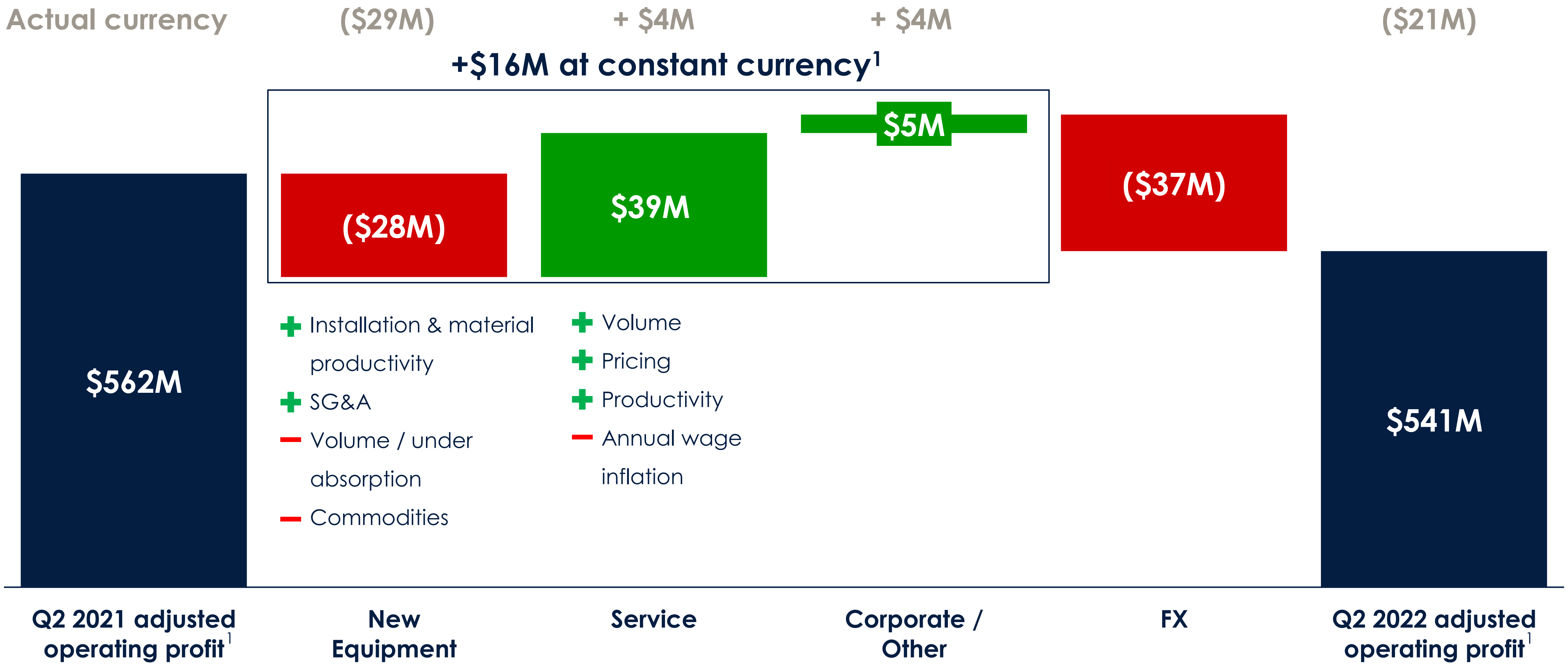


New Equipment orders

Region	Q2 2022 Y/Y	YTD 2022 Y/Y	12-month rolling
Total Otis	**16.5%**	**12.1%**	**8.5%**
Americas	56.6%	34.0%	18.6%
EMEA	29.3%	18.9%	5.5%
Asia	(5.5%)	(1.1%)	4.4%

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

Q2 2022 adjusted operating profit[1] drivers



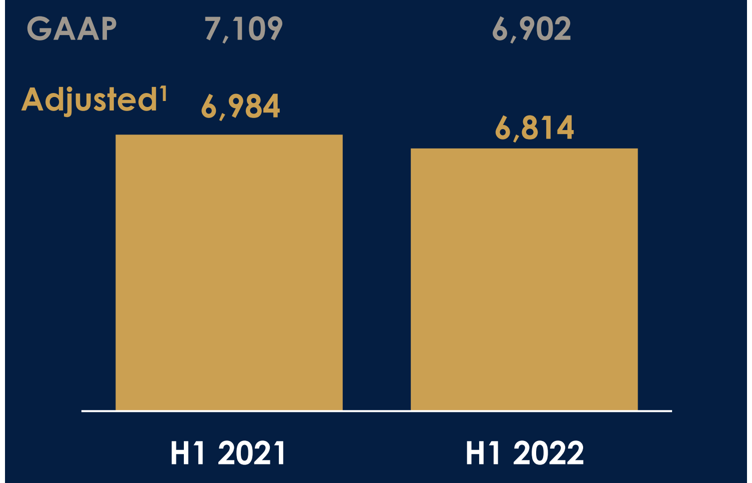
Adjusted operating profit margin[1] expanded 20 basis points to 15.7%

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

H1 2022 results

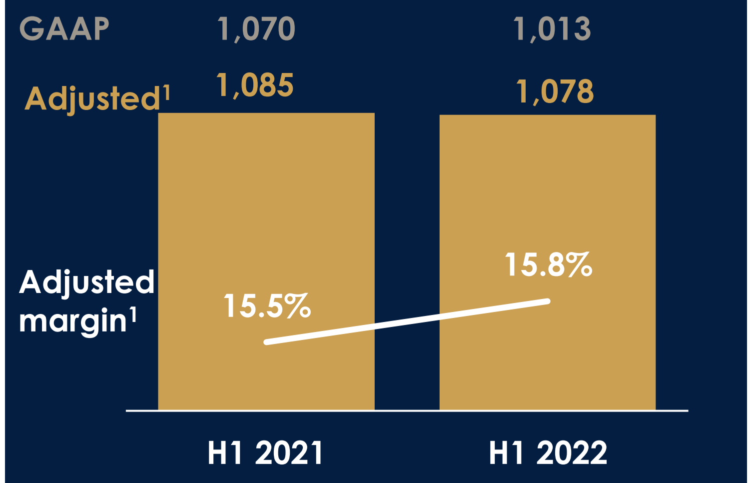
($ millions, except per share amounts)

Sales



Organic[1]	1.6%
Russia	(0.5%)
FX	(4.1%)
Net acquisitions/other	0.1%
Total net sales	**(2.9%)**

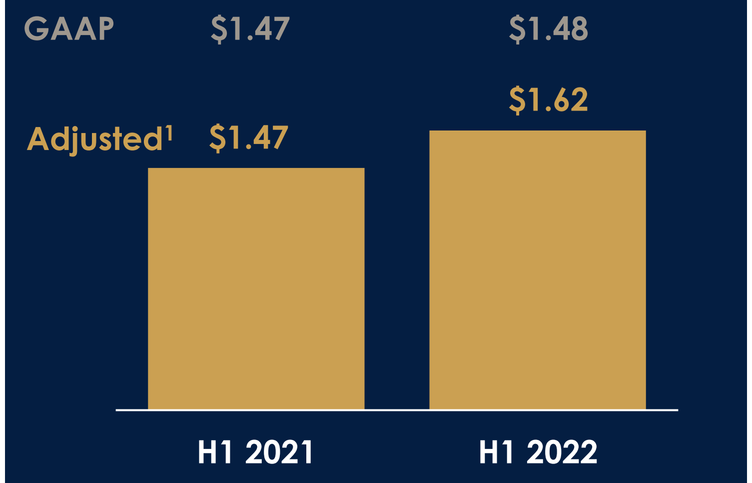
Operating profit



H1 adjusted operating profit[1] down $7 …up $50M at constant currency[1]

H1 adjusted operating profit margin[1] expanded 30bps

Diluted earnings per share



Adjusted EPS[1] drivers

Operational	$0.09
FX	($0.10)
Tax	$0.08
Shares/other	$0.04
Zardoya accretion	$0.04

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

New Equipment

($ millions)

Net sales

	H1 2021	H1 2022	Y/Y
GAAP	3,185	2,956	(7.2%)
Adjusted[1]	3,076	2,884	(6.2%)
			Organic[1]
			(3.2%)

Operating profit

	H1 2021	H1 2022	
GAAP	251	192	(23.5%)
Adjusted[1]	240	206	(14.2%)
Adjusted margin[1]	7.8%	7.1%	(70) bps

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

H1 Results

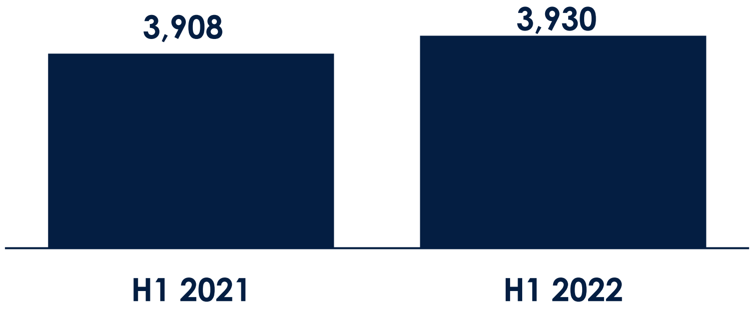
- Orders up 12.1% at constant currency[1]
- New Equipment share up ~1 pt[2]
- Organic[1] sales down 3.2%
  - Americas down 3.2%
  - EMEA up 2.2%
  - Asia down 5.9%
    - Asia Pacific up mid-single digits
    - China down high single digits
- Adjusted operating profit[1] down $34M and $35M at constant currency[1]

Service

($ millions)

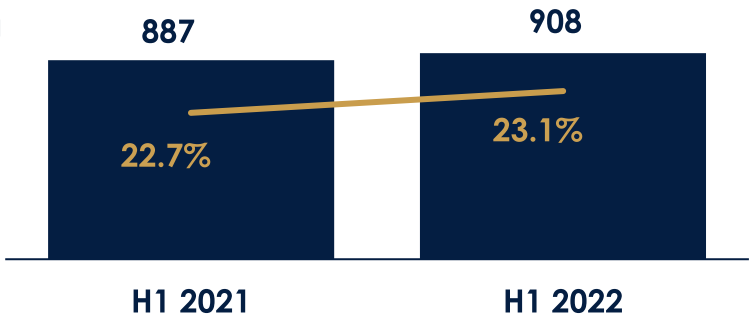
Net sales

	H1 2021	H1 2022	Y/Y
GAAP	3,924	3,946	0.6%
Adjusted[1]	3,908	3,930	0.6%
			Organic[1]
			5.5%



Operating profit

	H1 2021	H1 2022	
GAAP	871	882	1.3%
Adjusted[1]	887	908	2.4%
Adjusted margin[1]	22.7%	23.1%	+ 40 bps

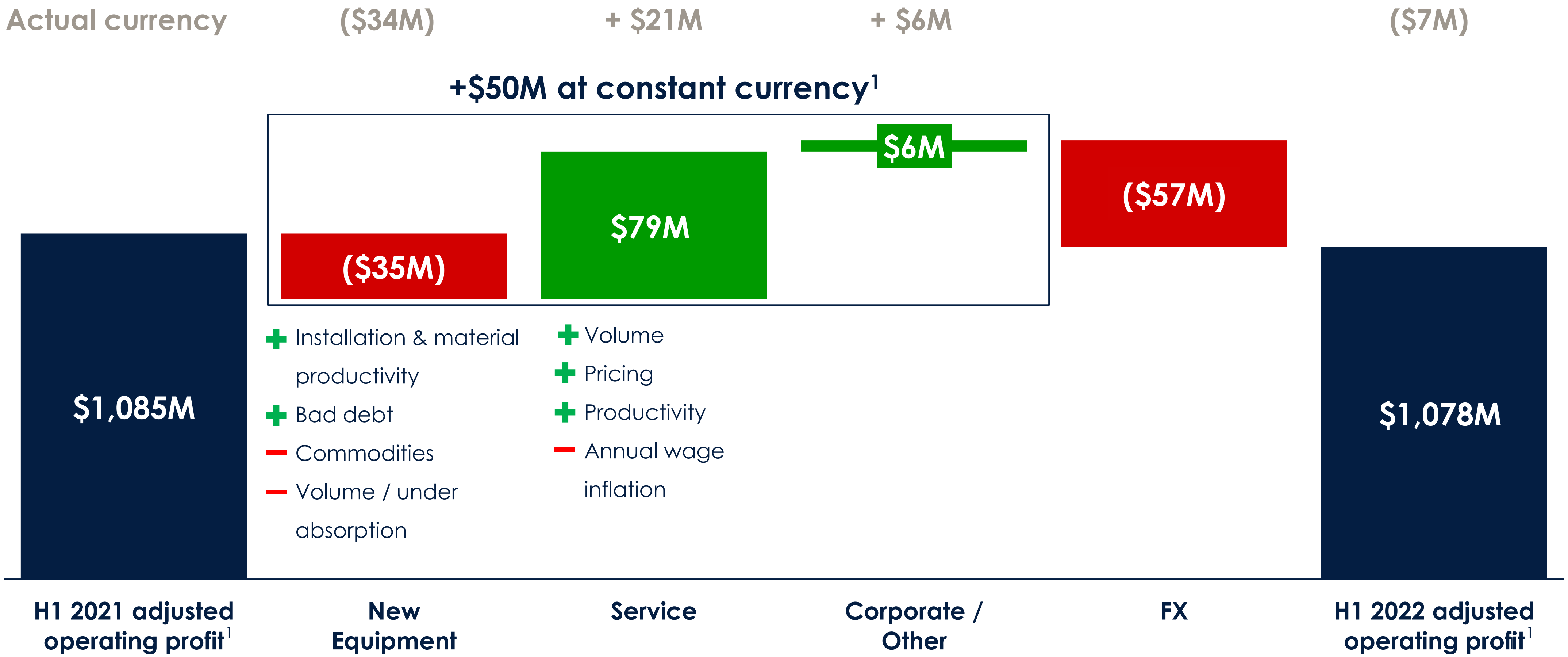


1 See appendix for additional information regarding these non-GAAP financial measures.

H1 Results

- Modernization orders up 1.7% at constant currency[1]
- Organic[1] sales up 5.5%
  - Maintenance & Repair up 5.2%
  - Modernization up 6.7%
- Adjusted operating profit[1] up $21M and $79M at constant currency[1]

H1 2022 adjusted operating profit[1] drivers



Adjusted operating profit margin[1] expanded 30 basis points to 15.8%

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

Additional information

	Actuals			FY22 Outlook	
	1Q22	2Q22	1H22	Prior (April 25, 2022)	Updated
Restructuring expense	$14M	$25M	$39M	$70 to $75M	$75 to $80M
Non-service pension expense	$0M	$1M	$1M	~$5M	~$3M
Adjusted net interest expense (a)	$33M	$35M	$68M	$130 to $135M	~$135M
Adjusted effective tax rate (b)	27.4%	22.4%	24.9%	~27.7%	26.5 to 26.7%
Noncontrolling interest expense	$42M	$27M	$69M	$125 to $135M	$120 to $125M
Capital expenditures	$30M	$27M	$57M	$150 to $160M	$150 to $160M
Diluted shares outstanding	427.7M	424.2M	425.9M	~425M	~424M

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 related to the Zardoya Otis transaction and Russia operations.
(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 general corporate expenses and other represents general corporate expenses and other (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 general corporate expenses and other, adjusted operating profit, adjusted net income, adjusted EPS, the 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.

2022 GAAP to adjusted financials reconciliation

($millions)	Otis		New Equipment		Service		Corporate/other	
Sales	**1Q22**	**2Q22**	**1Q22**	**2Q22**	**1Q22**	**2Q22**	**1Q22**	**2Q22**
Net sales	**3,414**	**3,488**	**1,422**	**1,534**	**1,992**	**1,954**	**0**	**0**
Russia	(54)	(34)	(47)	(25)	(7)	(9)	0	0
Adjusted net sales	**3,360**	**3,454**	**1,375**	**1,509**	**1,985**	**1,945**	**0**	**0**
Income	**1Q22**	**2Q22**						
Net income attributable to Otis	**311**	**321**						
Noncontrolling interest in subsidiaries'	42	27						
Income tax expense	136	103						
Net interest expense	37	35						
Non-service pension benefit (expense)	0	1						
GAAP operating profit	**526**	**487**	**93**	**99**	**447**	**435**	**(14)**	**(47)**
Restructuring	14	25	4	12	10	13	0	0
One-time separation costs	2	0	0	0	0	0	2	0
Russia operations	(5)	11	(4)	2	2	1	(3)	8
Russia investment impairment	0	18	0	0	0	0	0	18
Adjusted operating profit	**537**	**541**	**93**	**113**	**459**	**449**	**(15)**	**(21)**
Adjusted operating profit margin	*16.0%*	*15.7%*	*6.8%*	*7.5%*	*23.1%*	*23.1%*		
Non-service pension (expense)	0	(1)						
Adjusted net interest expense (a)	(33)	(35)						
Adjusted pre-tax profit	**504**	**505**						
Adjusted income tax expense	(138)	(113)						
Adjusted effective tax rate (b)	*27.4%*	*22.4%*						
Noncontrolling interest	(42)	(27)						
Adjusted net income	**324**	**365**						
Adjusted EPS	**$0.76**	**$0.86**						

(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 related to the Zardoya Otis transaction and Russia operations.
(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

($millions)

Otis

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

New Equipment

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

Service

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

Corporate/other

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

Otis

Income	1Q21	2Q21	3Q21	4Q21	FY 2021
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
Russia	(10)	(10)	(8)	(5)	(33)
Adjusted operating profit	**523**	**562**	**558**	**515**	**2,158**
Adjusted operating profit margin	*15.6%*	*15.5%*	*15.7%*	*14.7%*	*15.4%*
Non-service pension (expense)	(2)	(2)	(2)	(5)	(11)
Adjusted net interest expense (a)	(32)	(28)	(33)	(30)	(123)
Adjusted pre-tax profit	**489**	**532**	**523**	**480**	**2,024**
Adjusted income tax expense	(141)	(146)	(149)	(144)	(580)
Adjusted effective tax rate (b)	*28.8%*	*27.4%*	*28.5%*	*30.0%*	*28.7%*
Noncontrolling interest	(44)	(53)	(48)	(28)	(173)
Adjusted net income	**304**	**333**	**326**	**308**	**1,271**
Adjusted EPS	**$0.70**	**$0.77**	**$0.76**	**$0.72**	**$2.95**

New Equipment

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

Service

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

Corporate/other

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

(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 Zardoya Otis transaction and Russia operations.
(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

Q2 2022	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	0.4%	(5.0%)	5.2%	4.9%	6.4%
Russia	(1.0%)	(1.9%)	0.1%	0.1%	0.0%
FX	(5.3%)	(3.8%)	(6.5%)	(6.5%)	(6.1%)
Net acquisitions / divestitures	0.1%	(0.5%)	0.2%	0.2%	0.0%
Total net sales growth	**(5.8%)**	**(11.2%)**	**(1.0%)**	**(1.3%)**	**0.3%**

H1 2022	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	1.6%	(3.2%)	5.5%	5.2%	6.7%
Russia	(0.5%)	(1.0%)	0.0%	0.0%	0.0%
FX	(4.1%)	(2.7%)	(5.1%)	(5.1%)	(4.9%)
Net acquisitions / divestitures	0.1%	(0.3%)	0.2%	0.2%	0.0%
Total net sales growth	**(2.9%)**	**(7.2%)**	**0.6%**	**0.3%**	**1.8%**

Adjusted operating profit at constant currency reconciliation

($millions)	Q2 2021	Q2 2022	Y/Y	H1 2021	H1 2022	Y/Y
New Equipment						
Adjusted operating profit	142	113	(29)	240	206	(34)
Impact of foreign exchange	-	1	1	-	(1)	(1)
Adjusted operating profit at constant currency	142	114	(28)	240	205	(35)
				-		
Service						
Adjusted operating profit	445	449	4	887	908	21
Impact of foreign exchange	-	35	35	-	58	58
Adjusted operating profit at constant currency	445	484	39	887	966	79
				-		
Otis Consolidated						
Adjusted operating profit	562	541	(21)	1,085	1,078	(7)
Impact of foreign exchange	-	37	37	-	57	57
Adjusted operating profit at constant currency	562	578	16	1,085	1,135	50

SG&A reconciliation

($millions)	Q2 2021	Q2 2022	H1 2021	H1 2022
Adjusted Sales	3,629	3,454	6,984	6,814
SG&A expense	**484**	**439**	**966**	**898**
Restructuring	(1)	(14)	(12)	(25)
One-time separation costs	(3)	0	(12)	(3)
Russia	(3)	(2)	(8)	(7)
Adjusted SG&A	**477**	**423**	**934**	**863**
Adjusted SG&A % of adjusted sales	*13.1%*	*12.2%*	*13.4%*	*12.7%*

Diluted EPS and Tax reconciliations

	Q2 2021	Q2 2022	H1 2021	H1 2022
GAAP diluted earnings per share	$0.76	$0.76	$1.47	$1.48
Impact of non-recurring items on diluted earnings per share	$0.01	$0.10	$0.00	$0.14
Adjusted diluted earnings per share	**$0.77**	**$0.86**	**$1.47**	**$1.62**

	Q2 2021	Q2 2022	H1 2021	H1 2022
Effective tax rate	28.8%	22.8%	27.4%	25.4%
Impact of adjustments on effective tax rate	(1.4%)	(0.4%)	0.7%	(0.5%)
Adjusted effective tax rate	**27.4%**	**22.4%**	**28.1%**	**24.9%**

Free cash flow reconciliation

($millions)	Q2 2021	Q2 2022	H1 2021	H1 2022
Operating cash flow[1]	533	353	1,118	857
Capital expenditures	(40)	(27)	(84)	(57)
Free cash flow	**493**	**326**	**1,034**	**800**
GAAP net income	**326**	**321**	**634**	**632**
FCF conversion	151%	102%	163%	127%

1 Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Remaining performance obligation (RPO)

($billions)	Q2 2021	Q1 2022	Q2 2022
RPO at actual currency (GAAP measure)	17.5	17.5	17.7
Russia	(0.1)	(0.2)	(0.2)
FX/other[1]	(0.3)	0.3	0.8
Adjusted RPO at constant currency	**17.1**	**17.6**	**18.3**

New Equipment backlog

Growth %	Q2 2022
Actual currency (GAAP measure)	6%
Russia	(2%)
FX	6%
Adjusted NE backlog at constant currency	**10%**

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