

## OTIS REPORTS SECOND QUARTER 2024 RESULTS

### *Otis delivers continued strong Service performance leading to mid-teens EPS growth*

- GAAP EPS up 13.3% and adjusted EPS up 15.2% with continued margin expansion
- Service net sales up 3.0% and Service organic sales up 5.1%
- Mod orders up 14%, backlog up 15%, up 17% at constant currency
- Maintenance portfolio units increased 4.2%
- GAAP cash flow from operations of \$308 million; adjusted free cash flow of \$353 million
- Share repurchases of \$300 million
- 1H GAAP EPS up 11.2% and adjusted EPS up 12.8%, GAAP operating profit margin expansion of 30 basis points and adjusted operating profit margin expansion of 100 basis points, share repurchases of \$600 million
- Strong execution on *UpLift* program; increasing expected run rate savings to \$175 million by mid-2025
- Updated full-year outlook<sup>1</sup>; increasing adjusted EPS to \$3.85 to \$3.90

FARMINGTON, Conn., July 24, 2024 – Otis Worldwide Corporation (NYSE:OTIS) reported second quarter 2024 net sales of \$3.6 billion with organic sales down 1.2%. GAAP earnings per share (EPS) increased 13.3% to \$1.02 and adjusted EPS increased 15.2% to \$1.06.

“Otis delivered solid quarterly performance led by the strength in our Service segment, which delivered portfolio growth of 4.2%, mid-single digit organic sales growth and 110 basis points of margin expansion. Our overall performance delivered mid-teens EPS growth,” said Judy Marks, Chair, CEO, & President. “To drive growth, we continue to execute on our modernization strategy, with orders growth above 10% for the eighth consecutive quarter and backlog up mid-teens. Based on this performance, and with confidence in our Service-driven, customer-centric strategy, we are raising our EPS outlook.”

### Key Figures

(\$ millions, except per share amounts)	Quarter Ended June 30,				Six Months Ended June 30,			
	2024	2023	Y/Y	Y/Y (CFX)	2024	2023	Y/Y	Y/Y (CFX)
Net sales	\$ 3,601	\$ 3,720	(3.2)%	(1.1)%	\$ 7,038	\$ 7,066	(0.4)%	1.3 %
Organic sales growth				(1.2)%				1.2 %
<b>GAAP</b>								
Operating profit	\$ 570	\$ 580	\$ (10)		\$ 1,114	\$ 1,093	\$ 21	
Operating profit margin	15.8 %	15.6 %	20 bps		15.8 %	15.5 %	30 bps	
Net income	\$ 415	\$ 376	10.4 %		\$ 768	\$ 707	8.6 %	
Earnings per share	\$ 1.02	\$ 0.90	13.3 %		\$ 1.89	\$ 1.70	11.2 %	
<b>Adjusted non-GAAP comparison</b>								
Operating profit	\$ 613	\$ 590	\$ 23	\$ 38	\$ 1,174	\$ 1,108	\$ 66	\$ 88
Operating profit margin	17.0 %	15.9 %	110 bps		16.7 %	15.7 %	100 bps	
Net income	\$ 428	\$ 383	11.7 %		\$ 789	\$ 718	9.9 %	
Earnings per share	\$ 1.06	\$ 0.92	15.2 %		\$ 1.94	\$ 1.72	12.8 %	

Second quarter net sales of \$3.6 billion decreased 3.2% versus the prior year, driven by New Equipment.

Second quarter GAAP operating profit of \$570 million decreased \$10 million and adjusted operating profit of \$613 million increased \$23 million at actual currency and \$38 million at constant currency, driven by Service. GAAP operating profit margin expanded 20 basis points to 15.8% and adjusted operating profit margin expanded 110 basis points to 17.0%, driven by favorable segment performance and mix.

GAAP EPS of \$1.02 increased 13.3% compared to prior year and adjusted EPS of \$1.06 increased 15.2% due to strong operational performance and improvement in the effective tax rate.

## New Equipment

(\$ millions)	Quarter Ended June 30,				Six Months Ended June 30,			
	2024	2023	Y/Y	Y/Y (CFX)	2024	2023	Y/Y	Y/Y (CFX)
Net sales	\$ 1,421	\$ 1,604	(11.4)%	(9.3)%	\$ 2,701	\$ 2,911	(7.2)%	(5.4)%
Organic sales				(9.4)%				(5.4)%
Segment operating profit	\$ 110	\$ 119	\$ (9)	\$ (6)	\$ 181	\$ 188	\$ (7)	\$ —
Segment operating profit margin	7.7 %	7.4 %	30 bps		6.7 %	6.5 %	20 bps	

In the second quarter, net sales of \$1.4 billion decreased 11.4% versus the prior year, with ~10% organic sales growth in Asia Pacific and low single digit growth in the Americas, more than offset by a low single digit decline in EMEA and a double digit decline in China.

Segment operating profit margin expanded 30 basis points to 7.7% driven by productivity and commodity tailwinds. Segment operating profit of \$110 million decreased \$9 million at actual currency and decreased \$6 million at constant currency from the impacts of lower volume and unfavorable mix.

New Equipment orders were down 11% at constant currency with growth in EMEA and Asia Pacific more than offset by declines in China and the Americas. New Equipment backlog decreased 4% at actual currency and decreased 3% at constant currency.

## Service

(\$ millions)	Quarter Ended June 30,				Six Months Ended June 30,			
	2024	2023	Y/Y	Y/Y (CFX)	2024	2023	Y/Y	Y/Y (CFX)
Net sales	\$ 2,180	\$ 2,116	3.0 %	5.3 %	\$ 4,337	\$ 4,155	4.4 %	6.0 %
Organic sales				5.1 %				5.8 %
Segment operating profit	\$ 538	\$ 499	\$ 39	\$ 51	\$ 1,061	\$ 978	\$ 83	\$ 98
Segment operating profit margin	24.7 %	23.6 %	110 bps		24.5 %	23.5 %	100 bps	

In the second quarter, net sales of \$2.2 billion increased 3.0% with a 5.1% increase in organic sales. Organic maintenance and repair sales increased 4.9% and organic modernization sales increased 5.8%.

Segment operating profit of \$538 million increased \$39 million at actual currency and \$51 million at constant currency due to higher volume, favorable pricing and productivity, which were partially offset by annual wage inflation. Segment operating profit margin expanded 110 basis points to 24.7%.

## Cash flow

(\$ millions)	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	Y/Y	2024	2023	Y/Y
Cash flow from operations	\$ 308	\$ 446	\$ (138)	\$ 479	\$ 724	\$ (245)
Free cash flow	\$ 284	\$ 409	\$ (125)	\$ 424	\$ 662	\$ (238)
Adjusted free cash flow	\$ 353	\$ 434	\$ (81)	\$ 508	\$ 687	\$ (179)

Second quarter cash flow changes were driven by an increase in net income more than offset by changes in working capital.

## 2024 Outlook<sup>1</sup>

Otis is revising its full year outlook:

- Net sales of \$14.3 billion to \$14.5 billion
- Organic sales up 1% to 3%
  - Organic New Equipment sales down mid-single digits
  - Organic Service sales up 6% to 7%
- Adjusted operating profit of \$2.40 billion to \$2.45 billion, up \$160 million to \$190 million at constant currency; up \$135 million to \$175 million at actual currency
- Adjusted EPS of \$3.85 to \$3.90, up 9% to 10%; adjusted effective tax rate of approximately 25.25%
- Adjusted free cash flow of approximately \$1.5 billion to \$1.6 billion

<sup>1</sup>Note: When we provide outlook for organic sales, adjusted operating profit, adjusted effective tax rate and adjusted free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures generally is not available without unreasonable effort. See "Use and Definitions of Non-GAAP Financial Measures" below for additional information.

## About Otis

Otis is the world's leading elevator and escalator manufacturing, installation and service company. We move 2.3 billion people a day and maintain approximately 2.3 million customer units worldwide, the industry's largest maintenance portfolio. Headquartered in Connecticut, USA, Otis is 71,000 people strong, including 42,000 field professionals, all committed to meeting the diverse needs of our customers and passengers in more than 200 countries and territories worldwide. For more information, visit [www.otis.com](http://www.otis.com) and follow us on LinkedIn, Instagram, and Facebook @OtisElevatorCo.

## 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. Below are our non-GAAP financial measures:

Non-GAAP measure	Definition
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 selling, general and administrative ("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 and other significant items.
Adjusted noncontrolling interest in earnings	Represents noncontrolling interest in earnings (a GAAP measure), excluding restructuring costs and other significant items, including related tax effects.
Adjusted net income	Represents net income attributable to Otis Worldwide Corporation (a GAAP measure), excluding restructuring costs and other significant items, including related tax effects.
Adjusted earnings per share ("EPS")	Represents diluted earnings per share attributable to common shareholders (a GAAP measure), adjusted for the per share impact of restructuring and other significant items, including related tax effects.
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.

Constant currency	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	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. Free cash flow should not be considered an alternative to, or more meaningful than, net cash flows provided by operating activities, or any other measure of liquidity presented in accordance with GAAP.
Adjusted free cash flow	Represents cash flow from operations (a GAAP measure) less capital expenditures, adjusted to exclude certain items management believes affect the comparability of operating results. Management believes adjusted free cash flow is a useful measure of liquidity that provides investors additional information regarding the Company's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders. Adjusted free cash flow should not be considered an alternative to, or more meaningful than, net cash flows provided by operating activities, or any other measure of liquidity presented in accordance with GAAP.

Management believes that organic sales, adjusted SG&A, adjusted general corporate expenses and other, adjusted operating profit, adjusted net interest expense, adjusted noncontrolling interest in earnings, 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.

When we provide our expectations for adjusted net sales, organic sales, adjusted operating profit, adjusted net interest expense, adjusted noncontrolling interest in earnings, adjusted net income, adjusted effective tax rate, adjusted EPS, free cash flow and adjusted 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.

## Cautionary Statement

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. 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, restructuring actions (including UpLift), credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions, or 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 and any changes therein, including financial market conditions, fluctuations in commodity prices and other inflationary pressures, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues, 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., including in connection with the results of the 2024 elections or otherwise, and other countries in which Otis and its businesses operate, including the effects of the ongoing conflict between Russia and Ukraine, the war between Israel and Hamas, and tensions between the U.S. and China, on general market conditions, commodity costs, global trade policies and related sanctions and export controls, 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 or costs thereof, including credit market conditions and Otis’ capital structure; (6) 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; (7) fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of changes in general economic conditions, geopolitical conflicts or otherwise; (8) cost reduction or containment actions, restructuring costs and related savings and other consequences thereof, including with respect to UpLift; (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 and labor inflation in the markets in which Otis and its businesses operate globally; (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; (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 determination by the Internal Revenue Service and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions in connection with the separation (the "Separation") of Otis and Carrier Global Corporation ("Carrier") from United Technologies Corporation (now known as RTX Corporation ("RTX")); and (17) our obligations and disputes that have or may hereafter arise under the agreements we entered into with RTX and Carrier 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.

**Otis Worldwide Corporation**  
**Condensed Consolidated Statements of Operations**

<i>(amounts in millions, except per share amounts)</i>	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2024	2023	2024	2023
Net Sales	\$ 3,601	\$ 3,720	\$ 7,038	\$ 7,066
Costs and Expenses:				
Cost of products and services sold	2,522	2,637	4,931	4,987
Research and development	39	36	75	71
Selling, general and administrative	449	479	911	934
Total Costs and Expenses	3,010	3,152	5,917	5,992
Other income (expense), net	(21)	12	(7)	19
Operating profit	570	580	1,114	1,093
Non-service pension cost (benefit)	(1)	1	(1)	1
Interest expense (income), net	27	37	71	70
Net income before income taxes	544	542	1,044	1,022
Income tax expense	94	135	220	263
Net income	450	407	824	759
Less: Noncontrolling interest in subsidiaries' earnings	35	31	56	52
Net income attributable to Otis Worldwide Corporation	\$ 415	\$ 376	\$ 768	\$ 707
Earnings Per Share of Common Stock:				
Basic	\$ 1.03	\$ 0.91	\$ 1.90	\$ 1.71
Diluted	\$ 1.02	\$ 0.90	\$ 1.89	\$ 1.70
Weighted Average Number of Shares Outstanding:				
Basic shares	402.9	412.7	404.0	413.5
Diluted Shares	405.5	416.0	406.8	416.9



**Otis Worldwide Corporation**  
**Reconciliation of Reported (GAAP) to Adjusted Operating Profit & Operating Profit Margin**

<i>(dollars in millions)</i>	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2024	2023	2024	2023
<b>Net Sales</b>				
New Equipment	\$ 1,421	\$ 1,604	\$ 2,701	\$ 2,911
Service	2,180	2,116	4,337	4,155
<b>Total Net Sales</b>	<b>\$ 3,601</b>	<b>\$ 3,720</b>	<b>\$ 7,038</b>	<b>\$ 7,066</b>
<b>Operating Profit</b>				
New Equipment	\$ 110	\$ 119	\$ 181	\$ 188
Service	538	499	1,061	978
Total segment operating profit	648	618	1,242	1,166
Corporate and Unallocated	(78)	(38)	(128)	(73)
<b>Total Otis GAAP Operating Profit</b>	<b>570</b>	<b>580</b>	<b>1,114</b>	<b>1,093</b>
UpLift restructuring	6	—	7	—
Other restructuring	5	10	24	15
UpLift transformation costs	15	—	27	—
Separation-related adjustments	(1)	—	(16)	—
Litigation-related settlement costs <sup>1</sup>	18	—	18	—
<b>Total Otis Adjusted Operating Profit</b>	<b>\$ 613</b>	<b>\$ 590</b>	<b>\$ 1,174</b>	<b>\$ 1,108</b>
Reported Total Operating Profit Margin	15.8 %	15.6 %	15.8 %	15.5 %
<b>Adjusted Total Operating Profit Margin</b>	<b>17.0 %</b>	<b>15.9 %</b>	<b>16.7 %</b>	<b>15.7 %</b>

Otis discloses segment operating profit as its measure of segment performance, reconciled to total Otis operating profit. Segment operating profit exclude certain expenses and income that are not allocated to segments (as described above as "Corporate and Unallocated").

Effective in the first quarter of 2024, the measure of segment performance used by Otis' Chief Operating Decision Maker ("CODM") changed and, as a result, Otis' disclosed measure of segment performance (segment operating profit) was updated. The change to segment operating profit aligns with the update to how the CODM assesses performance and allocates resources for the Company's segments, and therefore is our measure of segment profitability.

As a result of the change, restructuring costs and other items not allocated to the operating segments are presented as part of Corporate and Unallocated. The financial information presented herein reflects the impact of the measure of segment performance change for all periods presented.

<sup>1</sup> Litigation-related settlement costs in the quarter and six months ended June 30, 2024 represent the aggregate amount of settlement costs and increase in loss contingency accruals, excluding legal costs, for certain legal matters that are outside of the ordinary course of business due to the size, complexity and unique facts of these matters.

**Otis Worldwide Corporation**

**Reconciliation of Reported (GAAP) to Adjusted (Non-GAAP) Net Income, Earnings Per Share, and Effective Tax Rate**

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2024	2023	2024	2023
Adjusted Operating Profit	\$ 613	\$ 590	\$ 1,174	\$ 1,108
Non-service pension cost (benefit)	(1)	1	(1)	1
Adjusted net interest expense <sup>1</sup>	48	37	92	70
Adjusted income from operations before income taxes	566	552	1,083	1,037
Income tax expense	94	135	220	263
Tax impact on restructuring and non-recurring items	10	3	19	4
Non-recurring tax items <sup>1</sup>	10	—	10	—
Adjusted net income from operations	452	414	834	770
Adjusted noncontrolling interest <sup>1</sup>	24	31	45	52
<b>Adjusted net income attributable to common shareholders</b>	<b>\$ 428</b>	<b>\$ 383</b>	<b>\$ 789</b>	<b>\$ 718</b>
GAAP net income attributable to common shareholders	\$ 415	\$ 376	\$ 768	\$ 707
UpLift restructuring	6	—	7	—
Other restructuring	5	10	24	15
UpLift transformation costs	15	—	27	—
Separation-related adjustments	(1)	—	(16)	—
Litigation-related settlement costs	18	—	18	—
Reserve adjustments related to non-recurring tax items <sup>1</sup>	(10)	—	(10)	—
Tax effects of restructuring, non-recurring items and other adjustments	(10)	(3)	(19)	(4)
Non-recurring tax items <sup>1</sup>	(10)	—	(10)	—
<b>Adjusted net income attributable to common shareholders</b>	<b>\$ 428</b>	<b>\$ 383</b>	<b>\$ 789</b>	<b>\$ 718</b>
Diluted Earnings Per Share	\$ 1.02	\$ 0.90	\$ 1.89	\$ 1.70
Impact to diluted earnings per share	0.04	0.02	0.05	0.02
<b>Adjusted Earnings Per Share</b>	<b>\$ 1.06</b>	<b>\$ 0.92</b>	<b>\$ 1.94</b>	<b>\$ 1.72</b>
Effective Tax Rate	17.3 %	24.9 %	21.1 %	25.7 %
Impact of adjustments on effective tax rate	2.8 %	0.1 %	1.8 %	— %
<b>Adjusted Effective Tax Rate</b>	<b>20.1 %</b>	<b>25.0 %</b>	<b>22.9 %</b>	<b>25.7 %</b>

<sup>1</sup> Certain tax reserves were adjusted in the second quarter of 2024. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without \$21 million of interest income and \$11 million of the noncontrolling interest share of the reserves adjustments, respectively, for the quarter and six months ended June 30, 2024.

**Otis Worldwide Corporation**  
**Components of Changes in Net Sales**

*Quarter Ended June 30, 2024 Compared with Quarter Ended June 30, 2023*

	<b>Factors Contributing to Total % Change in Net Sales</b>			
	<b>Organic</b>	<b>FX Translation</b>	<b>Acquisitions / Divestitures, net and Other</b>	<b>Total</b>
New Equipment	(9.4)%	(2.1)%	0.1%	(11.4)%
Service	5.1%	(2.3)%	0.2%	3.0%
Maintenance and Repair	4.9%	(2.2)%	0.2%	2.9%
Modernization	5.8%	(2.5)%	0.3%	3.6%
<b>Total Net Sales</b>	<b>(1.2)%</b>	<b>(2.1)%</b>	<b>0.1%</b>	<b>(3.2)%</b>

*Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023*

	<b>Factors Contributing to Total % Change in Net Sales</b>			
	<b>Organic</b>	<b>FX Translation</b>	<b>Acquisitions / Divestitures, net and Other</b>	<b>Total</b>
New Equipment	(5.4)%	(1.8)%	—%	(7.2)%
Service	5.8%	(1.6)%	0.2%	4.4%
Maintenance and Repair	5.4%	(1.5)%	0.2%	4.1%
Modernization	7.7%	(2.1)%	0.1%	5.7%
<b>Total Net Sales</b>	<b>1.2%</b>	<b>(1.7)%</b>	<b>0.1%</b>	<b>(0.4)%</b>

**Components of Changes in New Equipment Backlog**

	<b>June 30, 2024 Y/Y Growth %</b>
New Equipment Backlog increase at actual currency	(4)%
Foreign exchange impact to New Equipment Backlog	1%
<b>New Equipment Backlog increase at constant currency</b>	<b>(3)%</b>

**Components of Changes in Modernization Backlog**

	<b>June 30, 2024 Y/Y Growth %</b>
Modernization Backlog increase at actual currency	15%
Foreign exchange impact to Modernization Backlog	2%
<b>Modernization Backlog increase at constant currency</b>	<b>17%</b>

**Otis Worldwide Corporation**  
**Reconciliation of Segment and Total Adjusted Operating Profit at Constant Currency**

*Quarter Ended June 30, 2024 Compared with Quarter Ended June 30, 2023*

<i>(dollars in millions)</i>	2024	2023	Y/Y
<b>New Equipment</b>			
Segment Operating Profit	\$ 110	\$ 119	\$ (9)
Impact of foreign exchange	3	—	3
Segment Operating Profit at constant currency	\$ 113	\$ 119	\$ (6)
<b>Service</b>			
Segment Operating Profit	\$ 538	\$ 499	\$ 39
Impact of foreign exchange	12	—	12
Segment Operating Profit at constant currency	\$ 550	\$ 499	\$ 51
<b>Otis Consolidated</b>			
Adjusted Operating Profit	\$ 613	\$ 590	\$ 23
Impact of foreign exchange	15	—	15
Adjusted Operating Profit at constant currency	\$ 628	\$ 590	\$ 38

*Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023*

<i>(dollars in millions)</i>	2024	2023	Y/Y
<b>New Equipment</b>			
Segment Operating Profit	\$ 181	\$ 188	\$ (7)
Impact of foreign exchange	7	—	7
Segment Operating Profit at constant currency	\$ 188	\$ 188	\$ —
<b>Service</b>			
Segment Operating Profit	\$ 1,061	\$ 978	\$ 83
Impact of foreign exchange	15	—	15
Segment Operating Profit at constant currency	\$ 1,076	\$ 978	\$ 98
<b>Otis Consolidated</b>			
Adjusted Operating Profit	\$ 1,174	\$ 1,108	\$ 66
Impact of foreign exchange	22	—	22
Adjusted Operating Profit at constant currency	\$ 1,196	\$ 1,108	\$ 88

**Otis Worldwide Corporation**  
**Condensed Consolidated Balance Sheet**

<i>(amounts in millions)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	(Unaudited)	
<b>Assets</b>		
Cash and cash equivalents	\$ 942	\$ 1,274
Accounts receivable, net	3,606	3,538
Contract assets	750	717
Inventories	605	612
Other current assets	335	259
<b>Total Current Assets</b>	<b>6,238</b>	<b>6,400</b>
Future income tax benefits	302	323
Fixed assets, net	708	727
Operating lease right-of-use assets	398	416
Intangible assets, net	330	335
Goodwill	1,553	1,588
Other assets	329	328
<b>Total Assets</b>	<b>\$ 9,858</b>	<b>\$ 10,117</b>
<b>Liabilities and Equity (Deficit)</b>		
Short-term borrowings and current portion of long-term debt	\$ 1,656	\$ 32
Accounts payable	1,716	1,878
Accrued liabilities	1,719	1,873
Contract liabilities	2,804	2,696
<b>Total Current Liabilities</b>	<b>7,895</b>	<b>6,479</b>
Long-term debt	5,526	6,866
Future pension and postretirement benefit obligations	445	462
Operating lease liabilities	280	292
Future income tax obligations	206	245
Other long-term liabilities	388	493
<b>Total Liabilities</b>	<b>14,740</b>	<b>14,837</b>
Redeemable noncontrolling interest	52	135
Shareholders' Equity (Deficit):		
Common Stock and additional paid-in capital	230	213
Treasury Stock	(2,987)	(2,382)
Accumulated deficit	(1,538)	(2,005)
Accumulated other comprehensive income (loss)	(751)	(750)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(5,046)</b>	<b>(4,924)</b>
Noncontrolling interest	112	69
<b>Total Equity (Deficit)</b>	<b>(4,934)</b>	<b>(4,855)</b>
<b>Total Liabilities and Equity (Deficit)</b>	<b>\$ 9,858</b>	<b>\$ 10,117</b>

**Otis Worldwide Corporation**  
**Condensed Consolidated Statement of Cash Flows**

	Quarter Ended June 30,		Six Months Ended June 30,	
	(Unaudited)		(Unaudited)	
<i>(dollars in millions)</i>	2024	2023	2024	2023
<b>Operating Activities:</b>				
Net income from operations	\$ 450	\$ 407	\$ 824	\$ 759
Adjustments to reconcile net income to net cash flows provided by operating activities:				
Depreciation and amortization	41	52	85	99
Deferred income tax expense (benefit)	(41)	(14)	(25)	(16)
Stock compensation cost	20	19	36	34
Change in:				
Accounts receivable, net	(9)	(218)	(171)	(204)
Contract assets and liabilities, current	(168)	(109)	107	154
Inventories	(19)	(1)	(10)	(21)
Other current assets	(36)	(26)	(60)	(38)
Accounts payable	88	261	(129)	43
Accrued liabilities	15	70	(127)	(85)
Pension contributions	(12)	(10)	(24)	(24)
Other operating activities, net	(21)	15	(27)	23
Net cash flows provided by (used in) operating activities	<u>308</u>	<u>446</u>	<u>479</u>	<u>724</u>
<b>Investing Activities:</b>				
Capital expenditures	(24)	(37)	(55)	(62)
Acquisitions of businesses and intangible assets, net of cash	(10)	(4)	(40)	(20)
Other investing activities, net	16	(29)	(2)	(9)
Net cash flows provided by (used in) investing activities	<u>(18)</u>	<u>(70)</u>	<u>(97)</u>	<u>(91)</u>
<b>Financing Activities:</b>				
Increase (decrease) in short-term borrowings, net	320	89	323	57
Dividends paid on Common Stock	(157)	(141)	(295)	(261)
Repurchases of Common Stock	(300)	(175)	(600)	(350)
Dividends paid to noncontrolling interest	(2)	(6)	(11)	(15)
Acquisition of noncontrolling interest shares	(71)	—	(75)	—
Other financing activities, net	(2)	(11)	(21)	(16)
Net cash flows provided by (used in) financing activities	<u>(212)</u>	<u>(244)</u>	<u>(679)</u>	<u>(585)</u>
<b>Summary of Activity:</b>				
Net cash provided by (used in) operating activities	308	446	479	724
Net cash provided by (used in) investing activities	(18)	(70)	(97)	(91)
Net cash provided by (used in) financing activities	(212)	(244)	(679)	(585)
Effect of exchange rate changes on cash and cash equivalents	(14)	(26)	(32)	(16)
Net increase (decrease) in cash, cash equivalents and restricted cash	64	106	(329)	32
Cash, cash equivalents and restricted cash, beginning of period	887	1,121	1,280	1,195
Cash, cash equivalents and restricted cash, end of period	951	1,227	951	1,227
Less: Restricted cash	9	8	9	8
Cash and cash equivalents, end of period	<u>\$ 942</u>	<u>\$ 1,219</u>	<u>\$ 942</u>	<u>\$ 1,219</u>

**Otis Worldwide Corporation**  
**Adjusted Free Cash Flow Reconciliation**

<i>(dollars in millions)</i>	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2024	2023	2024	2023
Net cash flows provided by operating activities (GAAP)	\$ 308	\$ 446	\$ 479	\$ 724
Capital expenditures	(24)	(37)	(55)	(62)
Free cash flow (Non-GAAP)	284	409	424	662
Adjustments for:				
UpLift restructuring payments	7	—	14	—
UpLift transformation payments	13	—	21	—
Separation-related payments <sup>1</sup>	49	25	49	25
Adjusted free cash flow (Non-GAAP)	\$ 353	\$ 434	\$ 508	\$ 687

<sup>1</sup> In April of 2023 and 2024, we made payments to RTX Corporation (our former parent) in accordance with the Separation tax agreement. These annual payments are anticipated to conclude in 2026.