

The background of the slide features a dark blue overlay on a city skyline at dusk. The skyline includes several tall skyscrapers, with the Burj Khalifa being the most prominent. The city lights are reflected in the water in the foreground. On the left side, there is a large, stylized yellow arrow pointing to the right. The OTIS logo is displayed in large, white, bold, sans-serif capital letters.

# OTIS

## Q2 2025 Earnings Call July 23, 2025

# 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. 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 or transformation actions (including UpLift and related reorganization and outsourcing activities and China), 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 sustainability targets or other corporate responsibility initiatives, 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. and in other countries in which Otis and its businesses operate, including tensions between the U.S. and China, on general market conditions, commodity costs, global trade policies and related sanctions, export controls and tariffs, and currency exchange rates in the near term and beyond; (3) the effect of geopolitical conflicts, including the effect of the on-going conflict between Russia and Ukraine and conflicts in the Middle East; (4) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (5) future levels of indebtedness, capital spending and research and development spending; (6) future availability of credit and factors that may affect such availability or costs thereof, including credit market conditions and Otis' capital structure; (7) 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; (8) fluctuations in prices and delays and disruptions in delivery of materials and services from suppliers, whether as a result of changes in general economic conditions, geopolitical conflicts or otherwise; (9) cost reduction or containment actions, restructuring or transformation costs and related savings and other consequences thereof, including with respect to UpLift and China and related impacts of reorganization and outsourcing activities and change management, as applicable; (10) new business and investment opportunities; (11) the outcome of legal proceedings, investigations and other contingencies; (12) pension plan assumptions and future contributions; (13) the impact of the negotiation of collective bargaining agreements and labor disputes, labor actions, including strikes or work stoppages, and labor inflation in the markets in which Otis and its businesses operate globally; (14) the effect of changes in tax, environmental, regulatory (including among other things import/export, tariffs, climate change, sustainability or other corporate responsibility related legal and regulatory changes) and other laws and regulations in the U.S., including in connection with the new administration's policies and priorities, and other countries in which Otis and its businesses operate; (15) the ability of Otis to retain and hire key personnel; (16) 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; (17) the determination by the Internal Revenue Service (the "IRS") 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 (18) 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.

# Q2 2025 highlights

## Solid second quarter performance driven by Service strength...

- Service organic<sup>1</sup> sales up 4%
- Service operating profit margin expanded 20 bps
- Maintenance portfolio units up 4%
- Modernization orders up 22%; backlog up 16% at constant currency<sup>1</sup>
- New Equipment orders down 1%, at constant currency<sup>1</sup>, up 11% excluding China
- Raised China transformation annual run-rate savings target to \$40M... in addition, UpLift remains on track to deliver \$200M in run-rate savings
- Reduced tariff impact by 50%

## ...Delivering long-term value to all stakeholders

- Repurchased ~\$300M of shares in Q2, ~\$550M year-to-date
- Published [Connect & Thrive Report](#); recognized for sustainability leadership by USA Today, Forbes, Newsweek, and Time Magazine

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

<sup>2</sup> At constant currency.

### YTD 2025

4%

Service organic<sup>1</sup> sales growth

17%

modernization orders growth<sup>2</sup>

20 bps

adjusted operating profit  
margin expansion<sup>1</sup>

2%

adjusted EPS growth<sup>1</sup>



# Q2 2025 orders & portfolio

(YOY Changes)

## Orders<sup>1</sup>

	Total Otis	Otis ex-China
New Equipment	(1%)	11%
Modernization	22%	22%
<b>Total</b>	<b>4%</b>	<b>14%</b>

## Backlog<sup>1</sup>

	Total Otis	Otis ex-China
New Equipment	(3%)	8%
Modernization	16%	16%
<b>Total</b>	<b>0%</b>	<b>10%</b>

## Portfolio

	Total Otis
Portfolio units growth	4%

<sup>1</sup> At constant currency. See appendix for additional information regarding these non-GAAP financial measures.

## Q2 2025 Orders



OneAmerica Tower  
Indianapolis, USA



Damac Bay 2 by Cavalli  
Dubai, UAE



Hangzhou, Changchun & Tianjin Metros  
China

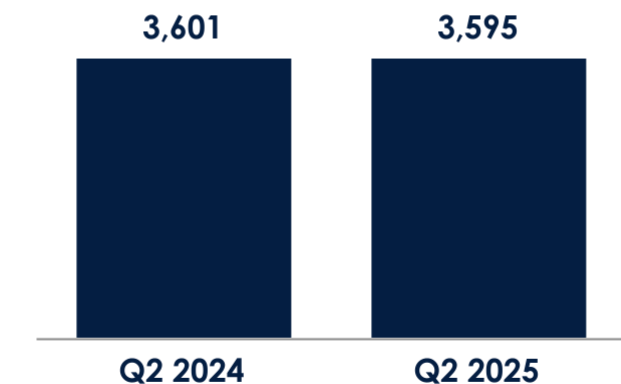


The Kross  
Ho Chi Minh City, Vietnam

# Q2 2025 results

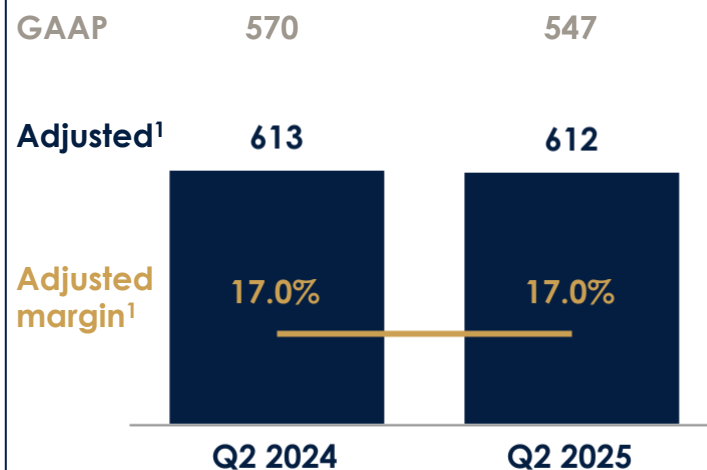
(\$ millions, except per share amounts)

## Sales



Organic <sup>1</sup>	(2%)
FX	1%
Net acquisitions/other	1%
<b>Total net sales</b>	<b>Flat</b>

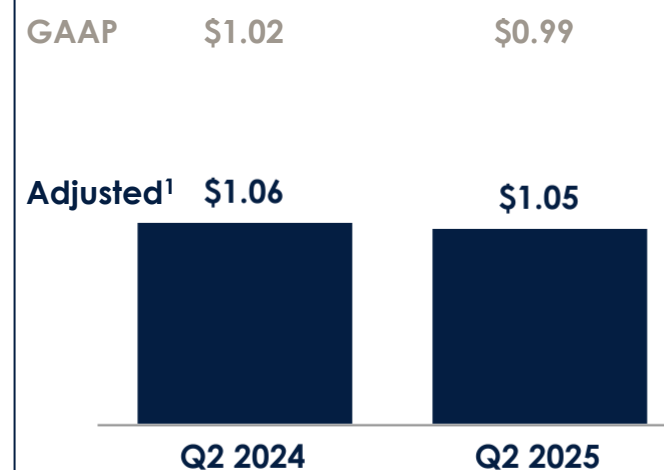
## Operating profit



Adjusted operating profit down \$14M at constant currency<sup>1</sup>, excluding \$13M of FX tailwinds

Adjusted operating profit margin<sup>1</sup> of 17.0% was flat versus prior year driven by favorable segment mix offset by segment performance

## Diluted earnings per share



### Adjusted EPS<sup>1</sup> drivers

Operational	(\$0.03)
FX	\$0.03
Taxes	(\$0.03)
Shares	\$0.02

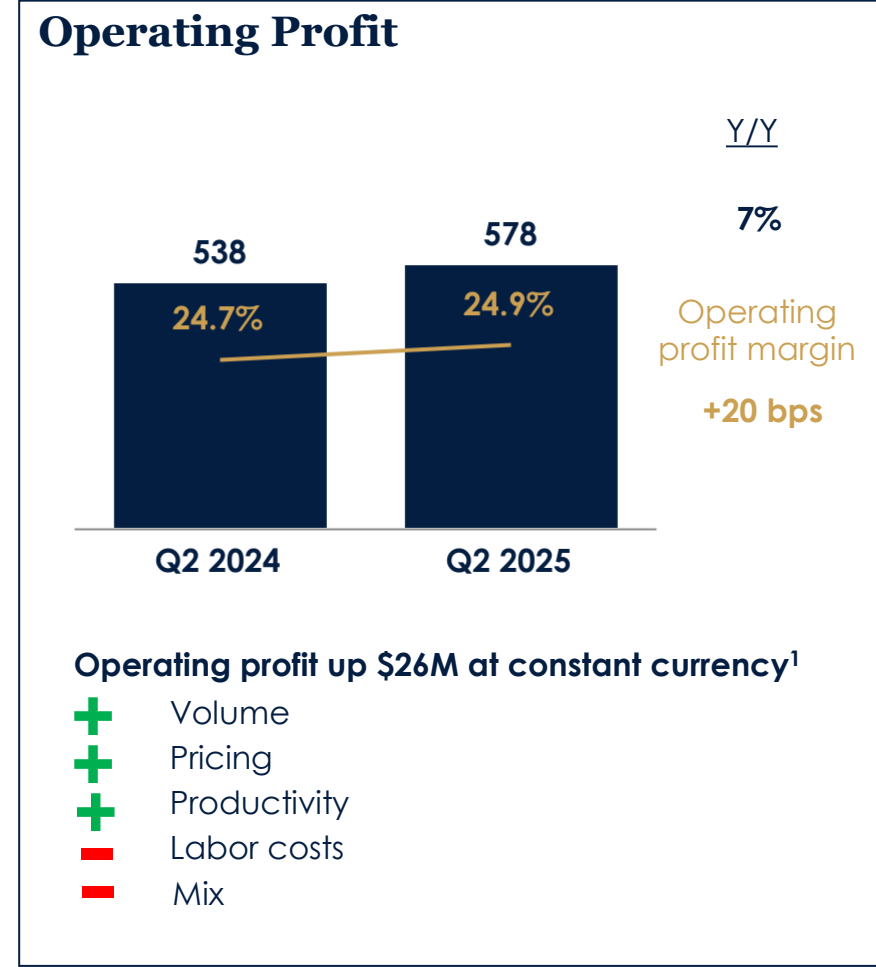
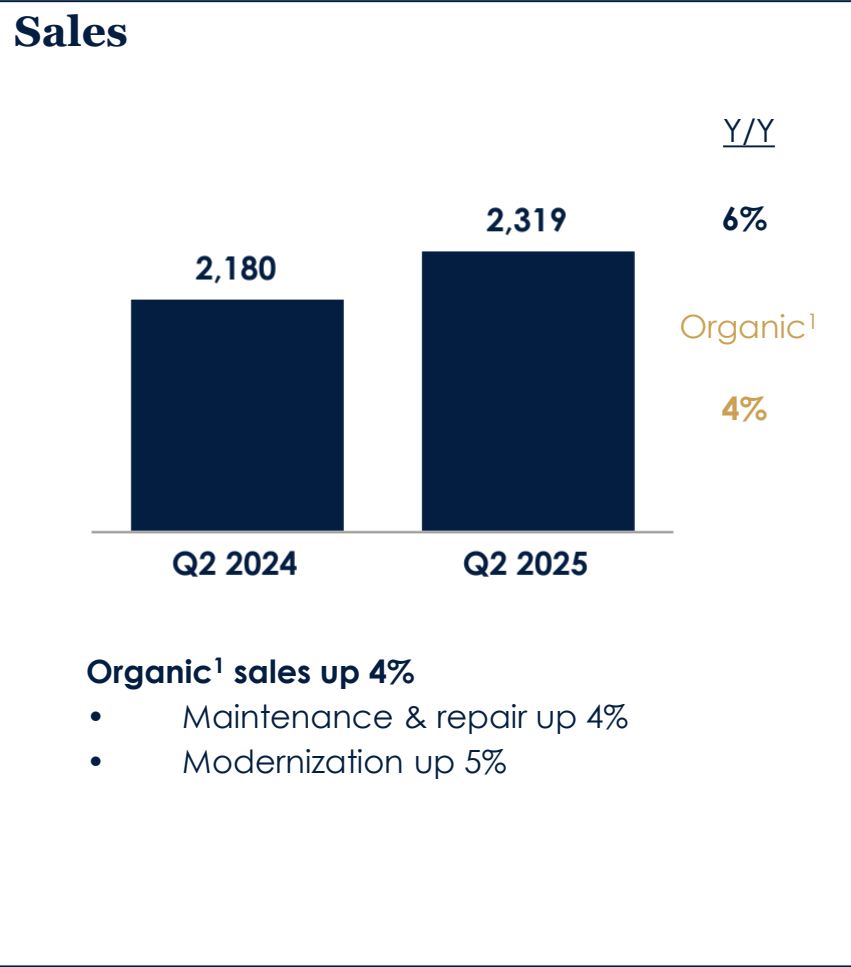
<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

# Q2 2025 Service segment results

(\$ millions)



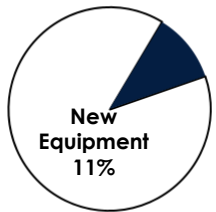
Segment Operating Profit



<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

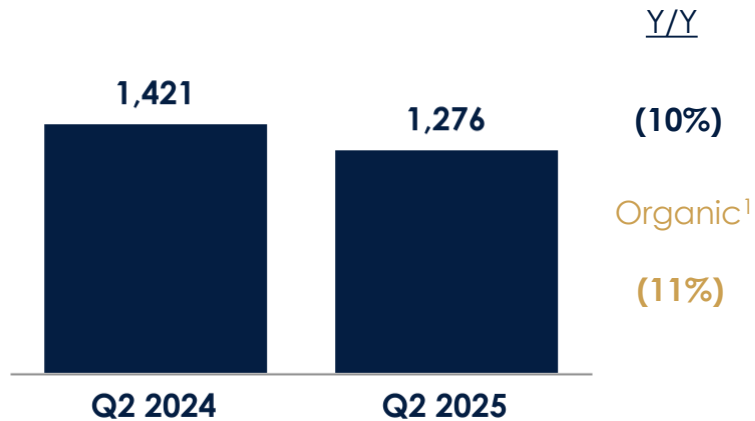
# Q2 2025 New Equipment segment results

(\$ millions)



Segment Operating Profit

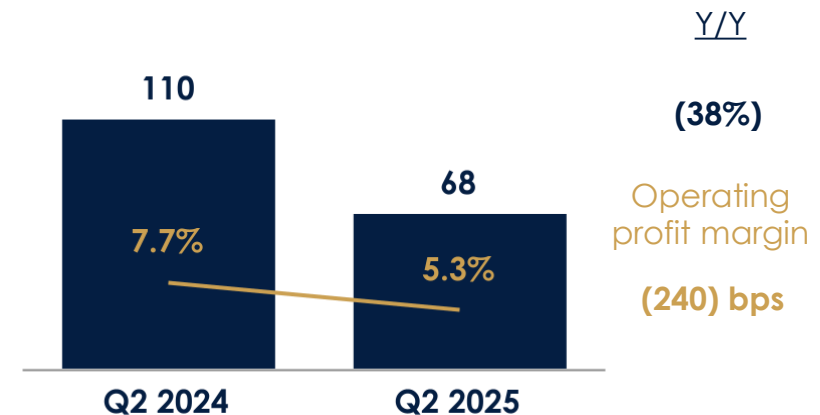
## Sales



### Organic<sup>1</sup> sales down 11%

- Americas down 8%
- EMEA up 7%
- Asia down 23%
  - Asia Pacific down LSD
  - China down >20%

## Operating Profit



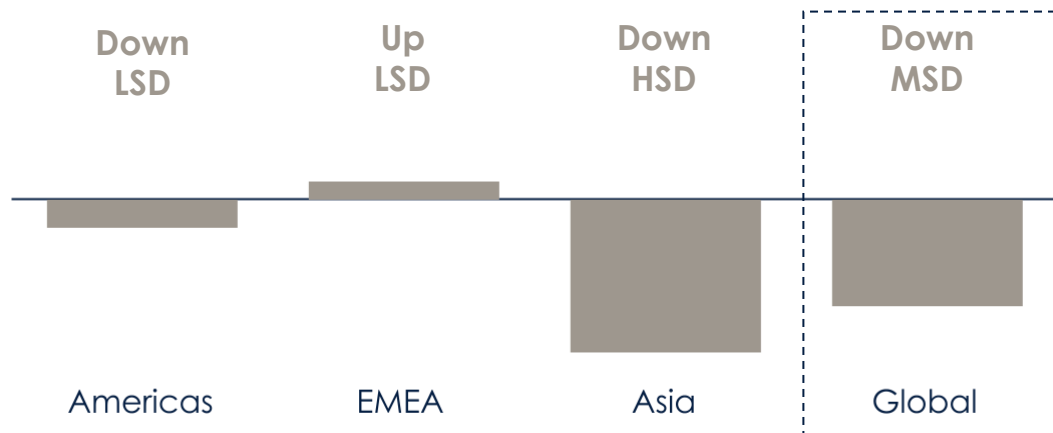
### Operating profit down \$41M at constant currency<sup>1</sup>

- + Productivity
- Volume
- Price & mix

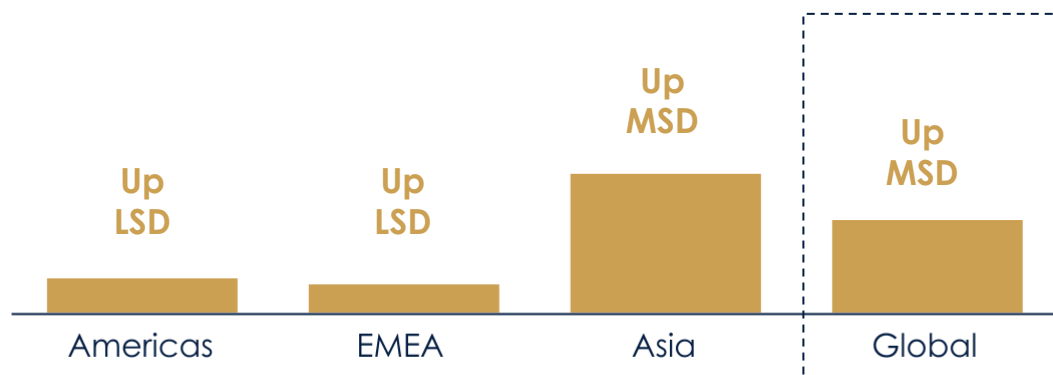
<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

# 2025 industry & Otis outlook<sup>1</sup>

## Industry new equipment unit growth<sup>1</sup>



## Industry installed base unit growth<sup>1</sup>



<sup>1</sup> Based on Otis internal estimates. LSD: low single digits; MSD: mid single digits; HSD: high single digits.

<sup>2</sup> See appendix for additional information regarding these non-GAAP financial measures.

## Otis

- **Net sales** of \$14.5B to \$14.6B; organic<sup>2</sup> up ~1%
- **Adjusted operating profit<sup>2</sup>** of \$2.4B to \$2.5B, up \$55M to \$105M at actual currency
- **Adjusted EPS<sup>2</sup>** \$4.00 to \$4.10 up 4% to 7%
- **Adjusted free cash flow<sup>2</sup>** of \$1.4 - 1.5B
- **Disciplined capital allocation**
  - Share repurchases of ~\$800M



# 2025 organic<sup>1</sup> sales outlook

	Prior outlook (Apr 23, 2025)	Current outlook
<b>New Equipment</b>	<b>down 1% to 4%</b>	<b>down ~7%</b>
Americas	down mid-single	down high-single
EMEA	up mid-single	up mid-single
Asia	down mid-single	down low teens
<b>Service</b>	<b>up 5% to 7%</b>	<b>up ~5%</b>
Maintenance & repair	up mid-single	up ~5%
Modernization	up low teens	up ~10%
<b>Otis</b>	<b>up 2% to 4%</b>	<b>up ~1%</b>

## Outlook drivers

- Global trade developments impacting the timing of New Equipment backlog execution in the U.S.
- New Equipment market challenges in China
- Sustained maintenance portfolio growth and disciplined pricing
- Robust modernization and repair performance

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

# Tariff impact and exposure

	Prior outlook (Apr 23, 2025)	↓ 50%	Current outlook
<b>2025 in-year</b> (including mitigation)	\$45M - \$75M	<ul style="list-style-type: none"><li>+ China reciprocal</li><li>- Section 232 (steel &amp; aluminum)</li><li>+ Mitigation</li></ul>	\$25M - \$35M

- Current outlook updated per the current reciprocal and section 232 tariffs
- 2026 impact less than 2025 as we execute the ending 2024 New Equipment backlog
- Later in 2026, backlog execution impact neutralized by pricing & contract terms

**Tariff impact of ~\$30 million in 2025 from current backlog, included in outlook**

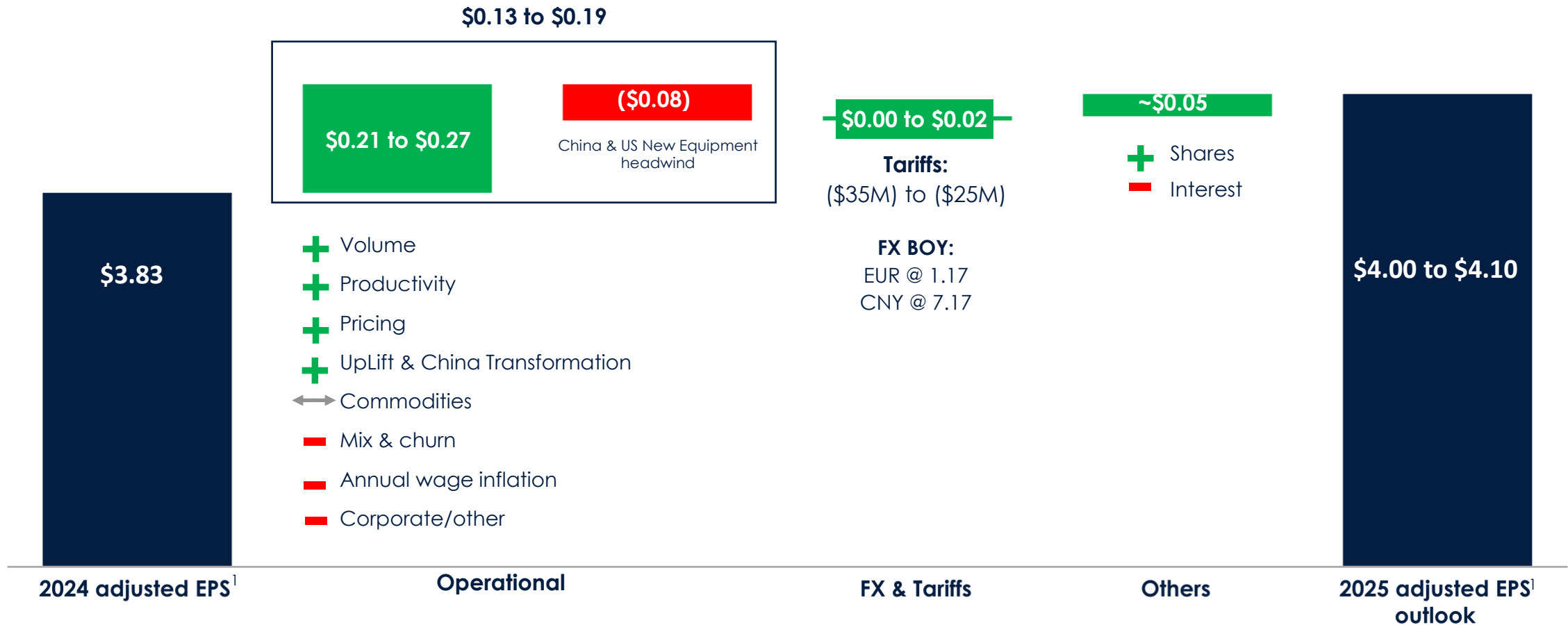
# 2025 financial outlook

	Prior outlook (Apr 23, 2025)	Current outlook
Actual currency adj. op profit <sup>1</sup> with 2025 tariffs	up \$55M to \$105M	up \$55M to \$105M
Constant currency adj. op profit <sup>1</sup> ex-2025 tariffs	up \$105M to \$135M	up \$50M to \$90M
Total adjusted operating profit <sup>1</sup> margin	up ~50bps (ex-2025 tariffs) up ~10bps (with 2025 tariffs)	up ~50bps (ex-2025 tariffs) up ~30bps (with 2025 tariffs)
Adjusted free cash flow <sup>1,2</sup>	~\$1.6B	\$1.4B to \$1.5B
Share repurchases	~\$800 million	~\$800 million

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

<sup>2</sup> Expected annual tax related toll charge payments are anticipated to conclude in 2026: 2024 \$50M, 2025E \$50M, 2026E \$60M.

# 2025 adjusted EPS<sup>1</sup> growth outlook drivers



**Guide reconfirmed... 4% to 7% adjusted EPS<sup>1</sup> growth**

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

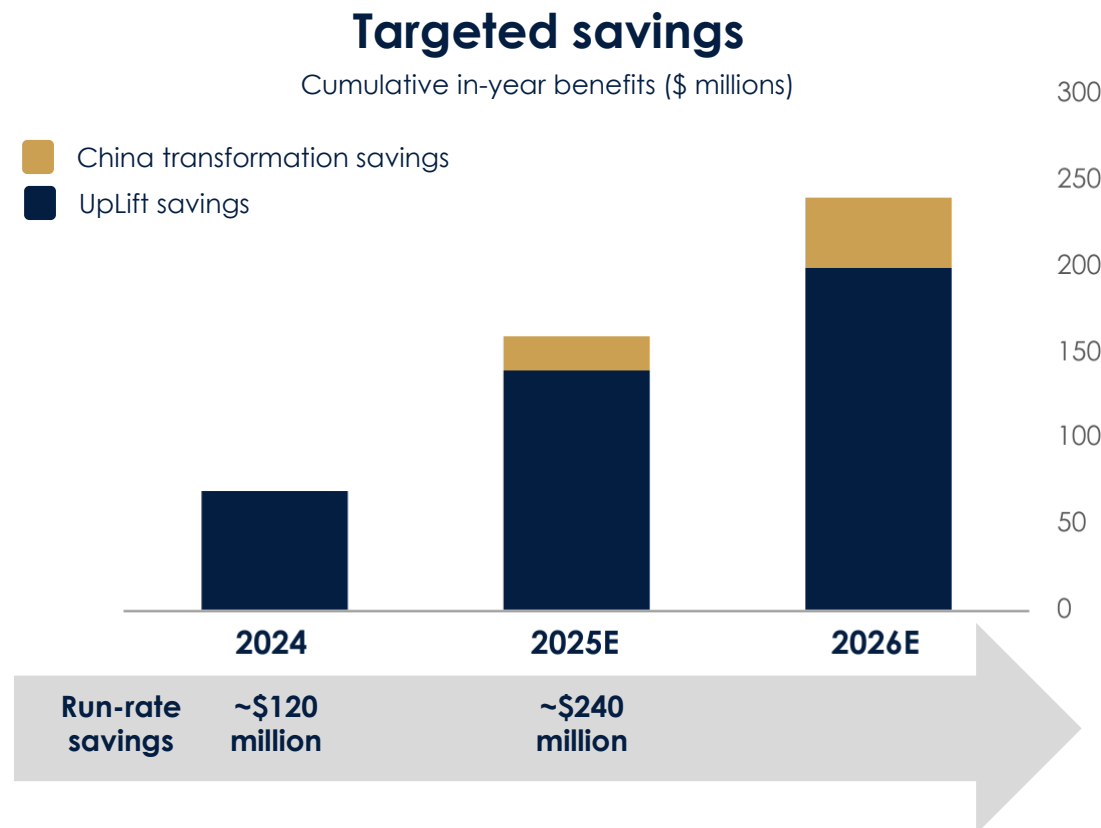
# OTIS



A photograph of the Chicago skyline at dusk, featuring the Willis Tower and other skyscrapers. A semi-transparent dark blue rectangle is centered over the image, serving as a background for the title.

# Appendix

# Multiple initiatives to drive customer centricity and profitability<sup>1</sup>



**Total run-rate savings target of \$240M by the end of 2025**

<sup>1</sup> UpLift is expected to result in approximately \$300 million of restructuring and other incremental costs. China Transformation is expected to result in restructuring costs of approximately \$40 million.

## UpLift

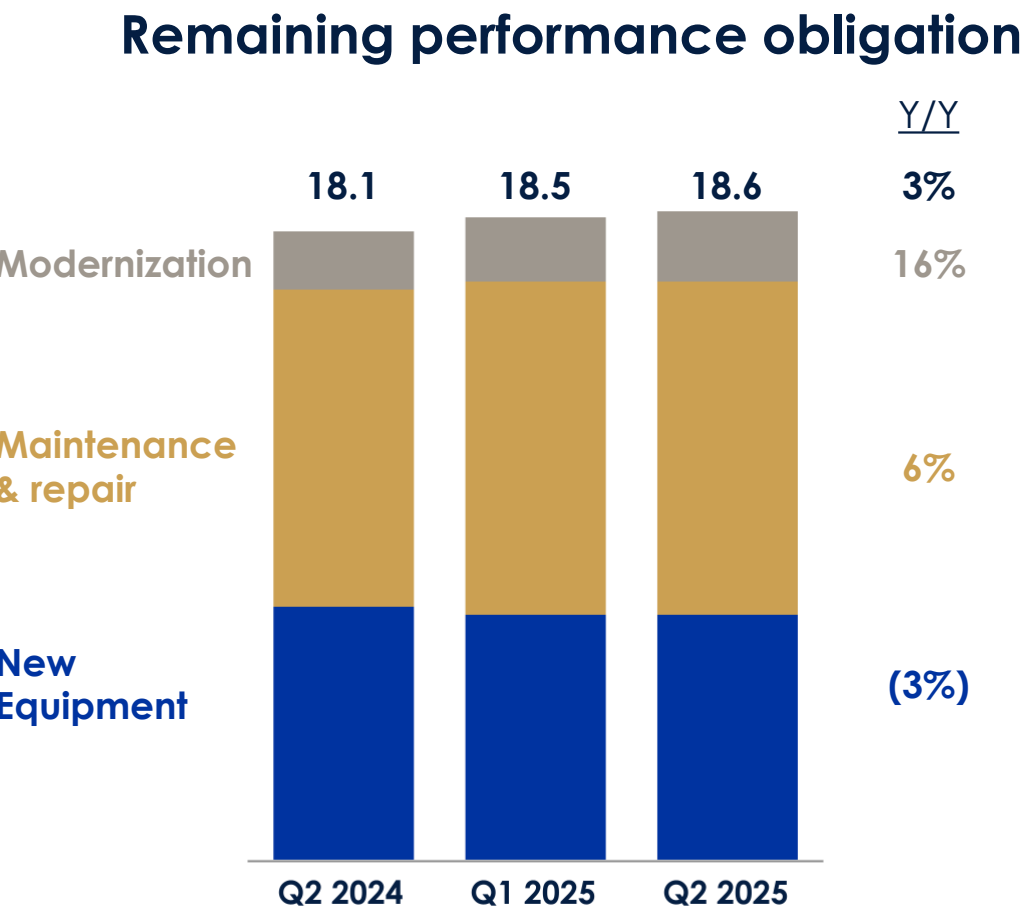
- Harnessing our scale
- Optimizing our supply chain
- Delivering process improvement and standardization
- Targeting ~\$200M in run-rate savings by year end

## China Transformation

- Driving modernization and Service growth
- Optimizing organizational structure
- Raised target to ~\$40M in run rate savings by year end

# Backlog and orders

(\$ billions, at constant currency<sup>1</sup>)



### Modernization orders

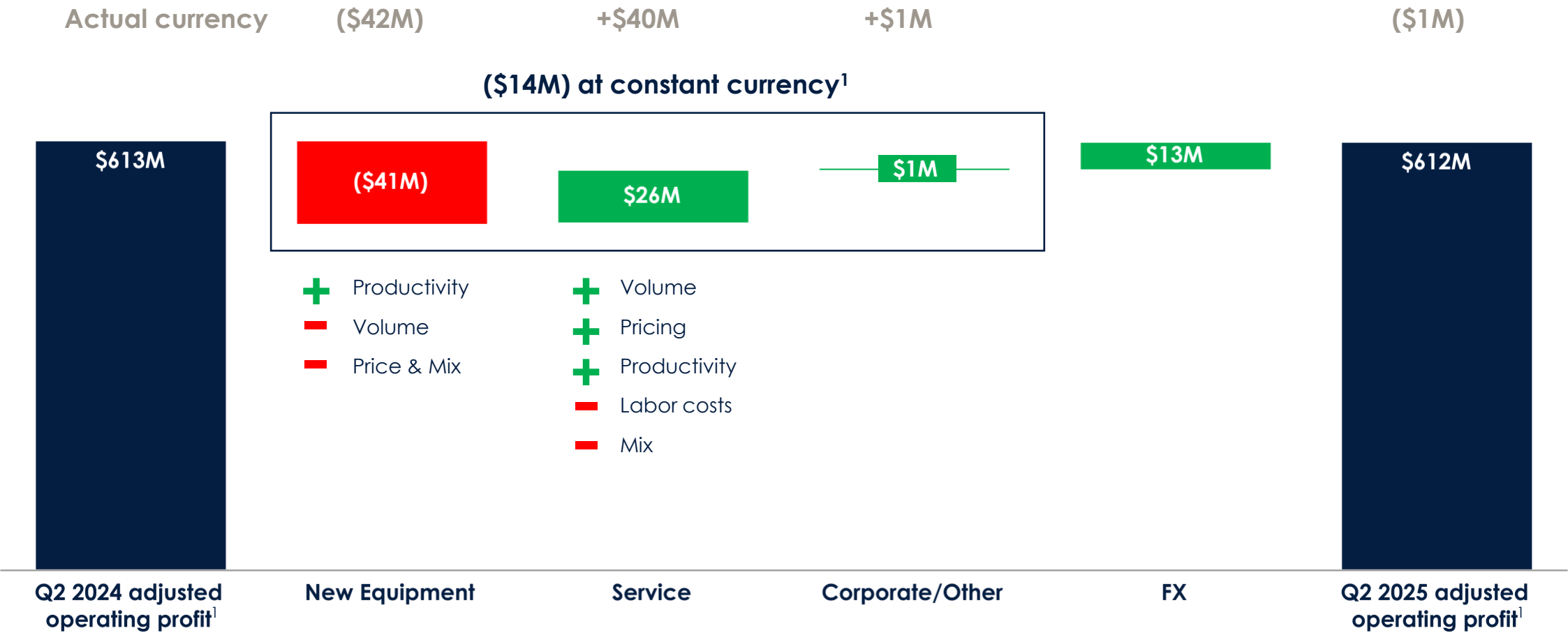
	Q2 2025 Y/Y	H1 2025 Y/Y
Total Otis	22%	17%
Otis ex-China	22%	16%

### New Equipment orders

Region	Q2 2025 Y/Y	H1 2025 Y/Y
Total Otis	(1%)	(1%)
Otis ex-China	11%	11%
Americas	12%	14%
EMEA	(1%)	(3%)
Asia	(9%)	(10%)

<sup>1</sup> See additional information regarding these non-GAAP financial measures.

# Q2 2025 adjusted operating profit<sup>1</sup> drivers



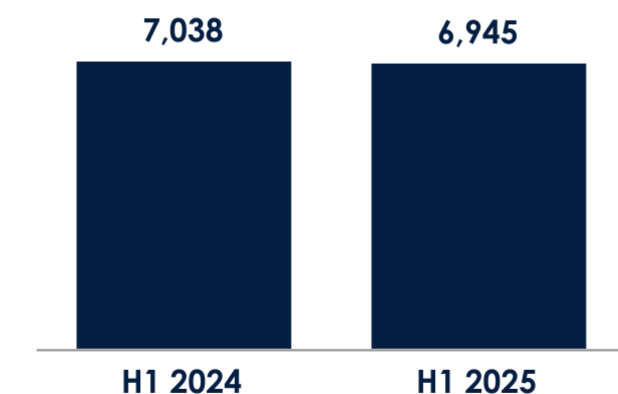
Adjusted operating profit margin<sup>1</sup> flat at 17.0%

<sup>1</sup> See additional information regarding these non-GAAP financial measures.

# H1 2025 results

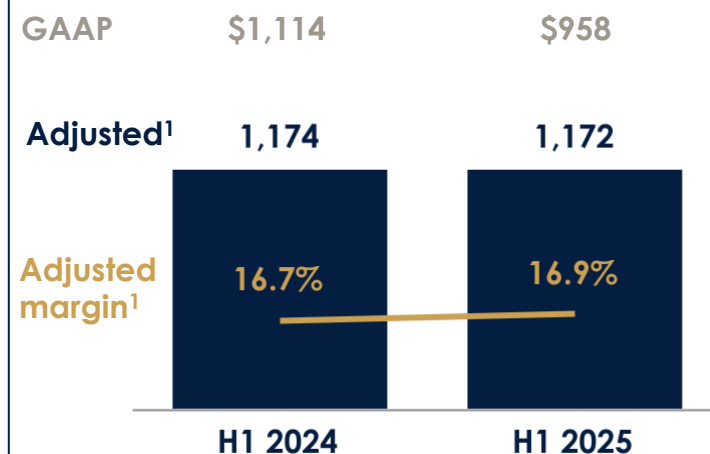
(\$ millions, except per share amounts)

## Sales



Organic <sup>1</sup>	(1%)
FX	(1%)
Net acquisitions/other	1%
<b>Total net sales</b>	<b>(1%)</b>

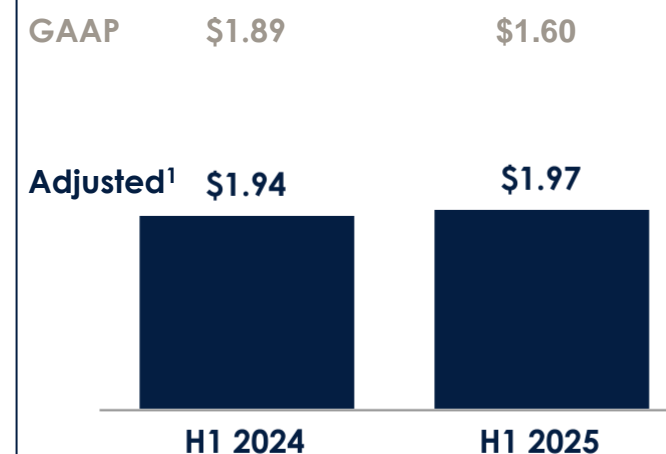
## Operating profit



Adjusted operating profit up \$1M at constant currency<sup>1</sup>, excluding \$3M of FX headwinds

Adjusted operating profit margin<sup>1</sup> expanded 20 bps basis points to 16.9%, driven by favorable segment mix, offset by segment performance and higher corporate expenses.

## Diluted earnings per share

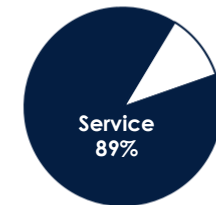


### Adjusted EPS<sup>1</sup> drivers

Operational	\$0.00
FX	\$0.00
Net Interest	(\$0.02)
Taxes	(\$0.02)
NCI	\$0.03
Shares	\$0.04

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

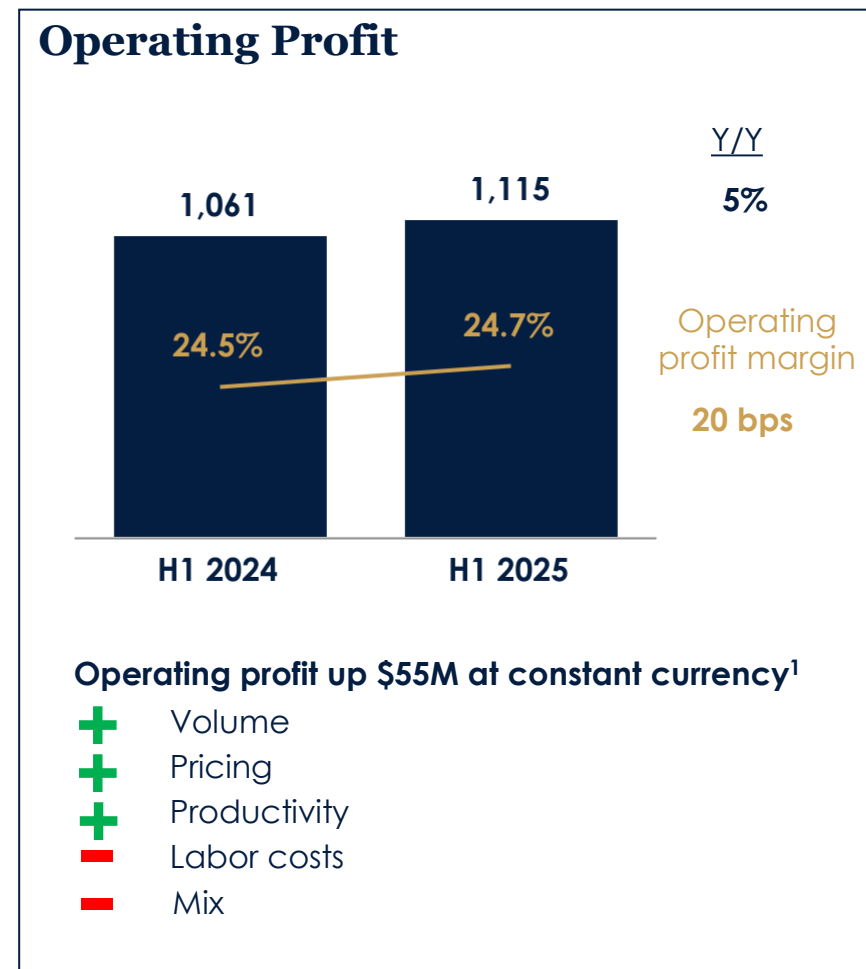
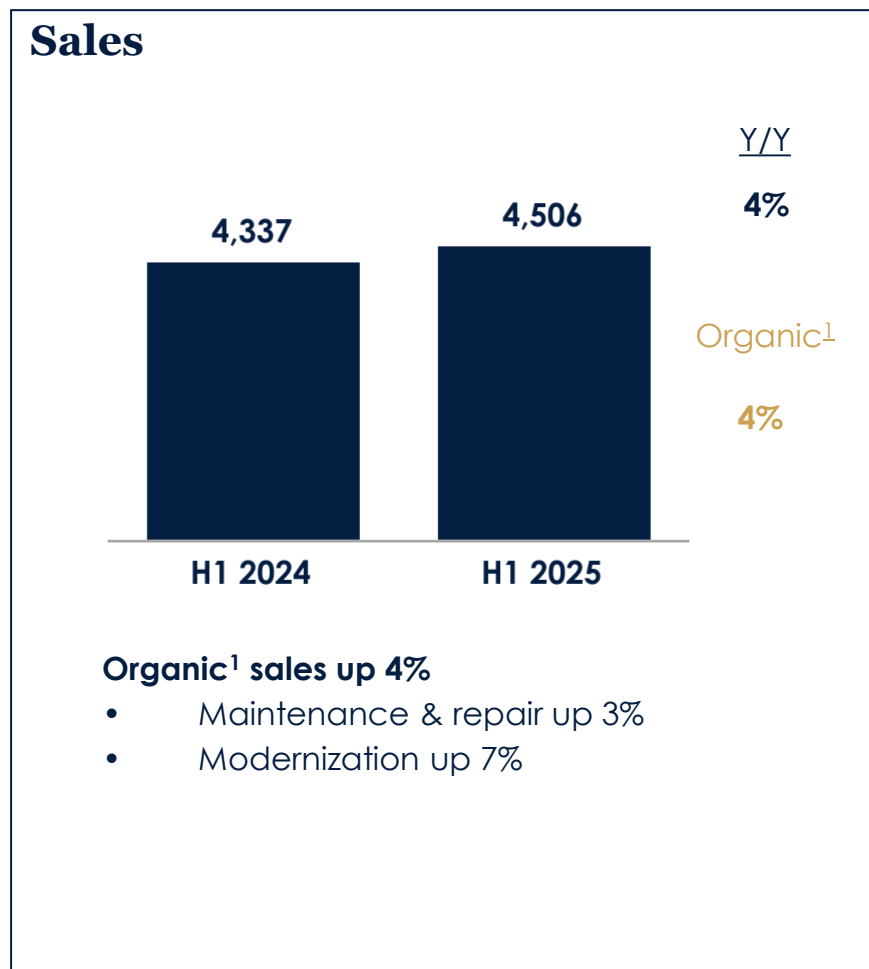




Segment Operating Profit

# H1 2025 Service segment results

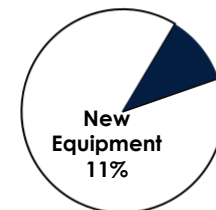
(\$ millions)



<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

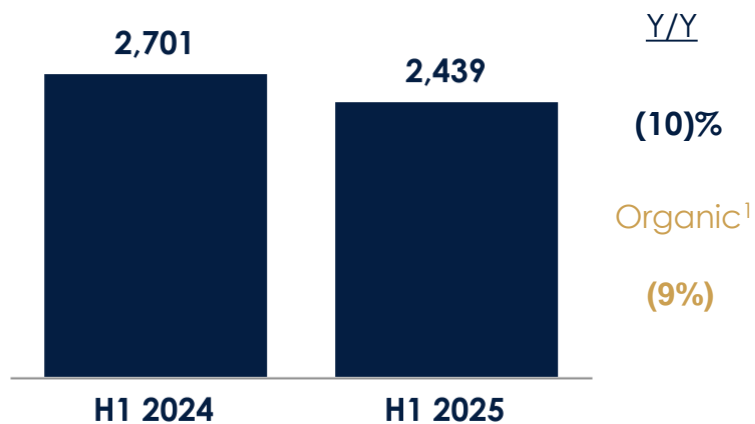
# H1 2025 New Equipment segment results

(\$ millions)



Segment Operating Profit

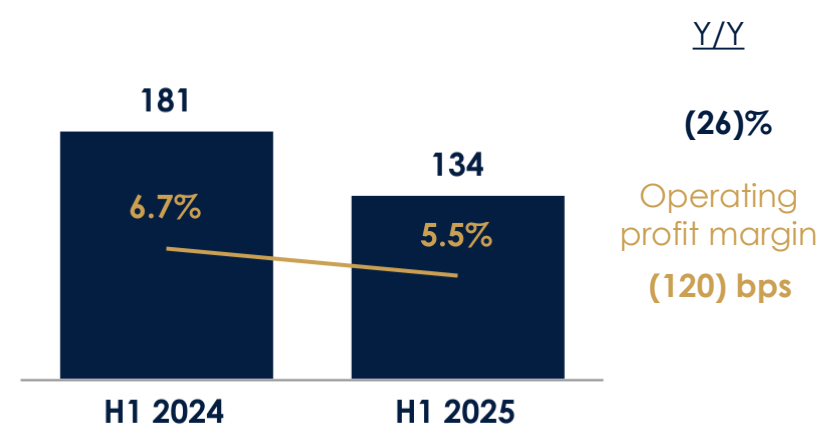
## Sales



### Organic<sup>1</sup> sales down 9%

- Americas down 8%
- EMEA up 7%
- Asia down 19%
  - Asia Pacific up MSD
  - China down >20%

## Operating Profit

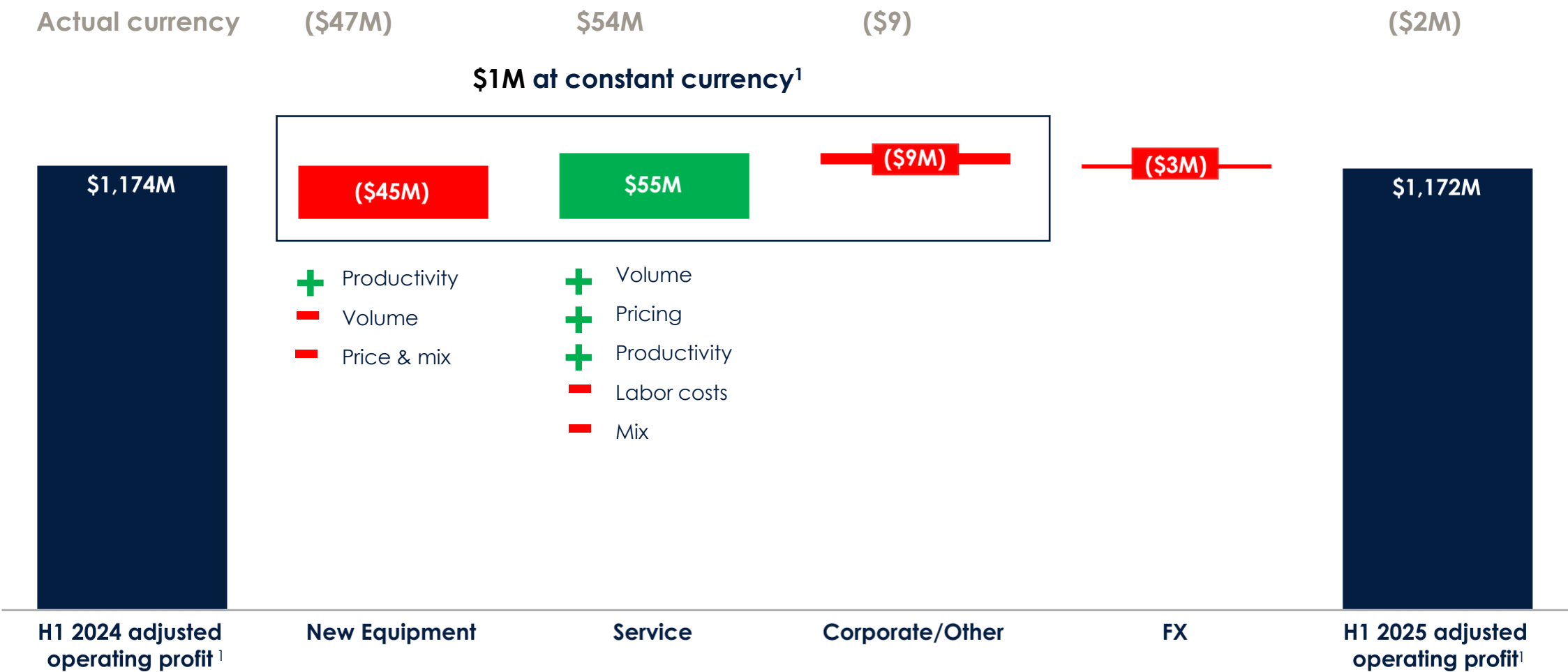


### Operating profit down (\$45M) at constant currency<sup>1</sup>

- + Productivity
- Volume
- Price & mix

<sup>1</sup> See appendix for additional information regarding these non-GAAP financial measures.

# H1 2025 adjusted operating profit<sup>1</sup> drivers



Adjusted operating profit margin<sup>1</sup> expanded 20 basis points to 16.9%

<sup>1</sup> See additional information regarding these non-GAAP financial measures.

# 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
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 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 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.

# Additional information

	Actuals			FY25 outlook	
	1Q25	2Q25	1H25	Prior (Apr 23, 2025)	Updated
UpLift restructuring expense	\$20M	\$25M	\$45M		
Other restructuring expense	\$23M	\$12M	\$35M	~\$250M	~\$250M
UpLift transformation costs	\$23M	\$18M	\$41M		
Non-service pension cost (benefit)	\$0M	\$0M	\$0M	~\$5M	~\$5M
Adjusted net interest expense (a) (b)	\$46M	\$57M	\$103M	~\$220M	~\$220M
Adjusted effective tax rate	25.6%	21.8%	23.6%	~24.8%	~24.8%
Adjusted noncontrolling interest expense (b) (c)	\$15M	\$18M	\$33M	~\$75M	~\$75M
Capital expenditures	\$34M	\$36M	\$70M	~\$150M	~\$150M
Diluted shares outstanding	399.1M	395.8M	397.3M	~397M	~396M

Currency exposure	2024 sales
USD	30%
EUR	23%
CNY	13%
Other	34%

(a) In August 2024, we received a favorable ruling regarding a tax litigation in Germany. As a result, income tax benefits and related interest income were recorded in 2024. Net interest expense is reflected as adjusted without \$1 million and \$2 million of interest income for the quarter and six months ended June 30, 2025..

(b) Certain tax reserves were adjusted in the second quarter of 2025. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without \$30 million of interest income and \$16 million of the noncontrolling interest share of the reserves adjustments, respectively, for the quarter and six months ended June 30, 2025.

(c) Noncontrolling interest is reflected as adjusted without \$4 million and \$6 million of the noncontrolling interest share of Other restructuring for the quarter and six months ended June 30, 2025.



# 2025 GAAP to adjusted financials reconciliation

(\$ millions)

Income	1Q25	2Q25
<b>Net income attributable to Otis</b>	<b>243</b>	<b>393</b>
Noncontrolling interest in subsidiaries' earnings	13	30
Income tax expense (benefit)	110	98
Net interest expense	45	26
Non-service pension benefit (expense)	0	0
<b>GAAP operating profit</b>	<b>411</b>	<b>547</b>
UpLift restructuring	20	25
Other restructuring	23	12
UpLift transformation costs	23	18
Separation-related adjustments (a)	52	9
Litigation and settlement costs (b)	21	0
Held for sale impairment	10	0
Other, net	0	1
<b>Adjusted operating profit</b>	<b>560</b>	<b>612</b>
Adjusted operating profit margin	16.7%	17.0%
Non-service pension (expense)	0	0
Adjusted net interest expense (c) (d)	(46)	(57)
<b>Adjusted pre-tax profit</b>	<b>514</b>	<b>555</b>
Adjusted income tax expense (d)	(131)	(121)
Adjusted effective tax rate (e)	25.6%	21.8%
Adjusted noncontrolling interest (d) (f)	(15)	(18)
<b>Adjusted net income</b>	<b>368</b>	<b>416</b>
<b>Adjusted EPS</b>	<b>\$0.92</b>	<b>\$1.05</b>

(a) Separation-related adjustments in the quarter and six months ended June 30, 2025 represent estimated amounts due to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement, including those amounts related to a favorable ruling received in August 2024 regarding a tax litigation in Germany.

(b) Litigation-related settlement costs in the six months ended June 30, 2025 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/or unique facts of these matters.

(c) In August 2024, we received a favorable ruling regarding a tax litigation in Germany. As a result, income tax benefits and related interest income were recorded in 2024. Net interest expense is reflected as adjusted without \$1 million and \$2 million of interest income for the quarter and six months ended June 30, 2025.

(d) Certain tax reserves were adjusted in the second quarter of 2025. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without \$30 million of interest income and \$16 million of the noncontrolling interest share of the reserves adjustments, respectively, for the quarter and six months ended June 30, 2025.

(e) 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.

(f) Noncontrolling interest is reflected as adjusted without \$4 million and \$6 million of the noncontrolling interest share of Other restructuring for the quarter and six months ended June 30, 2025.

# 2024 GAAP to adjusted financials reconciliation

(\$ millions)

Income	1Q24	2Q24	3Q24	4Q24	FY 2024
<b>Net income attributable to Otis</b>	<b>353</b>	<b>415</b>	<b>540</b>	<b>337</b>	<b>1,645</b>
Noncontrolling interest in subsidiaries' earnings	21	35	17	16	89
Income tax expense (benefit)	126	94	(45)	130	305
Net interest expense (benefit)	44	27	(150)	48	(31)
Non-service pension cost (benefit)	0	(1)	1	0	0
<b>GAAP operating profit</b>	<b>544</b>	<b>570</b>	<b>363</b>	<b>531</b>	<b>2,008</b>
UpLift restructuring	1	6	4	20	31
Other restructuring	19	5	5	11	40
UpLift transformation costs	12	15	18	20	65
Separation-related adjustments (a)	(15)	(1)	193	0	177
Litigation and settlement costs (b)	0	18	0	0	18
Held for sale impairment	0	0	18	0	18
Other, net	0	0	(2)	1	(1)
<b>Adjusted operating profit</b>	<b>561</b>	<b>613</b>	<b>599</b>	<b>583</b>	<b>2,356</b>
<i>Adjusted operating profit margin</i>	<i>16.3%</i>	<i>17.0%</i>	<i>16.9%</i>	<i>15.9%</i>	<i>16.5%</i>
Non-service pension (expense)	0	1	(1)	0	0
Adjusted net interest expense (c, d)	(44)	(48)	(51)	(48)	(191)
<b>Adjusted pre-tax profit</b>	<b>517</b>	<b>566</b>	<b>547</b>	<b>535</b>	<b>2,165</b>
Adjusted income tax expense (c, d)	(135)	(114)	(145)	(143)	(537)
<i>Adjusted effective tax rate (e)</i>	<i>26.0%</i>	<i>20.1%</i>	<i>26.7%</i>	<i>26.7%</i>	<i>24.8%</i>
Adjusted noncontrolling interest (c,f)	(21)	(24)	(17)	(18)	(80)
<b>Adjusted net income</b>	<b>361</b>	<b>428</b>	<b>385</b>	<b>374</b>	<b>1,548</b>
<b>Adjusted EPS</b>	<b>\$0.88</b>	<b>\$1.06</b>	<b>\$0.96</b>	<b>\$0.93</b>	<b>\$3.83</b>

(a) Separation-related adjustments in the year ended ended December 31, 2024 represent amounts due to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement, including those amounts related to a favorable ruling received in August 2024 regarding a tax litigation in Germany.

(b) Litigation-related settlement costs in the year ended December 31, 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.

(c) Certain tax reserves were adjusted in 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 for the year ended December 31, 2024.

(d) In August 2024, we received a favorable ruling regarding a tax litigation in Germany. As a result, income tax benefits and related interest income were recorded in the third and fourth quarter of 2024. Net interest expense is reflected as adjusted without \$1 million and \$201 million of interest income for the quarter and year ended December 31, 2024, respectively.

(e) 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.

(f) Noncontrolling interest is reflected as adjusted without \$2 million of the noncontrolling interest share of Other restructuring for the quarter and year ended December

Note: effective in the first quarter of 2024, the measure of segment performance used by Otis' Chief Operating Decision Maker changed and, as a result, our measure of segment operating profit was updated to not include restructuring and other unallocated items in the operating segments, which are now presented as part of Corporate and Unallocated. The change to segment operating profit aligns with the update to our measure of segment profitability.

# Organic sales reconciliation

Q2 2025 Y/Y	Total Otis	New Equipment	Service	Maintenance & repair	Modernization
Organic	(2%)	(11%)	4%	4%	5%
FX	1%	0%	2%	2%	1%
Acquisitions / divestitures, net and other	1%	1%	0%	0%	0%
<b>Total net sales growth</b>	<b>0%</b>	<b>(10%)</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>

H1 2025 Y/Y	Total Otis	New Equipment	Service	Maintenance & repair	Modernization
Organic	(1%)	(9%)	4%	3%	7%
FX	(1%)	(1%)	(1%)	(1%)	(1%)
Acquisitions / divestitures, net and other	1%	0%	1%	1%	1%
<b>Total net sales growth</b>	<b>(1%)</b>	<b>(10%)</b>	<b>4%</b>	<b>3%</b>	<b>7%</b>

# Segment and total adjusted operating profit at constant currency reconciliations

(\$ millions)	Q2 2024	Q2 2025	Y/Y	H1 2024	H1 2025	Y/Y
<b>New Equipment</b>						
Operating profit	110	68	(42)	181	134	(47)
Impact of foreign exchange	0	1	1	0	2	2
Operating profit at constant currency	110	69	(41)	181	136	(45)
<b>Service</b>						
Operating profit	538	578	40	1,061	1,115	54
Impact of foreign exchange	0	(14)	(14)	0	1	1
Operating profit at constant currency	538	564	26	1,061	1,116	55
<b>Otis Consolidated</b>						
Adjusted operating profit	613	612	(1)	1,174	1,172	(2)
Impact of foreign exchange	0	(13)	(13)	0	3	3
Adjusted operating profit at constant currency	613	599	(14)	1,174	1,175	1

# SG&A reconciliation

(\$ millions)	Q2 2024	Q2 2025	H1 2024	H1 2025
Net sales	3,601	3,595	7,038	6,945
<b>SG&amp;A expense</b>	<b>449</b>	<b>499</b>	<b>911</b>	<b>963</b>
UpLift restructuring	(4)	(27)	(5)	(38)
Other restructuring	(1)	(6)	(15)	(14)
<b>Adjusted SG&amp;A expense</b>	<b>444</b>	<b>466</b>	<b>891</b>	<b>911</b>
<i>Adjusted SG&amp;A % of sales</i>	<i>12.3%</i>	<i>13.0%</i>	<i>12.7%</i>	<i>13.1%</i>



# Diluted EPS and Tax reconciliations

	Q2 2024	Q2 2025	H1 2024	H1 2025
GAAP diluted earnings per share	\$1.02	\$0.99	\$1.89	\$1.60
Impact of non-recurring items on diluted earnings per share	\$0.04	\$0.06	\$0.05	\$0.37
<b>Adjusted earnings per share</b>	<b>\$1.06</b>	<b>\$1.05</b>	<b>\$1.94</b>	<b>\$1.97</b>

	Q2 2024	Q2 2025	H1 2024	H1 2025
Effective tax rate	17.3%	18.8%	21.1%	23.4%
Impact of adjustments on effective tax rate	2.8%	3.0%	1.8%	0.2%
<b>Adjusted effective tax rate</b>	<b>20.1%</b>	<b>21.8%</b>	<b>22.9%</b>	<b>23.6%</b>

# Adjusted free cash flow reconciliation

(\$ millions)	Q2 2024	Q2 2025	H1 2024	H1 2025
Operating cash flow	308	215	479	405
Capital expenditures	(24)	(36)	(55)	(70)
<b>Free cash flow</b>	<b>284</b>	<b>179</b>	<b>424</b>	<b>335</b>
UpLift restructuring payments	7	8	14	19
UpLift transformation payments	13	14	21	33
Separation-related payments (a)	49	72	49	72
German Tax Litigation refunds (b)	0	(30)	0	(30)
<b>Adjusted free cash flow</b>	<b>353</b>	<b>243</b>	<b>508</b>	<b>429</b>

(a) In the second quarter of 2024 and 2025, respectively, we made payments to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement. These payments are anticipated to conclude in 2026.

(b) In August 2024, we received a favorable ruling regarding a tax litigation in Germany. The Company has started to receive refunds and anticipates the refund process will continue through the end of 2025.

# Other reconciliations

## Remaining performance obligation (RPO)

(\$ billions)	Q2 2024	Q1 2025	Q2 2025
RPO at actual currency (GAAP measure)	18.2	18.6	19.3
FX	(0.1)	(0.1)	(0.7)
<b>RPO at constant currency</b>	<b>18.1</b>	<b>18.5</b>	<b>18.6</b>

## Backlog

Q2 2025 Y/Y Growth	New Equipment	Maintenance & repair	Modernization
Actual currency (GAAP measure)	(1%)	10%	19%
FX	(2%)	(4%)	(3%)
<b>Backlog at constant currency</b>	<b>(3%)</b>	<b>6%</b>	<b>16%</b>