OTIS

# Q4 2025 Earnings Call

## January 28, 2026

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# 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 such actions with respect to our business in 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 and geopolitical conflicts, including the ongoing conflict between Russia and Ukraine and instability in the Middle East, 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) challenges in the development, production, delivery, support, employee adoption, 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 disruptions 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 or transformation costs and related savings and other consequences thereof, including with respect to UpLift and our China business and related impacts of reorganization, change management and outsourcing activities, as applicable; (9) new business and investment opportunities and the realization of anticipated benefits, including meeting customer expectations and maintaining our competitiveness; (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, labor actions, including strikes or work stoppages, and labor inflation in the markets in which Otis and its businesses operate globally; (13) the effect of changes in laws, regulations and enforcement priorities 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 (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 (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.

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# Q4 and FY 2025 highlights

**Solid earnings growth in Q4 generated by our Service flywheel...**

- Organic[1] sales up 1%… Service up 5%
- Adjusted operating profit margin[1] expanded 70 bps… Service expanded 100 bps
- Adjusted EPS[1] up 11%
- Modernization orders up 43%; backlog up 30% at constant currency[1]
- Adjusted free cash flow[1] of $817M… up 20%

**...creating value for all stakeholders**

- Launched several innovations to support urban renewal and accessible mobility; launched Gen3™ product family in EMEA
- Grew to 1.1 million connected units driving IoT and digital ecosystem
- Returned ~$1.5B to shareholders in 2025, supported by strong adjusted free cash flow[1]

## FY 2025

**26%**
modernization orders growth[2]

**5%**
Service organic[1] sales growth

**40 bps**
adjusted operating profit margin[1] expansion

**$1.6B**
adjusted free cash flow[1]

1 See appendix for additional information regarding these non-GAAP financial measures.
2 At constant currency.


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# Q4 2025 orders

(YOY Changes)

| Orders[1] | Total Otis | Otis ex-China |
|---|---|---|
| New Equipment | (2%) | (1%) |
| Modernization | 43% | 50% |
| **Total** | **10%** | **13%** |

| Backlog[1] | Total Otis | Otis ex-China |
|---|---|---|
| New Equipment | 2% | 9% |
| Modernization | 30% | 32% |
| **Total** | **8%** | **14%** |

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

## Q4 2025 highlights

PHMS Pediatric Hospital
Dallas, USA

Shanghai Metro - Line 19
Shanghai, China

Transport for London - Escalator Management Contract
London, UK

Armani Hallson
Kuala Lumpur, Malaysia

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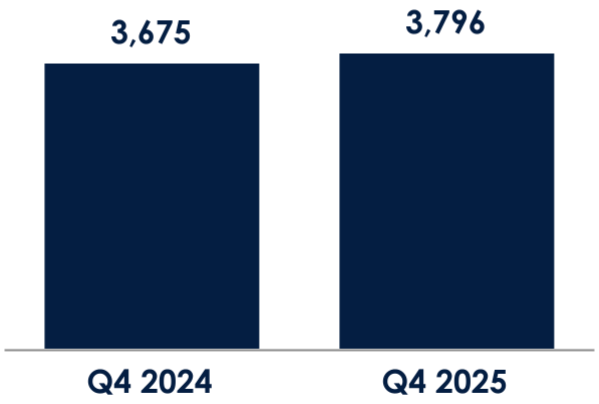
# Q4 2025 results

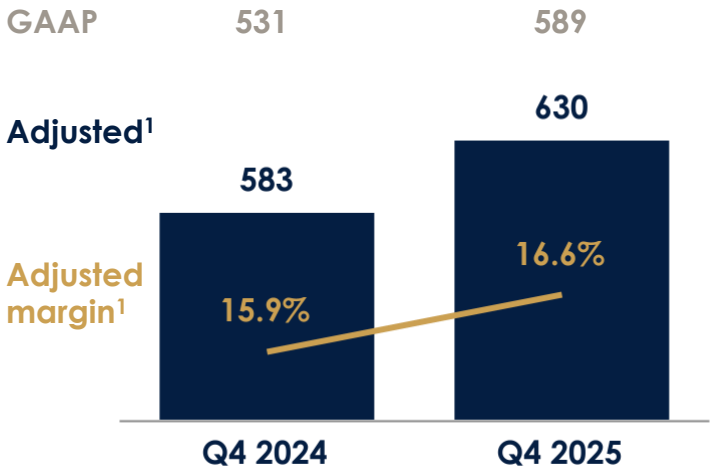
($ millions, except per share amounts)

## Sales




| | |
|---|---|
| Organic[1] | 1% |
| FX | 2% |
| Net acquisitions/other | ~Flat |
| **Total net sales** | **3%** |

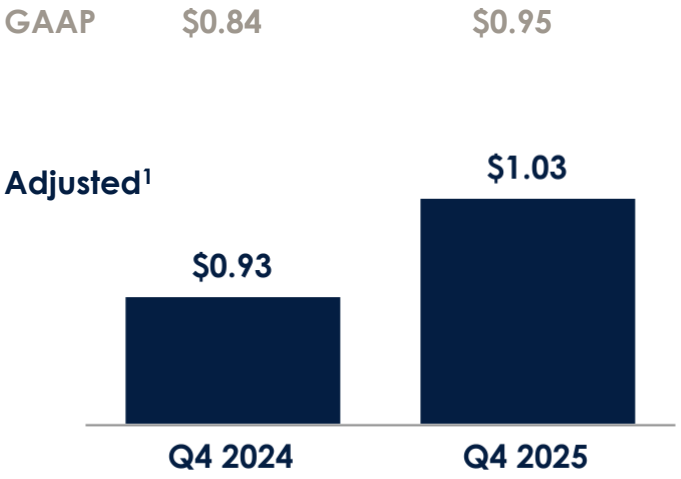
## Operating profit




Adjusted operating profit up $29M at constant currency[1], excluding $18M of FX tailwinds

Adjusted operating profit margin[1] expanded 70 bps basis points to 16.6%, driven by favorable segment mix and segment performance

## Diluted earnings per share




**Adjusted EPS[1] drivers**

| | |
|---|---|
| Operational | $0.06 |
| FX | $0.03 |
| Other | $0.01 |

1 See appendix for additional information regarding these non-GAAP financial measures.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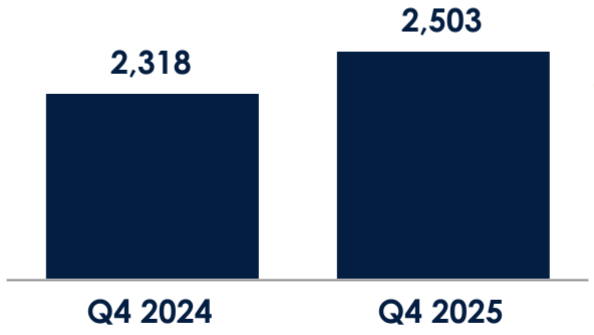
# Q4 2025 Service segment results

($ millions)

**Segment Operating Profit**

## Sales




Y/Y

**8%**

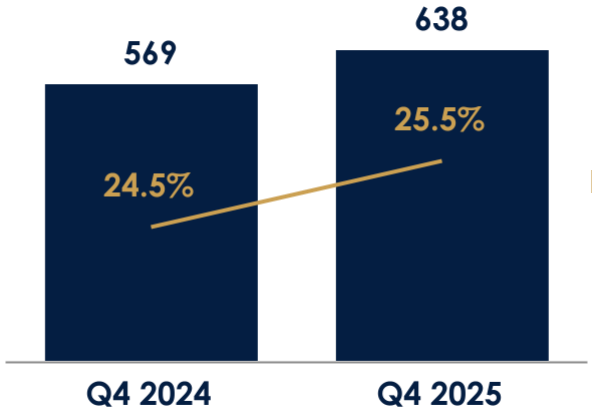
Organic[1]

**5%**

**Organic[1] sales up 5%**

- Maintenance & repair up 4%
- Modernization up 9%

## Operating profit




Y/Y

**12%**

Operating profit margin

**+100 bps**

**Operating profit up $49M at constant currency**

- \+ Volume
- \+ Pricing
- \+ Productivity
- \+ Gains on asset sales
- − Labor costs
- − Mix

1 See appendix for additional information regarding these non-GAAP financial measures.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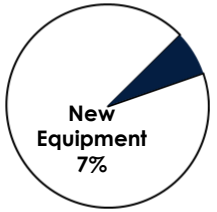
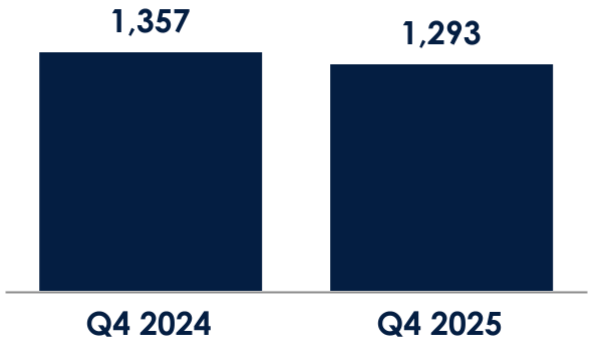
# Q4 2025 New Equipment segment results

($ millions)




Segment Operating Profit

## Sales




Y/Y

(5%)

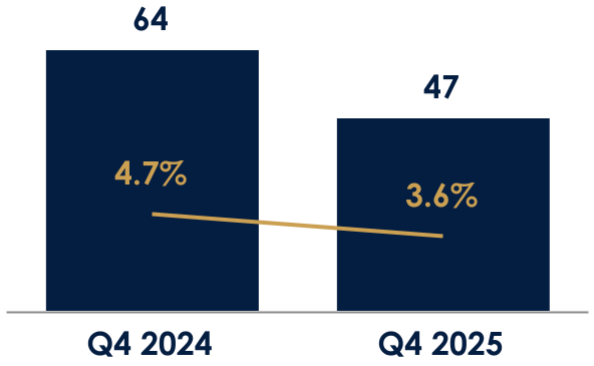
Organic[1]

(6%)

**Organic[1] sales down 6%**

- Americas down 5%
- EMEA up 6%
- Asia down 15%
  - Asia Pacific up LSD
  - China down >20%

## Operating profit




Y/Y

(27%)

Operating profit margin

(110) bps

**Operating profit down $15M at constant currency[1]**

- \+ Productivity
- − Volume
- − Price & mix
- − Tariffs

1 See appendix for additional information regarding these non-GAAP financial measures.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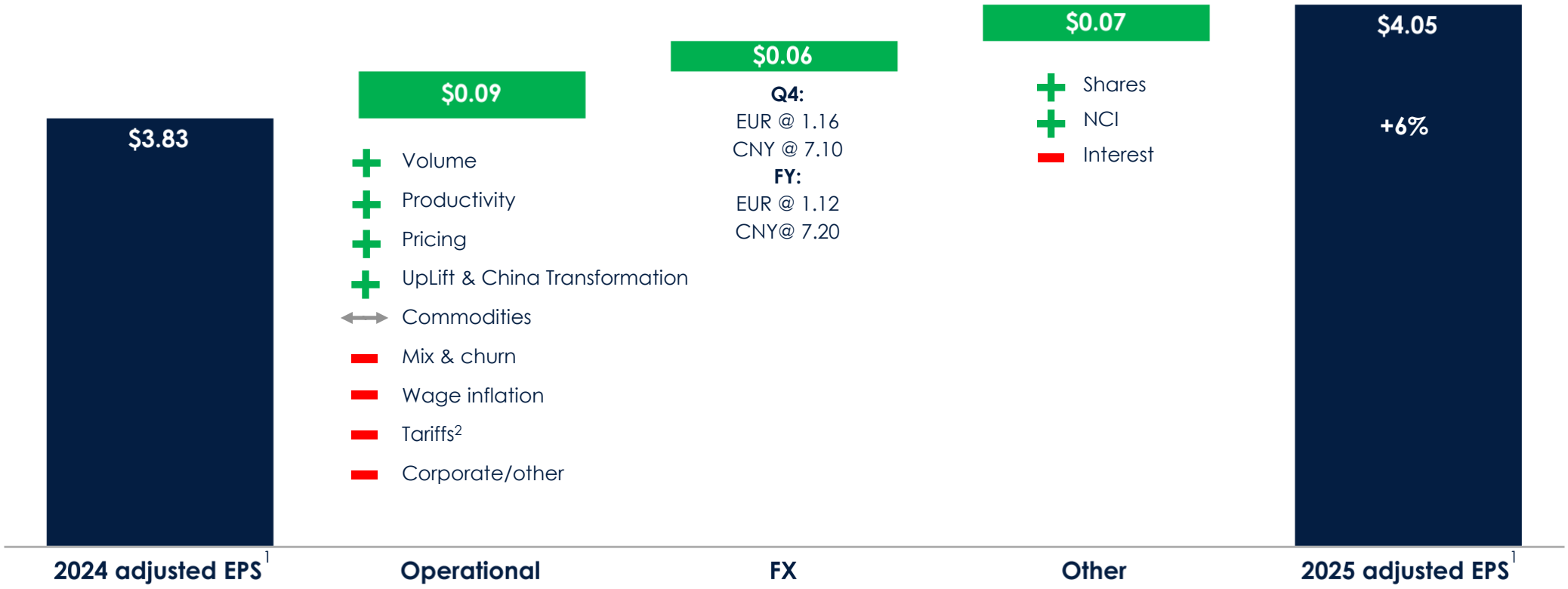
# FY 2025 adjusted EPS[1] growth drivers




1 See appendix for additional information regarding these non-GAAP financial measures.
2 Tariff expenses were previously included within FX, which was formerly labeled as FX & Tariffs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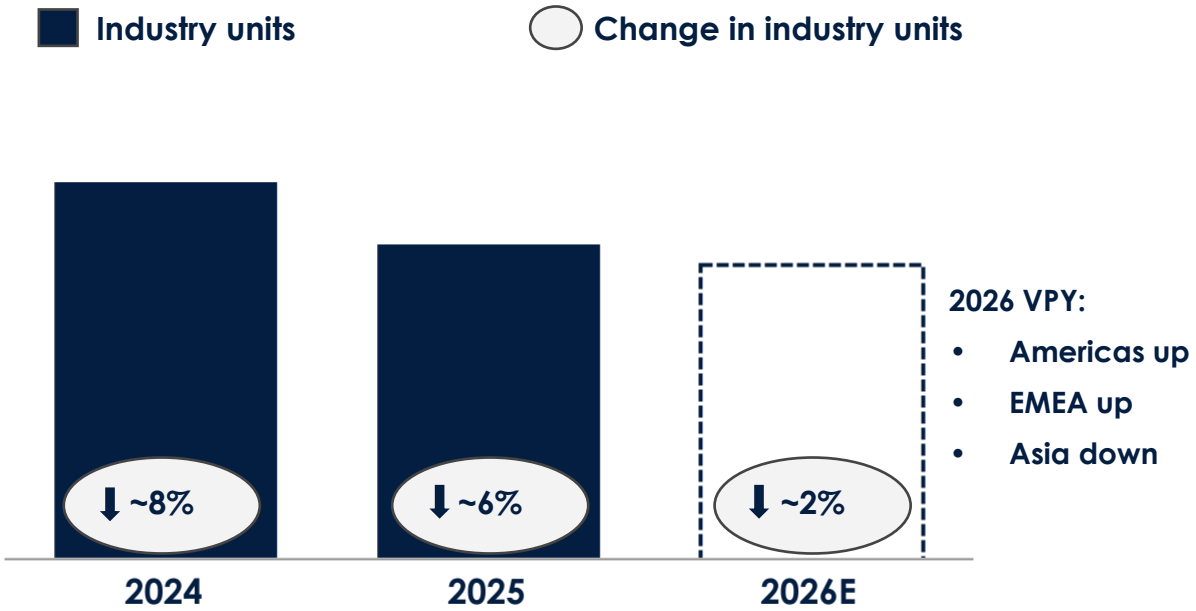
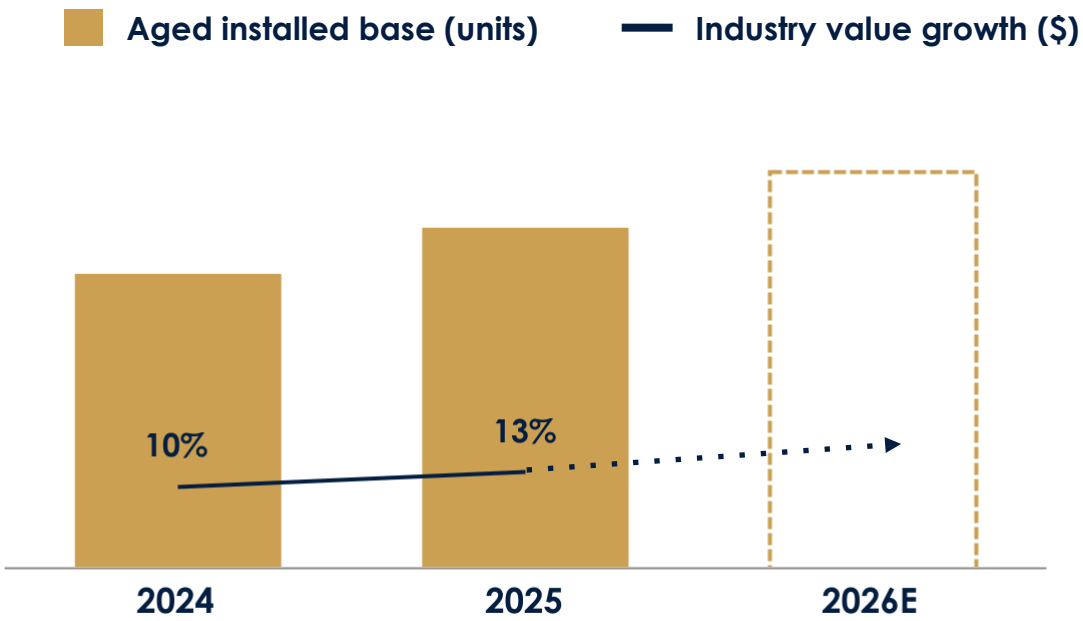
# 2026 industry outlook[1]

## New Equipment




**Sequential stabilization**

## Modernization




**Double-digit, global synchronous growth**

1 Based on Otis internal estimates for the markets in which we operate.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# 2026 total and organic[1] sales outlook

| | 2025 actuals | 2026 outlook |
|---|---|---|
| Service sales (organic) | up 5% | up mid to high single digits |
| New Equipment sales (organic) | down 7% | down low single digits to flat |
| Total sales (organic) | ~flat | up low to mid-single digits |
| Total net sales at actual currency | $14.4B | $15.0B to $15.3B |

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


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# 2026 financial outlook

| | 2025 actuals | 2026 outlook |
|---|---|---|
| Constant currency adj. operating profit[1] | up $46M | up $60M to $100M |
| Adjusted free cash flow[1] | $1.6B | $1.6B to $1.7B |
| Share repurchases | ~$800M | ~$800M |

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


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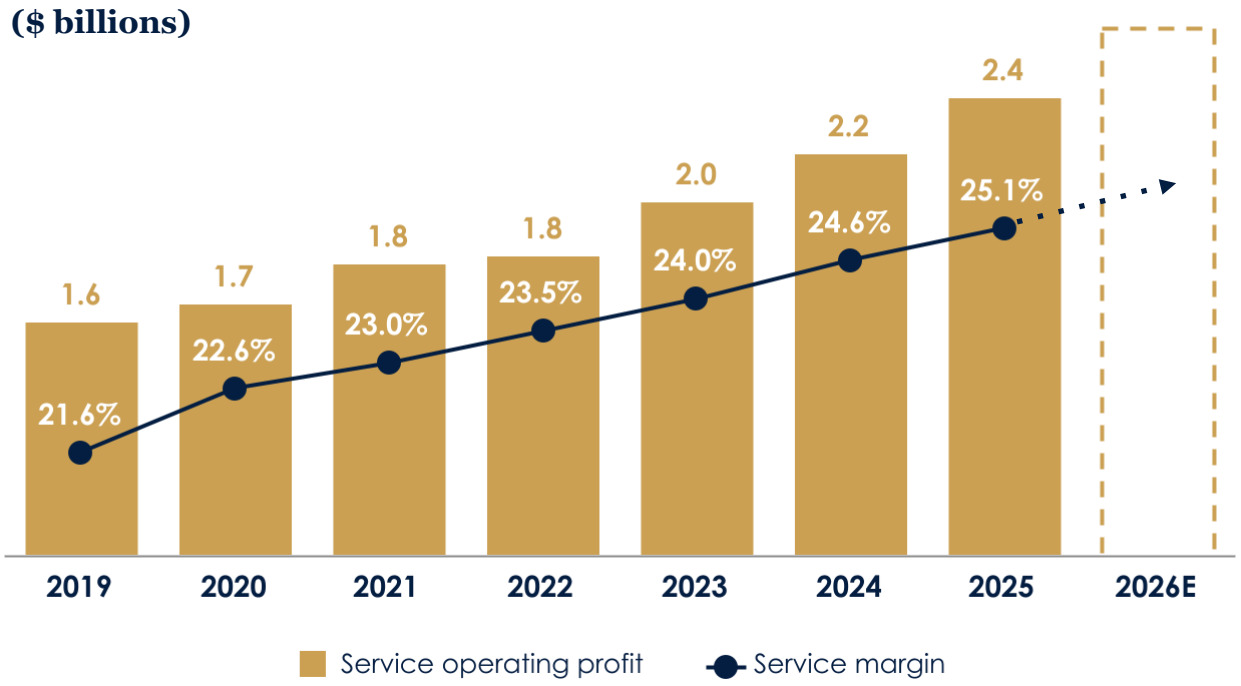
# Total adj. op profit…driven by sustained Service growth

**Total adjusted operating profit**[1] of $2.5 to $2.6B, up $60M to $100M at constant currency[1]; up $100M to $140M at actual currency

- + Volume
- + Productivity
- + Pricing
- + UpLift & China Transformation
- − New Equipment backlog margin
- − Mix & churn
- − Wage inflation
- − Investments

## Service operating profit and margin




1 See appendix for additional information regarding these non-GAAP financial measures. For comparability, Russia is also excluded from 2019 and 2020 adjusted results.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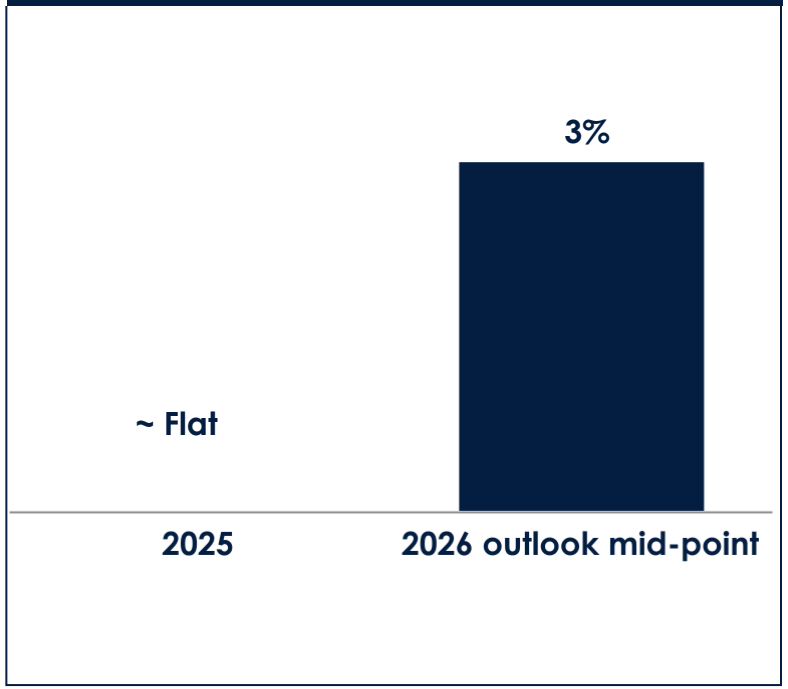
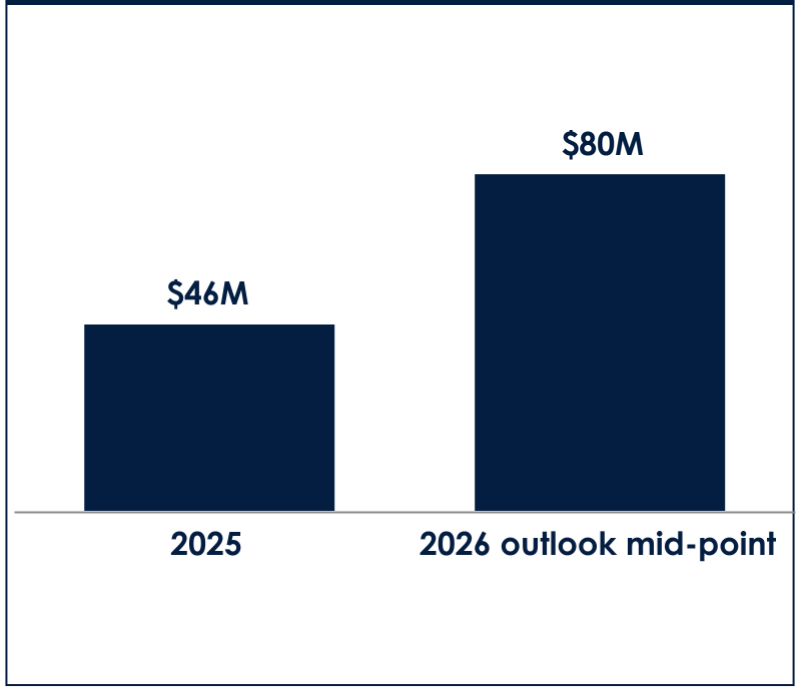
# Accelerating growth in 2026

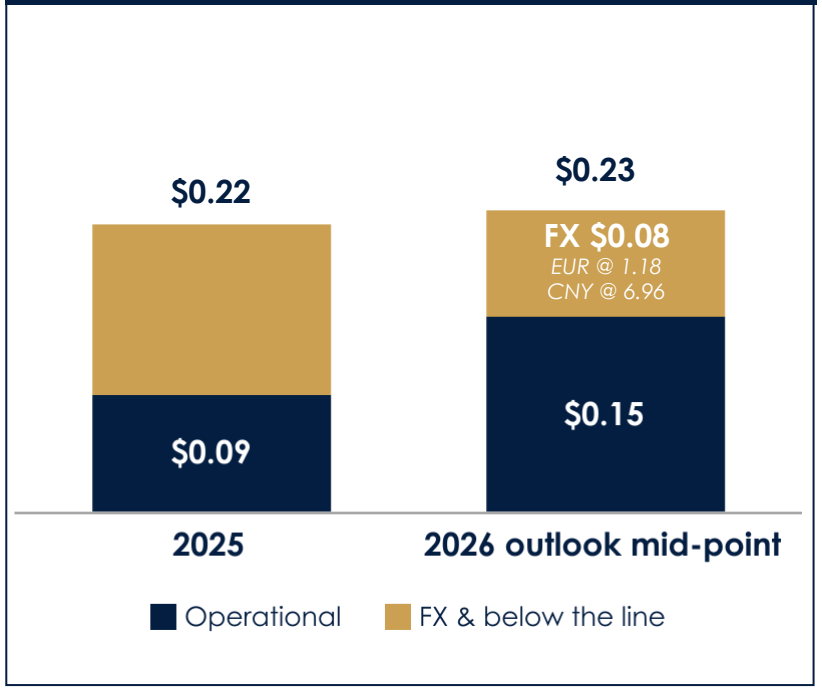
## Organic[1] sales up low to mid-single digits




## Constant currency adj. op profit[1] up $60 to $100M




## Adjusted EPS[1] up mid to high single digits




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

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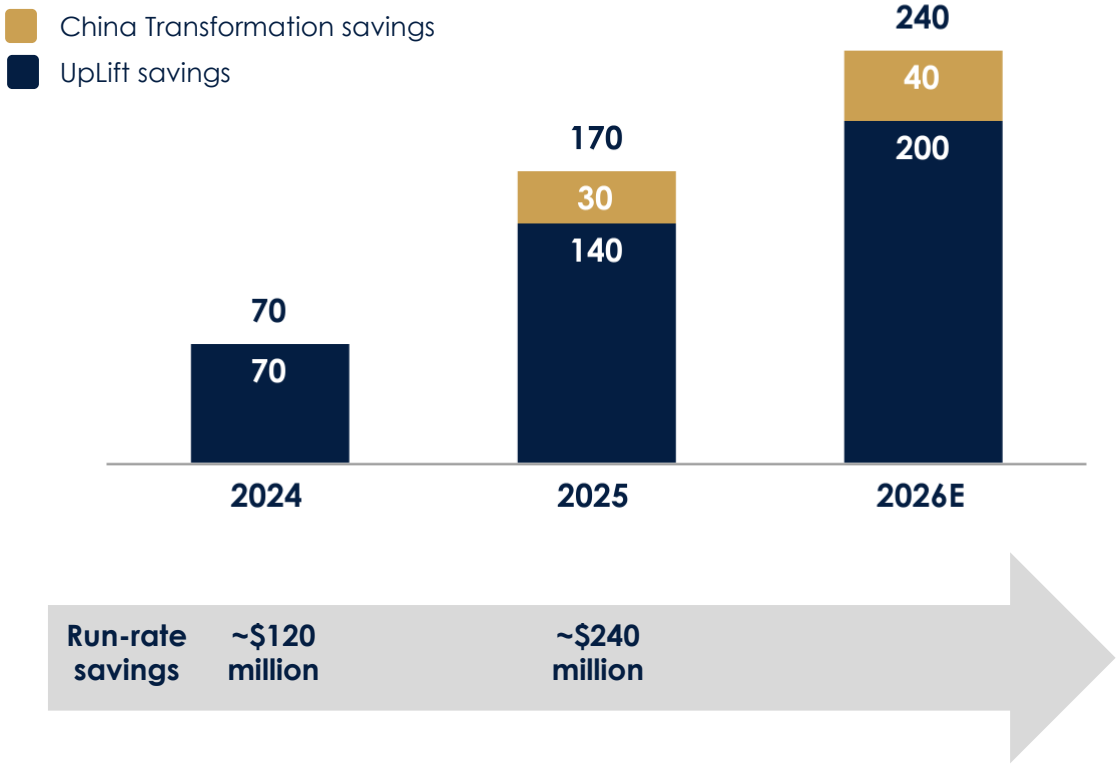
# UpLift and China Transformation successfully completed

## Achieved savings

Cumulative in-year benefits ($ millions)




**$240M of run rate savings achieved, higher than originally anticipated…**

**2025 implementation costs $20M below the latest outlook**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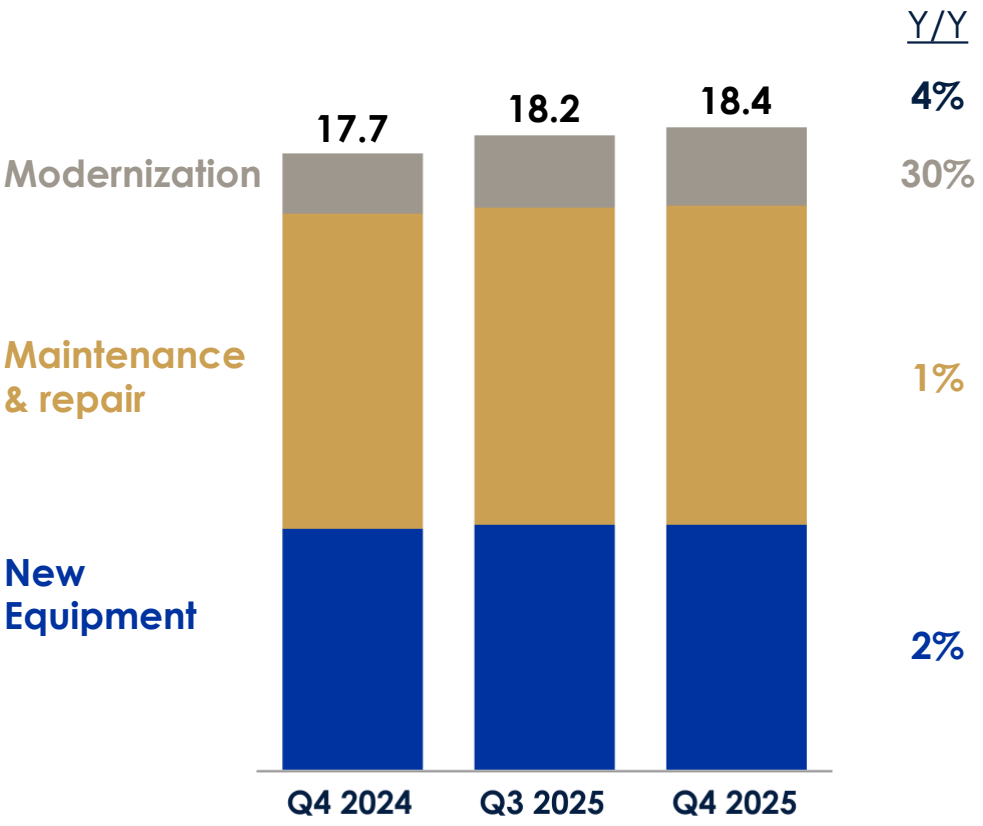
# Backlog and orders

($ billions, at constant currency[1])

## Remaining performance obligation




## Modernization orders

| | Q4 2025 Y/Y | FY 2025 Y/Y |
|---|---|---|
| **Total Otis** | **43%** | **26%** |
| *Otis ex-China* | *50%* | *25%* |

## New Equipment orders

| Region | Q4 2025Y/Y | FY 2025 Y/Y |
|---|---|---|
| **Total Otis** | **(2%)** | **0%** |
| *Otis ex-China* | *(1%)* | *7%* |
| Americas | 5% | 9% |
| EMEA | 6% | 4% |
| Asia | (12%) | (9%) |

1 See additional information regarding these non-GAAP financial measures.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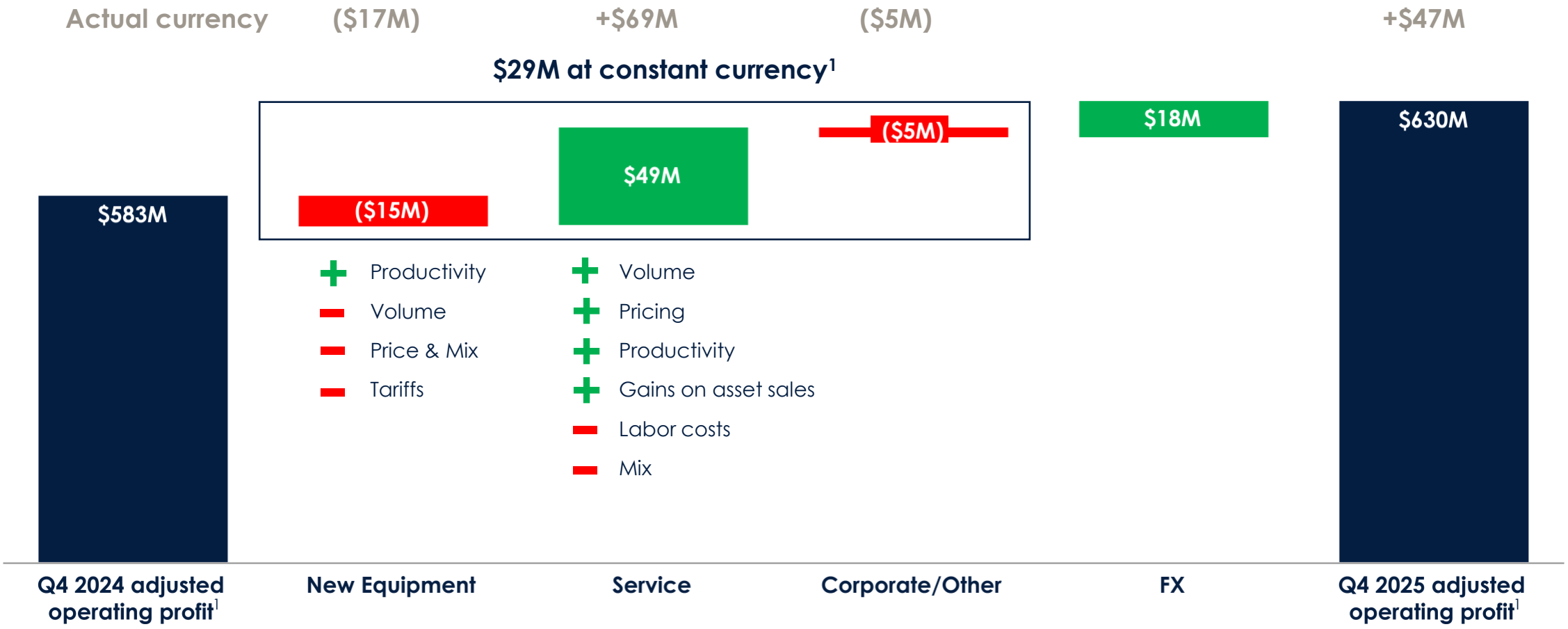
# Q4 2025 adjusted operating profit[1] drivers




**Adjusted operating profit margin[1] expanded 70 bps basis points to 16.6%**

1 See additional information regarding these non-GAAP financial measures.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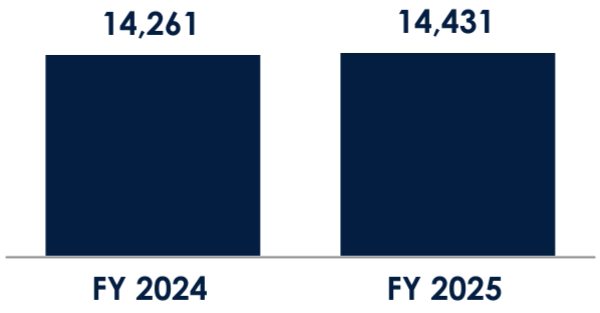
# FY 2025 results

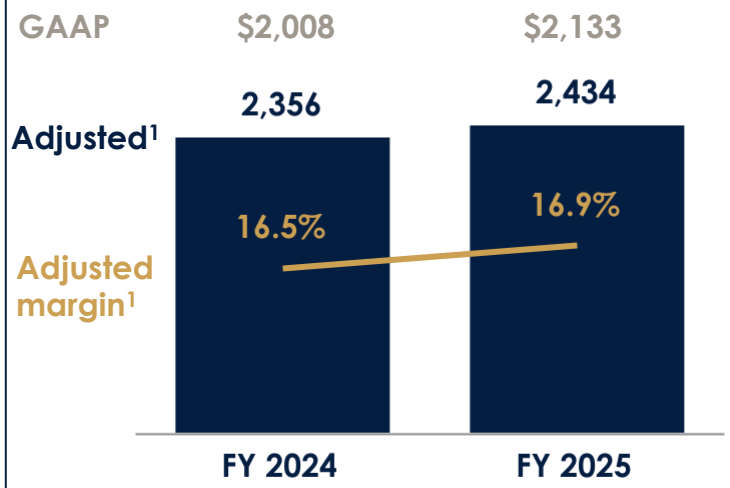
($ millions, except per share amounts)

## Sales




| | |
|---|---|
| Organic[1] | ~Flat |
| FX | 1% |
| Net acquisitions/other | ~Flat |
| **Total net sales** | 1% |

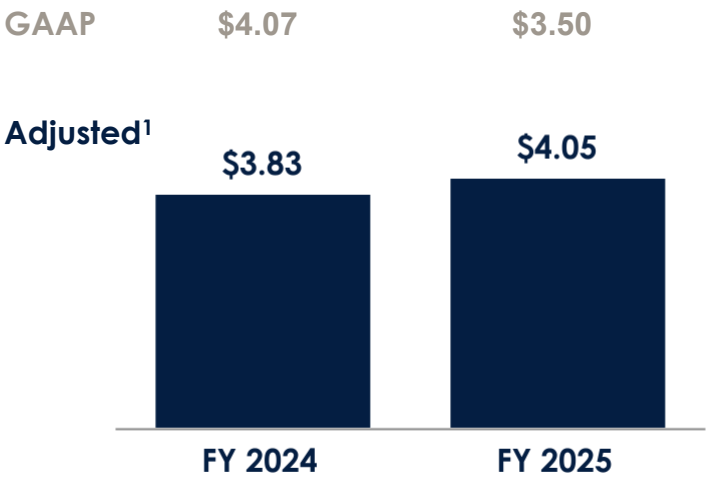
## Operating profit




Adjusted operating profit up $46M at constant currency[1], excluding $32M of FX tailwinds

Adjusted operating profit margin[1] expanded 40 basis points to 16.9%, driven by favorable segment mix, partially offset by segment performance

## Diluted earnings per share




| **Adjusted EPS[1] drivers** | |
|---|---|
| Operational | $0.09 |
| FX | $0.06 |
| Shares | $0.09 |
| Other | ($0.02) |

1 See appendix for additional information regarding these non-GAAP financial measures.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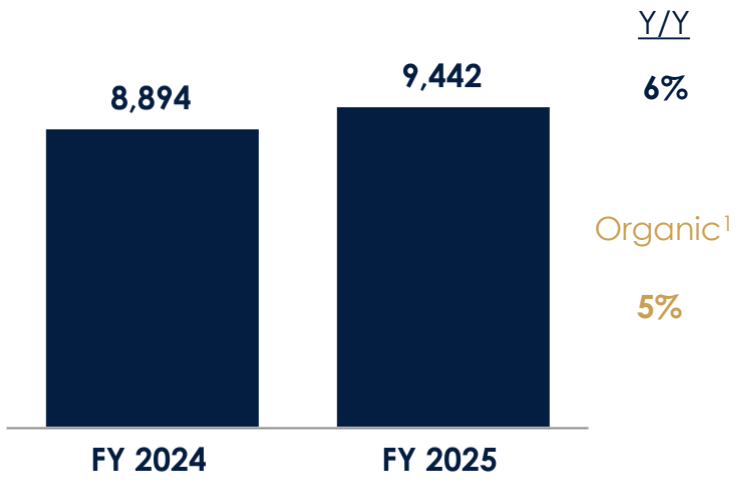
# FY 2025 Service segment results

($ millions)

**Segment Operating Profit**

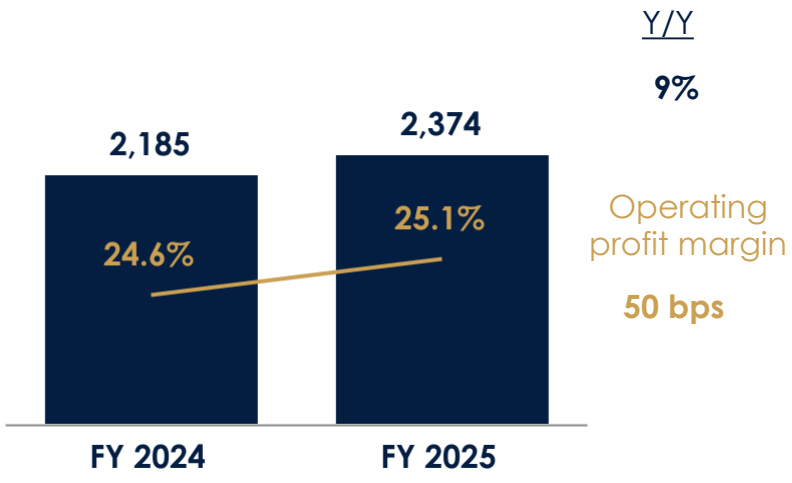
## Sales




**Organic[1] sales up 5%**

- Maintenance & repair up 4%
- Modernization up 9%

## Operating profit




**Operating profit up $153M at constant currency[1]**

- \+ Volume
- \+ Pricing
- \+ Productivity
- − Labor costs
- − Mix

1 See appendix for additional information regarding these non-GAAP financial measures.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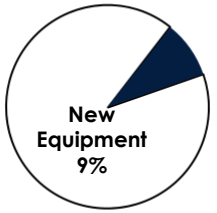
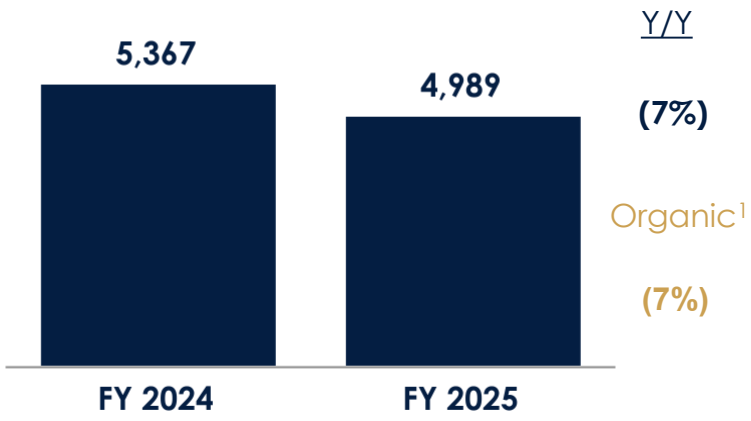
# FY 2025 New Equipment segment results

($ millions)




Segment Operating Profit

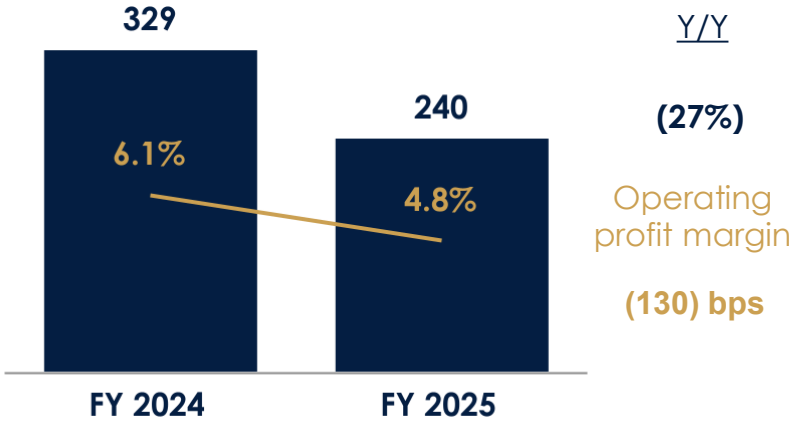
## Sales




**Organic[1] sales down 7%**

- Americas down 7%
- EMEA up 6%
- Asia down 15%
  - Asia Pacific up MSD
  - China down >20%

## Operating profit




**Operating profit down $84M at constant currency[1]**

- \+ Productivity
- − Volume
- − Price & mix
- − Tariffs

1 See appendix for additional information regarding these non-GAAP financial measures.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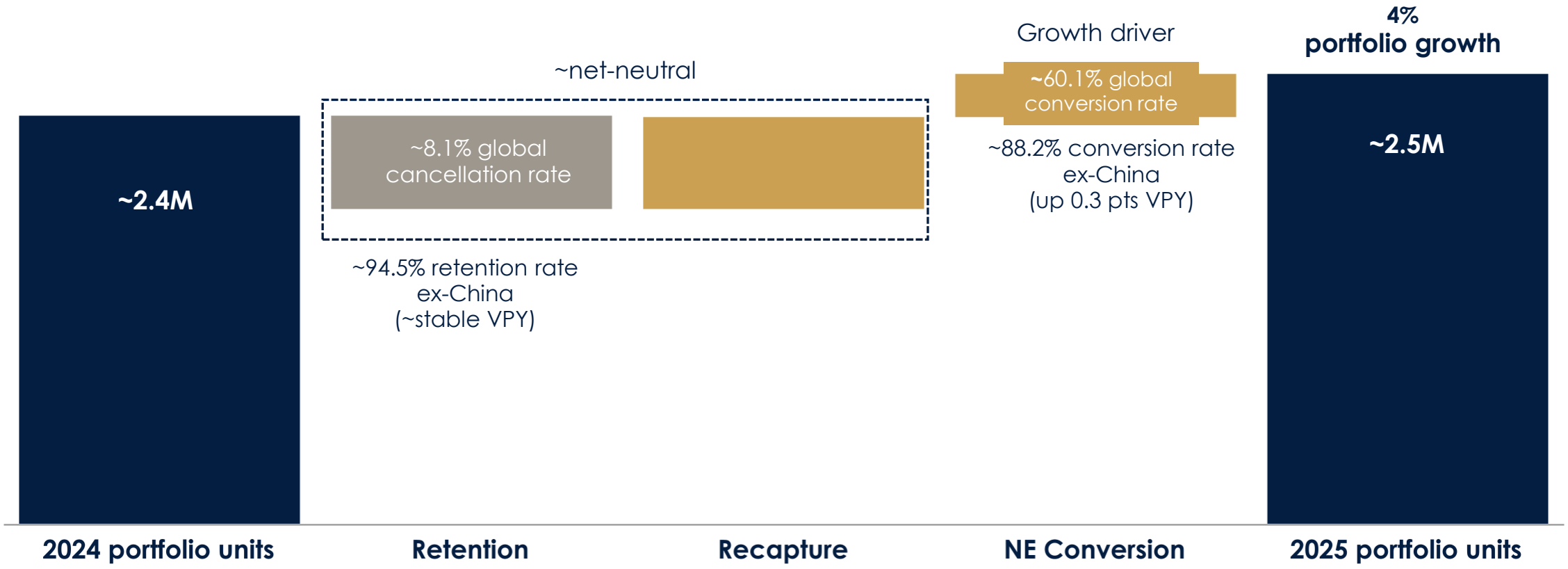
# Accelerating portfolio growth




**Portfolio growth of 4% for the fourth consecutive year**

Retention rate = 1 – (canceled units / total portfolio units)
Conversion rate = units added to maintenance portfolio / total units eligible for conversion

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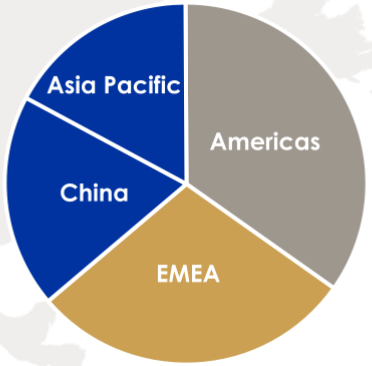
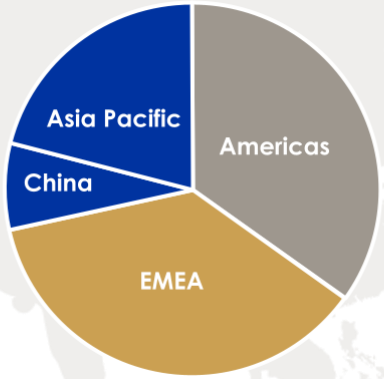
# Strong geographic diversification

FY25 metrics

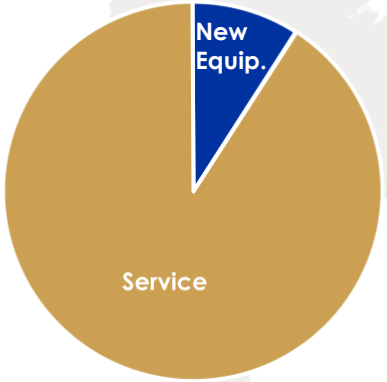
## New Equipment sales
## $5.0B




## Service sales
## $9.4B




## Adj. operating profit[1]
## $2.4B




Operating profit margin 4.8%

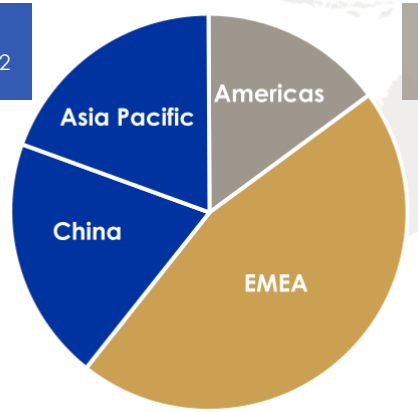
Operating profit margin 25.1%

## Units under maintenance
## ~2.5M

~125K connected[2]

~105K connected[2]

~300K connected[2]




~540K connected[2]

Total Otis: ~1.1M connected[2]

1 See additional information regarding these non-GAAP financial measures.
2 Connected units including units under the warranty period.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# 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 expense, 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.

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# Additional information

| | Actuals | | | | | FY26 |
|---|---|---|---|---|---|---|
| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | FY 2025 | outlook |
| UpLift restructuring expense | $20M | $25M | $27M | $4M | $76M | ~$20M |
| Other restructuring expense | $23M | $12M | $6M | $13M | $54M | ~$60M |
| UpLift transformation costs | $23M | $18M | $10M | $18M | $69M | ~$0M |
| Non-service pension cost (benefit) | $0M | $0M | $4M | ($1M) | $3M | ~$5M |
| Adjusted net interest expense (a) (b) | $46M | $57M | $61M | $65M | $229M | ~$265M |
| Adjusted effective tax rate | 25.6% | 21.8% | 24.5% | 26.7% | 24.6% | ~24.5% |
| Adjusted noncontrolling interest expense (b) (c) | $15M | $18M | $17M | $11M | $61M | ~$60M |
| Capital expenditures | $34M | $36M | $37M | $45M | $152M | ~$160M |
| Weighted average diluted shares outstanding | 399.1M | 395.8M | 392.8M | 391.8 | 394.9 | ~389M |

| Currency exposure | 2025 sales |
|---|---|
| USD | 30% |
| EUR | 25% |
| CNY | 11% |
| 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 $3 million for the quarter and year ended December 31, 2025, respectively.
(b) Certain tax reserves were adjusted in 2025 and 2024. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without $30 million and $21 million of interest income and $16 million and $11 million of the noncontrolling interest share of the reserves adjustments for the years ended December 31, 2025 and 2024, respectively.
(c) Noncontrolling interest is reflected as adjusted without $1 million and $6 million of the noncontrolling interest share of other restructuring for the quarter and year ended December 31, 2025, respectively.

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# 2025 GAAP to adjusted financials reconciliation

($ millions)

| Income | 1Q25 | 2Q25 | 3Q25 | 4Q25 | FY 2025 |
|---|---|---|---|---|---|
| **Net income attributable to Otis** | **243** | **393** | **374** | **374** | **1,384** |
| Noncontrolling interest in subsidiaries' earnings | 13 | 30 | 18 | 10 | 71 |
| Income tax expense (benefit) | 110 | 98 | 129 | 142 | 479 |
| Net interest expense | 45 | 26 | 61 | 64 | 196 |
| Non-service pension benefit (expense) | 0 | 0 | 4 | (1) | 3 |
| **GAAP operating profit** | **411** | **547** | **586** | **589** | **2,133** |
| UpLift restructuring | 20 | 25 | 27 | 4 | 76 |
| Other restructuring | 23 | 12 | 6 | 13 | 54 |
| UpLift transformation costs | 23 | 18 | 10 | 18 | 69 |
| Separation-related adjustments (a) | 52 | 9 | 4 | 5 | 70 |
| Litigation and settlement costs (b) | 21 | 0 | 0 | 0 | 21 |
| Held for sale impairment | 10 | 0 | 0 | 0 | 10 |
| Other, net | 0 | 1 | (1) | 1 | 1 |
| **Adjusted operating profit** | **560** | **612** | **632** | **630** | **2,434** |
| *Adjusted operating profit margin* | *16.7%* | *17.0%* | *17.1%* | *16.6%* | *16.9%* |
| Non-service pension (expense) | 0 | 0 | (4) | 1 | (3) |
| Adjusted net interest expense (c) (d) | (46) | (57) | (61) | (65) | (229) |
| **Adjusted pre-tax profit** | **514** | **555** | **567** | **566** | **2,202** |
| Adjusted income tax expense (d) | (131) | (121) | (139) | (151) | (542) |
| *Adjusted effective tax rate (e)* | *25.6%* | *21.8%* | *24.5%* | *26.7%* | *24.6%* |
| Adjusted noncontrolling interest (d) (f) | (15) | (18) | (17) | (11) | (61) |
| **Adjusted net income** | **368** | **416** | **411** | **404** | **1,599** |
| **Adjusted EPS** | **$0.92** | **$1.05** | **$1.05** | **$1.03** | **$4.05** |

(a) Separation-related adjustments in the year ended ended December 31, 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 year ended December 31, 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 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 $3 million for the quarter and year ended December 31, 2025, respectively.
(d) Certain tax reserves were adjusted in 2025 and 2024. As a result, Net interest expense and Noncontrolling interest are reflected as adjusted without $30 million and $21 million of interest income and $16 million and $11 million of the noncontrolling interest share of the reserves adjustments for the years ended December 31, 2025 and 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 $1 million and $6 million of the noncontrolling interest share of Other restructuring for the quarter and year ended December 31, 2025, respectively.

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# 2024 GAAP to adjusted financials reconciliation

($ millions)

| Income | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY 2024 |
|---|---|---|---|---|---|
| **Net income attributable to Otis** | **353** | **415** | **540** | **337** | **1,645** |
| 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 |
| **GAAP operating profit** | **544** | **570** | **363** | **531** | **2,008** |
| 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) |
| **Adjusted operating profit** | **561** | **613** | **599** | **583** | **2,356** |
| *Adjusted operating profit margin* | *16.3%* | *17.0%* | *16.9%* | *15.9%* | *16.5%* |
| | | | | | |
| Non-service pension (expense) | 0 | 1 | (1) | 0 | 0 |
| Adjusted net interest expense (c, d) | (44) | (48) | (51) | (48) | (191) |
| **Adjusted pre-tax profit** | **517** | **566** | **547** | **535** | **2,165** |
| Adjusted income tax expense (c, d) | (135) | (114) | (145) | (143) | (537) |
| *Adjusted effective tax rate (e)* | *26.0%* | *20.1%* | *26.7%* | *26.7%* | *24.8%* |
| Adjusted noncontrolling interest (c,f) | (21) | (24) | (17) | (18) | (80) |
| **Adjusted net income** | **361** | **428** | **385** | **374** | **1,548** |
| **Adjusted EPS** | **$0.88** | **$1.06** | **$0.96** | **$0.93** | **$3.83** |

(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 $200 million and $1 million in the quarters ended September 30, 2024, and December 31, 2024, respectively and $201 million for the year ended December 31, 2024.
(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 31, 2024.
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.

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# Organic sales reconciliation

| Q4 2025 Y/Y | Total Otis | New Equipment | Service | Maintenance & repair | Modernization |
|---|---|---|---|---|---|
| Organic | 1% | (6%) | 5% | 4% | 9% |
| FX | 2% | 2% | 3% | 3% | 2% |
| Acquisitions / divestitures, net and other[1] | 0% | (1%) | 0% | 0% | 1% |
| **Total net sales growth** | **3%** | **(5%)** | **8%** | **7%** | **12%** |

| FY 2025 Y/Y | Total Otis | New Equipment | Service | Maintenance & repair | Modernization |
|---|---|---|---|---|---|
| Organic | 0% | (7%) | 5% | 4% | 9% |
| FX | 1% | 0% | 1% | 1% | 0% |
| Acquisitions / divestitures, net and other[1] | 0% | 0% | 0% | 0% | 1% |
| **Total net sales growth** | **1%** | **(7%)** | **6%** | **5%** | **10%** |

1 Includes rounding.

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# Segment and total adjusted operating profit at constant currency reconciliations

| ($ millions) | Q4 2024 | Q4 2025 | Y/Y | FY 2024 | FY 2025 | Y/Y |
|---|---|---|---|---|---|---|
| **New Equipment** | | | | | | |
| Operating profit | 64 | 47 | (17) | 329 | 240 | (89) |
| Impact of foreign exchange | 0 | 2 | 2 | 0 | 5 | 5 |
| Operating profit at constant currency | 64 | 49 | (15) | 329 | 245 | (84) |
| **Service** | | | | | | |
| Operating profit | 569 | 638 | 69 | 2,185 | 2,374 | 189 |
| Impact of foreign exchange | 0 | (20) | (20) | 0 | (36) | (36) |
| Operating profit at constant currency | 569 | 618 | 49 | 2,185 | 2,338 | 153 |
| **Otis Consolidated** | | | | | | |
| Adjusted operating profit | 583 | 630 | 47 | 2,356 | 2,434 | 78 |
| Impact of foreign exchange | 0 | (18) | (18) | 0 | (32) | (32) |
| Adjusted operating profit at constant currency | 583 | 612 | 29 | 2,356 | 2,402 | 46 |

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# SG&A reconciliation

| ($ millions) | Q4 2024 | Q4 2025 | FY 2024 | FY 2025 |
|---|---|---|---|---|
| Net sales | 3,675 | 3,796 | 14,261 | 14,431 |
| **SG&A expense** | **495** | **512** | **1,861** | **1,979** |
| UpLift restructuring | (14) | (3) | (23) | (62) |
| Other restructuring | (3) | (8) | (20) | (23) |
| Separation-related / other | (1) | (2) | 1 | (2) |
| **Adjusted SG&A expense** | **477** | **499** | **1,819** | **1,892** |
| *Adjusted SG&A % of sales* | *13.0%* | *13.1%* | *12.8%* | *13.1%* |

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# Diluted EPS and Tax reconciliations

| | Q4 2024 | Q4 2025 | FY 2024 | FY 2025 |
|---|---|---|---|---|
| GAAP diluted earnings per share | $0.84 | $0.95 | $4.07 | $3.50 |
| Impact of non-recurring items on diluted earnings per share | $0.09 | $0.08 | ($0.24) | $0.55 |
| **Adjusted earnings per share** | **$0.93** | **$1.03** | **$3.83** | **$4.05** |

| | Q4 2024 | Q4 2025 | FY 2024 | FY 2025 |
|---|---|---|---|---|
| Effective tax rate | 26.9% | 27.0% | 15.0% | 24.8% |
| Impact of adjustments on effective tax rate | (0.2%) | (0.3%) | 9.8% | (0.2%) |
| **Adjusted effective tax rate** | **26.7%** | **26.7%** | **24.8%** | **24.6%** |

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# Adjusted free cash flow reconciliation

| ($ millions) | Q4 2024 | Q4 2025 | FY 2024 | FY 2025 |
|---|---|---|---|---|
| Operating cash flow | 690 | 817 | 1,563 | 1,596 |
| Capital expenditures | (39) | (45) | (126) | (152) |
| **Free cash flow** | **651** | **772** | **1,437** | **1,444** |
| UpLift restructuring payments | 12 | 11 | 32 | 39 |
| UpLift transformation payments | 20 | 9 | 54 | 58 |
| Separation-related payments (a) | 0 | 166 | 49 | 258 |
| German Tax Litigation refunds (b) | (1) | (141) | (1) | (216) |
| **Adjusted free cash flow** | **682** | **817** | **1,571** | **1,583** |

(a) These represent payments to RTX Corporation (our former parent) in accordance with the Tax Matters Agreement.
(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 to continue into 2026.

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# Other reconciliations

## Remaining performance obligation (RPO)

| ($ billions) | Q4 2024 | Q3 2025 | Q4 2025 |
|---|---|---|---|
| RPO at actual currency (GAAP measure) | 17.6 | 19.0 | 19.1 |
| FX / Other[1] | 0.1 | (0.8) | (0.7) |
| **RPO at constant currency** | **17.7** | **18.2** | **18.4** |

## Backlog

| Q4 2025 Y/Y Growth | New Equipment | Maintenance & repair | Modernization |
|---|---|---|---|
| Actual currency (GAAP measure) | 6% | 6% | 34% |
| FX / Other[1] | (4%) | (5%) | (4%) |
| **Backlog at constant currency** | **2%** | **1%** | **30%** |

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

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