



OTIS

**INVESTOR
PRESENTATION**

March 18, 2020

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," "confident" and other words of similar meaning in connection with a discussion of future operating or financial performance or the separation. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Otis, Carrier or UTC following UTC's separation into three independent public companies and/or following completion of the Raytheon merger, the separation, including the expected timing of completion of the separation and estimated costs associated with the separation, the Raytheon merger, including the expected timing of the completion of the Raytheon merger, 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 UTC and their respective businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues, the impact of weather conditions and natural disasters and the financial condition of Otis' customers and suppliers; (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (3) future levels of indebtedness, including indebtedness that may be incurred in connection with the separation, and capital spending and research and development spending; (4) future availability of credit and factors that may affect such availability, including credit market conditions and Otis' capital structure; (5) 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; (6) delays and disruption in delivery of materials and services from suppliers; (7) cost reduction efforts and restructuring costs and savings and other consequences thereof; (8) new business and investment opportunities; (9) the anticipated benefits of moving away from diversification and balance of operations across product lines, regions and industries; (10) the outcome of legal proceedings, investigations and other contingencies; (11) pension plan assumptions and future contributions; (12) the impact of the negotiation of collective bargaining agreements and labor disputes; (13) the effect of changes in political conditions in the U.S. and other countries in which Otis and UTC and their respective businesses operate, including the effect of changes in U.S. trade policies or the U.K.'s pending withdrawal from the EU, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (14) 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 UTC and their respective businesses operate; (15) the ability of Otis and UTC to retain and hire key personnel; (16) the scope, nature, impact or timing of the separation and other acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (17) the expected benefits and timing of the separation, and the risk that conditions to the separation will not be satisfied and/or that the separation will not be completed within the expected time frame, on the expected terms or at all; (18) a determination by the IRS and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; (19) the possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all; (20) expected financing transactions undertaken in connection with the separation and risks associated with the additional indebtedness; (21) the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed Otis' estimates; (22) risks associated with the transactions contemplated by the Raytheon merger agreement or the announcement or pendency of such transactions, including disruptions to UTC's or Otis' operations and the potential distraction of UTC or Otis management or employees; (23) UTC's obligations pursuant to the Raytheon merger agreement to consummate the Otis distribution and the Carrier distribution in accordance with the terms and conditions of the Raytheon merger agreement, including with respect to the timing of the distributions and the requirement that UTC obtain Raytheon's prior written consent to effect certain changes to the terms of the separation or distributions, and the resulting limitations on UTC's ability to determine or alter the structure or timing of the internal restructuring, the separation and the distributions or the terms and conditions of the separation agreement or ancillary agreements; and (24) the impact of the separation on Otis' business and the risk that the separation may be more difficult, time-consuming or costly than expected, including the impact on Otis' resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties. There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. 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 materially from those stated in forward-looking statements, see Otis' registration statement on Form 10, the reports of UTC 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.

Spin-Off Transaction Overview



Transaction Timeline

- When issued trading starts on March 18th
- Record date set for March 19th
- Distribution date expected to be April 3rd
- Distribution ratio: 0.5 shares of Otis for each share held in United Technologies

Readiness

- United Technologies Board has approved the separation
- Otis Board structure finalized
- Transition Service Agreements (TSAs) established
- New capital structure in place

Otis is expected to begin trading on April 3rd



Introduction to Otis

1

This is Otis



\$13.1 BILLION

2019 sales



>2 MILLION

maintenance units under contract



40,000

field technicians



69,000

employees



~2 BILLION

people moved daily



>1,400

branches and offices



>200

countries and territories

CELEBRATING 167 YEARS

of industry leading innovation

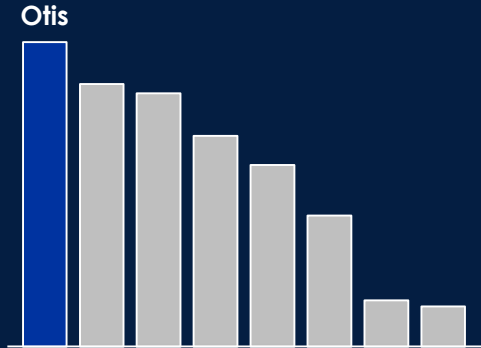
Why Otis?

Iconic global brand in a large, growing industry

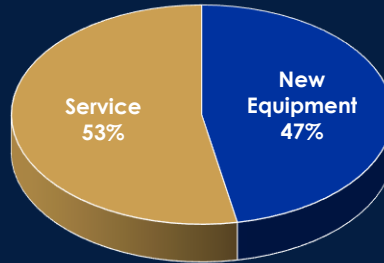
- ✓ Innovation driving steady and sustainable top line growth
- ✓ Unparalleled service portfolio provides recurring sales
- ✓ Best-in-class margins with expansion runway
- ✓ Robust free cash flow generation
- ✓ Focus on creating shareholder value

An attractive, global industry...

Sales



Mix



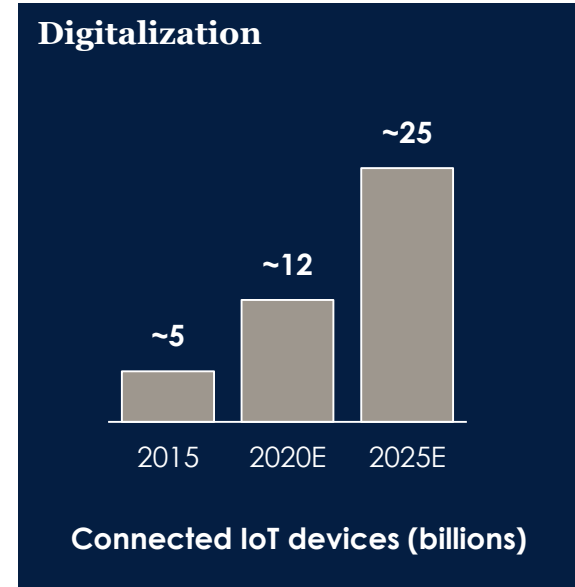
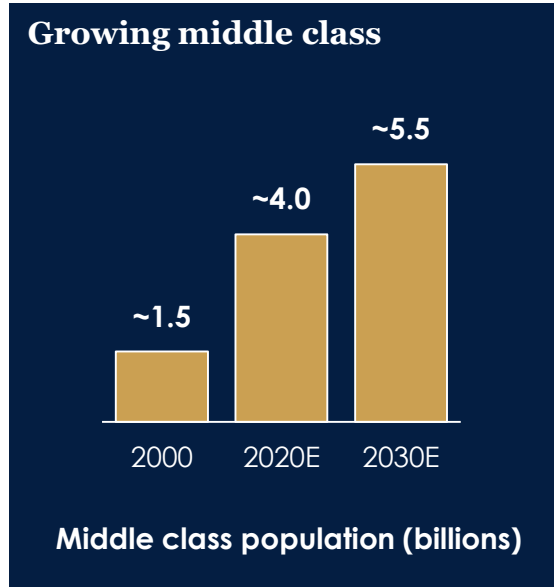
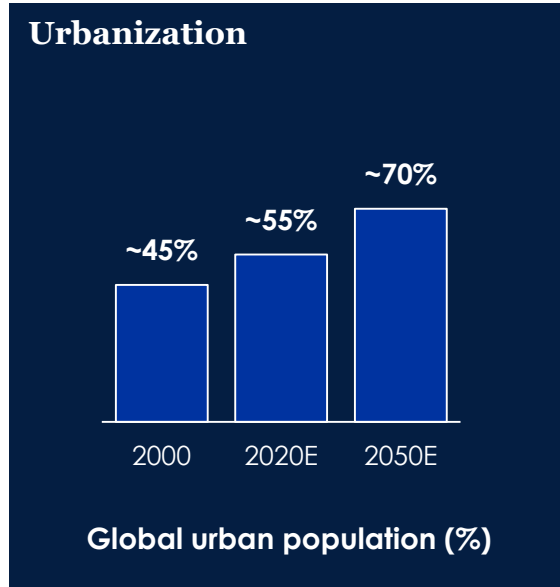
~\$75B industry

Global highlights

- Top 5 participants represent ~70% of the industry
- Life safety critical and highly regulated
- Strong fundamentals supported by global growth trends
- Enables urbanization

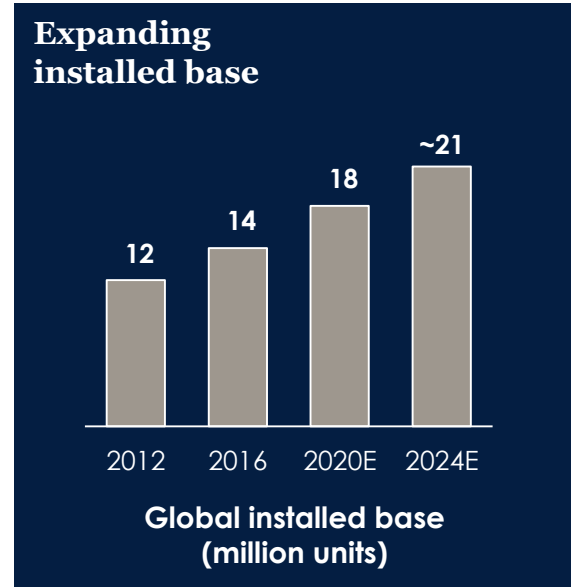
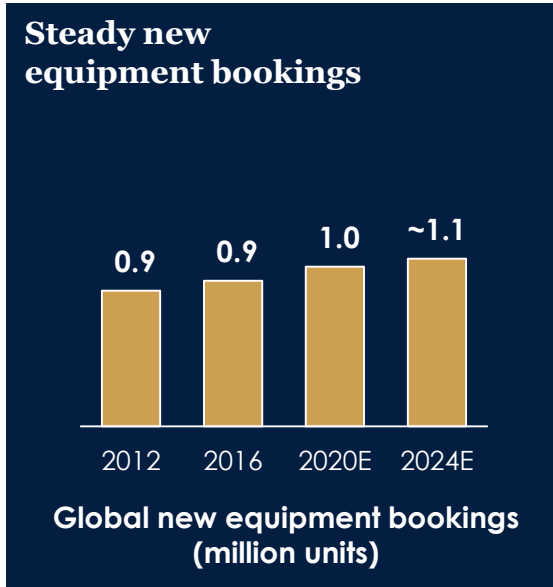
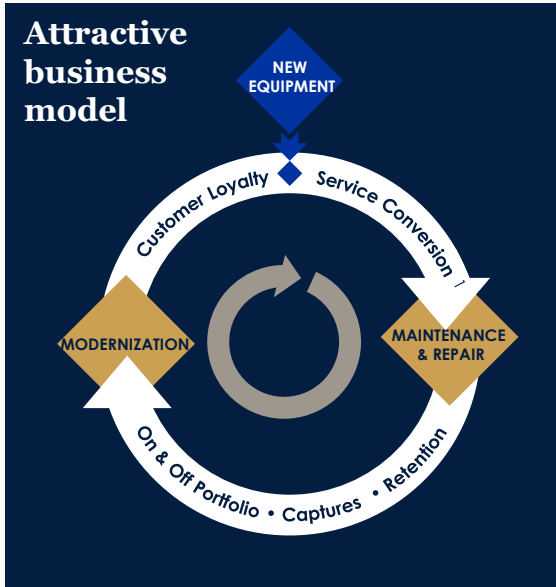
Source: 2018 Otis internal analysis and public company disclosures.

...backed by macro growth trends...



Sources: Brookings; McKinsey; Cisco Systems.

...and recurring business model



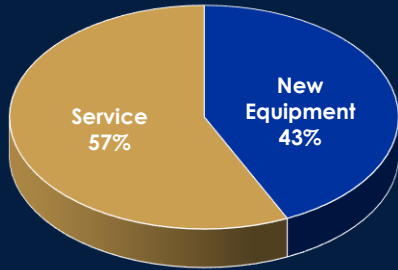
Service profit ~2.5x new equipment profit over product lifecycle

Source: Otis internal analysis and public company disclosures.
1 Refers to conversion of new equipment units to service contracts.

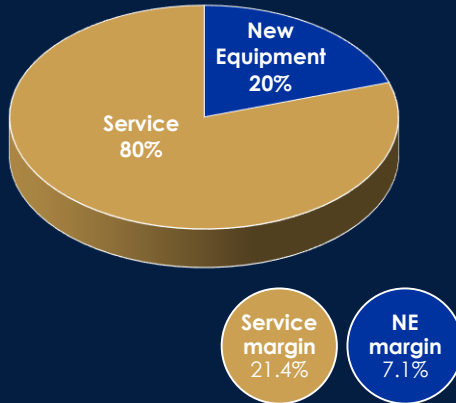
Otis: An iconic industry leader

ENABLING A TALLER, FASTER, SMARTER WORLD

Sales by segment



Adj. operating profit^{1,2} by segment



Leading across all key metrics

 Sales
\$13.1B

 Portfolio
>2M units

 Adj. operating profit margin^{1,2}
14.3%

2019 Results.

Source: Otis internal analysis.

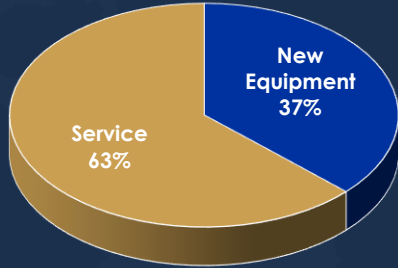
1 The financial measures are presented as if Otis' operations had been conducted independently from UTC and include all sales and costs directly attributable to Otis, costs for certain functions and services performed by UTC organizations that are directly charged to Otis and estimated costs associated with Otis being a standalone public company ("Standalone").

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

Strong geographical diversity

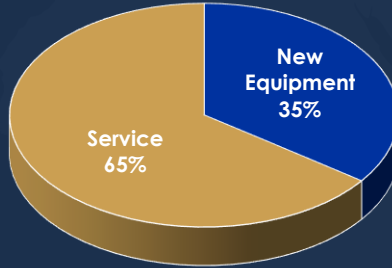
OTIS 2019 SALES

Americas



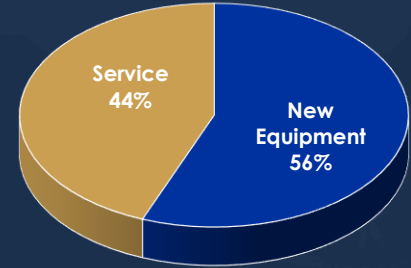
\$4.3B

EMEA



\$4.2B

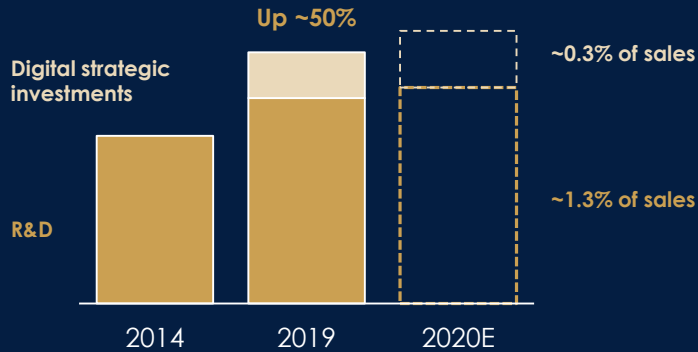
Asia



\$4.6B

Drive New Equipment & Service growth through innovation

Continued investments for growth



Global patents filed up >2.3x from 2014 - 2019

INTELLIGENT DESIGN	RELIABLE OPERATION	FASTER CONSTRUCTION	PERSONALIZED EXPERIENCE



Gen360™
Connected compact elevator



CompassPlus®
Dispatch algorithms



Otis ONE™
Cloud data analytics



Apps
Connecting the technician

Advance digitalization

Intelligent, connected platforms



IoT

Launched in China, France, Germany, Spain and the U.S.



eView™

~85K units deployed

Increases stickiness
Improves conversion

Empower the organization



Productivity tools

iPhones deployed to >75% of service technicians



Upgrade App

~\$80M in app bookings up >2X vs prior year

Improves field productivity
Drives repair sales growth

Focus and empower the organization

Americas

Branches / Offices	200
Employees	15,000

EMEA

Branches / Offices	700
Employees	26,000

Asia

Branches / Offices	500
Employees	28,000

Global

Branches/
Offices

1,400

Employees

69,000

Field
Technicians

40,000

Organizational focus

- Our Three Absolutes: Safety, Ethics, Quality
- Customer centricity
- Pace
- Continuous innovation
- Operational excellence

Leading ESG practices

Environmental



Factory Carbon Footprint

↓ **29%**
since 2015

Factory Water Use

↓ **37%**
since 2015

Factory Recycling Rate

>99%



ReGen® system reduces electricity consumption up to 75%

Social



~1/3

of global executives are female



+ 2.4x



2015



2019



Strong commitment to communities around the world

Governance



Board of Directors

Jeffrey H. Black
Retired Senior Partner & Vice Chairman, Deloitte

Kathy H. Hannan
Retired Global Lead Partner, National Managing Partner and Vice Chairman, KPMG

Shailesh C. Jejurikar
CEO Fabric & Homecare, P&G

Christopher J. Kearney
Otis Executive Chairman, Retired Chairman, CEO & President SPX FLOW, Inc.

Judy F. Marks
Otis President & CEO

Harold (Terry) W. McGraw III
Chairman Emeritus, President & CEO, S&P Global Inc.

Margaret M. Preston
Retired Managing Director, Private Wealth Management, TD Bank, N.A.

Shelley Stewart Jr.
Retired Chief Procurement Officer, E.I. du Pont de Nemours and Company

John H. Walker
Otis Lead Director, Retired Chairman & CEO, Global Brass and Copper Holdings, Inc.

- Broad and deep multi-industrial and consumer industry experience
- Strong financial expertise

- Knowledgeable, global corporate executives
- Experience with company separations



Business segments

2

Otis segments

New Equipment

Design, manufacture, sell and install in residential, commercial and infrastructure projects



Residential
*Meikarta Phase 1,
Indonesia*



Infrastructure
Kuwait Airport



Commercial
*The One,
Toronto*

Service

Maintain, repair and modernize Otis and third party units



Residential
*OKO Tower,
Moscow*



Infrastructure
Gatwick Airport, London



Commercial
Willis Tower, Chicago

Integrated business model serving diverse customers and markets

Industry growth outlook

2020 – 2024 AVERAGE

North America



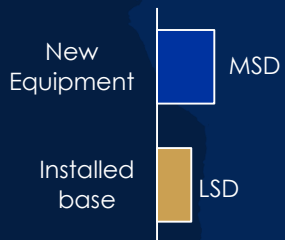
Europe



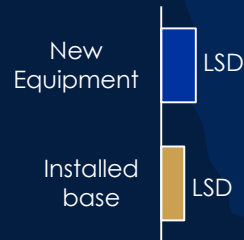
China



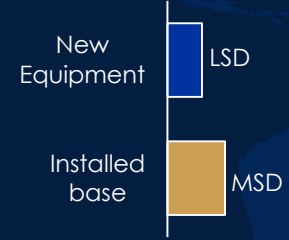
Latin America



Middle East



APAC

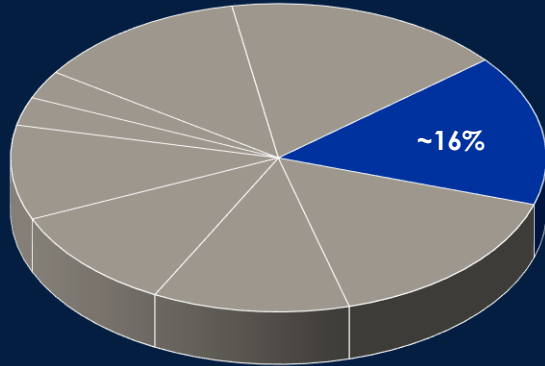


Source: 2018 Otis internal analysis. LSD: low single digits; MSD: mid-single digits; HSD: high single digits.

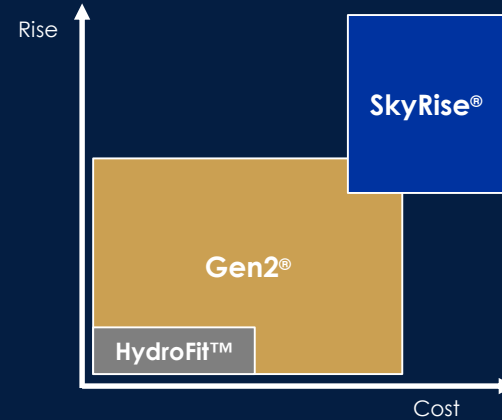
New Equipment overview

New Equipment bookings

~1M units



Breadth of product coverage



Large and growing New Equipment business driving service portfolio growth

Source: 2018 Otis internal analysis and public company disclosures.

New Equipment strategies to drive growth

1

Increase sales coverage &
improve effectiveness

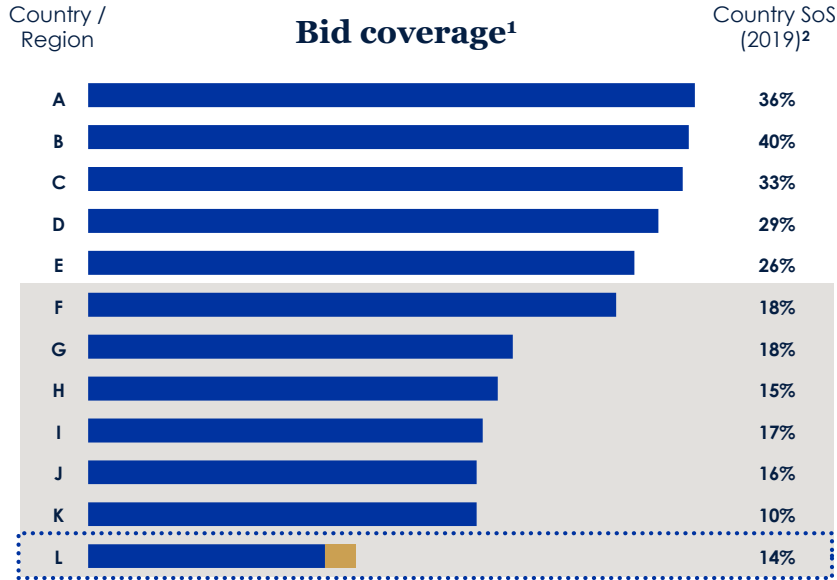
2

Expand product offering

3

Introduce innovative new solutions

Increase sales coverage



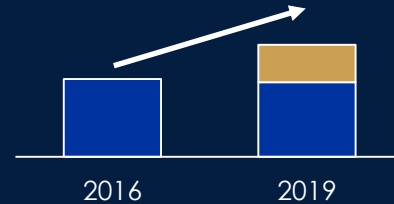
Further targeted salesforce expansion expected to address ~20% additional new equipment unit opportunity

¹ Bids seen as a % of country size.

² Bookings as a % of country size. SoS = share of segment.

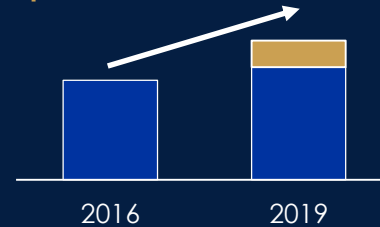
Germany coverage

Increased coverage **5 pts**



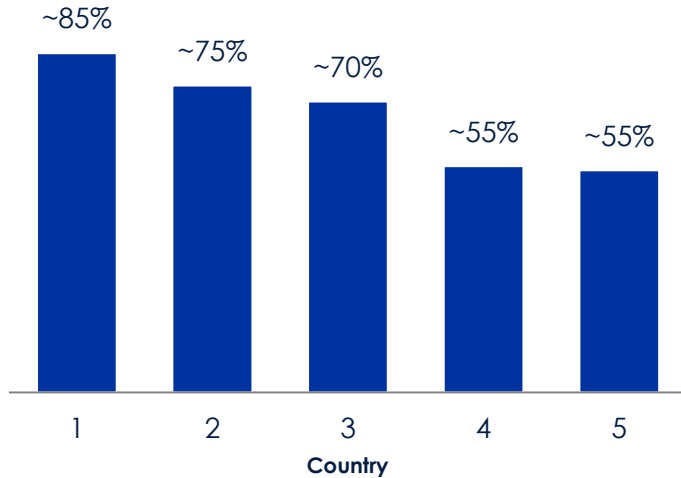
Germany share increase

Gained **2 pts** share

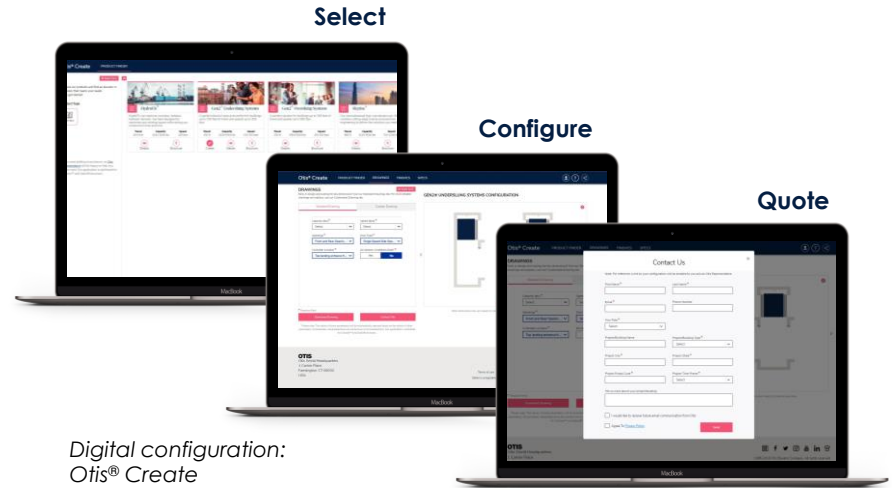


Improve effectiveness: digital engagement

Single elevator unit projects¹



Expanding digital sales channel...



Digital configuration:
Otis® Create















...to increase new equipment share

1. Source: Otis internal analysis of country new equipment units.

Expand product offering

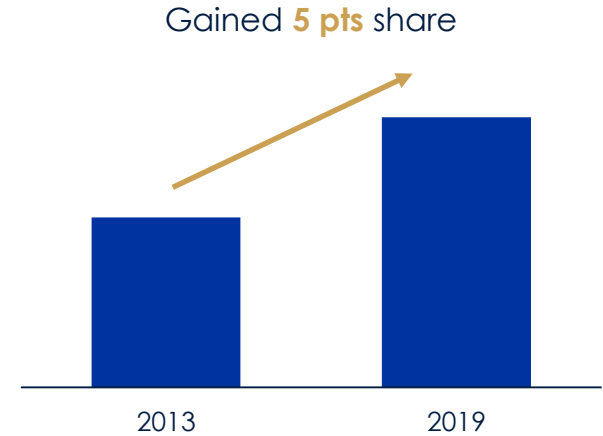
INDIA CASE STUDY

India segment coverage & focus areas

Segment (split)	Residential (71%)	Commercial (26%)	Infrastructure (3%)
Speed (split)			
>1 m/s (18%)	 → 	 → 	Addressed by localized product
1m/s (47%)	 → 	 → 	 → 
<1 m/s (31%)			
Escalators (4%)			

-  Needed product
-  Addressed
-  Work in progress

India share increase



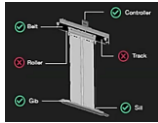
Global entry-level product expansion addresses additional ~50k units annually

Source: Otis internal estimate. m/s = meters per second.

Introduce innovative new solutions

To a leading product portfolio...

Design smarter

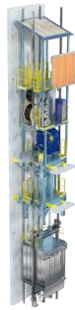


Connected sensors



Otis Create

Build faster



SkyBuild™ construction system

Personalize experience



Compass360 destination dispatch



eView in-car display

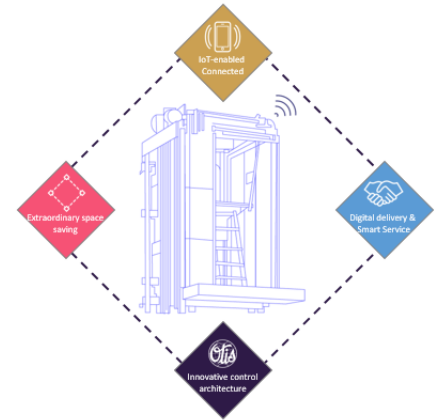
...adding a transformational solution: Gen360

Ground breaking innovative control architecture

Compact design and footprint

Connected passenger displays

On-line tools and communication

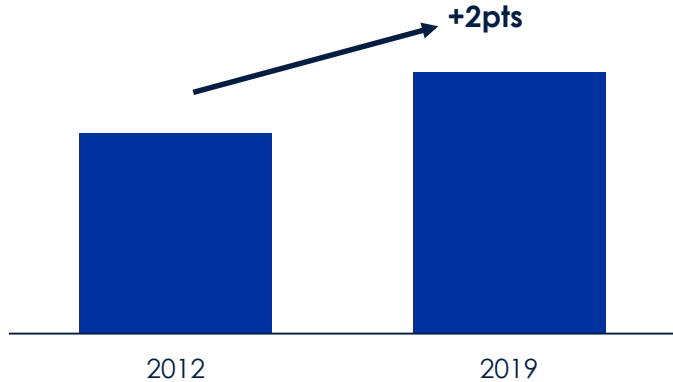


Increasing share and improving conversion

Strategies to drive sustainable growth

Global share of New Equipment

(in units)



Continued runway ahead

Increase sales coverage

Improve effectiveness through digital engagement

Expand product offering

Introduce innovative new solutions

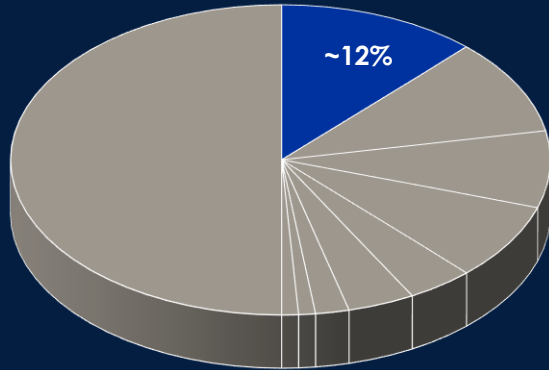
Higher New Equipment share expected to continue to drive steady and sustainable top line growth while adding units to service portfolio

Source: Otis internal estimate.

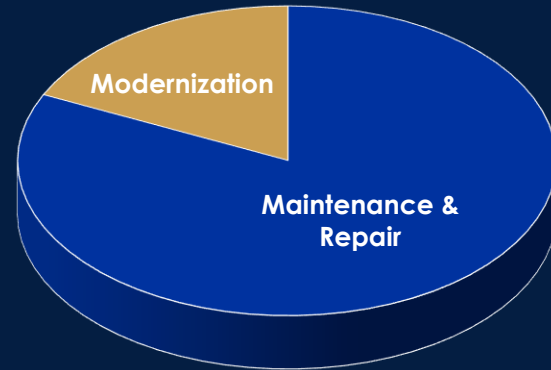
Service segment overview

Fragmented service industry

~16M units



Otis Service segment sales mix

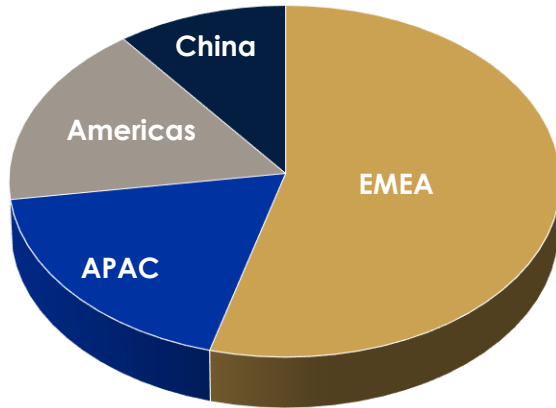


Leading provider of maintenance, repair and modernization services globally

Source: 2018 Otis internal analysis and public company disclosures.

Largest maintenance & repair portfolio

Otis maintenance portfolio (units, 2019)



> 2M Units

Supports profitable recurring sales

>\$6B

Sales driven by units under maintenance

93%

Maintenance contract retention rate

12%

Reduction in cancellation rate since 2016

60%

New Equipment unit conversion rate to service portfolio...
~90% ex China & Russia

Source: Otis internal estimate.

Service strategies to drive profitable growth

1

Harness IoT

2

Leverage technology

3

Enhance subscription services

4

Capitalize on modernization

Harness IoT for productivity and monetization

30+ YEARS OF DIGITAL ELEVATOR INNOVATION EXPERIENCE WITH ~400K CONNECTED UNITS

Remote Elevator Monitoring (REM®)



1985

REM Messaging



1995

REM Online



2000

REMr



2005

Otis ELITE™



2005

Apps



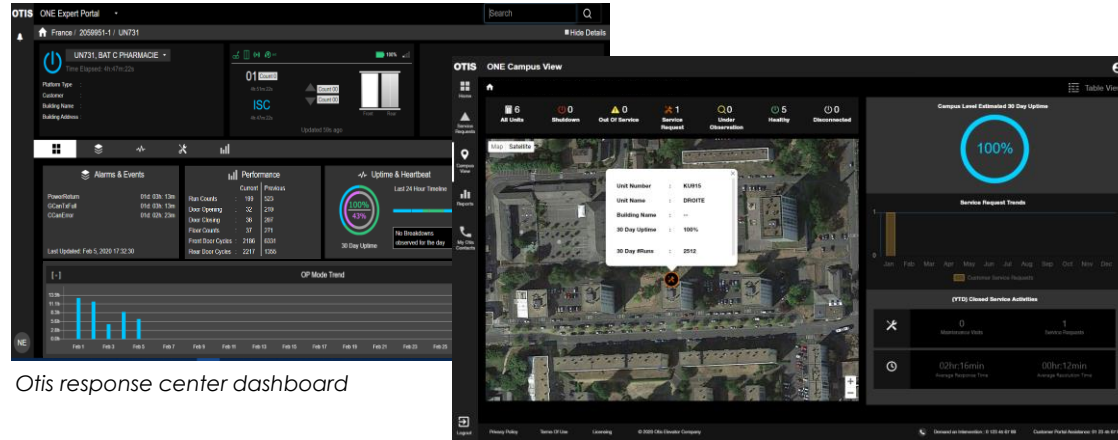
2017

Otis ONE™



2018

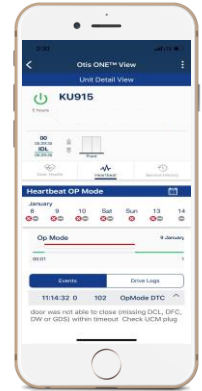
Otis ONE™: Proactive, predictive, and transparent



Otis response center dashboard

Customer portal

Field technician app

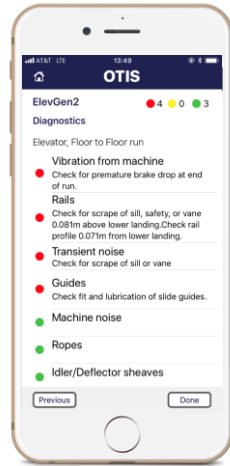


Reducing time per visit and decreasing visit occurrence rate = increased uptime

Leverage technology to drive productivity & growth

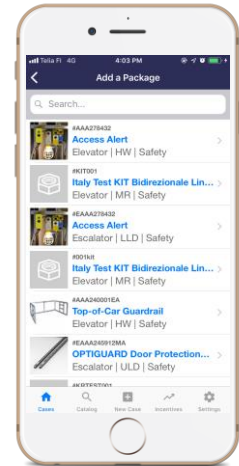
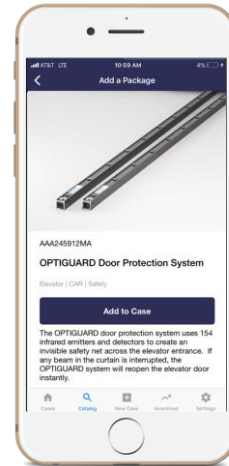
Identify issues faster

TUNE APP



Facilitate incremental repair sales

UPGRADE APP



Apps reduce time per visit, provide incremental sales and margin expansion opportunities

Enhance subscription services

Current offering focused on maintenance & repair sales with one-time upgrades

Single-sale



CompassPlus



Elevator Monitoring System (EMS)



Monetize incremental offerings... driving additional recurring sales



eView

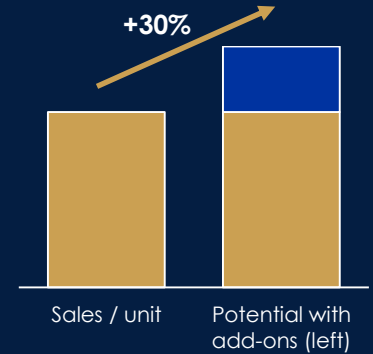
Compass360



API



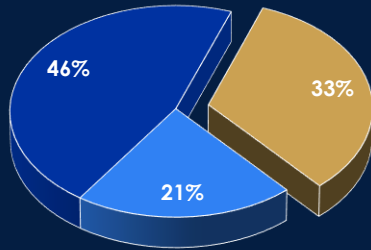
EMS



Capitalize on modernization opportunity

Aging global installed base

(~16M units)

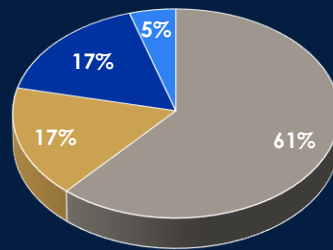


- More than 20 years
- 10 to 20 years
- Less than 10 years

~5.5M of units > 20 years old

Significant current opportunity in EMEA

(units > 20 years old)

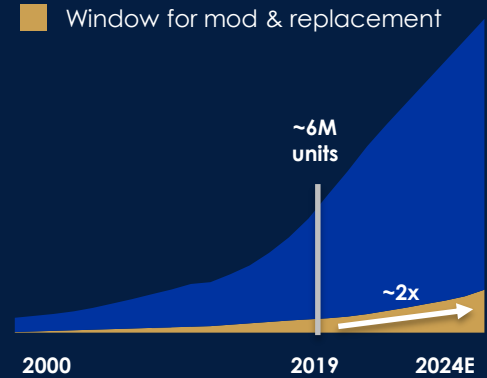


- EMEA
- Asia Pacific
- Americas
- China

~3.0M EMEA units > 20 years old

China modernization opportunity emerging

(China installed base)

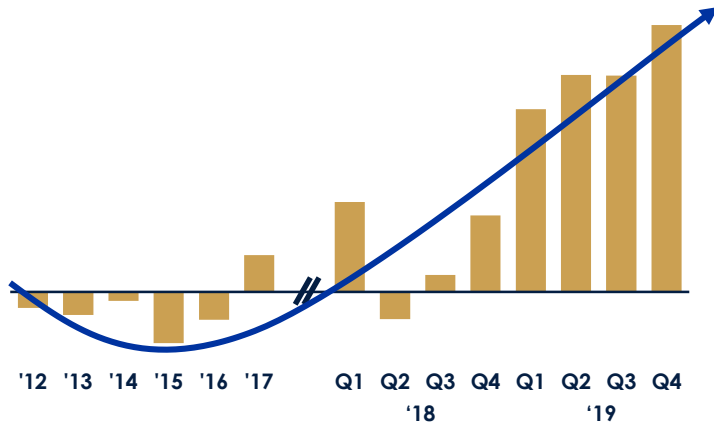


> 1M China units > 15 years old by 2024

Source (all): Otis internal estimate.

Strategies drive service profitability

Service contribution growth



Continued runway ahead

Harness data and IoT

Leverage technology

Enhance subscription services

Capitalize on modernization opportunity

Margin expansion opportunities through service portfolio expansion and productivity initiatives

A background image of the Paris skyline at dusk, featuring the Eiffel Tower in the foreground and various skyscrapers in the distance. A dark blue semi-transparent rectangle is overlaid on the image, containing the text 'EMEA Service' and a large yellow number '3'.

EMEA Service

3

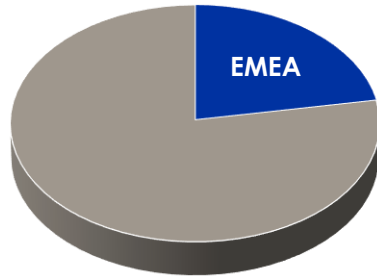
Otis is the leading service provider in EMEA

EMEA has the world's largest installed base

New Equipment

Industry annual units

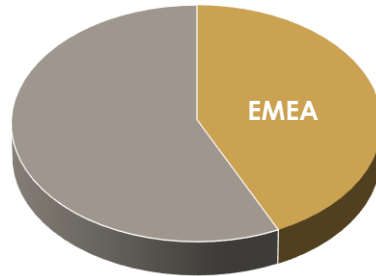
~20%



Service

Industry installed base

~45%



Otis EMEA

\$4.2B

2019 sales

~65%

Service sales

700

Branches & offices

~1.1M units

#1 Service portfolio

~26K

Employees

~12K

Service technicians

Source: Otis internal analysis and public company disclosures.

Service transformation building momentum

Key service improvement initiatives are being rolled out across EMEA...



Leverage data for customer segmentation



Service excellence & deploy Otis ONE



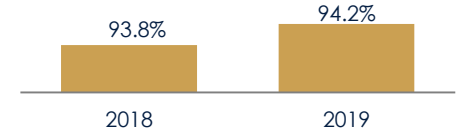
Drive productivity & empower technicians



Transform modernization

...delivering improved retention and productivity

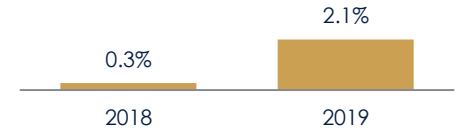
Retention rate (%)



Reduction of average maintenance hours/unit (% YoY)



Service sales¹/unit (% YoY)



¹ At constant currency. Includes maintenance and repair.

IoT enhances service portfolio

Spain case study confirms customer value proposition...

(Service portfolio units)



Improve customer retention

Increase Service sales

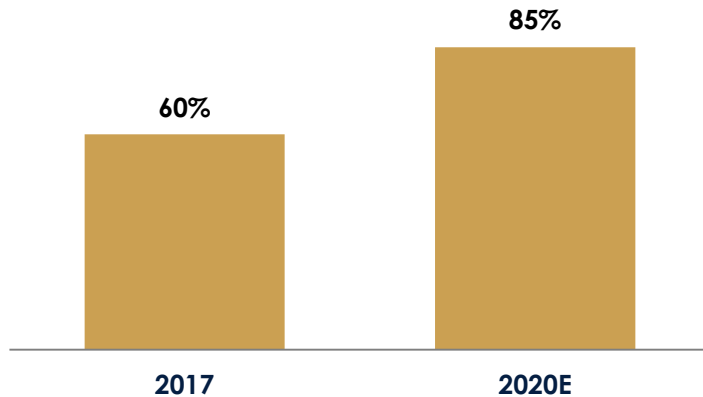
Improve customer value proposition

~275K connected systems across EMEA driving improved passenger experience and value for Otis

Empowering our technicians with productivity tools

Enabling technology access in the field...

% of service technicians with an iPhone

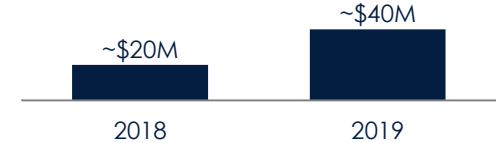


...drives productivity and profitability

Bookings through app **up >2x**



Upgrade App

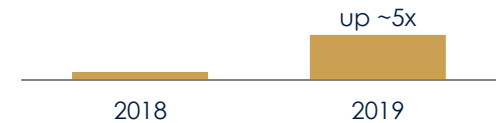


Enabled by **~88% reduction** in time to order parts



Parts App

Orders in app (indexed)

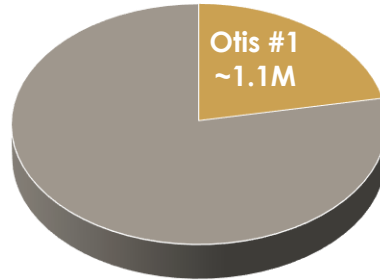


iPhones deployed to > 85% of service technicians enabling service excellence

Modernization opportunity

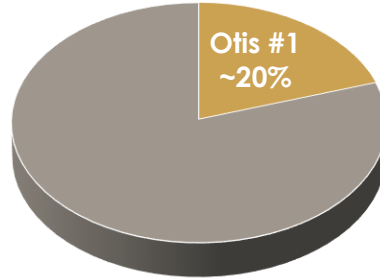
Otis has the largest installed base in EMEA...

Installed base share (units)



...resulting in largest modernization share

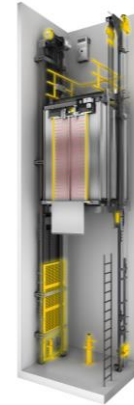
Modernization share (sales)



**>3 million aged elevator units in EMEA
...Otis well positioned with tailored offering**

Machine roomless

Tailored value proposition for existing buildings with contemporary technology



eView



Improve passenger experience and system communications

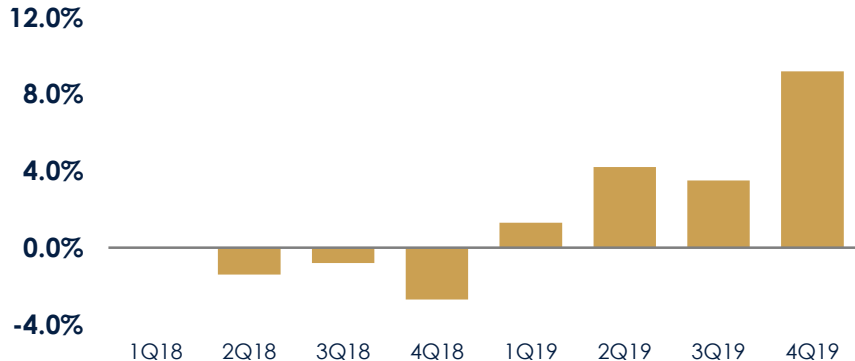
Growing the service portfolio & extending the life of our customer relationships

Source: Otis internal analysis and public company disclosures.

Growth of installed base creates significant service runway

EMEA service contribution^{1,2} has stabilized...

(EMEA Service contribution % YoY)



1 At constant currency.

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

...with Otis well positioned in EMEA

- Leverage data for customer segmentation
- Service excellence & deploy Otis ONE
- Drive productivity & empower our technicians
- Transform modernization



China opportunity

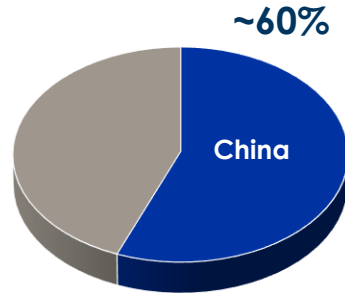
4

Otis is a leader in the largest NE & Service country

China: world's largest NE & Service business

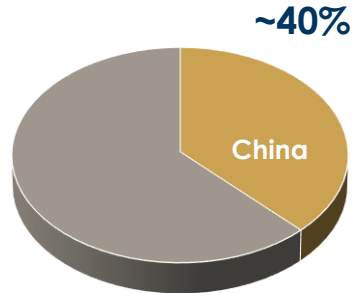
New Equipment

Industry annual units



Service

Industry installed base



Otis is a leading, established player

>2.1B

2019 sales

~80%

New Equipment sales

210K

Service portfolio units

~1.5 pts

Share gain 2015-2019

650+

Customer servicing locations

~8K

Service technicians

2009-2019 CAGR

NE

Service

China

8%

17%

Otis in China

6%

15%

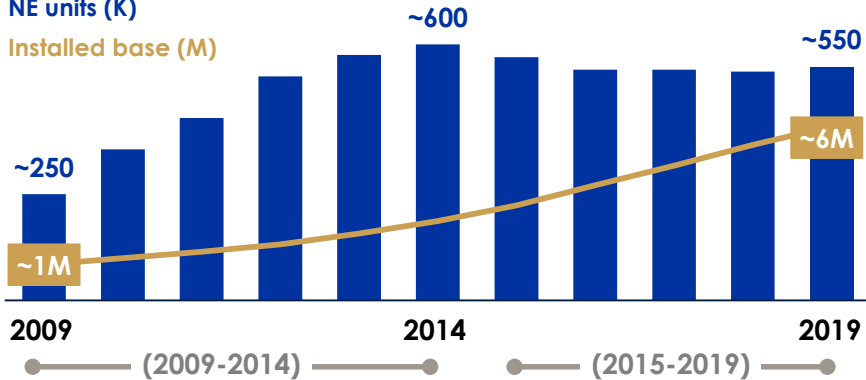
Leading NE provider in China with presence dating back 36 years

Source: Otis internal analysis and public company disclosures.

China enters a new phase

NE units (K)

Installed base (M)



Rapidly expanding property market



Property market saturated
Commodity headwind

New phase: 2020 & beyond

NE segment

~ Flat

Installed base

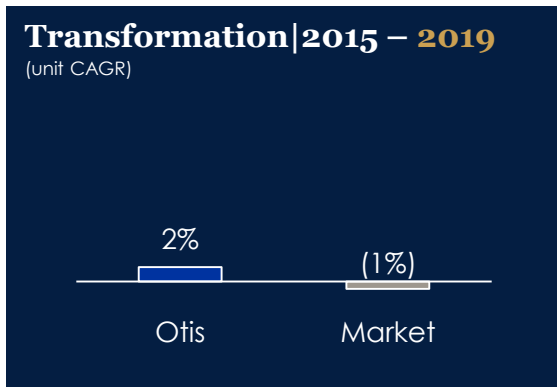
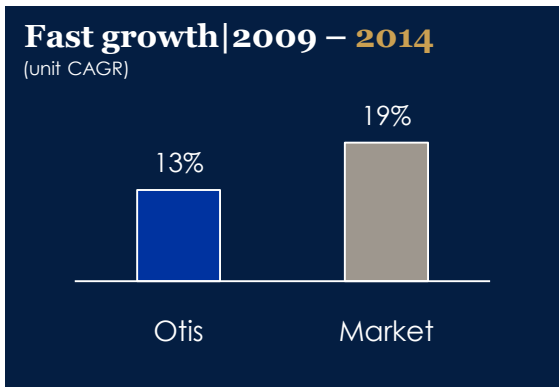
HSD growth to
~9M units by 2024E

Prevailing trends

- Urbanization & mega city clusters
- Top developers increasing share
- Local maintenance code development
- Property refurbishments

Source: Otis internal analysis and public company disclosures. HSD: high single digits.

Otis China remains nimble in new equipment



Pricing Trends

-

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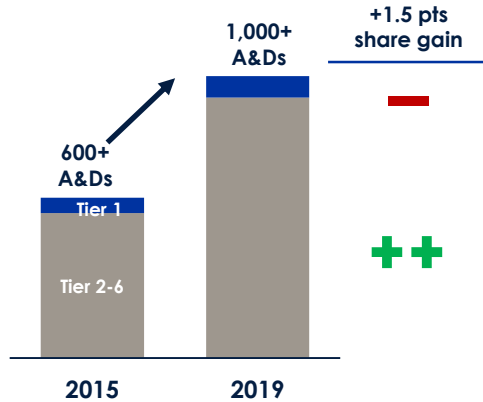
Otis Strategy

- Multi-brand strategy (Otis, Xizi Otis, Express, Sigma)
- Productivity mitigates price pressure
- Strong sales and earnings growth
- Increased channel partnerships in Tier 2-6 cities
- Rationalized brands and manufacturing footprint
- Focus on sales & margin discipline
- Segment share gains through increased A&D penetration, top developers, and infrastructure
- New platform product and innovative solutions

Source: Otis internal analysis and public company disclosures. LSD: low single digits.

Expand sales coverage & focus

Increased agents & distributors coverage led to share gains



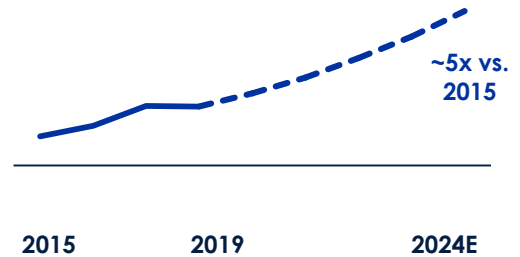
Focusing on top developers in Tier 1 cities



Top developers influence expansion to all city tiers

Expansion strategy

Otis unit sales through top developers



Enhance channel relationships
Simplify processes and structure
Streamline product platforms

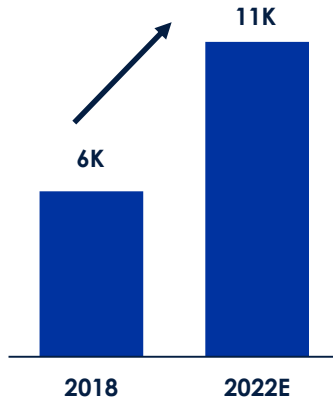
Gain share through strengthened agents & distributor channel and relationships with top developers

Source: Otis internal analysis and public company disclosures.

Drive infrastructure growth with innovative new solutions

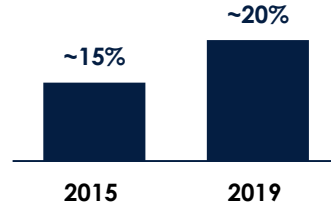
Positive outlook for China infrastructure...

China urban rail transportation length ('km)



...with Otis China maintaining its high share...

Otis share: China infrastructure NE



...by introducing new platform products and tailored solutions

Otis complex project capability



Chengdu Metro
~2,600 units



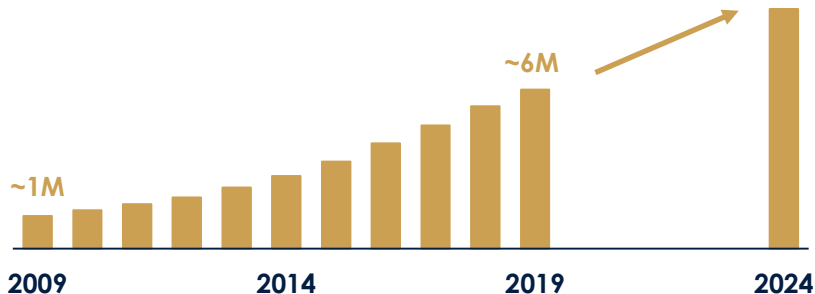
Public escalator

Source: Otis internal analysis, public company disclosures and chinabgao.com research.

Significant service growth opportunity in China

Growing industry installed base...

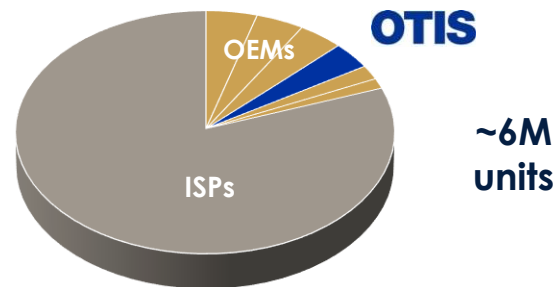
(Units)



- Increase conversion rate on growing NE share
- Enhance offering through IoT
- Capture modernization

...in a fragmented market

China maintenance portfolio



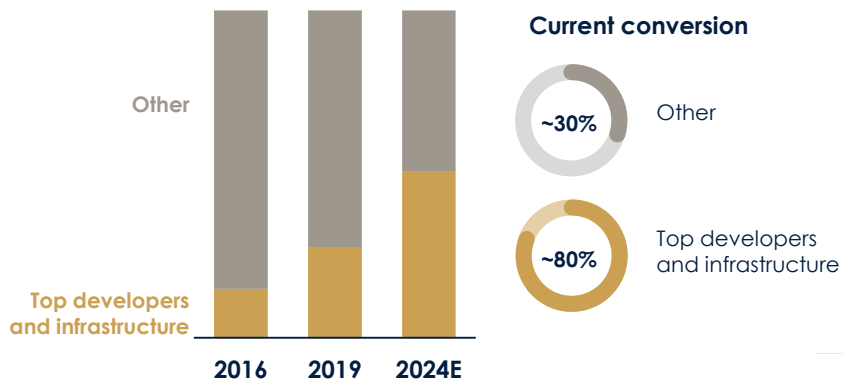
- >13K independent service providers
- Opportunity for consolidation

Source: Otis internal analysis and public company disclosures.

Grow the service portfolio through improved conversion

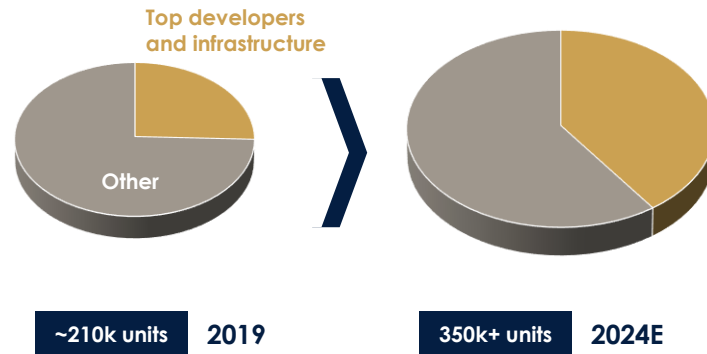
Structurally changing our new equipment deliveries to enhance conversion...

(Mix of Otis NE shipments)



...which will change our service portfolio composition

(Mix of Otis China maintenance portfolio)



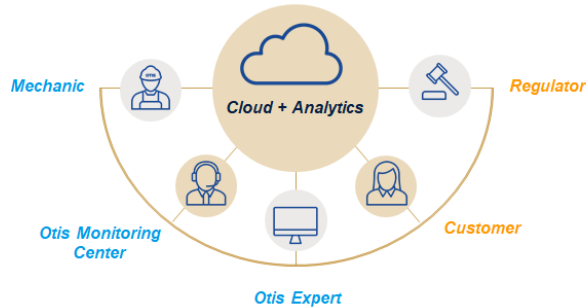
Improve conversion through focus on top developers and infrastructure

Source: Otis internal analysis and public company disclosures.

Grow the service portfolio by leveraging IoT

Leverage IoT to improve conversion

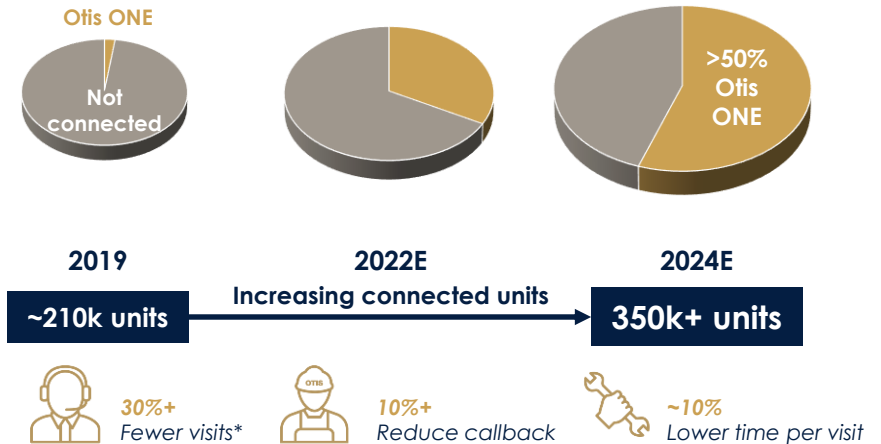
Otis ONE
End-to-end IoT solution



- Service quality / customer experience
- Sales opportunity
- Distinct technology differentiation over ISPs

Productivity benefits from connected units

(Mix of Otis China maintenance portfolio)

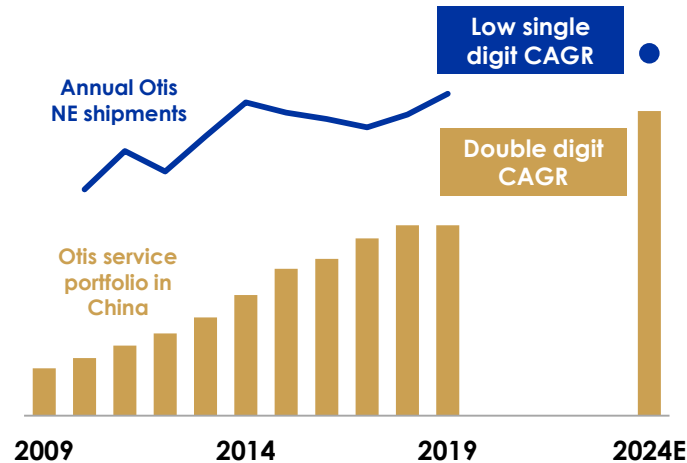


Technology enabled units boost customer satisfaction and productivity

*For condition-based maintenance.

Significant earnings runway in China

NE supports China portfolio growth



Outgrow New Equipment and Service segment growth

- Expand sales coverage & focus
- Drive infrastructure growth with innovative new solutions
- Focus on improved conversion of NE units
- Leverage IoT

New Equipment share growth and Service strategies expected to expand maintenance portfolio

Source: Otis internal analysis and public company disclosures.

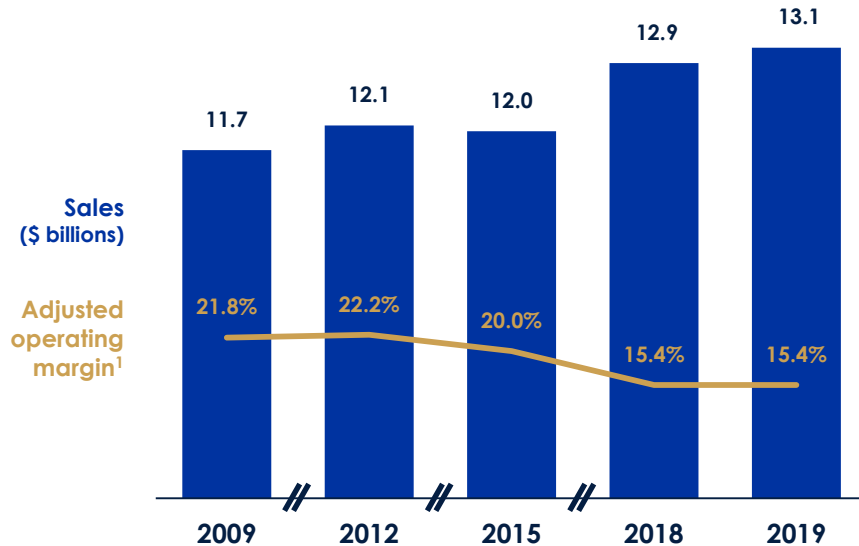
A nighttime photograph of a city skyline, featuring the Empire State Building as the central focus. The sky is a deep blue, and the city lights are visible. A dark blue semi-transparent rectangle is overlaid on the image, containing the text 'Financial overview' and a large yellow number '5'.

Financial overview

5

Long-term financial performance

Otis as a UTC segment



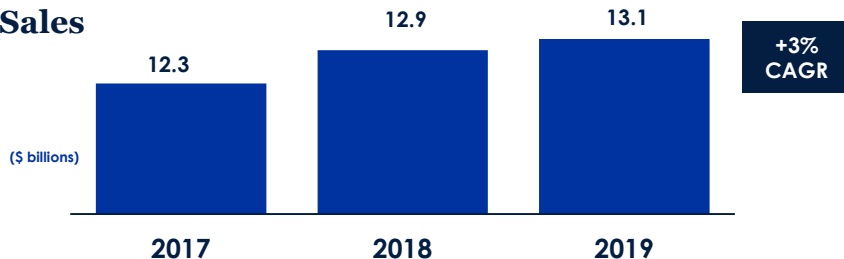
2019 was an inflection year

- Market stabilization in China and Europe
- Growth from investments in innovation and productivity
- Strong focus on execution

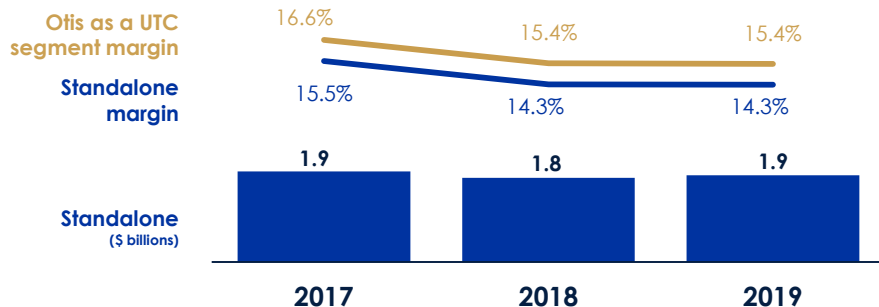
¹ See appendix for additional information regarding these non-GAAP financial measures.

Solid momentum from 2019 performance

Sales



Adjusted operating profit¹



2019 highlights

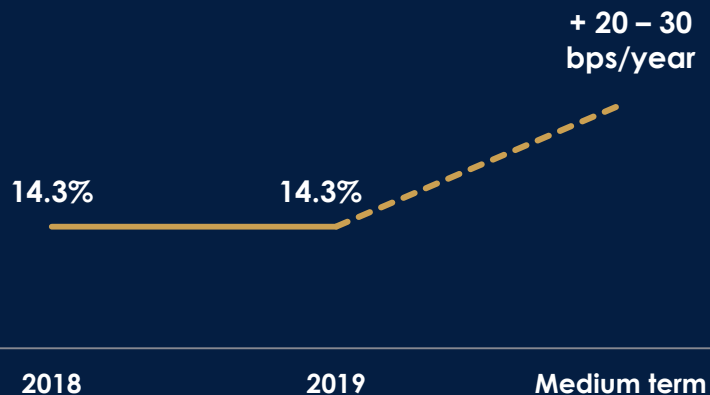
- Organic¹ sales growth of 5%
 - New Equipment up 4%
 - Service up 5%
- Adjusted operating profit¹ growth of \$97M at constant currency¹
- Margin stabilized after 7 years of decline
- Sales and adjusted operating profit¹ growth in all regions

Outperformed 2019 adjusted operating profit¹ outlook

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

Expand operating margins

Adjusted operating margin^{1,2}



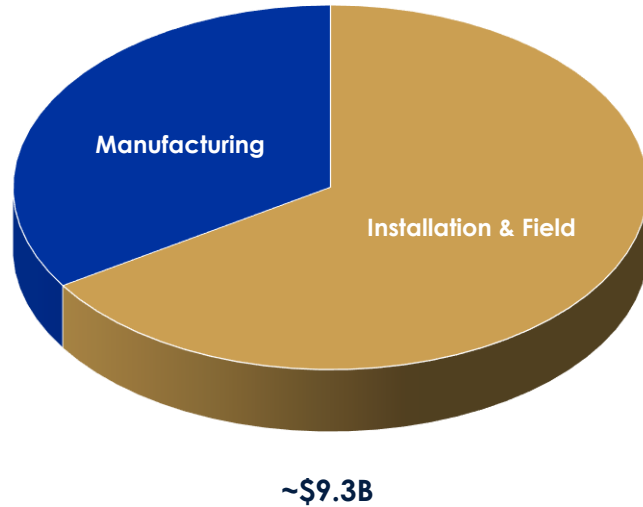
- 1 Capture service productivity benefits
- 2 Optimize supply chain
- 3 Rationalize SG&A

L LEAD THE CHANGE
E ENGAGE AND EMPOWER OUR TEAMS
A ALIGN TOWARDS A COMMON GOAL
P ACT WITH PACE TO ACHIEVE OUR VISION

¹ Standalone.
² See appendix for additional information regarding these non-GAAP financial measures.

Drive service productivity

Total cost of sales



Six consecutive quarters of service contribution growth

Callback rate (indexed)



Average maintenance hours/unit (indexed)



Optimize manufacturing supply chain

Current supplier base is fragmented



~\$3.1B in manufacturing spend...\$2.3B of material
>65% of material sourced from local suppliers

Otis has proven success in aligning global procurement practices...

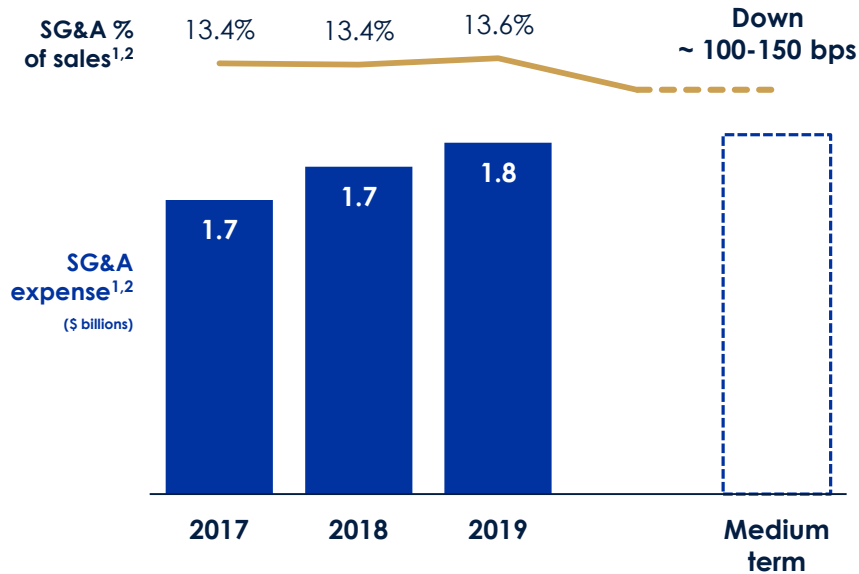


Global ocean freight
Reduced suppliers from **78 to 8**
Realized **high single digit cost reduction**

...with opportunity to leverage scale and optimize spend

Targeting 3% in gross factory supply chain savings annually

Rationalize SG&A



1 Standalone.

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

Structure

- Leverage scale & align global processes
- Reduce number of P&Ls
- Consolidate back office into shared services

ERP & digital

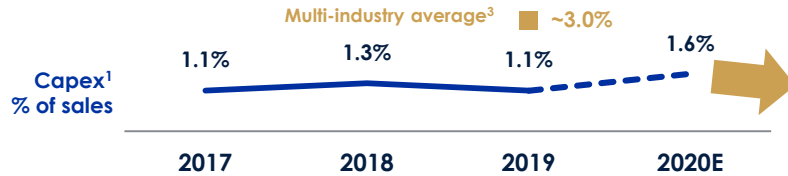
- Drive process and analytics efficiencies
- ~60% of sales managed on a common ERP
- CRM upgrade 80% implemented by 2020

Standalone

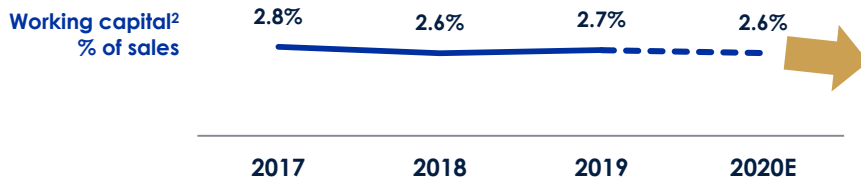
- Drive down \$175M run rate cost
- Optimize IT infrastructure
- Application rationalization
- Streamline processes

Continue strong cash generation

Modest capital needs...



...and efficient working capital²



- 2020 capex step up to exit transition service agreements with UTC and implement IoT capability...long-term capex expected to be ~1.3% of sales
- Incremental working capital improvement expected in 2020
- 2020 Free cash flow² below 2019 levels...earnings growth and reduction in working capital offset by higher capex, incremental interest and standalone public company costs
- Free cash flow² conversion expected to be between 110 – 120% of net income in 2020 and beyond

¹ Standalone.

² See appendix for additional information regarding these non-GAAP financial measures.

³ Average of: 3M, Allegion, Caterpillar, Danaher, Deere, Dover, Emerson, General Electric, Honeywell, Illinois Tool Works, Ingersoll Rand, Johnson Controls, Rockwell Automation, Xylem. Source: Nasdaq IR Insight

Capital allocation

Expected capital structure at spin

Cash	~\$1.4B
Debt	~\$6.3B
Net debt/EBITDA ¹	~2.4x

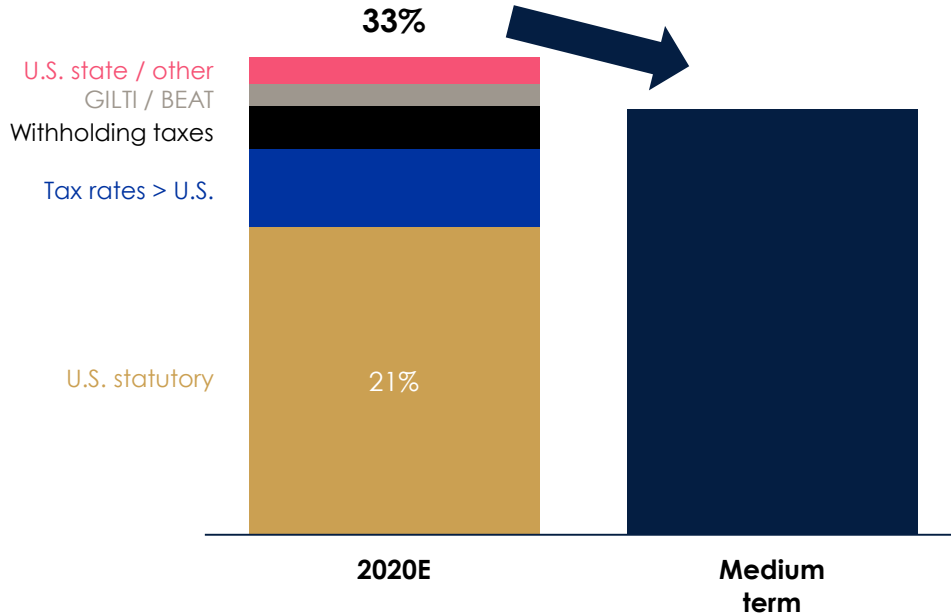
Capital deployment plan

- Pay down ~\$250M of debt annually in 2020 & 2021...no planned deleveraging after 2021
- Sustainable dividend...~40% payout
- Share repurchase expected once target leverage metrics are achieved
- Bolt-on M&A

Disciplined capital deployment while maintaining investment grade rating

¹ 2019 Standalone adjusted earnings before interest, taxes, depreciation and amortization. See appendix for additional information regarding these non-GAAP financial measures.

Effective tax rate



Considerations

- Holistic review of supply chain operating model
- Evaluate financing structure
- Capture credits and incentives globally
- Simplify legal entity structure

2020 organic¹ sales outlook

Investor Day² Outlook

	FY20 Outlook
Americas	up mid single
EMEA	up low single
Asia	flat to up slightly
New Equipment	up low single
Maintenance & repair	up low single
Modernization	up mid single
Service	up low to mid single
Ofis	up 2-3%

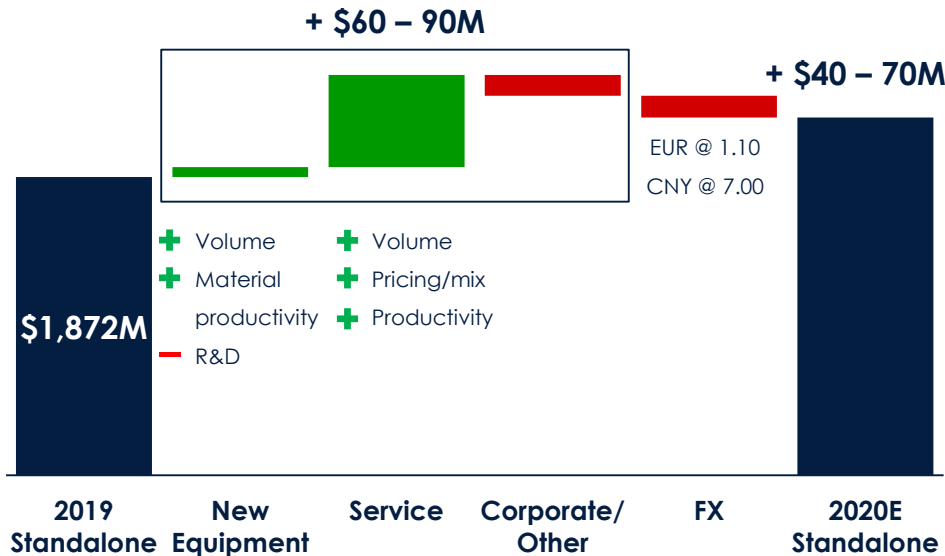
Outlook includes expected 1Q20 headwind from COVID-19 impact to China operations. The outlook does not currently reflect impacts beyond 1Q20 from the progression of COVID-19. Additional details and an update on financial performance to be provided with Q1 earnings release.

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

² February 11, 2020.

2020 Adjusted operating profit^{1,2} drivers

Investor Day³ Outlook



Executing well on 2020 strategy

- Strong operational focus across all metrics
- China factories resumed production, as expected, in March and are at a normal production run rate
- China new equipment installations have resumed
- Limited impact, to date, on Americas and EMEA financial performance from Coronavirus... situation is fluid and still evolving
- Additional details and update on financial performance to be provided with Q1 earnings release

¹ Standalone.

² See appendix for additional information regarding these non-GAAP financial measures.

³ February 11, 2020.

Medium-term outlook¹

Organic sales

+ Low to mid single digits

Adjusted EPS

+ High single digits

Dividend

~40% Payout ratio

Adjusted operating profit

+ Mid single digit plus
20 – 30 bps of margin expansion

Free cash flow

110 - 120% Conversion

Excess cash

Share repurchase & bolt-on M&A

¹ See appendix for additional information regarding these non-GAAP financial measures. Free cash flow conversion = free cash flow / net income.

Why Otis?

Iconic global brand in a large, growing industry

- ✓ Innovation driving steady and sustainable top line growth
- ✓ Unparalleled service portfolio provides recurring sales
- ✓ Best-in-class margins with expansion runway
- ✓ Robust free cash flow generation
- ✓ Focus on creating shareholder value

OTIS

A photograph of the Chicago skyline at dusk. The Willis Tower is the central focus, illuminated with a bright green light at its top. Other skyscrapers are visible in the background, some with lights on. The sky is a deep blue, and the foreground shows a body of water reflecting the city lights.

Appendix

Additional information

	FY20 Outlook
Standalone cost	~\$150M (~\$175M run rate)
Non-service pension expense/(benefit)	\$5 – 15M
Net interest	~\$160M
Effective tax rate	~33%
Noncontrolling interest	~\$175M
Capital expenditures	\$190 – 220M

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 to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

Adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share ("EPS"), adjusted working capital and the adjusted effective tax rate are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature (hereinafter referred to as "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. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted working capital represents working capital (a GAAP measure), adjusted for cash, other assets, short-term borrowings and accrued liabilities. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of net sales, operating profit and margins similarly reflect continuing operations, excluding restructuring and other significant items. Additionally, GAAP financial results include the impact of changes in foreign currency exchange rates (AFX). We use the non-GAAP measure "at constant currency" or "CFX" to show changes in our financial results without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, income statement results are translated in U.S. dollars at the average exchange rate for the period presented. Management believes that the non-GAAP measures just mentioned above are useful in providing period-to-period comparisons of the results of the Company's ongoing operational performance.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing Otis' ability to fund its activities, including the financing of acquisitions, debt service, repurchases of UTC's common stock and distribution of earnings to shareholders.

Standalone sales and adjusted operating profit and margin are non-GAAP financial measures and adjust Otis' net sales and operating profit and margin previously reported by United Technologies Corporation ("UTC") to include all sales and costs directly attributable to Otis, costs for certain functions and services performed by UTC that were directly charged to Otis and estimated costs associated with Otis being a standalone public company. Management believes Standalone financial measures are useful in assessing the company as a standalone company compared to its historical performance as a business segment of UTC.

When we provide our expectation for standalone adjusted EPS, adjusted operating profit, adjusted effective tax rate, organic sales, adjusted working capital and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations, operating profit, the effective tax rate, 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.

Otis as a UTC segment reconciliation

Otis as a UTC segment (\$M)	2009	2012	2015	2018	2019
Reported sales	11,727	12,056	11,980	12,904	13,113
Reported operating profit	2,447	2,512	2,342	1,915	1,948
Restructuring and one-time items	106	164	51	71	66
Adjusted operating profit	2,553	2,676	2,393	1,986	2,014
Adjusted operating profit margin	21.8%	22.2%	20.0%	15.4%	15.4%

Otis as a UTC segment (\$M)	2018	2019	YoY growth
Adjusted operating profit at actual currency	1,986	2,014	28
FX impact		69	69
Adjusted operating profit at constant currency	1,986	2,083	97

2019 Sales	Total Growth	Organic	FX
New Equipment	1%	4%	(3%)
Service	2%	5%	(3%)
Otis as a UTC segment	2%	5%	(3%)

Reflects adoption of ASU 2017-07 – Compensation – Retirement Benefits (Topic 715).

Standalone financials reconciliation

	Otis			New Equipment			Service		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Sales (\$M)									
Otis as a UTC segment reported sales	12,341	12,904	13,113	5,498	5,636	5,669	6,842	7,268	7,444
Form 10 adjustments	(18)	11	5	(45)	(40)	(21)	28	51	26
Form 10 reported/Standalone sales	12,323	12,915	13,118	5,453	5,596	5,648	6,870	7,319	7,470
Operating Profit (\$M)									
Otis as UTC segment adjusted operating profit	2,050	1,986	2,014						
Restructuring & one-time items	(51)	(71)	(66)						
<i>Restructuring</i>	(51)	(71)	(54)						
<i>One-time items</i>	-	-	(12)						
Otis as a UTC segment reported operating profit	1,999	1,915	1,948						
Form 10 adjustments	(84)	(80)	(134)						
<i>UTC allocated corporate expenses</i>	(94)	(90)	(80)						
<i>One-time separation costs</i>	-	-	(43)						
<i>Loss on disposal of businesses</i>	-	-	(26)						
<i>Other</i>	11	10	15						
Form 10 reported operating profit	1,916	1,835	1,814	482	390	393	1,495	1,516	1,603
Standalone adjustments	(53)	(62)	(68)	(7)	(8)	(10)	(33)	(36)	(42)
<i>UTC allocated corporate expenses</i>	94	90	80	9	8	6	23	20	14
<i>Public company standalone costs</i>	(147)	(147)	(147)	(16)	(16)	(16)	(56)	(56)	(56)
<i>Other</i>	-	(5)	(1)	-	-	-	-	-	-
Standalone operating profit	1,863	1,773	1,746	475	382	383	1,462	1,481	1,561
Restructuring & one-time items	51	71	126	23	24	19	28	45	38
<i>Restructuring</i>	51	71	54	23	24	19	28	45	35
<i>Loss on disposal of businesses</i>	-	-	26	-	-	-	-	-	-
<i>One-time separation costs</i>	-	-	43	-	-	-	-	-	-
<i>Other</i>	-	-	3	-	-	-	-	-	3
Standalone adjusted operating profit	1,914	1,844	1,872	498	406	402	1,490	1,526	1,599
<i>Standalone adjusted operating profit margin</i>	15.5%	14.3%	14.3%	9.1%	7.3%	7.1%	21.7%	20.8%	21.4%
Form 10 depreciation & amortization			180						
Standalone adjusted EBITDA			2,052						

SG&A reconciliation

(\$M)	2017	2018	2019
Form 10 reported SG&A	1,648	1,735	1,810
Standalone adjustments	38	42	51
UTC allocated corporate expenses	(94)	(90)	(80)
Public company standalone costs	133	133	133
Other	(1)	(0)	(1)
Restructuring & one-time items	(31)	(48)	(79)
Restructuring	(31)	(48)	(35)
One-time separation costs			(43)
Standalone SG&A	1,655	1,729	1,783
Standalone sales	12,323	12,915	13,118
<i>Standalone SG&A % of sales</i>	<i>13.4%</i>	<i>13.4%</i>	<i>13.6%</i>

Working capital reconciliation

(\$M)	2017	2018	2019
Total current assets	5,512	5,612	5,658
Total current liabilities	(4,933)	(5,303)	(5,374)
Form 10 working capital	579	309	284
Cash and cash equivalents	(1,554)	(1,329)	(1,446)
Other assets, current	(222)	(269)	(251)
Short-term borrowings	17	27	34
Accrued liabilities ¹	1,524	1,599	1,739
Adjusted standalone working capital	344	337	360
Standalone sales	12,323	12,915	13,118
<i>Adjusted standalone working capital % of sales</i>	<i>2.8%</i>	<i>2.6%</i>	<i>2.7%</i>

¹ 2017 adjusted for internal calculations of the impact of Financial Accounting Standards Board, Accounting Standards Codification Topic 606: Revenue from Contracts with Customers, which was effective January 1, 2018.

Free cash flow reconciliation

Form 10 (\$M)	2019
Operating cash flow	1,469
Capital expenditures	(145)
Free cash flow¹	1,324
Net income	1,116
FCF conversion	119%

¹ Free cash flow excludes dividends paid to noncontrolling interest of \$163 in 2019.