



OTIS

**Morgan Stanley
Captains of
Industry Summit
June 1, 2023**

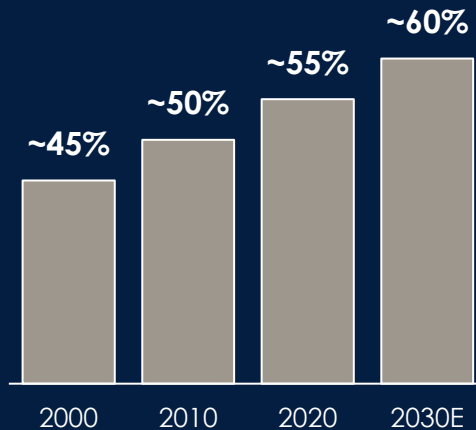
Forward-Looking Statements

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, credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions, or statements that relate to climate change and our intent to achieve certain environmental, social and governance targets or goals, including operational impacts and costs associated therewith, and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, Otis claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which Otis and its businesses operate and any changes therein, including financial market conditions, fluctuations in commodity prices and other inflationary pressures, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues (including COVID-19 and variants thereof and the ongoing economic recovery therefrom and their effects on, among other things, global supply, demand and distribution), natural disasters, whether as a result of climate change or otherwise, and the financial condition of Otis' customers and suppliers; (2) the effect of changes in political conditions in the U.S. and other countries in which Otis and its businesses operate, including the effects of the ongoing conflict between Russia and Ukraine and increased tensions between the U.S. and China, on general market conditions, commodity costs, global trade policies and related sanctions and export controls, and currency exchange rates in the near term and beyond; (3) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (4) future levels of indebtedness, capital spending and research and development spending; (5) future availability of credit and factors that may affect such availability or costs, credit market conditions, including the recent tightening of credit conditions, and Otis' capital structure; (6) the timing and scope of future repurchases of Otis' common stock ("Common Stock"), which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (7) fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of COVID-19, the ongoing conflict between Russia and Ukraine or otherwise; (8) cost reduction or containment actions, restructuring costs and related savings and other consequences thereof; (9) new business and investment opportunities; (10) the outcome of legal proceedings, investigations and other contingencies; (11) pension plan assumptions and future contributions; (12) the impact of the negotiation of collective bargaining agreements and labor disputes and labor inflation in the markets in which Otis and its businesses operate globally; (13) the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which Otis and its businesses operate; (14) the ability of Otis to retain and hire key personnel; (15) the scope, nature, impact or timing of acquisition and divestiture activity, the integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs; (16) the determination by the Internal Revenue Service and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions in connection with the separation (the "Separation") of Otis and Carrier Global Corporation ("Carrier") from United Technologies Corporation (now known as Raytheon Technologies 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.

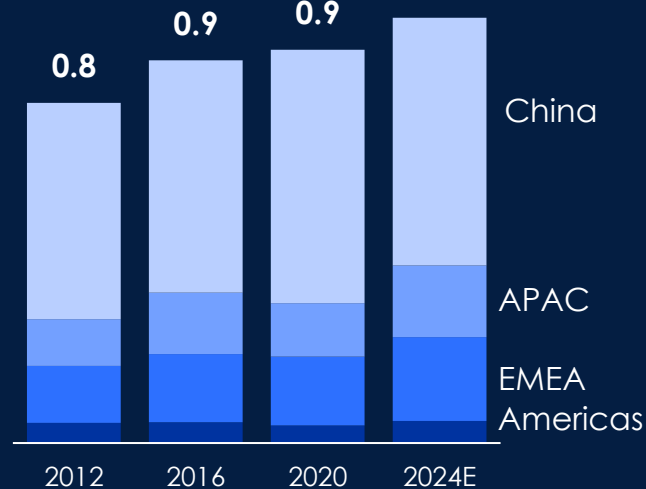
An industry driven by recurring Service

Strong urbanization trend



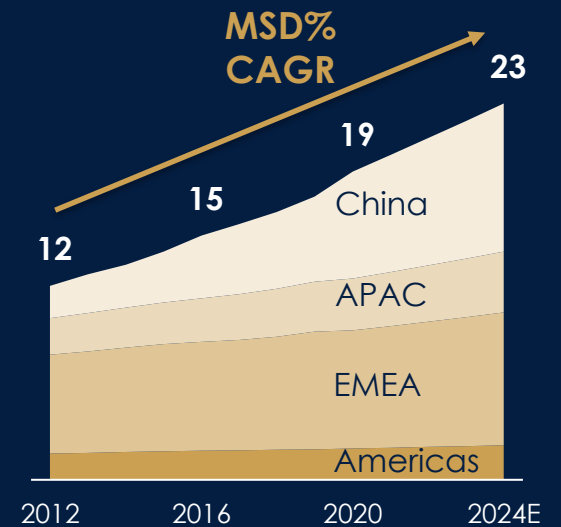
Global urban population (%)

LSD New Equipment market growth...



Global NE units (millions)

...Compounding Service base



Global installed units (millions)

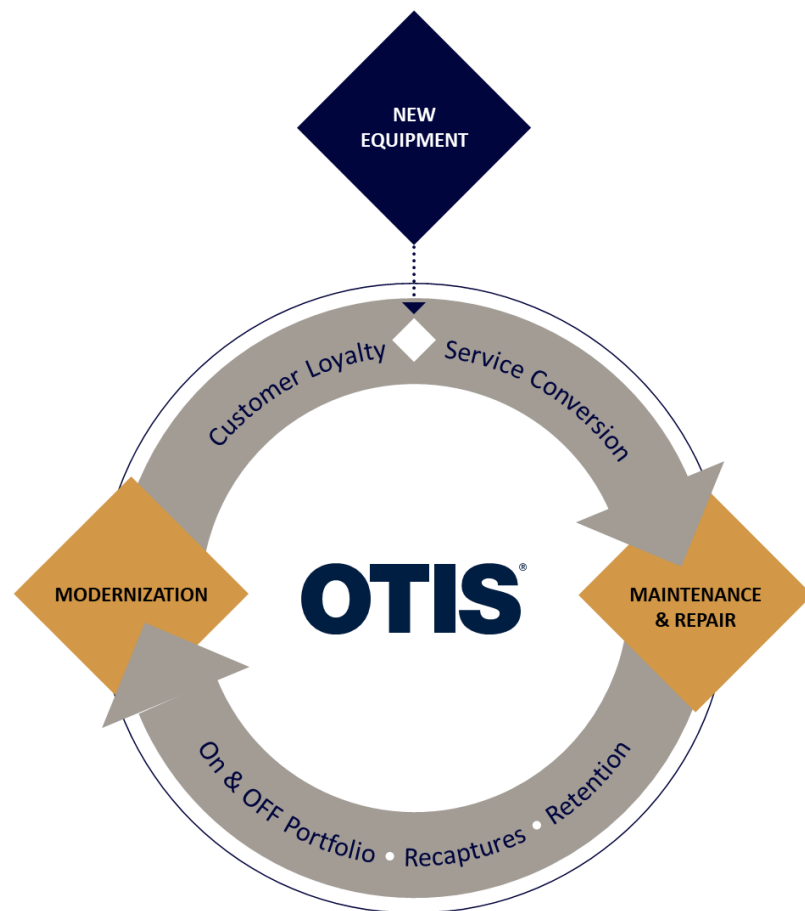
~1M annual NE units added to ~20M global installed base = ~5% growth

LSD = low single digits; MSD = mid single digits

Source: Otis internal analysis and public company disclosures. Excludes Russia

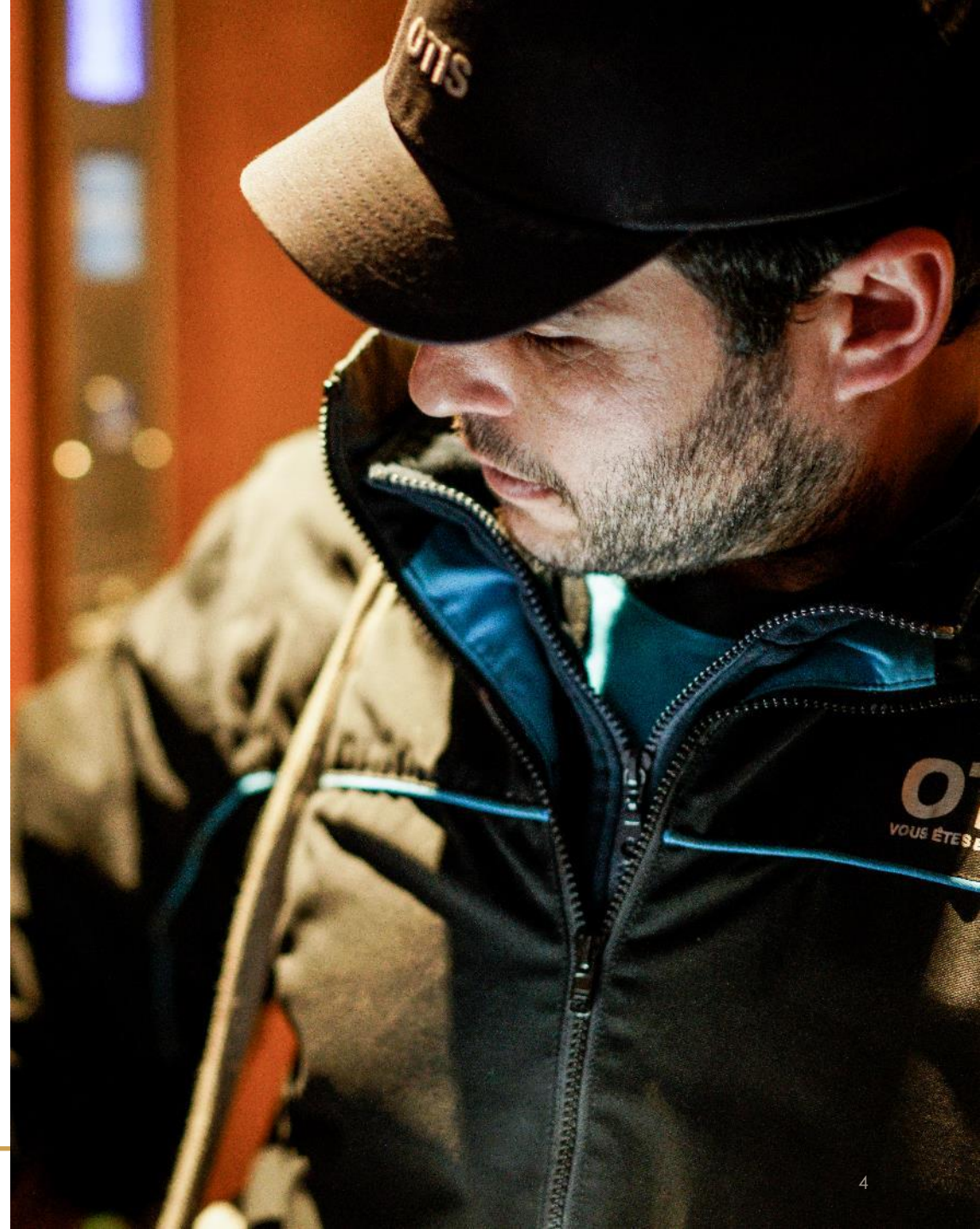
Source: World Bank.

Otis: Service driven business model



~\$13.6B Otis adjusted net sales¹

¹ See appendix for additional information regarding this non-GAAP financial measure.

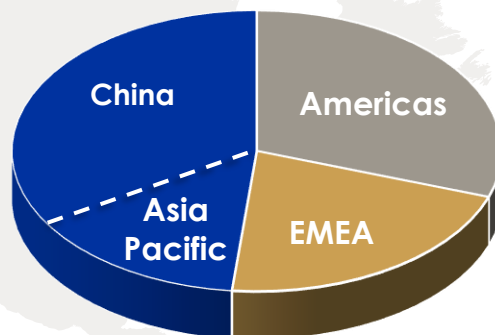


Strong geographic diversification

FY22 metrics

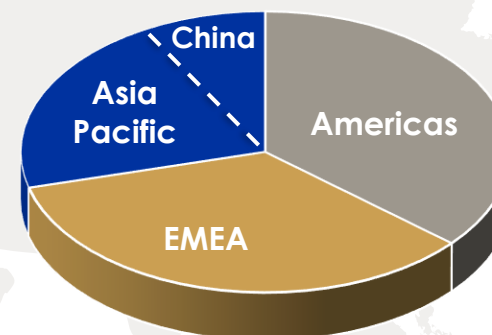
Adj. New Equipment sales¹

\$5.8B



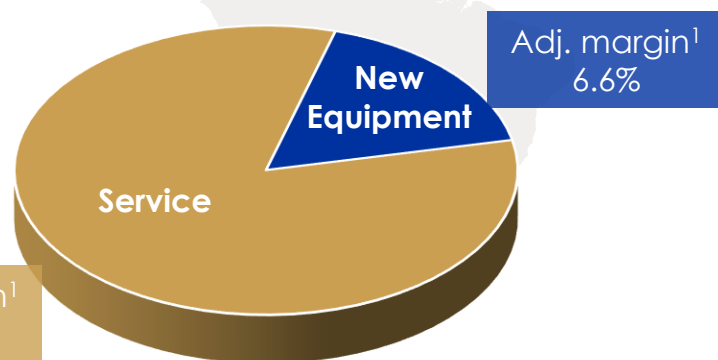
Adj. Service sales¹

\$7.8B



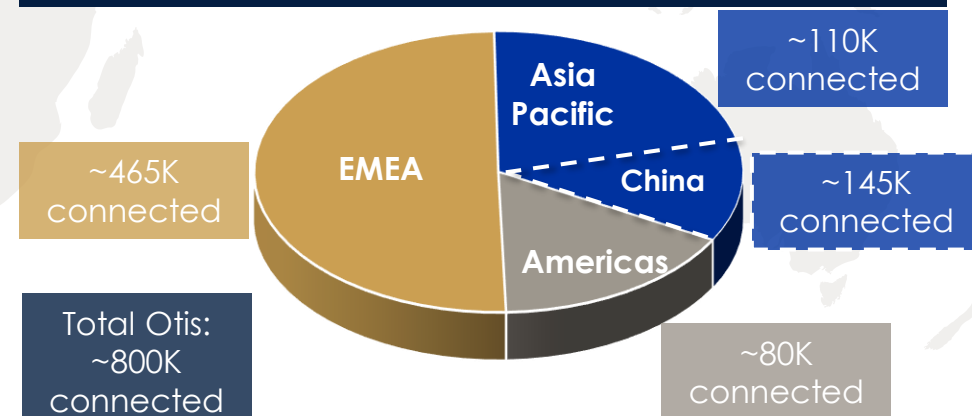
Adj. operating profit¹

\$2.1B



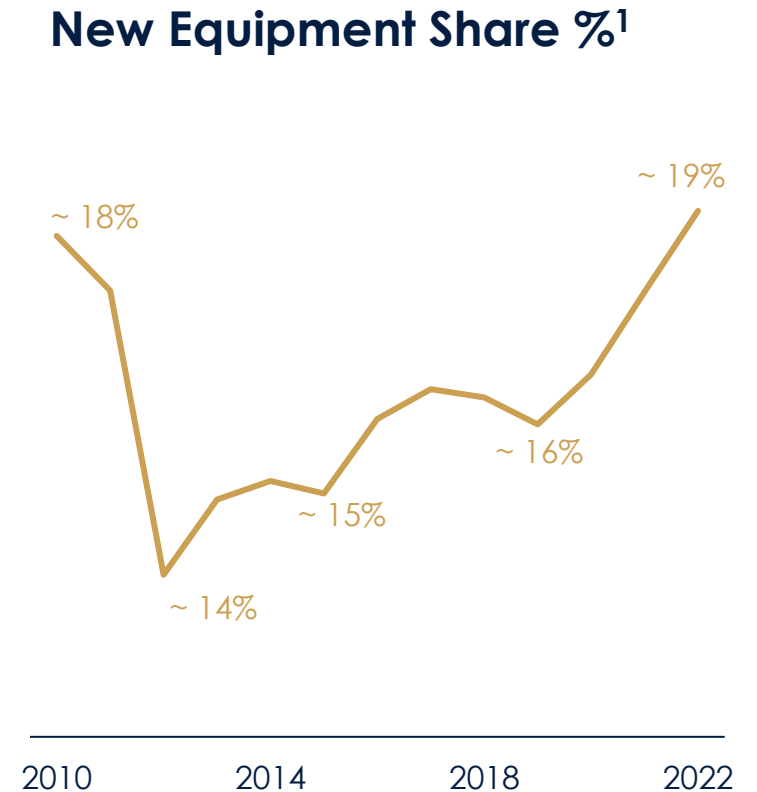
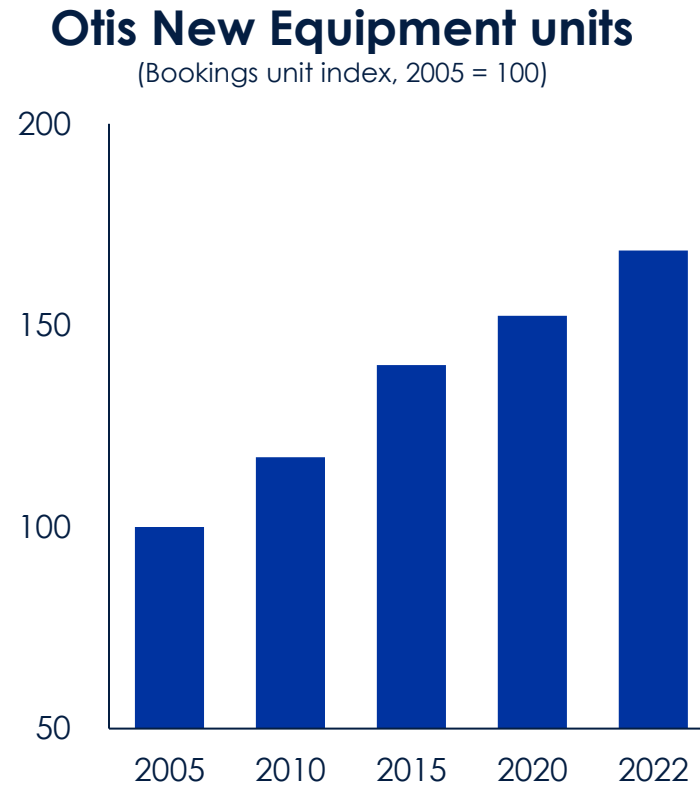
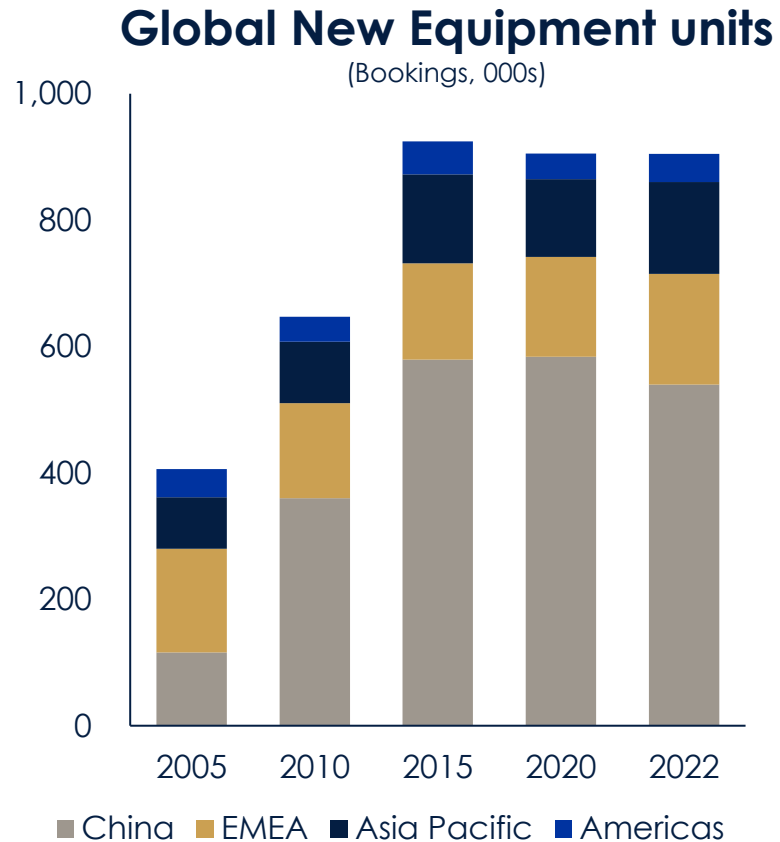
Maintenance units

~2.2M



¹ See appendix for additional information regarding these non-GAAP financial measures. Connected units include units under the warranty period.

Gaining share in New Equipment



Otis New Equipment outperforming...gained ~3pts of share since spin

Otis internal analysis. 2005-2020 data includes Russia, 2022 data excludes Russia.

¹ Based on Otis internal analysis and public company disclosures.

Invest in innovation... supporting New Equipment growth

Gen2® Enhancements



Various enhancements to our best-selling Gen2 platform to address customer needs

Gen3™



Gen2 platform with built-in Otis ONE™ connectivity, digital options & improved aesthetics

Gen360™



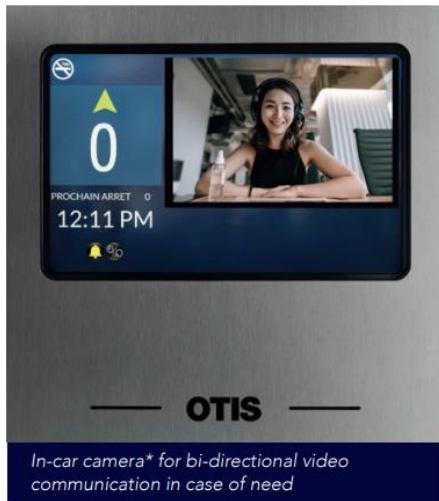
Next-generation, digitally enhanced, space optimal elevator platform

Strategic new product introductions driving geographic and digital expansion

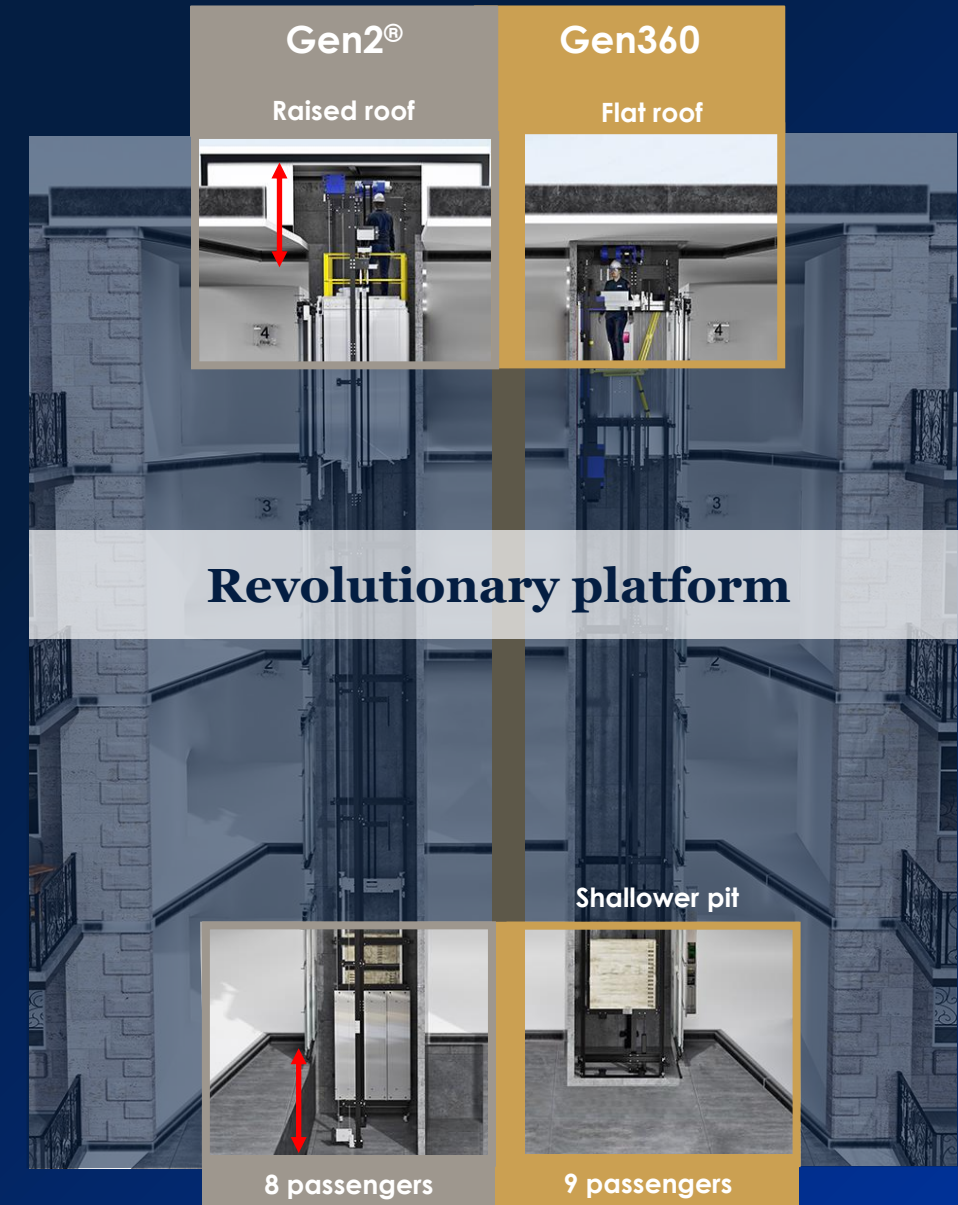
Industry leading innovation...

Otis Gen360™

New Equipment & Service benefits



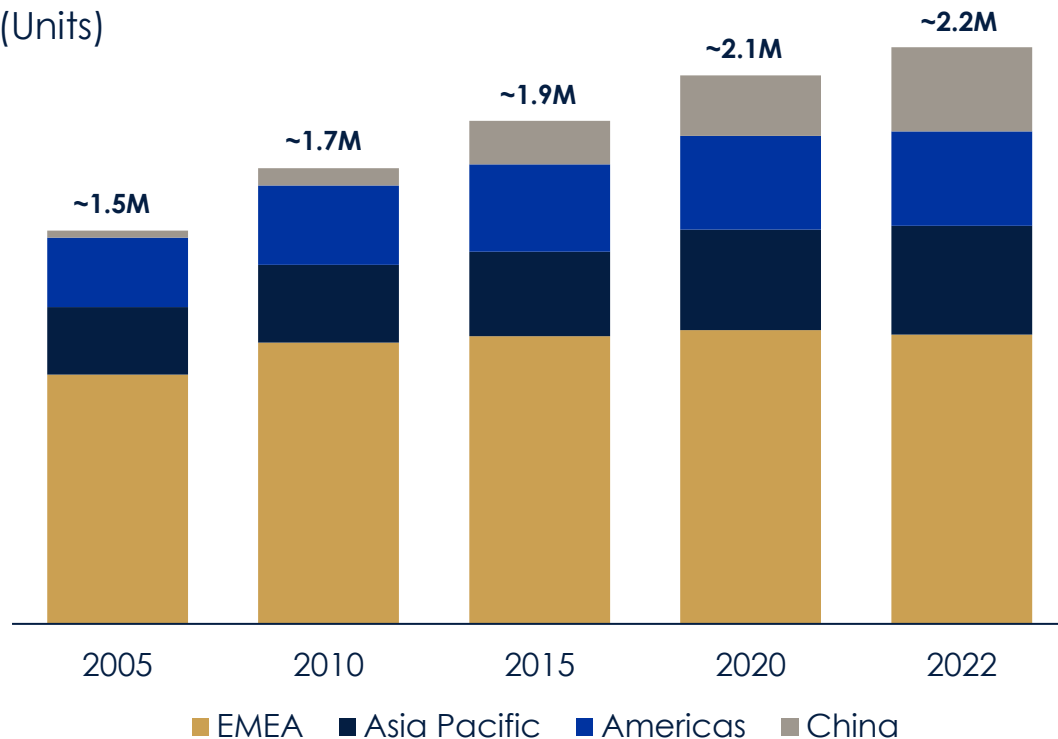
- Flat roof and decreased pit depth reduces construction cost and provides building design flexibility
- Up to 50% reduction in entrapments
- Over the air enhancements improve quality and increases subscription sales
- Expanded remote capabilities... improves customer up-time and Otis productivity
- Enhanced safety...eliminates the need for mechanics to get on top of the car to perform maintenance operations
- Energy efficiency...lower environmental impact



Otis Service overview

Geographically balanced service portfolio¹

(Units)



Largest service portfolio globally²

2022 Results

~\$6.4B

Maintenance & repair sales

#1

Service share

~4Yrs

Average contract length with
inflation adjustments

~94%

Retention rate

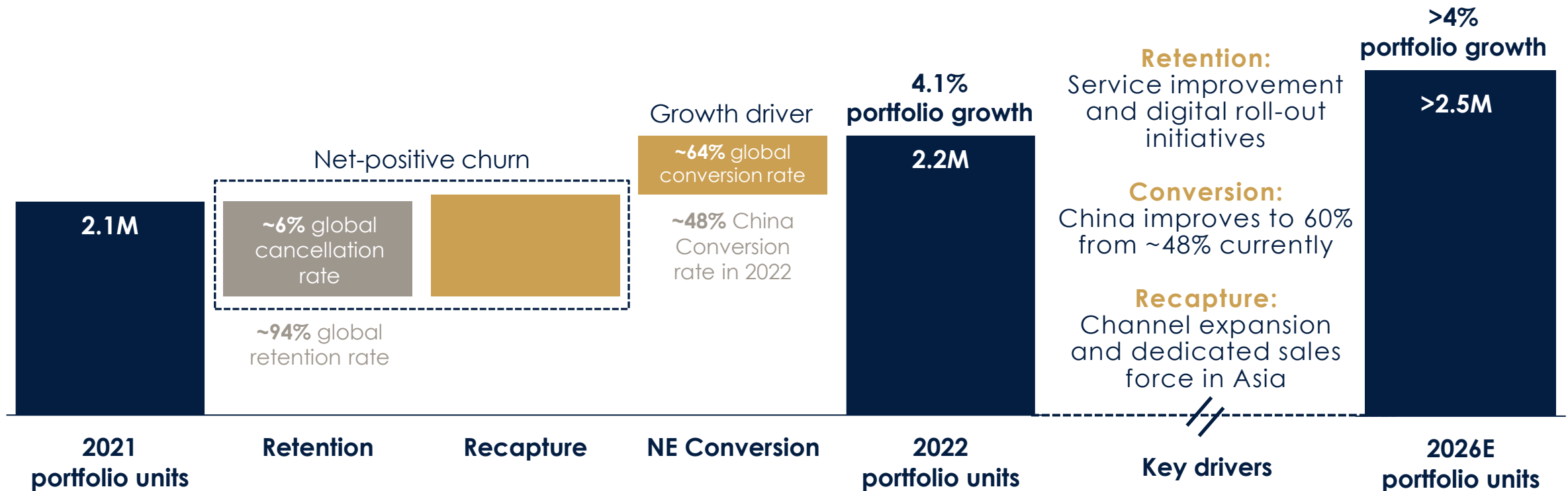
64%

Conversion Rate

¹ 2005-2020 data includes Russia, 2022 data excludes Russia.

² Based on Otis internal analysis, public company disclosures and estimates

Accelerating portfolio growth



Outperforming the February 2022 Investor Day outlook

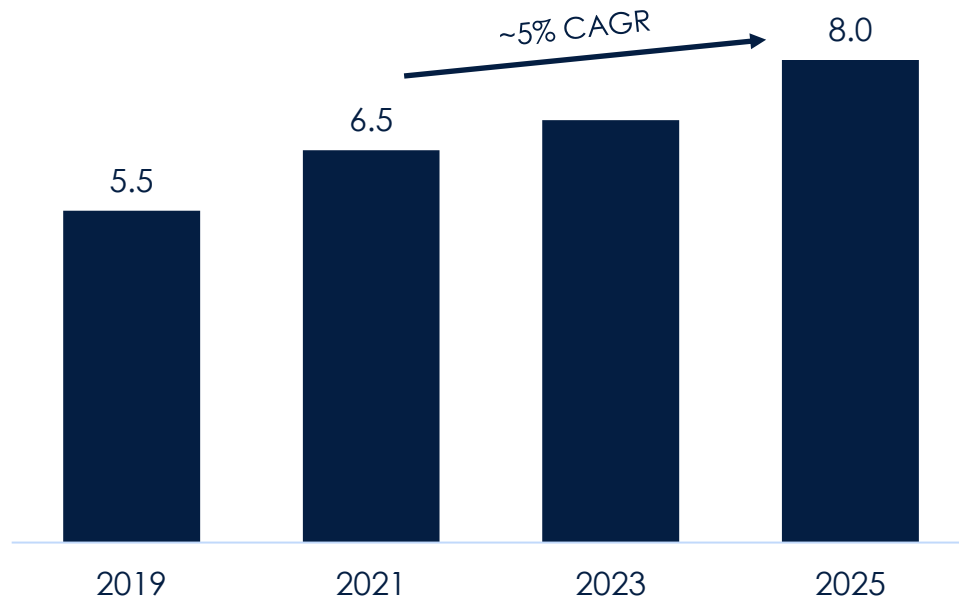
Retention rate = $1 - (\text{canceled units} / \text{total portfolio units})$

Conversion rate = $\text{units added to maintenance portfolio} / \text{total units eligible for conversion}$

Large Modernization market opportunity

Large and growing modernization prospects...

Aging installed base ripe for modernization work (M units)



~8M units > 20 years old by 2025

...driven by multiple factors



Aging installed base increases addressable market



Obsolescence impact



Safety regulation changes



Accessibility / aging population



Increased industry focus



Digitization



Post-COVID public subsidies



ESG objectives

Source: Otis internal analysis.

Otis Modernization growth initiatives

Otis initiatives...



Improve customer ease-of-doing business through standardized offerings



Sales specialization



Streamline market to order process



Provide tools to improve installation efficiency

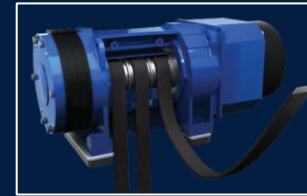


Optimize offerings to gain scale and reduce cost



Support digital ecosystem

...with the products & tools to capitalize



Geared to gearless



ReGen™



Machine-Roomless



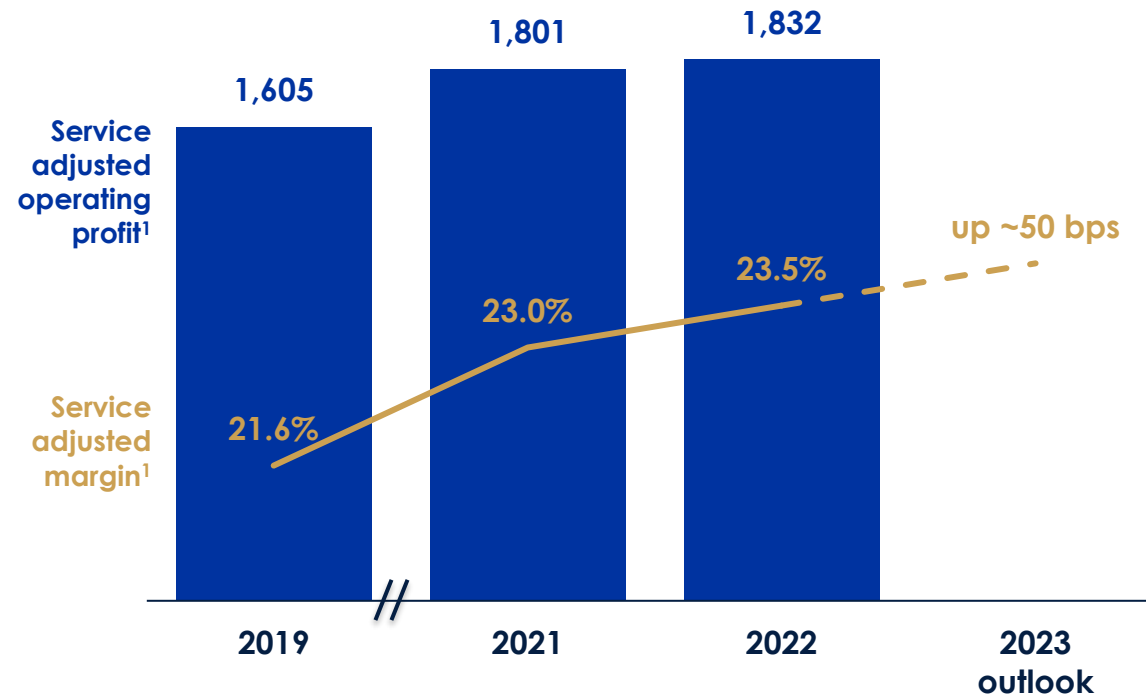
Specialized sales & field resources

MSD+ % medium-term Modernization revenue CAGR

Drive Service productivity

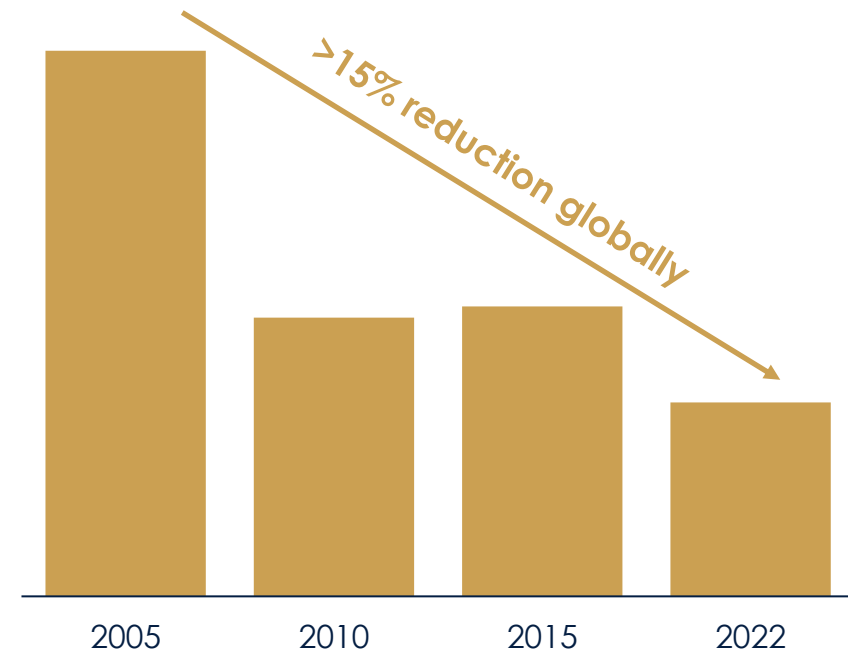
Service adjusted operating profit¹

(\$ millions)



Sustained productivity²

Hours per unit (index)



Route optimization and Otis ONE will drive further improvement

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

² 2005-2020 data includes Russia, 2022 data excludes Russia.

Medium-term outlook¹

From February 2022

**Organic sales
CAGR**

**Average adjusted
operating profit
margin expansion**

**Adjusted EPS
CAGR**

**Free
cash flow**

Up low to mid single digits

~40 bps

Up 10%+

100 to 110% Conversion

New Equipment
Up low single digits

New Equipment
10 to 20 bps

Service
Up mid single digits

Service
40 to 50 bps

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

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**Q1 2023
Earnings Call
April 26, 2023**

Q1 2023 highlights

Strong performance to start the year

- New Equipment share up ~70 bps¹
- Accelerated maintenance portfolio growth, up 4.2%
- Organic² sales up 3.6%, the tenth consecutive quarter of growth
- Adjusted EPS² up 5.3%... benefit from operational performance and share repurchases; accretion from the Zardoya³ transaction mitigated \$0.04 FX headwind

Creating value for all stakeholders

- Repurchased \$175M of shares
- Dividend increased 17.2%...70% increase since spin
- Published [2022 ESG Report](#)

¹ Based on Otis internal estimates.

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

³ The entity previously known as Zardoya Otis S.A. has implemented a name change and is now referred to as Otis Mobility.

Q1 Orders



Blue Line Metro
Montréal, Canada



Carsch-Haus
Germany



Hefei Metro
Anhui, China



Doosan Enerbility
Suncheon, South Korea

Q1 2023 update

Q1 2023 Results

- New Equipment orders up 7.4% at constant currency¹
- New Equipment backlog up 3% and adjusted backlog up 10% at constant currency¹
- Modernization orders up 29%...backlog up 13% at constant currency¹
- Organic¹ sales up 3.6%... Service up 6.3%, New Equipment ~flat
- Adjusted operating profit up \$7M at constant currency¹
- Free cash flow¹ of \$253M...76% conversion¹ of GAAP net income

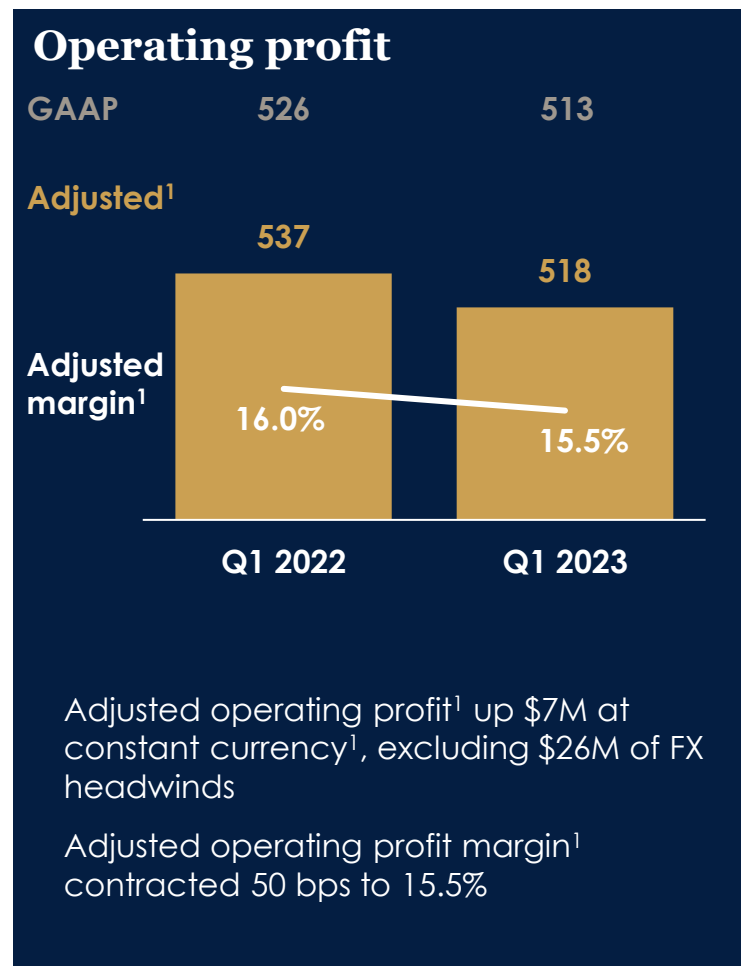
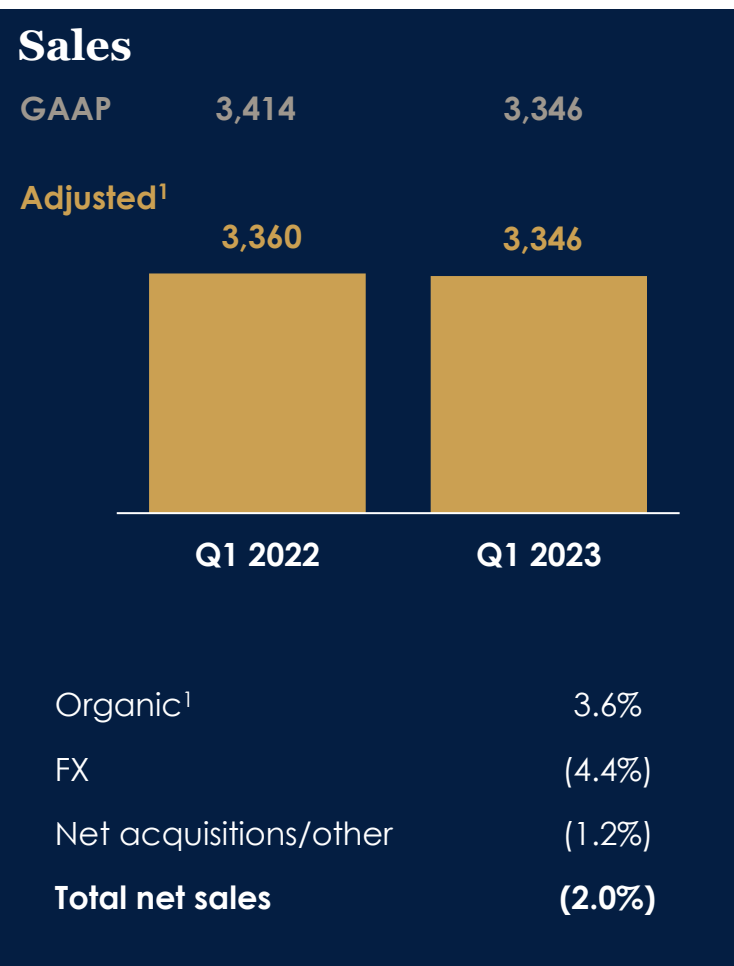
Revised 2023 Outlook

- Adjusted net sales¹ of \$13.9 to \$14.2B, up 4 to 6% organically and up 2.5 to 4.5% at actual currency
- Adjusted operating profit¹ of \$2.2 to \$2.3B, up \$130 to \$175M at constant currency¹; up \$90 to \$150M at actual currency with 20 to 30 bps of margin expansion
- Adjusted EPS¹ of \$3.40 to \$3.50, up 7 to 10%
- Free cash flow¹ of \$1.5 to \$1.55B...105 to 115% conversion of GAAP net income
- Increasing share repurchase target to \$700M to \$800M in 2023

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

Q1 2023 results

(\$ millions, except per share amounts)



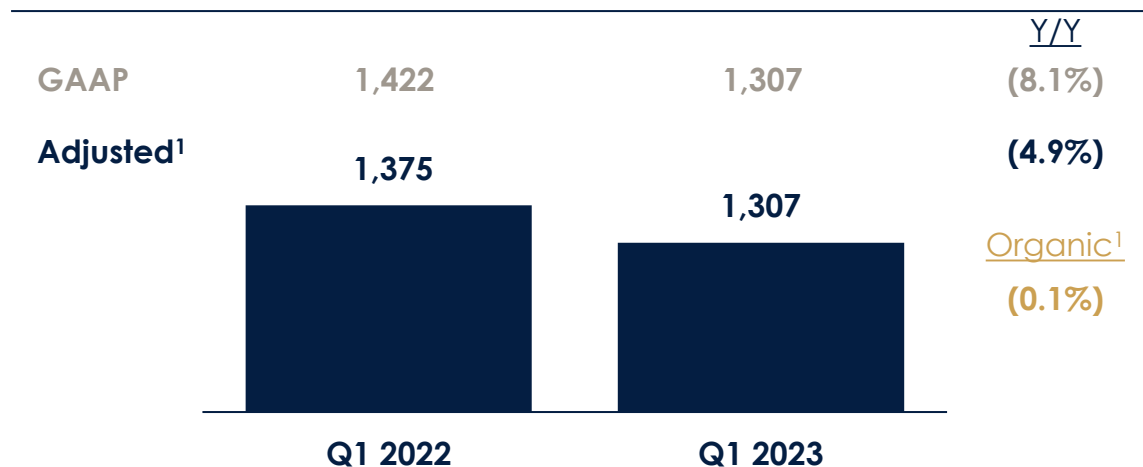
¹ See appendix for additional information regarding these non-GAAP financial measures.

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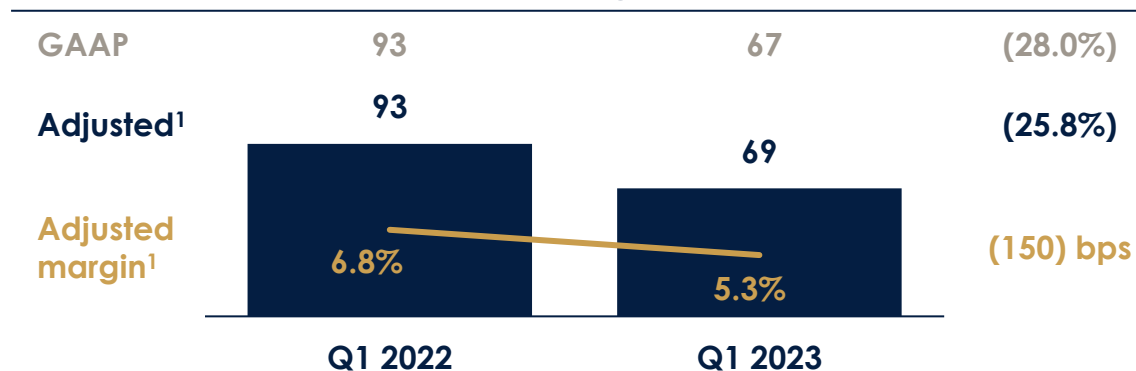
New Equipment

(\$ millions)

Net sales



Operating profit



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

² Based on Otis internal estimates.

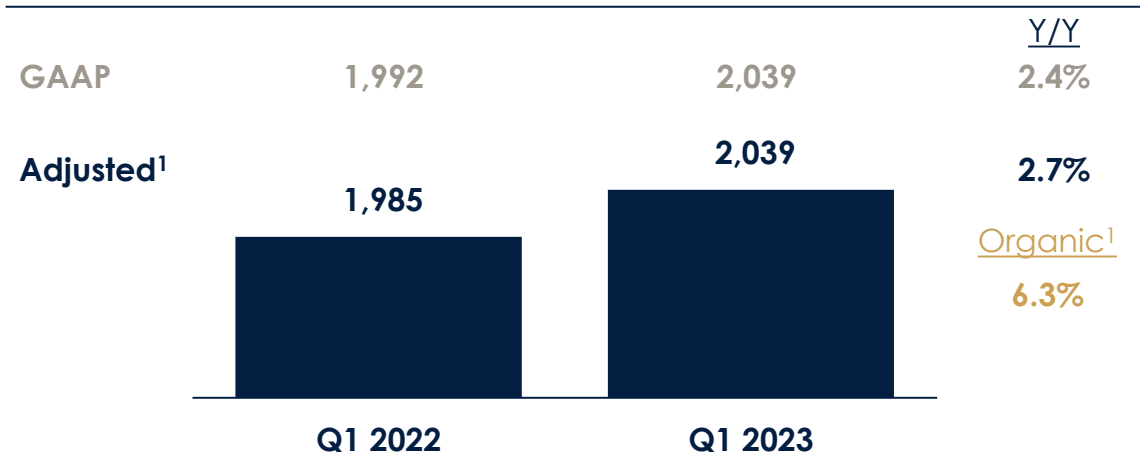
Q1 Results

- Orders up 7.4% at constant currency¹ driven by double-digit growth in Asia Pacific & mid teens growth in the Americas
- New Equipment share up ~70 bps²
- New Equipment backlog up 3% and adjusted backlog up 10% at constant currency¹
- Organic¹ sales ~flat
 - Americas down 5.8%
 - EMEA up 9.5%
 - Asia down 1.1%
 - Strong performance in Asia Pacific
 - Decline in China
- Adjusted operating profit¹ down \$19 million at constant currency¹...productivity more than offset by unfavorable regional and product mix

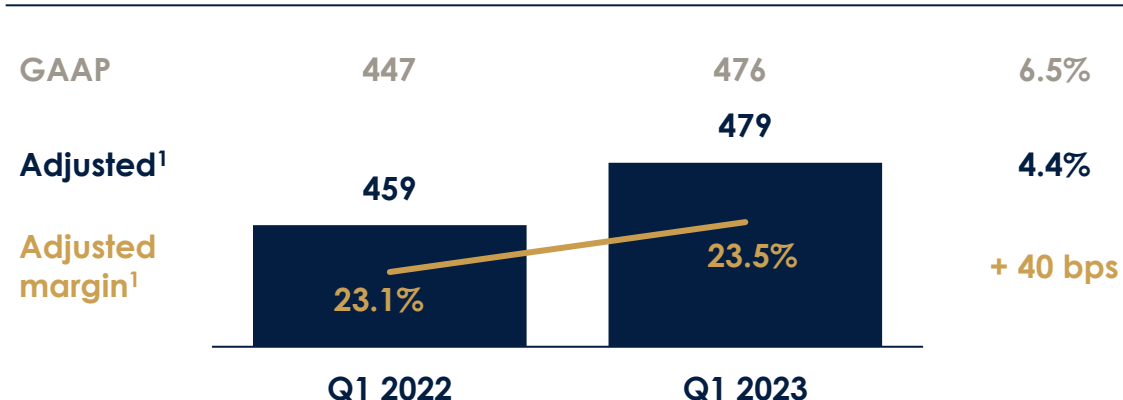
Service

(\$ millions)

Net sales



Operating profit



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

Q1 Results

- Maintenance units up 4.2% versus prior year...growth in all regions
- Modernization orders up 29% at constant currency¹ with growth in all regions...backlog up 13% at constant currency¹
- Organic¹ sales up 6.3%
 - Maintenance & Repair up 7.0%
 - Modernization up 3.3%
- Adjusted operating profit¹ up \$40M at constant currency¹...higher volume, favorable pricing and productivity partially offset by annual wage inflation and higher material costs

2023 financial outlook

	Prior outlook	Current outlook
Organic¹ sales	<p>Otis up 4 to 6%</p> <p>New Equipment up 3 to 5%</p> <p>Service up 5 to 7%</p>	<p>Otis up 4 to 6%</p> <p>New Equipment up 3 to 5%</p> <p>Service up 5 to 7%</p>
Constant currency adj. operating profit¹	up \$130 to \$175M	up \$130 to \$175M
Adjusted operating profit¹ margin	<p>Otis up 20 to 30 bps</p> <p>New Equipment up 0 to 40 bps</p> <p>Service up ~50 bps</p>	<p>Otis up 20 to 30 bps</p> <p>New Equipment up 0 to 40 bps</p> <p>Service up ~50 bps</p>
Adjusted EPS¹	\$3.35 to \$3.50, up 6 to 10%	\$3.40 to \$3.50, up 7 to 10%
Free cash flow¹ & capital deployment	<p>Free cash flow \$1.5 to \$1.55B, 105 to 115% conversion</p> <p>Share repurchases \$600 to \$800M</p>	<p>Free cash flow \$1.5 to \$1.55B, 105 to 115% conversion</p> <p>Share repurchases \$700 to \$800M</p>

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

2023 organic¹ sales outlook

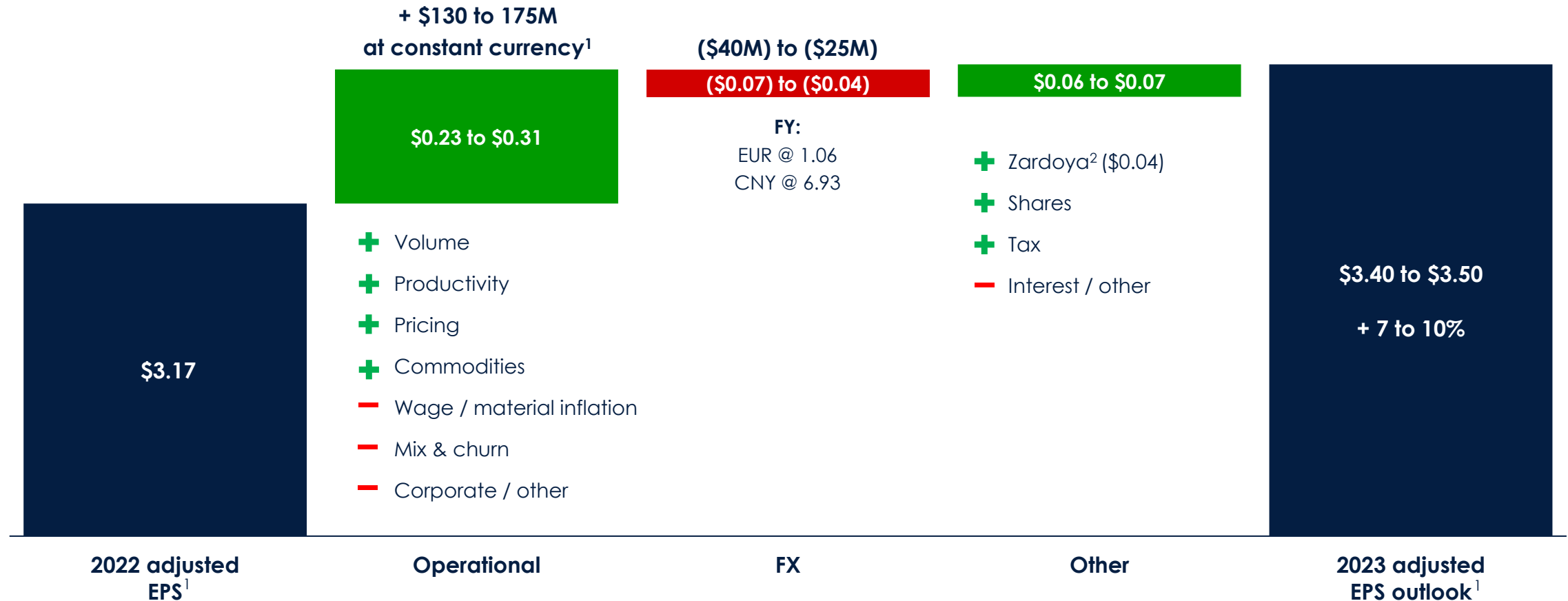
	Prior outlook (Feb 2, 2023)	Current outlook
New Equipment	up 3 to 5%	up 3 to 5%
Americas	up mid single	up mid single
EMEA	up mid single	up mid single
Asia	up low single	up low single
Service	up 5 to 7%	up 5 to 7%
Maintenance & repair	up 4.5 to 6.5%	up 4.5 to 6.5%
Modernization	up 6 to 8%	up 6 to 8%
Otis	up 4 to 6%	up 4 to 6%

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

Outlook drivers

- New Equipment and modernization backlog execution
- Accelerated maintenance portfolio growth, up 4.2% in Q1
- Strong maintenance pricing
- Increased modernization demand

2023 adjusted EPS¹ outlook growth drivers



7 to 10% adjusted EPS¹ growth

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

² The entity previously known as Zardoya Otis S.A. has implemented a name change and is now referred to as Otis Mobility.

Otis fundamentals...driving value creation¹

Sales

- Invest in innovation
- Gain New Equipment share
- Accelerate portfolio growth

Sustainable growth

Operating Profit

- Drop through from volume
- Optimize supply chain & installation process
- Drive service productivity
- Rationalize SG&A

Expand operating margin

Cash & Capital Deployment

- Reduce effective tax rate
- Make targeted investments
- Raise dividends
- Continue share repurchases

Return cash to shareholders

¹ Based on Otis internal estimates and expectations.

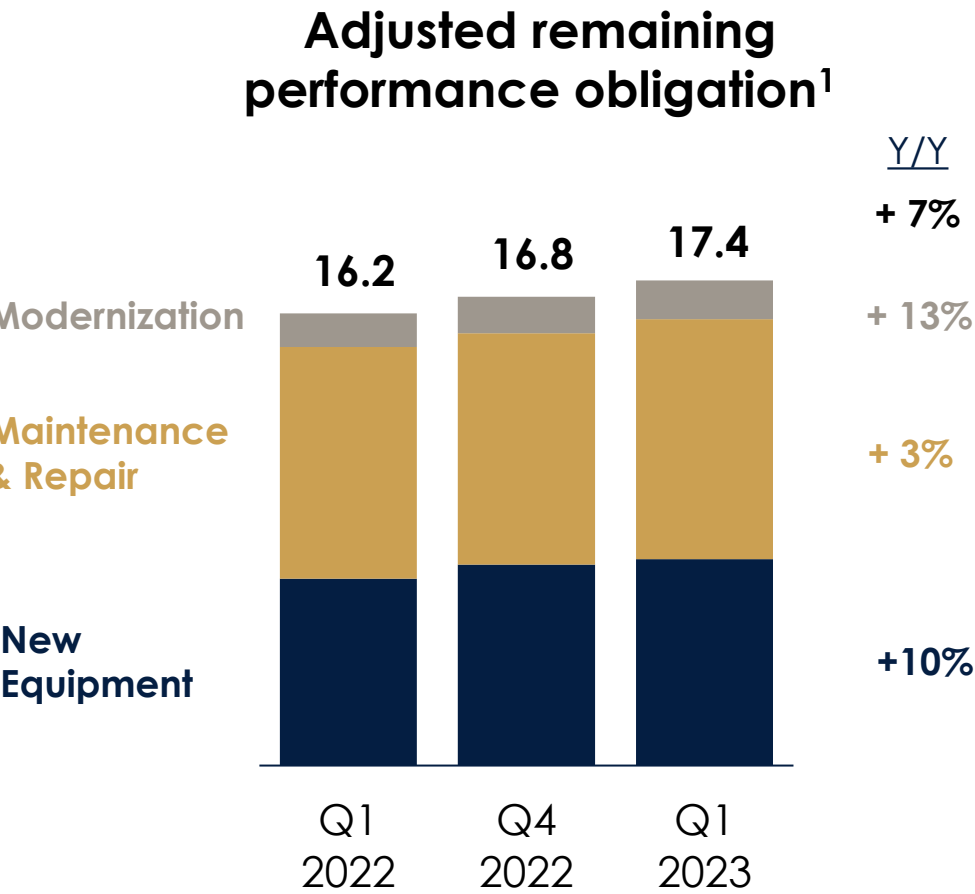
OTIS

A photograph of the Chicago skyline at dusk, featuring the Willis Tower prominently in the center. A semi-transparent dark blue rectangle is overlaid on the image, serving as a background for the text.

Appendix

Backlog and orders

(\$billions, at constant currency¹)

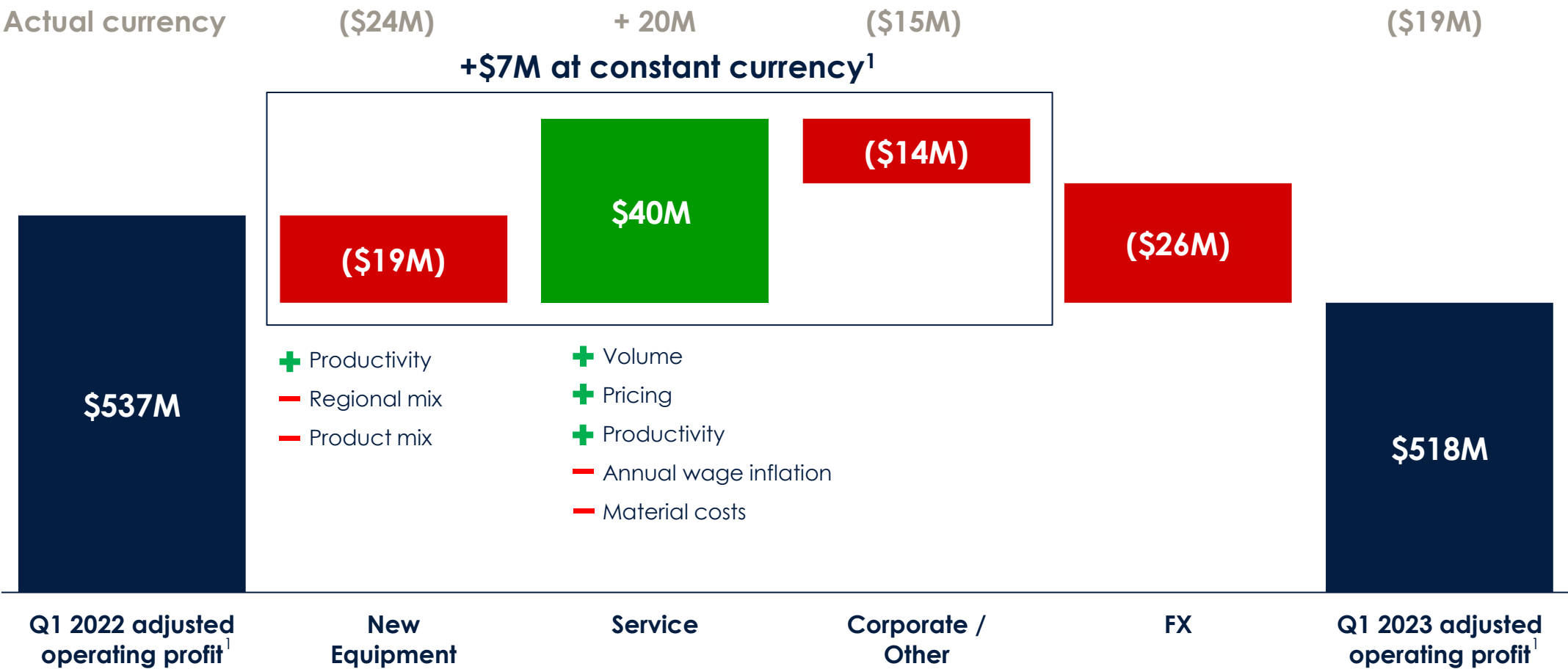


New Equipment orders

Region	Q1 2023 Y/Y	12-month rolling
Total Otis	7.4%	7.4%
Americas	15.4%	18.9%
EMEA	1.3%	13.0%
Asia	4.6%	(1.0%)

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

Q1 2023 adjusted operating profit¹ drivers



15.5% adjusted operating profit margin¹

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

Additional information

	Actuals	FY23 Outlook	
	1Q23	Prior (Feb 1, 2023)	Updated
Restructuring expense	\$5M	~\$60M	~\$60M
Non-service pension expense	\$0M	<\$5M	<\$5M
Adjusted net interest expense (a)	\$33M	~\$150M	~\$150M
Adjusted effective tax rate (b)	26.6%	26.0 to 26.5%	26.0 to 26.5%
Noncontrolling interest expense	\$21M	~\$100 to \$110M	~\$105 to \$115M
Capital expenditures	\$25M	~\$140 to \$150M	~\$140 to \$150M
Diluted shares outstanding	417.8M	~415M	~415M

Currency exposure	2022 sales
USD	28%
EUR	21%
CNY	19%
Other	32%

(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest related to the Zardoya Otis transaction and Russia operations.

(b) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs, other significant non-recurring items and includes rounding.

Use and Definitions of Non-GAAP Financial Measures

Otis Worldwide Corporation ("Otis") reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. A reconciliation of the non-GAAP measures (referenced in this press release) to the corresponding amounts prepared in accordance with GAAP appears in the attached tables. These tables provide additional information as to the items and amounts that have been excluded from the adjusted measures. Adjusted net sales, organic sales, adjusted selling, general and administrative ("SG&A") expense, adjusted operating profit, adjusted net income, adjusted diluted earnings per share ("EPS"), adjusted effective tax rate, adjusted remaining performance obligation ("RPO"), constant currency and free cash flow are non-GAAP financial measures. Adjusted net sales represents net sales (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature ("other significant items"). Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items. Management believes organic sales is a useful measure in providing period-to-period comparisons of the results of the Company's ongoing operational performance. Adjusted SG&A expense represents SG&A expense (a GAAP measure), excluding restructuring costs and other significant items. Adjusted general corporate expenses and other represents general corporate expenses and other (a GAAP measure), excluding restructuring costs and other significant items. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and related net interest expense pending the completion of a transaction. The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for other significant items and the tax impact of restructuring costs and other significant items. Adjusted net income represents net income attributable to Otis Worldwide Corporation (a GAAP measure), excluding restructuring costs and other significant items, including related tax effects. Adjusted 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 RPO or Adjusted Backlog represents RPO (otherwise referred to herein as backlog from time to time) (a GAAP measure) excluding other significant items. Management believes that adjusted net sales, organic sales, adjusted SG&A, adjusted general corporate expenses and other, adjusted operating profit, adjusted net income, adjusted EPS, the adjusted effective tax rate and adjusted RPO are useful measures in providing period-to-period comparisons of the results of the Company's ongoing operational performance. Additionally, GAAP financial results include the impact of changes in foreign currency exchange rates ("AFX"). We use the non-GAAP measure "at constant currency" or "CFX" to show changes in our financial results without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, income statement results are translated in U.S. dollars at the average exchange rate for the period presented. Management believes that this non-GAAP measure is useful in providing period-to-period comparisons of the results of the Company's ongoing operational performance. Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing Otis' ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders. When we provide our expectations for adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted effective tax rate, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations, operating profit, the effective tax rate, net sales and expected cash flow from operations) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

2023 GAAP to adjusted financials reconciliation

(\$millions)	Otis	New Equipment	Service	Corporate/ other
Sales	1Q23	1Q23	1Q23	1Q23
Net sales	3,346	1,307	2,039	0
Income				
Net income attributable to Otis	331			
Noncontrolling interest in subsidiaries ¹	21			
Income tax expense	128			
Net interest expense	33			
Non-service pension benefit (expense)	0			
GAAP operating profit	513	67	476	(30)
Restructuring	5	2	3	0
Adjusted operating profit	518	69	479	(30)
Adjusted operating profit margin	15.5%	5.3%	23.5%	
Non-service pension benefit (expense)	0			
Adjusted net interest expense (a)	(33)			
Adjusted pre-tax profit	485			
Adjusted income tax expense	(129)			
Adjusted tax rate (b)	26.6%			
Noncontrolling interest	(21)			
Adjusted net income	335			

(a) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest expense related to the pending Zardoya Otis transaction.

(b) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs, other significant non-recurring items and includes rounding.

2022 GAAP to adjusted financials reconciliation

(\$millions)	Otis					New Equipment					Service					Corporate/other				
	1Q22	2Q22	3Q22	4Q22	FY 2022	1Q22	2Q22	3Q22	4Q22	FY 2022	1Q22	2Q22	3Q22	Q422	FY 2022	1Q22	2Q22	3Q22	Q422	FY 2022
Sales																				
Net sales	3,414	3,488	3,344	3,439	13,685	1,422	1,534	1,447	1,461	5,864	1,992	1,954	1,897	1,978	7,821	0	0	0	0	0
Russia	(54)	(34)	(18)	0	(106)	(47)	(25)	(14)	0	(86)	(7)	(9)	(4)	0	(20)	0	0	0	0	0
Adjusted net sales	3,360	3,454	3,326	3,439	13,579	1,375	1,509	1,433	1,461	5,778	1,985	1,945	1,893	1,978	7,801	0	0	0	0	0
Income	1Q22	2Q22	3Q22	4Q22	FY 2022															
Net income attributable to Otis	311	321	324	297	1,253															
Noncontrolling interest in subsidiaries ¹	42	27	26	21	116															
Income tax expense	136	103	143	137	519															
Net interest expense	37	35	35	36	143															
Non-service pension benefit (expense)	0	1	1	0	2															
GAAP operating profit	526	487	529	491	2,033	93	99	100	66	358	447	435	446	461	1,789	(14)	(47)	(17)	(36)	(114)
Restructuring	14	25	6	15	60	4	12	2	5	23	10	13	4	10	37	0	0	0	0	0
One-time separation costs and other (a)	2	0	0	(2)	0	0	0	0	0	0	0	0	0	0	0	2	0	0	(2)	0
Russia operations	(5)	11	(2)	1	5	(4)	2	(1)	0	(3)	2	1	1	0	4	(3)	8	(2)	1	4
Russia sale and conflict-related charges	0	18	10	0	28	0	0	2	1	3	0	0	1	1	2	0	18	7	(2)	23
Adjusted operating profit	537	541	543	505	2,126	93	113	103	72	381	459	449	452	472	1,832	(15)	(21)	(12)	(39)	(87)
Adjusted operating profit margin	16.0%	15.7%	16.3%	14.7%	15.7%	6.8%	7.5%	7.2%	4.9%	6.6%	23.1%	23.1%	23.9%	23.9%	23.5%					
Non-service pension (expense)	0	(1)	(1)	0	(2)															
Adjusted net interest expense (b)	(33)	(35)	(35)	(36)	(139)															
Adjusted pre-tax profit	504	505	507	469	1,985															
Adjusted income tax expense	(138)	(113)	(143)	(132)	(526)															
Adjusted effective tax rate (c)	27.4%	22.4%	28.2%	28.1%	26.5%															
Noncontrolling interest	(42)	(27)	(26)	(21)	(116)															
Adjusted net income	324	365	338	316	1,343															
Adjusted EPS	\$0.76	\$0.86	\$0.80	\$0.75	\$3.17															

(a) Rounding included

(b) Adjusted net interest expense represents net interest expense (a GAAP measure), adjusted for the impacts of non-recurring acquisition related financing costs and net interest expense related to the Zardoya Otis transaction and Russia operations.

(c) The adjusted effective tax rate represents the effective tax rate (a GAAP measure) adjusted for the tax impact of restructuring costs, other significant items and includes rounding.

Organic sales reconciliation

Q1 2023	Total Otis	New Equipment	Service	Maintenance & Repair	Modernization
Organic	3.6%	(0.1%)	6.3%	7.0%	3.3%
FX	(4.4%)	(4.8%)	(4.1%)	(4.4%)	(3.8%)
Net acquisitions / divestitures	(1.2%)	(3.2%)	0.2%	0.2%	0.8%
Total net sales growth	(2.0%)	(8.1%)	2.4%	2.8%	0.3%

Adjusted operating profit at constant currency reconciliation

(\$millions)	Q1 2022	Q1 2023	Y/Y
New Equipment			
Adjusted operating profit	93	69	(24)
Impact of foreign exchange		5	5
Adjusted operating profit at constant currency	93	74	(19)
Service			
Adjusted operating profit	459	479	20
Impact of foreign exchange		20	20
Adjusted operating profit at constant currency	459	499	40
Otis Consolidated			
Adjusted operating profit	537	518	(19)
Impact of foreign exchange		26	26
Adjusted operating profit at constant currency	537	544	7

SG&A reconciliation

(\$millions)	Q1 2022	Q1 2023
SG&A expense	459	455
Restructuring	(11)	(3)
Russia	(5)	-
One-time separation costs	(3)	-
Adjusted SG&A	440	452
<i>Adjusted SG&A % of sales</i>	<i>13.1%</i>	<i>13.5%</i>

Diluted earnings per share reconciliation

	Q1 2022	Q1 2023
GAAP diluted earnings per share	\$0.73	\$0.79
Impact of non-recurring items on diluted earnings per share	\$0.03	\$0.01
Adjusted diluted earnings per share	\$0.76	\$0.80

	Q1 2022	Q1 2023
Effective tax rate	27.8%	26.7%
Impact of adjustments on effective tax rate	(0.4%)	(0.1%)
Adjusted effective tax rate	27.4%	26.6%

Free cash flow reconciliation

(\$millions)	Q1 2022	Q1 2023
Operating cash flow ¹	504	278
Capital expenditures	(30)	(25)
Free cash flow	474	253
GAAP net income	311	331
FCF conversion	152%	76%

¹ Operating cash flow excludes dividends paid to noncontrolling interests.

Other reconciliations

Remaining performance obligation (RPO)

(\$billions)	Q1 2022	Q4 2022	Q1 2023
RPO at actual currency (GAAP measure)	17.5	17.2	17.9
Russia	(0.2)	-	-
FX/other ¹	(1.1)	(0.4)	(0.5)
Adjusted RPO at constant currency	16.2	16.8	17.4

New Equipment backlog

Growth %	Q1 2023
Actual currency (GAAP measure)	3%
Russia	2%
FX	5%
Adjusted NE backlog at constant currency	10%

Modernization backlog

Growth %	Q1 2023
Actual currency (GAAP measure)	10%
Russia	0%
FX	3%
Adjusted mod backlog at constant currency	13%

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