



OTIS

Q4 2025 Earnings Call January 28, 2026

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.

Q4 and FY 2025 highlights

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

- Organic¹ sales up 1%... Service up 5%
- Adjusted operating profit margin¹ expanded 70 bps... Service expanded 100 bps
- Adjusted EPS¹ up 11%
- Modernization orders up 43%; backlog up 30% at constant currency¹
- Adjusted free cash flow¹ 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 flow¹

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

² At constant currency.

FY 2025

26%

modernization orders growth²

5%

Service organic¹ sales growth

40 bps

adjusted operating profit margin¹ expansion

\$1.6B

adjusted free cash flow¹

Q4 2025 orders

(YOY Changes)

Orders¹

	Total Otis	Otis ex-China
New Equipment	(2%)	(1%)
Modernization	43%	50%
Total	10%	13%

Backlog¹

	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.

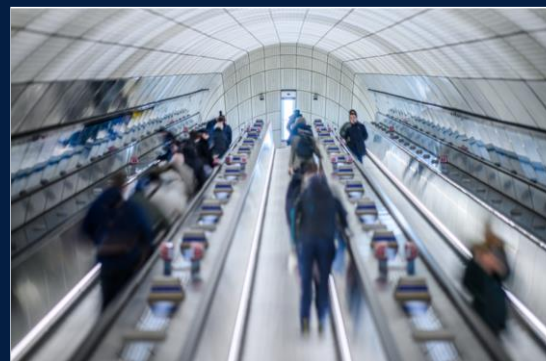
Q4 2025 highlights



PHMS Pediatric Hospital
Dallas, USA



Shanghai Metro - Line 19
Shanghai, China



Transport for London - Escalator
Management Contract
London, UK

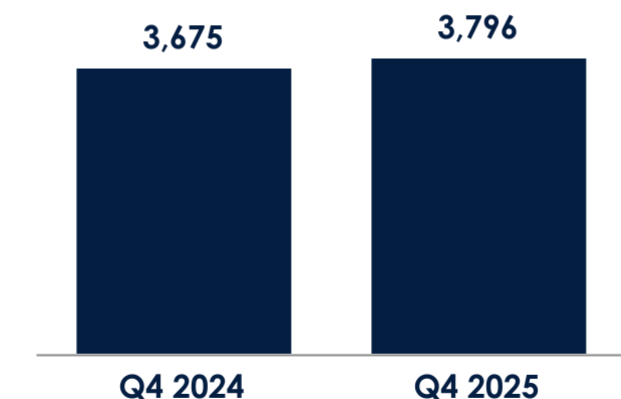


Armani Hallson
Kuala Lumpur, Malaysia

Q4 2025 results

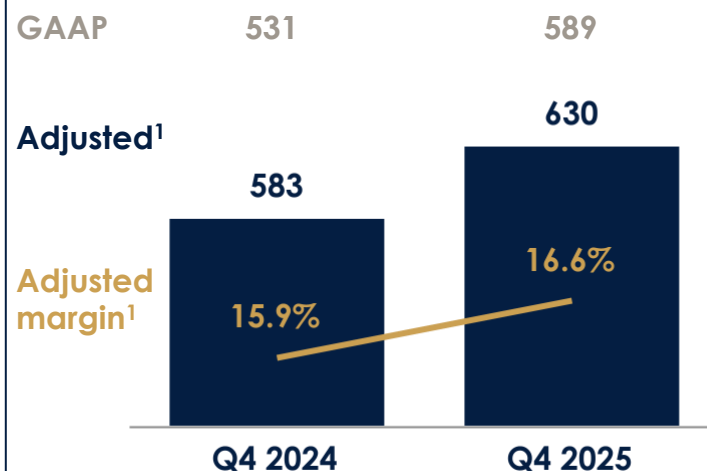
(\$ millions, except per share amounts)

Sales



Organic ¹	1%
FX	2%
Net acquisitions/other	~Flat
Total net sales	3%

Operating profit



Adjusted operating profit up \$29M at constant currency¹, excluding \$18M of FX tailwinds

Adjusted operating profit margin¹ expanded 70 bps basis points to 16.6%, driven by favorable segment mix and segment performance

Diluted earnings per share



Adjusted EPS¹ drivers

Operational	\$0.06
FX	\$0.03
Other	\$0.01

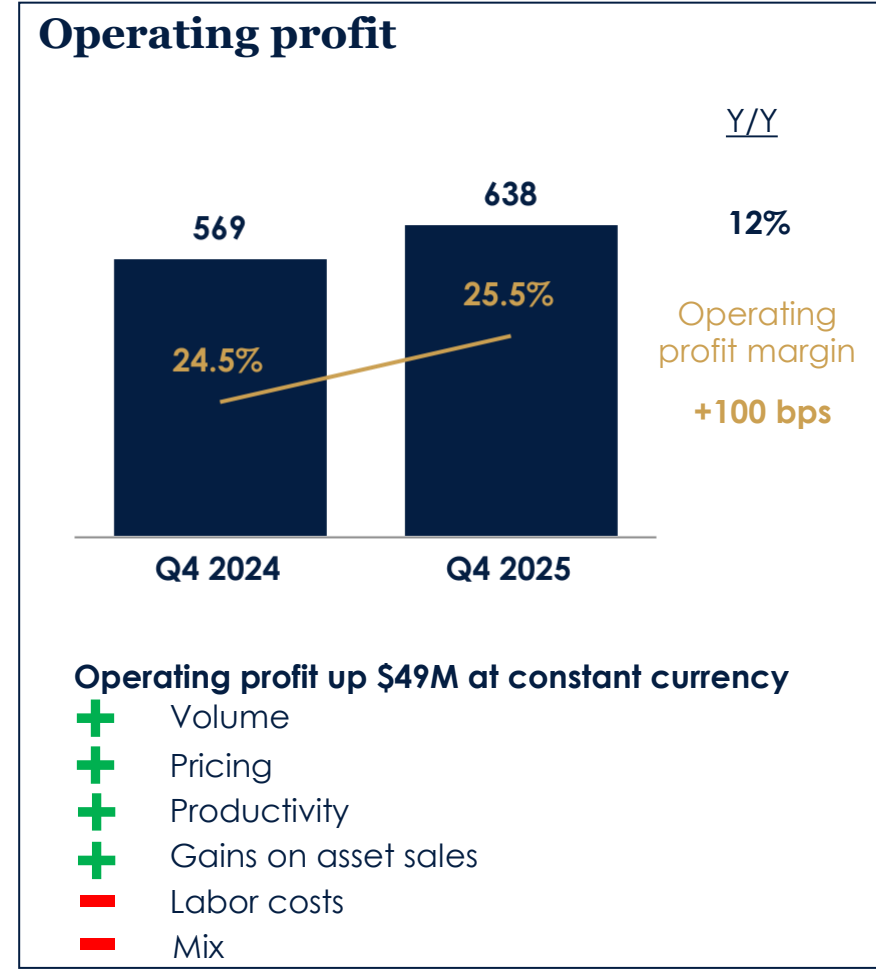
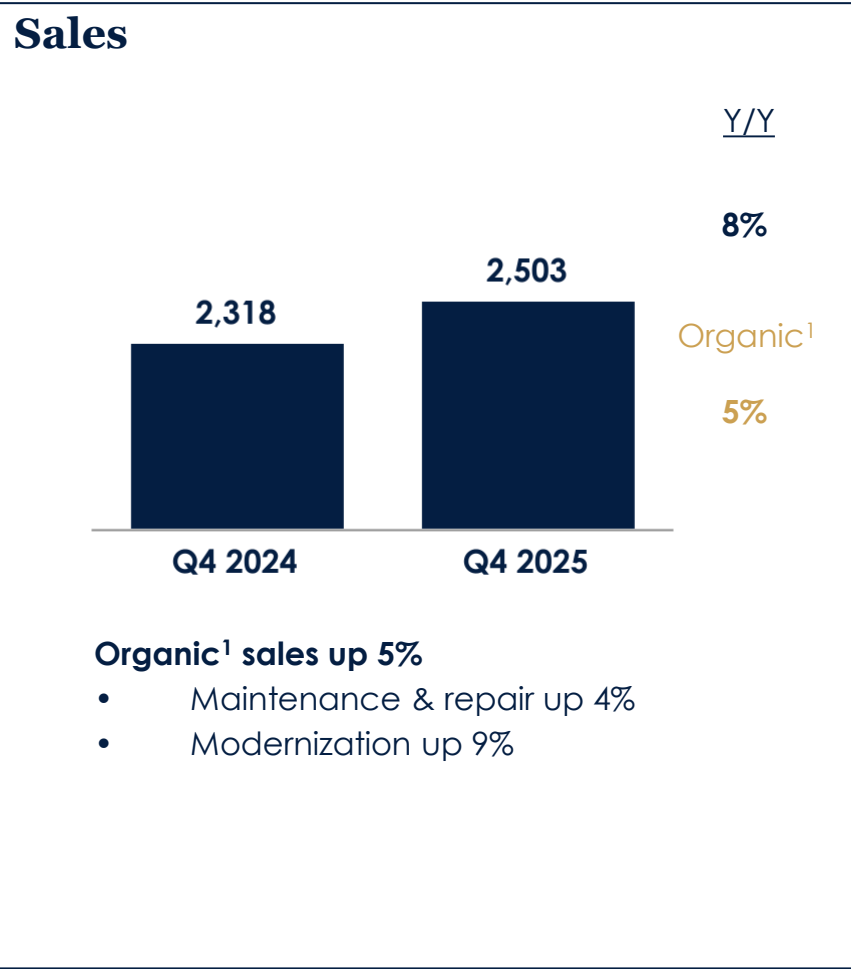
¹ See appendix for additional information regarding these non-GAAP financial measures.

Q4 2025 Service segment results

(\$ millions)



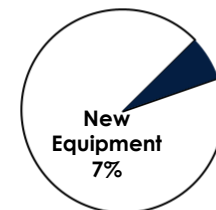
Segment Operating Profit



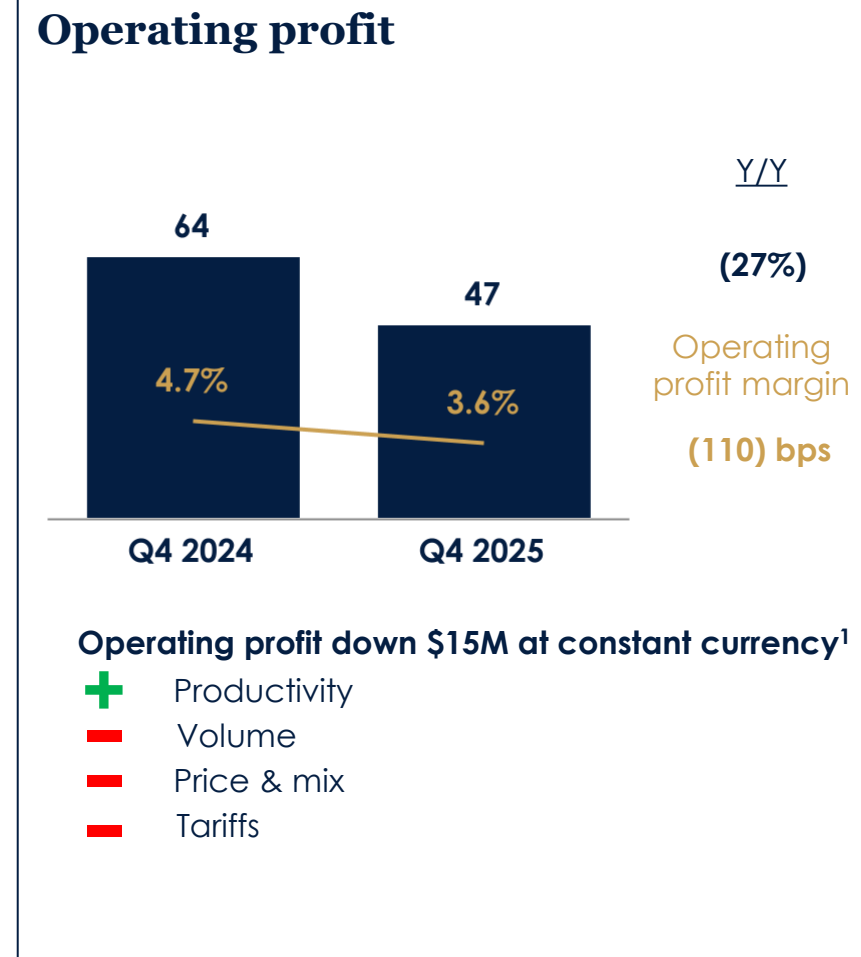
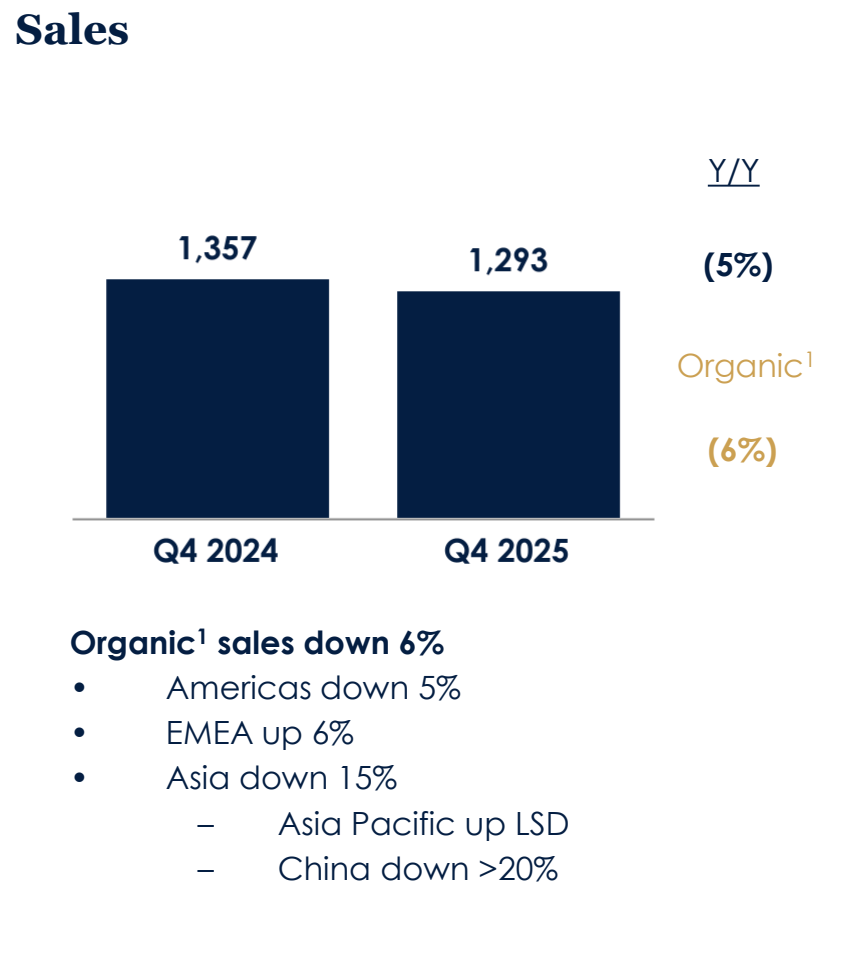
¹ See appendix for additional information regarding these non-GAAP financial measures.

Q4 2025 New Equipment segment results

(\$ millions)



Segment Operating Profit



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

FY 2025 adjusted EPS¹ growth drivers

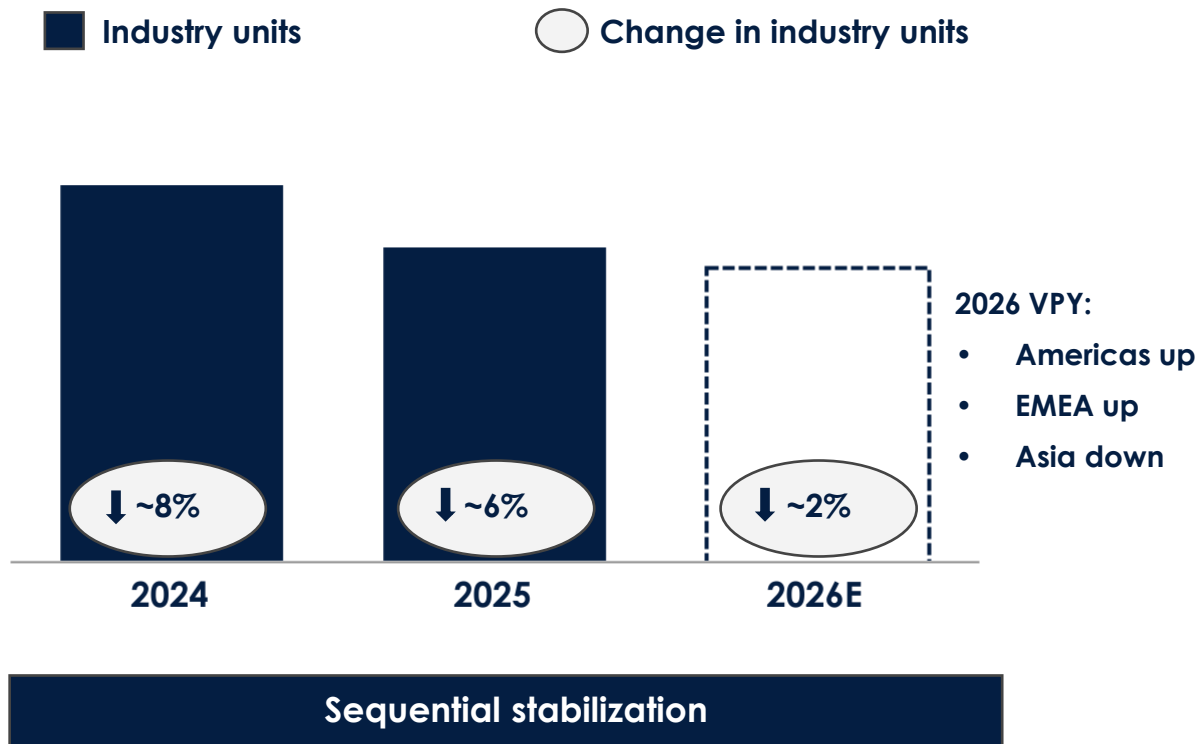


¹ See appendix for additional information regarding these non-GAAP financial measures.

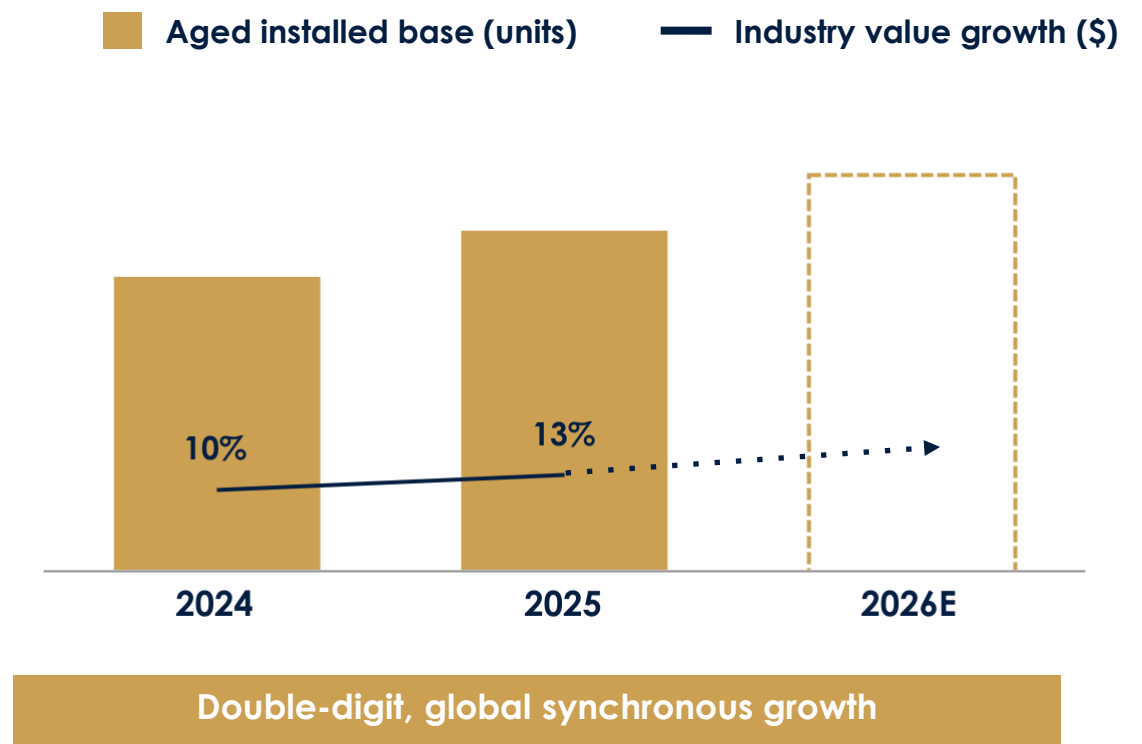
² Tariff expenses were previously included within FX, which was formerly labeled as FX & Tariffs

2026 industry outlook¹

New Equipment



Modernization



¹ Based on Otis internal estimates for the markets in which we operate.

2026 total and organic¹ 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.

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.

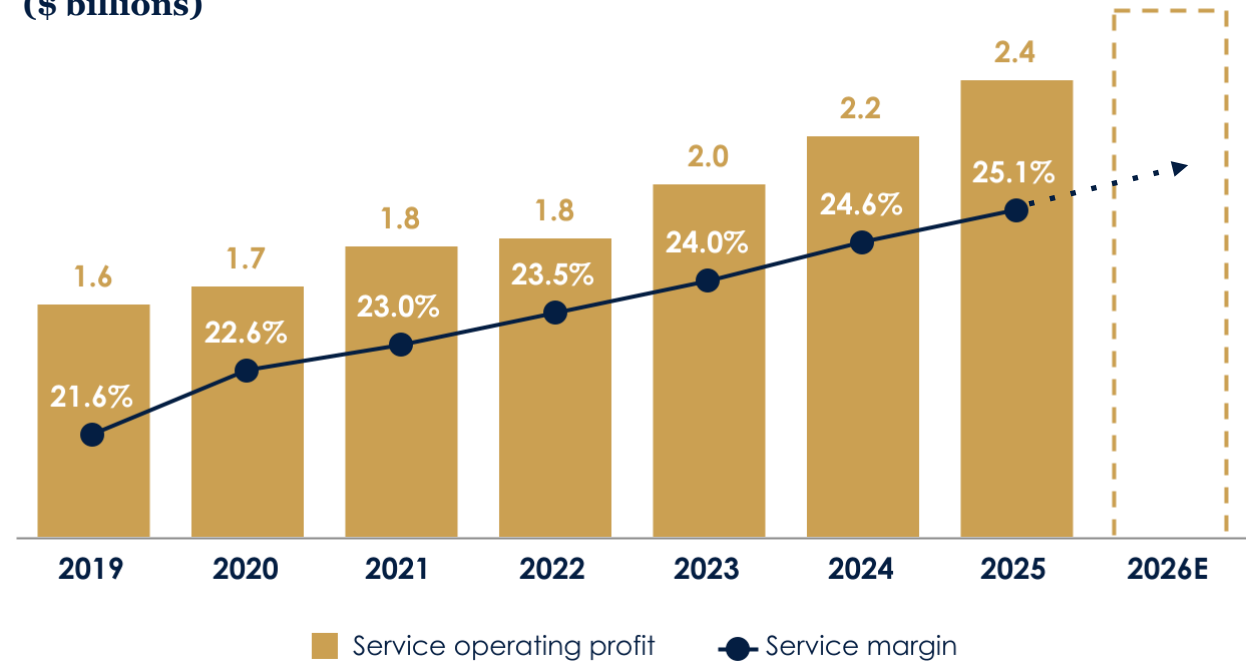
Total adj. op profit...driven by sustained Service growth

Total adjusted operating profit¹ of \$2.5 to \$2.6B, up \$60M to \$100M at constant currency¹; up \$100M to \$140M at actual currency

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

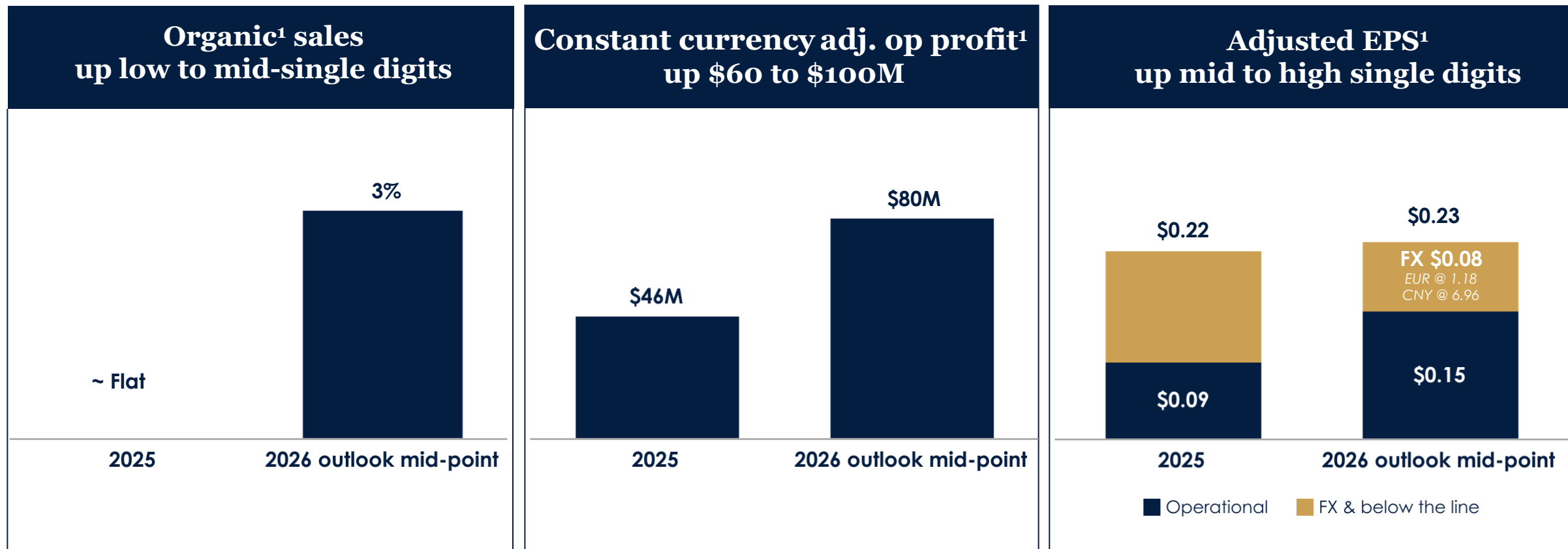
Service operating profit and margin

(\$ billions)



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

Accelerating growth in 2026



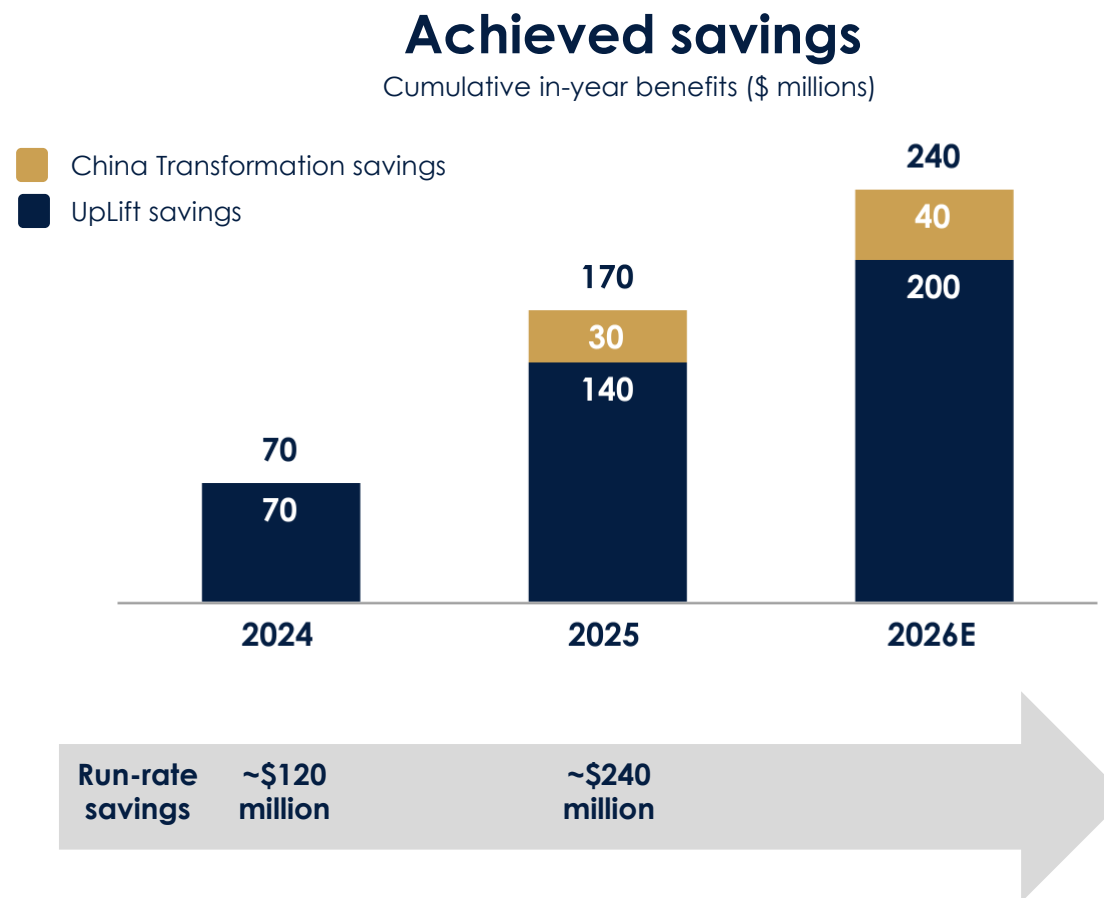
¹ See appendix for additional information regarding these non-GAAP financial measures

OTIS

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

Appendix

UpLift and China Transformation successfully completed

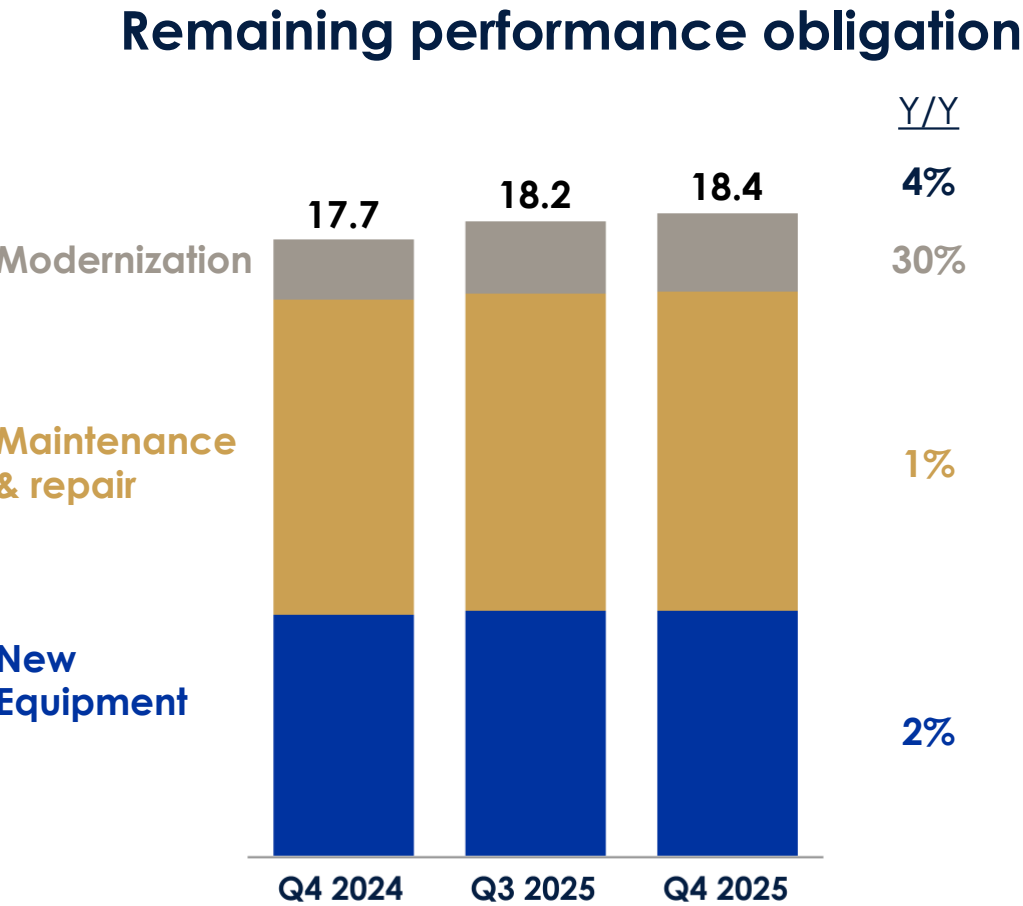


\$240M of run rate savings achieved, higher than originally anticipated...

2025 implementation costs \$20M below the latest outlook

Backlog and orders

(\$ billions, at constant currency¹)

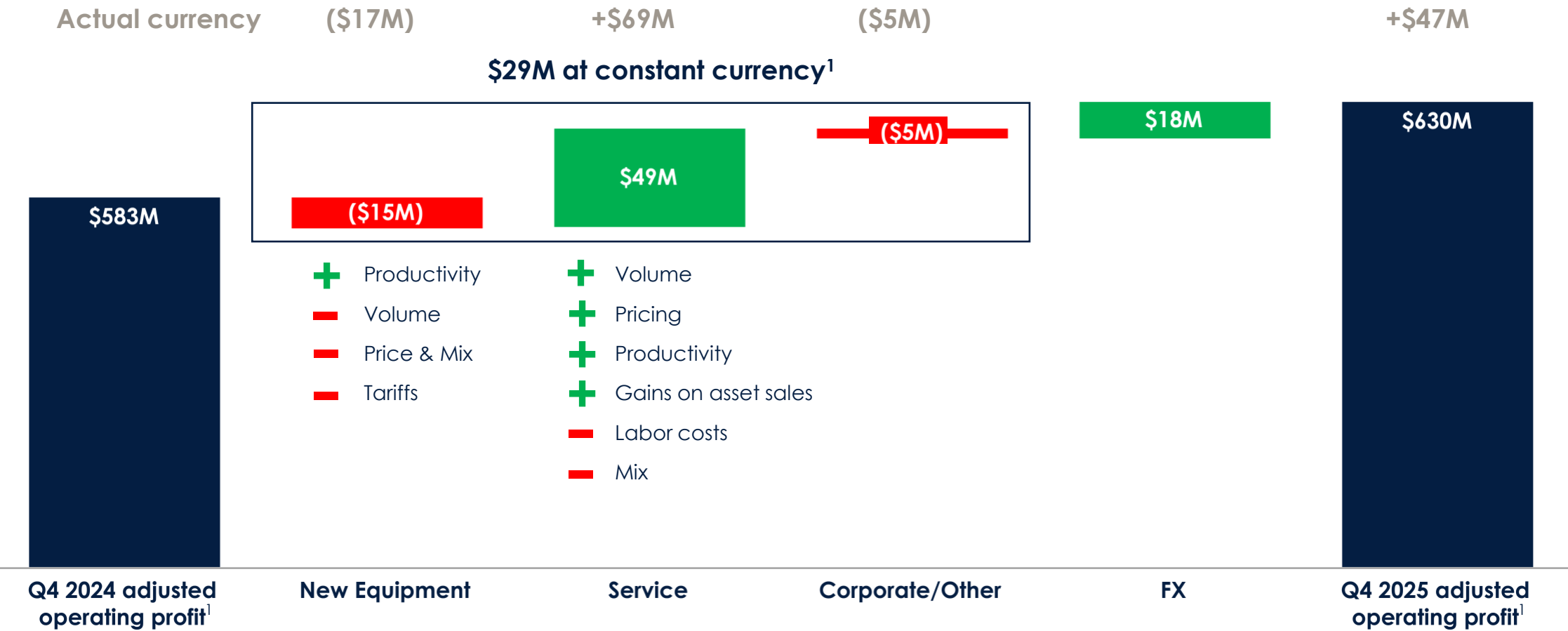


Modernization orders		
	Q4 2025 Y/Y	FY 2025 Y/Y
Total Otis	43%	26%
Otis ex-China	50%	25%

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.

Q4 2025 adjusted operating profit¹ drivers



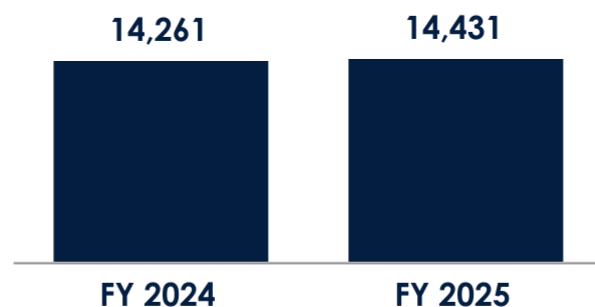
Adjusted operating profit margin¹ expanded 70 bps basis points to 16.6%

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

FY 2025 results

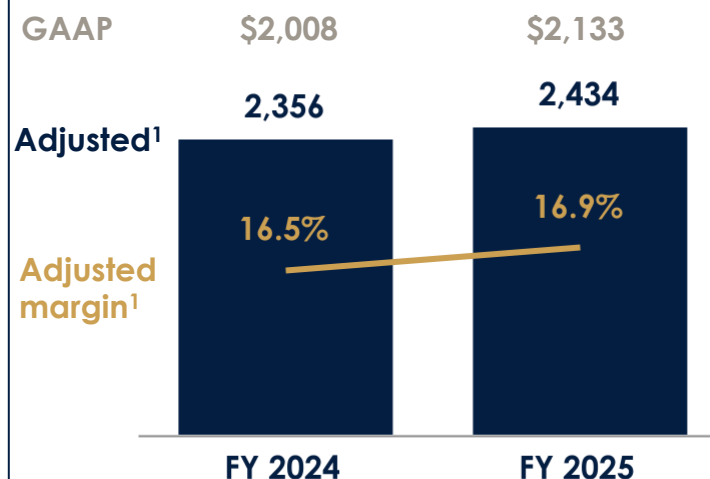
(\$ millions, except per share amounts)

Sales



Organic ¹	~Flat
FX	1%
Net acquisitions/other	~Flat
Total net sales	1%

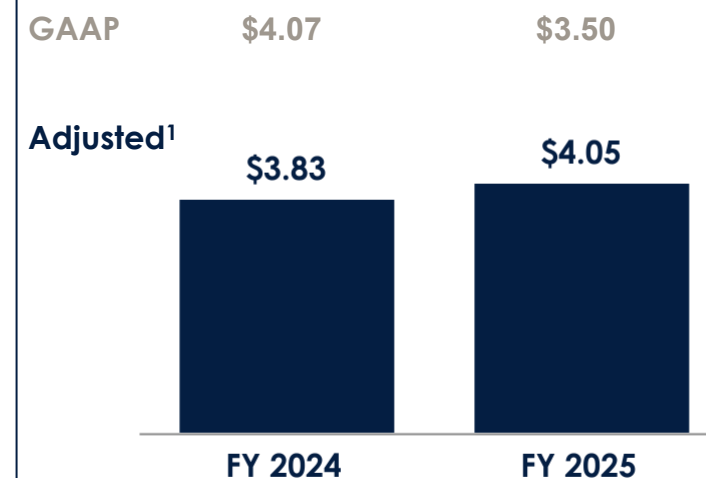
Operating profit



Adjusted operating profit up \$46M at constant currency¹, excluding \$32M of FX tailwinds

Adjusted operating profit margin¹ expanded 40 basis points to 16.9%, driven by favorable segment mix, partially offset by segment performance

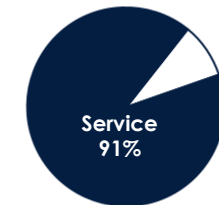
Diluted earnings per share



Adjusted EPS¹ drivers

Operational	\$0.09
FX	\$0.06
Shares	\$0.09
Other	(\$0.02)

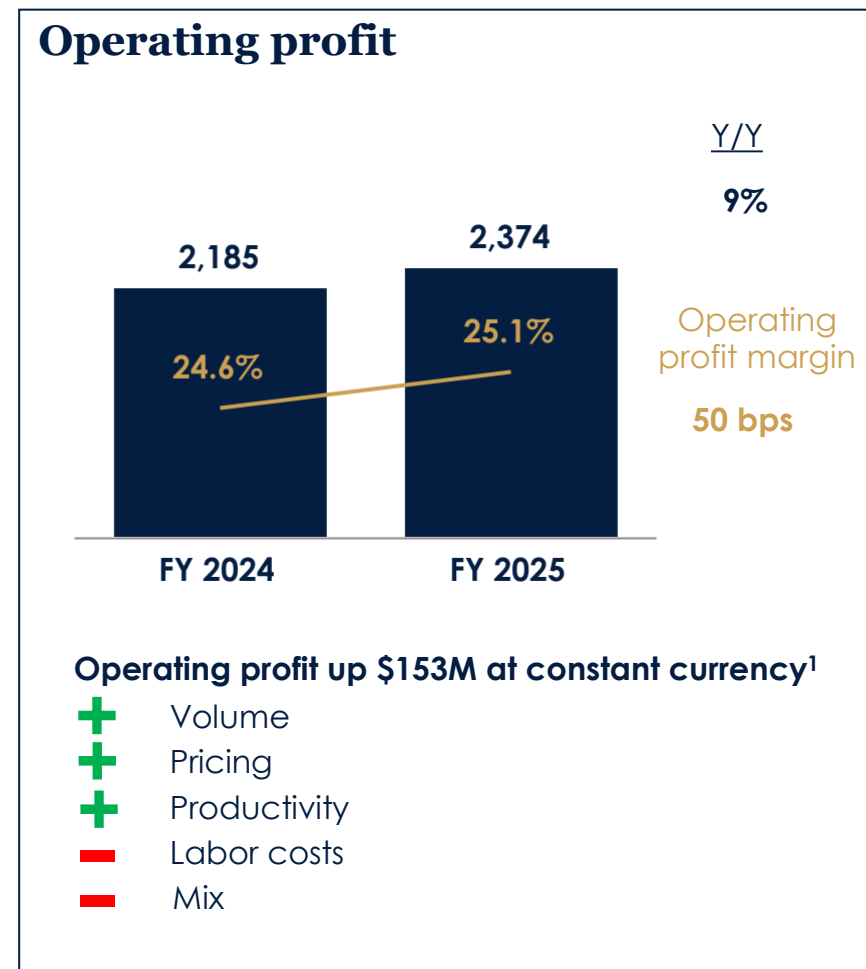
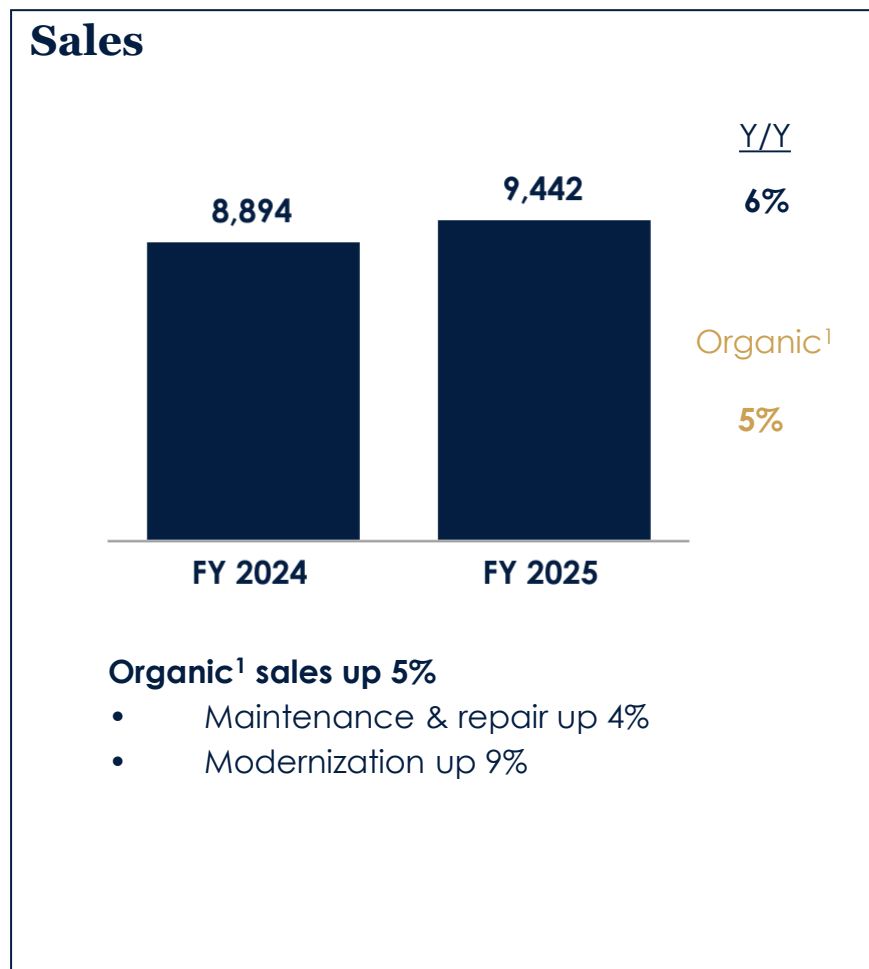
¹ See appendix for additional information regarding these non-GAAP financial measures.



Segment Operating Profit

FY 2025 Service segment results

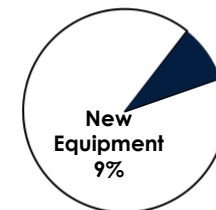
(\$ millions)



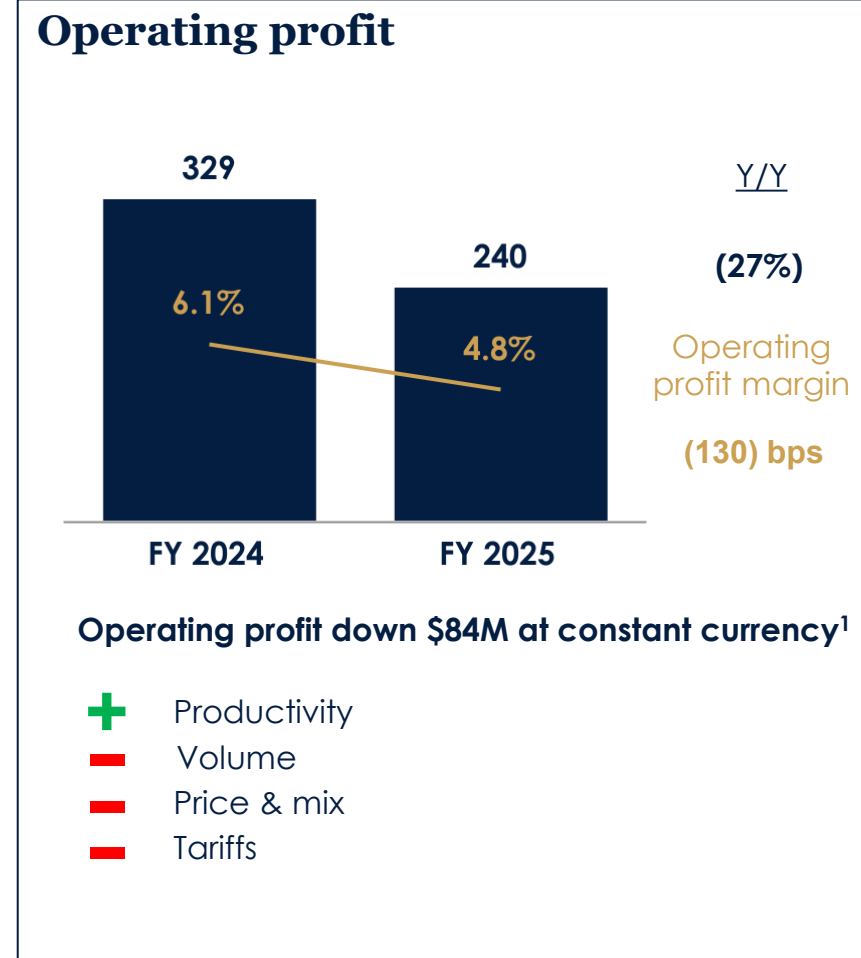
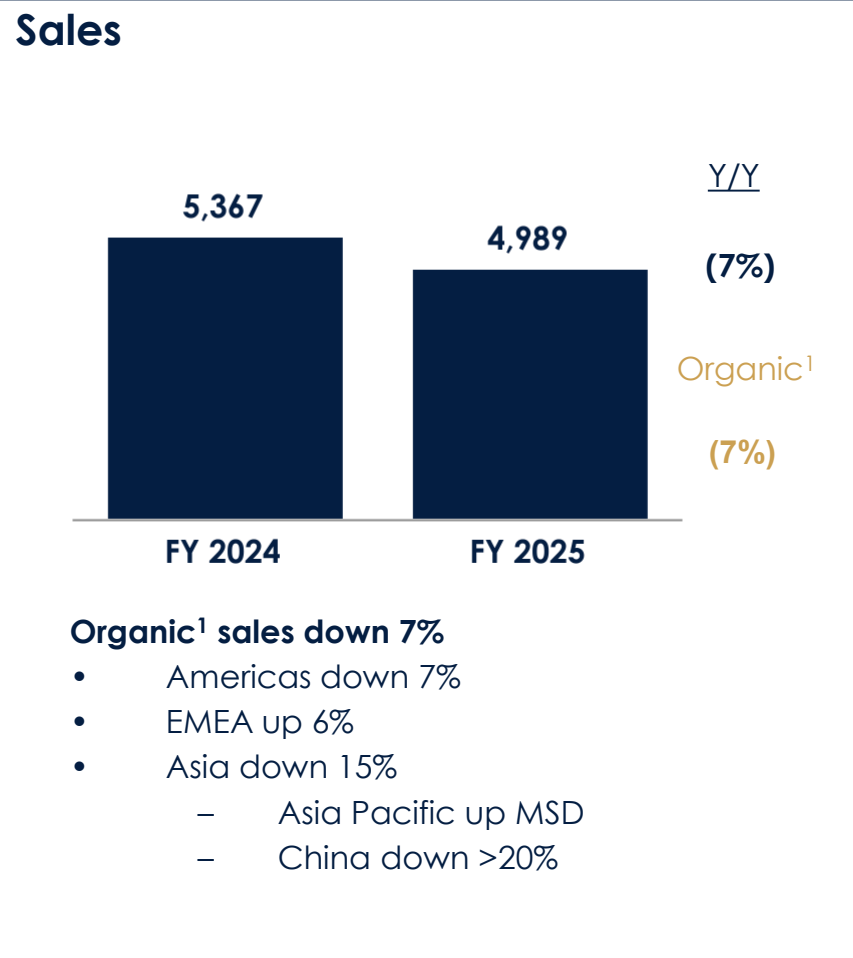
¹ See appendix for additional information regarding these non-GAAP financial measures.

FY 2025 New Equipment segment results

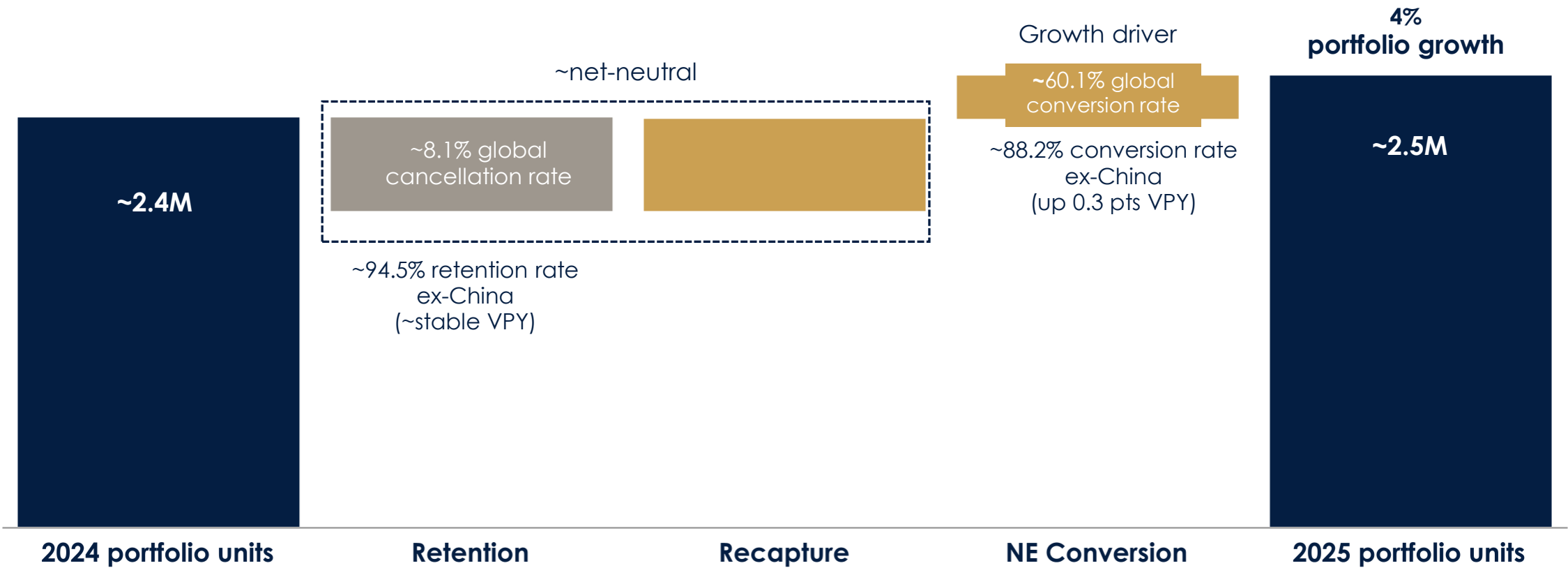
(\$ millions)



Segment Operating Profit

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

Accelerating portfolio growth



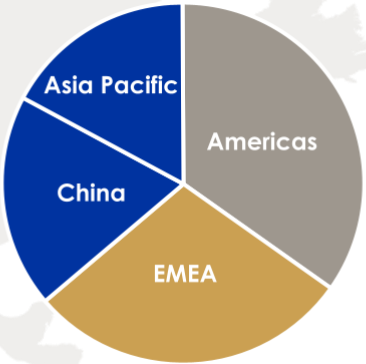
Portfolio growth of 4% for the fourth consecutive year

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

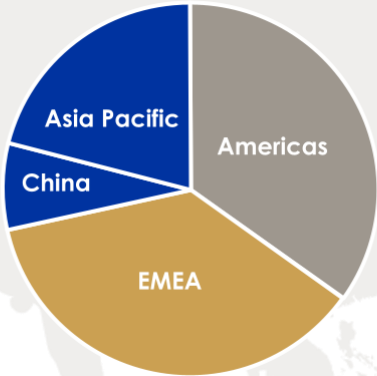
Strong geographic diversification

FY25 metrics

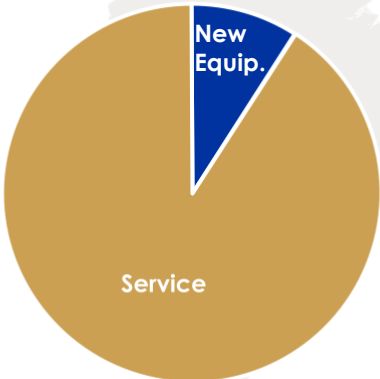
New Equipment sales
\$5.0B



Service sales
\$9.4B



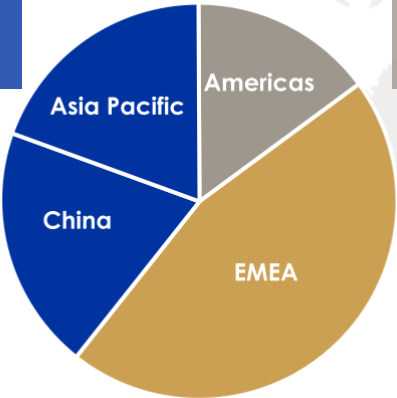
Adj. operating profit¹
\$2.4B



Operating profit margin 4.8%

Operating profit margin 25.1%

Units under maintenance
~2.5M



~115K connected²

~310K connected²

Total Otis:
~1.1M connected²

~105K connected²

~540K connected²

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

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.

Additional information

	Actuals					FY26 outlook
	1Q25	2Q25	3Q25	4Q25	FY 2025	
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.

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)	(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 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.

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 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.

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.

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

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
<i>Adjusted SG&A % of sales</i>	<i>13.0%</i>	<i>13.1%</i>	<i>12.8%</i>	<i>13.1%</i>

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%

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.

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.