UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number 001-39221

OTIS WORLDWIDE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**83-3789412**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

One Carrier Place, Farmington, Connecticut 06032
(Address of principal executive offices, including zip code)

(860) 674-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($0.01 par value)	OTIS	New York Stock Exchange
0.318% Notes due 2026	OTIS/26	New York Stock Exchange
2.875% Notes due 2027	OTIS/27	New York Stock Exchange
0.934% Notes due 2031	OTIS/31	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐. No ☒.

As of July 15, 2026 there were 380,669,339 shares of Common Stock outstanding.

OTIS WORLDWIDE CORPORATION

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Quarter Ended June 30, 2026

Otis Worldwide Corporation's and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of Otis Worldwide Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. As used herein, the terms "we," "us," "our," "the Company" or "Otis," unless the context otherwise requires, mean Otis Worldwide Corporation and its subsidiaries. References to Internet websites in this Form 10-Q are provided for convenience only. Information available through these websites is not incorporated by reference into this Form 10-Q.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Quarter Ended June 30,	
(dollars in millions, except per share amounts; shares in millions)	**2026**	**2025**
Net sales:		
Product sales	**$ 1,279**	$ 1,276
Service sales	**2,580**	2,319
	3,859	3,595
Costs and expenses:		
Cost of products sold	**1,081**	1,066
Cost of services sold	**1,642**	1,440
Research and development	**39**	38
Selling, general and administrative	**520**	499
	3,282	3,043
Other income (expense), net	**(2)**	(5)
Operating profit	**575**	547
Non-service pension cost (benefit)	**2**	—
Interest expense (income), net	**26**	26
Net income before income taxes	**547**	521
Income tax expense (benefit)	**98**	98
Net income	**449**	423
Less: Noncontrolling interest in subsidiaries' earnings	**21**	30
Net income attributable to Otis Worldwide Corporation	**$ 428**	$ 393
Earnings per share (Note 2):		
Basic	**$ 1.12**	$ 1.00
Diluted	**$ 1.12**	$ 0.99
Weighted average number of shares outstanding:		
Basic shares	**382.6**	393.7
Diluted shares	**383.5**	395.8

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(dollars in millions, except per share amounts; shares in millions)	Six Months Ended June 30, 2026	2025
Net sales:		
Product sales	**$ 2,428**	$ 2,439
Service sales	**4,997**	4,506
	7,425	6,945
Costs and expenses:		
Cost of products sold	**2,039**	2,042
Cost of services sold	**3,168**	2,813
Research and development	**77**	75
Selling, general and administrative	**1,030**	963
	6,314	5,893
Other income (expense), net	**3**	(94)
Operating profit	**1,114**	958
Non-service pension cost (benefit)	**2**	—
Interest expense (income), net	**85**	71
Net income before income taxes	**1,027**	887
Income tax expense (benefit)	**225**	208
Net income	**802**	679
Less: Noncontrolling interest in subsidiaries' earnings	**34**	43
Net income attributable to Otis Worldwide Corporation	**$ 768**	$ 636
Earnings per share (Note 2):		
Basic	**$ 1.99**	$ 1.61
Diluted	**$ 1.99**	$ 1.60
Weighted average number of shares outstanding:		
Basic shares	**385.2**	395.1
Diluted shares	**386.4**	397.3

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income	**$ 449**	$ 423	**$ 802**	$ 679
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	**48**	(170)	**100**	(293)
Pension and postretirement benefit plan adjustments	**—**	—	**—**	1
Change in unrealized cash flow hedging	**4**	(7)	**6**	(7)
Other comprehensive income (loss), net of tax	**52**	(177)	**106**	(299)
Comprehensive income (loss), net of tax	**501**	246	**908**	380
Less: Comprehensive (income) loss attributable to noncontrolling interest	**(19)**	(38)	**(32)**	(55)
Comprehensive income attributable to Otis Worldwide Corporation	**$ 482**	$ 208	**$ 876**	$ 325

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(dollars in millions)	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 813	$ 1,096
Accounts receivable (net of allowance for expected credit losses of $129 and $125)	3,985	3,688
Contract assets	824	699
Inventories	686	613
Other current assets	531	405
Total Current Assets	6,839	6,501
Future income tax benefits	426	407
Fixed assets (net of accumulated depreciation of $1,291 and $1,261)	755	743
Operating lease right-of-use assets	580	554
Intangible assets, net	387	343
Goodwill	1,794	1,695
Other assets	375	410
Total Assets	$ 11,156	$ 10,653
Liabilities and Equity (Deficit)		
Short-term borrowings and current portion of long-term debt	$ 1,390	$ 1,056
Accounts payable	2,099	2,142
Accrued liabilities	1,713	1,847
Contract liabilities	3,023	2,611
Total Current Liabilities	8,225	7,656
Long-term debt	7,046	6,900
Future pension and postretirement benefit obligations	411	419
Operating lease liabilities	410	397
Future income tax obligations	196	223
Other long-term liabilities	322	329
Total Liabilities	16,610	15,924
Commitments and contingent liabilities (Note 15)		
Redeemable noncontrolling interest	106	75
Shareholders' Equity (Deficit):		
Common Stock and additional paid-in capital	353	333
Treasury Stock	(5,005)	(4,198)
Accumulated deficit	(117)	(440)
Accumulated other comprehensive income (loss)	(979)	(1,087)
Total Shareholders' Equity (Deficit)	(5,748)	(5,392)
Noncontrolling interest	188	46
Total Equity (Deficit)	(5,560)	(5,346)
Total Liabilities and Equity (Deficit)	$ 11,156	$ 10,653

See accompanying Notes to Condensed Consolidated Financial Statements.

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OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

(dollars in millions, except per share amounts)	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)	Noncontrolling Interest	Total Equity (Deficit)	Redeemable Noncontrolling Interest
Quarter Ended June 30, 2026								
Balance as of March 31, 2026	**$ 332**	**$(4,601)**	**$ (378)**	**$ (1,033)**	**$ (5,680)**	**$ 171**	**$ (5,509)**	**$ 74**
Net income	**—**	**—**	**428**	**—**	**428**	**21**	**449**	**—**
Other comprehensive income (loss), net of tax	**—**	**—**	**—**	**54**	**54**	**(1)**	**53**	**(1)**
Stock-based compensation and Common Stock issued under employee plans	**20**	**—**	**(1)**	**—**	**19**	**—**	**19**	**—**
Cash dividends declared ($0.44 per common share)	**—**	**—**	**(167)**	**—**	**(167)**	**—**	**(167)**	**—**
Repurchase of Common Shares	**—**	**(404)**	**—**	**—**	**(404)**	**—**	**(404)**	**—**
Dividends attributable to noncontrolling interest	**—**	**—**	**—**	**—**	**—**	**(4)**	**(4)**	**(1)**
Acquisitions, disposals and other changes	**1**	**—**	**1**	**—**	**2**	**1**	**3**	**34**
Balance as of June 30, 2026	**$ 353**	**$(5,005)**	**$ (117)**	**$ (979)**	**$ (5,748)**	**$ 188**	**$ (5,560)**	**$ 106**
Quarter Ended June 30, 2025								
Balance as of March 31, 2025	$ 278	$(3,646)	$ (889)	$ (871)	$ (5,128)	$ 75	$ (5,053)	$ 62
Net income	—	—	393	—	393	30	423	—
Other comprehensive income (loss), net of tax	—	—	—	(185)	(185)	4	(181)	4
Stock-based compensation and Common Stock issued under employee plans	22	—	(3)	—	19	—	19	—
Cash dividends declared ($0.42 per common share)	—	—	(164)	—	(164)	—	(164)	—
Repurchase of Common Shares	—	(302)	—	—	(302)	—	(302)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(13)	(13)	—
Acquisitions, disposals and other changes	—	—	—	—	—	1	1	—
Balance as of June 30, 2025	$ 300	$(3,948)	$ (663)	$ (1,056)	$ (5,367)	$ 97	$ (5,270)	$ 66

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

(dollars in millions, except per share amounts)	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)	Noncontrolling Interest	Total Equity (Deficit)	Redeemable Noncontrolling Interest
Six Months Ended June 30, 2026								
Balance as of December 31, 2025	**$ 333**	**$(4,198)**	**$ (440)**	**$ (1,087)**	**$ (5,392)**	**$ 46**	**$ (5,346)**	**$ 75**
Net income	**—**	**—**	**768**	**—**	**768**	**34**	**802**	**—**
Other comprehensive income (loss), net of tax	**—**	**—**	**—**	**108**	**108**	**—**	**108**	**(2)**
Stock-based compensation and Common Stock issued under employee plans	**28**	**—**	**(1)**	**—**	**27**	**—**	**27**	**—**
Cash dividends declared ($0.86 per common share)	**—**	**—**	**(330)**	**—**	**(330)**	**—**	**(330)**	**—**
Repurchase of Common Shares	**—**	**(807)**	**—**	**—**	**(807)**	**—**	**(807)**	**—**
Dividends attributable to noncontrolling interest	**—**	**—**	**—**	**—**	**—**	**(7)**	**(7)**	**(1)**
Acquisitions, disposals and other changes	**(8)**	**—**	**—**	**—**	**(8)**	**1**	**(7)**	**34**
Noncontrolling interest adjustment (Note 1)	**—**	**—**	**(114)**	**—**	**(114)**	**114**	**—**	**—**
Balance as of June 30, 2026	**$ 353**	**$(5,005)**	**$ (117)**	**$ (979)**	**$ (5,748)**	**$ 188**	**$ (5,560)**	**$ 106**
Six Months Ended June 30, 2025								
Balance as of December 31, 2024	$ 265	$(3,390)	$ (978)	$ (745)	$ (4,848)	$ 63	$ (4,785)	$ 57
Net income	—	—	636	—	636	43	679	—
Other comprehensive income (loss), net of tax	—	—	—	(311)	(311)	6	(305)	6
Stock-based compensation and Common Stock issued under employee plans	35	—	(2)	—	33	—	33	—
Cash dividends declared ($0.81 per common share)	—	—	(319)	—	(319)	—	(319)	—
Repurchase of Common Shares	—	(558)	—	—	(558)	—	(558)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(15)	(15)	—
Acquisitions, disposals and other changes	—	—	—	—	—	—	—	3
Balance as of June 30, 2025	$ 300	$(3,948)	$ (663)	$ (1,056)	$ (5,367)	$ 97	$ (5,270)	$ 66

See accompanying Notes to Condensed Consolidated Financial Statements.

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OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(dollars in millions)	Six Months Ended June 30, 2026	2025
Operating Activities:		
Net income	$ 802	$ 679
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	83	86
Deferred income tax expense (benefit)	(38)	(74)
Stock compensation cost	39	44
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(300)	(146)
Contract assets and liabilities, current	284	70
Inventories	(79)	(15)
Other current assets	67	10
Accounts payable	(48)	(212)
Accrued liabilities	(68)	23
Pension contributions	(21)	(27)
Other operating activities, net	(41)	(33)
Net cash flows provided by (used in) operating activities	680	405
Investing Activities:		
Capital expenditures	(77)	(70)
Acquisitions of businesses and intangible assets, net of cash (Note 5)	(193)	(82)
Net proceeds from the sale of fixed assets	—	34
Purchase of short-term investments	(84)	—
Receipts (payments) on settlements of derivative contracts	35	(200)
Other investing activities, net	3	(2)
Net cash flows provided by (used in) investing activities	(316)	(320)
Financing Activities:		
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	(33)	473
Proceeds from issuance of long-term debt	700	—
Payment of debt issuance costs	(5)	—
Repayment of long-term debt	(135)	(1,300)
Dividends paid on Common Stock	(330)	(319)
Repurchases of Common Stock	(807)	(561)
Acquisition of noncontrolling interest shares	(10)	—
Dividends paid to noncontrolling interest	(7)	(5)
Other financing activities, net	6	(10)
Net cash flows provided by (used in) financing activities	(621)	(1,722)
Effect of exchange rate changes on cash and cash equivalents	1	19
Net increase (decrease) in cash, cash equivalents and restricted cash	(256)	(1,618)
Cash, cash equivalents and restricted cash, beginning of year	1,105	2,321
Cash, cash equivalents and restricted cash, end of period	849	703
Less: Restricted cash	36	15
Cash and cash equivalents, end of period	$ 813	$ 688

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: General

The Condensed Consolidated Financial Statements as of June 30, 2026 and for the quarters and six months ended June 30, 2026 and 2025 are unaudited, but in the opinion of management include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the results for the interim periods. The Condensed Consolidated Balance Sheet as of December 31, 2025 was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles ("GAAP") in the United States ("U.S."). The results reported in these Condensed Consolidated Financial Statements should not necessarily be taken as indicative of results that may be expected for the entire year. The financial information included herein should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for fiscal year 2025 ("2025 Form 10-K" or "Form 10-K").

Unless the context otherwise requires, references to "Otis," "we," "us," "our" and "the Company" refer to Otis Worldwide Corporation and its subsidiaries.

There have been no changes to the Company's significant accounting policies described in the Company's 2025 Form 10-K that have a material impact on the Company's Condensed Consolidated Financial Statements and the related notes.

Use of Estimates. The preparation of these Condensed Consolidated Financial Statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates.

We assessed certain accounting matters that generally require consideration of forecasted financial information in the context of the information reasonably available to us and the unknown future impacts of macroeconomic developments, including geopolitical conflicts, inflationary pressures, higher interest rates, tighter credit conditions and changes in global trade policies including higher tariffs in the U.S. and other countries, as of June 30, 2026 and through the date of this report. The accounting matters assessed included, but were not limited to, our allowance for credit losses, the carrying value of our goodwill and other long-lived assets, financial assets and revenue recognition. While there was not a material impact to our Condensed Consolidated Financial Statements as of June 30, 2026 and for the quarters and six months ended June 30, 2026 and 2025 resulting from our assessments of these matters, future assessment of our expectations of the magnitude and duration of these macroeconomic developments, as well as other factors, could result in material impacts to our Condensed Consolidated Financial Statements in future reporting periods.

New import tariffs implemented in 2025 and 2026 by the U.S. and other countries, as currently in effect, could have a material impact on our results in 2026 and future years. The impact of tariffs is dependent upon negotiations with customers and suppliers and other mitigation efforts and potential further changes in global trade policies, including higher tariffs in the U.S. or other countries.

We also assessed certain accounting matters as they relate to the ongoing conflict between Russia and Ukraine and the conflicts in the Middle East, including, but not limited to, our allowance for credit losses, the carrying value of long-lived assets, revenue recognition and the classification of assets. There was not a material impact to our Condensed Consolidated Financial Statements as of June 30, 2026 and for the quarters and six months ended June 30, 2026 and 2025 resulting from our assessment of these matters. We continue to assess the impact on our results of operations, financial position and overall performance as the situations develop and any broader implications they may have on the global economy.

German Tax Litigation. In August 2024, we received a favorable ruling regarding a tax litigation in Germany. The Company began receiving refunds during 2025 and anticipates the refund process to continue through 2026. As a result, our Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025 include an income tax receivable of approximately $35 million and $75 million, respectively, and an interest receivable of approximately $20 million and $65 million, respectively.

Pursuant to the Tax Matters Agreement ("TMA") with United Technologies Corporation ("UTC"), our former parent, subsequently renamed RTX Corporation ("RTX"), and based on the facts and contractual provisions, additional information received from RTX and indemnity payments during 2025, the Company estimated the amount payable to RTX as a result of the outcome of the German tax litigation to be $56 million as of December 31, 2025. Based on indemnity payments made to RTX and adjustments to the indemnity payable in the six months ended June 30, 2026, the Company now estimates the remaining amount payable to RTX to be $55 million. The adjustments to the indemnity payable resulted in indemnification expense of $5 million for the six months ended June 30, 2026, compared to $6 million and $58 million for the quarter and six months ended June 30, 2025, respectively. There was no indemnification expense in the quarter ended June 30, 2026. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarters and six months ended June 30, 2026 and 2025, respectively. This estimate could further change due to the parties' continuing dispute concerning the scope of the final indemnity amount, which will be resolved pursuant to the procedures set forth in the TMA.

See Note 10, "Income Taxes" and Note 15, "Contingent Liabilities" for additional information.

Supplier Finance Programs. Certain Otis subsidiaries participate in supplier finance programs, under which we agree to pay third-party financial institutions the stated amounts of confirmed invoices from suppliers on the original due dates of the invoices, while the participating suppliers generally have the ability to sell, or otherwise pledge as collateral, their receivables from the Company to the participating financial institutions. The outstanding obligations confirmed by the Company as valid to the financial institutions under our supplier finance programs were $716 million and $831 million as of June 30, 2026 and December 31, 2025, respectively, including $98 million and $80 million as of June 30, 2026 and December 31, 2025, respectively, related to programs with payment terms of 240 days from the invoice date. These obligations are included in Accounts payable in the Condensed Consolidated Balance Sheets, and all activity related to the obligations is presented within operating activities in the Condensed Consolidated Statements of Cash Flows.

Noncontrolling Interest Adjustment. In the quarter ended March 31, 2026, the Company recorded an out of period adjustment to correct an immaterial error within Equity, recognizing $114 million in Noncontrolling interest and Accumulated deficit resulting from previous step acquisitions. This misstatement did not have an impact on previous results of operations or cash flows.

Note 2: Earnings per Share

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions, except per share amounts; shares in millions)	**2026**	**2025**	**2026**	**2025**
Net income attributable to common shareholders	**$ 428**	$ 393	**$ 768**	$ 636
Basic weighted average number of shares outstanding	**382.6**	393.7	**385.2**	395.1
Stock awards and equity units (share equivalent)	**0.9**	2.1	**1.2**	2.2
Diluted weighted average number of shares outstanding	**383.5**	395.8	**386.4**	397.3
Earnings Per Share of Common Stock:				
Basic	**$ 1.12**	$ 1.00	**$ 1.99**	$ 1.61
Diluted	**$ 1.12**	$ 0.99	**$ 1.99**	$ 1.60

The computation of diluted earnings per share excludes the effect of the potential exercise of stock awards, including stock appreciation rights and stock options, when the average market price of Otis' common stock ("Common Stock") is lower than the exercise price of the related stock awards during the period because the effect would be anti-dilutive. In addition, the computation of diluted earnings per share excludes the effect of the potential exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. Lastly, the computations of diluted earnings per share include outstanding awards granted prior to the separation and distribution ("Separation") of each of Otis and Carrier Global Corporation from UTC, our former parent, subsequently renamed RTX Corporation, and converted upon the Separation, in accordance with the Employee Matters Agreement, dated as of April 2, 2020, by and among UTC, Otis and Carrier Global Corporation. There were 3.2 million and 1.0 million of anti-dilutive stock awards excluded from the computation for the quarter and six months ended June 30, 2026, respectively, compared to 0.5 million for the same periods in 2025.

The impact of redeemable noncontrolling interest to Net income attributable to common shareholders was immaterial in the quarters and six months ended June 30, 2026 and 2025.

Note 3: Revenue Recognition

We account for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606: *Revenue from Contracts with Customers.*

Contract Assets and Liabilities. Contract assets reflect revenue recognized in advance of customer billing. Contract liabilities are recognized when a customer pays consideration, or we have an unconditional right to receive consideration, in advance of the satisfaction of performance obligations under the contract. We receive payments from customers based on the terms established in our contracts, which are payments in advance of performing work, progress payments as we perform contract work over time, or in some cases, payments upon completion of work.

Total Contract assets and Contract liabilities as of June 30, 2026 and December 31, 2025 are as follows:

(dollars in millions)	June 30, 2026	December 31, 2025
Contract assets, current	**$ 824**	$ 699
Total contract assets	**824**	699
Contract liabilities, current	**(3,023)**	(2,611)
Contract liabilities, non-current (included within Other long-term liabilities)	**(26)**	(29)
Total contract liabilities	**(3,049)**	(2,640)
Net contract liabilities	**$ (2,225)**	$ (1,941)

Contract assets increased by $125 million during the six months ended June 30, 2026, as a result of the progression and timing of billing on customer contracts. Contract liabilities increased by $409 million during the six months ended June 30, 2026 primarily due to the timing of billings on customer contracts in excess of revenue earned.

In the six months ended June 30, 2026 and 2025, we recognized revenue of approximately $1.7 billion and $1.6 billion related to contract liabilities as of January 1, 2026 and 2025, respectively.

Remaining Performance Obligations ("RPO"). RPO represents the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. As of June 30, 2026, our total RPO was approximately $19.7 billion. Of the total RPO as of June 30, 2026, we expect approximately 75% will be recognized as sales over the following 24 months.

Note 4: Inventories

Inventories consisted of the following as of June 30, 2026 and December 31, 2025:

(dollars in millions)	June 30, 2026	December 31, 2025
Raw materials and work-in-process	**$ 147**	$ 139
Finished goods	**539**	474
Total	**$ 686**	$ 613

Raw materials, work-in-process and finished goods are net of valuation write-downs of $78 million and $84 million as of June 30, 2026 and December 31, 2025, respectively.

Note 5: Business Acquisitions, Dispositions, Goodwill and Intangible Assets

Business Acquisitions. Our acquisitions of businesses and intangible assets, net of cash, totaled $193 million and $82 million in the six months ended June 30, 2026 and 2025, respectively, and were primarily in our Service segment. Transaction costs incurred were not considered significant.

In April 2026, we acquired the majority ownership of a French company, a provider of elevator maintenance, repair, modernization and digital services for $170 million funded by cash on hand and commercial paper borrowings. The entity is included in our Service segment. The acquisition supports growth in the Service segment and expands our maintenance portfolio. We recorded approximately $142 million of Goodwill, $64 million of Intangible assets and $33 million of Redeemable noncontrolling interest.

The preliminary purchase price allocation for the acquisition is not yet finalized. Accordingly, adjustments may be made to the values of the assets acquired and liabilities assumed as additional information is obtained about the facts and circumstances that existed at the valuation date.

Goodwill. Changes in our Goodwill balance during the six months ended June 30, 2026 were as follows:

(dollars in millions)	Balance as of December 31, 2025	Goodwill Resulting from Business Combinations	Foreign Currency Translation and Other	Balance as of June 30, 2026
New Equipment	$ 294	**$ —**	**$ (9)**	**$ 285**
Service	1,401	**145**	**(37)**	**1,509**
Total	$ 1,695	**$ 145**	**$ (46)**	**$ 1,794**

Intangible Assets. Intangible assets cost and accumulated amortization were $2,255 million and $1,868 million, respectively, as of June 30, 2026, and $2,220 million and $1,877 million, respectively, as of December 31, 2025.

Amortization of intangible assets for the quarter and six months ended June 30, 2026 was $13 million and $27 million, respectively, compared to $15 million and $30 million for the same periods in 2025. Excluding the impact of acquisitions and currency translation adjustments, there were no other significant changes in our Intangible assets during the quarters and six months ended June 30, 2026 and 2025.

Held For Sale Assets and Liabilities. Assets held for sale were $4 million and $5 million as of June 30, 2026 and December 31, 2025, respectively. These balances are included in Other current assets in the Condensed Consolidated Balance Sheets. There were no liabilities held for sale as of June 30, 2026 and December 31, 2025.

During 2025, we sold one of our non-U.S. subsidiaries, primarily related to the Service segment. The Company recorded an impairment loss of $10 million related to the sale in Other income (expenses), net in the Condensed Consolidated Statements of Operations in the six months ended June 30, 2025.

Note 6: Borrowings and Lines of Credit

Short-term borrowings consisted of the following:

(dollars in millions)	June 30, 2026	December 31, 2025
Commercial paper	**$ —**	$ —
Other borrowings	**210**	215
Total short-term borrowings	**$ 210**	$ 215

Commercial Paper and Other Borrowings. As of June 30, 2026, there were no borrowings outstanding under the Company's $1.5 billion commercial paper programs. We use our commercial paper borrowings for general corporate purposes including to finance acquisitions, pay dividends, repurchase shares and for debt refinancing. The need for commercial paper borrowings may arise if the use of domestic cash for general corporate purposes exceeds the sum of domestic cash generation and foreign cash repatriated to the U.S. Other borrowings primarily consist of borrowings for the purchase of the outstanding shares of Otis Electric Elevator Company Limited from the noncontrolling shareholder in 2025.

Long-term debt. As of June 30, 2026, we had a revolving credit agreement with various banks providing for a $1.5 billion unsecured, unsubordinated five-year revolving credit facility, maturing August 8, 2030. As of June 30, 2026, there were no borrowings under the revolving credit agreement. The undrawn portion of the revolving credit agreement serves as a backstop for the issuance of commercial paper.

On March 16, 2026, the Company repaid the Japanese Yen denominated 0.370% notes due in 2026, upon maturity, using cash on hand.

On May 7, 2026, we issued $700 million unsecured, unsubordinated three-year notes due May 7, 2029 with an interest rate of 4.488%. A majority of the proceeds will be used to fund the repayment at maturity of the Euro denominated 0.318% notes due December 15, 2026. The remainder of the proceeds were used to fund the repayment of certain of our commercial paper borrowings and for other general corporate purposes.

As of June 30, 2026, the Company is in compliance with all covenants in the revolving credit agreement and the indentures governing all outstanding long-term debt. Long-term debt, including the current portion, consisted of the following:

(dollars in millions)	June 30, 2026	December 31, 2025
0.370% notes due 2026 (¥21.5 billion principal value)	**$ —**	$ 137
0.318% notes due 2026 (€600 million principal value)	**681**	705
2.293% notes due 2027	**500**	500
2.875% notes due 2027 (€850 million principal value)	**965**	999
5.250% notes due 2028	**750**	750
4.488% notes due 2029	**700**	—
2.565% notes due 2030	**1,500**	1,500
5.125% notes due 2031	**600**	600
0.934% notes due 2031 (€500 million principal value)	**568**	588
5.131% notes due 2035	**500**	500
3.112% notes due 2040	**750**	750
3.362% notes due 2050	**750**	750
Other (including finance leases)	**6**	6
Total principal long-term debt	**8,270**	7,785
Other (discounts and debt issuance costs)	**(44)**	(44)
Total long-term debt	**8,226**	7,741
Less: current portion	**1,180**	841
Long-term debt, net of current portion	**$ 7,046**	$ 6,900

We may redeem any series of notes at our option pursuant to certain terms.

Debt discounts and debt issuance costs are presented as a reduction of debt on the Condensed Consolidated Balance Sheets and are amortized as a component of interest expense over the term of the related debt using the effective interest method. The Condensed Consolidated Statements of Operations for the quarters and six months ended June 30, 2026 and 2025 reflect the following:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2026	2025	2026	2025
Debt issuance costs amortization	**$ 3**	$ 2	**$ 5**	$ 5
Total interest expense on external debt	**62**	50	**120**	107

The unamortized debt issuance costs as of June 30, 2026 and December 31, 2025 were $41 million.

The weighted average maturity of our long-term debt as of June 30, 2026 is approximately 6.0 years. The weighted average interest expense rate on our borrowings outstanding as of June 30, 2026 and December 31, 2025 was as follows:

	June 30, 2026	December 31, 2025
Short-term commercial paper	**—%**	—%
Total long-term debt	**3.2%**	3.0%

The weighted average interest expense rate on our borrowings during the quarters and six months ended June 30, 2026 and 2025 was as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Short-term commercial paper	**3.5%**	4.2%	**3.5%**	4.2%
Total long-term debt	**3.1%**	2.8%	**3.0%**	2.8%

Note 7: Employee Benefit Plans

Pension and Postretirement Plans. The Company sponsors both funded and unfunded domestic and foreign defined benefit pension and other postretirement benefit plans, and defined contribution plans. Contributions to our plans were as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2026	2025	2026	2025
Defined benefit plans	**$ 10**	$ 9	**$ 21**	$ 27
Defined contribution plans	**19**	17	**41**	38
Multi-employer pension and postretirement plans	**44**	42	**83**	81

The following table illustrates the components of net periodic benefit cost for the Company's defined benefit pension plans:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2026	2025	2026	2025
Service cost	**$ 9**	$ 9	**$ 18**	$ 17
Interest cost	**10**	8	**19**	16
Expected return on plan assets	**(9)**	(8)	**(18)**	(17)
Recognized actuarial net loss	**1**	—	**1**	1
Total net periodic benefit cost	**$ 11**	$ 9	**$ 20**	$ 17

Postretirement Benefit Plans. The Company sponsors postretirement benefit plans that provide health benefits to eligible retirees. The postretirement plans are unfunded. The net periodic benefit cost was less than $1 million for the quarters and six months ended June 30, 2026 and 2025.

Stock-based Compensation. The Company adopted the 2020 Long-Term Incentive Plan (the "Plan") effective April 3, 2020. As of June 30, 2026, approximately 16 million shares remain available for awards under the Plan.

The Company measures the cost of all share-based awards, including stock options, at fair value on the grant date and recognizes this cost in the Condensed Consolidated Statements of Operations over the award's applicable vesting period. A forfeiture rate assumption is applied on grant date to adjust the expense recognition for awards that are not expected to vest.

Stock-based compensation expense and the resulting tax benefits were as follows:

(dollars in millions)	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock-based compensation expense (Share Based)	$ 20	$ 23	$ 39	$ 44
Less: future tax benefit	(3)	(2)	(4)	(4)
Stock-based compensation expense, net of tax	$ 17	$ 21	$ 35	$ 40

As of June 30, 2026, following our annual equity award grant issuance on February 3, 2026, there was approximately $114 million of total unrecognized compensation cost related to non-vested equity awards granted under the Plan. This cost is expected to be recognized ratably over a weighted-average period of 1.8 years.

Note 8: Stock

Preferred Stock. There are 125 million shares of $0.01 par value Preferred Stock authorized, of which none were issued as of June 30, 2026 and December 31, 2025.

Common Stock. There are 2.0 billion shares of $0.01 par value Common Stock authorized. As of June 30, 2026 and December 31, 2025, 439.9 million and 439.4 million shares of Common Stock were issued, respectively, which includes 59.2 million and 49.6 million shares of treasury stock, respectively.

Treasury Stock. As of June 30, 2026, the Company was authorized by the Board of Directors of Otis to purchase up to $2.0 billion of Common Stock under a share repurchase program, of which $500 million was remaining at such time.

During the quarter and six months ended June 30, 2026, the Company repurchased 5.1 million and 9.6 million shares, respectively, for $400 million and $800 million, respectively, compared to 3.2 million and 5.8 million shares, respectively, in the same periods of 2025 for $300 million and $553 million, respectively. Share repurchases in excess of issuances are subject to a 1% excise tax, which is included as part of the cost basis of the shares acquired in Treasury Stock on the Condensed Consolidated Balance Sheets, as well as within financing activities in the Condensed Consolidated Statements of Cash Flows when paid.

The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under this program, shares may be purchased in the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Note 9: Accumulated Other Comprehensive Income (Loss)

A summary of the changes in each component of Accumulated other comprehensive income (loss), net of tax, for the quarters and six months ended June 30, 2026 and 2025 is provided below:

(dollars in millions)	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Quarter Ended June 30, 2026				
Balance as of March 31, 2026	**$ (1,001)**	**$ (35)**	**$ 3**	**$ (1,033)**
Other comprehensive income (loss) before reclassifications, net	**50**	**—**	**5**	**55**
Amounts reclassified, pre-tax	**—**	**—**	**(1)**	**(1)**
Tax benefit reclassified	**—**	**—**	**—**	**—**
Balance as of June 30, 2026	**$ (951)**	**$ (35)**	**$ 7**	**$ (979)**
Six Months Ended June 30, 2026				
Balance as of December 31, 2025	**$ (1,053)**	**$ (35)**	**$ 1**	**$ (1,087)**
Other comprehensive income (loss) before reclassifications, net	**102**	**—**	**8**	**110**
Amounts reclassified, pre-tax	**—**	**—**	**(2)**	**(2)**
Tax benefit reclassified	**—**	**—**	**—**	**—**
Balance as of June 30, 2026	**$ (951)**	**$ (35)**	**$ 7**	**$ (979)**

(dollars in millions)	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Quarter Ended June 30, 2025				
Balance as of March 31, 2025	$ (799)	$ (75)	$ 3	$ (871)
Other comprehensive income (loss) before reclassifications, net	(178)	—	(8)	(186)
Amounts reclassified, pre-tax	—	—	2	2
Tax benefit reclassified	—	—	(1)	(1)
Balance as of June 30, 2025	$ (977)	$ (75)	$ (4)	$ (1,056)
Six Months Ended June 30, 2025				
Balance as of December 31, 2024	$ (672)	$ (76)	$ 3	$ (745)
Other comprehensive income (loss) before reclassifications, net	(305)	—	(9)	(314)
Amounts reclassified, pre-tax	—	1	3	4
Tax benefit reclassified	—	—	(1)	(1)
Balance as of June 30, 2025	$ (977)	$ (75)	$ (4)	$ (1,056)

Amounts reclassified that relate to defined benefit pension and postretirement plans include amortization of prior service costs and actuarial net losses recognized during each period presented. These costs are recorded as components of net periodic pension cost for each period presented. See Note 7, "Employee Benefit Plans" for additional information.

Note 10: Income Taxes

The decrease in the effective tax rate for the quarter and six months ended June 30, 2026, compared to the same periods in 2025, is primarily due to the reduction in a deferred tax liability related to the mitigation of future repatriation costs recorded in the quarter ended June 30, 2026. In addition, the decrease in the effective tax rate for the six months ended June 30, 2026, is due to the absence of the impact of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX recorded in the quarter ended March 31, 2025.

Otis conducts business globally and, as a result, Otis or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the ordinary course of business, Otis could be subject to examination by taxing authorities throughout the world, including such major jurisdictions as Austria, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Japan, Mexico, Netherlands, Portugal, South Korea, Spain, Switzerland, the United Kingdom and the U.S. With a few exceptions, Otis is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2016.

A subsidiary of Otis lost a tax litigation case in Belgium in 2023 and decided not to appeal. Otis may receive the assessment for tax and interest within the next 12 months. The associated tax and interest have been fully reserved.

See Note 15, "Contingent Liabilities" for discussion regarding the German tax litigation.

Note 11: Restructuring and Transformation Costs

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions, and to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations. Due to the size, nature and frequency of these discrete actions, they are fundamentally different from the Company's ongoing productivity initiatives.

During the quarters and six months ended June 30, 2026 and 2025, we recorded restructuring costs for new and ongoing restructuring actions, including UpLift actions, as follows:

	Quarter Ended June 30, 2026			Quarter Ended June 30, 2025		
(dollars in millions)	**UpLift**	**Other**	**Total**	**UpLift**	**Other**	**Total**
Cost of products and services sold	**$ —**	**$ 3**	**$ 3**	$ (2)	$ 6	$ 4
Selling, general and administrative	**—**	**8**	**8**	27	6	33
Total	**$ —**	**$ 11**	**$ 11**	$ 25	$ 12	$ 37

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
(dollars in millions)	**UpLift**	**Other**	**Total**	**UpLift**	**Other**	**Total**
Cost of products and services sold	**$ —**	**$ 6**	**$ 6**	$ 7	$ 21	$ 28
Selling, general and administrative	**—**	**12**	**12**	38	14	52
Total	**$ —**	**$ 18**	**$ 18**	$ 45	$ 35	$ 80

Restructuring costs incurred and expected, unless otherwise indicated, are related approximately 30% to New Equipment and 70% to Service.

UpLift Restructuring Actions and Transformation Costs. In 2023, we announced UpLift to transform our operating model. UpLift includes, among other aspects, the standardization of our processes and improvement of our supply chain procurement, as well as organizational changes which result in restructuring actions.

UpLift restructuring actions were approved in the years ended December 31, 2025, 2024 and 2023. These costs are primarily severance related costs. These actions initiated during 2025, 2024 and 2023 were substantially completed as of December 31, 2025. Expected total costs and remaining costs to incur for the actions initiated are approximately $150 million and $18 million, respectively. Following completion of the program, the Company does not expect to incur restructuring or transformation costs of a similar nature. Ongoing costs related to continuous improvement initiatives are expected to be consistent with historical operating expenses.

In the quarter and six months ended June 30, 2025, we incurred $18 million and $41 million, respectively, of incremental, non-restructuring costs associated with transforming our operating model as a part of UpLift ("UpLift transformation costs"), which are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations. The UpLift transformation costs are primarily for consultants, third-party service providers and personnel focused on designing and implementing a centralized service delivery model that supports our new organizational structure, including the standardization of our supply chain and digital technology procurement.

Other Restructuring Actions. The Other restructuring expenses incurred during the quarters and six months ended June 30, 2026 and 2025, were primarily the result of restructuring programs initiated during 2026 and 2025 related to severance and facility exit costs. We are targeting to complete in 2026 the majority of the remaining restructuring actions initiated in the quarter and six months ended June 30, 2026 and the full year 2025, with certain utilization beyond 2026 due to contractual obligations or legal requirements in the applicable jurisdictions. Expected total costs and remaining costs to incur for the other restructuring actions initiated are $71 million and $17 million, respectively.

Reorganization of Operations in China

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization resulted in restructuring actions of approximately $30 million. These actions included severance related costs, and these actions were substantially completed as of December 31, 2025. Amounts related to the reorganization of operations in China are included within Other restructuring.

Restructuring Accruals. The following table summarizes the accrual balance and utilization for restructuring actions, which are primarily for severance costs:

(dollars in millions)	**UpLift Actions**	**Other Actions**	**Total Restructuring Actions**
Restructuring accruals as of December 31, 2025	$ 50	$ 24	$ 74
Net restructuring costs	—	**18**	**18**
Utilization, foreign exchange and other costs	**(24)**	**(17)**	**(41)**
Restructuring accruals as of June 30, 2026	**$ 26**	**$ 25**	**$ 51**

Note 12: Financial Instruments

We enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments under ASC 815, *Derivatives and Hedging*. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, commodity prices and foreign exchange rates. These fluctuations can increase the costs of financing, investing in and operating the business. We may use derivative instruments, including swaps, forward contracts and options, to manage certain foreign currency, commodity price and interest rate exposures.

The four-quarter average of the notional amount of foreign exchange contracts hedging foreign currency transactions was approximately $5.8 billion and $5.6 billion as of June 30, 2026 and December 31, 2025, respectively. The four-quarter average of the notional amount of contracts hedging commodity purchases was $10 million and $12 million as of June 30, 2026 and December 31, 2025, respectively.

The following table summarizes the fair value and presentation on the Condensed Consolidated Balance Sheets for derivative instruments as of June 30, 2026 and December 31, 2025:

(dollars in millions)	Balance Sheet Classification	June 30, 2026	December 31, 2025
Derivatives designated as Cash flow hedging instruments:			
	Asset Derivatives:		
Foreign exchange contracts	Other current assets	**$ 7**	$ 4
Commodity contracts	Other current assets	**1**	—
Foreign exchange contracts	Other assets	**5**	2
	Total asset derivatives	**$ 13**	$ 6
	Liability Derivatives:		
Foreign exchange contracts	Accrued liabilities	**$ (3)**	$ (3)
Foreign exchange contracts	Other long-term liabilities	**—**	(2)
	Total liability derivatives	**$ (3)**	$ (5)
Derivatives not designated as Cash flow hedging instruments:			
	Asset Derivatives:		
Foreign exchange contracts	Other current assets	**$ 83**	$ 11
Commodity contracts	Other current assets	**1**	1
Foreign exchange contracts	Other assets	**8**	2
	Total asset derivatives	**$ 92**	$ 14
	Liability Derivatives:		
Foreign exchange contracts	Accrued liabilities	**$ (25)**	$ (25)
Foreign exchange contracts	Other long-term liabilities	**(2)**	(2)
	Total liability derivatives	**$ (27)**	$ (27)

Derivatives designated as Cash flow hedging instruments. The amount of gain or (loss) attributable to foreign exchange and commodity contract activity reclassified from Accumulated other comprehensive income (loss) for the quarters and six months ended June 30, 2026 and 2025 was immaterial, and is presented in Note 9, "Accumulated Other Comprehensive Income (Loss)".

The pre-tax effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) as of June 30, 2026 and December 31, 2025 are presented in the table below:

(dollars in millions)	June 30, 2026	December 31, 2025
Gain (loss) recorded in Accumulated other comprehensive income (loss)	**$ 8**	$ 1

The Company utilizes the critical terms match method in assessing firm commitment derivatives and regression testing in assessing commodity derivatives for hedge effectiveness. Accordingly, the hedged items and derivatives designated as hedging instruments are highly effective.

Assuming current market conditions continue, pre-tax gains of $5 million are expected to be reclassified from Accumulated other comprehensive income (loss) into Cost of products sold to reflect the fixed prices obtained from foreign exchange and commodity hedging within the next 12 months. All derivative contracts accounted for as cash flow hedges as of June 30, 2026 will mature by December 2031.

Net Investment Hedges. We may use non-derivative instruments (foreign currency denominated borrowings) and derivative instruments (foreign exchange forward contracts) to hedge portions of the Company's investments in foreign subsidiaries and manage foreign exchange risk. For instruments that are designated and qualify as a hedge of net investment in foreign operations and that meet the effectiveness requirements, the net gains or losses attributable to changes in spot exchange rates are recorded in foreign currency translation within Other comprehensive income (loss) on the Condensed Consolidated Statements of Comprehensive Income, and will remain in Accumulated other comprehensive income (loss) until the hedged investment is sold or substantially liquidated. The remainder of the change in value of such instruments is recorded in earnings, including to the extent foreign currency denominated borrowings are not designated in, or are de-designated from, a net investment hedge relationship.

Our use of derivative instruments designated as hedges of the Company's net investment in foreign subsidiaries can vary depending on the Company's desired foreign exchange risk coverage.

As of June 30, 2026, we have derivative instruments that qualify as net investment hedges against our investments in certain European businesses (notional amount of €130 million) and Asian businesses (notional amount of HK$2.2 billion and ¥16 billion). The net investment hedges are deemed to be effective. The maturity dates of the current derivative instruments designated in net investment hedges range from 2026 to 2027.

During the quarter ended June 30, 2026, we de-designated a derivative instrument that qualified as a net investment hedge in certain European businesses with the notional amount of €30 million. During the six months ended June 30, 2026, we de-designated derivative and non-derivative instruments that qualified as net investment hedges in certain European and Asian businesses with notional amounts of €169 million and ¥21.5 billion, respectively. These de-designated instruments were deemed to be effective until de-designation.

The following table summarizes the amounts of gains (losses) recognized in other comprehensive income (loss) related to non-derivative and derivative instruments designated as net investment hedges:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Foreign currency denominated long-term debt	**$ —**	$ (4)	**$ 2**	$ (10)
Foreign currency forward contracts	**2**	(11)	**9**	(6)
Total	**$ 2**	$ (15)	**$ 11**	$ (16)

Derivatives not designated as Cash flow hedging instruments. The net effect of derivatives not designated as Cash flow hedging instruments within Other income (expense) net, on the Condensed Consolidated Statements of Operations was as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Foreign exchange contracts	**$ 5**	$ 10	**$ 12**	$ 16

The effects of gains (losses) from derivatives not designated as Cash flow hedge instruments within Cost of products sold on the Condensed Consolidated Statements of Operations were as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Commodity and foreign exchange contracts	**$ 6**	$ —	**$ 8**	$ 2

Note 13: Fair Value Measurements

Valuation Techniques. Our marketable securities include investments that are traded in active markets, either domestically or internationally, and are measured at fair value using closing stock prices from active markets. The fair value gains or losses related to our marketable securities are recorded through net income. Our derivative assets and liabilities include foreign exchange and commodity contracts that are measured at fair value using internal and third party models based on observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks.

As of June 30, 2026, there has not been any significant impact to the fair value of our derivative liabilities due to our own credit risk. Similarly, there has not been any significant adverse impact to our derivative assets based on our evaluation of our counterparties' credit risks.

Due to their short-term nature, the carrying value approximated fair value for the current portion of the Company's financial instruments not carried at fair value. The fair value of receivables, including customer financing notes receivable, net, that were issued long-term are based on the discounted values of their related cash flows at interest rates reflecting the attributes of the counterparties, including geographic location. Customer-specific risk, including credit risk, is already considered in the carrying value of those receivables. Our long-term debt, as described in Note 6, "Borrowings and Lines of Credit", is measured at fair value using closing bond prices from active markets.

Recurring Fair Value Measurements. In accordance with the provisions of ASC 820: *Fair Value Measurements*, the following tables provide the valuation hierarchy classification of assets and liabilities that are carried at fair value and measured on a recurring and non-recurring basis in our Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025:

	June 30, 2026			
(dollars in millions)	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities	**$ 58**	**$ 58**	**$ —**	**$ —**
Derivative assets	**105**	**—**	**105**	**—**
Derivative liabilities	**(30)**	**—**	**(30)**	**—**

	December 31, 2025			
(dollars in millions)	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities	$ 55	$ 55	$ —	$ —
Derivative assets	20	—	20	—
Derivative liabilities	(32)	—	(32)	—

In addition to the table above, due to the short-term nature, Cash and cash equivalents carrying amount approximates fair value and is classified as Level 1.

Fair Value of Financial Instruments. The following table provides carrying amounts and fair values of financial instruments that are not carried at fair value as of June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term receivables, net	**$ 52**	**$ 51**	$ 49	$ 48
Customer financing notes receivable, net	**14**	**11**	16	14
Short-term borrowings	**(210)**	**(210)**	(214)	(214)
Long-term debt, including current portion (excluding leases and other)	**(8,264)**	**(7,690)**	(7,779)	(7,269)
Long-term liabilities, including current portion	**(26)**	**(25)**	(84)	(81)

The following tables provide the valuation hierarchy classification of assets and liabilities that are not carried at fair value in the Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025:

	June 30, 2026			
(dollars in millions)	Total	Level 1	Level 2	Level 3
Long-term receivables, net	**$ 51**	**$ —**	**$ 51**	**$ —**
Customer financing notes receivable, net	**11**	**—**	**11**	**—**
Short-term borrowings	**(210)**	**—**	**(210)**	**—**
Long-term debt, including current portion (excluding leases and other)	**(7,690)**	**—**	**(7,690)**	**—**
Long-term liabilities, including current portion	**(25)**	**—**	**(25)**	**—**

	December 31, 2025			
(dollars in millions)	Total	Level 1	Level 2	Level 3
Long-term receivables, net	$ 48	$ —	$ 48	$ —
Customer financing notes receivable, net	14	—	14	—
Short-term borrowings	(214)	—	(214)	—
Long-term debt, including current portion (excluding leases and other)	(7,269)	—	(7,269)	—
Long-term liabilities, including current portion	(81)	—	(81)	—

Note 14: Guarantees

The Company provides service and warranty on its products beyond normal service and warranty policies. The carrying amount of service and product guarantees were $9 million and $10 million as of June 30, 2026 and December 31, 2025, respectively.

The Company provides certain financial guarantees to third parties. As of June 30, 2026, Otis has stand-by letters of credit with maximum potential payment totaling $160 million. We accrue costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts, and where no amount within a range of estimates is more likely, the minimum is accrued. In accordance with ASC Topic 460: *Guarantees*, we record these liabilities at fair value. As of June 30, 2026, Otis has determined there are no estimated costs probable under these guarantees.

Note 15: Contingent Liabilities

Except as otherwise noted, while we are unable to predict the final outcome, based on information currently available, we do not believe that resolution of any of the following matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition. In addition to the specific amounts noted below, where we have recorded loss contingency accruals for the below and other matters, the amounts in aggregate are not material. Legal costs generally are expensed when incurred.

Legal Proceedings.

German Tax Litigation

In the third quarter of 2024, Otis prevailed in a German tax litigation case stemming from the 1998 reorganization of the Company's operations in Germany. As a result of winning the case, the Company expects to receive total refunds of prepaid tax, prepaid interest, overpayment interest, and court fees of approximately €313 million net of tax (approximately $356 million) as of June 30, 2026. The Company began receiving refunds during 2025 and anticipates the refund process to continue through 2026.

The recoveries related to this matter are allocated between RTX and the Company pursuant to the terms of the TMA with our former parent, UTC, by way of indemnification payments. The Company has established an indemnity payable to RTX, which is intended to cover RTX's tax and interest payable to the Internal Revenue Service ("IRS"). The Company and RTX disagree about both the scope of the indemnity payable to RTX and the Company's liability for interest accruing on amounts already paid to RTX. This dispute will be resolved pursuant to the procedures set forth in the TMA.

(dollars in millions)	June 30, 2026	March 31, 2026	December 31, 2025
Indemnity Payable (in Accrued liabilities)	**$ 55**	$ 55	$ 56

This estimate could further change due to the parties' continuing dispute concerning the scope of the final indemnity amount, which will be resolved pursuant to the procedures set forth in the TMA.

See Note 1, "General" for additional information on the impacts of the TMA activity to the Condensed Consolidated Financial Statements as of and for the quarter and six months ended June 30, 2026.

Asbestos Matters

We have been named as defendants in lawsuits alleging personal injury as a result of exposure to asbestos. While we have never manufactured any asbestos-containing component parts, and no longer incorporate asbestos in any current products, certain of our historical products have contained components manufactured by third parties incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or were covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos-related claims were not material individually or in the aggregate as of and for the periods ended June 30, 2026 and December 31, 2025.

The estimated range of total liabilities to resolve all pending and unasserted potential future asbestos claims through 2059 is approximately $11 million to $31 million as of June 30, 2026 and December 31, 2025. Since no amount within the range of estimates is more likely to occur than any other, we have recorded the minimum amount of $11 million as of June 30, 2026 and December 31, 2025, which is principally recorded in Other long-term liabilities on our Condensed Consolidated Balance Sheets. Amounts are on a pre-tax basis, not discounted, and exclude the Company's legal fees to defend the asbestos claims (which will continue to be expensed as they are incurred). In addition, the Company has an insurance recovery receivable for probable asbestos-related recoveries of approximately $3 million as of June 30, 2026 and December 31, 2025, which is principally included in Other assets on our Condensed Consolidated Balance Sheets.

Other. We have commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising out of the normal course of business. We accrue contingencies based on a range of possible outcomes. If no amount within this range is a better estimate than any other, we accrue the minimum amount. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, we expect that the outcome of such claims, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows or results of operations.

In certain European countries, claims for overcharges on elevators and escalators related to civil cartel cases have been made, which we have accrued for based on our evaluation of the claims. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, historical settlement experiences of these claims have not been material to the business, financial condition, cash flows or results of operations. However, the future outcome of these cases cannot be determined.

In the ordinary course of business, the Company is also routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and its subsidiaries and could result in fines, penalties, compensatory or treble damages or non-monetary relief. We do not believe that these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

Refer to Note 16, "Segment Financial Data" for information about litigation-related settlement costs recognized in the six months ended June 30, 2025 for certain legal matters that are outside of the ordinary course of business.

Note 16: Segment Financial Data

Our operations are classified into two operating segments: New Equipment and Service. Through the New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators as well as escalators and moving walkways to customers in the residential, commercial and infrastructure projects. The Service segment provides maintenance and repair services for both our products and those of other manufacturers, and provides modernization services to upgrade elevators and escalators. The operating segments are generally based on the management structure of the Company, as well as how management allocates resources, assesses performance and makes strategic and operational decisions.

Segment Information. Otis discloses segment operating profit as its measure of segment performance, reconciled to Net income before income taxes. Segment operating profit excludes certain expenses and income that are not allocated to segments (as described below in "Corporate and Unallocated").

Otis' Chief Operating Decision Maker ("CODM") is the Company's Chief Executive Officer. The CODM assesses the performance of each operating segment and allocates resources to those segments based on net sales and segment operating profit. The CODM compares segment operating profit results to prior periods and forecasted amounts to assess performance and to make decisions regarding the allocation of capital and other investments. Discrete asset information for each segment is not presented to, or reviewed by, the CODM.

Segment information for the quarters ended June 30, 2026 and 2025 is as follows:

	Quarter Ended June 30, 2026			**Quarter Ended June 30, 2025**		
(dollars in millions)	**New Equipment**	**Service**	**Total**	**New Equipment**	**Service**	**Total**
Net sales	**$ 1,279**	**$ 2,580**	**$ 3,859**	$ 1,276	$ 2,319	$ 3,595
Costs and expenses:						
Cost of sales	**1,080**	**1,640**	**2,720**	1,061	1,440	2,501
Selling, general and administrative	**132**	**329**	**461**	119	292	411
Other including research and development	**27**	**12**	**39**	28	9	37
Total segment operating profit	**$ 40**	**$ 599**	**639**	$ 68	$ 578	646
Corporate and Unallocated						
General corporate expenses and other			**52**			34
UpLift restructuring			**—**			25
Other restructuring			**11**			12
UpLift transformation costs			**—**			18
Separation-related adjustments			**—**			9
Other, net			**1**			1
Total company operating profit			**575**			547
Non-service pension cost (benefit)			**2**			—
Interest expense (income), net			**26**			26
Net income before income taxes			**$ 547**			$ 521

Segment information for the six months ended June 30, 2026 and 2025 is as follows:

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
(dollars in millions)	New Equipment	Service	Total	New Equipment	Service	Total
Net sales	**$ 2,428**	**$ 4,997**	**$ 7,425**	$ 2,439	$ 4,506	$ 6,945
Costs and expenses:						
Cost of sales	**2,036**	**3,165**	**5,201**	2,023	2,803	4,826
Selling, general and administrative	**261**	**653**	**914**	229	574	803
Other including research and development	**53**	**24**	**77**	53	14	67
Total segment operating profit	**$ 78**	**$ 1,155**	**1,233**	$ 134	$ 1,115	1,249
Corporate and Unallocated						
General corporate expenses and other			**96**			77
UpLift restructuring			**—**			45
Other restructuring			**18**			35
UpLift transformation costs			**—**			41
Separation-related adjustments			**5**			61
Litigation-related settlement costs			**—**			21
Held for sale impairment			**—**			10
Other, net			**—**			1
Total company operating profit			**1,114**			958
Non-service pension cost (benefit)			**2**			—
Interest expense (income), net			**85**			71
Net income before income taxes			**$ 1,027**			$ 887

Corporate and Unallocated includes adjustments related to the Separation, litigation-related settlement costs, impairment loss related to net assets held for sale, restructuring costs, and UpLift transformation costs.

Separation-related adjustments represent net adjustments of amounts due to and from RTX in accordance with the TMA, including amounts due to RTX related to a favorable ruling received in August 2024 regarding the German tax litigation. These adjustments are recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations during the quarters and six months ended June 30, 2026 and 2025, respectively. See Note 10, "Income Taxes" and Note 15, "Contingent Liabilities" for additional information about the German tax litigation.

Litigation-related settlement costs in the six months ended June 30, 2025 represent the aggregate amount of settlement costs and increase in loss contingency accruals, excluding legal costs, for certain legal matters that are outside of the ordinary course of business due to the size, complexity and/or unique facts of these matters.

Impairment loss related to net assets held for sale is recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations in the six months ended June 30, 2025. See Note 5, "Business Acquisitions, Dispositions, Goodwill and Intangible Assets" for additional information about the held for sale assets and liabilities.

Refer to Note 11, "Restructuring and Transformation Costs" for more information about restructuring and UpLift transformation costs.

Note 17: Accounting Pronouncements

In July 2025, the FASB issued Accounting Standards Update ("ASU") 2025-05, Financial Instruments—Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets.* The amendments in this update provide a practical expedient when developing reasonable and supportable forecasts as part of estimating expected credit losses, allowing entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments in ASU 2025-05 are effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. We adopted this ASU on January 1, 2026 and elected to utilize the practical expedient. The adoption of the ASU and the election of the practical expedient did not have a material impact on our Condensed Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The amendments in this update require disclosure, in the notes to financial statements, on disaggregated information about specific categories underlying certain income statement expense line items that are considered relevant, including the purchase of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Adoption of this ASU will result in additional disclosure, but will not impact our condensed consolidated financial position, results of operations, or cash flows.

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): *Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*. The amendments in this update require an entity involved in an acquisition transaction effected primarily by exchanging equity interests when the legal acquiree is a VIE that meets the definition of a business to consider the factors in the ASU to determine which entity is the accounting acquirer. The amendments in ASU 2025-03 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. We are currently evaluating the impact of this standard, however; we do not expect it to have a material impact on our Condensed Consolidated Financial Statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): *Targeted Improvements to the Accounting for Internal-Use Software*. The amendments in this update remove all references to prescriptive and sequential software development stages (referred to as "project stages") throughout Subtopic 350-40. The amendments in this update specify that the disclosures in Subtopic 360-10, Property, Plant, and Equipment—Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. Additionally, the amendments clarify that the intangibles disclosures in paragraphs 350-30-50-1 through 50-3 are not required for capitalized internal-use software costs. The amendments in ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of this standard.

In September 2025, the FASB issued ASU 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): *Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. The amendments in this update exclude from derivative accounting nonexchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract. The amendments in ASU 2025-07 are effective for fiscal years beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of this standard.

In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815): *Hedge Accounting Improvements*. Consistent with the original objective of ASU 2017-12, the objective of this update is to more closely align hedge accounting with the economics of an entity's risk management activities and better reflect those strategies in financial reporting by enabling entities to achieve and maintain hedge accounting for highly effective economic hedges of forecasted transactions. The amendments in ASU 2025-09 apply to any entity that elects to apply hedge accounting in accordance with Topic 815 and are effective for fiscal years beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the impact of this standard.

In May 2026, the FASB issued ASU 2026-02, Environmental Credits and Environmental Credit Obligations (Topic 818). The amendments in this update are expected to provide investors with additional decision-useful information by improving the (1) understandability of financial accounting and reporting information about environmental credits and environmental credit obligations associated with regulatory compliance programs and (2) comparability of that information by reducing diversity in practice. The amendments in ASU 2026-02 are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. We are currently evaluating the impact of this standard.

Other new accounting pronouncements issued but not effective until after June 30, 2026 are not expected to have a material impact on our financial position, results of operations or liquidity.

With respect to the unaudited condensed consolidated financial information of Otis Worldwide Corporation for the quarters and six months ended June 30, 2026 and 2025, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reported that it has applied limited procedures in accordance with professional standards for a review of such information. However, its report dated July 23, 2026, appearing below, states that the firm did not audit and does not express an opinion on that unaudited condensed consolidated financial information. PricewaterhouseCoopers has not carried out any significant or additional review procedures beyond those that would have been necessary if their report had not been included. Accordingly, the degree of reliance on its report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended ("the Act") for its report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers within the meaning of Sections 7 and 11 of the Act.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Otis Worldwide Corporation

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Otis Worldwide Corporation and its subsidiaries (the "Company") as of June 30, 2026, and the related condensed consolidated statements of operations, of comprehensive income, of changes in equity for the three-month and six-month periods ended June 30, 2026 and 2025 and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2026 and 2025, including the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2025, and the related consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 5, 2026, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2025, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut
July 23, 2026

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS OVERVIEW

Business Summary

We are the world's leading elevator and escalator manufacturing, installation, service and modernization company. Our Company is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. We sell our New Equipment directly to customers, as well as through agents and distributors.

Through our Service segment, we perform maintenance and repair services for both our own products and those of other manufacturers and provide modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services to address equipment and component wear and tear and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics to complex upgrades of larger components and sub-systems, including the machine, ropes or belts, safety systems and the entire car or escalator. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

We serve our customers through a global network of employees. These include sales personnel, field technicians with separate skills in performing installation and service, as well as engineers driving our continued product development and innovation. We function under a centralized operating model whereby we pursue a global strategy set around New Equipment and Service because we seek to grow our maintenance portfolio, in part, through the conversion of new elevator and escalator installations into service contracts. Accordingly, we benefit from an integrated global strategy, which sets priorities and establishes accountability across the full product lifecycle.

The current status of significant factors affecting our business environment in 2026 is discussed below. For additional discussion, refer to the "Business Overview" section in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2025 Form 10-K.

UpLift

Announced in July 2023, UpLift is a program to transform our operating model. As of December 31, 2025, total restructuring and other incremental costs to complete the transformation ("UpLift transformation costs") were approximately $300 million, including trailing restructuring costs expected in 2026 of $18 million. The Company generated run-rate savings of approximately $200 million.

For further details, refer to the discussion on restructuring costs in the "Results of Operations," as well as Note 11 to the Condensed Consolidated Financial Statements.

German Tax Litigation

In August 2024, we received a favorable ruling regarding a German tax litigation. Pursuant to the Tax Matters Agreement ("TMA") with United Technologies Corporation ("UTC"), our former parent, subsequently renamed RTX Corporation ("RTX"), and based on the facts and contractual provisions, additional information received from RTX and indemnity payments during 2025, the Company estimated the amount payable to RTX as a result of the outcome of the German tax litigation to be $56 million as of December 31, 2025. Based on indemnity payments made to RTX and adjustments to the indemnity payable in the six months ended June 30, 2026, the Company now estimates the remaining amount payable to RTX to be $55 million. The adjustments to the indemnity payable resulted in indemnification expense of $5 million for the six months ended June 30, 2026 compared to $6 million and $58 million for the quarter and six months ended June 30, 2025, respectively. There was no indemnification expense in the quarter ended June 30, 2026. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarters and six months ended June 30, 2026 and 2025. This estimate could further change due to the parties' continuing dispute concerning the scope of the final indemnity amount, which will be resolved pursuant to the procedures set forth in the TMA.

For further details, refer to Note 10 and Note 15 to the Condensed Consolidated Financial Statements, as well as our Consolidated Financial Statements in the 2025 Form 10-K.

Impact of Global Macroeconomic Conditions on Our Company

Global macroeconomic conditions have impacted, and continue to impact, aspects of the Company's operations and overall financial performance during the quarters and six months ended June 30, 2026 and 2025. These macroeconomic conditions include, among others, geopolitical conflicts, inflationary pressures, high interest rates, tighter credit conditions and changes in global trade policies including higher tariffs in the U.S. and other countries. These macroeconomic trends could continue to impact our business, including impacts to overall financial performance during the remainder of 2026, as a result of the following, among other things:

- Higher costs of products and services due to tariffs;
- Customer demand impacting our new equipment, maintenance and repair, and modernization businesses;
- Customer liquidity constraints and related credit reserve;
- Cancellations or delays of customer orders; and
- Supplier liquidity, as well as supplier and raw material capacity constraints, delays and related costs.

We currently do not expect any significant impact to our capital and financial resources from these macroeconomic conditions, including to our overall liquidity position based on our available cash and cash equivalents and our access to credit facilities and the capital markets.

See the "Liquidity and Financial Condition" section in this Form 10-Q for further detail and Item 1A. "Risk Factors" in our 2025 Form 10-K for macroeconomic risks related to our business.

Risks Associated with Ongoing Conflicts

The ongoing conflicts in the Middle East, as well as between Russia and Ukraine have resulted in worldwide geopolitical and macroeconomic uncertainty, including volatile commodity markets, foreign exchange fluctuations, supply chain disruptions, increased risk of cybersecurity incidents, reputational risk, increased operating costs (including fuel and other input costs), environmental, health and safety risks related to securing and maintaining facilities, additional sanctions and other regulations (including restrictions on the transfer of funds to and from Russia). We do not have operations in Russia or Iran. Additionally, we do not have operations or material net sales in Israel, Gaza or Lebanon.

Although we have operations in the Middle East and transport products through the Middle East, we currently do not expect the recent conflicts in that region to have a material impact on our business.

To the extent possible, we continue to operate our business in Ukraine. We do not have material revenue or operating profit in Ukraine.

We cannot predict how the events described above will evolve. Depending on the ultimate outcomes of these conflicts, which remain uncertain, they could heighten certain risks disclosed in Item 1A. "Risk Factors" in our 2025 Form 10-K, including, but not limited to, adverse effects on macroeconomic conditions, including increased inflation, constraints on the availability of commodities, supply chain disruption and decreased business spending; cyber-incidents; disruptions to our or our business partners' global technology infrastructure, including through cyber-attack or cyber-intrusion; adverse changes in international trade policies and relations; claims, litigation and regulatory enforcement; our ability to implement and execute our business strategy; terrorist activities; our exposure to foreign currency fluctuations; reputational risk; and constraints, volatility, or disruption in the capital markets, any of which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

CRITICAL ACCOUNTING ESTIMATES

Preparation of our Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The accounting policies that involve the most significant estimates, assumptions and management judgments used in preparation of the Condensed Consolidated Financial Statements, or are the most sensitive to change due to outside factors, are discussed in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates" included in our 2025 Form 10-K. Except as disclosed in Note 17 to our Condensed Consolidated Financial Statements in this Form 10-Q, pertaining to adoption of new accounting pronouncements, there have been no material changes in these policies.

RESULTS OF OPERATIONS

Net Sales

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Net sales	**$ 3,859**	$ 3,595	**$ 7,425**	$ 6,945
Percentage change year-over-year	**7 %**		**7 %**	

The factors contributing to the total percentage change year-over-year in total Net sales for the quarter and six months ended June 30, 2026 are as follows:

Components of Net sales change:	**Quarter Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Organic volume	**6 %**	**4 %**
Foreign currency translation	**1 %**	**3 %**
Acquisitions and divestitures, net and other	**— %**	**— %**
Total % change	**7 %**	**7 %**

The Organic volume increase of 6% for the quarter ended June 30, 2026 was driven by an increase of 9% in Service, partially offset by a decrease of (1)% in New Equipment. The Organic volume increase of 4% for the six months ended June 30, 2026 was driven by an increase of 7% in Service, partially offset by a decrease of (3)% in New Equipment.

See the "Segment Review" section for a discussion of Net sales by segment.

Cost of Products and Services Sold

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Total cost of products and services sold	**$ 2,723**	$ 2,506	**$ 5,207**	$ 4,855
Percentage change year-over-year	**9 %**		**7 %**	

The factors contributing to the percentage change year-over-year for the quarter and six months ended June 30, 2026 in total cost of products and services sold are as follows:

Components of Cost of Products and Services Sold change:	**Quarter Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Organic volume	**7 %**	**4 %**
Foreign currency translation	**1 %**	**3 %**
Acquisitions and divestitures, net and other	**1 %**	**— %**
Total % change	**9 %**	**7 %**

The Organic volume for total cost of products and services sold increased 7% and 4% for the quarter and six months ended June 30, 2026, respectively, primarily driven by the organic sales changes noted above and the impacts of higher labor costs including the impact of ongoing costs to support operational execution and productivity, and higher material costs.

Gross Margin

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Gross margin	**$ 1,136**	$ 1,089	**$ 2,218**	$ 2,090
Gross margin percentage	**29.4 %**	30.3 %	**29.9 %**	30.1 %

Gross margin percentage decreased (90) basis points and (20) basis points for the quarter and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, due to the cost increases described above, partially offset by an increase in Service sales and decrease in New Equipment sales.

See the "Segment Review" section below for discussion of operating results by segment.

Research and Development

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Research and development	**$ 39**	$ 38	**$ 77**	$ 75
Percentage of Net sales	**1.0 %**	1.1 %	**1.0 %**	1.1 %

Research and development was relatively flat for the quarter and six months ended June 30, 2026, when compared to the same periods in 2025.

Selling, General and Administrative

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Selling, general and administrative	**$ 520**	$ 499	**$ 1,030**	$ 963
Percentage of Net sales	**13.5 %**	13.9 %	**13.9 %**	13.9 %

Selling, general and administrative expenses increased $21 million and $67 million for the quarter and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, driven by annual wage increases, higher costs resulting from organizational initiatives, costs to support ongoing operational execution and the impacts from foreign exchange, partially offset by savings resulting from restructuring actions and lower restructuring costs.

Selling, general and administrative expenses as a percentage of Net sales decreased (40) basis points and was flat for the quarter and six months ended June 30, 2026, respectively, when compared to the same periods in 2025.

Restructuring Costs

	Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**
UpLift restructuring	**$ —**	$ 45
Other restructuring	**18**	35
Total restructuring costs	**$ 18**	$ 80

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions and, to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations. We continue to closely monitor the economic environment and may undertake further restructuring actions to keep our cost structure aligned with the demands of the prevailing market conditions.

Other restructuring costs were $18 million for the six months ended June 30, 2026 and included $14 million of costs related to 2026 actions and $4 million of costs related to 2025 actions.

In addition to UpLift restructuring costs, UpLift transformation costs were $41 million in the six months ended June 30, 2025, which were primarily for consultants, third-party service providers and personnel focused on designing and implementing a centralized service delivery model that supports our new organizational structure, including the standardization of our supply chain and digital technology procurement. These UpLift transformation costs are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations.

Most of the expected charges will require cash payments, which we have funded and expect to continue to fund with cash generated from operations. The table below presents approximate cash outflows related to the restructuring actions during the six months ended June 30, 2026, and the expected cash payments to complete the actions announced:

(dollars in millions)	**UpLift Actions**	**Other Actions**	**Total Restructuring**
Cash outflows during the six months ended June 30, 2026	**$ 14**	**$ 12**	**$ 26**
Expected cash payments remaining to complete actions announced	**44**	**42**	**86**

The approved UpLift restructuring actions generated approximately $103 million in annual recurring savings at the end of 2025, primarily in Selling, general and administrative expenses, and of which approximately $51 million was realized during the six months ended June 30, 2026, including $12 million of incremental savings compared to the same period in 2025.

For other restructuring actions, we generally expect to achieve annual recurring savings within the two-year period subsequent to initiating the actions, including $24 million for the 2026 actions and $38 million for the 2025 actions, of which approximately 25% relates to Cost of products and services sold and 75% relates to Selling, general and administrative expenses. Approximately $20 million of savings was realized for the 2026 and 2025 actions during the six months ended June 30, 2026.

Reorganization of Operations in China

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization resulted in restructuring actions of approximately $30 million. These actions primarily included severance-related costs, and these actions were substantially completed as of December 31, 2025. Amounts related to the reorganization of operations in China are included within Other restructuring.

For additional discussion of restructuring, see Note 11 to the Condensed Consolidated Financial Statements.

Other Income (Expense), Net

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Other income (expense), net	**$ (2)**	$ (5)	**$ 3**	$ (94)

The change in Other income (expense), net of $3 million for the quarter ended June 30, 2026 compared to the same period in 2025, was partially driven by the unfavorable impacts of foreign currency mark-to-market adjustments and other adjustments. The change was also impacted by the absence of prior period items including; $18 million of UpLift transformation costs, $9 million of Separation-related adjustments, and the gain on the sale of fixed assets of $7 million.

The change in Other income (expense), net of $97 million for the six months ended June 30, 2026 compared to the same period in 2025, was partially driven by lower Separation-related adjustments of $56 million, partially offset by the unfavorable impacts of foreign exchange and other adjustments. The change was also impacted by the absence of prior period items including; $41 million of UpLift transformation costs, $21 million of non-recurring litigation-related settlement costs, $10 million of impairment loss related to net assets held for sale, and the gains on the sale of fixed assets of $14 million.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 16 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 11 to the Condensed Consolidated Financial Statements.

Interest Expense (Income), Net

(dollars in millions)	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Interest expense (income), net	**$ 26**	$ 26	**$ 85**	$ 71

The changes in Interest expense (income), net were flat and $14 million for the quarter and six months ended June 30, 2026, respectively, compared to the same periods in 2025, primarily driven by higher interest expense related to the $700 million unsecured, unsubordinated debt issued in May 2026 and the $500 million unsecured, unsubordinated debt issued in September 2025, partially offset by lower interest expense related to the repayment of the $1.3 billion unsecured, unsubordinated debt in April 2025. The quarter ended June 30, 2026 also benefited from higher interest income.

The average interest rate on our long-term debt for the quarters ended June 30, 2026 and 2025 was 3.1% and 2.8%, respectively. For additional discussion of borrowings, see Note 6 to the Condensed Consolidated Financial Statements.

Income Taxes

	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Effective tax rate	**17.9 %**	18.8 %	**21.9 %**	23.4 %

The decrease in the effective tax rate for the quarter and six months ended June 30, 2026, compared to the same periods in 2025, is primarily due to the reduction in a deferred tax liability related to the mitigation of future repatriation costs recorded in the quarter ended June 30, 2026. In addition, the decrease in the effective tax rate for the six months ended June 30, 2026, is due to the absence of the impact of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX recorded in the quarter ended March 31, 2025.

We anticipate some variability in the tax rate quarter to quarter from potential discrete items.

For additional discussion of income taxes and the effective income tax rate, see Note 10 to the Condensed Consolidated Financial Statements.

Noncontrolling Interest in Subsidiaries' Earnings and Net Income Attributable to Otis Worldwide Corporation

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**
Noncontrolling interest in subsidiaries' earnings	**$ 21**	$ 30	**$ 34**	$ 43
Net income attributable to Otis Worldwide Corporation	**$ 428**	$ 393	**$ 768**	$ 636

Noncontrolling interest in subsidiaries' earnings decreased for the quarter and six months ended June 30, 2026 compared to the same periods in 2025 primarily due to lower net income from non-wholly owned subsidiaries. Other than our acquisition of the noncontrolling shares of Otis Electric Elevator Company Limited during the fourth quarter of 2025 and the acquisition of majority ownership of a French company in April 2026, ownership interest in the underlying non-wholly owned subsidiaries has remained generally consistent year-over-year.

For additional discussion of the acquisition of majority ownership of the French company, see Note 5 to the Condensed Consolidated Financial Statements.

Net income attributable to Otis Worldwide Corporation increased for the quarter and six months ended June 30, 2026, compared to the same periods in 2025, due to higher operating profit (including the impact of foreign exchange rates) and a lower effective tax rate, partially offset by higher interest expense in the six months ended June 30, 2026.

Segment Review

Summary performance for our operating segments, reconciled to total operating profit, for the quarters ended June 30, 2026 and 2025 was as follows:

	Net Sales		Operating Profit		Operating Profit Margin	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
New Equipment	**$ 1,279**	$ 1,276	**$ 40**	$ 68	**3.1%**	5.3%
Service	**2,580**	2,319	**599**	578	**23.2%**	24.9%
Total segment	**$ 3,859**	$ 3,595	**639**	646	**16.6%**	18.0%
Corporate and Unallocated						
General corporate expenses and other			**52**	34		
UpLift restructuring			**—**	25		
Other restructuring			**11**	12		
UpLift transformation costs			**—**	18		
Separation-related adjustments			**—**	9		
Other, net			**1**	1		
Consolidated Operating Profit			**$ 575**	$ 547	**14.9%**	15.2%

Summary performance for our operating segments, reconciled to total operating profit, for the six months ended June 30, 2026 and 2025 was as follows:

	Net Sales		Operating Profit		Operating Profit Margin	
(dollars in millions)	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
New Equipment	**$ 2,428**	$ 2,439	**$ 78**	$ 134	**3.2%**	5.5%
Service	**4,997**	4,506	**1,155**	1,115	**23.1%**	24.7%
Total segment	**$ 7,425**	$ 6,945	**1,233**	1,249	**16.6%**	18.0%
Corporate and Unallocated						
General corporate expenses and other			**96**	77		
UpLift restructuring			**—**	45		
Other restructuring			**18**	35		
UpLift transformation costs			**—**	41		
Separation-related adjustments			**5**	61		
Litigation-related settlement costs			**—**	21		
Held for sale impairment			**—**	10		
Other, net			**—**	1		
Consolidated Operating Profit			**$ 1,114**	$ 958	**15.0%**	13.8%

New Equipment

The New Equipment segment designs, manufactures, sells and installs a wide range of passenger and freight elevators, as well as escalators and moving walkways in residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, infrastructure, commercial, retail or mixed-use activity. We sell directly to customers as well as through agents and distributors. We also sell New Equipment to government agencies to support infrastructure projects, such as airports, railways or metros.

Summary performance for New Equipment for the quarters and six months ended June 30, 2026 and 2025 was as follows:

	Quarter Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	**2026**	**2025**	**Change**	**Change**	**2026**	**2025**	**Change**	**Change**
Net sales	**$ 1,279**	$ 1,276	$ 3	—%	**$ 2,428**	$ 2,439	$ (11)	—%
Cost of sales	**1,080**	1,061	19	2%	**2,036**	2,023	13	1%
	199	215	(16)	(7)%	**392**	416	(24)	(6)%
Operating expenses	**159**	147	12	8%	**314**	282	32	11%
Operating profit	**$ 40**	$ 68	$ (28)	(41)%	**$ 78**	$ 134	$ (56)	(42)%
Operating profit margin	**3.1 %**	5.3 %			**3.2 %**	5.5 %		

Summary analysis of the Net sales change for New Equipment for the quarter and six months ended June 30, 2026 compared with the same periods in 2025 was as follows:

Components of Net sales change:	**Quarter Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Organic volume	**(1)%**	**(3)%**
Foreign currency translation	**1 %**	**3 %**
Acquisitions and divestitures, net and other	**— %**	**— %**
Total % change	**— %**	**— %**

Quarter Ended June 30, 2026

Net sales

The organic sales decrease of (1)% was primarily driven by a high teens decline in China and mid single-digit decline in EMEA, offset by approximately 10% growth in Americas and low single-digit growth in Asia Pacific.

Operating profit

New Equipment operating profit decreased $(28) million driven by the impacts of lower volume, unfavorable price, regional and product mix and higher costs resulting from organizational initiatives. Operating margin decreased (220) basis points.

Six Months Ended June 30, 2026

Net sales

The organic sales decrease of (3)% was primarily driven by a greater than (20)% decline in China, low single-digit decline in EMEA and Asia Pacific, partially offset by mid single-digit growth in Americas.

Operating profit

New Equipment operating profit decreased $(56) million. The impacts of lower volume, unfavorable price, regional and product mix and higher costs resulting from organizational initiatives were partially offset by productivity. Operating margin decreased (230) basis points.

Service

The Service segment performs maintenance and repair services for both our products, and those of other manufacturers, and provides modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services that address equipment and component wear and tear, and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics, to complex upgrades of larger components and sub-systems, including the machine, ropes or belts, safety systems and the entire car or escalator. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

Summary performance for Service for the quarters and six months ended June 30, 2026 and 2025 was as follows:

	Quarter Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	**2026**	**2025**	**Change**	**Change**	**2026**	**2025**	**Change**	**Change**
Net sales	**$ 2,580**	$ 2,319	$ 261	11 %	**$ 4,997**	$ 4,506	$ 491	11 %
Cost of sales	**1,640**	1,440	200	14 %	**3,165**	2,803	362	13 %
	940	879	61	7 %	**1,832**	1,703	129	8 %
Operating expenses	**341**	301	40	13 %	**677**	588	89	15 %
Operating profit	**$ 599**	$ 578	$ 21	4 %	**$ 1,155**	$ 1,115	$ 40	4 %
Operating profit margin	**23.2 %**	24.9 %			**23.1 %**	24.7 %		

Summary analysis of Service Net sales change for the quarter and six months ended June 30, 2026 compared with the same periods in 2025 was as follows:

Components of Net sales change:	**Quarter Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Organic volume	**9 %**	**7 %**
Foreign currency translation	**1 %**	**3 %**
Acquisitions and divestitures, net and other	**1 %**	**1 %**
Total % change	**11 %**	**11 %**

Quarter Ended June 30, 2026

Net sales

The organic sales increase of 9% is due to increases in maintenance and repair of 6% and in modernization of 24%.

Components of Net sales change:	**Maintenance and Repair**	**Modernization**
Organic volume	**6 %**	**24 %**
Foreign currency translation	**1 %**	**— %**
Acquisitions and divestitures, net and other	**1 %**	**2 %**
Total % change	**8 %**	**26 %**

Operating profit

Service operating profit increased $21 million including foreign exchange tailwinds of $5 million. Higher volume and improved pricing were partially offset by higher costs resulting from organizational initiatives, higher labor costs including the impact of ongoing costs to support operational execution and productivity, higher material costs, and mix. Operating margin decreased (170) basis points.

Six Months Ended June 30, 2026

Net sales

The organic sales increase of 7% is due to increases in maintenance and repair of 5% and in modernization of 16%.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic volume	**5 %**	**16 %**
Foreign currency translation	**3 %**	**2 %**
Acquisitions and divestitures, net and other	**1 %**	**— %**
Total % change	**9 %**	**18 %**

Operating profit

Service operating profit increased $40 million including foreign exchange tailwinds of $34 million. Higher volume and improved pricing were partially offset by higher costs resulting from organizational initiatives, higher labor costs including the impact of ongoing costs to support operational execution and productivity, higher material costs, and mix. Operating margin decreased (160) basis points.

Corporate and Unallocated

	Quarter Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2026	2025	2026	2025
General corporate expenses and other	**$ 52**	$ 34	**$ 96**	$ 77
UpLift restructuring	**—**	25	**—**	45
Other restructuring	**11**	12	**18**	35
UpLift transformation costs	**—**	18	**—**	41
Separation-related adjustments	**—**	9	**5**	61
Litigation-related settlement costs	**—**	—	**—**	21
Held for sale impairment	**—**	—	**—**	10
Other, net	**1**	1	**—**	1
Total Corporate and Unallocated	**$ 64**	$ 99	**$ 119**	$ 291

General corporate expenses and other increased $18 million and $19 million for the quarter and six months ended June 30, 2026, respectively, compared to the same periods in 2025, driven by the unfavorable impacts of foreign currency mark-to-market adjustments, other adjustments, and the absence of the gain on the sale of fixed assets of $7 million in the prior period.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 16 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 11 to the Condensed Consolidated Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

We expect to fund our ongoing operating, investing and financing requirements mainly through cash flows from operations, available liquidity through cash on hand, available bank lines of credit and access to capital markets.

As of June 30, 2026, we had cash and cash equivalents of $813 million, of which approximately 73% was held by the Company's foreign subsidiaries. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost-effectiveness with which those funds can be accessed. On occasion, we are required to maintain cash deposits with certain banks with respect to contractual obligations related to acquisitions and divestitures or other legal obligations. As of June 30, 2026 and December 31, 2025, the amount of such restricted cash was $36 million and $9 million, respectively.

From time-to-time we may need to access the capital markets to obtain financing. We may incur indebtedness or issue equity as needed. Although we believe that the arrangements in place as of June 30, 2026 permit us to finance our operations on acceptable terms and conditions, our access to, and the availability of, financing on acceptable terms and conditions in the future could be impacted by many factors, including (1) our credit ratings or absence of a credit rating, (2) the liquidity of the overall capital markets and (3) the current state of the economy, including tighter credit conditions. There can be no assurance that we will continue to have access to the capital markets on terms acceptable to us.

The following table contains several key measures of our financial condition and liquidity:

(dollars in millions)	June 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 813**	$ 1,096
Total debt	**8,436**	7,956
Net debt (total debt less cash and cash equivalents)	**7,623**	6,860
Total equity	**(5,560)**	(5,346)
Total capitalization (total debt plus total equity)	**2,876**	2,610
Net capitalization (total debt plus total equity less cash and cash equivalents)	**2,063**	1,514
Total debt to total capitalization	**293 %**	305 %
Net debt to net capitalization	**370 %**	453 %

The Company does not intend to reinvest certain undistributed earnings of our international subsidiaries that have been previously taxed in the U.S. For the remainder of the Company’s undistributed international earnings, unless tax effective to repatriate, we will continue to permanently reinvest these earnings.

Borrowings and Lines of Credit

As of June 30, 2026, we had a revolving credit agreement with various banks providing for a $1.5 billion unsecured, unsubordinated five-year revolving credit facility. As of June 30, 2026, there were no borrowings under the revolving credit agreement. The undrawn portion of the revolving credit agreement serves as a backstop for the issuance of commercial paper.

As of June 30, 2026, there were no borrowings outstanding under our $1.5 billion commercial paper program. For additional discussion of borrowings, see Note 6 to the Condensed Consolidated Financial Statements.

On March 16, 2026, we repaid the Japanese Yen denominated 0.370% notes due in 2026, upon maturity, using cash on hand.

On May 7, 2026, we issued $700 million unsecured, unsubordinated three-year notes due May 7, 2029 with an interest rate of 4.488%. A majority of the proceeds will be used to fund the repayment at maturity of the Euro denominated 0.318% notes due December 15, 2026. The remainder of the proceeds were used to fund the repayment of certain of our commercial paper borrowings and for other general corporate purposes.

Share Repurchase Program

On January 16, 2025, our Board of Directors approved a share repurchase program for up to $2.0 billion of Common Stock, of which approximately $500 million was remaining as of June 30, 2026.

Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended.

Discussion of Cash Flows

The following table reflects the major categories of cash flows. For additional details, see the Condensed Consolidated Statements of Cash Flows.

	Six Months Ended June 30,	
(dollars in millions)	**2026**	**2025**
Net cash flows provided by (used in):		
Operating activities	**$ 680**	$ 405
Investing activities	**(316)**	(320)
Financing activities	**(621)**	(1,722)
Effect of exchange rate changes on cash and cash equivalents	**1**	19
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ (256)**	$ (1,618)

Operating activities

Cash flows from operating activities primarily represent inflows and outflows associated with our operations. Primary activities include net income from operations adjusted for non-cash transactions, working capital changes and changes in other assets and liabilities.

The year-over-year increase in net cash provided by operating activities was primarily driven by higher net income and changes to working capital balances during the periods, including a larger inflow in Contract assets and liabilities, current, in the six months ended June 30, 2026 compared to the same period in 2025, due to the timing of billings on contracts compared to the progression on current contracts, a smaller decrease in Accounts payable in the six months ended June 30, 2026 compared to the same period in 2025, due to the timing of payments to suppliers, partially offset by a larger increase in Accounts receivable, net, in the six months ended June 30, 2026 compared to the same period in 2025, due to timing of billings and collections and a decrease in Accrued liabilities in the six months ended June 30, 2026 compared to an increase in the same period in 2025, due to the timing of payments of restructuring and the timing of tax payments and the related income tax expense. Additionally, UpLift-related net payments were approximately $25 million in the six months ended June 30, 2026, compared to $52 million in the same period in 2025. Separation-related payments were approximately $63 million in the six months ended June 30, 2026, compared to $72 million in the same period in 2025.

During the six months ended June 30, 2026, net cash provided by operating activities was $680 million. The primary drivers of the inflow related to $802 million of net income, changes in Contract assets and liabilities, current, due to the timing of billings on contracts compared to the progression on current contracts, and a decrease in Other current assets due to refunds received in 2026 from the German tax litigation were partially offset by an increase in Accounts receivable, net, due to the timing of billings and collections, an increase in Inventories primarily due to higher production inventory levels related to the timing of deliveries to construction sites and a decrease in Accrued liabilities due to Separation-related payments. For additional discussion of the German tax litigation, see Note 1 and Note 15 to the Condensed Consolidated Financial Statements.

During the six months ended June 30, 2025, net cash provided by operating activities was $405 million. Net income of $679 million includes $58 million of indemnification expense resulting from the German tax litigation, $21 million of litigation-related settlement costs and $10 million of impairment loss related to net assets held for sale, none of which resulted in cash flow activity during the six months ended June 30, 2025. Net income and an increase in Accrued liabilities due to the timing of payments of employee-related benefits and the timing of tax payments and the related income tax expense were partially offset by a decrease in Accounts payable, due to the timing of payments to suppliers and an increase in Accounts receivable, net, due to the timing of billings and collections. For additional discussion of the German tax litigation, see Note 1 and Note 15 to the Condensed Consolidated Financial Statements.

Investing activities

Cash flows from investing activities primarily represent inflows and outflows associated with long-term assets, including capital expenditures, investments in businesses and securities, proceeds from the sale of fixed assets and the settlement of derivative contracts.

During the six months ended June 30, 2026, net cash used in investing activities was $316 million. The primary drivers of the outflow related to $193 million of acquisitions of businesses and intangible assets, $84 million purchase of short-term investments and $77 million of capital expenditures, partially offset by $35 million of net cash receipts from the settlement of derivative instruments. For additional discussion of acquisitions of businesses and intangible assets, see Note 5 to the Condensed Consolidated Financial Statements.

During the six months ended June 30, 2025, net cash used in investing activities was $320 million. The primary drivers of the outflow related to $200 million of net cash payments from the settlement of derivative instruments, $82 million of acquisitions of businesses and intangible assets and $70 million of capital expenditures. These were partially offset by $34 million of net proceeds from the sale of fixed assets.

As discussed in Note 12 to the Condensed Consolidated Financial Statements, we enter into derivative instruments for risk management purposes. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates and commodity prices. These fluctuations can increase the costs of financing, investing and operating the business. We use derivative instruments, including forward contracts and options to manage certain foreign currency and commodity price exposures.

Financing activities

Cash flows from financing activities primarily represent inflows and outflows associated with equity and borrowings. Primary activities include short-term and long-term borrowing activity, paying dividends to shareholders, the repurchase of our Common Stock and dividends or other payments to noncontrolling interests.

During the six months ended June 30, 2026, net cash used in financing activities was $621 million. The primary drivers of the outflow were repurchases of our Common Stock of $807 million, dividends paid on our Common Stock of $330 million and repayments of long-term debt of $135 million. These were partially offset by the proceeds from the long-term debt issuance of $700 million.

During the six months ended June 30, 2025, net cash used in financing activities was $1.7 billion. The primary drivers of the outflow were repayments of long-term debt of $1.3 billion, repurchases of our Common Stock of $561 million and dividends paid on our Common Stock of $319 million. These were partially offset by short-term borrowings of $473 million.

Guaranteed Securities: Summarized Financial Information

The following information is provided in compliance with Rule 13-01 of Regulation S-X under the Securities Exchange Act of 1934, as amended, with respect to the 2026 Euro Notes, the 2027 Euro Notes and the 2031 Euro Notes (together the "Euro Notes"), in each case issued by Highland Holdings S.à r.l. ("Highland"), a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Euro Notes are fully and unconditionally guaranteed by Otis Worldwide Corporation ("OWC") on an unsecured, unsubordinated basis. Refer to "Note 8: Borrowings and Lines of Credit" in Item 8 in our 2025 Form 10-K, for additional information.

Highland is a wholly-owned, indirect consolidated subsidiary of OWC. OWC is incorporated under the laws of Delaware. As a company incorporated and existing under the laws of Luxembourg, and with its registered office in Luxembourg, Highland is subject to Luxembourg insolvency and bankruptcy laws in the event any insolvency proceedings are initiated against it. Luxembourg bankruptcy law is significantly different from, and may be less favorable to creditors than, the bankruptcy law in effect in the United States and may make it more difficult for creditors to recover the amount they could expect to recover in liquidation under U.S. insolvency and bankruptcy rules.

The Euro Notes are not guaranteed by any of OWC's or Highland's subsidiaries (all OWC subsidiaries other than Highland are referred to herein as "non-guarantor subsidiaries"). Holders of the Euro Notes will have a direct claim only against Highland, as issuer, and OWC, as guarantor.

The following tables set forth the summarized financial information as of and for the six months ended June 30, 2026 and as of December 31, 2025 of each of OWC and Highland on a standalone basis, which does not include the consolidated impact of the assets, liabilities, and financial results of their subsidiaries except as noted on the tables below, nor does it include any impact of intercompany eliminations as there were no intercompany transactions between OWC and Highland. This summarized financial information is not intended to present the financial position or results of operations of OWC or Highland in accordance with U.S. GAAP.

(dollars in millions)	**Six Months Ended June 30, 2026**
OWC Statement of Operations - Standalone and Unconsolidated	
Revenue	**$ —**
Cost of revenue	**—**
Operating expenses	**7**
Income (loss) from consolidated subsidiaries	**(1)**
Income (loss) from operations excluding income from consolidated subsidiaries	**(11)**
Net income (loss) excluding income from consolidated subsidiaries	**(94)**

(dollars in millions)	**June 30, 2026**	**December 31, 2025**
OWC Balance Sheet - Standalone and Unconsolidated		
Current assets (intercompany receivables from non-guarantor subsidiaries)	**$ —**	$ —
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	**270**	188
Noncurrent assets (investments in consolidated subsidiaries)	**1,031**	1,031
Noncurrent assets (excluding investments in consolidated subsidiaries)	**38**	39
Current liabilities (intercompany payables to non-guarantor subsidiaries)	**8,296**	7,508
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	**646**	333
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)	**—**	—
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)	**5,597**	5,412

(dollars in millions)		Six Months Ended June 30, 2026
Highland Statement of Operations - Standalone and Unconsolidated		
Revenue	**$**	**—**
Cost of revenue		**—**
Operating expenses		**—**
Income (loss) from consolidated subsidiaries		**802**
Income (loss) from operations excluding income from consolidated subsidiaries		**—**
Net income (loss) excluding income from consolidated subsidiaries		**(125)**

(dollars in millions)		June 30, 2026		December 31, 2025
Highland Balance Sheet - Standalone and Unconsolidated				
Current assets (intercompany receivables from non-guarantor subsidiaries)	**$**	**448**	$	—
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)		**—**		—
Noncurrent assets (investments in consolidated subsidiaries)		**15,711**		15,711
Noncurrent assets (intercompany receivables from non-guarantor subsidiaries)		**429**		470
Noncurrent assets (excluding investments in consolidated subsidiaries)		**—**		—
Current liabilities (intercompany payables to non-guarantor subsidiaries)		**—**		20
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)		**702**		708
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)		**4,133**		4,174
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)		**1,526**		1,577

Off-Balance Sheet Arrangements and Contractual Obligations

Item 5 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K discloses our off-balance sheet arrangements and contractual obligations. As of June 30, 2026, there have been no material changes to these off-balance sheet arrangements and contractual obligations, outside the ordinary course of business except for those disclosed in "Note 6, Borrowings and Lines of Credit" within Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's market risk during the quarter and six months ended June 30, 2026. For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our 2025 Form 10-K.

Item 4. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, we carried out an evaluation under the supervision and with the participation of our management, including the President and Chief Executive Officer ("CEO"), the Executive Vice President and Chief Financial Officer ("CFO") and the Senior Vice President and Chief Accounting Officer ("CAO"), of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2026. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our CEO, our CFO and our CAO have concluded that, as of June 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO, our CFO and our CAO, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Cautionary Note Concerning Factors That May Affect Future Results

This Form 10-Q 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, R&D 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:

- 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;
- 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 conflicts and instability in the Middle East and the conflict between Russia and Ukraine, 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;
- challenges in the development, production, delivery, support, employee adoption, performance and realization of the anticipated benefits of advanced technologies and new products and services;
- future levels of indebtedness, capital spending and research and development spending;
- future availability of credit and factors that may affect such availability or costs thereof, including credit market conditions and Otis' capital structure;
- the timing and scope of future repurchases of 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;
- 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;
- 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;
- new business and investment opportunities and the realization of anticipated benefits, including meeting customer expectations and maintaining our competitiveness;
- the outcome of legal proceedings, investigations and other contingencies;
- pension plan assumptions and future contributions;
- 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;
- the effect of changes in laws, regulations and enforcement priorities in the U.S. and other countries in which Otis and its businesses operate;
- the ability of Otis to retain and hire key personnel;
- 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;
- the determination by the Internal Revenue Service (the "IRS") and other tax authorities that the distribution or certain related transactions in connection with the Separation should be treated as taxable transactions; and

- 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.

These and other factors are more fully discussed in the "Notes to Condensed Consolidated Financial Statements" under the headings "Note 1: General" and "Note 15: Contingent Liabilities" and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q and in our 2025 Form 10-K under the headings "Item 1. Business," "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data" under the headings "Note 1: Business Overview" and "Note 20: Contingent Liabilities" and elsewhere in each of these filings. The forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion regarding material legal proceedings, see "Note 15: Contingent Liabilities" to the Condensed Consolidated Financial Statements.

Except as otherwise noted above, there have been no material developments in legal proceedings. For previously reported information about legal proceedings refer to Item 3 "Legal Proceedings" in our Form 10-Q for the quarter ended March 31, 2026 and 2025 Form 10-K.

Item 1A. Risk Factors

Additional information regarding risk factors can be found under "Recent Developments" in the "Business Overview" and "Cautionary Note Concerning Factors That May Affect Future Results" sections of Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-Q.

Except as otherwise noted above, there have been no material changes in the Company's risk factors from those disclosed in Item 1A "Risk Factors," in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about our purchases during the quarter ended June 30, 2026 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

2026	Total Number of Shares Purchased (thousands)	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of a Publicly Announced Program (thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (dollars in millions)
April 1 - April 30	3,665	$ 78.96	3,665	$ 611
May 1 - May 31	1,443	76.65	1,443	$ 500
June 1 - June 30	—	—	—	$ 500
Total	5,108	$ 78.31	5,108	

(1) Average price paid per share includes any broker commissions associated with the repurchases.

On January 16, 2025, our Board of Directors approved a share repurchase program for up to $2.0 billion of Common Stock. As of June 30, 2026, the maximum dollar value of shares that may yet be purchased under this current program was approximately $500 million.

Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description
4.1	Supplemental Indenture No. 6, dated as of May 7, 2026, between Otis Worldwide Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.2 of Otis' Current Report on Form 8-K (Commission File No. 001-39221) filed with the SEC on May 7, 2026.
10.1	Amended and Restated French Sub-Plan for Restricted Stock Units Granted Under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan (As Amended and Restated as of January 1, 2024).*
15	Letter re: unaudited interim financial information.*
31.1	Rule 13a-14(a)/15d-14(a) Certification.*
31.2	Rule 13a-14(a)/15d-14(a) Certification.*
31.3	Rule 13a-14(a)/15d-14(a) Certification.*
32	Section 1350 Certifications.*
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

Notes to Exhibits List:

* Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the quarters ended June 30, 2026 and 2025, (ii) Condensed Consolidated Statements of Operations for the six months ended June 30, 2026 and 2025, (iii) Condensed Consolidated Statements of Comprehensive Income for the quarters and six months ended June 30, 2026 and 2025, (iv) Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, (v) Condensed Consolidated Statements of Changes in Equity for the quarters ended June 30, 2026 and 2025, (vi) Condensed Consolidated Statements of Changes in Equity for the six months ended June 30, 2026 and 2025, (vii) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025 and (viii) Notes to Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OTIS WORLDWIDE CORPORATION
(Registrant)

Dated:	July 23, 2026	by:	/s/ Cristina Méndez
			Cristina Méndez
			Executive Vice President and Chief Financial Officer
			(on behalf of the Registrant and as the Registrant's Principal Financial Officer)
Dated:	July 23, 2026	by:	/s/ Michael P. Ryan
			Michael P. Ryan
			Senior Vice President and Chief Accounting Officer
			(on behalf of the Registrant and as the Registrant's Principal Accounting Officer)

Otis Worldwide Corporation
2020 Long-Term Incentive Plan
(As Amended and Restated as of January 1, 2024)

Amended and Restated French Sub-Plan for
Restricted Stock Units
(Effective as of May 27, 2026)

The Otis Worldwide Corporation 2020 Long-Term Incentive Plan, as amended and restated as of January 1, 2024 (the "Plan") was approved by United Technologies Corporation as the sole shareowner of the Corporation on March 11, 2020 for the benefit of employees, officers, and directors of the Otis Worldwide Corporation (the "Corporation") or any of its Subsidiaries or Affiliates, including Subsidiaries or Affiliates in France (each, a "French Entity"), in which the Corporation holds, directly or indirectly, at least a fifty percent (50%) voting or profits interest.

This Sub-Plan to the Plan contains the rules that, together with the provisions of the Plan, govern the operation of the Plan insofar as it applies to Awards made to Eligible Individuals employed by a French Entity who are residents in France for French tax purposes and/or subject to the French social security regime (the "French Participants"). The terms of the Plan as modified by this Sub-Plan constitute the "2026 French Qualified Plan." This Sub-Plan has been established to enable the Restricted Stock Units granted under this Sub-Plan to qualify for the specific French income tax and social security regime applicable in France to "qualified" free-share plans, as may be amended from time to time (the "French Specific Regime"). However, nothing in this Sub-Plan shall be construed as a guarantee or an undertaking by the Corporation or any of its Subsidiaries or Affiliates that such a specific regime will effectively apply.

This Sub-Plan will apply to Participants in the Plan who are or may become subject to French taxation (i.e., income tax and/or social security contributions) on the Restricted Stock Units awarded under the Plan; provided that the Award Agreement evidencing such Award refers to this Sub-Plan.

The terms and conditions of the Plan are modified by this Sub-Plan for France to comply with the provisions of Articles L.225-197-1 to L. 225-197-5 and Sections L. 22-10-59 and L. 22-10-60 of the French Commercial Code, as amended from time to time, as well as the provisions of Article 80 quaterdecies of the French tax code and L. 242-1, II, 6 of the French social security code. This Sub-Plan shall be construed and operated with that intention.

This Sub-Plan should be read in conjunction with the rules of the Plan. Awards granted under this Sub-Plan are subject to the terms and conditions of the Plan applicable to Restricted Stock Units, except to the extent that the terms and conditions of the Plan differ from or conflict with the terms and conditions set out in this Sub-Plan, in which event, the terms set out in this Sub-Plan shall prevail.

Capitalized terms used herein and that are not defined in Section 1 below shall have the meanings ascribed to such terms in the Plan. Reference to the singular shall include reference to the plural.

Under this Sub-Plan, only Restricted Stock Units shall be awarded to French Participants.

The terms and conditions applicable to the Awards granted under this Sub-Plan are the terms and conditions set out in the rules of the Plan, modified as follows.

1. DEFINITIONS.

1.1. **Award**

1.2. The term "Award" shall mean Restricted Stock Units (including both performance-based and time-based Restricted Stock Units) granted pursuant to the terms and conditions of the Plan as amended by this Sub-Plan.

1.3. **Disability**

1.4. The term "Disability" shall mean a disability corresponding to the second or the third categories of Article L.341-4 of the French Social Security Code, as amended, and subject to the fulfilment of related conditions.

1.5. **Eligible Individuals**

1.6. The term "Eligible Individuals" shall mean current salaried employees, as defined by French labor law, and/or Managing Corporate Officers (*mandataires sociaux*), as listed in Article L.225-197-1 of the French Commercial Code, of the Corporation, or a Subsidiary having a capital link as defined in Article L.225-197-2 of the French Commercial Code, who are Participants under the terms of the Plan, and who may be awarded Restricted Stock Units pursuant to this Sub-Plan.

1.7. **Grant Date**

1.8. The term "Grant Date" shall be the date on which the Committee both (i) designates the French Participant and (ii) specifies the terms and conditions of the Restricted Stock Units, including the number of Shares, the vesting conditions and the conditions of the transferability of the Shares.

1.9. **Qualified Stock Units**

1.10. The term "Qualified Stock Units" shall mean Awards of Restricted Stock Units granted pursuant to this Sub-Plan that qualify under the French Specific Regime.

1.11. **<u>Restricted Period</u>**

1.12. The term "<u>Restricted Period</u>" shall mean the periods as set forth in Article L. 22-10-59, I of the French Commercial Code, currently (i) the period within thirty (30) calendar days before the announcement of an interim financial report or an end-of-year report that the issuer is required to disclose to the public and (ii) with respect to such persons, any period during which any member of the Board of Directors (*conseil d'administration*), the Supervisory Board (*conseil de surveillance*), the Executive Board (*directoire*), any individual acting as Chief Executive Officer (*directeur général*) or Deputy Chief Executive Officer (*directeur général délégué*), or any employee possesses knowledge of inside information (within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and cancelling the Directive 2003/6/UE and Directives 2003/124/CE Parliament and 2004/72/CE of the Commission), which has not been disclosed to the public.

If the French Commercial Code is amended after adoption of this Sub-Plan to modify the definition and/or applicability of the Closed Periods to Awards, such amendments shall become applicable to any Awards granted under this Sub-Plan, to the extent required or permitted by French law.

However, to the extent permitted under French law and in accordance with the French tax administrative guidelines on Closed Periods, which clarify that strict adherence to the French Commercial Code's Closed Periods is not mandatory when the granting company's local legislation imposes equivalent restrictions on share disposals, the Corporation reserves the right to apply its own local closed periods provided it determines that these offer comparable safeguards, even if they are not identical to those set out in the French Commercial Code.

1.13. **<u>Restricted Stock Units</u>**

1.14. The term "<u>Restricted Stock Units</u>" shall mean Awards denominated in Shares, subject to the terms and conditions of the Restricted Stock Units that will be settled in Shares.

2. <u>ELIGIBILITY</u>

2.1. Subject to Sections 2.2, 2.3 and 2.4 below, any French Participant on the Grant Date shall be eligible to receive Awards under this Sub-Plan; provided that such Eligible Individual is (i) employed under the terms and conditions of an employment contract ("*contrat de travail*") with a French Entity or (ii) a Corporate Officer having a management function in the French Entity, as specified under the French Commercial Code ("<u>Managing Corporate Officer</u>" - "*mandataires sociaux*," *i.e.*, *Président du Conseil d'Administration*, *Directeur Général*, *Directeur Général Délégué*, *Membre du Directoire*, *Gérant de Sociétés par actions*).

2.2. Notwithstanding any other provision of the Plan, Restricted Stock Units granted under this Sub-Plan shall not be awarded to any Eligible Individual who is holding Shares representing ten percent (10%) or more of the Corporation's capital at the date of the award, calculated pursuant to Section L. 225-197-1 of the French Commercial Code, as amended, or who may hold Shares representing ten percent (10%) or more of the Corporation's capital, calculated pursuant to Section L. 225-197-1 of the French Commercial Code, as amended, due to the award of Restricted Stock Units.

2.3. The aggregate number of Shares underlying the Awards shall not exceed 15% of the Company's share capital, or such other percentage as may be required by French law or regulations as amended after adoption of this 2026 French Qualified Plan, unless an exception applies authorizing a higher limit.

2.4. Notwithstanding any other provision of the Plan, Restricted Stock Units can only be granted to Managing Corporate Officers ("*mandataires sociaux" as listed in 2.1*) in such capacity under this Sub-Plan; provided that the conditions of Article L.22-10-60 of the French Commercial Code, as amended, are met.

3. SETTLEMENT OF AWARDS

Notwithstanding any other provision of the Plan and notably Section 2(a)(vii), Section 3(d)(iii) and Section 7, the Awards shall only be settled by delivery of Shares and not in cash.

4. DIVIDEND EQUIVALENTS

Notwithstanding any other provision of the Plan and notably Section 7(b)(ii), the Restricted Stock Units granted under this Sub-Plan shall not give rise to the right to any dividend equivalent or to receive any payment corresponding to the dividends payable on the Common Stock.

5. MINIMUM PERIOD BEFORE WHICH THE TRANSFER OF PROPERTY OF SHARES CAN OCCUR

5.1. Notwithstanding any other provision of the Plan, the Restricted Stock Units granted pursuant to this Sub-Plan shall not vest and the Shares underlying the Awards shall not be transferred to French Participants before the first (1st) anniversary of the Grant Date, except in the event of death as described below in Section 9.

5.2. In the event a French Participant terminates employment with the Corporation or the French Entity before the first (1st) anniversary of the Grant Date for any reason other than death, his or her Restricted Stock Units shall be forfeited and he or she shall have no right to claim for compensation for the loss of his or her Restricted Stock Units and for not being issued and allotted the underlying Shares.

6. SALE AND TRANSFER RESTRICTION PERIOD

6.1. Notwithstanding any other provisions of the Plan, and in the event the Awards vest and the Shares are transferred to the French Participant before the second (2nd) anniversary of the Grant Date, the Shares issued pursuant to such Award shall be subject to a restriction on sale or transfer until the second (2nd) anniversary of the Grant Date, except in any event provided for under French law as an exception to this minimum time period before which the Shares cannot be sold, and notably in the event of Disability and death as described below in Sections 8 and 9.

6.2. Notwithstanding any other provision of the Plan, for Restricted Stock Units granted to Corporate Officers of the Corporation under this Sub-Plan, if any, the Board or the Committee shall, in the applicable Award Agreement, either:

- specify that the Shares underlying the Award granted cannot be transferred to the Participant before the end of the Corporate Officer status of the Participant; or
- determine a minimum quantity of Shares that the Participant shall hold until the cessation of his or her Corporate Officer status.

7. SPECIFIC CLOSED PERIODS DURING WHICH THE SHARES CANNOT BE DISPOSED OF

Notwithstanding any other provision of the Plan, once definitively delivered, Shares may not be disposed of within the Restricted Period.

8. DISABILITY

In the event of Disability of a Participant before the first (1st) anniversary of the Grant Date, Restricted Stock Units shall remain outstanding and continue to vest pursuant to the terms of this Sub-Plan. Notwithstanding any other provision of the Plan, in the event of Disability of a Participant during the sale restriction period, Shares delivered shall not be subject to the restriction on the transfer of Shares that would otherwise apply pursuant to Section 6 and shall become immediately disposable.

9. TRANSFER TO HEIRS

Notwithstanding any other provision of the Plan, in the event of death of a Participant, all Restricted Stock Units that are not vested at that time immediately will become vested in full, and the Corporation shall issue the underlying Shares to the Participant's heirs; provided that such request is made within six (6) months following such death. Shares delivered shall not be subject to the restriction on the transfer of Shares that would otherwise apply pursuant to Section 6 and shall become immediately disposable.

10. EXCHANGE OF SHARES DURING THE SALE RESTRICTION PERIOD

In the event of an exchange of Shares resulting from a public offer, a merger, a spin-off, a stock-split or a reverse stock split operation performed during the sale restrictions described in Section 6 above, such sale or transfer restrictions, if any, remain applicable to the Shares received in the exchange for the time period remaining at the date of the exchange.

11. ADJUSTMENTS AND CHANGE IN CORPORATE STRUCTURE

Without limiting the generality of Section 3(d) of the Plan, which shall apply to Awards under this Sub-Plan, the Corporation may, at its sole discretion, make adjustments to the number of Awards, as well as the number of Shares to be delivered in the following circumstances:

(i) in cases that would be authorized or rendered compulsory under French law; and

(ii) in the event of operations performed on the share capital of the Company before the delivery of the Shares, in which cases, the Committee is authorized to adjust the number of Shares to be delivered but only in order to protect the rights of the Participant and to guarantee the neutrality of such operations.

Nevertheless, the Committee, at its discretion, may decide to make adjustments in the case of a transaction for which adjustments are not authorized under French law, in which case the Restricted Stock Units may no longer qualify as Qualified Stock Units and the specific tax and social security treatment may be lost.

Assumption or substitution of the Restricted Stock Units in case of a corporate transaction as well as an acceleration of vesting or waiver of holding period, if any, or any other mechanism implemented upon a merger or change of control, or in any other events, may result in the Restricted Stock Units being no longer qualifying as Qualified Stock Units and the specific tax and social security treatment may be lost.

12. INTERPRETATION

It is intended that Awards granted under this Sub-Plan may qualify for the French Specific Regime and in accordance with the relevant provisions set forth by French tax and social security laws, notably Sections L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 and L. 22-10-60 of the French Commercial Code as amended from time to time. The terms of this Sub-Plan shall be interpreted accordingly and in accordance with the relevant guidelines published by French tax and social security administrations and subject to the fulfilment of certain legal, tax and reporting obligations, if applicable.

13. TAX TREATMENT

The failure or inability of any grant of Restricted Stock Units pursuant to this Sub-Plan to qualify for the French Specific Regime for any reason shall not, under any circumstances, entitle a French Participant or his or her heirs to make any claims for damages, additional compensation, other benefit or payment of taxes owed or otherwise. The obligation and responsibility to determine, report and to pay any French taxes that may apply to the French Participant shall be and remain the sole responsibility of the individual Participant and not the Corporation or any Affiliate. Notwithstanding anything to the contrary hereinabove, the Corporation makes no warranty or representation that any particular tax regime or rate of taxation will be applicable to the Restricted Stock Units. The French Participant should consult with such advisors as he or she deems appropriate to determine the tax treatment applicable to the Award.

14. NO RIGHT TO EMPLOYMENT

The adoption of this Sub-Plan shall not confer upon the French Participants any employment rights and shall not be construed as part of any employment contracts that a French Entity has with its employees. The Awards will not be considered part of the employee’s salary or compensation package.

15. PARTICIPANT ACCOUNT

The Shares delivered under this Sub-Plan shall be recorded in an account in the name of the Participant with the Corporation or a broker or in such manner as the Committee may otherwise determine to ensure compliance with this Sub-Plan.

16. NON-TRANSFERABILITY OF THE AWARD

Notwithstanding any other provision of the Plan, Awards granted under this Sub-Plan shall not be transferred or otherwise disposed of, except in the event of death as described above in Section 9.

17. SEVERABILITY

The terms and conditions provided in this Sub-Plan are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable under French law, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. ADOPTION

This Sub-Plan was adopted by the Committee effective as of May 27, 2026 and shall succeed the Sub-Plan approved by the Committee on March 11, 2020, according to the authorization given by United Technologies Corporation as the sole shareowner of the Corporation on March 11, 2020.

Exhibit 15

July 23, 2026

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We are aware that our report dated July 23, 2026 on our review of interim financial information of Otis Worldwide Corporation, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (Nos. 333-293482 and 333-293480) and Form S-8 (No. 333-237551) of Otis Worldwide Corporation.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut

Exhibit 31.1

CERTIFICATION

I, Judith F. Marks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2026

/s/ Judith F. Marks

Judith F. Marks
Chair, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Cristina Méndez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2026

/s/ Cristina Méndez

Cristina Méndez
Executive Vice President and Chief Financial Officer

Exhibit 31.3

CERTIFICATION

I, Michael P. Ryan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2026

/s/ Michael P. Ryan

Michael P. Ryan

Senior Vice President and Chief Accounting Officer

Exhibit 32

Section 1350 Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Otis Worldwide Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (the "Form 10-Q") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date:	July 23, 2026	/s/ Judith F. Marks Judith F. Marks Chair, President and Chief Executive Officer
Date:	July 23, 2026	/s/ Cristina Méndez Cristina Méndez Executive Vice President and Chief Financial Officer
Date:	July 23, 2026	/s/ Michael P. Ryan Michael P. Ryan Senior Vice President and Chief Accounting Officer