

**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 September 30, 2025

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

OTIS WORLDWIDE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

83-3789412

(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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

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

the Exchange Act.

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 October 15, 2025 there were 389,715,851 shares of Common Stock outstanding.

OTIS WORLDWIDE CORPORATION
CONTENTS OF QUARTERLY REPORT ON FORM 10-Q
Quarter Ended September 30, 2025

	<u>Page</u>
PART I – FINANCIAL INFORMATION	4
Item 1. Financial Statements:	4
Condensed Consolidated Statements of Operations for the quarters ended September 30, 2025 and 2024	4
Condensed Consolidated Statements of Operations for the nine months ended September 30, 2025 and 2024	5
Condensed Consolidated Statements of Comprehensive Income for the quarters and nine months ended September 30, 2025 and 2024	6
Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024	7
Condensed Consolidated Statements of Changes in Equity for the quarters ended September 30, 2025 and 2024	8
Condensed Consolidated Statements of Changes in Equity for the nine months ended September 30, 2025 and 2024	9
Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024	10
Notes to Condensed Consolidated Financial Statements	11
Report of Independent Registered Public Accounting Firm	32
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	33
Item 3. Quantitative and Qualitative Disclosures About Market Risk	49
Item 4. Controls and Procedures	50
PART II – OTHER INFORMATION	53
Item 1. Legal Proceedings	53
Item 1A. Risk Factors	53
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	53
Item 5. Other Information	53
Item 6. Exhibits	55
SIGNATURES	56

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)

<i>(dollars in millions, except per share amounts; shares in millions)</i>	Quarter Ended September 30,	
	2025	2024
Net sales:		
Product sales	\$ 1,257	\$ 1,309
Service sales	2,433	2,239
	<u>3,690</u>	<u>3,548</u>
Costs and expenses:		
Cost of products sold	1,057	1,089
Cost of services sold	1,500	1,381
Research and development	36	40
Selling, general and administrative	504	455
	<u>3,097</u>	<u>2,965</u>
Other income (expense), net	(7)	(220)
Operating profit	<u>586</u>	<u>363</u>
Non-service pension cost (benefit)	4	1
Interest expense (income), net	<u>61</u>	<u>(150)</u>
Net income before income taxes	521	512
Income tax expense (benefit)	<u>129</u>	<u>(45)</u>
Net income	<u>392</u>	<u>557</u>
Less: Noncontrolling interest in subsidiaries' earnings	<u>18</u>	<u>17</u>
Net income attributable to Otis Worldwide Corporation	<u>\$ 374</u>	<u>\$ 540</u>
Earnings per share (Note 2):		
Basic	\$ 0.96	\$ 1.35
Diluted	\$ 0.95	\$ 1.34
Weighted average number of shares outstanding:		
Basic shares	391.0	400.2
Diluted shares	392.8	402.7

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(dollars in millions, except per share amounts; shares in millions)</i>	Nine Months Ended September 30,	
	2025	2024
Net sales:		
Product sales	\$ 3,696	\$ 4,010
Service sales	6,939	6,576
	<u>10,635</u>	<u>10,586</u>
Costs and expenses:		
Cost of products sold	3,099	3,324
Cost of services sold	4,313	4,077
Research and development	111	115
Selling, general and administrative	1,467	1,366
	<u>8,990</u>	<u>8,882</u>
Other income (expense), net	<u>(101)</u>	<u>(227)</u>
Operating profit	1,544	1,477
Non-service pension cost (benefit)	4	—
Interest expense (income), net	132	(79)
Net income before income taxes	<u>1,408</u>	<u>1,556</u>
Income tax expense (benefit)	337	175
Net income	<u>1,071</u>	<u>1,381</u>
Less: Noncontrolling interest in subsidiaries' earnings	61	73
Net income attributable to Otis Worldwide Corporation	<u>\$ 1,010</u>	<u>\$ 1,308</u>
Earnings per share (Note 2):		
Basic	\$ 2.57	\$ 3.25
Diluted	\$ 2.55	\$ 3.23
Weighted average number of shares outstanding:		
Basic shares	393.7	402.7
Diluted shares	395.8	405.4

See accompanying Notes to Condensed Consolidated Financial Statements.

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

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 392	\$ 557	\$ 1,071	\$ 1,381
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(38)	(40)	(331)	(65)
Pension and postretirement benefit plan adjustments	1	—	2	9
Change in unrealized cash flow hedging	3	(6)	(4)	(3)
Other comprehensive income (loss), net of tax	(34)	(46)	(333)	(59)
Comprehensive income (loss), net of tax	358	511	738	1,322
Less: Comprehensive (income) loss attributable to noncontrolling interest	(19)	(24)	(74)	(68)
Comprehensive income attributable to Otis Worldwide Corporation	\$ 339	\$ 487	\$ 664	\$ 1,254

See accompanying Notes to Condensed Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 840	\$ 2,300
Accounts receivable	3,752	3,428
Contract assets	803	706
Inventories	640	557
Other current assets	577	679
Total Current Assets	6,612	7,670
Future income tax benefits	411	302
Fixed assets (net of accumulated depreciation of \$1,269 and \$1,192)	742	701
Operating lease right-of-use assets	566	422
Intangible assets, net	348	311
Goodwill	1,699	1,548
Other assets	393	362
Total Assets	\$ 10,771	\$ 11,316
Liabilities and Equity (Deficit)		
Short-term borrowings and current portion of long-term debt	\$ 492	\$ 1,351
Accounts payable	1,758	1,879
Accrued liabilities	2,015	1,921
Contract liabilities	2,800	2,598
Total Current Liabilities	7,065	7,749
Long-term debt	7,592	6,973
Future pension and postretirement benefit obligations	458	434
Operating lease liabilities	404	298
Future income tax obligations	210	207
Other long-term liabilities	328	383
Total Liabilities	16,057	16,044
Commitments and contingent liabilities (Note 16)		
Redeemable noncontrolling interest	67	57
Shareholders' Equity (Deficit):		
Common Stock and additional paid-in capital	320	265
Treasury Stock	(4,198)	(3,390)
Accumulated deficit	(453)	(978)
Accumulated other comprehensive income (loss)	(1,091)	(745)
Total Shareholders' Equity (Deficit)	(5,422)	(4,848)
Noncontrolling interest	69	63
Total Equity (Deficit)	(5,353)	(4,785)
Total Liabilities and Equity (Deficit)	\$ 10,771	\$ 11,316

See accompanying Notes to Condensed Consolidated Financial Statements.

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

<i>(dollars in millions, except per share amounts)</i>	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' (Deficit) Equity	Noncontrolling Interest	Total (Deficit) Equity	Redeemable Noncontrolling Interest
Quarter Ended September 30, 2025								
Balance as of June 30, 2025	\$ 300	\$ (3,948)	\$ (663)	\$ (1,056)	\$ (5,367)	\$ 97	\$ (5,270)	\$ 66
Net income	—	—	374	—	374	18	392	—
Other comprehensive income (loss), net of tax	—	—	—	(35)	(35)	—	(35)	1
Stock-based compensation and Common Stock issued under employee plans	20	—	—	—	20	—	20	—
Cash dividends declared (\$0.42 per common share)	—	—	(164)	—	(164)	—	(164)	—
Repurchase of Common Shares	—	(250)	—	—	(250)	—	(250)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(46)	(46)	—
Acquisitions, disposals and other changes	—	—	—	—	—	—	—	—
Balance as of September 30, 2025	<u>\$ 320</u>	<u>\$ (4,198)</u>	<u>\$ (453)</u>	<u>\$ (1,091)</u>	<u>\$ (5,422)</u>	<u>\$ 69</u>	<u>\$ (5,353)</u>	<u>\$ 67</u>
Quarter Ended September 30, 2024								
Balance as of June 30, 2024	\$ 230	\$ (2,987)	\$ (1,538)	\$ (751)	\$ (5,046)	\$ 112	\$ (4,934)	\$ 52
Net income	—	—	540	—	540	17	557	—
Other comprehensive income (loss), net of tax	—	—	—	(53)	(53)	4	(49)	3
Stock-based compensation and Common Stock issued under employee plans	15	—	(1)	—	14	—	14	—
Cash dividends declared (\$0.39 per common share)	—	—	(155)	—	(155)	—	(155)	—
Repurchase of Common Shares	—	(202)	—	—	(202)	—	(202)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(67)	(67)	—
Acquisitions, disposals and other changes	—	—	1	—	1	—	1	—
Balance as of September 30, 2024	<u>\$ 245</u>	<u>\$ (3,189)</u>	<u>\$ (1,153)</u>	<u>\$ (804)</u>	<u>\$ (4,901)</u>	<u>\$ 66</u>	<u>\$ (4,835)</u>	<u>\$ 55</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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

<i>(dollars in millions, except per share amounts)</i>	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' (Deficit) Equity	Noncontrolling Interest	Total (Deficit) Equity	Redeemable Noncontrolling Interest
Nine Months Ended September 30, 2025								
Balance as of December 31, 2024	\$ 265	\$ (3,390)	\$ (978)	\$ (745)	\$ (4,848)	\$ 63	\$ (4,785)	\$ 57
Net income	—	—	1,010	—	1,010	60	1,070	1
Other comprehensive income (loss), net of tax	—	—	—	(346)	(346)	7	(339)	6
Stock-based compensation and Common Stock issued under employee plans	55	—	—	—	55	—	55	—
Cash dividends declared (\$1.23 per common share)	—	—	(483)	—	(483)	—	(483)	—
Repurchase of Common Shares	—	(808)	—	—	(808)	—	(808)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(61)	(61)	—
Acquisitions, disposals and other changes	—	—	(2)	—	(2)	—	(2)	3
Balance as of September 30, 2025	<u>\$ 320</u>	<u>\$ (4,198)</u>	<u>\$ (453)</u>	<u>\$ (1,091)</u>	<u>\$ (5,422)</u>	<u>\$ 69</u>	<u>\$ (5,353)</u>	<u>\$ 67</u>
Nine Months Ended September 30, 2024								
Balance as of December 31, 2023	\$ 213	\$ (2,382)	\$ (2,005)	\$ (750)	\$ (4,924)	\$ 69	\$ (4,855)	\$ 135
Net income	—	—	1,308	—	1,308	68	1,376	5
Other comprehensive income (loss), net of tax	—	—	—	(54)	(54)	1	(53)	(6)
Stock-based compensation and Common Stock issued under employee plans	33	—	(3)	—	30	—	30	—
Cash dividends declared (\$1.12 per common share)	—	—	(450)	—	(450)	—	(450)	—
Repurchase of Common Shares	—	(807)	—	—	(807)	—	(807)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(71)	(71)	(9)
Acquisitions, disposals and other changes	(1)	—	(3)	—	(4)	(1)	(5)	(70)
Balance as of September 30, 2024	<u>\$ 245</u>	<u>\$ (3,189)</u>	<u>\$ (1,153)</u>	<u>\$ (804)</u>	<u>\$ (4,901)</u>	<u>\$ 66</u>	<u>\$ (4,835)</u>	<u>\$ 55</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(dollars in millions)	Nine Months Ended September 30,	
	2025	2024
Operating Activities:		
Net income	\$ 1,071	\$ 1,381
Adjustments to reconcile net income to net cash flows provided by operating activities, net of acquisitions and dispositions:		
Depreciation and amortization	130	133
Deferred income tax expense (benefit)	(102)	(26)
Stock compensation cost	63	52
Gain from reversal of German Tax Litigation interest accrual (Note 1)	—	(50)
Change in operating assets and liabilities:		
Accounts receivable, net	(191)	(93)
Contract assets and liabilities, current	16	23
Inventories	(52)	(14)
Other current assets	76	(373)
Accounts payable	(193)	(115)
Accrued liabilities	21	2
Pension contributions	(36)	(34)
Other operating activities, net	(24)	(13)
Net cash flows provided by (used in) operating activities	779	873
Investing Activities:		
Capital expenditures	(107)	(87)
Acquisitions of businesses and intangible assets, net of cash (Note 6)	(92)	(70)
Net proceeds from the sale of fixed assets	35	1
Proceeds from the sale of (investments in) marketable securities	—	(9)
Receipts (payments) on settlements of derivative contracts	(211)	(47)
Other investing activities, net	(1)	2
Net cash flows provided by (used in) investing activities	(376)	(210)
Financing Activities:		
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	248	325
Proceeds from borrowings (maturities longer than 90 days)	32	—
Proceeds from issuance of long-term debt	500	—
Payment of debt issuance costs	(5)	—
Repayment of long-term debt	(1,300)	—
Dividends paid on Common Stock	(483)	(450)
Repurchases of Common Stock	(809)	(800)
Acquisition of noncontrolling interest shares	—	(75)
Dividends paid to noncontrolling interest	(62)	(81)
Other financing activities, net	(11)	(21)
Net cash flows provided by (used in) financing activities	(1,890)	(1,102)
Effect of exchange rate changes on cash and cash equivalents	19	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,468)	(448)
Cash, cash equivalents and restricted cash, beginning of year	2,321	1,280
Cash, cash equivalents and restricted cash, end of period	853	832
Less: Restricted cash	13	5
Cash and cash equivalents, end of period	\$ 840	\$ 827

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 September 30, 2025 and for the quarters and nine months ended September 30, 2025 and 2024 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, 2024 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 2024 ("2024 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 2024 Form 10-K that have a material impact on the Company's Condensed Consolidated Financial Statements and the related notes. Certain amounts presented in the prior period have been reclassified to conform to the current period presentation, which are immaterial.

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 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 September 30, 2025 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 September 30, 2025 and for the quarters and nine months ended September 30, 2025 and 2024 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 by the U.S. and other countries, as currently in effect, could have a material impact on our results for the remainder of 2025 and in the future. 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 instability 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 September 30, 2025 and for the quarters and nine months ended September 30, 2025 and 2024 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 has started to receive refunds and anticipates the refund process to continue into 2026. As a result, our Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024 include an income tax receivable of approximately \$155 million and \$175 million, respectively, and an interest receivable of approximately \$130 million and \$140 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 at the time, as of December 31, 2024 the Company estimated the amount payable to RTX as a result of the outcome of the German tax litigation to be \$194 million. Based on indemnity payments made to RTX and adjustments to the indemnity payable in the nine months ended September 30, 2025, the Company now estimates the amount payable to RTX to be \$218 million, resulting in indemnification expense of \$4 million and \$62 million for the quarter and nine months ended September 30, 2025, respectively. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarter and nine months ended September 30, 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.

See Note 11, "Income Taxes" and Note 16, "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 \$594 million and \$714 million as of September 30, 2025 and December 31, 2024, respectively, including \$67 million as of September 30, 2025 and December 31, 2024 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.

Refer to Note 2 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#) for additional details regarding the Company's supplier financing programs.

Note 2: Earnings per Share

<i>(dollars in millions, except per share amounts; shares in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income attributable to common shareholders	\$ 374	\$ 540	\$ 1,010	\$ 1,308
Basic weighted average number of shares outstanding	391.0	400.2	393.7	402.7
Stock awards and equity units (share equivalent)	1.8	2.5	2.1	2.7
Diluted weighted average number of shares outstanding	392.8	402.7	395.8	405.4

Earnings Per Share of Common Stock:

Basic	\$ 0.96	\$ 1.35	\$ 2.57	\$ 3.25
Diluted	\$ 0.95	\$ 1.34	\$ 2.55	\$ 3.23

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. There were 0.8 million and 0.5 million of anti-dilutive stock awards excluded from the computation for the quarter and nine months ended September 30, 2025, respectively, compared to 1.1 million for the same periods in 2024. 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.

The impact of redeemable noncontrolling interest to Net income attributable to common shareholders was immaterial in the quarters and nine months ended September 30, 2025 and 2024.

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 September 30, 2025 and December 31, 2024 are as follows:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Contract assets, current	\$ 803	\$ 706
Total contract assets	803	706
Contract liabilities, current	(2,800)	(2,598)
Contract liabilities, non-current (included within Other long-term liabilities)	(29)	(38)
Total contract liabilities	(2,829)	(2,636)
Net contract liabilities	\$ (2,026)	\$ (1,930)

Contract assets increased by \$97 million during the nine months ended September 30, 2025, as a result of the progression of current contracts and timing of billing on customer contracts as well as the impact of foreign exchange of \$37 million. Contract liabilities increased by \$193 million during the nine months ended September 30, 2025 primarily due to billings on contracts in excess of revenue earned as well as the impact of foreign exchange of \$119 million.

In the nine months ended September 30, 2025 and 2024, we recognized revenue of approximately \$1.9 billion in each period related to contract liabilities as of January 1, 2025 and 2024.

Remaining Performance Obligations ("RPO"). RPO represents the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. As of September 30, 2025, our total RPO was approximately \$19.0 billion. Of the total RPO as of September 30, 2025, we expect approximately 75% will be recognized as sales over the following 24 months.

Note 4: Accounts Receivable, Net

Accounts receivable, net consisted of the following as of September 30, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Accounts receivable	\$ 3,878	\$ 3,553
Allowance for expected credit losses	(126)	(125)
Accounts receivable, net	\$ 3,752	\$ 3,428

Note 5: Inventories

Inventories consisted of the following as of September 30, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Raw materials and work-in-process	\$ 142	\$ 134
Finished goods	498	423
Total	<u>\$ 640</u>	<u>\$ 557</u>

Raw materials, work-in-process and finished goods are net of valuation write-downs of \$89 million and \$82 million as of September 30, 2025 and December 31, 2024, respectively.

Note 6: Business Acquisitions, Dispositions, Goodwill and Intangible Assets

Business Acquisitions. Our acquisitions of businesses and intangible assets, net of cash, totaled \$92 million and \$70 million (including debt assumed) in the nine months ended September 30, 2025 and 2024, respectively, and were primarily in our Service segment. Transaction costs incurred were not considered significant.

Goodwill. Changes in our Goodwill balance during the nine months ended September 30, 2025 were as follows:

<i>(dollars in millions)</i>	Balance as of December 31, 2024	Goodwill Resulting from Business Combinations	Foreign Currency Translation and Other	Balance as of September 30, 2025
New Equipment	\$ 277	\$ —	\$ 20	\$ 297
Service	1,271	50	81	1,402
Total	<u>\$ 1,548</u>	<u>\$ 50</u>	<u>\$ 101</u>	<u>\$ 1,699</u>

Intangible Assets. Intangible assets cost and accumulated amortization were \$2,219 million and \$1,871 million, respectively, as of September 30, 2025, and \$2,006 million and \$1,695 million, respectively, as of December 31, 2024.

Amortization of intangible assets for the quarter and nine months ended September 30, 2025 was \$17 million and \$47 million, respectively, compared to \$15 million and \$46 million for the same periods in 2024. Excluding the impact of acquisitions and currency translation adjustments and the reclassification of \$16 million of intangible assets held for sale during the third quarter of 2024, there were no other significant changes in our Intangible assets during the quarters and nine months ended September 30, 2025 and 2024.

Held For Sale Assets and Liabilities. Assets held for sale were \$4 million and \$38 million as of September 30, 2025 and December 31, 2024, respectively. Liabilities held for sale were \$9 million as of December 31, 2024. There were no liabilities held for sale as of September 30, 2025. These balances are included in Other current assets and Accrued liabilities in the Condensed Consolidated Balance Sheets, respectively.

During the quarter ended June 30, 2025, we sold one of our non-U.S. subsidiaries, primarily in the Service segment. The Company recorded a total pre-tax loss on sale of \$28 million, of which \$10 million was recorded in the quarter ended March 31, 2025, and \$18 million in the quarter ended September 30, 2024, in Other income (expense), net in the Condensed Consolidated Statements of Operations.

Note 7: Borrowings and Lines of Credit

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Commercial paper	\$ 224	\$ —
Other borrowings	124	51
Total short-term borrowings	<u>\$ 348</u>	<u>\$ 51</u>

Commercial Paper. As of September 30, 2025, there were \$224 million borrowings outstanding under the Company's \$1.5 billion commercial paper programs, including, €135 million of Euro denominated commercial paper. 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.

Long-term debt.

On August 8, 2025, the Company entered into a new credit agreement ("Credit Agreement") with various banks providing for a \$1.5 billion unsecured, unsubordinated five-year revolving credit facility, with an interest rate on US Dollar denominated borrowings at Otis' option of the Term Secured Overnight Financing Rate ("SOFR") or a base rate, and an interest rate on Euro denominated borrowings at Otis' option of the EURIBO rate or a daily simple Euro Short Term Rate ("ESTR"), plus, in each case, an applicable margin. The applicable margin initially is 1.000% for Term SOFR rate, EURIBO rate and daily simple ESTR rate borrowings, and 0.000% for base rate borrowings, and can fluctuate based on reference to Otis' public debt ratings, as specified in the Credit Agreement. As of September 30, 2025, there were no borrowings under the revolving credit agreement. The undrawn portion of the Credit Agreement serves as a backstop for the issuance of commercial paper. On August 8, 2025, we also terminated all commitments outstanding under the previous credit agreement, which was scheduled to expire on March 10, 2028.

On April 7, 2025, the Company repaid its \$1.3 billion principal amount of 2.056% notes due in 2025, upon maturity, using cash on hand and commercial paper borrowings.

On September 4, 2025, we issued \$500 million unsecured, unsubordinated ten-year notes due September 4, 2035 with an interest rate of 5.131%. A portion of the proceeds will be used to fund the repayment at maturity of the 0.370% Notes due March 18, 2026. The remainder of the proceeds were used to fund the repayment of certain of our commercial paper borrowings.

As of September 30, 2025, the Company is in compliance with all covenants in the Credit Agreement and the indentures governing all outstanding long-term debt. Long-term debt consisted of the following:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
2.056% notes due 2025	\$ —	\$ 1,300
0.370% notes due 2026 (¥21.5 billion principal value)	144	137
0.318% notes due 2026 (€600 million principal value)	702	624
2.293% notes due 2027	500	500
2.875% notes due 2027 (€850 million principal value)	994	885
5.250% notes due 2028	750	750
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)	585	520
5.131% notes due 2035	500	—
3.112% notes due 2040	750	750
3.362% notes due 2050	750	750
Other (including finance leases)	8	6
Total principal long-term debt	7,783	8,322
Other (discounts and debt issuance costs)	(47)	(49)
Total long-term debt	7,736	8,273
Less: current portion	144	1,300
Long-term debt, net of current portion	<u>\$ 7,592</u>	<u>\$ 6,973</u>

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 nine months ended September 30, 2025 and 2024 reflects the following:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Debt issuance costs amortization	\$ 3	\$ 2	\$ 8	\$ 6
Total interest expense on external debt	53	43	160	129

The unamortized debt issuance costs as of September 30, 2025 and December 31, 2024 were \$43 million and \$45 million, respectively.

The weighted average maturity of our long-term debt as of September 30, 2025 is approximately 6.9 years. The weighted average interest expense rate on our borrowings outstanding as of September 30, 2025 and December 31, 2024 was as follows:

	September 30, 2025	December 31, 2024
Short-term commercial paper	2.8%	—%
Total long-term debt	3.0%	2.7%

The weighted average interest expense rate on our borrowings during the quarters and nine months ended September 30, 2025 and 2024 was as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Short-term commercial paper	3.6%	5.5%	3.8%	5.5%
Total long-term debt	2.9%	2.5%	2.8%	2.5%

Note 8: 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:

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Defined benefit plans	\$ 9	\$ 10	\$ 36	\$ 34
Defined contribution plans	18	16	56	52
Multi-employer pension and postretirement plans	40	41	121	123

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

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Service cost	\$ 8	\$ 8	\$ 25	\$ 24
Interest cost	8	9	24	24
Expected return on plan assets	(9)	(9)	(26)	(25)
Recognized actuarial net loss	1	—	2	—
Net settlement and curtailment (gain) loss	4	1	4	1
Total net periodic benefit cost	\$ 12	\$ 9	\$ 29	\$ 24

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 nine months ended September 30, 2025 and 2024.

Stock-based Compensation. The Company adopted the 2020 Long-Term Incentive Plan (the "Plan") effective April 3, 2020. As of September 30, 2025, approximately 18 million shares remain available for awards under the Plan.

The Company measures the cost of all share-based payments, 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock-based compensation expense (Share Based)	\$ 19	\$ 16	\$ 63	\$ 52
Less: future tax benefit	(2)	(2)	(6)	(6)
Stock-based compensation expense, net of tax	\$ 17	\$ 14	\$ 57	\$ 46

As of September 30, 2025, following our annual grant issuance on February 4, 2025, there was approximately \$106 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 9: Stock

Preferred Stock. There are 125 million shares of \$0.01 par value Preferred Stock authorized, of which none were issued as of September 30, 2025 and December 31, 2024.

Common Stock. There are 2.0 billion shares of \$0.01 par value Common Stock authorized. As of September 30, 2025 and December 31, 2024, 439.3 million and 438.6 million shares of Common Stock were issued, respectively, which includes 49.6 million and 41.0 million shares of treasury stock, respectively.

Treasury Stock. As of December 31, 2024, the Company was authorized by the Board of Directors of Otis (the "Board") to purchase up to \$2.0 billion of Common Stock under a share repurchase program, of which \$200 million was remaining at such time.

On January 16, 2025, our Board revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock, of which \$1.3 billion was remaining as of September 30, 2025.

During the quarter and nine months ended September 30, 2025, the Company repurchased 2.8 million and 8.6 million shares, respectively, for \$247 million and \$800 million, respectively, compared to 2.1 million and 8.6 million shares, respectively, in the same periods of 2024 for \$200 million and \$800 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 10: 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 nine months ended September 30, 2025 and 2024 is provided below:

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Quarter Ended September 30, 2025				
Balance as of June 30, 2025	\$ (977)	\$ (75)	\$ (4)	\$ (1,056)
Other comprehensive income (loss) before reclassifications, net	(39)	—	4	(35)
Amounts reclassified, pre-tax	—	1	(1)	—
Tax benefit reclassified	—	—	—	—
Balance as of September 30, 2025	<u>\$ (1,016)</u>	<u>\$ (74)</u>	<u>\$ (1)</u>	<u>\$ (1,091)</u>
Nine Months Ended September 30, 2025				
Balance as of December 31, 2024	\$ (672)	\$ (76)	\$ 3	\$ (745)
Other comprehensive income (loss) before reclassifications, net	(344)	—	(5)	(349)
Amounts reclassified, pre-tax	—	2	2	4
Tax benefit reclassified	—	—	(1)	(1)
Balance as of September 30, 2025	<u>\$ (1,016)</u>	<u>\$ (74)</u>	<u>\$ (1)</u>	<u>\$ (1,091)</u>

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Quarter Ended September 30, 2024				
Balance as of June 30, 2024	\$ (686)	\$ (69)	\$ 4	\$ (751)
Other comprehensive income (loss) before reclassifications, net	(47)	—	(6)	(53)
Amounts reclassified, pre-tax	—	—	—	—
Tax benefit reclassified	—	—	—	—
Balance as of September 30, 2024	<u>\$ (733)</u>	<u>\$ (69)</u>	<u>\$ (2)</u>	<u>\$ (804)</u>
Nine Months Ended September 30, 2024				
Balance as of December 31, 2023	\$ (673)	\$ (78)	\$ 1	\$ (750)
Other comprehensive income (loss) before reclassifications, net	(60)	9	(18)	(69)
Amounts reclassified, pre-tax	—	—	15	15
Tax benefit reclassified	—	—	—	—
Balance as of September 30, 2024	<u>\$ (733)</u>	<u>\$ (69)</u>	<u>\$ (2)</u>	<u>\$ (804)</u>

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 8, "Employee Benefit Plans" for additional information.

Note 11: Income Taxes

The increase in the effective tax rate for the quarter and nine months ended September 30, 2025, is primarily due to the absence of estimated tax benefits arising from the resolution of the German tax litigation recorded in 2024. In addition to the German tax litigation, the increase in the effective tax rate for the nine months ended September 30, 2025, is due to the tax effect of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX recorded in 2025 and the absence of the reduction in a deferred tax liability related to the mitigation of future repatriation costs recorded in 2024. These impacts were partially offset by an incremental benefit related to foreign-derived intangible income and foreign valuation allowance releases recorded in 2025.

On July 4, 2025, the One Big Beautiful Bill Act was enacted, which includes a broad range of tax reform provisions affecting businesses, including extending and modifying certain key Tax Cuts & Jobs Act provisions (both domestic and international). We are currently evaluating the tax impacts of this legislation; however, we do not expect it to have a material impact on our Condensed Consolidated Financial Statements.

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 2015.

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 16, "Contingent Liabilities" for discussion regarding the German tax litigation.

Note 12: 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 nine months ended September 30, 2025 and 2024, we recorded restructuring costs for new and ongoing restructuring actions, including UpLift actions, as follows:

(dollars in millions)	Quarter Ended September 30, 2025			Quarter Ended September 30, 2024		
	UpLift	Other	Total	UpLift	Other	Total
Cost of products and services sold	\$ 6	\$ 5	\$ 11	\$ —	\$ 3	\$ 3
Selling, general and administrative	21	1	22	4	2	6
Total	\$ 27	\$ 6	\$ 33	\$ 4	\$ 5	\$ 9

(dollars in millions)	Nine Months Ended September 30, 2025			Nine Months Ended September 30, 2024		
	UpLift	Other	Total	UpLift	Other	Total
Cost of products and services sold	\$ 13	\$ 26	\$ 39	\$ 2	\$ 12	\$ 14
Selling, general and administrative	59	15	74	9	17	26
Total	\$ 72	\$ 41	\$ 113	\$ 11	\$ 29	\$ 40

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, 2023 and 2024, as well as in the quarter and nine months ended September 30, 2025, with further actions expected through the year ending December 31, 2025. These costs are primarily severance related costs. We expect these actions initiated to be substantially completed and cash to be paid by the end of 2025. Expected total costs and remaining costs to incur for the actions initiated are approximately \$147 million and \$20 million, respectively.

In the quarter and nine months ended September 30, 2025, we incurred \$10 million and \$51 million, compared to \$18 million and \$45 million in the same periods of 2024, 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 nine months ended September 30, 2025 and 2024, were primarily the result of restructuring programs initiated during 2025 and 2024 related to severance and facility exit costs. We are targeting to complete in 2025 the majority of the remaining restructuring actions initiated in the quarter and nine months ended September 30, 2025 and the full year 2024, with certain utilization beyond 2025 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 \$95 million and \$30 million, respectively. Expected total and remaining costs are related to approximately 60% to New Equipment and 40% to Service.

Reorganization of Operations in China

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization will result in restructuring actions of approximately \$40 million. These actions include severance related costs, and we expect these actions to be mostly completed and any cash to be paid by the end of 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:

<i>(dollars in millions)</i>	UpLift Actions	Other Actions	Total Restructuring Actions
Restructuring accruals as of December 31, 2024	\$ 13	\$ 24	\$ 37
Net restructuring costs	72	41	113
Utilization, foreign exchange and other costs	(28)	(39)	(67)
Restructuring accruals as of September 30, 2025	\$ 57	\$ 26	\$ 83

Note 13: 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 \$5.5 billion and \$5.3 billion as of September 30, 2025 and December 31, 2024, respectively. The four-quarter average of the notional amount of contracts hedging commodity purchases was \$14 million as of September 30, 2025 and December 31, 2024.

The following table summarizes the fair value and presentation on the Condensed Consolidated Balance Sheets for derivative instruments as of September 30, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	Balance Sheet Classification	September 30, 2025	December 31, 2024
Derivatives designated as Cash flow hedging instruments:			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 3	\$ 5
Foreign exchange contracts	Other assets	1	4
	Total asset derivatives	<u>\$ 4</u>	<u>\$ 9</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (4)	\$ (4)
Foreign exchange contracts	Other long-term liabilities	(2)	(1)
	Total liability derivatives	<u>\$ (6)</u>	<u>\$ (5)</u>
Derivatives not designated as Cash flow hedging instruments:			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 26	\$ 53
Foreign exchange contracts	Other assets	3	6
	Total asset derivatives	<u>\$ 29</u>	<u>\$ 59</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (30)	\$ (39)
Foreign exchange contracts	Other long-term liabilities	(3)	(6)
	Total liability derivatives	<u>\$ (33)</u>	<u>\$ (45)</u>

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 nine months ended September 30, 2025 and 2024 was immaterial, and is presented in Note 10, "Accumulated Other Comprehensive Income (Loss)".

The pre-tax effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) as of September 30, 2025 and December 31, 2024 are presented in the table below:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Gain (loss) recorded in Accumulated other comprehensive income (loss)	\$ (2)	\$ 3

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 losses of less than \$1 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 September 30, 2025 will mature by June 2029.

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.

We have ¥21.5 billion of Japanese Yen denominated long-term debt that qualifies as a net investment hedge against our investments in Japanese businesses, as well as derivative instruments that qualify as net investment hedges against our investments in certain European businesses (notional amount of €169 million) and Asian businesses (notional amount of HK\$2.2 billion). The net investment hedges are deemed to be effective. The maturity dates of the current non-derivative and derivative instruments designated in net investment hedges range from 2025 to 2027.

During the quarter ended September 30, 2025, we de-designated three derivative instruments that qualified as net investment hedges in certain Asian businesses with the notional amount of HK\$1.3 billion. During the nine months ended September 30, 2025, we de-designated derivative instruments that qualified as net investment hedges in certain European businesses with the notional amount of €150 million, and in certain Asian businesses with the notional amounts of ¥2.1 billion and HK\$1.3 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:

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Foreign currency denominated long-term debt	\$ 3	\$ (14)	\$ (7)	\$ 1
Foreign currency forward contracts	(1)	6	(7)	4
Total	\$ 2	\$ (8)	\$ (14)	\$ 5

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:

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Foreign exchange contracts	\$ 2	\$ 4	\$ 18	\$ 6

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

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Commodity and foreign exchange contracts	\$ 1	\$ 2	\$ 3	\$ —

Note 14: 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 September 30, 2025, 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 7, "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 September 30, 2025 and December 31, 2024:

(dollars in millions)	September 30, 2025			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities	\$ 52	\$ 52	\$ —	\$ —
Derivative assets	33	—	33	—
Derivative liabilities	(39)	—	(39)	—

(dollars in millions)	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities	\$ 44	\$ 44	\$ —	\$ —
Derivative assets	68	—	68	—
Derivative liabilities	(50)	—	(50)	—

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 September 30, 2025 and December 31, 2024:

(dollars in millions)	September 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term receivables, net	\$ 48	\$ 48	\$ 47	\$ 46
Customer financing notes receivable, net	12	10	21	19
Short-term borrowings	(348)	(348)	(51)	(51)
Long-term debt, including current portion (excluding leases and other)	(7,775)	(7,248)	(8,316)	(7,600)
Long-term liabilities, including current portion	(82)	(78)	(132)	(123)

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 September 30, 2025 and December 31, 2024:

(dollars in millions)	September 30, 2025			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 48	\$ —	\$ 48	\$ —
Customer financing notes receivable, net	10	—	10	—
Short-term borrowings	(348)	—	(348)	—
Long-term debt, including current portion (excluding leases and other)	(7,248)	—	(7,248)	—
Long-term liabilities, including current portion	(78)	—	(78)	—

(dollars in millions)	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 46	\$ —	\$ 46	\$ —
Customer financing notes receivable, net	19	—	19	—
Short-term borrowings	(51)	—	(51)	—
Long-term debt, including current portion (excluding leases and other)	(7,600)	—	(7,600)	—
Long-term liabilities, including current portion	(123)	—	(123)	—

Note 15: 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 \$11 million and \$16 million as of September 30, 2025 and December 31, 2024, respectively.

The Company provides certain financial guarantees to third parties. As of September 30, 2025, Otis has stand-by letters of credit with maximum potential payment totaling \$129 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 September 30, 2025, Otis has determined there are no estimated costs probable under these guarantees.

Note 16: 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.

For details regarding the Company's outstanding liability for environmental obligations, refer to Note 21 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#).

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 €307 million net of tax (approximately \$360 million as of September 30, 2025). The Company has started to receive refunds and anticipates the refund process to continue into 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"). Interest on RTX's liability to the IRS will continue to accrue until RTX's tax liability is paid. 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. The Company expects this dispute to be resolved pursuant to the dispute resolution procedures of the TMA.

<i>(dollars in millions)</i>	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Indemnity Payable (in Accrued liabilities)	\$ 218	\$ 233	\$ 246	\$ 194

As of December 31, 2024, the Company estimated its indemnity payable to RTX to be \$194 million and recorded this amount in its financial statements for the year ended December 31, 2024.

Based on additional information received from RTX in the quarter ended March 31, 2025, and indemnity payments made to RTX and adjustments to the indemnity payable in the nine months ended September 30, 2025, the Company now estimates the amount payable to RTX to be \$218 million, resulting in indemnification expense of \$4 million and \$62 million in the quarter ended and nine months ended September 30, 2025, respectively. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarter ended and nine months ended September 30, 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.

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 ended September 30, 2025.

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 September 30, 2025 and December 31, 2024.

The estimated range of total liabilities to resolve all pending and unasserted potential future asbestos claims through 2059 is approximately \$11 million to \$21 million as of September 30, 2025 and December 31, 2024. Since no amount within the range of estimates is more likely to occur than any other, we have recorded the minimum amount of \$10 million (including \$1 million of payments made in the nine months ended September 30, 2025) and \$11 million as of September 30, 2025 and December 31, 2024, respectively, 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 September 30, 2025 and December 31, 2024, 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, we do not believe these matters will have a material impact on our business, financial condition, cash flows or results of operations due to our historical settlement experience and the limited number of remaining claims.

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 17 for information about litigation-related settlement costs recognized in the nine months ended September 30, 2025 for certain legal matters that are outside of the ordinary course of business.

Note 17: 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. The discrete asset information for each segment is not presented to, or reviewed by, the CODM.

Segment information for the quarters ended September 30, 2025 and 2024 is as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30, 2025			Quarter Ended September 30, 2024		
	New Equipment	Service	Total	New Equipment	Service	Total
Net sales	\$ 1,257	\$ 2,433	\$ 3,690	\$ 1,309	\$ 2,239	\$ 3,548
Costs and expenses:						
Cost of sales	1,053	1,494	2,547	1,088	1,379	2,467
Selling, general and administrative	119	308	427	107	293	400
Other including research and development	26	10	36	30	12	42
Total segment operating profit	<u>\$ 59</u>	<u>\$ 621</u>	<u>680</u>	<u>\$ 84</u>	<u>\$ 555</u>	<u>639</u>
Corporate and Unallocated						
General corporate expenses and other			48			40
UpLift restructuring			27			4
Other restructuring			6			5
UpLift transformation costs			10			18
Separation-related adjustments			4			193
Held for sale impairment			—			18
Other, net			(1)			(2)
Total company operating profit			586			363
Non-service pension cost (benefit)			4			1
Interest expense (income), net			61			(150)
Net income before income taxes			<u>\$ 521</u>			<u>\$ 512</u>

Segment information for the nine months ended September 30, 2025 and 2024 is as follows:

<i>(dollars in millions)</i>	Nine Months Ended September 30, 2025			Nine Months Ended September 30, 2024		
	New Equipment	Service	Total	New Equipment	Service	Total
Net sales	\$ 3,696	\$ 6,939	\$ 10,635	\$ 4,010	\$ 6,576	\$ 10,586
Costs and expenses:						
Cost of sales	3,076	4,297	7,373	3,317	4,070	7,387
Selling, general and administrative	348	882	1,230	350	867	1,217
Other including research and development	79	24	103	78	23	101
Total segment operating profit	<u>\$ 193</u>	<u>\$ 1,736</u>	<u>1,929</u>	<u>\$ 265</u>	<u>\$ 1,616</u>	<u>1,881</u>
Corporate and Unallocated						
General corporate expenses and other			125			108
UpLift restructuring			72			11
Other restructuring			41			29
UpLift transformation costs			51			45
Separation-related adjustments			65			177
Litigation-related settlement costs			21			18
Held for sale impairment			10			18
Other, net			—			(2)
Total company operating profit			1,544			1,477
Non-service pension cost (benefit)			4			—
Interest expense (income), net			132			(79)
Net income before income taxes			<u>\$ 1,408</u>			<u>\$ 1,556</u>

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 and amounts due to RTX related to a favorable ruling received in August 2024 regarding the German tax litigation. Separation-related adjustments in 2024 also include a reduction of our contractual indemnity obligation payable to RTX that resulted from the TMA and receipts from RTX in accordance with the TMA. These adjustments are recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations during the quarters and nine months ended September 30, 2025 and 2024, respectively. See Note 11, "Income Taxes" and Note 16, "Contingent Liabilities" for additional information about the German tax litigation.

Litigation-related settlement costs in the nine months ended September 30, 2025 and 2024 represent the aggregate amount of settlement costs and increase in loss contingency accruals, excluding legal costs, for certain legal matters that are outside of the ordinary course of business due to the size, complexity and/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 nine months ended September 30, 2025. See Note 6, "Business Acquisitions, Dispositions, Goodwill and Intangible Assets" for additional information about the held for sale assets and liabilities.

Refer to Note 12, "Restructuring and Transformation Costs" for more information about restructuring and UpLift transformation costs.

Note 18: Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments in ASU 2020-04 apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Additionally, in December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): *Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"), which allows ASU 2020-04 to be adopted and applied prospectively to contract modifications made on or before December 31, 2024. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements.

In September 2022, the FASB issued ASU 2022-04, Liabilities - Supplier Finance Programs (Topic 450-50): *Disclosure of Supplier Finance Program Obligations*, which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose the key terms of the programs and information about obligations outstanding at the end of the reporting period, including a rollforward of those obligations. The guidance does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. ASU 2022-04 is effective for fiscal years beginning after December 15, 2022, except for the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements, as disclosed in Note 1, "General".

In August 2023, the FASB issued ASU 2023-05, Business Combinations - Joint Ventures Formations (Subtopic 805-60): *Recognition and Initial Measurement* ("ASU 2023-05"), which requires that joint ventures, upon formation, apply a new basis of accounting by initially measuring assets and liabilities at fair value. The amendments in ASU 2023-05 are effective for joint ventures that are formed on or after January 1, 2025. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures*. The amendments in this update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023. We adopted this standard effective for the reporting period ended December 31, 2024. The adoption of this standard resulted in additional disclosure. See Note 17, "Segment Financial Data" for further details.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024. The adoption of this ASU results in additional annual disclosure, but did not impact our condensed consolidated financial position, results of operations, or cash flows.

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 July 2025, the FASB issued ASU 2025-05, Financial Instruments—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 are currently evaluating the impact of this standard.

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.

Other new accounting pronouncements issued but not effective until after September 30, 2025 are not expected to have a material impact on our financial position, results of operations or liquidity.

Note 19: Subsequent Events

In October 2025, we purchased all of the outstanding shares of the noncontrolling shareholder of Otis Electric Elevator Company Limited ("Otis Electric") for approximately \$215 million (\$80 million from Cash and \$135 million from borrowings). \$188 million will be recorded to Accumulated deficit for the difference between the purchase price and the historical noncontrolling interest carrying value and \$27 million will be recorded to Noncontrolling interest.

With respect to the unaudited condensed consolidated financial information of Otis Worldwide Corporation for the quarters and nine months ended September 30, 2025 and 2024, 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 October 30, 2025, 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 September 30, 2025, and the related condensed consolidated statements of operations, of comprehensive income, and of changes in equity for the three-month and nine-month periods ended September 30, 2025 and 2024 and the condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2025 and 2024, 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, 2024, 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 4, 2025, 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, 2024, 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
October 30, 2025

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 and service 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. 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 2025 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 2024 [Form 10-K](#).

UpLift

Announced in July 2023, UpLift is a program to transform our operating model. UpLift includes the standardization of our processes and improvement of our supply chain procurement, among other aspects of the program, as well as organizational changes which result in restructuring actions. We expect UpLift to generate approximately \$200 million in annual run-rate savings by the second half of 2025, with restructuring and other incremental costs to complete the transformation ("UpLift transformation costs") of approximately \$300 million.

UpLift costs incurred in the quarters and nine months ended September 30, 2025 and 2024 are as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
UpLift restructuring costs	\$ 27	\$ 4	\$ 72	\$ 11
UpLift transformation costs	10	18	51	45
Total UpLift costs	\$ 37	\$ 22	\$ 123	\$ 56

Total UpLift costs incurred to date are \$260 million, including \$128 million of UpLift restructuring costs and \$132 million of UpLift transformation costs.

UpLift restructuring costs are primarily severance costs and are recorded primarily in Selling, general and administrative in the Condensed Consolidated Statements of Operations. 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. These costs are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations.

For further details, refer to the discussion on restructuring costs in the "Results of Operations," as well as Note 12 to the Condensed Consolidated Financial Statements.

German Tax Litigation

In August 2024, we received a favorable ruling regarding a German tax litigation. As a result, we recorded income tax benefits of approximately \$185 million and related interest income of approximately \$200 million, which were included in Income tax expense (benefit), net and Interest expense (income), net, respectively, in the Consolidated Statements of Operations for the year ended December 31, 2024. Additionally, pursuant to the Tax Matters Agreement ("TMA") with UTC, our former parent, subsequently renamed RTX Corporation, and based on the facts and contractual provisions at the time, the Company recorded indemnification expense and payable of \$194 million for amounts due to RTX resulting from the outcome of the German tax litigation. This expense was included in Other income (expense), net in the Consolidated Statements of Operations for the year ended December 31, 2024.

Based on indemnity payments made to RTX and adjustments to indemnity payable in the quarter ended September 30, 2025, the Company now estimates the amount payable to RTX to be \$218 million, resulting in indemnification expense of \$4 million and \$62 million in the quarter and nine months ended September 30, 2025, respectively. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarter ended and nine months ended September 30, 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 11 and Note 16 to the Condensed Consolidated Financial Statements, as well as our Consolidated Financial Statements in the 2024 [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 nine months ended September 30, 2025 and 2024. These macroeconomic conditions include, among others, inflationary pressures, high interest rates, tighter credit conditions, the U.S. federal government shutdown 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 2025, 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.

Other than the estimated potential impact from new tariffs currently in effect of approximately \$25 million to \$35 million during 2025, 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 2024 [Form 10-K](#) for macroeconomic risks related to our business.

Risks Associated with Ongoing Conflicts

The ongoing conflict between Russia and Ukraine has 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.

To the extent possible, we continue to operate our business in Ukraine, which represented less than 1% of our revenue and operating profit for the nine months ended September 30, 2025 and year ended December 31, 2024.

Additionally, we do not have operations or material net sales in Israel or Gaza. Although we have operations in the Middle East and transport products through the Red Sea, we currently do not expect the ongoing instability in that region to have a material impact on our business.

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 2024 [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 2024 [Form 10-K](#). Except as disclosed in Note 18 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

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales	\$ 3,690	\$ 3,548	\$ 10,635	\$ 10,586
Percentage change year-over-year	4 %		— %	

The factors contributing to the total percentage change year-over-year in total Net sales for the quarter and nine months ended September 30, 2025 are as follows:

Components of Net sales change:	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2025
Organic volume	2 %	— %
Foreign currency translation	2 %	— %
Acquisitions and divestitures, net and other	— %	— %
Total % change	4 %	— %

The Organic volume increase of 2% for the quarter ended September 30, 2025 was driven by an increase of 6% in Service, partially offset by a decrease of (5)% in New Equipment. The Organic volume for the nine months ended September 30, 2025 was flat driven by an increase of 5% in Service, offset by a decrease of (8)% 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total cost of products and services sold	\$ 2,557	\$ 2,470	\$ 7,412	\$ 7,401
Percentage change year-over-year	4 %		— %	

The factors contributing to the percentage change year-over-year for the quarter and nine months ended September 30, 2025 in total cost of products and services sold are as follows:

Components of Cost of Products and Services Sold change:	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2025
Organic volume	1 %	— %
Foreign currency translation	2 %	— %
Acquisitions and divestitures, net and other	1 %	— %
Total % change	4 %	— %

The Organic volume for total cost of products and services sold increased 1% for the quarter ended September 30, 2025 and was flat for the nine months ended September 30, 2025, primarily driven by the organic sales changes noted above. Productivity was partially offset by inflationary pressures, including higher labor costs.

Gross Margin

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Gross margin	\$ 1,133	\$ 1,078	\$ 3,223	\$ 3,185
Gross margin percentage	30.7 %	30.4 %	30.3 %	30.1 %

Gross margin percentage increased 30 and 20 basis points for the quarter and nine months ended September 30, 2025, respectively, when compared to the same periods in 2024, due to the increase in Service sales and decrease in New Equipment sales and the benefits from productivity, partially offset by the inflationary pressures described above.

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

Research and Development

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development	\$ 36	\$ 40	\$ 111	\$ 115
Percentage of Net sales	1.0 %	1.1 %	1.0 %	1.1 %

Research and development was relatively flat for the quarter and nine months ended September 30, 2025, when compared to the same periods in 2024.

Selling, General and Administrative

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Selling, general and administrative	\$ 504	\$ 455	\$ 1,467	\$ 1,366
Percentage of Net sales	13.7 %	12.8 %	13.8 %	12.9 %

Selling, general and administrative expenses increased \$49 million and \$101 million for the quarter and nine months ended September 30, 2025, respectively, when compared to the same periods in 2024, driven by higher restructuring costs, annual wage increases, other employment costs and the impacts from foreign exchange, partially offset by savings resulting from UpLift.

Selling, general and administrative expenses as a percentage of Net sales increased 90 basis points for the quarter and nine months ended September 30, 2025, when compared to the same periods in 2024.

Restructuring Costs

(dollars in millions)	Nine Months Ended September 30,	
	2025	2024
UpLift restructuring	\$ 72	\$ 11
Other restructuring	41	29
Total restructuring costs	\$ 113	\$ 40

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.

UpLift restructuring costs were \$72 million and \$11 million in the nine months ended September 30, 2025 and 2024, respectively. We also incurred \$51 million and \$45 million of UpLift transformation costs in the nine months ended September 30, 2025 and 2024, respectively, which 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. These UpLift transformation costs are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations.

Other restructuring costs were \$41 million for the nine months ended September 30, 2025 and included \$25 million of costs related to 2025 actions and \$16 million of costs related to 2024 actions.

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 nine months ended September 30, 2025, and the expected cash payments to complete the actions announced:

(dollars in millions)	UpLift Actions	Other Actions	Total Restructuring
Cash outflows during the nine months ended September 30, 2025	\$ 28	\$ 38	\$ 66
Expected cash payments remaining to complete actions announced	76	56	132

The approved UpLift restructuring actions are expected to generate approximately \$102 million in annual recurring savings by 2025, primarily in Selling, general and administrative expenses, and of which approximately \$63 million was realized during the nine months ended September 30, 2025, including \$37 million of incremental savings compared to the same period in 2024.

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 2025 actions and \$28 million for the 2024 actions, of which approximately 60% relates to Cost of products and services sold and 40% relates to Selling, general and administrative expenses. Approximately \$30 million of savings was realized for the 2025 and 2024 actions during the nine months ended September 30, 2025.

Reorganization of Operations in China

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization will result in restructuring actions of approximately \$40 million. These actions primarily include severance-related costs, and we expect these actions to be mostly completed and any cash to be paid by the end of 2025. Amounts related to the reorganization of operations in China are included within Other restructuring.

For additional discussion of restructuring, see Note 12 to the Condensed Consolidated Financial Statements.

Other Income (Expense), Net

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Other income (expense), net	\$ (7)	\$ (220)	\$ (101)	\$ (227)

The change in Other income (expense), net of \$213 million for the quarter ended September 30, 2025 compared to the same period in 2024, was primarily driven by lower Separation-related adjustments of \$190 million, the absence of \$18 million of impairment loss related to net assets held for sale and lower UpLift transformation costs of \$8 million, partially offset by unfavorable foreign currency mark-to-market adjustments.

The change in Other income (expense), net of \$126 million for the nine months ended September 30, 2025 compared to the same period in 2024, was primarily driven by lower Separation-related adjustments of \$113 million, gains on the sale of fixed assets of \$15 million, lower impairment loss related to net assets held for sale of \$7 million and favorable foreign currency mark-to-market adjustments, partially offset by higher UpLift transformation costs of \$6 million.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 17 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 12 to the Condensed Consolidated Financial Statements.

Interest Expense (Income), Net

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense (income), net	\$ 61	\$ (150)	\$ 132	\$ (79)

The changes in Interest expense (income), net of \$211 million for the quarter and nine months ended September 30, 2025, compared to the same periods in 2024, were primarily driven by the absence of \$200 million interest income related to a favorable ruling received in August 2024 regarding a tax litigation in Germany, higher interest expense related to the \$600 million and €850 million unsecured, unsubordinated debt issued in November 2024, as well as 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 nine months ended September 30, 2025 was also impacted by interest reserve adjustments related to non-recurring tax items and higher interest income when compared to the same period in 2024.

The average interest rate on our long-term debt was 2.9% and 2.8% for the quarter and nine months ended September 30, 2025, respectively and 2.5% for the same periods in 2024. For additional discussion of borrowings, see Note 7 to the Condensed Consolidated Financial Statements.

Income Taxes

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Effective tax rate	24.8 %	(8.8)%	23.9 %	11.2 %

The increase in the effective tax rate for the quarter and nine months ended September 30, 2025, compared to the same periods in 2024, is primarily due to the absence of estimated tax benefits arising from the resolution of the German tax litigation recorded in 2024. In addition to the German tax litigation, the increase in the effective tax rate for the nine months ended September 30, 2025, compared to the same period in 2024, is due to the tax effect of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX recorded in 2025 and the absence of the reduction in a deferred tax liability related to the mitigation of future repatriation costs recorded in 2024. These impacts were partially offset by an incremental benefit related to foreign-derived intangible income and foreign valuation allowance releases recorded in 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 11 to the Condensed Consolidated Financial Statements.

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

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Noncontrolling interest in subsidiaries' earnings	\$ 18	\$ 17	\$ 61	\$ 73
Net income attributable to Otis Worldwide Corporation	\$ 374	\$ 540	\$ 1,010	\$ 1,308

Noncontrolling interest in subsidiaries' earnings was relatively flat for the quarter ended September 30, 2025 compared to the same period in 2024.

Noncontrolling interest in subsidiaries' earnings decreased \$12 million for the nine months ended September 30, 2025, compared to the same period in 2024, primarily driven by increased ownership of our subsidiary in Japan during the second quarter of 2024 and lower net income from non-wholly owned subsidiaries. Other than our acquisition of the noncontrolling shares of our subsidiary in Japan during 2024, ownership interest in the underlying non-wholly owned subsidiaries has remained generally consistent year-over-year.

Net income attributable to Otis Worldwide Corporation decreased for the quarter and nine months ended September 30, 2025, compared to the same periods in 2024, due to a higher effective tax rate and higher interest expense, partially offset by higher operating profit (including the impact of foreign exchange rates). The nine months ended September 30, 2025 was also impacted by lower noncontrolling interest in subsidiaries' earnings, when compared to the same period in 2024.

Segment Review

Summary performance for our operating segments, reconciled to total operating profit, for the quarters ended September 30, 2025 and 2024 was as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit		Operating Profit Margin	
	2025	2024	2025	2024	2025	2024
New Equipment	\$ 1,257	\$ 1,309	\$ 59	\$ 84	4.7%	6.4%
Service	2,433	2,239	621	555	25.5%	24.8%
Total segment	<u>\$ 3,690</u>	<u>\$ 3,548</u>	<u>680</u>	<u>639</u>	<u>18.4%</u>	<u>18.0%</u>
Corporate and Unallocated						
General corporate expenses and other			48	40		
UpLift restructuring			27	4		
Other restructuring			6	5		
UpLift transformation costs			10	18		
Separation-related adjustments			4	193		
Held for sale impairment			—	18		
Other, net			(1)	(2)		
Consolidated Operating Profit			<u>\$ 586</u>	<u>\$ 363</u>	<u>15.9%</u>	<u>10.2%</u>

Summary performance for our operating segments, reconciled to total operating profit, for the nine months ended September 30, 2025 and 2024 was as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit		Operating Profit Margin	
	2025	2024	2025	2024	2025	2024
New Equipment	\$ 3,696	\$ 4,010	\$ 193	\$ 265	5.2%	6.6%
Service	6,939	6,576	1,736	1,616	25.0%	24.6%
Total segment	<u>\$ 10,635</u>	<u>\$ 10,586</u>	<u>1,929</u>	<u>1,881</u>	<u>18.1%</u>	<u>17.8%</u>
Corporate and Unallocated						
General corporate expenses and other			125	108		
UpLift restructuring			72	11		
Other restructuring			41	29		
UpLift transformation costs			51	45		
Separation-related adjustments			65	177		
Litigation-related settlement costs			21	18		
Held for sale impairment			10	18		
Other, net			—	(2)		
Consolidated Operating Profit			<u>\$ 1,544</u>	<u>\$ 1,477</u>	<u>14.5%</u>	<u>14.0%</u>

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 nine months ended September 30, 2025 and 2024 was as follows:

(dollars in millions)	Quarter Ended September 30,				Nine Months Ended September 30,			
	2025	2024	Change	Change	2025	2024	Change	Change
Net sales	\$ 1,257	\$ 1,309	\$ (52)	(4)%	\$ 3,696	\$ 4,010	\$ (314)	(8)%
Cost of sales	1,053	1,088	(35)	(3)%	3,076	3,317	(241)	(7)%
	204	221	(17)	(8)%	620	693	(73)	(11)%
Operating expenses	145	137	8	6%	427	428	(1)	—%
Operating profit	\$ 59	\$ 84	\$ (25)	(30)%	\$ 193	\$ 265	\$ (72)	(27)%
Operating profit margin	4.7 %	6.4 %			5.2 %	6.6 %		

Summary analysis of the Net sales change for New Equipment for the quarter and nine months ended September 30, 2025 compared with the same periods in 2024 was as follows:

Components of Net sales change:	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2025
Organic volume	(5)%	(8)%
Foreign currency translation	1 %	— %
Acquisitions and divestitures, net and other	— %	— %
Total % change	(4)%	(8)%

Quarter Ended September 30, 2025

Net sales

The organic sales decrease of (5)% was primarily driven by an approximately (20)% decline in China and high single-digit decline in Americas, partially offset by high single-digit growth in Asia Pacific and low single-digit growth in EMEA.

Operating profit

New Equipment operating profit decreased \$(25) million. The impacts of lower volume, unfavorable price and tariff headwinds, and regional and product mix were partially offset by productivity, including the benefits of restructuring actions. Operating margin decreased (170) basis points.

Nine Months Ended September 30, 2025

Net sales

The organic sales decrease of (8)% was primarily driven by a greater than (20)% decline in China and high single-digit decline in Americas, partially offset by mid single-digit growth in EMEA and Asia Pacific.

Operating profit

New Equipment operating profit decreased \$(72) million. The impacts of lower volume, unfavorable price and tariff headwinds, and regional and product mix were partially offset by productivity, including the benefits of restructuring actions. Operating margin decreased (140) 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. 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 nine months ended September 30, 2025 and 2024 was as follows:

(dollars in millions)	Quarter Ended September 30,				Nine Months Ended September 30,			
	2025	2024	Change	Change	2025	2024	Change	Change
Net sales	\$ 2,433	\$ 2,239	\$ 194	9 %	\$ 6,939	\$ 6,576	\$ 363	6 %
Cost of sales	1,494	1,379	115	8 %	4,297	4,070	227	6 %
	939	860	79	9 %	2,642	2,506	136	5 %
Operating expenses	318	305	13	4 %	906	890	16	2 %
Operating profit	\$ 621	\$ 555	\$ 66	12 %	\$ 1,736	\$ 1,616	\$ 120	7 %
Operating profit margin	25.5 %	24.8 %			25.0 %	24.6 %		

Summary analysis of Service Net sales change for the quarter and nine months ended September 30, 2025 compared with the same periods in 2024 was as follows:

Components of Net sales change:	Quarter Ended September 30, 2025	Nine Months Ended September 30, 2025
Organic volume	6 %	5 %
Foreign currency translation	2 %	— %
Acquisitions and divestitures, net and other	1 %	1 %
Total % change	9 %	6 %

Quarter Ended September 30, 2025

Net sales

The organic sales increase of 6% is due to increases in maintenance and repair of 4% and in modernization of 14%.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic volume	4 %	14 %
Foreign currency translation	3 %	1 %
Acquisitions and divestitures, net and other	— %	1 %
Total % change	7 %	16 %

Operating profit

Service operating profit increased \$66 million including foreign exchange tailwinds of \$17 million. Higher volume, improved pricing and productivity, were partially offset by inflationary pressures including higher labor costs, and mix. Operating margin increased 70 basis points.

Nine Months Ended September 30, 2025

Net sales

The organic sales increase of 5% is due to increases in maintenance and repair of 4% and in modernization of 9%.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic volume	4 %	9 %
Foreign currency translation	1 %	— %
Acquisitions and divestitures, net and other	— %	1 %
Total % change	5 %	10 %

Operating profit

Service operating profit increased \$120 million including foreign exchange tailwinds of \$16 million. Higher volume, improved pricing and productivity, were partially offset by inflationary pressures including higher labor costs, and mix. Operating margin increased 40 basis points.

Corporate and Unallocated

(dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
General corporate expenses and other	\$ 48	\$ 40	\$ 125	\$ 108
UpLift restructuring	27	4	72	11
Other restructuring	6	5	41	29
UpLift transformation costs	10	18	51	45
Separation-related adjustments	4	193	65	177
Litigation-related settlement costs	—	—	21	18
Held for sale impairment	—	18	10	18
Other, net	(1)	(2)	—	(2)
Total Corporate and Unallocated	\$ 94	\$ 276	\$ 385	\$ 404

General corporate expenses and other increased \$8 million for the quarter ended September 30, 2025 compared to the same period in 2024, primarily due to higher corporate costs and foreign currency mark-to-market adjustments.

General corporate expenses and other increased \$17 million for the nine months ended September 30, 2025 compared to the same period in 2024, primarily due to higher corporate costs, partially offset by foreign currency mark-to-market adjustments and gains on the sale of fixed assets.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 17 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 12 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 and available bank lines of credit and access to capital markets.

As of September 30, 2025, we had cash and cash equivalents of \$840 million, of which approximately 97% 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 September 30, 2025 and December 31, 2024, the amount of such restricted cash was \$13 million and \$21 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 September 30, 2025 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:

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 840	\$ 2,300
Total debt	8,084	8,324
Net debt (total debt less cash and cash equivalents)	7,244	6,024
Total equity	(5,353)	(4,785)
Total capitalization (total debt plus total equity)	2,731	3,539
Net capitalization (total debt plus total equity less cash and cash equivalents)	1,891	1,239
Total debt to total capitalization	296 %	235 %
Net debt to net capitalization	383 %	486 %

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 September 30, 2025, we had a revolving credit agreement with various banks providing for a \$1.5 billion unsecured, unsubordinated five-year revolving credit facility. As of September 30, 2025, 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 September 30, 2025, there were \$224 million borrowings outstanding under the Company's \$1.5 billion commercial paper program, including, €135 million of Euro denominated commercial paper. For additional discussion of borrowings, see Note 7 to the Condensed Consolidated Financial Statements.

On April 7, 2025, the Company repaid its \$1.3 billion principal amount of 2.056% notes due in 2025, upon maturity, using cash on hand and commercial paper borrowings.

On September 4, 2025, the Company issued \$500 million principal amount of 5.131% notes due in 2035. A portion of the proceeds will be used to fund the repayment at maturity of the Company's currently outstanding \$144 million 2026 Yen Notes. The remainder of the proceeds were used to fund the repayment of certain of our commercial paper borrowings.

Share Repurchase Program

On January 16, 2025, our Board of Directors revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock, of which approximately \$1.3 billion was remaining as of September 30, 2025.

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.

(dollars in millions)	Nine Months Ended September 30,	
	2025	2024
Net cash flows provided by (used in):		
Operating activities	\$ 779	\$ 873
Investing activities	(376)	(210)
Financing activities	(1,890)	(1,102)
Effect of exchange rate changes on cash and cash equivalents	19	(9)
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ (1,468)	\$ (448)

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 decrease in net cash provided by operating activities was primarily driven by working capital balances during the periods, including a larger increase in Accounts receivable, net, in the nine months ended September 30, 2025 compared to the same period in 2024, due to timing of billings and collections and a larger decrease in Accounts payable in the nine months ended September 30, 2025 compared to the same period in 2024, due to timing of payments to suppliers, partially offset by the decrease in Other current assets due to the refunds received in 2025 from the German tax litigation. Additionally, Separation-related and UpLift-related net payments were approximately \$92 million and \$77 million, respectively, in the nine months ended September 30, 2025, compared to approximately \$49 million and \$54 million, respectively, in the same period in 2024.

During the nine months ended September 30, 2025, net cash provided by operating activities was \$779 million. Net income of \$1.1 billion includes \$62 million of indemnification expense resulting from the German tax litigation and \$10 million of impairment loss related to net assets held for sale, none of which resulted in cash flow activity during the nine months ended September 30, 2025. Net income and the decrease in Other current assets due to refunds received in 2025 from the German tax litigation were also partially offset by a decrease in Accounts payable due to timing of payments to suppliers and an increase in Accounts receivable, net, due to timing of billings and collections. For additional discussion of the German tax litigation, see Note 1 and Note 16 to the Condensed Consolidated Financial Statements.

During the nine months ended September 30, 2024, net cash provided by operating activities was \$873 million. Net income of \$1.4 billion includes \$185 million of income tax benefits, \$200 million of interest income and \$194 million of indemnification expense resulting from the outcome of the German tax litigation during the third quarter of 2024, none of which resulted in cash flow activity during the nine months ended September 30, 2024. Net income was also partially offset by a decrease in Accounts payable due to the timing of payments to suppliers, an increase in Accounts receivable, net, due to the timing of billings and collections, a decrease in Accrued liabilities and an increase in Other current assets due to the timing of payments, including employee-related benefits, income taxes and supplier payments.

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 nine months ended September 30, 2025, net cash used in investing activities was \$376 million. The primary drivers of the outflow related to \$211 million of net cash payments from the settlement of derivative instruments, \$107 million of capital expenditures and \$92 million of acquisitions of businesses and intangible assets. These were partially offset by \$35 million of net proceeds from the sale of fixed assets.

During the nine months ended September 30, 2024, net cash used in investing activities was \$210 million. The primary drivers of the outflow related to \$87 million of capital expenditures, \$70 million of acquisitions of businesses and intangible assets and \$47 million of net cash payments from the settlement of derivative instruments.

As discussed in Note 13 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 nine months ended September 30, 2025, net cash used in financing activities was \$1.9 billion. The primary drivers of the outflow were repayments of long-term debt of \$1.3 billion, repurchases of our Common Stock of \$809 million and dividends paid on our Common Stock of \$483 million. These were partially offset by the proceeds from the long-term debt issuance of \$500 million and short-term borrowings of \$280 million.

During the nine months ended September 30, 2024, net cash used in financing activities was \$1.1 billion. The primary drivers of the outflow were repurchases of our Common Stock of \$800 million, dividends paid on our Common Stock and to noncontrolling shareholders of \$450 million and \$81 million, respectively, and acquisitions of noncontrolling interest shares of \$75 million, including approximately \$70 million for our subsidiary in Japan. These were partially offset by short-term borrowings of \$325 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 9: Borrowings and Lines of Credit" in Item 8 in our 2024 [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 nine months ended September 30, 2025 and as of December 31, 2024 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.

<i>(dollars in millions)</i>	Nine Months Ended September 30, 2025
<i>OWC Statement of Operations - Standalone and Unconsolidated</i>	
Revenue	\$ —
Cost of revenue	—
Operating expenses	10
Income from consolidated subsidiaries	—
Income (loss) from operations excluding income from consolidated subsidiaries	(80)
Net income (loss) excluding income from consolidated subsidiaries	(183)

<i>(dollars in millions)</i>	September 30, 2025	December 31, 2024
<i>OWC Balance Sheet - Standalone and Unconsolidated</i>		
Current assets (intercompany receivables from non-guarantor subsidiaries)	\$ —	\$ —
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	96	1,490
Noncurrent assets (investments in consolidated subsidiaries)	1,099	1,151
Noncurrent assets (excluding investments in consolidated subsidiaries)	39	37
Current liabilities (intercompany payables to non-guarantor subsidiaries)	6,878	6,277
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	703	1,625
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)	—	—
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)	5,407	5,100

<i>(dollars in millions)</i>	Nine Months Ended September 30, 2025
<i>Highland Statement of Operations - Standalone and Unconsolidated</i>	
Revenue	\$ —
Cost of revenue	—
Operating expenses	—
Income from consolidated subsidiaries	499
Income (loss) from operations excluding income from consolidated subsidiaries	—
Net income (loss) excluding income from consolidated subsidiaries	(182)

<i>(dollars in millions)</i>	September 30, 2025		December 31, 2024	
Highland Balance Sheet - Standalone and Unconsolidated				
Current assets (intercompany receivables from non-guarantor subsidiaries)	\$	19	\$	—
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)		468		460
Noncurrent assets (excluding investments in consolidated subsidiaries)		—		—
Current liabilities (intercompany payables to non-guarantor subsidiaries)		—		—
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)		31		4
Current liabilities (intercompany payables from non-guarantor subsidiaries)		3		9
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)		4,104		3,513
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)		2,270		2,017

Off-Balance Sheet Arrangements and Contractual Obligations

Item 5 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 [Form 10-K](#) discloses our off-balance sheet arrangements and contractual obligations. As of September 30, 2025, 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 7, 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 nine months ended September 30, 2025. 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 2024 [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 September 30, 2025. 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 September 30, 2025, 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 September 30, 2025, 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 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., including the U.S. federal government shutdown, and in other countries in which Otis and its businesses operate, including tensions between the U.S. and China, 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;
- the effect of geopolitical conflicts, including the effect of the on-going conflict between Russia and Ukraine and instability in the Middle East;
- challenges in the development, production, delivery, support, including 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 China and related impacts of reorganization and outsourcing activities and change management, as applicable;
- new business and investment opportunities and the realization of anticipated benefits;
- 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 and regulations 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 16: Contingent Liabilities" and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q and in our 2024 [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 21: 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 16: 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 2024 [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 2024 [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 September 30, 2025 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

2025	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)
July 1 - July 31	1,368	\$ 88.15	1,368	\$ 1,427
August 1 - August 31	1,462	86.54	1,462	\$ 1,300
September 1 - September 30	—	—	—	\$ 1,300
Total	2,830	\$ 87.32	2,830	

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

On January 16, 2025, our Board of Directors ("the Board") revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock. As of September 30, 2025, the maximum dollar value of shares that may yet be purchased under this current program was approximately \$1.3 billion.

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

Departure of Officer

On October 28, 2025, the Company reached an agreement with Peiming (Perry) Zheng whereby he will cease to serve as EVP, Chief Product, Delivery and Customer Officer and separate from employment with the Company effective as of February 28, 2026. During the period until his departure from the Company, Mr. Zheng will facilitate and oversee the planned reorganization of certain functions to allow the Company to meet the needs of a changing business environment, and will support the successful transition of his responsibilities. Mr. Zheng has also agreed to cooperate with the Company following his departure from the Company with respect to matters which involved him during the course of his employment. Given these commitments from Mr. Zheng, the Compensation Committee determined that Mr. Zheng's departure from the Company will constitute a qualifying separation that results in full vesting of certain Otis RSUs that were converted from an RSU retention award granted by the Company's former parent under the legacy United Technologies Corporation equity incentive plan. These legacy RSUs were awarded to Mr. Zheng prior to him becoming an executive officer of the Company in 2020 and became eligible to vest upon a qualifying separation after Mr. Zheng's completion of three years of service as a member of the former parent's Executive Leadership Group. In order to receive this benefit, as required by the RSU award agreement, Mr. Zheng must execute an agreement which will include a release and post-termination restrictive covenants, including confidentiality, a three-year post-termination non-competition covenant, and non-solicitation and non-disparagement covenants. Mr. Zheng's separation from employment will constitute a retirement for purposes of his other Company equity awards in accordance with their terms. Mr. Zheng will not be entitled to any severance benefits under the Company's ELG Severance Plan in connection with his separation from employment.

Insider Adoption or Termination of Trading Arrangements

During the fiscal quarter ended September 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K, except as set forth below.

On August 25, 2025, Ms. Marks, our Chair, President and Chief Executive Officer, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The trading plan covers (i) the sale, based on our current projected performance against underlying financial goals, expected tax withholding and certain dividend and share price assumptions, of up to approximately 48,407 shares in connection with the vesting of performance stock units granted to Ms. Marks in 2023, the actual amount of which may vary based on tax withholding and satisfaction of performance conditions; (ii) the sale of up to 19,047 shares that Ms. Marks previously received upon the vesting of other awards; and (iii) the exercise and sale of up to 191,799 stock appreciation rights granted to Ms. Marks in 2019, the actual number of which that could be sold depending on the Company's stock price and applicable tax rates. The trading plan will terminate on March 1, 2026.

Item 6. Exhibits

Exhibit Number	Exhibit Description
4.1	<u>Supplemental Indenture No. 5, dated as of September 4, 2025, 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 September 4, 2025.</u>
10.1	<u>Revolving Credit Agreement, dated as of August 8, 2025, by and among Otis Worldwide Corporation, as borrower, Otis Intercompany Lending Designated Activity Company, as subsidiary borrower, each other subsidiary borrower party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and the other parties thereto from time to time, incorporated by reference to Exhibit 10.01 of Otis' Current Report on Form 8-K (Commission File No. 001-39221) filed with the SEC on August 26, 2025.</u>
10.2	<u>Letter of Assignment for Kimberly Gosk dated December 22, 2022*</u>
10.3	<u>Offer Letter between Otis Worldwide Corporation and Kimberly Gosk*</u>
10.4	<u>Extension of Letter of Assignment for Stephane de Montlivault dated September 24, 2025.*</u>
10.5	<u>Extension of Letter of Assignment for Sally Loh dated September 24, 2025.*</u>
10.6	<u>Employment Contract (Foreign National or Hong Kong, Macao or Taiwan Resident) for Sally Loh, effective January 1, 2026.*</u>
15	<u>Letter re: unaudited interim financial information.*</u>
31.1	<u>Rule 13a-14(a)/15d-14(a) Certification.*</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification.*</u>
31.3	<u>Rule 13a-14(a)/15d-14(a) Certification.*</u>
32	<u>Section 1350 Certifications.*</u>
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 September 30, 2025 and 2024, (ii) Condensed Consolidated Statements of Operations for the nine months ended September 30, 2025 and 2024, (iii) Condensed Consolidated Statements of Comprehensive Income for the quarters and nine months ended September 30, 2025 and 2024, (iv) Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024, (v) Condensed Consolidated Statements of Changes in Equity for the quarters ended September 30, 2025 and 2024, (vi) Condensed Consolidated Statements of Changes in Equity for the nine months ended September 30, 2025 and 2024, (vii) Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024 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: October 30, 2025

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: October 30, 2025

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)

Internal Correspondence



December 22, 2022

PERSONAL & CONFIDENTIAL

Dear Kim:

Congratulations on your International Assignment! We hope this global opportunity will be both a professionally and personally rewarding experience. This Letter of Assignment ("LOA" or "Agreement"), including Appendices, describes the general terms and conditions applicable to your Assignment, as summarized below:

Home Country: United States of America
Home Company: Otis Elevator Company
Host Country: Switzerland
Host Company: Otis International Sarl
Reporting To: Bernardo Calleja

Strategic Assignment Policy

The Otis Strategic Assignment Policy (the "Policy") governs your Assignment and outlines both the relocation support and on-going Assignment benefits provided to Assignees and their accompanying Eligible Dependents. See Appendix A for a summary of your Assignment allowances.

By signing this Agreement, you agree to adhere to the policies and requirements of the Otis Worldwide Corporation Global Mobility Program. You further acknowledge that you have been provided with and agree to comply with the terms of the Policy. Unless otherwise indicated, capitalized terms have been defined in the Policy.

Assignment Status

You will be assigned to the Host Company. You must abide by all laws in the Host Country and perform duties reasonably assigned to you by the Host Company. It is also expected that you will conduct yourself in a professional manner at all times. While on Assignment, you must comply with all Otis International Trade Compliance ("ITC") policies and applicable governing laws/regulations, including the obligation to avoid business or other travel to prohibited countries. Otis ITC guidance is available at <https://connect.otis.com/legal/Pages/ITC360.aspx>

This LOA does not create a contract of employment, but simply seeks to confirm the conditions which pertain to your International Assignment. The duration, terms and conditions of the Assignment are subject to revision in accordance with business needs and changes to the Global Mobility Program or Company policies.

Your Assignment will commence subject to your returning a signed copy of this LOA, obtaining and/or maintaining all necessary immigration authorizations and medical clearances, and any other approvals as may be deemed necessary by Global Mobility in order to ensure compliance with statutory requirements of the Home and/or Host Country. Subject to the above conditions having been met, your eligibility to receive the ongoing Assignment allowances and benefits described in Appendix A of this document begin with your arrival in the Host Country and end upon completion of your Assignment, as determined by Otis.

If, prior to the end of your assignment, you or any of your Eligible Dependents leave the Host Country for a period of more than 30 consecutive days, your Assignment premiums and allowances will be suspended or reduced to reflect the family size remaining at the host location. Premiums and allowances will be reinstated or adjusted when you and/or your dependent(s) return to the host location. You must notify Global Mobility and your SIRVA Relocation consultant of any extended travel and/or changes to family size, in a timely manner.

Upon successful completion of your Assignment, Otis will relocate you back to your Home Country. Repatriation is contingent upon your independently having obtained and/or maintained all applicable immigration authorizations, medical or other clearances required by the Home Country. Otis is under no obligation to facilitate your admission to Home Country.

Repatriation or relocation to another global assignment location is provided subject to your not having been treated by the Company as terminated for cause. Otis will seek to identify a reasonably equivalent position for you within the organization at the end of your assignment. However, Otis does not guarantee that it will be able to do so or that your employment will continue at the end of your assignment.

Tax Equalization Policy

The Tax Equalization Policy is to support your general tax neutrality and global tax compliance while on Assignment. You acknowledge that you have been provided with, understand and consent and are subject to the terms of the Otis Tax Equalization Policy, version 1.0. By signing this LOA, you expressly authorize the company to withhold any amounts due to the company.

Otis Absolutes and Compliance with Laws

You agree that you are bound by the provisions of the Otis Absolutes and the Otis Corporate Policy Manual. You agree to perform all aspects of your job in accordance with all applicable laws, both in the Home and Host Countries, to strictly follow all workplace safety rules, to protect the property of the company and to maintain the highest standards of personal and professional ethics.

Data Privacy

By signing this Agreement, you confirm your understanding and explicitly agree that the company, its affiliate and/or third parties may, in connection with your employment and/or your International Assignment, collect, use, process, transmit and hold personal data, including sensitive personal data. The data may be in electronic or other form and may be used to

manage your employment and Assignment arrangements, to comply with legal and regulatory obligations and to fulfil the company's business or other legitimate interests as required or permitted by law or regulation. Because of the global nature of an International Assignment, your personal data will, subject to applicable law, be transferred internationally to other countries worldwide. This may mean that personal data is transferred to countries, such as the United States, where data servers may be located. Each country provides different standards of legal protection of personal data. All such collection, use, processing, transmission and holding of data will comply with applicable data privacy protection requirements. If you do not want to have your personal data shared, you may choose to not sign this LOA and not be deployed on Assignment.

Intellectual Property

You agree and acknowledge that to the extent allowed by applicable law, all rights, titles and interests in all intellectual property created by you in the course of your International Assignment will belong to the company and/or its affiliates and you will have no right, title, interest, claim or right of sale on such intellectual property rights.

Confidentiality

By signing this Agreement, you agree that any and all company information acquired and known to you shall be deemed strictly confidential. This includes, but is not limited to, intellectual property, patents, copyrights, trade secrets, and all forms of proprietary information (data) created or otherwise obtained by you throughout the course of your employment with Otis. Unless permitted by the company in writing, during the term of this International Assignment or at any time thereafter, you shall not disclose any company information to any legal person, individual or other organization or entity for any purpose and in any manner, nor utilize company information for any purpose other than performing your duties.

By signing this Agreement, you further agree to keep the terms of this Agreement confidential and to not disclose its content to anyone except for purposes of seeking legal or financial advice.

Governing Law

Your LOA, International Assignment and employment relationship are generally subject to and governed by the laws of the Home Country in accordance with the terms of the Policy.

Thank you for supporting our global initiatives. Best wishes to you in your new Assignment.

Sincerely,

/s/ Kimberly Gosk

Kimberly Gosk

December 22, 2022

Date

Please indicate your agreement by signing below and returning this LOA as soon as possible. This letter shall not be amended or supplemented unless in writing and signed by you and a duly authorized representative of the company.

I have reviewed the general terms and conditions of my International Assignment outlined above (including appendices) and by signing below, accept these conditions.

/s/ Jacinto Vallejo

Jacinto Vallejo, VP, Total Rewards

December 22, 2022

Date

Please scan and return a full signed copy of this Letter to GlobalMobility@otis.com

Inclusions:
Appendix A: Strategic Assignment and Allowance Summary

APPENDIX A: Strategic Assignment and Allowance Summary

Please review the Strategic Assignment Policy for additional detail regarding the Assignment and relocation support for this Assignment. Some allowances may fluctuate due to exchange rate, data updates or family size changes. Allowances that are calculated on Base Salary are subject to a Policy Maximum of a Base Salary cap of 200,000 USD or local equivalent, as determined at time of payment. Policy benefits are subject to revision based on changes in the duration, terms and conditions of the Assignment.

Assignment Summary	
Home Country	United States of America
Host Country	Geneva, Switzerland
Position Title	VP, Human Resources, EMEA
Reporting To	Bernardo Calleja
Anticipated Assignment Start Date	February 1, 2023
Anticipated Assignment End Date	January 31, 2026
Tax Equalization Location	Alpharetta, Georgia; United States of America
Split Family	Yes

Policy Benefit	Amount and Frequency
Relocation Allowance	USD \$15,000.00 one-time payment
Mobility Premium	Not applicable to your assignment
Goods and Services Differential (G&S)	USD \$3,731.00 per month
Host Country Transportation	As per host country vehicle programs
Host Country Housing*	CHF 5.100,00 per month housing budget <i>based on 2-bedroom, unfurnished apartment</i>
Host Country Utilities	Eligible for reimbursement of gas, water and electricity charges (<i>capped at CHF 345 per month</i>)

* In consideration of the challenging housing market in Geneva, Temporary Living benefits in the host country will be extended for up to an additional 30 days (maximum of 90 days, total).



Kim Gosk

July 2025

Dear Kim:

I am pleased to offer you the position of Executive Vice President & Chief People Officer, Otis Worldwide Corporation ("Otis"), effective August 1, 2025, reporting to me.

In connection with this appointment, your total rewards package will include:

- Membership in Otis' Executive Leadership Group (ELG), comprised of our most senior leaders.
- A base salary of USD \$550,000 per year, effective August 1st. Base salaries are reviewed annually.
- Continued participation in the Otis Executive Short-Term Incentive (STI) Plan, as Amended and Restated as of January 1, 2024, with a target annual STI opportunity of 80% of your base salary. Your 2025 STI target opportunity will be prorated based on the effective date of your appointment.
- A one-time supplemental 2025 LTI award from Otis under the Otis Long-Term Incentive Plan, as Amended and Restated as of January 1, 2024, with a target value of \$600,000 granted on September 2nd.
- 60% of the award will be delivered in Performance Share Units (PSUs) which vest in early 2028 subject to the Compensation Committee's certification of performance over the three-year performance period and the remaining 40% of the award will be delivered in Restricted Stock Units (RSUs) that vest ratably over three years (1/3 on each anniversary of the grant date). The PSUs and RSUs will be subject to Otis' standard award terms and conditions for annual LTI awards. Annual grant values may vary from year-to-year, based on individual and Otis performance.
- Continued Participation in our Executive Lease Vehicle Program (ELVP) with an allowance of \$80,000 towards the capitalized cost of a zero-emissions (EV) vehicle, or \$77,500 towards the capitalized cost of a hybrid vehicle. The ELVP covers all fuel (hybrids only), maintenance, taxes, registration, and car insurance costs. You may select a vehicle of greater value and pay the difference in lease costs via payroll deductions. You may also receive a onetime reimbursement toward the purchase and installation of a home vehicle charger of up to \$2,500 (EVs only).

Personal and Confidential

- Ability to receive comprehensive **financial counseling services from Ayco**, including company benefit planning, cash flow and retirement planning, tax planning/preparation, estate planning, and education funding.
- **Repatriation benefits** to relocate you and your family from Switzerland to the United States. Details of your repatriation benefits will be provided under separate cover.
- The company will pay all expenses related to a **complete annual health exam**, offered through Executive Health Examinations International. We will also pay reasonable costs for transportation and overnight accommodations required to visit a specialized clinic in connection with these exams, if recommended by a physician.
- Participation in the **ELG Disability Program**. Should you become disabled, upon cessation of your sick leave benefits, you will receive 80% of your compensation (i.e., base salary and target level short-term incentive), payable for the duration of your disability.
- Coverage under the ELG Severance Plan and the Change in Control Severance Plan.

Kim, I look forward to working with you in your new role at Otis. Please acknowledge your acceptance of our offer by signing the acceptance confirmation below and emailing it to me.

If you have any questions, please do not hesitate to contact me

Sincerely,

/s/ Judy Marks

Judy Marks

Chair, Chief Executive Officer and President

Accepted and Agreed,

/s/ Kim Gosk

Kim Gosk

7/2/2025

Date

Personal and Confidential

Internal
Correspondence



September 24, 2025

PERSONAL & CONFIDENTIAL

Dear Stephane:

We are pleased to confirm the details of your Local Plus Assignment Extension. We hope this international experience continues to be both a professionally and personally rewarding experience. This Letter of Assignment Extension ("Agreement") details the terms and general conditions applicable to your Assignment Extension as summarized below:

Destination Country: Singapore
Destination Company: Otis International Asia Pacific Pte. Ltd.
Anticipated End Date: October 31, 2027

Your Assignment Extension is subject to obtaining and maintaining any required work permit extension required by your Destination Country and returning a signed copy of this Agreement.

The duration, terms and conditions of your Assignment remain subject to revision in accordance with business needs and changes to Otis policies, plans and/or programs. All other terms and conditions outlined in your Letter of Assignment dated December 18, 2019, will remain in effect for the period of your Assignment Extension.

Thank you for your ongoing support of our global initiatives.
Sincerely,

/s/ Kimberly Gosk
Kimberly Gosk
EVP and Chief People Officer

September 25, 2025
Date

Please indicate your agreement by signing below and returning this Extension Agreement as soon as possible.

I have reviewed the general terms and conditions of my Local Plus Assignment Extension outlined above and by signing below, accept these conditions.

/s/ Stephane de Montlivault
Stephane de Montlivault

September 26, 2025
Date

LETTER OF ASSIGNMENT EXTENSION

Internal
Correspondence



September 24, 2025

PERSONAL & CONFIDENTIAL

Dear Sally:

We are pleased to confirm the details of your International Assignment Extension. We hope this international experience continues to be both a professionally and personally rewarding experience. This Letter of Assignment Extension ("Agreement") details the terms and general conditions applicable to your Assignment Extension as summarized below:

Home Country: Singapore
Home Company: Otis International Asia Pacific Pte. Ltd.
Host Country: China
Host Company: Otis Elevator Management (Shanghai) Co. Ltd.
Anticipated End Date: December 31, 2027

Your Assignment Extension is subject to obtaining and maintaining any required work permit extension required by your Host Country and providing your Home Company a signed copy of this Agreement.

The duration, terms and conditions of your Assignment remain subject to revision in accordance with business needs and changes to Otis policies, plans and/or programs. All other terms and conditions outlined in your Letter of Assignment dated November 1, 2023, and the Otis Strategic Assignment Policy, Version 1, will remain in effect for the period of your Assignment Extension.

Thank you for your ongoing support of our global initiatives.
Sincerely,

/s/ Kimberly Gosk

Kimberly Gosk
EVP and Chief People Officer

September 23, 2025

Date

Please indicate your agreement by signing below and returning this Extension Agreement as soon as possible.

I have reviewed the general terms and conditions of my International Assignment Extension outlined above and by signing below, accept these conditions.

/s/ Sally Loh

Sally Loh

September 24, 2025

Date

LETTER OF ASSIGNMENT EXTENSION

EMPLOYMENT CONTRACT
(FOREIGN NATIONAL OR HONG KONG, MACAO OR TAIWAN RESIDENT)

This Contract ("Contract") is entered into by and between:

Otis Elevator Management (Shanghai) Co., Ltd. (the "Company"), a company with its registered address at 402, Building 5, No. 3000, Longdong Avenue, China (Shanghai) Pilot Free Trade Zone, the current legal representative being Loh Siow Lee; and

Loh Siow Lee, a national of Singapore, Passport Number K1943286K, having the residential address Room 501, Tower 2, Lane 28, Hua Yuan Shi Qiao Road, Pudong District, Shanghai, China (the "Employee").

The Company and the Employee are referred to collectively as the "Parties" and each individually as a "Party".

The Company hereby employs the Employee to render full-time services to the Company in accordance with the Regulations for the Administration of Employment of Foreigners in China and applicable Shanghai regulations.

Upon a negotiated consensus, both Parties agree as follows:

1. Contract Term

1.1 The term of this Contract, the Anticipated Commencement Date, and the Anticipated Ending Date are set forth in Annex A. To avoid ambiguity, the Parties hereby confirm that, this Contract will be recognized as a fixed-term employment contract concluded between the Parties.

2. Position, Duties, and Location of Work

2.1 The position of the Employee is set forth in Annex A. The Employee agrees that the Company may reasonably transfer the Employee to a different job position on a temporary or permanent basis pursuant to the business or operational requirements of the Company, and the Employee's professional, technical or physical abilities and work performance. The job duties and reporting supervisor shall be provided separately by the Company to the Employee.

2.2 The Employee shall work at the Company's location as set forth in Annex A. The Company may arrange for the Employee business travels to regions outside his/her place of work from time to time or assign the Employee to other regions. The Company may also temporarily second the Employee to other locations, in accordance with business needs.

3. Representations, Warranties and Undertakings

3.1 The Employee hereby represents, warrants, and undertakes the following:

劳动合同
(外籍员工或港澳台员工适用)

本合同 ("合同") 由以下双方签订:

奥的斯电梯管理 (上海) 有限公司 ("公司"), 一家法定地址在中国 (上海) 自由贸易试验区龙东大道3000号5号楼402室, 当前的法定代表人是Loh Siow Lee; 及

Loh Siow Lee, 新加坡籍, 护照号码K1943286K, 居住地址: 上海市浦东新区花园石桥路28弄2号501室 ("员工")。

公司和员工以下共同称作"双方", 单独称作"一方"。

根据《外国人在中国就业管理规定》及上海市相关规定, 公司在此雇佣员工为公司提供全职服务。

双方经协商一致达成如下约定:

1. 合同期限

1.1 本合同的期限、预计起始日及预计终止日均在附件A中列明。为免疑义, 双方在此确认, 本合同将被视为双方签订的固定期限劳动合同。

2. 岗位、职责和工作地点

2.1 员工的岗位在附件A中列明。员工同意, 公司可根据公司的业务或经营需要以及员工的专业、技术或身体能力和工作表现, 暂时或永久地将员工合理调至另一岗位。工作职责和汇报主管将由公司另行向员工告知。

2.2 员工应在附件A中列明的公司地点工作。公司可安排员工不时前往其工作地点以外的区域出差或将员工调至其他区域。公司也可根据业务需要, 暂时将员工借调至其他地点。

3. 陈述、保证和承诺

3.1 员工在此陈述、保证和承诺如下:

- a. as of the Anticipated Commencement Date and through the term of this Contract, the Employee is not employed by any other entity in China, that the Employee's employment by the Company under the Contract does not violate any contractual or statutory obligations of the Employee, and that the Employee has full capacity to enter into the Contract;
 - a. the Employee shall devote all of his/her professional time and effort to the Company's business on a full time basis, and refrain from any professional practice other than on account of or for the benefit of the Company regardless of with compensation or not, unless the prior written consent has been obtained from the Company; and
 - c. through the term of this Contract, the Employee shall maintain valid work authorization to be employed by the Company and valid residence authorization.
- 4. Work Conditions, Working Hours, and Leaves**
- 4.1 The Company will provide the Employee with work conditions, labor protection, and protection against occupational hazards that conform to PRC laws and national and local regulations, and shall ensure that the Employee's working environment is healthy and safe.
 - 4.2 Working hours shall be prescribed by the Company in accordance with the relevant law.
 - 4.3 The Employee shall be entitled to take annual leaves in accordance with the provision of Overseas Employment Document signed with the Overseas Employer. The Employee acknowledges that such annual leave entitlement has included any and all statutory annual leaves that the Employee may be entitled to under the Chinese law.
- 5. Remuneration and Social Insurance**
- 5.1 The Employee's monthly base salary is set forth in Annex A.
 - 5.2 The Employee shall pay individual income tax as required by law. The Company will withhold individual income tax and any other required contributions from the remuneration as required by applicable law; and remit to the relevant authorities on the Employee's behalf.
 - 5.3 The Company may utilize a third party agency to handle payroll matters.
- a. 自预计起始日起并在本合同的整个期限内, 员工不受雇于任何其他在中国的实体, 员工在合同项下受雇于公司不违反员工的任何合同或法定义务, 且员工具有签订合同的完全行为能力;
 - b. 员工应当作为全职人员将其全部专业时间和精力投入公司业务, 且无论是否获得报酬均不得从事非为公司利益的任何其他专业活动, 但获得公司事先书面同意的除外; 及
 - c. 在整个合同期间, 员工应当保持有效的受雇于公司的就业证件和居留许可。
- 4. 工作条件、工作小时和假期**
- 4.1 公司将向员工提供符合中国法律和国家及地方法规的工作条件、劳动保护及职业危害保护, 并确保员工工作环境的健康、安全。
 - 4.2 工作小时应由公司根据相关法律规定确定。
 - 4.3 员工有权根据其于境外雇主签订的境外劳动文件的约定享受年假。员工确认, 其享有的该等年假已包含员工根据中国法律可能享有的任何及所有法定年假。
- 5. 薪酬和社保**
- 5.1 员工的月基本工资在附件A中列明。
 - 5.2 员工应依法缴纳个人所得税。公司将按照适用法律从薪酬中代扣个人所得税和任何其他要求的缴费, 并代表员工向有关机构进行缴纳。
 - 5.3 公司可使用第三方代理处理工资事宜。

- 5.4 The Company may decide to pay to the Employee other variable, additional, and non-recurrent bonuses or other payments in accordance with the Company's compensation policy.
- 5.5 To the extent permissible under the applicable laws, and upon the Employee's request, the Employee acknowledges and agrees that he/she will not be enrolled in any PRC social insurance and housing fund scheme. In case during the Employee's employment with the Company he/she become mandatorily required to participate in PRC social insurance and housing fund schemes according to local rules and practice, the Company will contribute social insurances and housing fund for the Employee and assume the amount which shall be contributed by the Employee.
- 5.6 The Employee acknowledges that he/she may enter into a concurrent employment with another associated company of the Company outside of the jurisdiction of the PRC ("Overseas Employer") and sign the employment contract or agreement or document with the same effect ("Overseas Employment Document") with the Overseas Employer. If the items of relevant remuneration, allowances and benefits under this section and Annex A have been expressly provided in the Overseas Employment Document, to the extent permitted by law, the relevant provisions of the Overseas Employment Document shall govern; at the same time the relevant provisions under this Contract will be only deemed to restate all or part of the provisions of the Overseas Employment Document, in case of any dispute on such remuneration, allowances and benefits, the Employee can only claim against the Overseas Employer according to the Overseas Employment Document.
- 6. Personal Conduct, Behavior and Discipline**
- 6.1 The Employee shall observe the rules and policies of the Company as issued from time-to-time by the Company, including but not limited to the Otis Three Absolutes. The Company may reward and discipline the Employee in accordance with such rules and policies.
- 7. Termination of the Contract**
- 7.1 The Employee agrees that in the event his/her concurrent employment with the Overseas Employer is terminated outside of the jurisdiction of the PRC, the Company is entitled to immediately terminate by written notice this Contract and the Employee's employment with the Company, meanwhile the Employee will not be eligible to any severance pay under Chinese law.
- 5.4 公司可根据公司的报酬政策决定向员工支付其他可变的、额外的和非经常性的奖金或其他款项。
- 5.5 在适用法律允许的范围内，并按照员工的要求，员工知晓并同意其将不参加任何中国的社会保险和住房公积金。如在其雇佣期间，依据地方法律规定和实践员工被强制要求参加中国的社会保险和住房公积金的，公司将有权为其缴纳各项社会保险和住房公积金并承担应由员工个人缴纳的部分。
- 5.6 员工确认其可能会与公司在中国境外的其他关联公司（“境外雇主”）同时建立劳动雇佣关系，并与境外雇主签订劳动合同或具有同等效力的协议或文件（“境外劳动文件”）。本条及附件A项下所约定的相关薪酬、津贴及福利待遇项目，如在境外劳动文件中已有明确约定的，则在法律允许的范围之内，以境外劳动文件中约定的内容为准；同时本合同项下的约定仅视为对境外劳动文件中约定内容的全部或部分的重述，如果就该等薪酬、津贴及福利待遇有任何争议，员工应仅根据境外劳动文件向境外雇主提出主张。
- 6. 个人行为 and 纪律**
- 6.1 员工应遵守公司不时制订的公司规章制度，包括但不限于奥的斯三大基石。公司可根据该等规章制度对员工进行奖惩。
- 7. 合同解除**
- 7.1 员工同意如果其与境外雇主建立的中国境外的劳动雇佣关系被解除的，公司有权通过书面通知的方式立即解除本合同及员工与公司的劳动关系，同时员工将无权获得中国法律规定的任何经济补偿。

In the event that the Company is ordered to pay severance for the termination/ending of employment or damages for wrongful termination to the Employee according to the binding arbitration award and court judgment within the jurisdiction of the PRC, the Company is entitled to deduct the amount of any severance payment already paid by the Overseas Employer outside of the jurisdiction of the PRC from the amount payable to the Employee.

- 7.2 The Employee agrees that if he/she fails to obtain the requisite work permit or residence permit from the relevant China government authorities for his/her employment with the Company for any reason, the Company can terminate this Contract or the Overseas Employer can change his/her work location.
- 7.3 On the termination of this Contract, howsoever arising, the Employee shall forthwith deliver to the Company all assets belong to the Company which may then be in the Employee's possession or under the power or control of the Employee.
- 7.4 On the termination of this Contract, howsoever arising, the Employee shall provide the work permit to the Company, and assist the Company to cancel the work permit and residence permit.

8. Liability for Breach and Compensation

- 8.1 If either Party breaches the Contract, thereby causing the other Party to suffer damage, the breaching Party will be liable to pay compensation according to the extent of such damage, with the exception that the Parties agree that in the event the Company is determined to have unlawfully terminated the Contract, the maximum possible damages will be limited to the compensation mandated by Chinese labor law.
- 8.2 Within the limits of the law, the Company has the right to deduct from the Employee's remuneration any amount of damages or loss suffered by the Company as a result of the Employee's action.

9. Confidentiality, Intellectual Property and Protection of Information

- 9.1 The Employee agrees to be bound by the Confidentiality and Intellectual Property Agreement, a copy of which is attached or will be supplied to the Employee separately.

如根据中国境内的生效仲裁裁决和法院判决，公司应当向员工支付任何与解除或终止劳动关系相关的经济补偿金或者违法解除劳动关系的赔偿金的，公司有权从应向员工支付的金额中抵扣境外雇主在境外已经向其支付的任何经济补偿金金额。

- 7.2 员工同意如果因任何原因员工未能获得中国有关部门出具的受雇于公司所需的就业证件或居留许可，公司可以终止本合同或者由境外雇主变更员工的工作地点。
- 7.3 在本合同解除或终止（无论因何原因）时，员工应立即向公司交付员工占有的或处于员工权力或支配下的全部公司资产。
- 7.4 在本合同解除或终止（无论因何原因）时，员工应当将其就业证件交给公司，并配合公司进行就业证件和居住许可的注销事宜。

8. 违约责任和赔偿

- 8.1 如果任何一方违反本合同，因此导致另一方遭受损害，违约方将有责任根据损害的程度支付赔偿，但是双方同意在公司被认定违法解除/终止本合同的情形下，最高赔偿将仅限于中国劳动法规定的赔偿金。
- 8.2 在法律允许的范围内，公司有权从员工的薪酬中扣除由于员工的行为导致公司遭受的损失或损害的金
额。

9. 保密、知识产权及信息保护

- 9.1 员工同意受《保密与知识产权协议》约束，该协议的副本附于本合同之后或将另行提供给员工。

- 9.2 The Employee acknowledges and agrees, during the Employee's employment with the Company and thereafter, to the collection and share among the Company's affiliates of the Employee's personal information for business purposes within and outside of the PRC. Personal data will be collected only for lawful and relevant purposes and the Company will take practicable steps to ensure security of the personal data and to avoid unauthorized or accidental access, or other use.
- 9.3 The Company's telephone, voice mail, computer, and e-mail systems and the data stored on them are and remain at all times the property of Company. All information, including e-mail messages and files, that is created, sent, or retrieved over the Company's technical resources is the property of Company, and should not be considered private or confidential. Any electronically stored information that the Employee creates, sends to, or receives from others may be retrieved and reviewed when doing so serves the legitimate business interests and obligations of the Company.
- 9.4 The provisions of this Article 9 will survive after the expiration or termination of the Contract to the extent permitted by law.
- 10. Miscellaneous**
- 10.1 This Contract is executed in the English language and Chinese language in two originals. In the case of any discrepancy between the two versions, the Chinese version shall prevail. Each Party will hold one executed original.
- 10.2 Except as otherwise provided herein, any amendment to the terms of this Contract will require an agreement in writing between the Parties.
- 10.3 In the event that any term hereof conflicts with the rules and policies of the Company, this Contract will prevail. Any matters that have not been addressed in the Contract will be handled in accordance with the rules and policies of the Company.
- 10.4 This Contract shall be governed and construed by the laws of the People's Republic of China. If any dispute arises from or in connection with this Contract, the Parties shall first resolve such dispute through consultation. If the Parties fail to resolve such dispute through consultation within thirty days, both Parties have the right to apply for labor dispute arbitration in accordance with the relevant laws and regulations. Either Party who is not satisfied with the award of the arbitration may file a lawsuit before the people's court for resolution.
- 9.2 员工承认并同意，在员工受雇于公司期间且在此之后，公司可为业务目的在中国境内外收集并在关联公司间共享员工的个人信息。个人资料将仅为合法和相关目的收集，且公司将采取可行措施，以确保个人资料的安全并避免未经授权或意外接触或使用个人资料。
- 9.3 公司的电话、语音信箱、计算机和电子邮件系统以及其中存储的数据是并始终是公司的财产。通过公司的技术资源创建、发送或获取的所有信息，包括电子邮件消息和文档，是公司的财产，且不应被视为员工的隐私或保密信息。对于员工创建、发送给第三方或从第三方获取的任何电子存储信息，公司有权为公司合法的商业利益和义务而随时获取和检查。
- 9.4 本第9条规定将在合同期满或终止后在法律允许的范围内继续有效。
- 10. 其它规定**
- 10.1 本合同以英文和中文签署两份原件。如果两种语言版本之间存在任何不一致，以中文文本为准。每一方将持有一份经签署的原件。
- 10.2 除本合同中另有规定外，对本合同条款的任何修订需要双方达成书面协议。
- 10.3 如果本合同的任何条款与公司的规章制度不一致，以本合同为准。合同中任何未尽事宜将根据公司的规章制度处理。
- 10.4 本合同受中国法律管辖，并按中国法律解释。对于因本合同产生或与本合同有关的任何争议，双方应首先协商解决。如双方未能在三十日内通过协商解决该等争议，双方有权按有关法律、法规提交劳动争议仲裁；任何一方对仲裁裁决不服，可向人民法院提起诉讼解决。

10.5 If any of the provisions of this Contract is held invalid or unenforceable, ~~still~~ 本合同的任何规定被认定为无效或不可强制执行，不影响本合同任何其他规定的有效性或可强制执行性。
invalidity or unenforceability shall not affect the validity and enforceability of any other provisions of this Contract.

10.6 This Contract shall become effective and binding on the latest date signed below. 10.6 本合同自下文签署的最迟日期生效并具有约束力。

10.7 By signing this Contract, the Employee hereby acknowledges that the Company has truthfully informed the Employee as to the content of the work, the working conditions, place of work, occupational hazards, safety conditions, and compensation. 10.7 通过签署本合同，员工在此承认公司已经将工作内容、工作条件、工作地点、职业危害、安全条件和工资薪酬如实告知员工。

IN WITNESS WHEREOF the Parties have executed this Contract on the date signed below: 双方已经于下列日期签署了本合同，特此为证

Otis Elevator Management (Shanghai) Co., Ltd
_____ (Seal)

奥的斯电梯管理（上海）有限公司
_____ (公章)

Date:

日期:

Loh Siow Lee

Loh Siow Lee

/s/ Loh Siow Lee

/s/ Loh Siow Lee

Date: September 18, 2025

日期: September 18, 2025

ANNEX A

Employee Name: Loh Siow Lee

Term of Contract: 2 years

Anticipated Commencement Date: Jan 1, 2026

Anticipated Ending Date: Dec 31, 2027

Position of the Employee: President, Otis Greater China

Job Description:

Implementing and execute our strategy, evaluate and respond to the market dynamics, including the alignment and prioritization of New Equipment and Service growth, enhancing business digitalization, ensuring operational and customer service excellence across Otis Greater China; Energizing colleagues, while maintaining our commitment to the Otis Absolutes of Safety, Ethics and Quality.

Work location: Shanghai

Monthly base salary: SGD72,917

Bonuses:SGD743,750/year(target)

Allowance and Benefits: Allowance of: SGD4,456/month and other agreed benefits

Amount may change each quarter based on Global Mobility policies

奥的斯电梯管理（上海）有限公司

Otis Elevator Management(Shanghai) Co.,Ltd

(Seal)

Date:September 18, 2025

附件A

员工姓名: Loh Siow Lee

合同期限: 2年

预计起始日: 2026年1月1日

预计终止日: 2027年12月31 日

员工岗位: 奥的斯大中华区总裁

工作职责:

负责业务战略制定与执行, 评估和响应市场动态, 推动新梯和服务业务增长、以及业务数字化变革, 致力于维持奥的斯在大中华区的高效运营和高质量服务; 激励员工践行奥的斯安全、合规和质量三大基石。

工作地点: 上海

月基本工资: 新加坡元72,917

奖金:新加坡元743,750/年(目标)

津贴、福利: 津贴新加坡元4,456/月和其他约定的福利

依据公司政策, 每季度的金额可能会发生变化

Loh Siow Lee

/s/ Loh Siow Lee

Date:September 18, 2025

October 30, 2025

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

Commissioners:

We are aware that our report dated October 30, 2025 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. 333-270830 and 333-270834) and Form S-8 (No. 333-237551) of Otis Worldwide Corporation.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut

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: October 30, 2025

/s/ Judith F. Marks

Judith F. Marks

Chair, President and Chief Executive Officer

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: October 30, 2025

/s/ Cristina Méndez

Cristina Méndez

Executive Vice President and Chief Financial Officer

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: October 30, 2025

/s/ Michael P. Ryan

Michael P. Ryan

Senior Vice President and Chief Accounting Officer

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 September 30, 2025 (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: October 30, 2025

/s/ Judith F. Marks

Judith F. Marks

Chair, President and Chief Executive Officer

Date: October 30, 2025

/s/ Cristina Méndez

Cristina Méndez

Executive Vice President and Chief Financial Officer

Date: October 30, 2025

/s/ Michael P. Ryan

Michael P. Ryan

Senior Vice President and Chief Accounting Officer