Forward-Looking Statements

This news release includes “forward-looking” statements within the meaning of securities laws, which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS, operating income, operation margin and earnings; our business operations; demand for our products and services, including bookings and backlog; capital deployment, including the amount and timing of our dividends, our share repurchase program, and our capital allocation strategy; including acquisitions and investments, if any; our projected free cash flow and usage of such cash; our available liquidity; performance of the markets in which we operate; restructuring activity and cost savings associated with such activity; our foreign exchange rate outlook, our ESG and other sustainability initiatives and our effective tax rate.

These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, the impact of the global COVID-19 pandemic or future health care emergencies on our business, our suppliers and our customers; global economic conditions, including recessions and economic downturns, inflation, volatility in interest rates and foreign exchange; changing energy prices; the Russia-Ukraine conflict; financial institution disruptions; climate change and our sustainability strategies and goals; commodity shortages; supply chain constraints and price increases; government regulation; restructurings activity and cost savings associated with such activity; secular trends toward decarbonization, energy efficiency and internal air quality, the outcome of any litigation, including the risks and uncertainties associated with the Chapter 11 proceedings for our deconsolidated subsidiaries Aldrich Pump LLC and Murray Boiler LLC; cybersecurity risks; and tax audits and tax law changes and interpretations.

Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2022, as well as our subsequent reports on Form 10-Q and other SEC filings. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events and how they may affect the Company. We assume no obligation to update these forward-looking statements.

This news release also includes non-GAAP financial information, which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with GAAP. The definitions of our non-GAAP financial information are included as an appendix in our presentation and reconciliations can be found in our earnings releases for the relevant periods located on our website at www.tranetechnologies.com. Unless otherwise indicated, all data beyond the second quarter of 2023 are estimates.
CLEAR PRIORITIES
Focused Strategy Delivers Differentiated Shareholder Returns

1. Win Through
   Sustainable Innovation

2. Grow Margins and Cash Via
   Execution Excellence

3. Maximize Value As
   Focused Climate Co.

4. Continue With
   Dynamic Capital Allocation

Strong Foundation

- Strong operating system and performance culture
- Powerful cash flow
- Uplifting culture – integrity, ingenuity, community & engagement
Strong Q2 & 1H Results. Raising FY 2023 Guidance on Strong Execution, Healthy Markets & Exceptional Backlog Visibility

• Strong Q2 performance across diversified and resilient global portfolio
  - Organic revenues* up 11%; adj. operating margins* up 110 basis points; adj EPS* up 24%
  - Cont’d strong bookings near record highs, partially impacted by normalization of resi business; enterprise bookings up 1% excl. resi decline
  - Strong organic leverage of 30%+ across enterprise and in all segments led by CHVAC in all regions, partially offset by ~GM% resi deleverage
  - Strong leverage on volume, productivity and favorable price more than offsetting inflation and supply chain related costs

• Absolute demand remains robust, with particular strength across CHVAC globally
  - CHVAC organic bookings up nearly 40% in each segment on a 3-yr stack; Q2 revenues up high-teens in Americas and EMEA, up 45% in Asia
  - Global CHVAC book-to-bill greater than 1X; demonstrative of strong, broad-based demand levels
  - TK on track to outperform end markets as expected; resi normalization process continues and is more than offset by continued CHVAC opportunities and execution

• Well-positioned for continued growth in 2023 and 2024 with strong Q2 ending backlog
  - Backlog of $7B, up 7% YOY and 2.5X historical norms; ~$2B of $7B is for FY 2024, ~5x historical norms
  - Backlog expected to remain significantly elevated into 2024, greater than $6B**
  - Historical norms for backlog are ~20% of next twelve months revs

• Continued execution of balanced capital allocation strategy. Financial position, liquidity and balance sheet bolster resilience and optionality
  - Year-to-date deployed $1.2B, incl. $341M dividends, $535M M&A, $300M share repurchases; expect capital deployment of ~$2.5B in 2023
  - On track to deliver free cash flow = / > 100% of adj. net earnings*

• Raising 2023 revenue and EPS guidance
  - Expect organic revenue growth of approximately +8%, up from a range of +7% to +8% prior FY guidance
  - Expect adj. EPS of $8.80 to $8.90 (+20% to 21%), up from $8.30 to $8.50 prior (see p.18 for more detail)

• Proven strategy and track record of strong execution driving superior innovation for customers at apex of secular megatrends of decarbonization, energy efficiency and IAQ continues to support differentiated financial performance and shareholder returns over the long term

*Includes certain Non-GAAP financial measures. See the company’s Q2 2023 earnings release for additional details and reconciliations.
**Minimum company FY 2023 year-end backlog expectation, this is not a forecast.
Strong Broad-Based Revenue Growth; Robust Absolute Bookings Levels in Healthy End Markets. Backlog of $7B is 2.5X Historical Norms

Q2 Organic* Y-O-Y Change

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Bookings</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>-8%</td>
<td>+9%</td>
</tr>
<tr>
<td>Commercial HVAC</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Residential HVAC</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transport</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>EMEA</td>
<td>+14%</td>
<td>+8%</td>
</tr>
<tr>
<td>Commercial HVAC</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Transport</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>+6%</td>
<td>+41%</td>
</tr>
<tr>
<td>Commercial HVAC</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Transport</td>
<td>-</td>
<td>+</td>
</tr>
</tbody>
</table>

Americas – bookings down 8%, ex-resi down LSD; revs up 9%
- CHVAC bookings down MSD vs high-teens prior year growth comp (+~40% 3-yr stack). Revs up high-teens, w/ strong growth in equip and svcs, up ~30% and HSD, respectively
- Resi HVAC bookings and revs continue to normalize as expected. Bookings down ~20%. Revs down low-teens vs +30% prior year growth comp
- Transport bookings up ~40%, w/ revs up >30%. On track to outperform market
- Americas backlog ~3X historical norms

EMEA
- CHVAC bookings up MSD vs +low-teens prior year growth comp (+35% 3-yr stack); revs up high-teens, w/ strong growth in equip and svcs, up ~25% and HSD, respectively
- Transport bookings up ~25% w/ revs down LSD; on track to outperform market
- EMEA backlog approximately 70% more than historical norms

Asia Pacific
- Asia bookings up 6% vs 16% prior year growth comp, revs up ~40%
- China bookings up ~20%, revs up ~40%
- CHVAC bookings up MSD vs +high-teens prior year growth comp (+~40% 3-yr stack), revs +45%; w/ strong growth in equip and svcs
- Asia backlog approximately 70% more than historical norms

*Organic bookings and organic revenues exclude acquisitions and currency
Robust Revenue Growth, Margin Expansion and EPS Growth

**Net Revenue**

- **Q2 ’22** $4,190
- **Q2 ’23** $4,705
- **Organic** +11%

**Adj. EBITDA Margin***

- **Q2 ’22** 18.7%
- **Q2 ’23** 19.7%
- **+100 bps**

**Adj. Operating Margin***

- **Q2 ’22** 16.9%
- **Q2 ’23** 18.0%
- **+110 bps**

**Adj. Continuing EPS***

- **Q2 ’22** $2.16
- **Q2 ’23** $2.68
- **+24%**

---

*Includes certain Non-GAAP financial measures. See the company’s Q2 2023 earnings release for additional details and reconciliations.

**Key Points**

- **Strong organic revenue growth with equipment up low-teens and services up high-single-digits**
- **Strong volume growth and backlog margins, positive price realization and productivity more than offset material and other inflation and continuing, albeit improving, supply chain challenges / higher costs to serve customers**
- **Strong enterprise organic leverage of 30% plus**
- **Strong execution of company’s business operating system driving operational excellence through P&L**
## Q2 2023 Segment Results

### Strong Broad-Based Organic Revenue Growth and Margin Expansion

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue Org.* Growth</th>
<th>Adj. EBITDA*% vs PY</th>
<th>Adj. OI*% vs PY</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,693</td>
<td>21.4%</td>
<td>19.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+9%</td>
<td>+70 bps</td>
<td>+100 bps</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$618</td>
<td>19.1%</td>
<td>17.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+8%</td>
<td>+140 bps</td>
<td>+100 bps</td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$395</td>
<td>21.9%</td>
<td>21.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+41%</td>
<td>+660 bps</td>
<td>+670 bps</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Highlights

- **Strong broad based margin expansion**
- **Strong volume growth and backlog margins, positive price realization and productivity, more than offset material and other inflation and continuing, albeit improving, supply chain challenges / higher costs to serve customers**
- **High incremental business reinvestment in each segment supporting sustainability strategy, innovation and growth initiatives**

*Includes certain Non-GAAP financial measures. See the company’s Q2 2023 earnings release for additional details and reconciliations.*
**Market Update**

**Outlook for Healthy 2023 Growth and Continued Strong Underlying Demand for Sustainable Solutions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Segment</th>
<th>Key Points</th>
</tr>
</thead>
</table>
| Americas   | Commercial HVAC          | • Strong demand for innovative solutions driving robust backlog; Data center / education / healthcare / high-tech industrial - all remain strong  
• Leading systems & services portfolio, best-in-class execution through BOS; customers’ partner of choice for decarb, energy efficiency & healthy spaces |
|            | Residential HVAC         | • 1H impacted by mild temperatures into cooling season, normalization of channel inventory; low-teens 2Q23 rev decline largely owing to prior year +30% growth comp  
• Expect resi normalization process to continue in Q3 but improve from Q2. Expect normalization to be complete in 2023  
• Expect 2023 unit volumes down ~HSD; no change to our constructive view of resi markets 2024 and beyond aided by policy & reg tailwinds |
|            | Transport                | • ACT weighted avg mkt growth outlook revised modestly lower in 2023 down ~LSD from flattish. 2023 ACT trailer fcast 42.5K (45K prior) due to OEM prod constraints  
• TK outlook unchanged. Expect to outperform end mkts w/ ~+LSD-MSD rev growth 2023 – innovation-led; diversified, resilient portfolio + share gains  
• Expect TK 3Q23 revs down ~10%, mainly timing related (TK 1H’23 + 20% vs ACT 1H’23 mkts flat); and tough PY comp, TK 3Q’22 +60% |
| EMEA       | Commercial HVAC          | • Continued strong demand for innovative, sustainability-focused products and services; accelerating demand for next-gen Thermal Mgmt Systems  
• Ongoing regulatory and policy tailwinds across the region |
|            | Transport                | • Weighted average market growth outlook stable – down LSD to MSD in 2023, partly reflecting economic uncertainty in region; continue to see high level of demand for our innovative products and solutions  
• TK outlook unchanged. Expect TK to outperform end mkts w/ flattish revs 2023 – innovation-led; diversified, resilient portfolio + share gains |
| Asia Pacific | China                    | • Environment remains dynamic; China reopening going well with solid economic support; end markets stable with continued strength in data center, electronics, pharma, healthcare, warehousing |
|            | Rest of Asia             | • Outlook remains mixed |

**Stacking Effect of Policy and Regulatory Changes Provide Support Across Our Businesses Including:**  
IRA; education stimulus (ESSER); CHIPS and Science ACT; SEER / refrigerant changes; 2030 EU Climate and Energy Framework
## 2023 Guidance Update

Raising FY’23 Revenue & EPS Guidance to Reflect Favorable Outlook and Continued Strong Execution

<table>
<thead>
<tr>
<th>Prior FY Guidance</th>
<th>Updated FY Guidance*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Revenues</strong></td>
<td>+7% to +8%</td>
</tr>
<tr>
<td></td>
<td>(+9% to +10% reported, incl. M&amp;A)**</td>
</tr>
<tr>
<td><strong>Adj. EPS</strong></td>
<td>$8.30 to $8.50</td>
</tr>
<tr>
<td></td>
<td>(+12.8% to +15.5%)</td>
</tr>
<tr>
<td><strong>Operating Leverage</strong></td>
<td>Organic 25%+</td>
</tr>
<tr>
<td></td>
<td>Strong core leverage, positive price / cost each quarter</td>
</tr>
<tr>
<td></td>
<td>Expect Q3 30%+</td>
</tr>
<tr>
<td></td>
<td>Strong core leverage, healthy backlog margins, positive price / cost each quarter</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>= / &gt; Adj. Net Earnings</td>
</tr>
</tbody>
</table>

*See pg.18 for additional details
On Track For ~$300M Total Transformation Savings by Year-End; Business Operating System to Drive Strong Productivity / Cost Savings Over Long Term

Transformation Savings

<table>
<thead>
<tr>
<th>Stranded Cost Target at RMT</th>
<th>Current Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$40M</td>
<td>~$100M</td>
</tr>
<tr>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>~$100M</td>
<td>~$190M</td>
</tr>
<tr>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>~$100M</td>
<td>~$240M</td>
</tr>
<tr>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>~$300M*</td>
<td>2022</td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
</tbody>
</table>

- Targeting delivery of incremental savings of ~$60M in 2023
- ~$300M transformation savings adds fuel to high-performance flywheel

Strong FCF Drives Continued Balanced Capital Deployment Strategy

1. Invest for Growth
   - Strengthen the core business and extend product & market leadership
   - Invest in new technology and innovation
   - Strategic investments in value-accretive M&A

2. Maintain Healthy, Efficient Balance Sheet
   - Expect to deliver FCF* ≥ 100% of adjusted net earnings
   - Strengthening balance sheet
   - Strong Baa1/BBB investment grade rating offers optionality as markets evolve

3. Return Capital to Shareholders
   - Expect to consistently deploy 100% of excess cash over time
   - Pay competitive dividend and grow dividend at or above rate of earnings growth over time
   - Repurchase shares with excess cash when intrinsic value provides high returns

* Includes certain Non-GAAP financial measures. See the company’s Q2 2023 earnings release for additional details and reconciliations.
**Balanced Capital Deployment**

Deployed ~$1.2B in Balanced Capital Allocation YTD Jun 2023; ~$2.5B Expected FY 2023

<table>
<thead>
<tr>
<th>Balanced Capital Deployment</th>
<th>Capital Deployment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual YTD 2023</strong></td>
<td><strong>Target FY 2023</strong></td>
</tr>
<tr>
<td>Dividends</td>
<td>$341M</td>
</tr>
<tr>
<td>M&amp;A, investments</td>
<td>$535M</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>$300M</td>
</tr>
<tr>
<td><strong>Total Capital Deployed</strong></td>
<td>$1,176M</td>
</tr>
</tbody>
</table>

- Q2 dividends of $171M (YTD $341M); increased dividend 12% to $3.00 per share annualized in March 2023
- YTD share repurchases of $300M; ~$2.9B remaining authorization
- Q2 M&A of $520M (YTD $535M); pipeline remains attractive; Q2 M&A includes:
  - MTA, a leading technology industrial process cooling business in CHVAC EMEA
  - Helmer Scientific, a precision temperature control cooling technology serving life sciences vertical in Americas CHVAC
- Shares remain attractive, trading below intrinsic value
- Targeting $2.5B capital deployment in 2023
Transport Market Outlook Modestly Lower Per ACT in North America; Unchanged in EMEA. Expect Outperformance in Both Regions in 2023

N.A. and EMEA Market Results / Forecast

Actual 2022 Transport N.A. Market Trailer / Truck / APU wtd avg
+13%
(Actual Thermo King 20+%)

Actual 2022 Transport EMEA Market** Trailer / Truck wtd avg
-15%
(Actual Thermo King +HSD)

2023 Transport N.A. Market Outlook* Trailer / Truck / APU wtd avg
-LSD

2023 Transport EMEA Market Outlook** Trailer / Truck wtd avg
-LSD to –MSD

Source: ACT / IHS / Company Estimates

*NIncludes 2023 N.A. ACT Trailer build July fcst of ~42.5K, or down ~4%, lowered from previous +1.5% on OEM capacity

**Reflects removal of Russia from EMEA Mkt Sizing

Note: Global Thermo King is ~15% of enterprise revenues. Americas / EMEA / Asia represent ~60% / ~35% /~5% of global Thermo King revenues, respectively

N.A., EMEA Markets Expected to be Modestly Lower in 2023

- Trailer/Truck/APU: ~2/3rds of Total Transport Revenue
  - N.A. growth estimates –LSD; EMEA growth estimates –LSD to -MSD

- Marine/Bus/Rail/Air/Aftermarket (“all other”): ~1/3rd of Total Transport Revenue
  - N.A. and EMEA weighted avg. growth estimates down –LSD

- Diversified Americas / EMEA Thermo King significantly outperformed end markets in 2021 and 2022

Total Transport wtd avg growth: Truck/Trailer/APU/Marine/Bus/Rail/Air

<table>
<thead>
<tr>
<th></th>
<th>2021 Mkt</th>
<th>2021 TK</th>
<th>2022 Mkt</th>
<th>2022 TK</th>
<th>2023 Mkt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>15%</td>
<td>30+%</td>
<td>12%</td>
<td>20+%</td>
<td>-LSD</td>
</tr>
<tr>
<td>EMEA</td>
<td>13%</td>
<td>20+%</td>
<td>-9%</td>
<td>+HSD</td>
<td>-LSD to -MSD</td>
</tr>
</tbody>
</table>

- Expect TK to outperform end markets in both regions in 2023
  - TK Americas est. + LSD – MSD; TK EMEA est. Flat
ACT Projects North America Refrigerated Trailer Market to Remain Robust, Above 40k units 2023 through 2028

ACT North America Trailer Market Outlook

Comments

• ACT 2023 North America Trailer forecast decreased to 42.5k from 45k units on OEM capacity constraints (down 4% from up 1%)

• ACT 2024 North America Trailer forecast decreased to 41k units from 42k units (down LSD YOY)

• Underlying refrigerated trailer demand remains high, average ~44k units per year

• Strong demand forecast through 2028

• Diversified Americas / EMEA Thermo King businesses poised to outperform end markets through continued innovation / execution
The markets we serve will continue to outgrow GDP, fueled by long-term sustainability megatrends.

We are positioned to outgrow the market and expand margins with market-leading sustainable innovations.

Our execution excellence and transformational work position us to maximize margins and cash generation.

Our strong balance sheet, exceptional cash generation and balanced capital allocation strategy deliver significant value to shareholders.
### FY’23 Detailed Guidance for Modeling Purposes

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY Guidance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Revenue*</td>
<td>~8%</td>
<td>• 30%+ organic leverage (increased from 25%+ prior)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>+2%</td>
<td>• M&amp;A carries ~3% leverage - nominal contribution given year 1 integration costs. FY impact to enterprise reported leverage is ~4 points lower than organic leverage (each point of M&amp;A reduces year 1 leverage by ~2 points)</td>
</tr>
<tr>
<td>Reported Revenue</td>
<td>~10%</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>Neutral to FY</td>
<td></td>
</tr>
<tr>
<td>Adj. EPS*</td>
<td>$8.80 to $8.90 (+20% to +21%)</td>
<td></td>
</tr>
</tbody>
</table>

#### Other Items

- **Q3’23:** ~7% enterprise organic revenue growth; 30%+ leverage; adj. EPS $2.60 - $2.65
- **2H’23:** expect 30%+ organic leverage. M&A adds ~3pts of growth given timing of acq. closings, mainly Q2, vs ~2pts of M&A in 1H. +3pts M&A in 2H = minus 6pts reported vs organic leverage*. FY unchanged on 2pts M&A per bullet 2 above.

**Updated FY’23 Other Items:**
- ~$270M corporate costs (~$250M prior) – +$20M discrete enterprise-wide investments included in increased FY’23 guidance. Incremental investments in controls, electrification, automation
- ~$50M in transformation and restructuring/other costs (~$0.15 excluded from adj. EPS)** (~$30M/$0.10 exc. from adj. EPS prior)

---

*Includes certain Non-GAAP financial measures. See the company's Q2 2023 earnings release for additional details and reconciliations.

**Supports initiatives to deliver ~$300M in annualized savings by YE 2023 (3X initial $100M RMT stranded cost reduction target)
## Global Megatrends

- **Climate Change**
- **Demographics**
- **Urbanization**
- **Digital Connectedness**
- **Resource Scarcity**
- **Indoor Air Quality (IAQ)**

## Our 2030 Commitments

### The Gigaton Challenge
Reducing one gigaton of carbon emissions (CO₂e) from our customers’ footprint

### Leading by Example
Achieving carbon neutral operations, 10% absolute energy reduction, zero waste to landfill and net positive water

### Opportunity for All
Creating gender parity in leadership, workforce diversity, investing in STEM education

## Material Issues to Focus Our Efforts

<table>
<thead>
<tr>
<th>Operations</th>
<th>Products and Services</th>
<th>Supply Chain</th>
<th>Employees</th>
<th>Communities</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions intensity</td>
<td>Energy efficiency</td>
<td>Responsible sourcing</td>
<td>Diversity and inclusion</td>
<td>Access to cooling</td>
<td>Board oversight</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>Low-emission products</td>
<td>Supplier diversity</td>
<td>Ethics and integrity</td>
<td>Food and wellness</td>
<td>Financial performance</td>
</tr>
<tr>
<td>Water usage</td>
<td>Technology &amp; innovation</td>
<td></td>
<td>Safety</td>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Heating electrified</td>
<td>Emerging market innovations</td>
<td></td>
<td>Development</td>
<td>Workforce development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product life cycle</td>
<td></td>
<td>Engagement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Targets Align with Global Priorities

1. Zero Hunger
2. Quality Education
3. Gender Equality
4. Clean Water & Sanitation
5. Affordable & Clean Energy
6. Decent Work & Economic Growth
7. Industry, Innovation & Infrastructure
8. Sustainable Cities & Communities
9. Responsible Consumption & Production
10. Climate Action

We believe in ambitious goals founded in science.

Trane Technologies is 1st in industry to be 2050 Net-Zero Approved by the Science-Based Targets Initiative (SBTi)
SUSTAINABILITY LEADERSHIP

Driving Performance Through Sustainability

Before 2010
Focus on environmental and safety compliance

2010
Center for Energy Efficiency & Sustainability (CEES) is founded and begins operating
Launched internal Diversity & Inclusion Council

2011
Launched the first ‘Sustainability’ addendum to our annual report
First annual submission to DJSI

2014
First set of major goals announced: 2020 Climate Commitments

2015
We Mean Business partner (Paris Accord)
Launched EcoWise product portfolio
First in our industry to have climate commitments validated by the Science Based Targets Initiative (SBTi)

2016
Science-based targets accepted and validated by SBTi for 50% reduction in refrigerant global warming potential and 35% reduction in operational emissions

2017
First in our industry to join Paradigm4Parity and CEO Action for Diversity and Inclusion

2018
Achieved 2020 Climate Commitments 2 years ahead of schedule
Launched first formal ESG report
Installed first on-site solar
Signed Paradigm for Parity pledge

2019
Announced 2030 Sustainability Commitments
Invested in first wind power agreement
Received World Environment Center Gold Medal
Joined RE100, EP100 and 3% Club

2020
SBTi validates achievement of first generation 2020 Climate Commitments
SBTi validates second generation 2030 Sustainability Commitments, covering product-use and operational emissions

2021
Data submitted to SBTi for 2050 Net-Zero target
Received inaugural Terra Carta Seal for sustainability leadership by HRH The Prince of Wales

2022
Approved for Net-Zero target and our third round of science-based targets with SBTi
Launched 25x25 initiative to accelerate reduction of Scope 1 and 2 carbon emissions by an additional 25% from 2021 by the end of 2025

Years in Purple designate years since launch of Trane Technologies
## Highly Regarded ESG Performance

<table>
<thead>
<tr>
<th><strong>Dow Jones Sustainability Indices</strong></th>
<th><strong>12 Consecutive Years</strong></th>
<th>Performed in the 97th percentile in the Capital Goods industry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JUST capital</strong></td>
<td><strong>2023 JUST 100: Ranked</strong></td>
<td><strong>18th</strong> 2nd consecutive year JUST 100 Listing; Industry Leader</td>
</tr>
<tr>
<td><strong>CDP</strong></td>
<td><strong>Named to A List</strong></td>
<td>One of 283 companies named to A List</td>
</tr>
<tr>
<td><strong>ecovadis</strong></td>
<td><strong>97th Percentile</strong></td>
<td>72/100; Gold Rating</td>
</tr>
<tr>
<td></td>
<td><strong>72% percentile</strong></td>
<td>in the industrial industry</td>
</tr>
<tr>
<td></td>
<td><strong>3rd Consecutive Year</strong></td>
<td>Recognized for reducing GHG emissions in our operations</td>
</tr>
<tr>
<td></td>
<td><strong>Inaugural Recipient</strong></td>
<td>Presented by His Majesty for Sustainable Market Transformation</td>
</tr>
<tr>
<td></td>
<td><strong>6th Percentile</strong></td>
<td>in the Building Products industry. 13th percentile globally. Identified as “Industry Leader”</td>
</tr>
</tbody>
</table>

## People and Citizenship

| **11 years listed on most admired companies list** |
| **Certified in 2023** | For one year through rigorous, data-based model and employee survey |
| **Finalist - Sustainability category** | Also named to Fast Company’s World Changing Ideas 2023 list |
| **Forbes America’s Best Large Employers 2023** | Highlights the top companies in America with over 5,000 employees |

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**Q2 Organic Revenues up 11% Y-O-Y; Bookings Down 5%**

<table>
<thead>
<tr>
<th>Organic Revenue</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Americas</td>
<td>-2%</td>
<td>-13%</td>
<td>+2%</td>
<td>+1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>-3%</td>
<td>-15%</td>
<td>-6%</td>
<td>-6%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>-34%</td>
<td>-5%</td>
<td>-2%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

| Total           | -5%| -13%| +50bps| -1%| -5%| +11%| +18%| +4%| +11%| +11%| +12%| +11%| +19%| +16%| +15%| +9%| +11%|

<table>
<thead>
<tr>
<th>Organic Bookings</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Americas</td>
<td>+11%</td>
<td>-5%</td>
<td>+8%</td>
<td>+2%</td>
</tr>
<tr>
<td>EMEA</td>
<td>-2%</td>
<td>-20%</td>
<td>+6%</td>
<td>+9%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>-17%</td>
<td>-2%</td>
<td>-5%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

Total: +6% | -7% | +7% | +3% | +2% | +31% | +30% | +20% | +27% | +27% | +6% | +7% | +8% | flat | +5% | -1% | -5%

*Organic revenues and bookings exclude acquisitions and currency*
Q2 Non-GAAP Measures Definitions

Adjusted operating income in 2023 is defined as GAAP operating income adjusted for restructuring costs, transformation costs, non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted operating income in 2022 is defined as GAAP operating income adjusted for restructuring costs, transformation costs and non-cash adjustment for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2, 3 and 4 of the news release.

Adjusted operating margin is defined as the ratio of adjusted operating income divided by net revenues.

Adjusted earnings from continuing operations attributable to Trane Technologies plc (Adjusted net earnings) in 2023 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for an impairment of equity investment and the net of tax impacts of restructuring costs, transformation costs, a non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted net earnings in 2022 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, transformation costs and non-cash adjustment for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted continuing EPS in 2023 is defined as GAAP continuing EPS adjusted for an impairment of equity investment and the net of tax impacts of restructuring costs, transformation costs, non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted continuing EPS in 2022 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, transformation costs and non-cash adjustment for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted EBITDA in 2023 is defined as adjusted operating income adjusted for depreciation and amortization expense, other income / (expense), net and an impairment of equity investment. Adjusted EBITDA in 2022 is defined as adjusted operating income adjusted for depreciation and amortization expense, other income / (expense), net. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 4 and 5 of the news release.

Adjusted EBITDA margin is defined as the ratio of adjusted EBITDA divided by net revenues.
Q2 Non-GAAP Measures Definitions

**Adjusted effective tax rate for 2023** is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, transformation costs, non-cash adjustment for contingent consideration, and merger and acquisition related costs divided by adjusted net earnings. Adjusted effective tax rate for 2022 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, transformation costs and non-cash adjustment for contingent consideration divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

**Free cash flow** in 2023 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, transformation costs and merger and acquisition related costs. Free cash flow in 2022 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, transformation costs and the continuing operations component of the qualified settlement fund (QSF) funding. Please refer to the free cash flow reconciliation on table 8 of the news release.

**Operating leverage** is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q2 2023) less the prior period (e.g. Q2 2022), divided by the change in net revenues for the current period less the prior period.

**Organic revenue** is defined as GAAP net revenues adjusted for the impact of currency and acquisitions. Organic bookings is defined as reported orders in the current period adjusted for the impact of currency and acquisitions.

**Working capital** measures a firm’s operating liquidity position and its overall effectiveness in managing the enterprise’s current accounts.

- **Working capital** is calculated by adding net accounts and notes receivables and inventories and subtracting total current liabilities that exclude short-term debt, dividend payable and income tax payables.
- **Working capital as a percent of revenue** is calculated by dividing the working capital balance (e.g. as of June 30) by the annualized revenue for the period (e.g. reported revenues for the three months ended June 30 multiplied by 4 to annualize for a full year).