



Investor Presentation

February 2023

TRANE
TECHNOLOGIES

Forward-Looking Statements

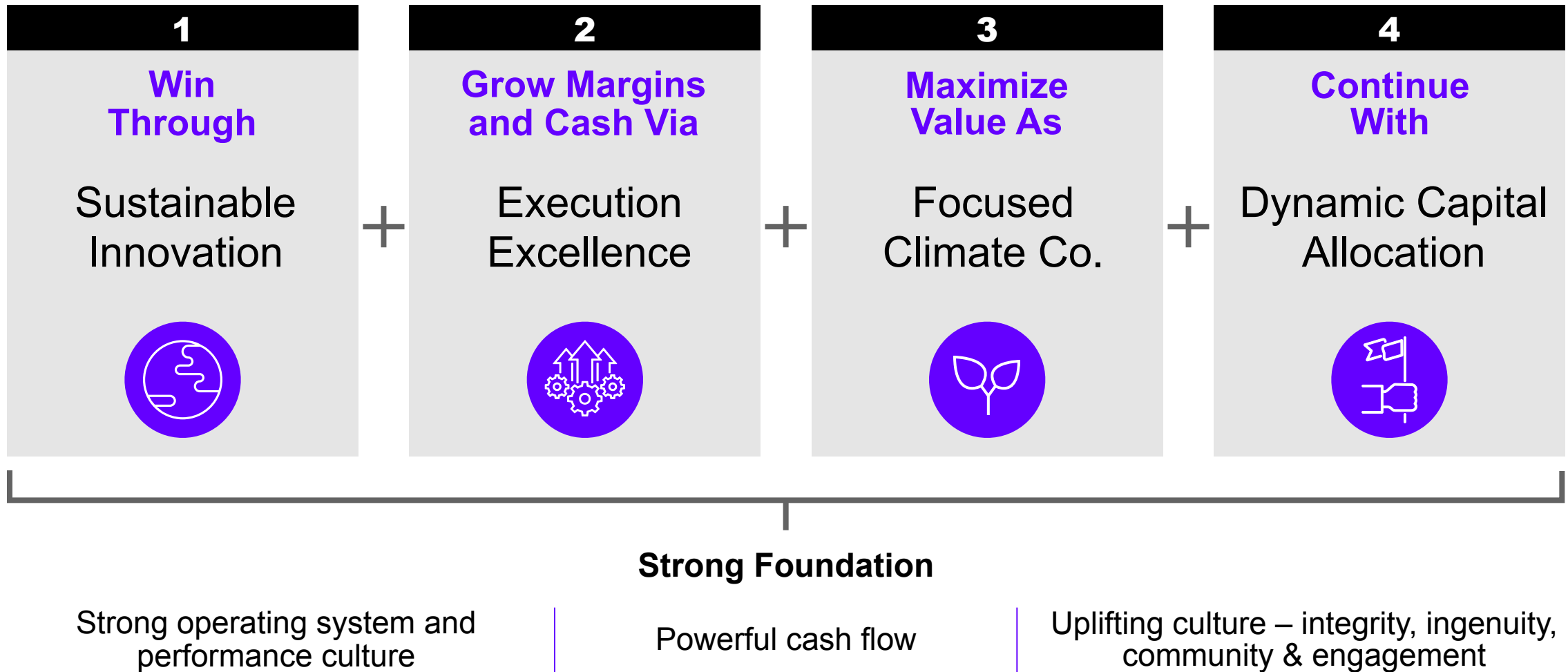
This presentation includes “forward-looking statements” which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS and operating income; our business operations; demand for our products and services including bookings and backlogs; capital deployment, including the amount and timing of our dividends and our share repurchase program, including the amount of shares to be repurchased and the timing of such repurchases; our capital allocation strategy, including acquisitions (if any); our projected free cash flow and usage of such cash; our available liquidity; performance of the markets in which we operate; and restructuring activity and cost savings associated with such activity; 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, global economic conditions, including recessions and economic downturns, inflation, volatility in interest rates and foreign exchange; changing energy prices; the impact of the global COVID-19 pandemic or future health care emergencies on our business, our suppliers and our customers; the Russia-Ukraine conflict; 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.

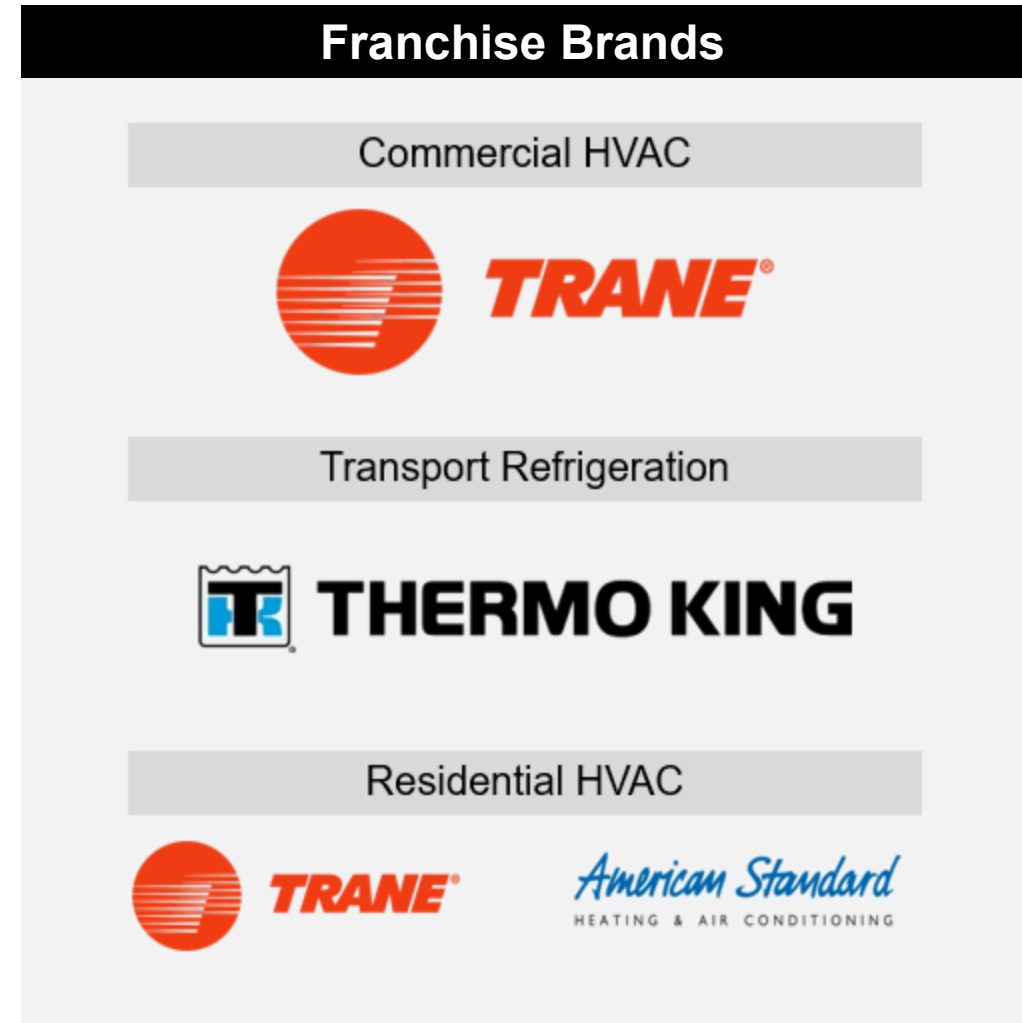
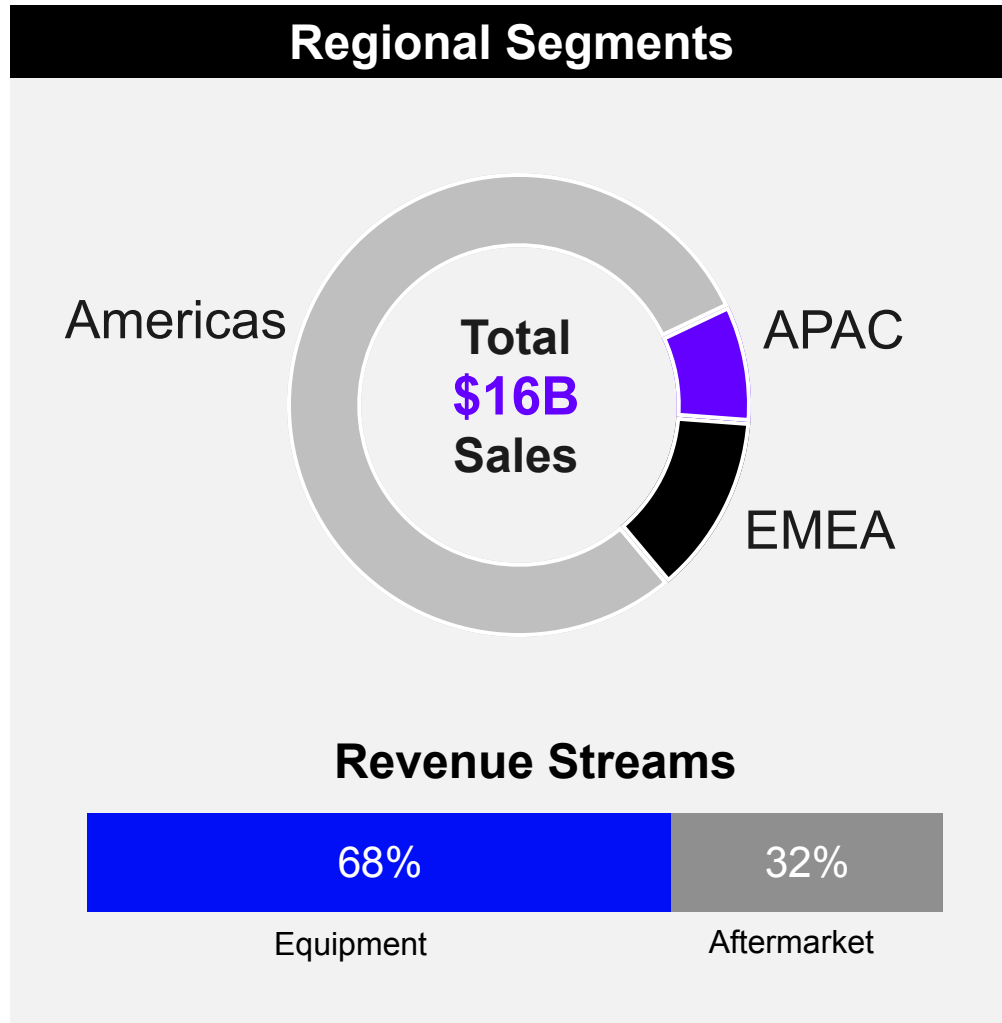
Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2022, as well as our reports on Form 10-Q and other SEC filings. We assume no obligation to update these forward-looking statements.

This presentation 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 fourth quarter of 2022 are estimates.

Focused Strategy Delivers Differentiated Shareholder Returns



Pure-Play Climate Control Business with Leading Brands and Market Positions; High Aftermarket Mix



Global Megatrends Continue to Intensify – Demanding Bold Action

Heating and Cooling Buildings

Global emissions from heating / cooling buildings*

15%

+

10%

=

25%

Food Loss

Global emissions come from food loss / waste*



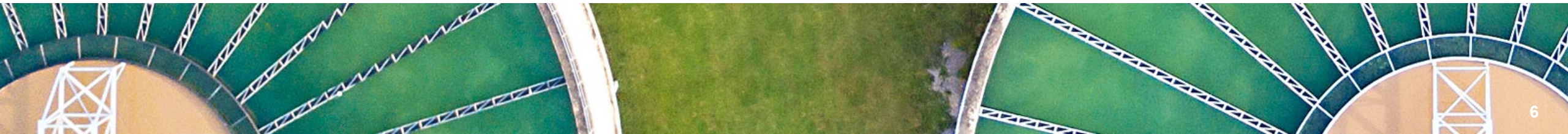
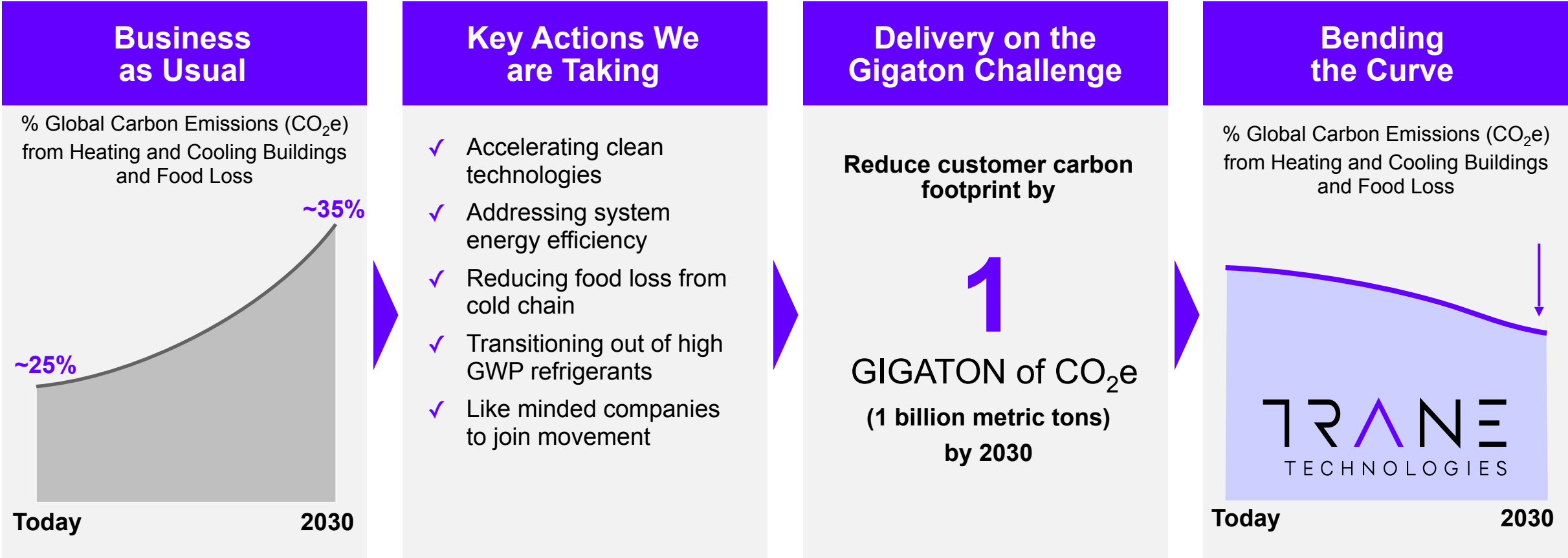
GHG Emissions

Combined share of global emissions



* Source: Project Drawdown and BCG

Uniquely Positioned with Innovative Solutions to Lead a Movement to Reduce GHG Emissions



Our Sustainability Purpose Yields Benefits Beyond CO₂e Reduction

SOCIAL BENEFITS

Defines Our Culture



- ✓ Generates uplifting culture that builds engagement and empowers people
- ✓ Drives innovative solutions
- ✓ Creates purpose driven performance
- ✓ Fosters employee retention and safety

FINANCIAL BENEFITS

Focuses Business Priorities



- ✓ More targeted investments
- ✓ Simplifies business model
- ✓ Increases speed and agility
- ✓ Improves productivity and execution

More value to shareholders, customers and employees

Widely Recognized for Sustainability, Citizenship, Diversity, Inclusion & Engagement

Highly Regarded ESG Performance



12 Consecutive Years
Performed in the 97th percentile in the Capital Goods industry



**2023 JUST 100:
Ranked 18th**
2nd consecutive year
JUST 100 Listing;
Sector Leader



A
Climate Change disclosure identified as "Industry Leader"



97th Percentile
72/100; Advanced Overall



62% higher
score than industry average

Management Top 250
Developed by the Drucker Institute, published by The Wall Street Journal

Improved ranking YOY
Ranked #62, and Top 10 for Customer Satisfaction



Inaugural Recipient
Presented by His Majesty for Sustainable Market Transformation



*Awaiting 2022 update

***6th Percentile**
in the Building Products industry. 13th percentile globally. Identified as "Industry Leader"

People and Citizenship



11 years
listed on most admired companies list



Certified in 2022
For one year through rigorous, data-based model and employee survey



Score of 100
Helps companies measure disability inclusion and equity



World's Best Employers
among companies worldwide



Trane Technologies: Reimagined to Unlock Our Full Potential

1 Sustainability innovation fuels our growth

Customer-focused innovation
100% tied to sustainability
secular mega trends

2 Exceptional performance maximizes our margins

Relentlessly focused on leaning
out processes and driving
excellent execution

3 Structural transformation unlocks our potential

Redesigned to maximize our
value as a pure-play climate
focused innovator



Trane Technologies Reimagined:

Streamlined, Customer-Focused Climate Innovator

Uniquely Positioned as IPO-like Climate Innovator with Proven Expertise

Essence of a Startup



- ✓ Purpose-driven alignment
- ✓ Fit for purpose organizational design
- ✓ Strategic choice budgeting
- ✓ Built for speed



Credibility of a Market Leader



- ✓ Long track record of execution
- ✓ Trusted industry & technical expertise
- ✓ Deep customer relationships
- ✓ Strong performance culture

Why Pure Play Matters? – Purpose Drives Performance

1

World class climate innovator relentlessly reinvesting to bend the curve on climate change

2

Lean-based, customer-focused model

3

Increased speed and agility in the marketplace

4

Strong competitive position with full spectrum of product and service capabilities

5

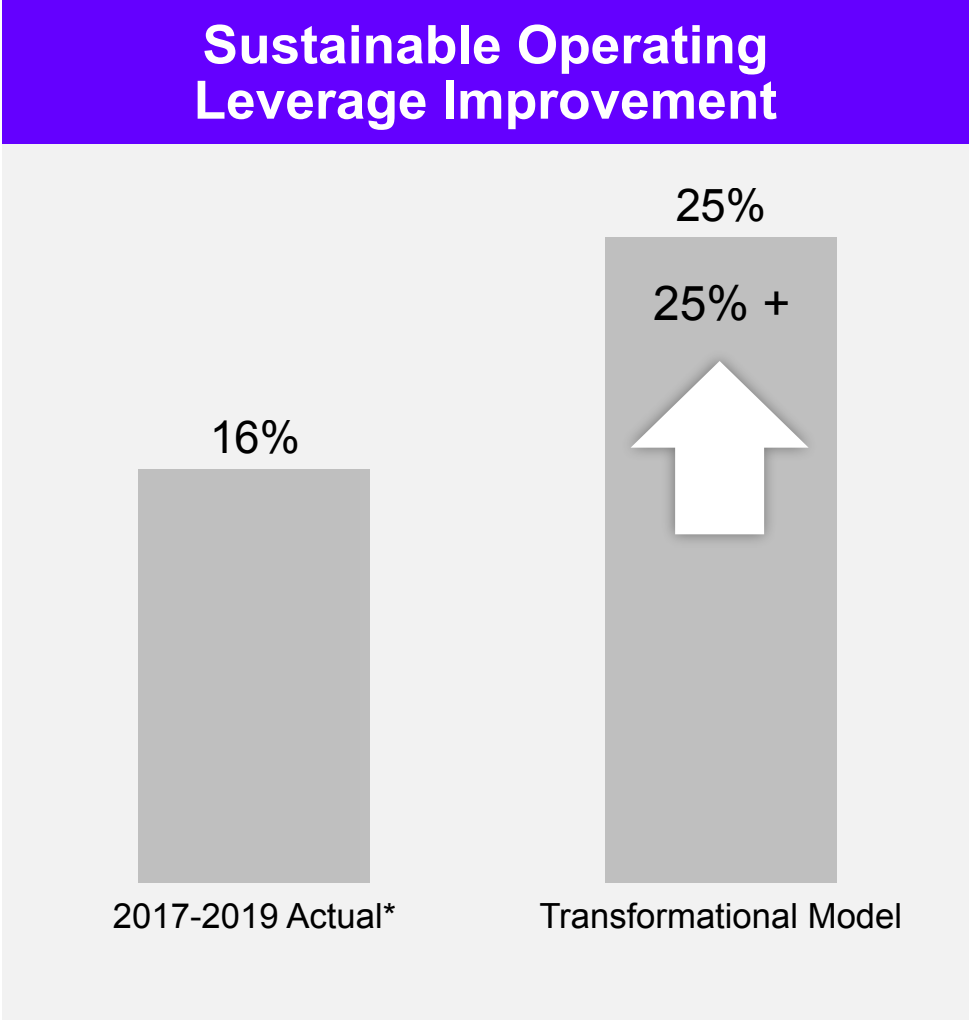
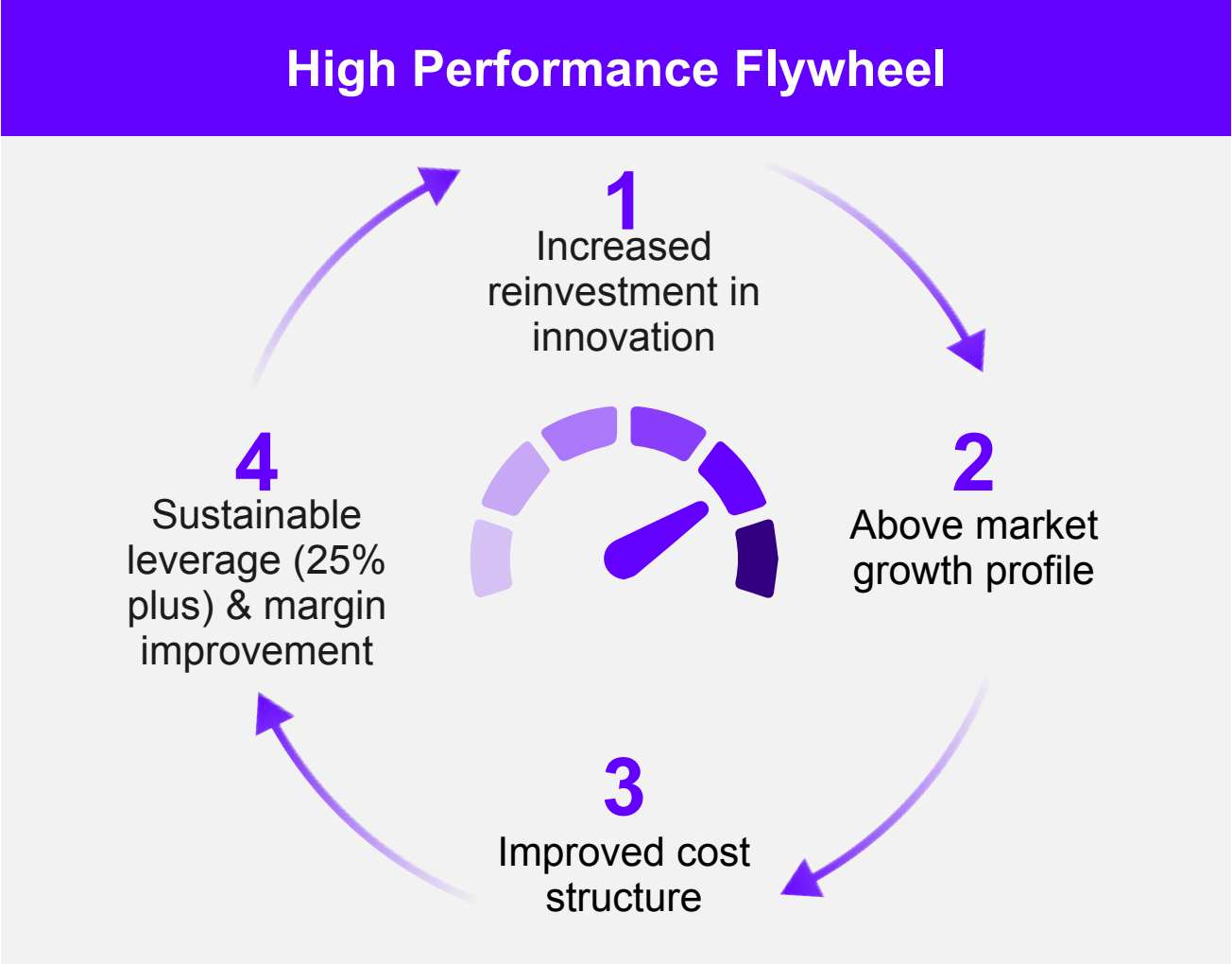
Global reach provides scale to deliver next generation technologies through **unequaled channel expertise**

100%

focus on sustainability
drives differentiated results
for shareholders



Business Transformation Delivers \$300M in Cost Savings by YE 2023 to Fund Continued Market Outgrowth With 25% Sustainable Leverage



Note: Information as of February 2, 2023 --- NOT AN UPDATE OR REAFFIRMATION

* Operating leverage calculated based on change in historical Climate segment adjusted operating income less adjusted unallocated corporate costs divided by change in Climate segment revenues,

Megatrends are Powerful Drivers of Growth and Accelerate Need for Innovative Trane Technologies' Solutions

Continuing Megatrends



Climate Change



Urbanization



Resource Scarcity



Demographics

Accelerating Megatrends



Indoor Environmental Quality



Digital Connectedness

Driving Sustainability

Accelerating need for innovative climate sustainability solutions

Trane Technologies Innovation Advantage

Leader in innovative climate solutions at nexus of environmental sustainability and impact

Proven Business Operating System Delivers Results

Business Operating System

1

Aligns resources
for customer
value

2

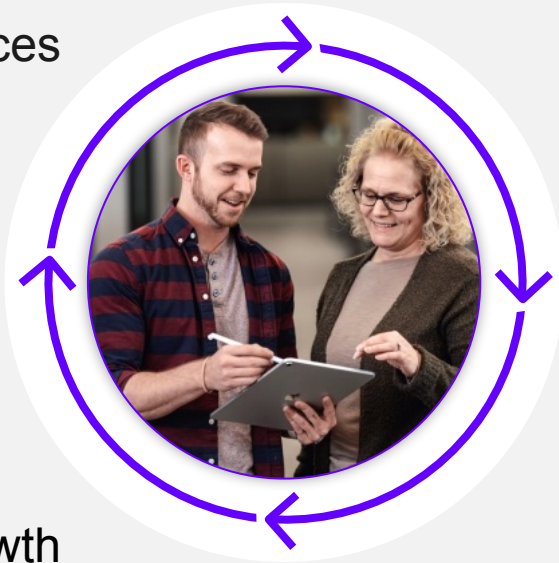
Empowers
people to solve
problems

3

Embeds
sustainability in
our operations

4

Accelerates
profitable growth

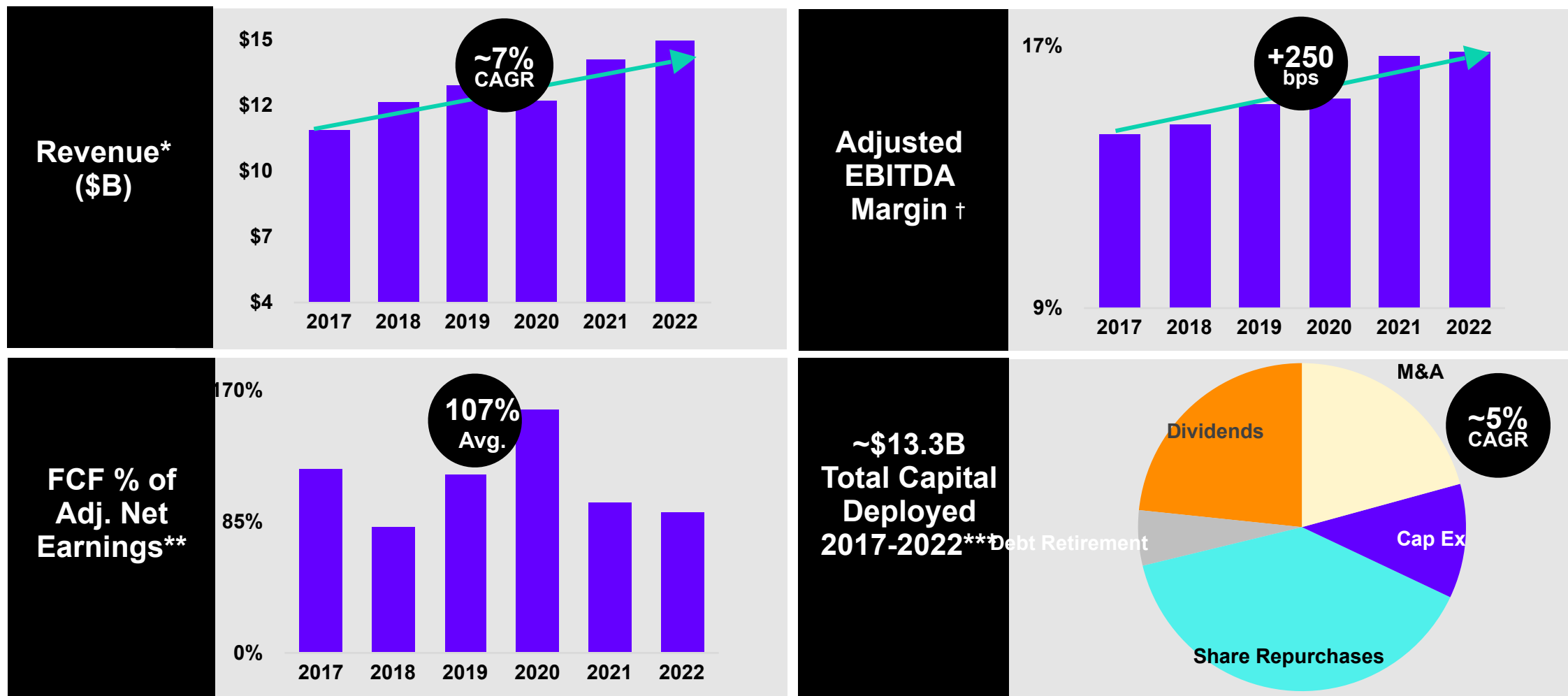


Results

- World class sales, service capabilities / offerings
- Sustained market outgrowth
- Margin expansion
- Continuous improvement and sustainable performance



Relentless Investments in Innovation, Customer Focus and Best-in-Class Business Operating System Driving Top-Quartile Financial Performance



* 2017, 2018, 2019 and 2020 historical information restated to reflect Ingersoll Rand Industrial segment in discontinued operations

** 2017 and 2018 free cash flow conversion history based on pre-RMT transaction consolidated Ingersoll Rand financial statements

***2017, 2018 and 2019 capital deployment based on pre-RMT transaction consolidated Ingersoll Rand financial statements

† 2018, 2019 and 2020 historical information restated to reflect Ingersoll Rand Industrial segment in discontinued operations. 2017 calculated based on historical Climate segment adj. op. inc. less adj. unallocated corporate costs divided by Climate segment revenues

IN SUMMARY

Positioned to Outperform. Consistently.

Secular Tailwinds

The markets we serve will continue to outgrow GDP, fueled by long-term sustainability megatrends

Sustainability Focused Innovation

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

Margin Expansion

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

Financial Strength

Our strong balance sheet, exceptional cash generation and balanced capital allocation strategy deliver significant value to shareholders



Fourth-Quarter and Full Year 2022 Results

February 2, 2023

Top Quartile Q4 & 2022; Robust Backlog Supports Strong 2023 Outlook Underpinned by Growing Demand for Sustainable Solutions

- **Strong execution in Q4 and close to 2022**
 - 2022 organic revenues* up 15%; adj. EPS* up 21%; organic bookings* up 5% (2-yr stack up 32%)
 - Q4 organic revenues up 16%; adj. EPS up 34%; organic bookings flat (2-yr stack up 27%)
 - Solid incremental margins despite material / other inflation related to supply chain, higher costs to serve customers and high levels of business reinvestment
- **Continued strong execution delivered incremental price / volumes up ~10% / ~5% in 2022 including ~10% / ~6% in Q4**
 - Leveraging best-in-class Business Operating System (BOS) to stay ahead of inflation and deliver positive price / cost on a dollar basis
- **Broad-based demand continued throughout 2022 for our innovative products and services, particular strength in global CHVAC solutions**
 - 2022 global CHVAC organic bookings up nearly 40% on 2-yr stack; Led by Americas CHVAC organic bookings up more than 40+% on 2-yr stack
 - 2022 book-to-bill of 109%; Q4 book-to-bill of ~100%, combined with 16% revenue growth, demonstrating high absolute bookings and strength of backlog
- **Well-positioned for continued profitable growth in 2023**
 - Ending backlog of \$6.9B up 27% Y-O-Y or more than 2X historical norms
 - Backlog expected to remain significantly elevated through 2023; strong visibility and revenue support
- **Balanced capital allocation in 2022; financial position, liquidity and balance sheet bolster resilience and optionality for 2023**
 - 2022 deployed \$2.1B including \$620M to dividends, \$1.2B to share repurchases and \$256M to M&A; expect capital deployment of ~\$2.5 billion in 2023
 - 2022 FCF of \$1.6B or ~91% of adj. net income; fundamental FCF remains robust; strong Q4 shipments pushed receivables into Q1 2023
- **Initiating strong 2023 revenue and EPS guidance**
 - 2023 organic revenue growth guidance of approximately +6% to +8%
 - 2023 adj. EPS guidance range of \$8.20 to \$8.50, up 11.4% to 15.5% from 2022 (see p. 11 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 Q4 2022 earnings release for additional details and reconciliations..

Note: Information as of February 2, 2023 --- NOT AN UPDATE OR REAFFIRMATION



Strong Execution in 2022; Exceeded Financial Commitments & Delivered 20+% Adj. EPS Growth Despite Challenging Macroenvironment

	2022 Initial Guidance**	2022 Actual Results*	
Organic Revenue*	+HSD	+15%	✓+
Organic Operating Leverage*	~20%	18%	✓
Adj. EPS*	\$6.95 to \$7.15	\$7.36	✓+
Free Cash Flow*	≥ Adj. Net Earnings	91% Adj. Net Earnings	⊖



- Robust revenue, end market outgrowth and strong margin expansion
- Strong organic operating leverage despite persistent high inflation and supply chain challenges
- Powerful free cash flow of ~\$1.6B; 91% FCF conversion reflects ~\$150M timing of receivables (shift from Q4 '22 to Q1 '23), \$40M investment in additional safety stock

* Includes certain Non-GAAP financial measures. See the company's Q4 2022 earnings release for additional details and reconciliations.

** Initial 2022 guidance, January 31, 2022

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Robust Bookings and Backlog Entering 2023; Strong Revenue Growth and Demand

Q4 Organic* Y-O-Y Change		
	Bookings	Revenue
Enterprise	flat	+ 16%
Americas	flat	+ 14%
Commercial HVAC	+	+
Residential HVAC	-	+
Transport	-	+
EMEA	+ 2%	+ 23%
Commercial HVAC	+	+
Transport	-	+
Asia Pacific	- 6%	+ 19%
Commercial HVAC	-	+
Transport	-	-

Americas

- CHVAC bookings up low-teens, 2-yr stack up nearly 40%; Revs up mid-teens with equip up 20+% and svcs up high-single digits
- Resi HVAC revs up low-single digits; sell-through up mid-single digits; bookings down mid-20's on strong PY comp; 2-yr stack up double digits
- Transport revs up ~30%; bookings normalizing as expected on strong PY comp; 2-yr stack up 40+%; 2H'23 order book not open yet
- Americas backlog is 3x historical norms entering 2023

EMEA

- CHVAC revs up 40+%, w/ both equip and svcs up double digits; CHVAC bookings up low-teens; 2-yr stack up 20+%
- Transport revs up LSD; bookings normalizing as expected on strong PY comp
- EMEA backlog approximately 40% higher than historical norms entering 2023

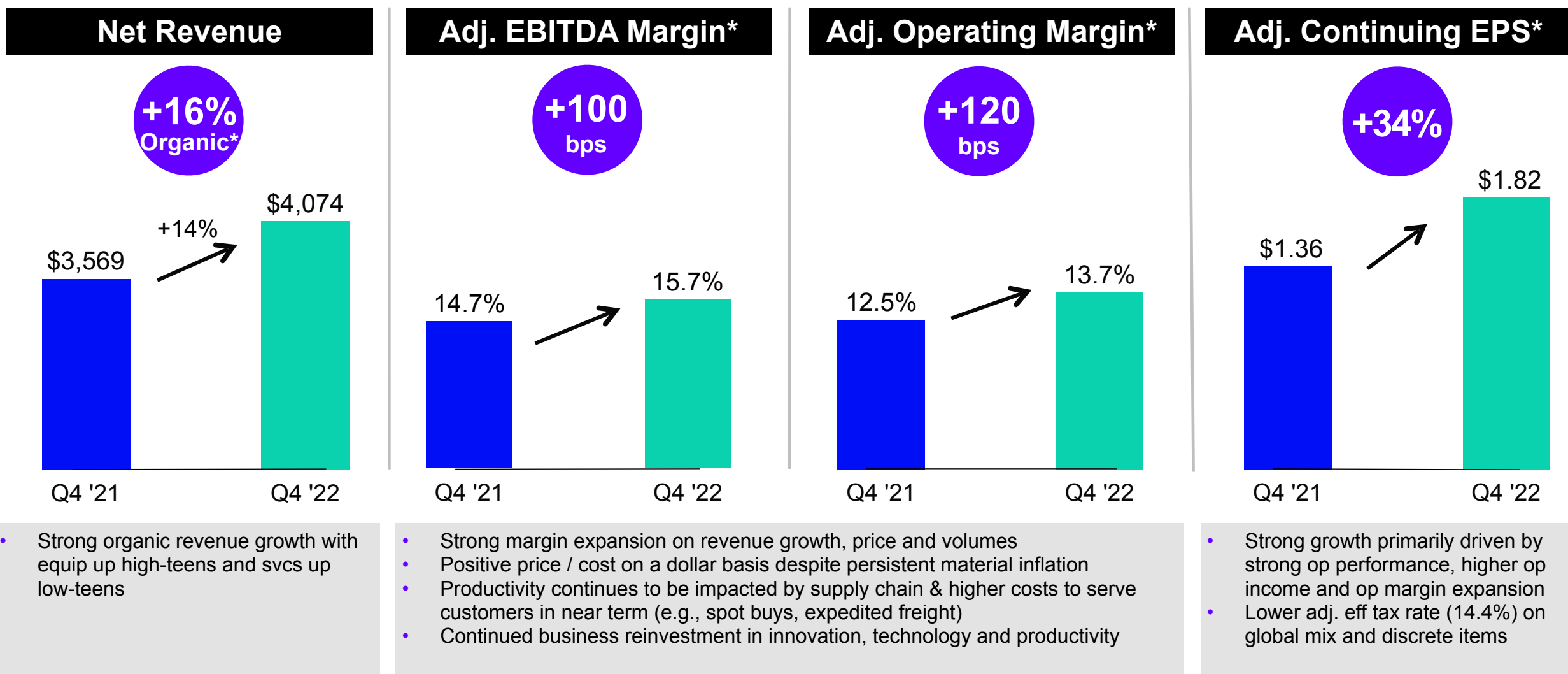
Asia Pacific

- CHVAC revs up 20+%, w/ equip up 20+%, svcs up mid-teens
- Asia bookings growth down mid-single digits on strong PY comp, 2-yr stack up high-teens; CHVAC FY 2022 bookings up low-teens
- China revs / bookings strong, up double digits / high-single digits, respectively
- Asia backlog approximately 50% higher than historical norms entering 2023

*Organic bookings and organic revenues exclude acquisitions and currency

Note: Information as of February 2, 2023 --- NOT AN UPDATE OR REAFFIRMATION

Strong Revenue Growth, Margin Expansion and EPS Growth



*Includes certain Non-GAAP financial measures. See the company's Q4 2022 earnings release for additional details and reconciliations.

Strong Broad-Based Organic Revenue Growth and Margin Expansion

\$M	Revenue Org.* Growth	Adj. EBITDA*% vs PY	Adj. OI*% vs PY	Highlights
Americas	\$3,140 +14%	16.6% +70 bps	14.6% +100 bps	<ul style="list-style-type: none"> Strong broad-based margin expansion Robust volume growth, positive price realization and productivity more than offset persistent material and other inflation related to supply chain challenges and higher costs to serve customers High incremental business reinvestment in each segment supporting sustainability strategy, innovation and growth initiatives
EMEA	\$559 +23%	16.5% +80 bps	15.5% +150 bps	
Asia Pacific	\$376 +19%	21.2% +200 bps	20.4% +240bps	

* Includes certain Non-GAAP financial measures. See the company's Q4 2022 earnings release for additional details and reconciliations.

Strong Bookings & Backlog, Leading Innovation, Strong Market Positioning Provides Solid Foundation and Visibility for 2023

Americas

Commercial HVAC

- Expect continued strong growth in 2023
- Strong demand for innovative solutions driving all-time high 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
- *Regulatory tailwinds - (e.g., Inflation Reduction Act (IRA); Education stimulus - ESSER Funding; CHIPS and Science ACT; SEER changes for 2023)*

Residential HVAC

- Environment remains dynamic. Tailwinds: elevated backlog, strong price execution, regulatory and policy initiatives
- Tough comps from PY and normalization of bookings and lead times; helping IWD customers manage inventory position
- *Regulatory tailwinds – (e.g., Inflation Reduction Act (IRA); SEER changes for 2023)*
- Expect residential market units down ~(MSD), revenues flat

Transport

- Weighted avg mkt growth outlook flat in 2023; underlying refrigerated trailer demand solid; 2023 ACT up ~1.5%. Expect TK to outperform end markets on customer demand for innovative solutions

EMEA

Commercial HVAC

- Continued underlying demand for innovative, sustainability-focused products and services; energy concerns elevating demand for Thermal Management Systems
- *Regulatory tailwinds – (e.g., 2030 EU Climate and Energy Framework)*

Transport

- Weighted average market growth 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. Expect TK to outperform end markets.
- Higher diesel prices help stimulate demand for our solutions, the highest efficiency solutions on the market

Asia Pacific

China

- Environment remains dynamic; optimistic as China reopens; government support for economy improving; end markets stable with continued strength in data center, electronics, pharma, healthcare

Rest of Asia

- Outlook remains mixed

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Leveraging Value Creation Flywheel to Drive Strong Revenue, EPS Growth and FCF in 2023

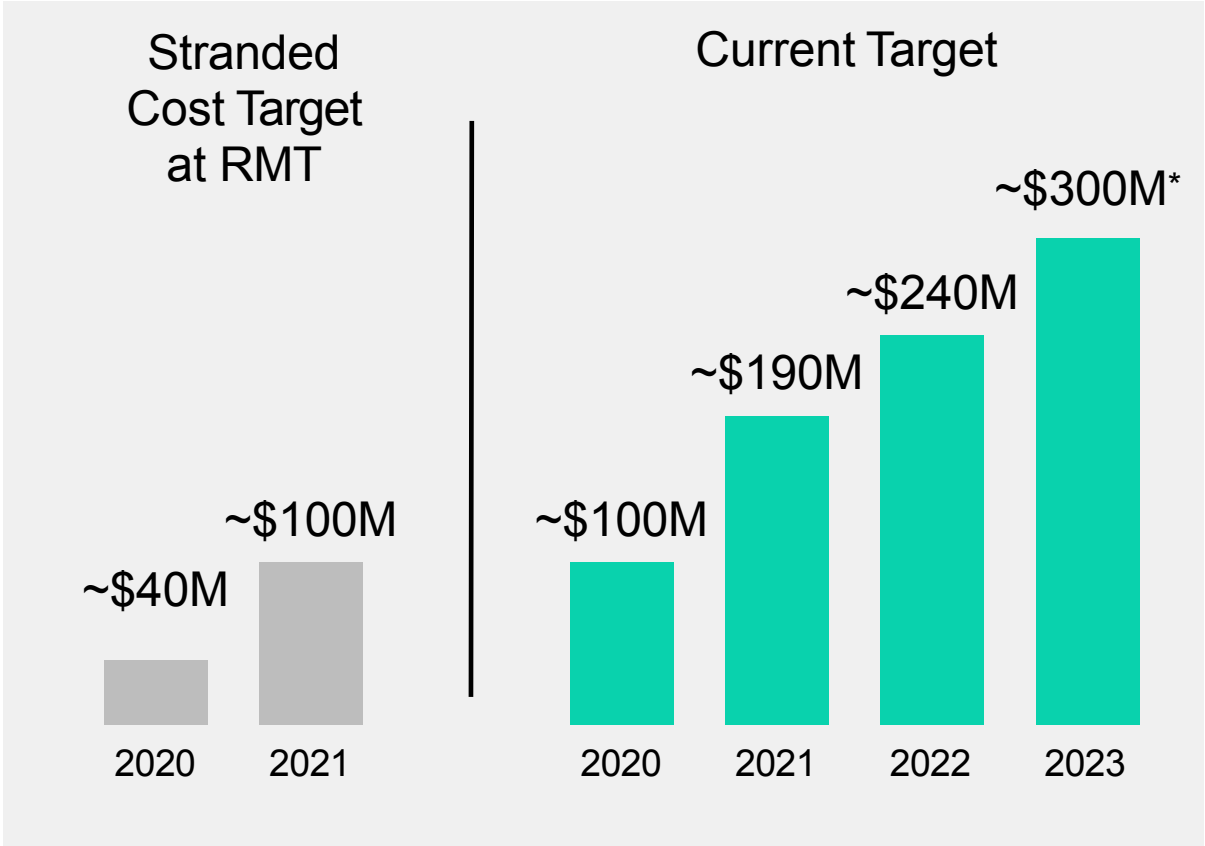
Organic Revenues*	+6% to +8% (+7% to +9% reported)	<ul style="list-style-type: none"> Continued high levels of demand; share gain Record backlog ~\$7B Reported includes ~+1 point M&A
Adj. EPS	\$8.20 to \$8.50 (+11.4% to +15.5%)	<ul style="list-style-type: none"> Strong organic leverage, margin expansion
Operating Leverage*	Organic 25%+	<ul style="list-style-type: none"> Strong incrementals on vol, price, mix Cont'd tight but slowly improving supply chain, persistent inflation, esp. tier II mat'l, labor, energy Above average incremental investment (normal range ~40 bps year)
Free Cash Flow	= / > Adj. Net Earnings	<ul style="list-style-type: none"> Capex ~1.5% to ~2% of revs – including adv. manufacturing / automation, electrification platforms Expect modest working capital investment

*Reported includes M&A of ~ +1% revenues @ ~3% OI (~2 point impact to enterprise leverage; expect FY FX flat)

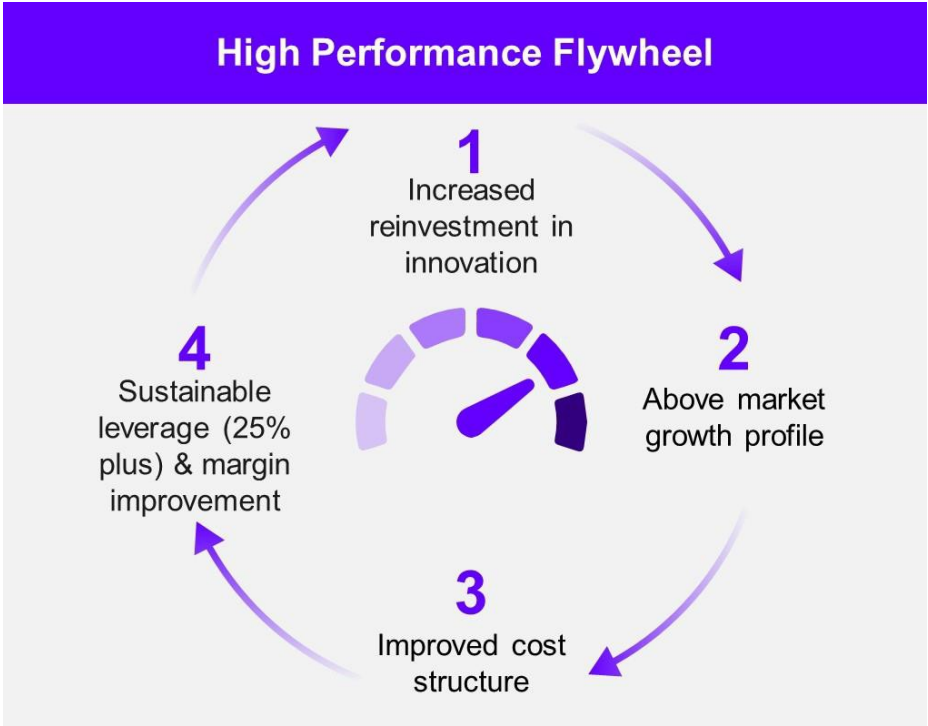
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On Track For ~\$300M Total Transformation Savings by Year-End; Business Operating System to Drive Strong Productivity / Cost Savings Over Long Term

Transformation Savings



- Delivered ~\$50M incremental savings in 2022
- Targeting delivery of incremental savings of ~\$60M in 2023
- ~\$300M transformation savings adds fuel to high-performance flywheel



* Expenses Related to Achieving Cost Reductions \$100M - \$150M through 2022; ~\$1.2M spent in Q4; ~\$130M cumulative 2020, 2021 and 2022.

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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* \geq 100% of adjusted net earnings
- Strengthening balance sheet
- Strong 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

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* Includes certain Non-GAAP financial measures. See the company's Q4 2022 earnings release for additional details and reconciliations.

Strong, Balanced Capital Allocation in 2022; Targeting Additional Deployment of ~\$2.5B in 2023

Balanced Capital Deployment

	Actual FY 2022	Target FY 2023
Dividends	\$0.6B	~\$0.6B
M&A, investments	\$0.3B	~\$1.9B
Share repurchases	\$1.2B	
Total Capital Deployed	\$2.1B	~\$2.5B
Other cash*	\$270M	-

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*\$270M cash related to creating a qualified settlement fund which we funded during Q1 2022 (for more info see 8-K filed 9/24/2021 and other SEC filings)

Capital Deployment

- Q4 Share repurchases of \$300M (FY \$1.2B); ~\$3.2B remaining authorization
- Q4 dividends of \$153M (FY \$620M)
- M&A pipeline remains active; maintain disciplined approach
- Shares remain attractive, trading below intrinsic value
- Targeting \$2.5B Capital Deployment in 2023



Topics of Interest

Thermo King Significantly Outperformed End Markets in 2022; Expect Continued Outperformance 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)

Source: ACT / IHS / Company Estimates

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

Flat

2023 Transport EMEA
Market Outlook**
Trailer / Truck wtd avg

-LSD to -MSD

*Includes 2023 N.A. ACT Trailer build fcst of ~45K, or ~1.5% growth

** Reflects removal of Russia from EMEA Mkt Sizing

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

- **Trailer/Truck/APU: ~2/3^{rds} of Total Transport Revenue**
 - N.A. growth estimates flat; 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 flat
- **Diversified Americas / EMEA Thermo King significantly outperformed end markets in 2021 and 2022; expect continued outperformance in 2023**

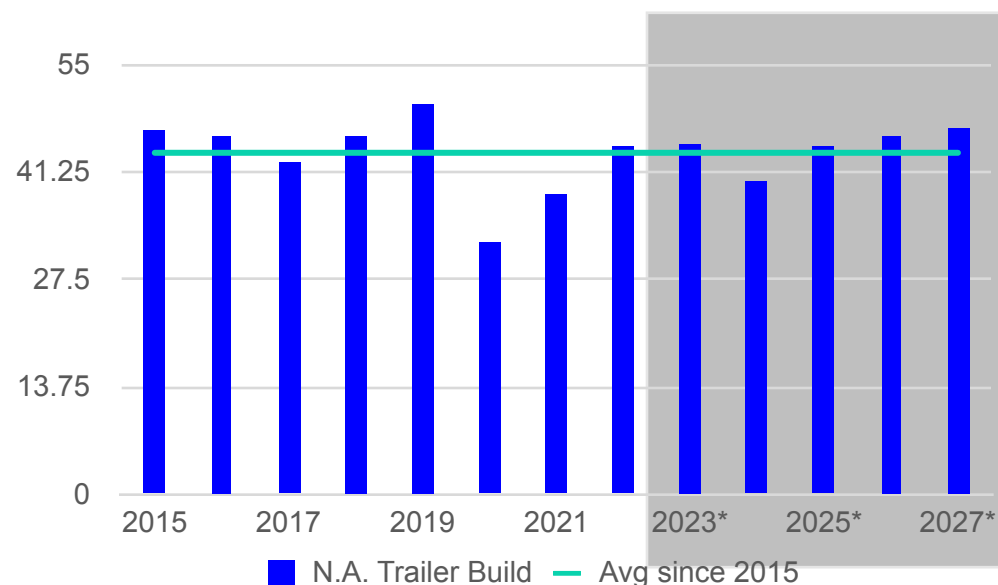
Total Transport wtd avg growth: Truck/Trailer/APU/Marine/Bus/Rail/Air

	2021 Mkt	2021 TK	2022 Mkt	2022 TK	2023 Mkt
Americas	15%	30+%	12%	20+%	Flat
EMEA	13%	20+%	-9%	+HSD	-LSD to -MSD

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

North America Refrigerated Trailer Outlook – ACT Forecasts Dips to 40K Units in 2024, Rebounds in 2025, Growth in 2026 and 2027

North America Trailer Market Outlook



* Forecast shown in grey
Source: ACT

Comments

- Underlying refrigerated trailer demand remains high, 45K units / year
- Strong demand forecast through 2027
- Diversified Americas / EMEA Thermo King businesses poised to outperform end markets w/ cont'd innovation / execution

IN SUMMARY

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The markets we serve will continue to outgrow GDP, fueled by long-term sustainability megatrends

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

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Appendix

FY 2023 Detailed Guidance for Modeling Purposes

Metric	FY Guidance	Commentary
Organic Revenue*	+6% to +8%	<ul style="list-style-type: none"> 25%+ organic leverage
M&A	+1%	<ul style="list-style-type: none"> M&A carries 3% leverage - nominal contribution given year 1 integration costs. Impact to total company leverage is minus ~(2) points
Reported Revenue	+7% to +9%	
FX	Neutral to FY	<ul style="list-style-type: none"> Expect Q1 FX rev headwind of ~2% and (\$6M) OI (-\$0.02 EPS)
Adj. EPS*	\$8.20 to \$8.50 (+11.4% to +15.5%)	<div>Other Items</div> <ul style="list-style-type: none"> ~\$250M Corporate Costs – Includes corp. wide initiatives around digital, factory automation and electrification ~\$229M Interest Expense – Includes refinancing \$700M debt in 2023 ~19% to ~20% Adj. Eff. Tax Rate ~230M Diluted Shares ~\$30M in transformation and other restructuring costs (~\$0.10 excluded from adj. EPS)** Above average incremental investment (normal range ~40 bps year)

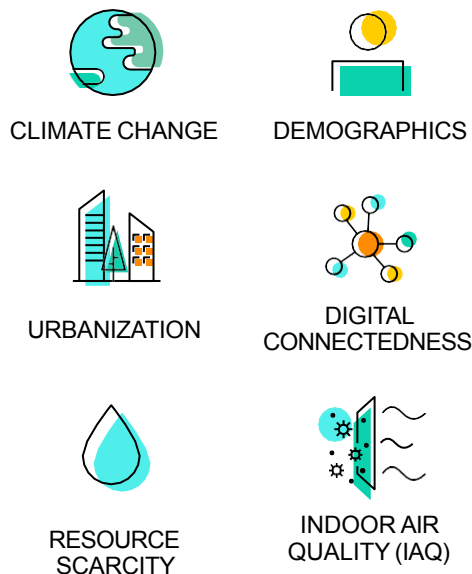
*Includes certain Non-GAAP financial measures. See the company's Q4 2022 earnings release for additional details and reconciliations.

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

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Trane Technologies Core Sustainability Strategy: Challenge Possible

Global Megatrends



Our Commitments

The Gigaton Challenge

Reducing one gigaton of carbon emissions (CO₂e) from our customers' footprint by 2030

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

Operations

Emissions intensity
Renewable energy
Water usage
Heating electrified

Products and Services

Energy efficiency
Low-emission products
Technology & innovation
Emerging market innovations
Product life cycle

Supply Chain

Responsible sourcing
Supplier diversity

Employees

Diversity and inclusion
Ethics and integrity
Safety
Development
Engagement

Communities

Access to cooling
Food and wellness
Education
Workforce development

Governance

Board oversight
Financial performance
Public policy

Targets Align with Global Priorities



2 Zero Hunger



4 Quality Education



5 Gender Equality



6 Clean Water & Sanitation



7 Affordable & Clean Energy



8 Decent Work & Economic Growth



9 Industry, Innovation & Infrastructure



11 Sustainable Cities & Communities



12 Responsible Consumption & Production



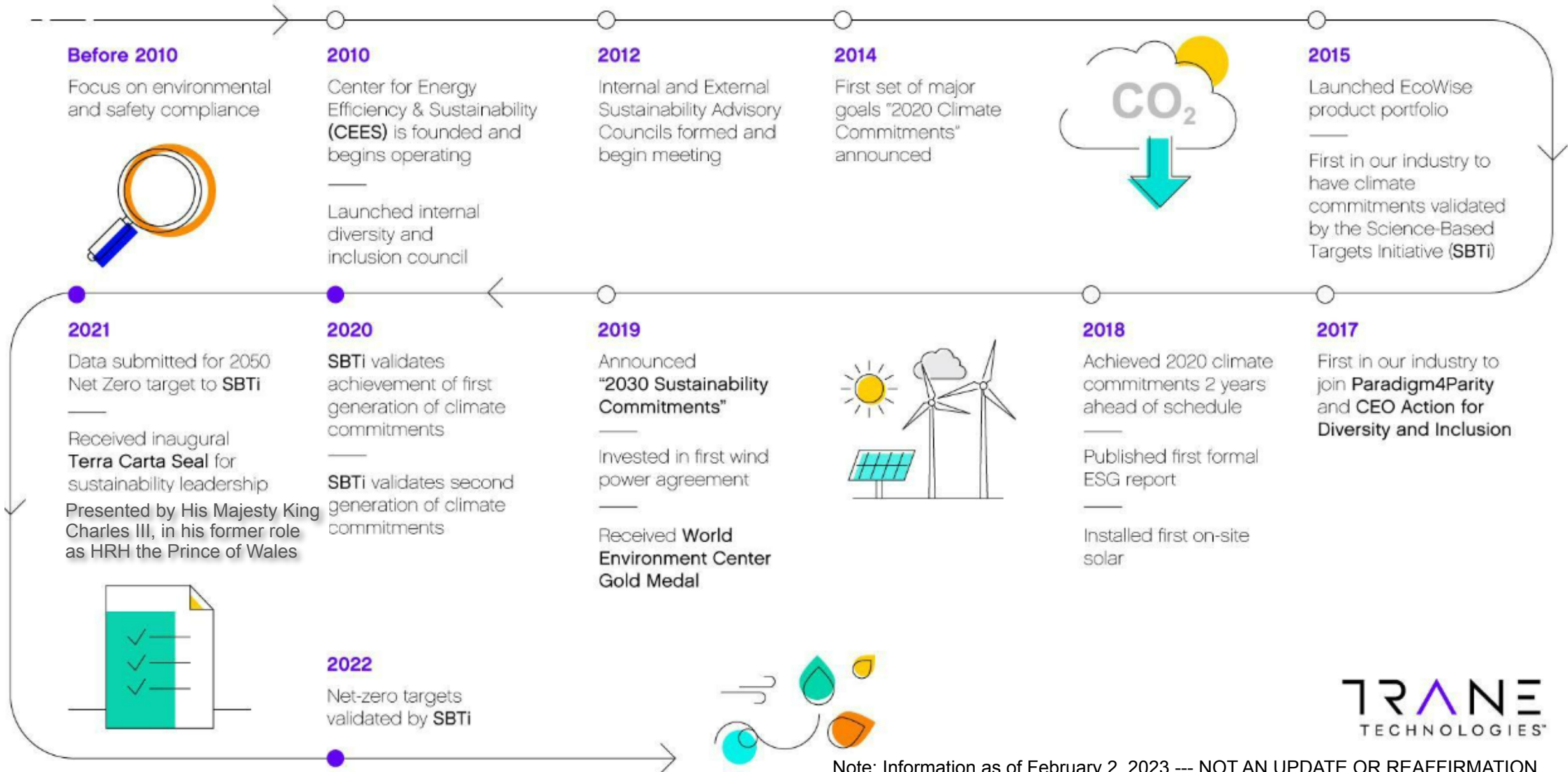
13 Climate Action



We believe in ambitious goals founded in science

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

Driving Performance Through Sustainability



Note: Information as of February 2, 2023 --- NOT AN UPDATE OR REAFFIRMATION

Q4 Organic Bookings Flat Y-O-Y; Organic Revenues Up 16%

Organic* Bookings	2020					2021					2022				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
Americas	+11%	-5%	+8%	+2%	+4%	+36%	+29%	+20%	+31%	+29%	+6%	+10%	+11%	flat	+7%
EMEA	-2%	-20%	+6%	+9%	-3%	+18%	+53%	+25%	+13%	+27%	flat	-12%	-10%	+2%	-5%
Asia Pacific	-17%	-2%	-5%	+2%	-6%	+14%	+12%	+11%	+18%	+14%	+14%	+16%	+3%	-6%	+7%
Total	+6%	-7%	+7%	+3%	+2%	+31%	+30%	+20%	+27%	+27%	+6%	+7%	+8%	flat	+5%

Organic* Revenue	2020					2021					2022				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
Americas	-2%	-13%	+2%	+1%	-3%	+9%	+19%	+4%	+14%	+11%	+13%	+13%	+19%	+14%	+15%
EMEA	-3%	-15%	-6%	-6%	-8%	+12%	+28%	+8%	+5%	+13%	+6%	+11%	+18%	+23%	+15%
Asia Pacific	-34%	-5%	-2%	-6%	-11%	+34%	+2%	+1%	+4%	+7%	+14%	-12%	+28%	+19%	+12%
Total	-5%	-13%	+50bps	-1%	-5%	+11%	+18%	+4%	+11%	+11%	+12%	+11%	+19%	+16%	+15%

*Organic revenues and bookings exclude acquisitions and currency

Non-GAAP Measures Definitions

Adjusted operating income in 2022 is defined as GAAP operating income adjusted for restructuring costs, transformation costs, merger and acquisition related costs, non-cash adjustments for contingent consideration, a settlement charge for a compensation related payment to a retired executive, and an insurance settlement on a property claim in Q3 2022. Adjusted operating income in 2021 is defined as GAAP operating income adjusted for restructuring costs, transformation costs and merger and acquisition related costs. 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 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, merger and acquisition related costs, non-cash adjustments for contingent consideration, a settlement charge for a retired executive, a insurance settlement on a property claim in Q3 2022, and a U.S. discrete non-cash tax adjustment. Adjusted net earnings in 2021 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, transformation costs, merger and acquisition related costs and charges related to certain entities deconsolidated under Chapter 11. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted continuing EPS in 2022 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, transformation costs, merger and acquisition related costs, non-cash adjustments for contingent consideration, a settlement charge for a retired executive, an insurance settlement on a property claim in Q3 2022, and a U.S. discrete non-cash tax adjustment. Adjusted continuing EPS in 2021 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, transformation costs, merger and acquisition related costs and charges related to certain entities deconsolidated under Chapter 11. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted EBITDA in 2022 is defined as adjusted operating income adjusted for depreciation and amortization expense, other income / (expense), net, and a settlement charge for a retired executive. Adjusted EBITDA in 2021 is defined as adjusted operating income adjusted for depreciation and amortization expense, other income / (expense), net, and charges related to certain entities deconsolidated under Chapter 11. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 4 and 5 of the news release.

Non-GAAP Measures Definitions

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

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, merger and acquisition related costs, non-cash adjustments for contingent consideration, settlement charge for a retired executive, an insurance settlement in Q3 2022 on a property claim, and a U.S. discrete non-cash tax adjustment divided by adjusted net earnings. Adjusted effective tax rate for 2021 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, transformation costs, merger and acquisition related costs and charges related to certain entities deconsolidated under Chapter 11 divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

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, the continuing operations component of the qualified settlement fund (QSF) funding, a payout for a retired executive, and an insurance settlement in Q3 2022 on a property claim. Free cash flow in 2021 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs and Transformation costs. Please refer to the free cash flow reconciliation on table 10 of the news release.

Operating leverage is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q4 2022) less the prior period (e.g. Q4 2021), 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 payables and income tax payables.
- Working capital as a percent of revenue is calculated by dividing the working capital balance (e.g. as of December 31) by the annualized revenue for the period (e.g. reported revenues for the three months ended December 31 multiplied by 4 to annualize for a full year).

We discuss non-GAAP measures for prior periods, which can be found in our year-end earnings releases that have been furnished to investors previously filed with the SEC.

on Form 8-K