

Johnson Controls hosts virtual Investor Day; reaffirms 2021 guidance and announces three-year financial targets

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CORK, Ireland, Sept. 8, 2021 /PRNewswire/ -- [Johnson Controls](#) (NYSE: JCI), the global leader for smart, healthy, and sustainable buildings, will host its virtual investor meeting today, beginning at 8:00am (EDT). The executive leadership team will share its long-term strategic growth priorities, which are firmly aligned with attractive secular trends impacting buildings over the next decade, including decarbonization, healthy buildings & indoor environmental quality, as well as smart buildings.

We are positioned to achieve top-tier financial results over the next three years -- Johnson Controls CEO George Oliver

The company is also announcing a medium-term financial outlook, including above-market top-line growth, significant margin expansion, double-digit adjusted EPS growth and capital allocation priorities over the next three years. All elements of fourth quarter and full year 2021 guidance are being reaffirmed.

"As we look ahead to the next three years and beyond, we are excited about the opportunities in front of us. We have transformed the organization and are now poised to achieve the vision of the merger five years ago – to lead the evolution to smart buildings as the leading solutions provider for smart, healthy and connected buildings," said George Oliver, Chairman and CEO.

"Johnson Controls is uniquely positioned to enable our customers' missions to meet aggressive carbon emission reduction and energy efficiency goals over the next decade, by delivering innovative solutions and leveraging digital capabilities through our OpenBlue software platform," continued Oliver. "Demand for these solutions is occurring now, and we are meeting it with industry-leading technology, deep domain expertise and an unmatched direct channel presence. Because of this, we are positioned to achieve top-tier financial results over the next three years, with above market revenue growth, significant margin expansion and double-digit adjusted earnings per share through fiscal 2024."

FISCAL Q4 AND FULL-YEAR GUIDANCE REAFFIRMED

The company reaffirmed fiscal Q4 and 2021 full-year guidance:

- Organic revenue growth up mid-single digits year-over-year for both Q4 and the full year
- Adjusted segment EBITA margin expansion of 30 basis points, year-over-year for Q4; full-year expansion of 80 to 90 basis points
- Adjusted EPS before special items of \$0.86 to \$0.88, represents 13% to 16% growth year-over-year for Q4; \$2.64 to \$2.66; represents 18% to 19% full-year growth
- Free cash flow conversion of ~105% for the full year

NEW THREE-YEAR FINANCIAL TARGETS

The company announced three-year financial targets through fiscal 2024:

- 6% to 7% revenue CAGR
- 250 to 300 basis points of segment EBITA margin expansion
- 18% to 21% EPS CAGR
- 100% free cash flow conversion

Registration and access to the Virtual Investor Day can be found in the "Investor Relations" section of the company's website, <https://investors.johnsoncontrols.com/news-and-events/events-and-presentations>. A question-and-answer session will follow the presentation and can be accessed through the webcast.

A replay of the webcast will be made available following the conclusion of the presentation.

About Johnson Controls:

At Johnson Controls (NYSE: JCI) we transform the environments where people live, work, learn and play. As the global leader in smart, healthy and sustainable buildings, our mission is to reimagine the performance of buildings to serve people, places and the planet.

With a history of more than 135 years of innovation, Johnson Controls delivers the blueprint of the future for industries such as healthcare, schools, data centers, airports, stadiums, manufacturing and beyond through its comprehensive digital offering OpenBlue. With a global team of 100,000 experts in more than 150 countries, Johnson Controls offers the world's largest portfolio of building technology, software as well as service solutions with some of the most trusted names in the industry. For more information, visit www.johnsoncontrols.com or follow us @johnsoncontrols on Twitter.

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Forward Looking Non-GAAP Financial Metrics

The Company has presented forward-looking statements regarding, organic revenue growth, adjusted segment EBITA margin, and adjusted earnings per share, which are non-GAAP financial measures. These forward-looking non-GAAP financial measures are derived by excluding certain amounts, expenses, or income from the corresponding financial measures determined in accordance with GAAP. The Company defines organic revenue growth as revenue growth excluding the effect of acquisitions, divestitures and foreign currency. The Company defines segment EBITA as income (loss) from continuing operations before income taxes and noncontrolling interests, excluding general corporate expenses, intangible asset amortization, net financing charges, restructuring and impairment costs, and the net mark-to-market adjustments related to restricted asbestos investments and pension and postretirement plans. Adjusted segment EBITA excludes special items because these items are not considered to be directly related to the underlying operating performance of the Company's businesses. Management believes that organic growth, segment EBITA, adjusted segment EBITA and adjusted segment EBITA margin are useful to investors in understanding the ongoing operations and business trends of the Company. Free cash flow is defined as cash provided by operating activities less capital expenditures. Free cash flow conversion is defined as adjusted free cash flow divided by adjusted net income. Management believes these non-GAAP measures are useful to investors in understanding the strength of the Company and its ability to generate cash. Adjusted earnings per share is defined as earnings per share, less integration costs, net mark-to-market adjustments, restructuring and impairment costs, transaction costs and other nonrecurring costs, Power Solutions divestiture reserve adjustment and discrete tax items. The Company excludes these items because they are not considered to be directly related to the underlying operating performance of the Company. Management believes adjusted EPS is useful to investors in understanding the ongoing operations and business trends of the Company.

The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period, including but not limited to the high variability of the net mark-to-market adjustments and the effect of foreign currency exchange fluctuations. Our fiscal 2021 full year and fiscal 2022-2024 guidance for organic revenue also excludes the effect of acquisitions, divestitures and foreign currency.

We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available and management cannot reliably predict all of the necessary components of such GAAP measures without unreasonable effort or expense. The unavailable information could have a significant impact on the Company's GAAP financial results.



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