EPG Conference 2017

Johnson Controls

Alex Molinaroli
Chairman & Chief Executive Officer

Johnson Controls International plc Cautionary Statement Regarding Forward-Looking Statements

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this communication, statements regarding Johnson Controls’ future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures and debt levels are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project” or “plan” and terms of similar meaning are also generally intended to identify forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls’ control, that could cause Johnson Controls’ actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions such as the merger with Tyco and the spin-off of Adient, changes in tax laws, regulations, rates, policies or interpretations, the loss of key senior management, the tax treatment of recent portfolio transactions, significant transaction costs and/or unknown liabilities associated with such transactions, the outcome of actual or potential litigation relating to such transactions, the risk that disruptions from recent transactions will harm Johnson Controls’ business, the strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, and cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Johnson Controls’ business is included in the section entitled “Risk Factors” in Johnson Controls’ Annual Report on Form 10-K for the 2016 fiscal year filed with the SEC on November 23, 2016, and in the quarterly reports on Form 10-Q filed with the SEC after such date, and available at www.sec.gov and www.johnsoncontrols.com under the “Investors” tab. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this communication are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.

Non GAAP Financial Information

This presentation contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include mark-to-market for pension plans, transaction/integration/separation costs, restructuring and impairment costs, nonrecurring purchase accounting impacts related to the Tyco merger and discrete tax items. Financial information regarding adjusted sales, organic sales, adjusted segment EBITA, adjusted segment EBITA margin and adjusted free cash flow are also presented, which are non-GAAP performance measures. Adjusted segment EBITA excludes special items such as transaction/integration/separation costs and nonrecurring purchase accounting impacts because these costs are not considered to be directly related to the operating performance of its business units. Management believes that, when considered together with unadjusted amounts, these non-GAAP measures are useful to investors in understanding period-over-period operating results and business trends of the Company. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Reconciliations of non-GAAP performance measures can be found in the attached footnotes.

AT A GLANCE

- World leader in buildings and energy solutions and technology with $30B in sales
- Industry leading brands and innovative technologies
- Global footprint and operating system allows for significant scale advantage
- Strong investment-grade credit metrics with increasing financial flexibility
- Uniquely positioned to provide most comprehensive portfolio of Building and Energy solutions

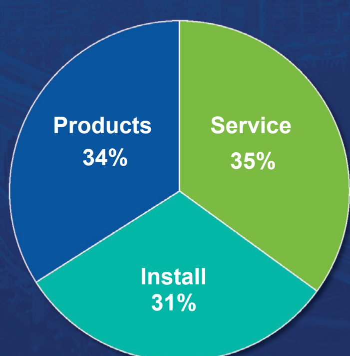
TWO STRONG CORE BUSINESSES POSITIONED FOR GROWTH

BUILDING TECHNOLOGIES & SOLUTIONS

$23B SALES

$2.9B EBITA*

Leading provider of building technology, products & solutions



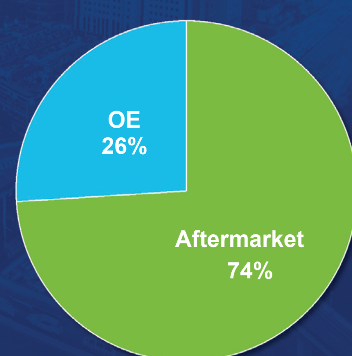
FY16 REVENUE

POWER SOLUTIONS

$7B SALES

$1.3B EBITA*

Global leader and largest manufacturer of automotive batteries, powering nearly every type of vehicle



FY16 REVENUE

*EBITA before special items is a non-GAAP measure. See appendix for reconciliation.
Building Technologies & Solutions amounts are pro forma.

SIGNIFICANT VALUE CREATION

WHAT WE SAID AT EPG 2016…

Creating ~$1 Of Earnings Per Share Over The Next 3 Years

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Productivity + Deal Synergies = $1B+ Opportunity

Johnson Controls Productivity ~$300M* + Tyco Productivity ~$100M* + Deal Synergies ~$650M* = ~$1B+

- Manufacturing/ Engineering
- Procurement
- Marketing & Sales
- Functional Excellence

- Procurement
- Branch Network
- Functional Excellence

- Operational
- Tax

Significant Value Creation Within Our Control

*Year 3 run rate synergies / productivity are estimates of future amounts

INVESTOR DAY 2016 UPDATE…

\+ **Revenue Synergies** **$500M** (EBIT Contribution ~$85M to $100M)

\+ **Add'l Cost / Productivity Opportunities** **$100M**

$1.2B+

EXPECTED TO CONTRIBUTE ~$1.10 OF EPS BY FY20

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REALIZATION PROGRESSION

Cost Synergies / Productivity **$1.0B** **~$0.88** + **Revenue Synergies** **$500M** (EBIT Contribution **~$85M to $100M**) **~$0.07** + **Tax Synergies** **$150M** **~$0.16** = **$1.2B+** **~$1.10 EPS**

CADENCE OF SAVINGS:

2017	2018	2019	2020
$300M	$250M	$250M	$200M

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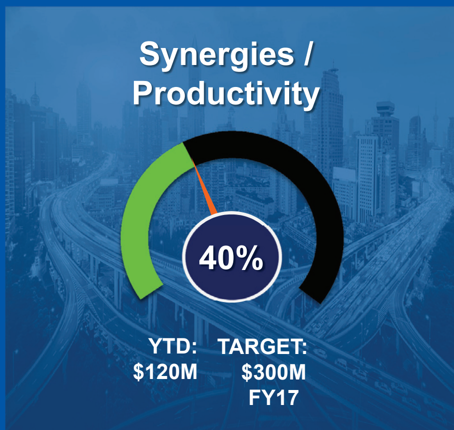
WHERE WE ARE TODAY



FY17 Expected Synergies/Productivity				
Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
~$0.05	~$0.06	~$0.07	~$0.09	~$0.27

- Corporate organizational structure complete
- Field organization structure substantially complete
- Significant transformation in Field organization

CUSTOMERS AND MARKETS

CAPABILITIES

PEOPLE

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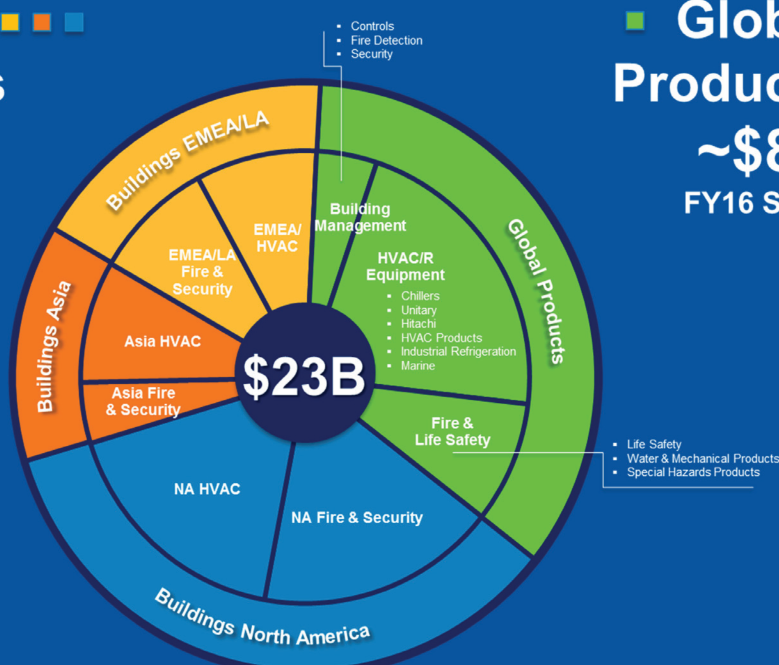
A DEEPER DIVE INTO BUILDINGS

Building Solutions
"Field"
~$15B
FY16 Sales

Global Products
~$8B
FY16 Sales



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REALIGNING THE ORGANIZATION IN NORTH AMERICA

Created Region Based Structure

1. Harmonize operating models
2. Drive sales focus
3. Streamline organizational structure
4. Leverage infrastructure and lower cost to serve

Newly Designed North America Structure

27 P&L managers

317 sales managers **+24%**

95% sales reps aligned to manager who specializes in their type of selling

100% cross-sell capabilities are enabled through a combined organization across domains

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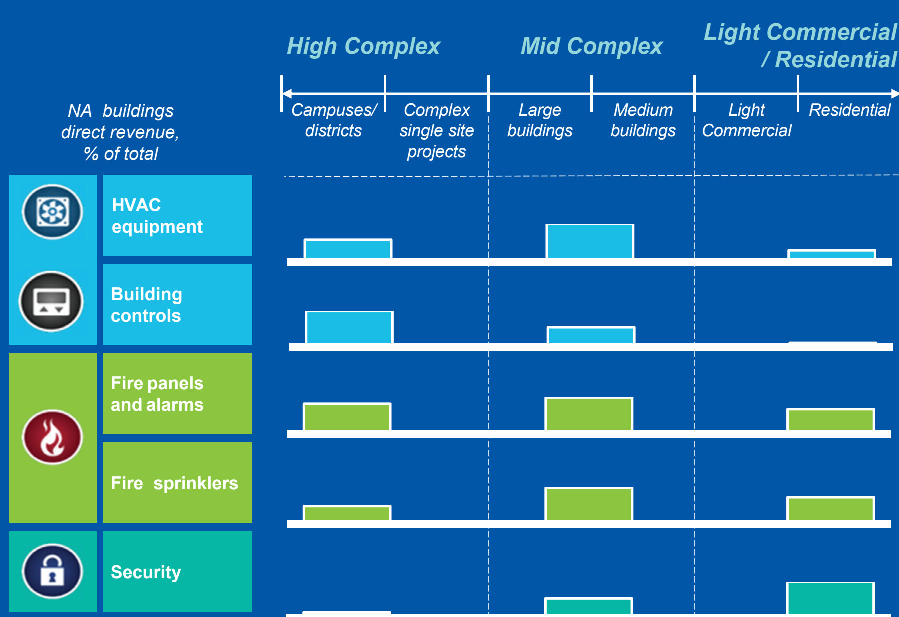
THE COMBINATION OF OUR BUSINESSES = OPPORTUNITY



SOURCE: JCI data; Tyco SG data: Tyco IS data; Team analysis

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$500M RUN-RATE SALES SYNERGIES IN FY20

Cost Synergies / Productivity $1.0B ~$0.88 + **Revenue Synergies** $500M (EBIT Contribution ~$85M to $100M) ~$0.07 + **Tax Synergies** $150M ~$0.16 = **$1.2B+** ~$1.10 EPS

NEAR-TERM
YEAR 1

Immediate, tangible benefits of **cross-selling and strategic account management**

Have the products and commercial capabilities in place today

MID-TERM
YEAR 2-4

Field integration - integrated capabilities expand opportunities for **integrated solutions and value-added services**

Tailored solutions built to serve specific vertical markets

LONG-TERM
YEAR 4+

Advanced technology solutions – new technology platforms for **smart and connected** offerings

Well-positioned with technologies and expertise to lead

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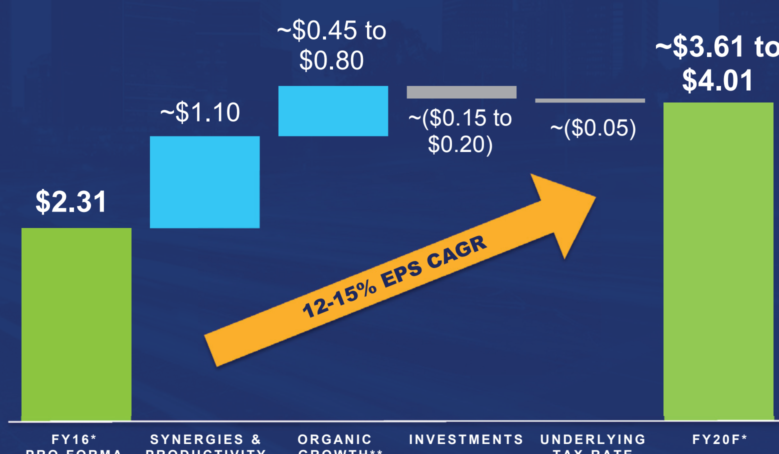
EPS BRIDGE TO FY20

SIGNIFICANT VALUE CREATION THROUGH FY20



Excludes Capital Deployment of ~$3B+ after Dividends

* EPS before special items is a non-GAAP measure. EPS amounts are based on weighted average diluted shares of 940M. See appendix for reconciliation.
** Sales growth CAGR of 3% to 4% at 17% to 20% incremental margin.

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Appendix

NON-GAAP RECONCILIATION

PRO FORMA EPS – FY16

($ in millions, except EPS)	A	A	A	B	B	C	D	E
	Quarter Ended				Year Ended	Year Ended	Year Ended	Year Ended
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	September 30, 2016	September 30, 2016	September 30, 2016	September 30, 2016
Sales	$ 8,929	$ 9,031	$ 9,516	$ 10,198	$ 37,674	$ 37,694	$ (8,125)	$ 29,569
Income from Continuing Operations								
before Income Taxes	619	399	665	(97)	1,586	3,493	(675)	2,818
Income Tax Expense	(129)	(868)	(206)	(1,035)	(2,238)	(591)	112	(479)
Noncontrolling Interest	(40)	(61)	(76)	(39)	(216)	(253)	87	(166)
Net Income	450	(530)	383	(1,171)	(868)	2,649	(476)	2,173
Diluted EPS					$ (1.30)	$ 3.94		$ 2.31

A Historical Johnson Controls, Inc. as reported
B Johnson Controls International plc as reported
C Adjusted to exclude special items because these costs are not considered to be directly related to the underlying operating performance of the Company. Management believes these non-GAAP measures are useful to investors in better understanding the ongoing operations and business trends of the Company.
Special items include:

- Increase to sales of $20 million related to nonrecurring fair value adjustment of Tyco's deferred revenue in purchase accounting
- Non-cash mark-to-market for pension / postretirement plans and settlement losses of $514 million ($357 million after-tax and non-controlling interest)
- Transaction, integration and separation costs of $692 million ($621 million after-tax and non-controlling interest)
- Restructuring and non-cash impairment charges of $627 million ($517 million after-tax and non-controlling interest)
- Non-recurring portion of purchase accounting expenses of $74 million ($54 million after-tax)
- Discrete income tax expense of $1,968 million

D Includes Tyco Non-GAAP results and recurring purchase accounting adjustments for the period October 1, 2015 through September 2, 2016 less Adient results for the twelve months ended September 30, 2016 on a discontinued operations basis.
E Pro Forma financial information as if Adient was reflected as a discontinued operation and the merger with Tyco was completed on October 1, 2015. Reflects 17% tax rate and 940 million share count.

A reconciliation of the differences between earnings per share reported and adjusted earnings per share provided on a forward-looking basis is not available, due to the high variability of the mark-to-market adjustments related to pension and post retirement plans and unpredictability of any other potential adjusting items.

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NON-GAAP RECONCILIATION

PRO FORMA EPS – FY16 (CONTINUED)

($ in millions, except EPS)	Quarter Ended				Year Ended
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	September 30, 2016
Sales					
Buildings	$ 5,326	$ 5,475	$ 6,078	$ 6,037	$ 22,916
Power	1,740	1,583	1,519	1,811	6,653
	7,066	7,058	7,597	7,848	29,569
Income from Continuing Operations before Income Taxes					
Buildings	559	635	845	863	2,902
Power	360	282	281	413	1,336
Segment EBIT	919	917	1,126	1,276	4,238
Amortization of Intangibles	(106)	(107)	(109)	(108)	(430)
Corporate	(123)	(130)	(145)	(143)	(541)
EBIT	690	680	872	1,025	3,267
Net Financing Charges	(111)	(114)	(110)	(114)	(449)
Income Before Tax	579	566	762	911	2,818
Income Tax Expense	(98)	(96)	(130)	(155)	(479)
Noncontrolling Interest	(29)	(44)	(56)	(37)	(166)
Net Income	$ 452	$ 426	$ 576	$ 719	$ 2,173
Diluted Shares	940	940	940	940	940
Diluted EPS*	$ 0.48	$ 0.45	$ 0.61	$ 0.76	$ 2.31

Tyco's first three fiscal quarters of 2016 ended on the last Friday of December, March, and June, while JCI's fiscal quarters ended on the last day of each such month. Because the historical statements of income of each company represent full and equivalent quarterly periods, no adjustments were made to align the fiscal quarters.

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