Electrical Products Group Conference

George Oliver,
Chairman & CEO

May 21, 2018

Johnson Controls

Forward Looking/Cautionary Statements & Non-GAAP Financial Information

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 (including, but not limited to the recently enacted Tax Cuts and Jobs Act), 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, cancellation of or changes to commercial arrangements, and with respect to the recently announced review of strategic alternatives for the Power Solutions business, uncertainties as to the structure and timing of any transaction and whether it will be completed, the possibility that closing conditions for a transaction may not be satisfied or waived, the impact of the strategic review and any transaction on Johnson Controls and the Power Solutions business on a standalone basis if a transaction is completed, and whether the strategic benefits of any transaction can be achieved. 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 2017 fiscal year filed with the SEC on November 21, 2017, and its Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2017 filed with the SEC on February 2, 2018, both of which are 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 and postretirement plans, transaction/integration/separation costs, restructuring and impairment costs, nonrecurring purchase accounting impacts related to the Tyco merger, Scott Safety gain on sale and discrete tax items. Financial information regarding adjusted sales, adjusted organic sales, adjusted segment EBITA, adjusted segment EBITA margin, adjusted corporate expense, adjusted EBIT, free cash flow, adjusted free cash flow, free cash flow conversion, net debt, and net debt to capitalization 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
- Uniquely positioned to provide most comprehensive portfolio of building and energy solutions
- Strong presence in developed markets and an accelerating presence in key growth markets

Market-Leading Platforms

BUILDING TECHNOLOGIES & SOLUTIONS

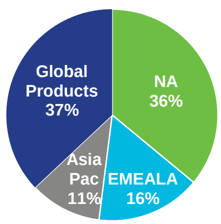
$22.8B

SALES

Leading provider of building technology, products and solutions

- Direct access to customer via global branch network
- Play across building system life cycle

FY17 SALES



POWER SOLUTIONS

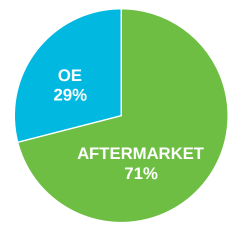
$7.3B

SALES

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

- Leading provider across product technology continuum
- Advantaged manufacturing scale and process technology

FY17 SALES



Executing Our Growth Strategy

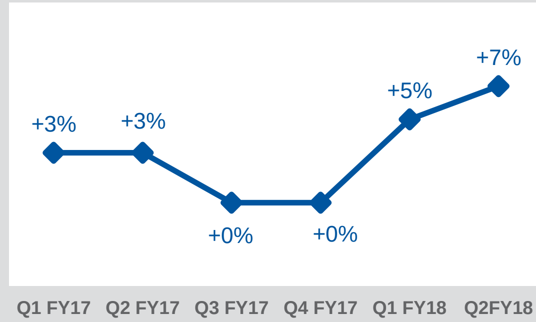
Leading With…

Gears for Growth

Accelerate Growth

- Solving customer problems
- Segmentation & focus of sales force
- Sales force capacity
- Drive service and aftermarket
  - Differentiate offerings through innovation
- Invest for growth
  - New product innovations

Buildings Organic Field Orders



Sales Excellence

Services

Products & Technology

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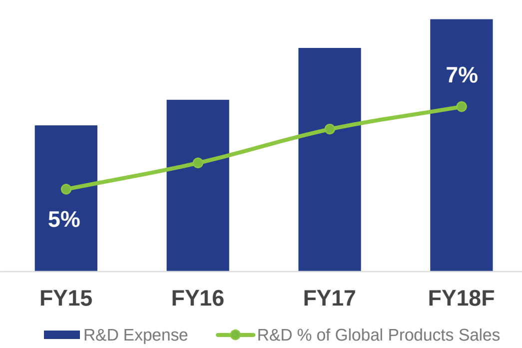
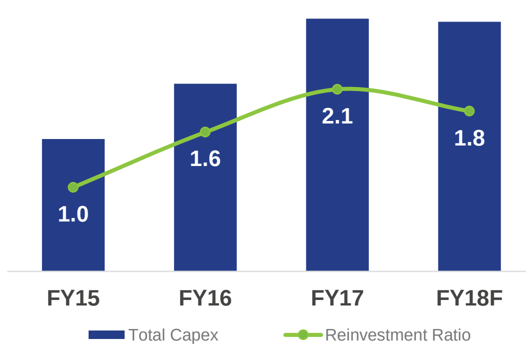
Investing for Growth

Buildings Global Products R&D and Engineering Spend



Results	Global Products Organic Growth	FY17	FY18
		+LSD %	+MSD %

Power Solutions Capex Spend



Results	**Start-stop units (% of Total)** FY15: ~8% FY18: ~15% **China units** +120% since FY15

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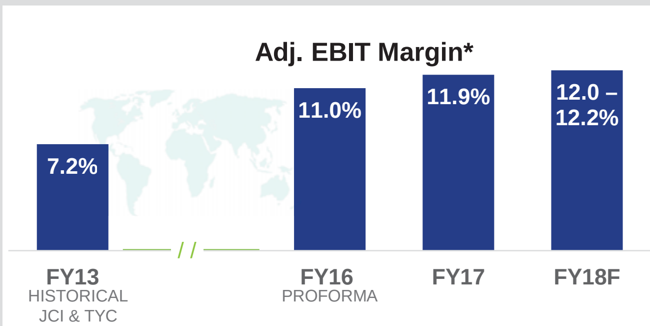
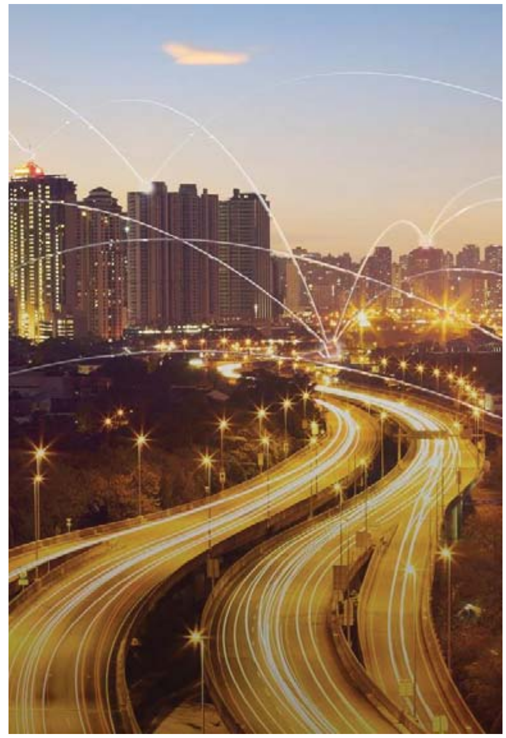
Drive Operational Improvement

- Delivering increased customer value with higher returns
- Pricing discipline and manage project cost
- Apply consistency and standardization to product platforms, improving cost and simplifying integration
- Higher mix of products and service
- Synergies and productivity
- Leverage scale
- Reduce complexity



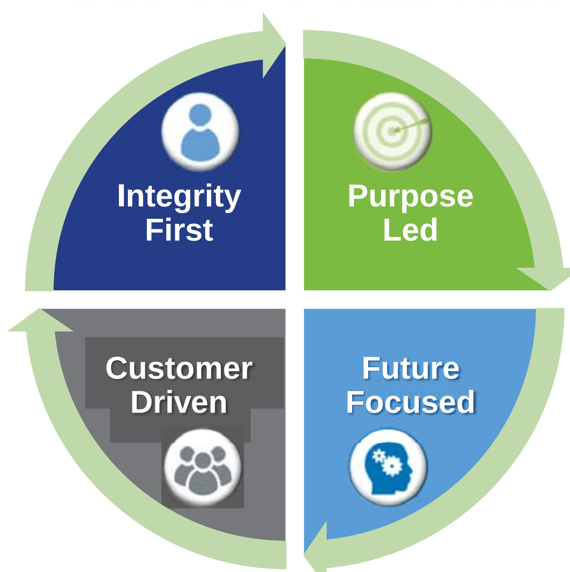


*Non-GAAP excludes special items. See footnotes for reconciliation.

Building Performance Culture

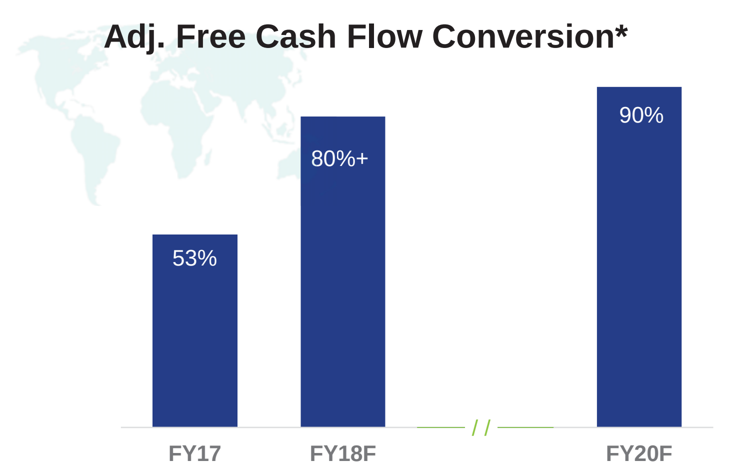
- Tone at the top
- Align incentive structure
- Establish transparent, data-driven performance culture
- Visibility to targets and accountability
- Align strategy, structure, people and processes to create “One Team”

Our Core Values…



…One Team

Convert Income to Cash



	FY17	FY18F	FY20F
Special Items	($2.6B)	($800-900M)	

- Intense focus
- Established Cash Management Office
- Drive consistency in vendor payment terms
- Inventory planning and management
- Improve collections process
- Significant decrease in cash outlays related to special items

*Non-GAAP excludes special items. See footnotes for reconciliation.

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Setting A Solid Foundation…

…For The Years Ahead

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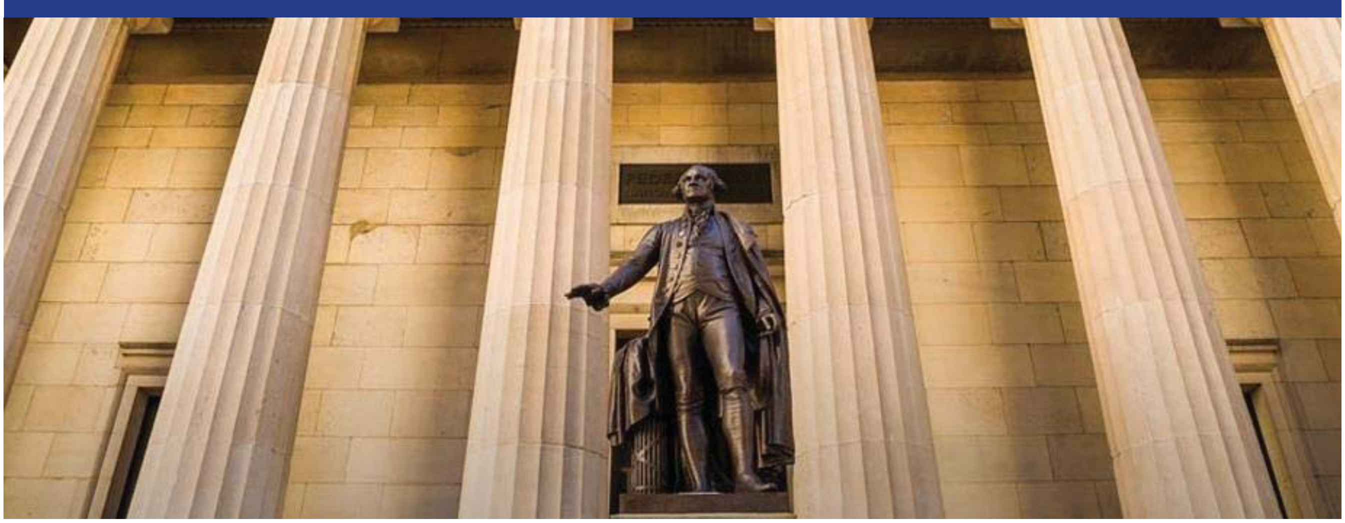
Questions

Appendix



Non-GAAP Reconciliation – FY17

Non-GAAP Earnings Before Interest & Taxes (EBIT)

($ in millions)

	Sales	EBIT	EBIT Margin
GAAP Reported	$ 30,172	$ 3,054	10.1%
Nonrecurring purchase accounting impacts	(34)	133	
Restructuring and impairment costs		367	
Transaction and separation costs		96	
Integration costs		319	
Unfavorable arbitration award		50	
Mark-to-market pension and postretirement loss / (gain)		(420)	
Other		--	
Non-GAAP	**$ 30,138**	**$ 3,599**	**11.9%**

Adjusted Free Cash Flow and Free Cash Flow Conversion

($ in billions)

	FY 2017
Reported Free Cash Flow	$ (1.3B)
Adjustments	
Transaction tax payments	1.4
Adient cash flows	0.3
Transaction related restructuring and change in control pension distribution	0.4
Transaction/Integration/Separation costs	0.5
Adjusted Free Cash Flow	**$ 1.3B**
Adjusted Net Income	$ 2.5B
Adjusted Free Cash Flow Conversion (%)	**53%**

The Company has presented forward-looking statements regarding adjusted EBIT margin, organic sales growth and adjusted free cash flow conversion (defined as adjusted free cash flow divided by adjusted net income from continuing operations attributable to JCI) for the full fiscal year of 2018, which are non-GAAP financial measures. These non-GAAP financial measures are derived by excluding certain amounts, expenses, income or cash flows from the corresponding financial measures determined in accordance with GAAP. 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 related to pension and postretirement plans and the effect of foreign currency exchange fluctuations. Our fiscal 2018 outlook for organic sales growth also excludes the effect of acquisitions and divestitures. 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 full year 2018 GAAP financial results.

Non-GAAP Reconciliation – Pro Forma FY16

	A	A	A	B	B	C	D	E
($ in millions, except EPS)	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.

* Includes annual amortization expense of $430 million ($290 million after-tax; $0.31 per diluted EPS)

Non-GAAP Reconciliation – Pro Forma 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.

* Includes annual amortization expense of $430 million ($290 million after-tax; $0.31 per diluted EPS)

Non-GAAP Reconciliation – FY13

($ in millions)

	Sales	EBIT	EBIT Margin
GAAP	$ 42,730	$ 3,293	7.7%
Net gain on divestitures		(454)	
Equity affiliate fair value adjustment		(82)	
Pension settlement gain		(69)	
Non-GAAP	**$ 42,730**	**$ 2,688**	**6.3%**

TYCO

	Sales	EBIT	EBIT Margin
GAAP	$ 10,647	$ 809	7.6%
Restructuring costs		133	
Separation costs		69	
Loss on divestitures		20	
Environmental remediation costs		100	
Asbestos charges		12	
Legacy legal items		27	
Acquisition/integration costs		5	
Non-GAAP	**$ 10,647**	**$ 1,175**	**11.0%**
COMBINED	**$ 53,377**	**$ 3,863**	**7.2%**

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