FISCAL Q1

2026 Earnings Conference Call

February 4, 2026

FORWARD-LOOKING AND 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 some cases, these forward-looking statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. 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 its control, that could cause its actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: the ability to develop or acquire new products and technologies that achieve market acceptance and meet applicable quality and regulatory requirements; the ability to manage general economic, business and capital market conditions, including the impacts of trade restrictions, recessions, economic downturns and global price inflation; the ability to manage macroeconomic and geopolitical volatility, including changes to laws or policies governing foreign trade, including tariffs, economic sanctions, foreign exchange and capital controls, import/export controls or other trade restrictions as well as any associated supply chain disruptions; the ability to execute on Johnson Controls' operating model and drive organizational improvement; the ability to innovate and adapt to emerging technologies, ideas and trends in the marketplace, including the incorporation of technologies such as artificial intelligence; fluctuations in the cost and availability of public and private financing for customers; the ability to manage disruptions caused by international conflicts, including Russia and Ukraine and the ongoing conflicts in the Middle East; the' ability to successfully execute and complete portfolio simplification actions, as well as the possibility that the expected benefits of such actions will not be realized or will not be realized within the expected time frame; managing the risks and impacts of potential and actual security breaches, cyberattacks, privacy breaches or data breaches, maintaining and improving the capacity, reliability and security of Johnson Controls' enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls' digital platforms and services; fluctuations in currency exchange rates; the ability to hire and retain senior management and other key personnel; changes or uncertainty in laws, regulations, rates, policies, or interpretations that impact business operations or tax status; the ability to adapt to global climate change, climate change regulation and successfully meet Johnson Controls' public sustainability commitments; the outcome of litigation and governmental proceedings; the risk of infringement or expiration of intellectual property rights; the ability to manage disruptions caused by catastrophic or geopolitical events, such as natural disasters, armed conflict, political change, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; labor shortages, work stoppages, union negotiations, labor disputes and other matters associated with the labor force; and the 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 fiscal year filed with the SEC, which is available at www.sec.gov and www.johnsoncontrols.com under the "Investors" tab, and such factors may be updated from time to time in Johnson Controls filings with the SEC, which are or will be accessible on the SEC's website at www.sec.gov. 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 restructuring and impairment costs, net mark-to-market adjustments, certain transaction / separation costs, water systems AFFF settlement charges and AFFF insurance recoveries, transformation costs, gain on divestiture, and discrete tax items. Financial information regarding organic revenue growth, EBIT, adjusted EBIT, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, net debt/EBITDA, adjusted cash provided by operating activities from continuing operations, adjusted free cash flow, adjusted free cash flow conversion and adjusted net income from continuing operations are also presented, which are non-GAAP performance measures. 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 Johnson Controls. 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. For further information on the calculation of the non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company's earnings release.

Key Reminders and Non-GAAP Definitions

- Organic sales represents the change in sales excluding the impact of acquisitions, divestitures and foreign currency.
- Segment margin is calculated based on earnings before interest, taxes and amortization ("EBITA"). Adjusted segment EBITA excludes items such as mark-to-market adjustments and restructuring and impairment costs, amongst other discrete or one-time items. Refer to the appendix for details of adjusting items.
- Operating leverage is defined as the ratio of the change in adjusted EBIT for the period, divided by the corresponding change in net revenues
- Free cash flow conversion is calculated as cash provided by operating activities, less capital expenditures, and divided by net income. Adjusted free cash flow conversion excludes the impact of JC Capital financing activity, the AFFF related settlements and recoveries, prepaid IP license royalties, and discontinuing our factoring program.
- For further information on the calculation of non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company's earnings release.

CEO Summary

Accelerated performance through disciplined execution

- Organic sales growth of 6% with broad-based strength
- Adjusted EBIT margin expanded 190 basis points to 12.4%
- Adjusted EPS up ~40%

Delivered record orders on sustained customer demand

- Orders grew ~40%, with notable strength in the Americas and solid contributions from EMEA and APAC
- Record backlog grew 20% to ~$18B, highlighting the continued strength of our pipeline as revenue conversion accelerated this quarter

Advanced our portfolio with industry-leading innovations in cooling and connectivity

- Winning in high-growth markets where our technology differentiates and creates customer value
- Advanced our data center leadership with next-gen high-density cooling and sustainable thermal solutions - from 3.5MW capacity to water-free, high-temperature heat-recovery
- Enhanced service offerings with Smart Ready Chillers, providing day-one connectivity, AI-driven insights

Building a winning culture through our proprietary Business System

- A global, cross-functional language and methodology for how we communicate and collaborate to win
- Strong continuous improvement culture anchored in what is required to win with customers and better enable frontline teams

Raised 2026 EPS guidance; reflecting stronger execution

- Full year adjusted EPS guidance up ~25% year-over-year to ~$4.70
- Expecting adjusted Free Cash Flow conversion of ~100%

* Organic Sales Growth, Adjusted EBIT Margin, Adjusted EPS, and Adjusted Free Cash Flow Conversion are non-GAAP measures and exclude special items. See footnotes for reconciliation.

Technology Leadership

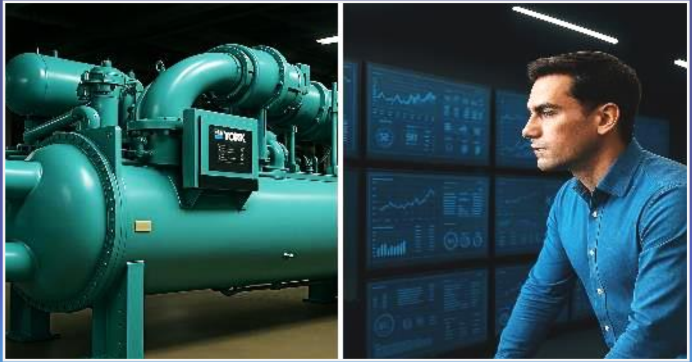
Accelerating Our Speed of Innovation for Mission-Critical Applications

YORK YDAM delivers breakthrough 3.5MW cooling capacity for AI and high-density multi-story data centers

- Up to **20% higher capacity density**
- Enables **45°C warm-water cooling**
- **High efficiency** with **zero water use**

YORK YK-HT unlocks water-free, high-temperature cooling and heat recovery for large campuses and data centers

- Eliminates up to **9 million gallons of cooling-tower water** annually
- Widest operating range for **heat recovery**
- Compact design **reduces failure points by 50%** and **footprint by 30%**



SMART READY CHILLERS cut unplanned service calls by 32% with day-one connectivity and AI-driven diagnostics

- **10× more performance indicators**
- Improves **reliability,** reduces **operational risk**
- **200+ real-time data points**

Further strengthening a differentiated portfolio built to solve customers' most critical and unmet needs

Building the Foundation

Winning With Customers and Operating With the Right Business System

WHAT TO WORK ON

SIMPLIFY

80/20 operating model

HOW WE WORK - PROCESS

ACCELERATE

Building lean principles

HOW WE AUGMENT

AMPLIFY

Digitization and AI to scale learnings and successes

Creating a More Capable, Disciplined Company That Delivers for Customers

The Culture We Are Building Together

Driving continuous improvement at speed to better deliver for our customers
Unlocking our potential

Stronger collaboration across teams to improve customer outcomes
Winning and working together

Creating a performance & growth engine that enhances the customer experience
Building a winning culture

… And We Are Gaining Momentum

1,000+
colleagues engaged

80+
Kaizens completed

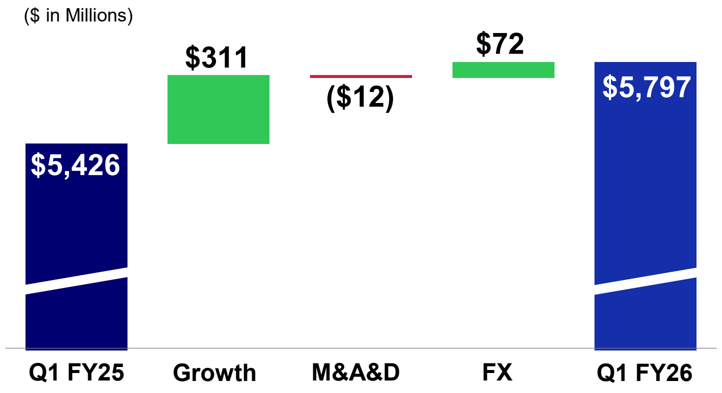
350
senior leaders trained

Johnson Controls

Fiscal Q1 Results

Total Enterprise[3]

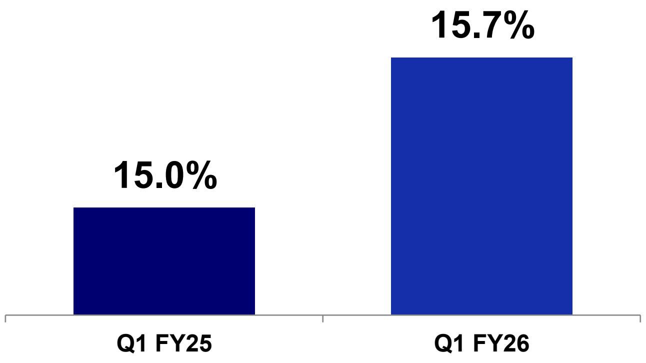
Sales - Organic % Growth*



6%
YoY Organic Growth*

Service	**+9%**
Systems	**+4%**
- **Applied**[1]	+HSD
- **F&S**[2]	+LSD

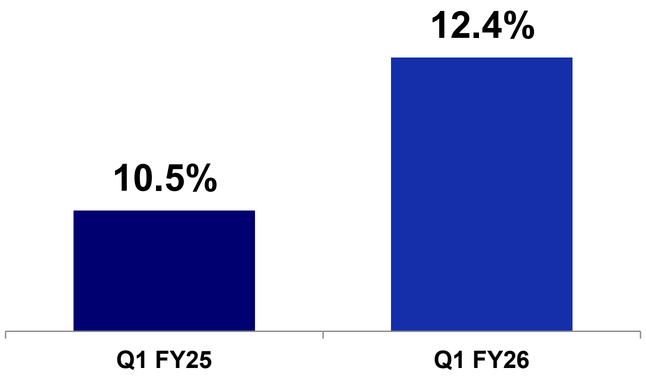
Adjusted Segment EBITA/Margin*



70bps
Adj. EBITA Margin* Expansion

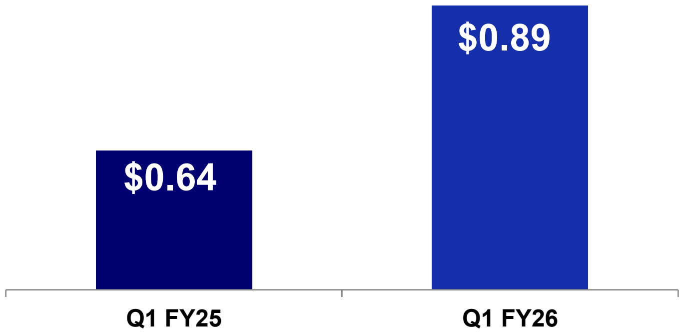
Productivity	**~$70M**
Net Growth	**~$30M**

Adjusted EBIT/Margin*



190bps
Adj. EBIT Margin* Expansion

Adjusted EPS*



39%
YoY Growth

* Organic Sales Growth, Adjusted Segment EBITA/Margin, Adjusted EBIT/Margin, and Adjusted EPS are non-GAAP measures and exclude special items. See footnotes for reconciliation.
[1] Includes large commercial applied HVAC equipment, BMS, and Controls.
[2] Includes Retail.
[3] Results are for Continuing Operations only

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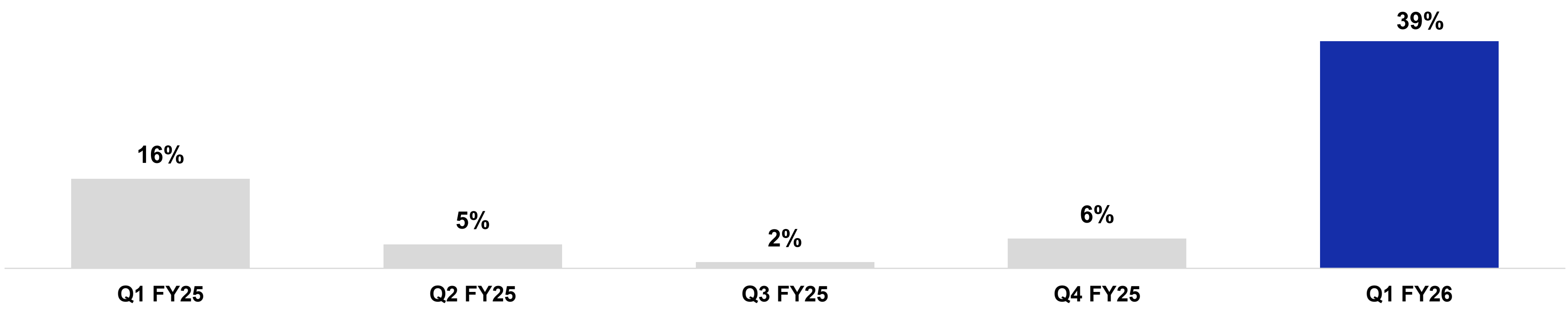
Fiscal Q1 Results

Solutions Orders and Backlog

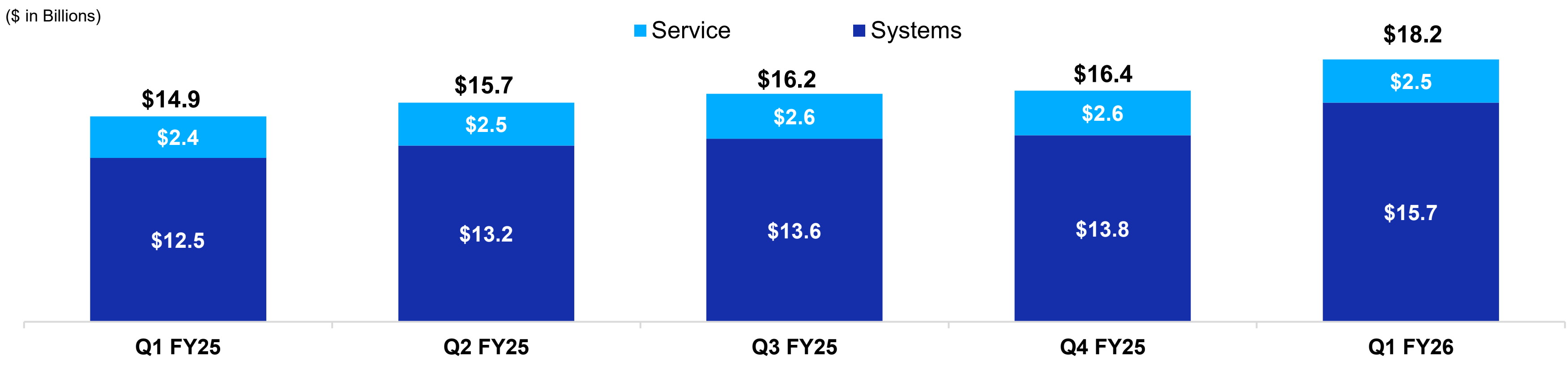
Orders* - Organic % Growth



39%
YoY Organic Growth

Service	+5%
Systems	+58%

Backlog*



20%
YoY Organic Growth

Service	+5%
Systems	+23%

*Consists of orders and backlog for the Company's Solutions and Services businesses. Orders prior to Q1 FY26 exclude certain equipment-only sales for longer cycle projects. Excluding these sales from Q1 FY26, orders increased by 31%. The historical presentation of backlog has been restated to include this new category

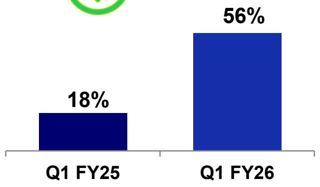
Johnson Controls

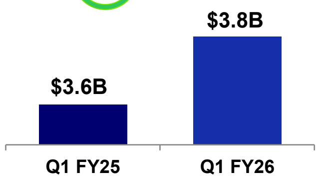
Fiscal Q1 Results

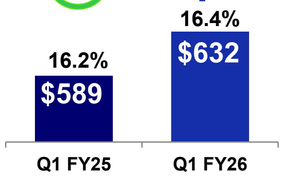
Segment View

	Orders* Organic % Growth	Orders / Backlog* Comments	Sales Organic % YoY†	Sales Comments	Adj. Segment EBITA/Margin† Change YoY	Adj. Segment EBITA Comments
Americas	56%	▪ **Orders** - Service +3% - Systems +84% ▪ **Backlog** $13.3B, +22% - Service -2% - Systems +26%	6%	▪ Service +10% ▪ Systems +4% - Applied[1]: +HSD - F&S[2]: +MSD	20bps	▪ Productivity: ~$50M ▪ Mix: ~$10M ▪ Other: ~($15M)
EMEA	8%	▪ **Orders** - Service +9% - Systems +8% ▪ **Backlog** $3.0B, +11% - Service +22% - Systems +7%	4%	▪ Service +8% ▪ Systems +2% - Applied[1]: +HSD - F&S[2]: +LSD	120bps	▪ Net Growth: ~$20M ▪ Productivity: ~$10M
APAC	10%	▪ **Orders** - Service +7% - Systems +12% ▪ **Backlog** $1.9B, +20% - Service +6% - Systems +21%	8%	▪ Service +5% ▪ Systems +9% - Applied[1]: +low-teens - F&S[2]: (LSD)	290bps	▪ Productivity: ~$10M ▪ Other: ~$10M ▪ Net Growth: ~$5M

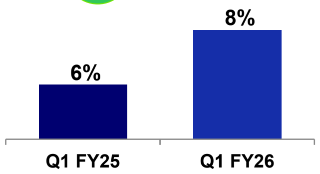
Americas

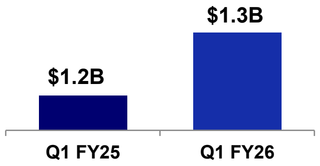


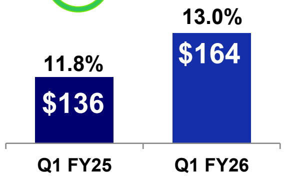




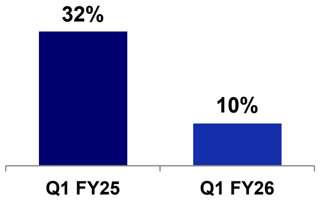
EMEA

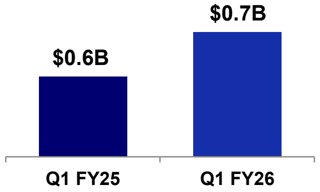


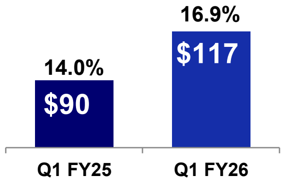




APAC







* Consists of orders and backlog for the Company's Solutions and Services businesses. Orders prior to Q1 FY26 exclude certain equipment-only sales for longer cycle projects. Excluding these sales from Q1 FY26, orders in Americas increased by 45%, EMEA by 1%, APAC by 9%. The historical presentation of backlog has been restated to include this new category

† Organic Sales Growth and Adjusted Segment EBITA/Margin are non-GAAP measures and exclude special items. See footnotes for reconciliation.

[1] Includes large commercial applied HVAC equipment, BMS, and Controls.

[2] Includes Retail.

Balance Sheet and Adjusted Free Cash Flow

Disciplined Capital Allocation

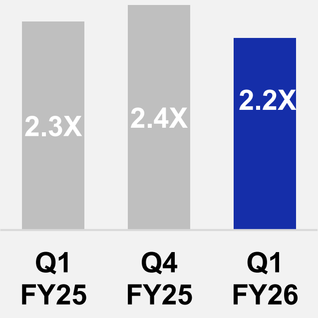
Capital Structure ($ billions)	Q1 FY25	Q4 FY25	Q1 FY26
Short-term debt and current portion of long-term debt	$1.4	$1.3	$1.0
Long-term debt	$8.6	$8.6	$8.7
Total debt	**$10.0**	**$9.9**	**$9.7**
Less: cash and cash equivalents	$1.2	$0.4	$0.6
Net debt*	**$8.8**	**$9.5**	**$9.1**

Adj. Free Cash Flow* ($ billions)	Q1 FY25	Q1 FY26
Free Cash Flow	$0.1	$0.5
Less: JC Capital Free Cash Flow	($0.1)	-
Less: AFFF Settlement Payments and related insurance recoveries	($0.4)	$0.1
Reported Adj. Free Cash Flow*	**$0.6**	**$0.4**

Debt and liquidity

- **91% fixed** rate debt
- **3.6%** weighted avg interest rate
- **~$0.6B** cash position
- BBB+/Baa1 credit rating (S&P/Moody's)[1]
- $2.5B undrawn credit facilities
- Target Net Debt/EBITDA ~**2.0-2.5X**

Net Debt / EBITDA*



*Non-GAAP measures. See footnotes for reconciliation.

*Adjusted free cash is a non-GAAP measures. Refer to footnotes for reconciliation.

[1] The security ratings set forth above are issued by unaffiliated third-party rating agencies and are not a recommendation to buy, sell or hold securities. The ratings may be subject to revision or withdrawal by the assigning rating organization at any time.

Outlook Summary

Introducing Q2 and Raising Fiscal '26 Full Year Guidance

	Q2'26	FY'26
Organic Revenue*	Up ~5%	Up ~MSD
Operating Leverage*	~45%	~50%
Adjusted EPS*	~$1.11	~$4.70 (previous: ~$4.55)
Adjusted Free Cash Flow Conversion*		~100%

*Organic Sales Growth, Operating Leverage, Adjusted EPS, and Adjusted Free Cash Flow conversion are non-GAAP measures and exclude special items. See footnotes for additional details.

Appendix

Additional FY 2026 Guidance Items

	Q2'26	FY'26
Adjusted Corporate Expense*	~$100M	~$375M to $400M
Amortization Expense	~$85M	~$340M
NFC	~$70M	~$290M
Tax Rate	~17%	~17%
Shares	~610M	~610M

*Adjusted Corporate expense is a non-GAAP measure that includes certain stranded costs from divestiture transactions to be addressed by multi-year restructuring program. See footnotes for reconciliation

Fiscal Q1

Consolidated Financial Results

($ in Millions, except earnings per share)	Q1 FY25 GAAP	Q1 FY26 GAAP	Q1 FY25* NON-GAAP	Q1 FY26* NON-GAAP	% Change NON-GAAP
Sales	$5,426	$5,797	$5,426	$5,797	7%
Gross profit (% of sales)	$1,926 35.5%	$2,074 35.8%	$1,926 35.5%	$2,074 35.8%	8%
SG&A expenses	$1,399	$1,221	$1,358	$1,356	-
Restructuring and impairment costs	$33	$87	-	-	-
Equity income (loss)	-	$1	-	$1	NM
EBIT*	$494	$767	$568	$719	27%
Net financing charges	$86	$59	$86	$59	-31%
Income from continuing operations before income taxes	$408	$708	$482	$660	37%
Income tax provision (benefit)	$47	$152	$58	$112	93%
Income from continuing operations	$361	$556	$424	$548	29%
Income (loss) from discontinued operations, net of tax	$90	$(31)	$100	$(31)	NM
Net income	$451	$525	$524	$517	-1%
Income (loss) from continuing operations attributable to non-controlling interests Income from discontinued operations attributable to non-controlling interests	$(2) $34	$1 -	$(2) $35	$1 -	NM NM
Net income attributable to Johnson Controls	$419	$524	$491	$516	5%
Income from continuing operations Income (loss) from discontinued operations	$363 $56	$555 $(31)	$426 $65	$547 $(31)	28% NM
Diluted EPS continuing ops **Diluted EPS discontinued ops**	**$0.55** **$0.08**	**$0.90** **$(0.05)**	**$0.64** **$0.10**	**$0.89** **$(0.05)**	**39%** **NM**
Total EPS	**$0.63**	**$0.85**	**$0.74**	**$0.84**	**14%**

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

Fiscal Q1

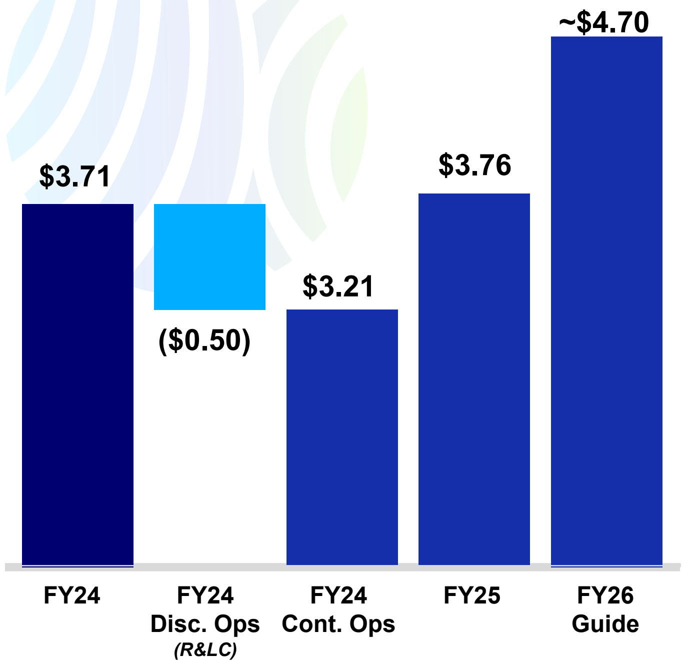
Special Items

($ in Millions, except EPS)

Three Months Ended December 31	Net income (Expense)		EPS impact	
	2025	2026	2025	2026
Net mark-to-market adjustments	$(1)	$2	-	-
Gain on divestiture	-	$70	-	$0.11
Restructuring	$(33)	$(37)	$(0.05)	$(0.06)
Impairment costs	-	$(50)	-	$(0.08)
Water systems AFFF insurance recoveries	$4	$130	$0.01	$0.21
Transaction/separation costs	$(11)	$(12)	$(0.02)	$(0.02)
Transformation costs	$(33)	$(55)	$(0.05)	$(0.09)
Related tax impact	$11	$(29)	$0.02	$(0.05)
Discrete tax expense	-	$(11)	-	$(0.02)
Total*	**$(63)**	**$8**	**$(0.09)**	**$0.01**

*Totals may not sum due to rounding.

Long-Term Growth Algorithm



Organic Growth
Accelerate innovation and expand entitlement by leveraging leadership in decarbonization and mission-critical solutions

Operational Improvement
Drive margin expansion and productivity through continuous improvement, digital enablement, and scalable execution

Portfolio Management
Invest in growth technologies, optimize the portfolio, and allocate capital with discipline

LONG-TERM GROWTH ALGORITHM

Up ~MSD
Organic Growth %

~30%+
Operating Leverage

Double-Digit
Adjusted EPS Growth

~100%
Free Cash Flow Conversion

*Organic Sales Growth, Operating Leverage, Adjusted EPS, and Adjusted Free Cash Flow conversion are non-GAAP measures and exclude special items. See footnotes for additional details.

Disciplined Capital Allocation

Sustain and Drive Growth	Committed to Investment Grade Rating	Return Capital	Portfolio Optimization
Prioritize investments in organic growth, aligned with strategy	Target 2.0 to 2.5x leverage	Return cash to shareholders through dividends and share repurchases	Create value by shaping the portfolio with selective acquisitions and strategic actions

Johnson Controls

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60 YEARS JCI LISTED NYSE

FINANCIAL STATEMENTS

Johnson Controls International plc
Consolidated Statements of Income
(in millions, except per share data; unaudited)

	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024
Net sales		
Products and systems	$ 3,892	$ 3,685
Services	1,905	1,741
	5,797	5,426
Cost of sales		
Products and systems	2,648	2,456
Services	1,075	1,044
	3,723	3,500
Gross profit	2,074	1,926
Selling, general and administrative expenses	1,221	1,399
Restructuring and impairment costs	87	33
Net financing charges	59	86
Equity income	1	—
Income from continuing operations before income taxes	708	408
Income tax provision	152	47
Income from continuing operations	556	361
Income (loss) from discontinued operations, net of tax	(31)	90
Net income	525	451
Income (loss) attributable to noncontrolling interests		
Continuing operations	1	(2)
Discontinued operations	—	34
Net income attributable to Johnson Controls	$ 524	$ 419
Income (loss) attributable to Johnson Controls		
Continuing operations	$ 555	$ 363
Discontinued operations	(31)	56
Total	$ 524	$ 419
Basic earnings (loss) per share attributable to Johnson Controls		
Continuing operations	$ 0.91	$ 0.55
Discontinued operations	(0.05)	0.08
Total	$ 0.86	$ 0.63
Diluted earnings (loss) per share attributable to Johnson Controls		
Continuing operations	$ 0.90	$ 0.55
Discontinued operations	(0.05)	0.08
Total	$ 0.85	$ 0.63

Johnson Controls International plc
Condensed Consolidated Statements of Financial Position
(in millions; unaudited)

	December 31, 2025	September 30, 2025
Assets		
Cash and cash equivalents	$ 552	$ 379
Accounts receivable - net	6,190	6,269
Inventories	1,932	1,820
Current assets held for sale	20	14
Other current assets	1,747	1,680
Current assets	10,441	10,162
Property, plant and equipment - net	2,130	2,193
Goodwill	16,610	16,633
Other intangible assets - net	3,550	3,613
Noncurrent assets held for sale	109	140
Other noncurrent assets	5,143	5,198
Total assets	$ 37,983	$ 37,939
Liabilities and Equity		
Short-term debt	$ 436	$ 723
Current portion of long-term debt	568	566
Accounts payable	3,614	3,614
Accrued compensation and benefits	891	1,268
Deferred revenue	2,542	2,470
Current liabilities held for sale	13	12
Other current liabilities	2,437	2,288
Current liabilities	10,501	10,941
Long-term debt	8,701	8,591
Pension and postretirement benefit obligations	201	211
Noncurrent liabilities held for sale	14	9
Other noncurrent liabilities	5,333	5,233
Noncurrent liabilities	14,249	14,044
Shareholders’ equity attributable to Johnson Controls	13,204	12,927
Noncontrolling interests	29	27
Total equity	13,233	12,954
Total liabilities and equity	$ 37,983	$ 37,939

Consolidated Statements of Cash Flows

(in millions; unaudited)

	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024
Operating Activities of Continuing Operations		
Income (loss) from continuing operations:		
Attributable to Johnson Controls	$ 555	$ 363
Attributable to noncontrolling interests	1	(2)
Total	556	361
Adjustments to reconcile net income to cash provided by operating activities of continuing operations:		
Depreciation and amortization	164	193
Pension and postretirement benefits	(12)	(16)
Deferred income taxes	21	(54)
Noncash restructuring and impairment charges	60	8
Equity-based compensation	34	28
Gain on business divestiture	(70)	—
Other - net	1	8
Changes in assets and liabilities:		
Accounts receivable	71	284
Inventories	(112)	(15)
Other assets	88	(171)
Restructuring reserves	(3)	2
Accounts payable and accrued liabilities	(175)	(407)
Accrued income taxes	(12)	28
Cash provided by operating activities from continuing operations	611	249
Investing Activities of Continuing Operations		
Capital expenditures	(80)	(116)
Divestiture of businesses, net of cash divested	207	—
Other - net	(37)	11
Cash provided (used) by investing activities from continuing operations	90	(105)
Financing Activities of Continuing Operations		
Net proceeds (payments) from borrowings with maturities less than three months	(186)	12
Proceeds from debt	116	1,369
Repayments of debt	(101)	(594)
Stock repurchases and retirements	—	(330)
Payment of cash dividends	(245)	(245)
Employee equity-based compensation withholding taxes	(49)	(29)
Other - net	1	18
Cash provided (used) by financing activities from continuing operations	(464)	201
Discontinued Operations		
Cash used by operating activities	(67)	(2)
Cash used by investing activities	—	(10)
Cash used by discontinued operations	(67)	(12)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	5	154
Change in cash, cash equivalents and restricted cash held for sale	—	4
Increase in cash, cash equivalents and restricted cash	175	491
Cash, cash equivalents and restricted cash at beginning of period	398	767
Cash, cash equivalents and restricted cash at end of period	573	1,258
Less: Restricted cash	21	21
Cash and cash equivalents at end of period	$ 552	$ 1,237

FOOTNOTES

1. Sale of Residential and Light Commercial HVAC Business

In July 2025, the Company sold its Residential and Light Commercial ("R&LC") HVAC business, including the North America Ducted business and the global Residential joint venture with Hitachi Global Life Solutions, Inc. (“Hitachi”), of which Johnson Controls owned 60% and Hitachi owned 40%. The R&LC HVAC business met the criteria to be classified as a discontinued operation and, as a result, its historical financial results are reflected in the consolidated financial statements as a discontinued operation.

2. Non-GAAP Measures

The Company reports various non-GAAP measures in this earnings release and the related earnings presentation. Non-GAAP measures should be considered in addition to, and not as replacements for, the most comparable GAAP measures. Refer to the following footnotes for further information on the calculations of the non-GAAP measures and reconciliations of the non-GAAP measures to the most comparable GAAP measures.

Organic sales

Organic sales growth excludes the impact of acquisitions, divestitures and foreign currency. Management believes organic sales growth is useful to investors in understanding period-over-period sales results and trends.

Cash flow

Management believes free cash flow and adjusted free cash flow measures are useful to investors in understanding the strength of the Company and its ability to generate cash. These non-GAAP measures can also be used to evaluate the Company’s ability to generate cash flow from operations and the impact that this cash flow has on its liquidity. Management also believes adjusted free cash flows are useful to investors in understanding period-over-period cash flows, cash trends and ongoing cash flows of the Company.

Adjusted free cash flow and adjusted free cash flow conversion are non-GAAP measures which exclude the impacts of the following:

- JC Capital cash flows primarily include activity associated with finance/notes receivables and inventory and/or capital expenditures related to lease arrangements. JC Capital net income is primarily related to interest income on the finance/notes receivable and profit recognized on arrangements with sales-type lease components.
- The impact of the accounts receivables factoring program which was discontinued in March 2024.
- Cash payments related to the water systems AFFF settlement and cash receipts for AFFF-related insurance recoveries.
- Prepayment of royalty fees associated with certain IP licensed to divested businesses.
- Discrete tax payments are non-recurring tax settlements for certain non-US jurisdictions

Adjusted financial measures

Adjusted financial measures are non-GAAP measures that are derived by excluding certain amounts from the corresponding financial measures determined in accordance with GAAP. The determination of the excluded amounts is a matter of management judgment and depends upon the nature and variability of the underlying expense or income amounts and other factors.

As detailed in the tables included in footnotes four through seven, the following items were excluded from certain financial measures:

- **Net mark-to-market adjustments** are the result of adjusting restricted asbestos investments and pension and postretirement plan assets to their current market value. These adjustments may have a favorable or unfavorable impact on results.

- **Restructuring and impairment costs** represents restructuring costs attributable to Johnson Controls including costs associated with exit plans or other restructuring plans that will have a more significant impact on the underlying cost structure of the organization. Impairment costs primarily relate to write-downs of goodwill, intangible assets and assets held for sale to their fair value.

- **Water systems AFFF settlement and insurance recoveries** include amounts related to a settlement with a nationwide class of public water systems concerning the use of AFFF manufactured and sold by a subsidiary of the Company, and AFFF-related insurance recoveries.

- **Transaction/separation costs** include costs associated with significant mergers and acquisitions.

- **Transformation costs** represent incremental expenses incurred in association with strategic growth initiatives and cost saving opportunities in order to realize the benefits of portfolio simplification and the Company's lifecycle solutions strategy.

- **ERP asset - accelerated depreciation** represents a change in ERP strategy within the EMEA segment, which led to certain assets being abandoned and the useful lives reduced.

- **Earn-out adjustments** relate to earn-out liabilities associated with certain significant acquisitions and may have a favorable or unfavorable impact on results.

- **Cyber incident costs** primarily represent expenses, net of insurance recoveries, associated with the response to, and remediation of, a cybersecurity incident which occurred in September 2023.

- **Product quality costs** are costs related to a product quality issue that is unusual due to the magnitude of the expected cost to remediate in comparison to typical product quality issues experienced by the Company.

- **Loss (gain) on divestiture** relates to the sale of the ADT Mexico Security and ADTi businesses.

- **EMEA joint venture loss** relates to certain non-recurring losses associated with the equity method accounting of a joint venture company.

- **Discrete tax items, net** includes the net impact of discrete tax items within the period, including the following types of items: changes in estimates associated with valuation allowances, changes in estimates associated with reserves for uncertain tax positions, withholding taxes recorded upon changes in indefinite re-investment assertions for businesses to be disposed of and impacts from statutory rate changes.

- **Related tax impact** includes the tax impact of the various excluded items.

Management believes the exclusion of these items is useful to investors due to the unusual nature and/or magnitude of the amounts. When considered together with unadjusted amounts, adjusted financial measures are useful to investors in understanding period-over-period operating results, business trends and ongoing operations of the Company. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes.

Operating leverage

Operating leverage is defined as the ratio of the change in adjusted EBIT for the period, divided by the corresponding change in net revenues. Management believes operating leverage is a useful metric to reflect enterprise value creation, capturing the impact of scale and cost discipline across the organization.

<u>Debt ratios</u>

Management believes that net debt to adjusted EBITDA, a non-GAAP measure, is useful to understanding the Company's financial condition as the ratio provides an overview of the extent to which the Company relies on external debt financing for its funding and also is a measure of risk to its shareholders.

3. Sales

The following tables detail the changes in sales from continuing operations attributable to organic growth, foreign currency, acquisitions, divestitures and other (unaudited):

Net sales	Three Months Ended December 31			
(in millions)	Americas	EMEA	APAC	Total
Net sales - 2024	$ 3,627	$ 1,157	$ 642	$ 5,426
Base year adjustments				
Divestitures and other	—	(15)	—	(15)
Foreign currency	6	65	1	72
Adjusted base net sales	3,633	1,207	643	5,483
Acquisitions	—	3	—	3
Organic growth	210	51	50	311
Net sales - 2025	$ 3,843	$ 1,261	$ 693	$ 5,797
Growth %:				
Net sales	6 %	9 %	8 %	7 %
Organic growth	6 %	4 %	8 %	6 %

Products and systems revenue	Three Months Ended December 31			
(in millions)	Americas	EMEA	APAC	Total
Products and systems revenue - 2024	$ 2,536	$ 700	$ 449	$ 3,685
Base year adjustments				
Foreign currency	7	45	1	53
Adjusted products and systems revenue	2,543	745	450	3,738
Acquisitions	—	3	—	3
Organic growth	97	14	40	151
Products and systems revenue - 2025	$ 2,640	$ 762	$ 490	$ 3,892
Growth %:				
Products and systems revenue	4 %	9 %	9 %	6 %
Organic growth	4 %	2 %	9 %	4 %

Service revenue	Three Months Ended December 31			
(in millions)	Americas	EMEA	APAC	Total
Service revenue - 2024	$ 1,091	$ 457	$ 193	$ 1,741
Base year adjustments				
Divestitures and other	—	(15)	—	(15)
Foreign currency	(1)	20	—	19
Adjusted base service revenue	1,090	462	193	1,745
Organic growth	113	37	10	160
Service revenue - 2025	$ 1,203	$ 499	$ 203	$ 1,905
Growth %:				
Service revenue	10 %	9 %	5 %	9 %
Organic growth	10 %	8 %	5 %	9 %

4. Cash Flow, Free Cash Flow and Free Cash Flow Conversion

The following table includes operating cash flow conversion, free cash flow and free cash flow conversion (unaudited):

	Three Months Ended December 31,	
(in millions)	2025	2024
Cash provided by operating activities from continuing operations	$ 611	$ 249
Income from continuing operations attributable to Johnson Controls	555	363
Operating cash flow conversion	110 %	69 %
Cash provided by operating activities from continuing operations	$ 611	$ 249
Capital expenditures	(80)	(116)
Free cash flow (non-GAAP)	531	133
Income from continuing operations attributable to Johnson Controls	555	363
Free cash flow conversion from net income (non-GAAP)	96 %	37 %

The following table includes adjusted free cash flow and adjusted free cash flow conversion (unaudited):

	Three Months Ended December 31,	
(in millions)	2025	2024
Free cash flow (non-GAAP)	$ 531	$ 133
Adjustments:		
JC Capital cash used by operating activities	(31)	66
Water systems AFFF settlement cash payments and insurance recoveries	(74)	397
Prepaid IP royalties for divested businesses	(29)	—
Impact from discontinued factoring program	—	7
Discrete tax payments	31	—
Adjusted free cash flow (non-GAAP)	$ 428	$ 603
Adjusted net income attributable to JCI (non-GAAP)	$ 547	$ 426
JC Capital net (income) loss	7	(5)
Adjusted net income attributable to JCI, excluding JC Capital (non-GAAP)	$ 554	$ 421
Adjusted free cash flow conversion (non-GAAP)	77 %	143 %

5. Segment Profitability and Corporate Expense

The Company evaluates the performance of its business units primarily on segment EBITA and segment EBIT. The following tables reconcile segment EBITA to EBIT and Income (loss) from continuing operations (the most comparable GAAP measure) to EBIT.

	Three Months Ended December 31,			
	Actual		Adjusted (Non-GAAP)	
(in millions; unaudited)	2025	2024	2025	2024
Segment EBITA				
Americas	$ 620	$ 589	$ 632	$ 589
EMEA	158	136	164	136
APAC	117	90	117	90
Corporate expenses	(156)	(171)	(107)	(127)
Amortization	(87)	(120)	(87)	(120)
Restructuring and impairment costs	(87)	(33)	—	—
Water systems AFFF insurance recoveries	130	4	—	—
Gain on divestiture	70	—	—	—
Other	2	(1)	—	—
EBIT	$ 767	$ 494	$ 719	$ 568
EBIT Margin	13.2 %	9.1 %	12.4 %	10.5 %
Segment EBITA Margin	15.4 %	15.0 %	15.7 %	15.0 %
Income (loss) from continuing operations:				
Attributable to Johnson Controls	$ 555	$ 363	$ 547	$ 426
Attributable to noncontrolling interests	1	(2)	1	(2)
Income from continuing operations	556	361	548	424
Less: Income tax provision [1]	152	47	112	58
Income before income taxes	708	408	660	482
Net financing charges	59	86	59	86
EBIT	$ 767	$ 494	$ 719	$ 568

[1] *Adjusted income tax provision excludes the related tax impacts of pre-tax adjusting items.*

The following tables include the reconciliations of segment EBITA and EBIT as reported to adjusted segment EBITA and EBIT and adjusted segment EBITA and EBIT margin (unaudited):

	Three Months Ended December 31,					
(in millions)	Americas		EMEA		APAC	
	2025	2024	2025	2024	2025	2024
Sales	$3,843	$3,627	$1,261	$1,157	$ 693	$ 642
Segment EBITA	620	589	158	136	117	90
Amortization	76	95	7	20	4	5
Segment EBIT	544	494	151	116	113	85
Adjusting items:						
Transformation costs	12	—	6	—	—	—
Adjusted segment EBITA (non-GAAP)	632	589	164	136	117	90
Adjusted EBIT (non-GAAP)	556	494	157	116	113	85
Segment EBITA Margin %	16.1 %	16.2 %	12.5 %	11.8 %	16.9 %	14.0 %
Adjusted segment EBITA Margin % (non-GAAP)	16.4 %	16.2 %	13.0 %	11.8 %	16.9 %	14.0 %
EBIT Margin %	14.2 %	13.6 %	12.0 %	10.0 %	16.3 %	13.2 %
Adjusted EBIT Margin % (non-GAAP)	14.5 %	13.6 %	12.5 %	10.0 %	16.3 %	13.2 %

The following table reconciles Corporate expense from continuing operations as reported to the comparable adjusted amounts (unaudited):

	Three Months Ended December 31,	
(in millions)	2025	2024
Corporate expense (GAAP)	$ 156	$ 171
Adjusting items:		
Transaction/separation costs	(12)	(11)
Transformation costs	(37)	(33)
Adjusted corporate expense (non-GAAP)	$ 107	$ 127

6. Net Income and Diluted Earnings Per Share

The following tables reconcile net income from continuing operations attributable to JCI and diluted earnings per share from continuing operations as reported to the comparable adjusted amounts (unaudited):

	Three Months Ended December 31,			
	Income from continuing operations attributable to JCI		Diluted earnings per share	
(in millions, except per share)	2025	2024	2025	2024
As reported (GAAP)	$ 555	$ 363	$ 0.90	$ 0.55
Adjusting items:				
Net mark-to-market adjustments	(2)	1	—	—
Restructuring and impairment costs	87	33	0.14	0.05
Water systems AFFF insurance recoveries	(130)	(4)	(0.21)	(0.01)
Transaction/separation costs	12	11	0.02	0.02
Transformation costs	55	33	0.09	0.05
Gain on divestiture	(70)	—	(0.11)	—
Discrete tax items	11	—	0.02	—
Related tax impact	29	(11)	0.05	(0.02)
Adjusted (non-GAAP)*	$ 547	$ 426	$ 0.89	$ 0.64

** May not sum due to rounding*

The following table reconciles the denominators used to calculate basic and diluted earnings per share (in millions; unaudited):

	Three Months Ended December 31,	
	2025	2024
Weighted average shares outstanding		
Basic weighted average shares outstanding	611	662
Effect of dilutive securities:		
Stock options, unvested restricted stock and unvested performance share awards	3	3
Diluted weighted average shares outstanding	614	665

7. Debt Ratios

The following table includes continuing operations and details net debt to income before income taxes and net debt to adjusted EBITDA (unaudited):

(in millions)	December 31, 2025	September 30, 2025	December 31, 2024
Short-term debt	$ 436	$ 723	$ 882
Current portion of long-term debt	568	566	522
Long-term debt	8,701	8,591	8,589
Total debt	9,705	9,880	9,993
Less: cash and cash equivalents	552	379	1,237
Net debt	$ 9,153	$ 9,501	$ 8,756
Last twelve months income before income taxes	$ 2,269	$ 1,969	$ 1,610
Net debt to income before income taxes	4.0x	4.8x	5.4x
Last twelve months adjusted EBITDA (non-GAAP)	$ 4,109	$ 3,987	$ 3,733
Net debt to adjusted EBITDA (non-GAAP)	2.2x	2.4x	2.3x

The following table reconciles income from continuing operations to adjusted EBIT and adjusted EBITDA (unaudited):

	Twelve Months Ended		
(in millions)	December 31, 2025	September 30, 2025	December 31, 2024
Income from continuing operations	$ 1,919	$ 1,724	$ 1,432
Income tax provision	350	245	178
Income before income taxes	2,269	1,969	1,610
Net financing charges	292	319	341
EBIT	2,561	2,288	1,951
Adjusting items:			
Net mark-to-market adjustments	3	6	(24)
Restructuring and impairment costs	600	546	507
Water systems AFFF settlement	—	—	750
Water systems AFFF insurance recoveries	(165)	(39)	(371)
Earn-out adjustments	—	—	(68)
Transaction/separation costs	40	39	43
Transformation costs	202	180	33
Cyber incident costs	—	—	4
Product quality costs	—	—	33
ERP asset - accelerated depreciation	102	102	—
Loss (gain) on divestiture	(70)	—	42
EMEA joint venture loss	—	—	17
Adjusted EBIT (non-GAAP)	3,273	3,122	2,917
Depreciation and amortization	836	865	816
Adjusted EBITDA (non-GAAP)	$ 4,109	$ 3,987	$ 3,733

8. Income Taxes

After adjusting for certain non-recurring items, the Company's effective tax rate for continuing operations was approximately 17% for the three months ending December 31, 2025 and approximately 12% for the three months ending December 31, 2024.