Fiscal 2019
Second Quarter Results

May 1, 2019




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, changes to laws or policies governing foreign trade, including increased tariffs or trade restrictions, 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, and with respect to the disposition of the Power Solutions business, whether the strategic benefits of the Power Solutions 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 2018 fiscal year filed with the SEC on November 20, 2018, which is 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

The Company's press release contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include net mark-to-market adjustments, transaction/integration costs, restructuring and impairment costs, Scott Safety gain on sale, the impact of ceasing the depreciation/amortization expense for the Power Solutions business as the business is held for sale and discrete tax items. Financial information regarding organic sales, adjusted segment EBITA, adjusted organic segment EBITA, adjusted segment EBITA margin, adjusted free cash flow and adjusted free cash flow conversion are also presented, which are non-GAAP performance measures. Adjusted segment EBITA excludes special items such as transaction/integration costs and Scott Safety gain on sale because these costs are not considered to be directly related to the underlying 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.

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Additional Information and Where to Find it

This presentation is for informational purposes only, is not a recommendation to buy or sell any securities of Johnson Controls, and does not constitute an offer to buy or the solicitation to sell any securities of Johnson Controls.

The equity tender offer has not yet commenced, and there can be no assurances that Johnson Controls will commence the equity tender offer on the terms described in this new release or at all. On the commencement date of the equity tender offer, Johnson Controls will file a tender offer statement on Schedule TO, including an offer to purchase, letter of transmittal and related materials, with the SEC. The equity tender offer will be made only pursuant to the offer to purchase, the related letter of transmittal and other related materials filed as part of the Schedule TO with the SEC upon commencement of the equity tender offer. When available, shareholders should read carefully the offer to purchase, letter of transmittal and related materials because they will contain important information, including the various terms of, and conditions to, the equity tender offer. Once the equity tender offer is commenced, shareholders will be able to obtain a free copy of the tender offer statement on Schedule TO, the offer to purchase, letter of transmittal and other documents that Johnson Controls will be filing with the SEC at the SEC's website at www.sec.gov or from Johnson Control's information agent in connection with the equity tender offer.

Additionally, the debt tender offer described in the press release is being made solely on the terms and subject to the conditions set forth in the offering materials relating to the debt tender and the information in the press release is qualified by reference to such offering materials.

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Q2 Strategic Highlights

- Underlying fundamentals continue to improve
- Confident in second half outlook
- Closed Power Solutions sale ahead of schedule
- Accelerating return of capital to shareholders
- Investing for growth across the Buildings portfolio

Energy Efficiency Project
University of Hawaii – Maui College campus

Future Bee’ah HQ
Sharjah, UAE

Rooftop HVAC Center of Excellence
Norman, OK

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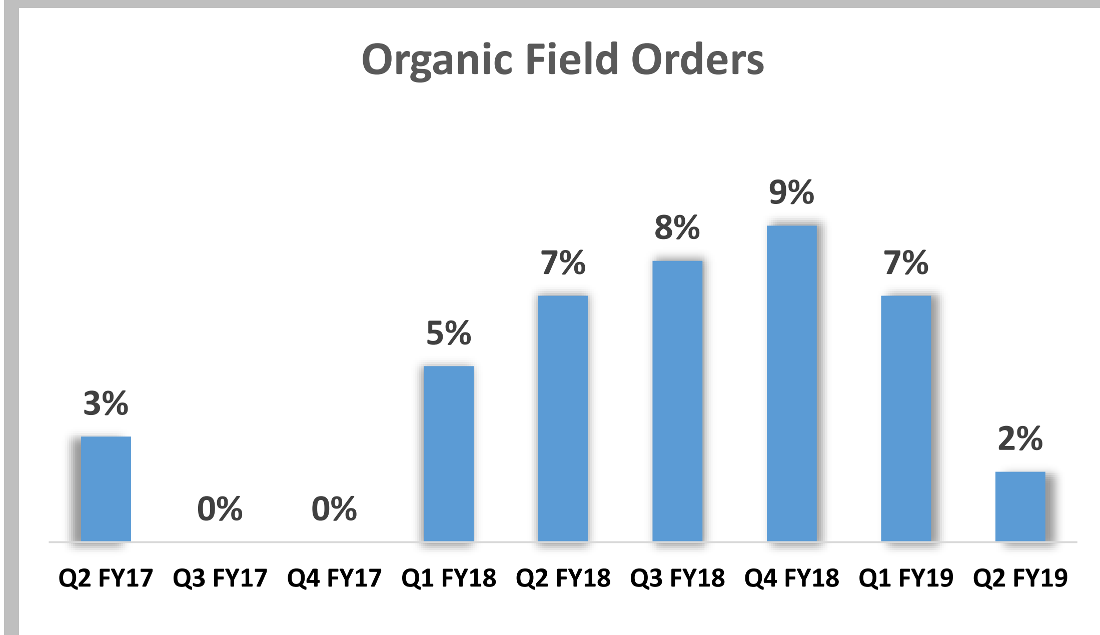
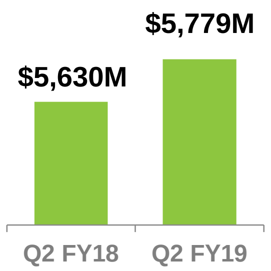
Buildings Field Order Growth



Strong Order Pipeline With Q3 Orders Tracking Mid-to-high Single Digits
Backlog Up 6% to $8.8B – Provides Visibility Through FY19 and Into FY20

Q2 FY19 Financial Summary* (continuing operations)

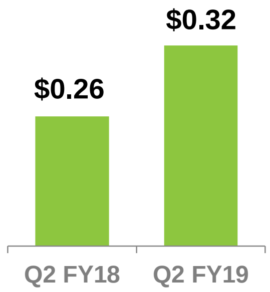
ADJUSTED NET SALES



+3% Reported

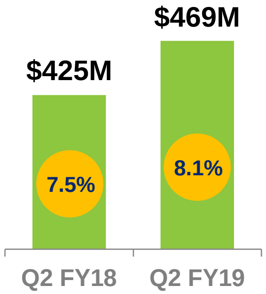
+6% Organic

ADJUSTED EPS



+23% Reported

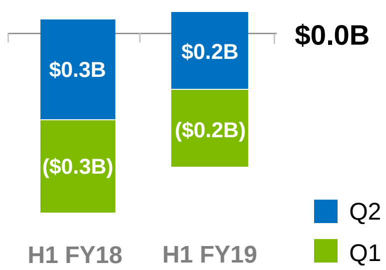
ADJUSTED EBIT & MARGIN



60bps Reported

70bps Organic

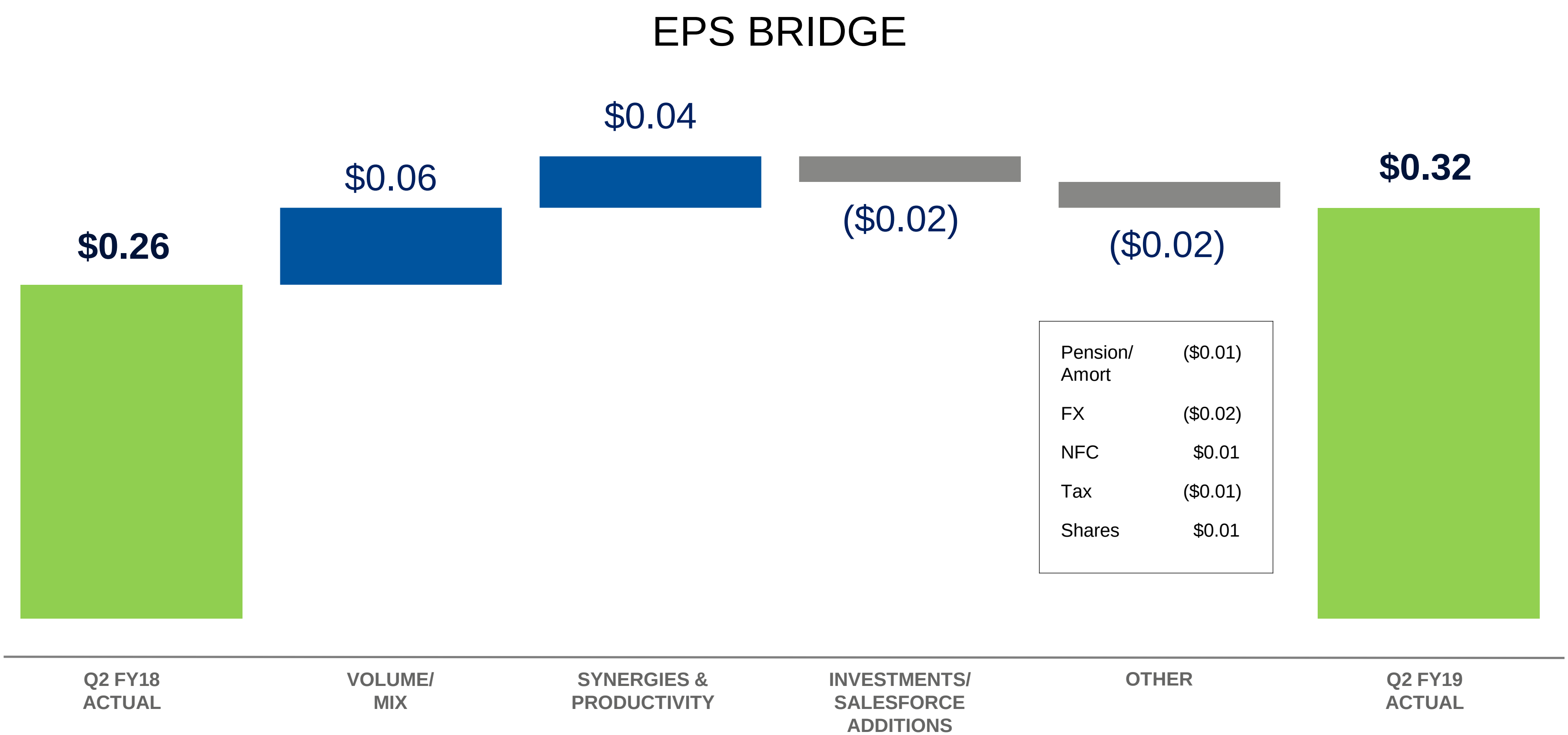
ADJUSTED FCF



Normal Seasonal Pattern

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

Q2 FY19 Results vs. Prior Year* (continuing operations)

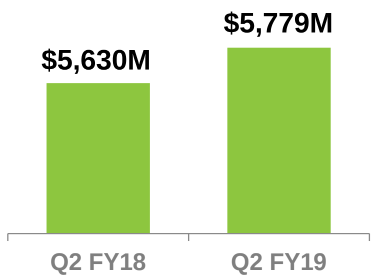


*Non-GAAP excludes special items. See footnotes for reconciliation.

Buildings*

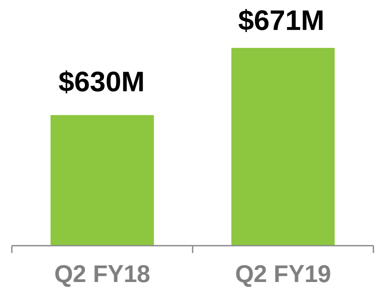
Sales

+6% Organic



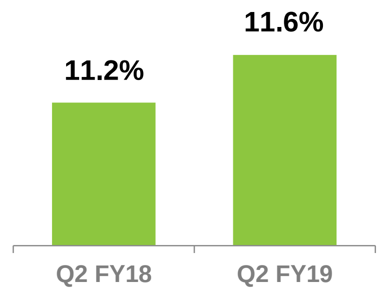
Segment EBITA

+11% Organic

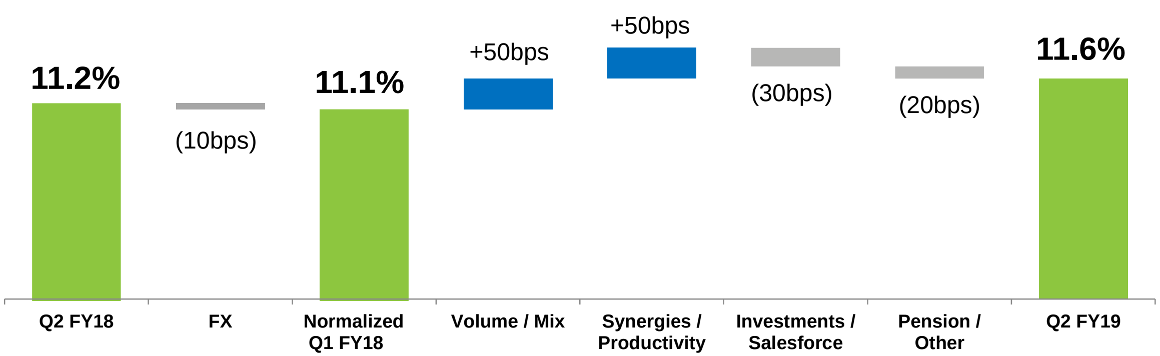


EBITA Margin

+50bps Organic

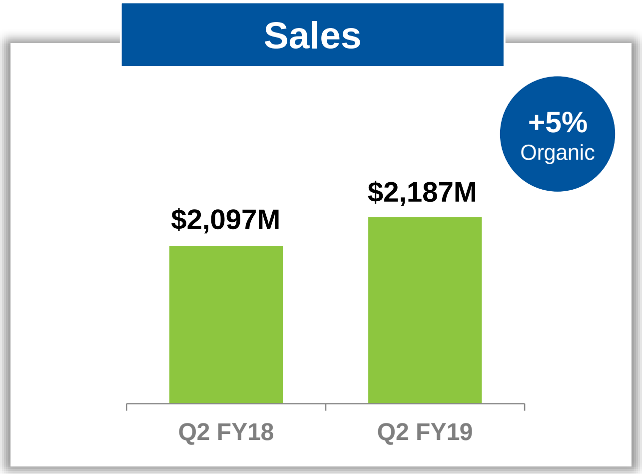


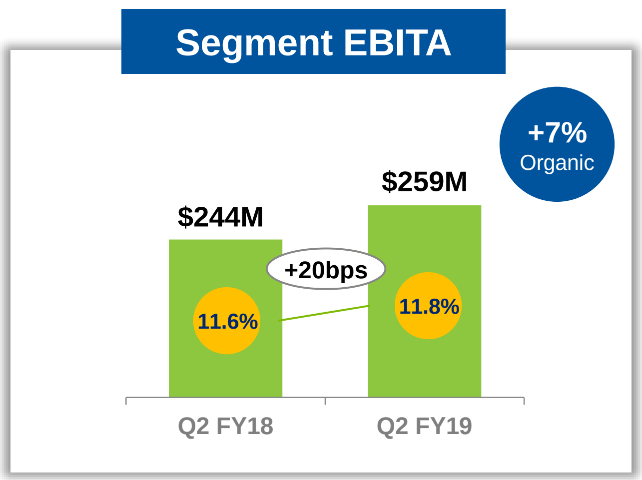
EBITA Margin



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

Segment Results: Building Solutions North America*

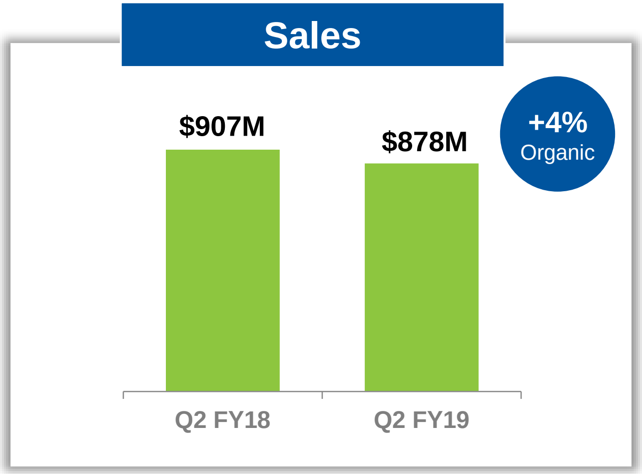


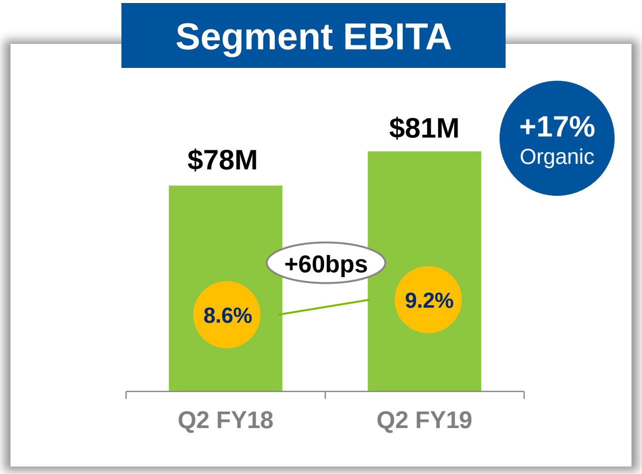


- Organic sales up 5%
  - Install up 5% / Service up 4%
  - HVAC & Controls up mid-single digits
  - Fire & Security up mid-single digits
  - Solutions down low-single digits
- EBITA margin up 20bps
  - Favorable volume leverage
  - Productivity savings and cost synergies
  - Unfavorable mix
  - Run-rate salesforce additions
- Orders increased 2% organically
  - Q3 orders tracking up mid-to-high single digits
- Backlog of $5.6 billion increased 5% organically

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

Segment Results: Building Solutions EMEA/LA*





- Organic sales up 4%
  - Install up 4% / Service up 5%
  - Europe – up mid-single digits with solid growth across HVAC, Fire & Security and Industrial Refrigeration
  - Middle East & Africa – down low-single digits driven by weakness in HVAC
  - Latin America – up high-single digits led by Fire & Security and Industrial Refrigeration
- EBITA margin up 60bps
  - Up 100bps, ex-foreign currency
  - Favorable volume
  - Productivity savings and cost synergies
  - Run-rate salesforce additions
- Orders increased 3% organically
- Backlog of $1.7 billion increased 9% organically

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

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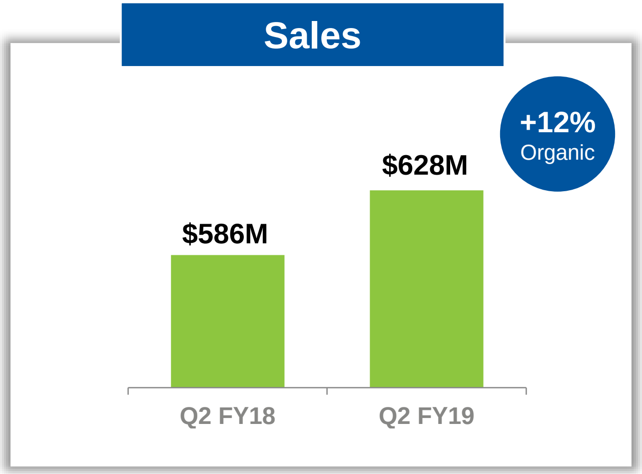
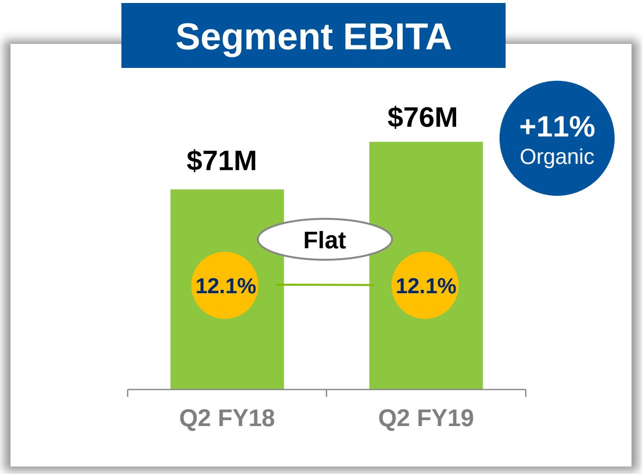
Segment Results: Building Solutions Asia Pacific*

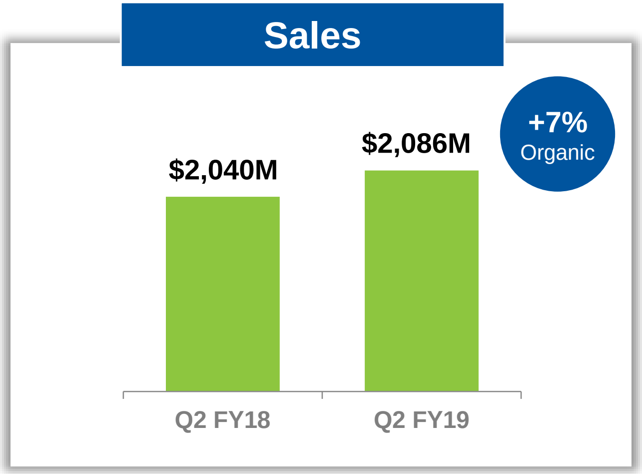


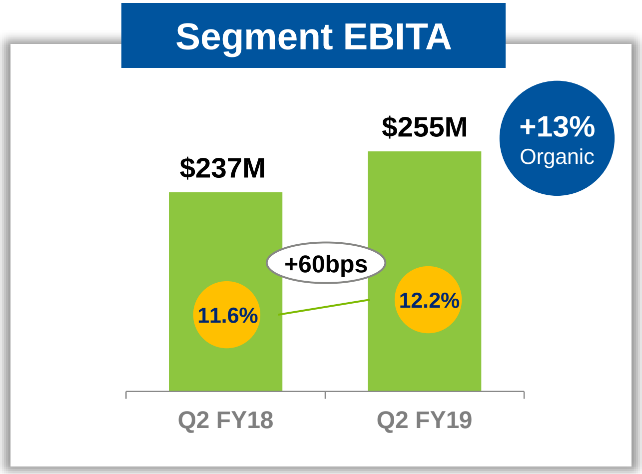


- Organic sales up 12%
  - Install up 15% / Service up 7%
  - Strong growth in HVAC and Building Management Systems
  - China up low-teens
- EBITA margin flat
  - Favorable volume
  - Unfavorable mix
  - Run-rate salesforce additions
  - Expected underlying margin pressure
- Orders increased 1% organically
- Backlog of $1.6 billion increased 8% organically

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

Segment Results: Building Solutions Global Products*



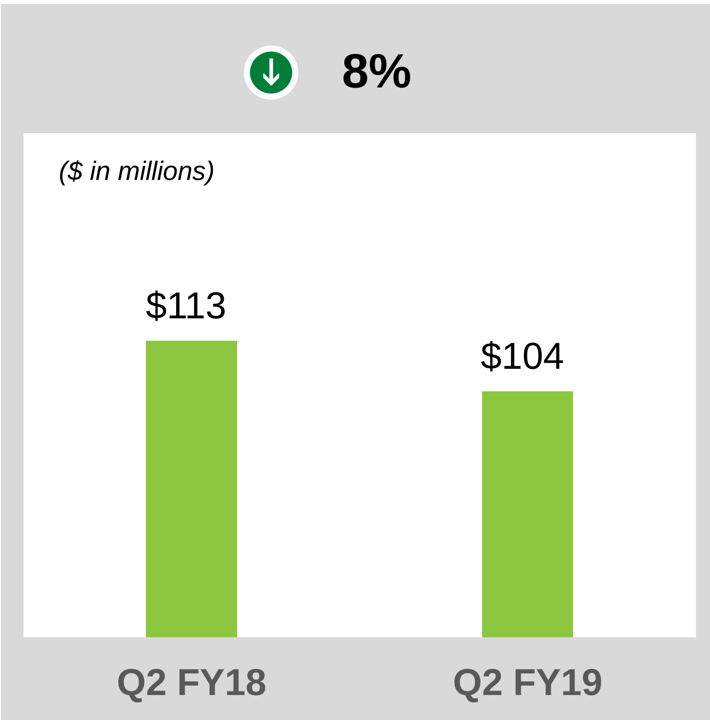


- Organic sales up 7%
  - Building Management Systems up low-double digits with strength across all businesses
  - HVAC & Refrigeration Equipment up mid-single digits
    - Global Resi HVAC up low-single digits; NA Resi HVAC up low-double digits
    - Light commercial up mid-teens; NA up low-teens
    - Industrial Refrigeration down high-single digits
    - Applied Parts & Equipment up mid-teens
  - Specialty Products up low-double digits

- EBITA margin up 60bps
  - Favorable volume/mix
  - Positive price/cost
  - Productivity savings and cost synergies
  - Product investments

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

Corporate Expense* (continuing operations)



- Ongoing realization of cost synergies and productivity savings
- Expect Corporate expense for FY19 to be in the range of $380M to $395M

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

Free Cash Flow* (continuing operations)

(in $ billions)	Q2 FY18	Q2 FY19	H1 FY18	H1 FY19
Cash provided by operating activities	$0.3	$0.2	$0.1	$0.1
Capital expenditures	(0.2)	(0.1)	(0.3)	(0.3)
Reported free cash flow**	**$0.1**	**$0.1**	**$(0.1)**	**$(0.2)**
Nonrecurring tax payments (refunds)	-	-	(0.1)	-
Restructuring costs	0.1	-	0.1	0.1
Integration/transaction costs	0.1	0.1	0.1	0.1
Adjustments**	**0.2**	**0.1**	**0.2**	**0.2**
Adjusted FCF**	**$0.3**	**$0.2**	**$0.0**	**$0.0**

- Q2 adjusted free cash flow from continuing operations of $0.2 billion
- H1 adjusted free cash flow breakeven, in-line with seasonal norm
- Expect FY19 adjusted free cash flow conversion of ~95%
  - Excludes one-time items of $0.3 to $0.4 billion
  - Excludes ~$0.6 billion tax refund expected in Q4 FY19 or early FY20

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

**Table may not sum due to rounding.

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Balance Sheet

Capital Structure	Q1 FY19	Q2 FY19
Short-term debt and current portion of long-term debt	$2,320	$3,968
Long-term debt	9,588	8,418
Total debt	**11,908**	**12,386**
Less: cash and cash equivalents	292	239
Net debt	**$11,616**	**$12,147**
Net debt/cap ratio	36.6%	37.7%
Share repurchases	**~$467M**	**~$533M**

Power Solutions Transaction Complete


- Sale closed April 30th
- Gross proceeds of $13.2B; Net proceeds of $11.6B
- Use of proceeds
  - $3.4B debt reduction (FY19 interest savings: ~$40M)
  - Up to $8.2B share repurchase
- Committed to $50M Corporate cost reduction by FY20 year-end


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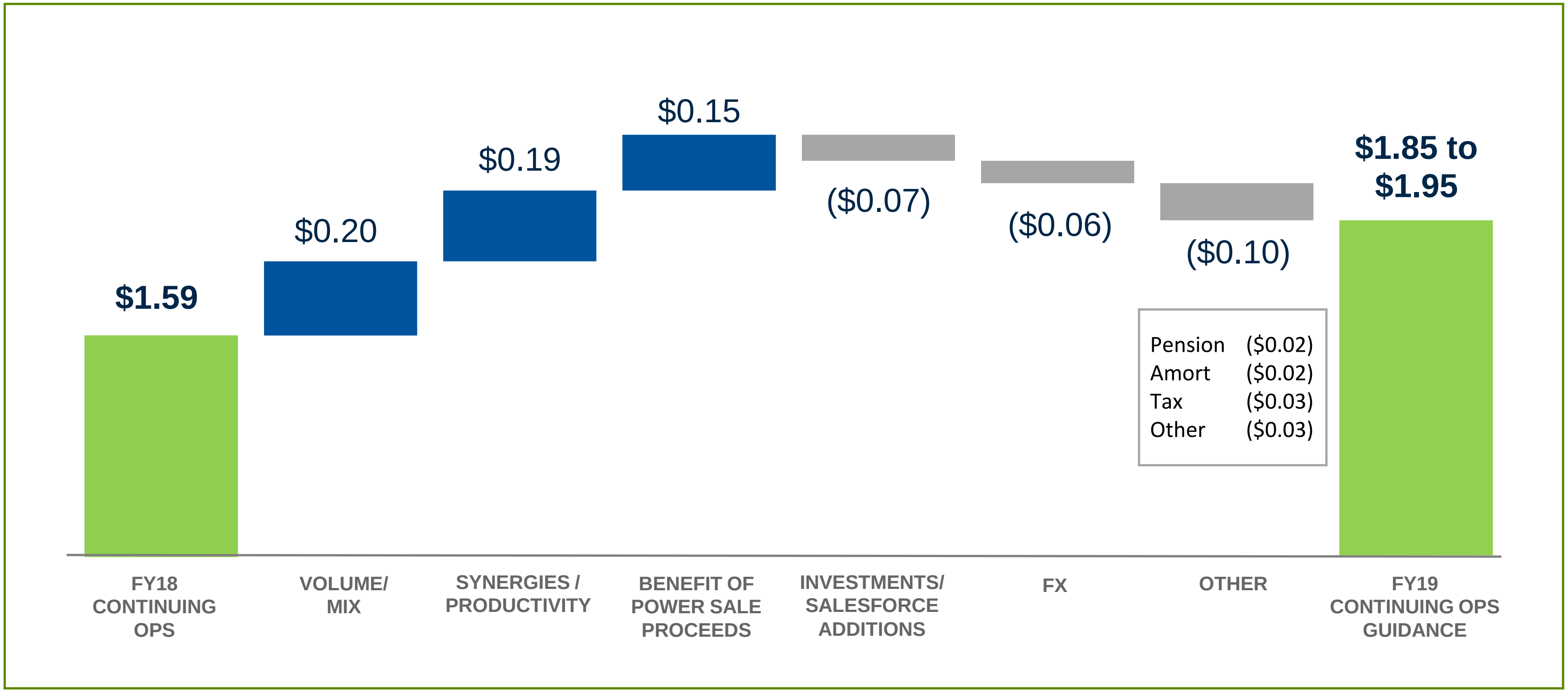
Fiscal 2019 Continuing Operations Guidance*
(Includes Use of Proceeds with April 30, 2019 Power Solutions Close)

FY19 EPS WALK



EPS Growth of 16% to 23%

* Non-GAAP excludes special items.

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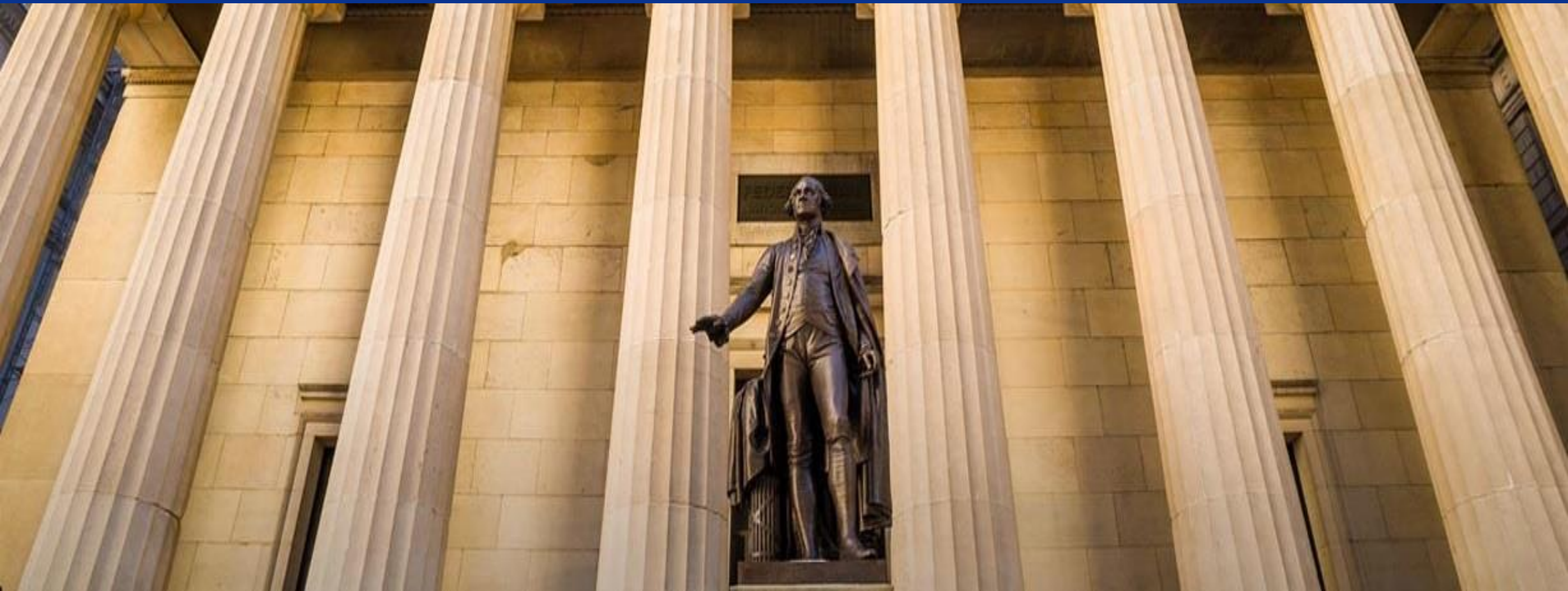
FY19 Guidance Update*

	Guidance (Feb) (Includes Use of Proceeds with June 30th Power Solutions Close)	Guidance (May) (Includes Use of Proceeds with April 30th Power Solutions Close)
Sales	$23.8B to $24.2B +2% to +4% Reported Mid-single Digit Organic Growth	$23.8B to $24.2B +2% to +4% Reported Mid-single Digit Organic Growth
Buildings	Organic Growth 4% to 6% EBITA Margin +40 to +60bps	Organic Growth 4% to 6% EBITA Margin +40 to +60bps
EBIT Margin Expansion	10.3% - 10.5% +50 to +70bps	10.3% - 10.5% +50 to +70bps
Other	Corporate Expense $380 to $395M	Corporate Expense $380 to $395M
	Amortization Expense ~$400M	Amortization Expense ~$400M
	Net Financing Charges $375 to $385M	Net Financing Charges $330 to $340M
	Non-controlling Interest $175 to $185M	Non-controlling Interest $175 to $185M
	Weighted Average Diluted Share Count of ~905M	Weighted Average Diluted Share Count of ~880M
EPS	**$1.75 to $1.85** **+10% to +16%**	**$1.85 to $1.95** **+16% to +23%**

*Non-GAAP excludes special items.

Appendix: Supplemental Information



FY19 Second Quarter
Financial Results (continuing operations)

($ in millions, except earnings per share)	**Q2 FY18** GAAP	**Q2 FY19** GAAP	**Q2 FY18*** NON-GAAP	**Q2 FY19*** NON-GAAP	**% Change** NON-GAAP
Sales	$5,630	$5,779	$5,630	$5,779	3%
Gross profit	1,824	1,844	1,824	1,844	1%
% of sales	*32.4%*	*31.9%*	*32.4%*	*31.9%*	
SG&A expenses	1,490	1,458	1,426	1,408	(1%)
Restructuring & impairment costs	-	-	-	-	
Equity income	27	33	27	33	22%
EBIT	361	419	425	469	10%
EBIT margin	***6.4%***	***7.3%***	***7.5%***	***8.1%***	
Net financing charges	107	98	107	98	(8%)
Income before income taxes	254	321	318	371	17%
Income tax provision	36	47	38	50	(32%)
Net income	218	274	280	321	15%
Income attributable to noncontrolling interests	34	34	34	34	-
Net income attributable to JCI	$184	$240	$246	$287	17%
Diluted EPS	**$0.20**	**$0.26**	**$0.26**	**$0.32**	23%

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

Special Items (continuing operations)

$ In millions, except EPS

Q2 FY19	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax Income (Expense)	EPS Impact
Transaction costs	$(2)	$1	$-	$(1)	$ -
Integration costs	(68)	7	-	(61)	(0.07)
Net mark-to-market adjustments	20	(5)	-	15	0.02
Total	**$(50)**	**$3**	**$-**	**$(47)**	**$(0.05)**

Q2 FY18	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Benefit	After-tax Income (Expense)	EPS Impact
Transaction costs	($3)	$-	$-	($3)	$-
Integration costs	(61)	9	-	(52)	(0.06)
Impact of Q3 2018 effective tax rate change	-	(7)	-	(7)	(0.01)
Total	**($64)**	**$2**	**$-**	**($62)**	**($0.07)**

Recasted Financial Information* (continuing operations)

	Q1FY18	Organic	Q2FY18	Organic	Q3FY18	Organic	Q4FY18	Organic	FY18	Organic
BT&S - North America	2,012	3.1%	2,097	0.6%	2,246	4.8%	2,324	7.7%	8,679	4.1%
BT&S - EMEA/LA	915	4.0%	907	-3.3%	926	0.4%	948	5.7%	3,696	1.8%
BT&S - APAC	597	2.5%	586	-1.6%	681	4.5%	689	4.1%	2,553	2.5%
Global Products	1,781	5.8%	2,040	6.2%	2,429	7.3%	2,222	9.5%	8,472	7.3%
Sales	5,305	4.1%	5,630	1.7%	6,282	5.1%	6,183	7.6%	23,400	4.7%
		Margin		**Margin**		**Margin**		**Margin**		**Margin**
BT&S - North America	236	11.7%	244	11.6%	318	14.2%	336	14.5%	1,134	13.1%
BT&S - EMEA/LA	71	7.8%	78	8.6%	98	10.6%	103	10.9%	350	9.5%
BT&S - APAC	74	12.4%	71	12.1%	97	14.2%	105	15.2%	347	13.6%
Global Products	178	10.0%	237	11.6%	441	18.2%	395	17.8%	1,251	14.8%
Segment EBITA	559	10.5%	630	11.2%	954	15.2%	939	15.2%	3,082	13.2%
Amortization of intangibles	(92)		(92)		(98)		(94)		(376)	
Corporate	(105)		(113)		(103)		(95)		(416)	
EBIT	**362**	**6.8%**	**425**	**7.5%**	**753**	**12.0%**	**750**	**12.1%**	**2,290**	**9.8%**
Net Financing Charges	(102)		(107)		(95)		(97)		(401)	
Income Before Tax	260		318		658		653		1,889	
Tax	(32)		(38)		(80)		(79)		(229)	
Tax Rate	12.1%		12.1%		12.1%		12.1%		12.1%	
Noncontrolling Interest	(28)		(34)		(72)		(40)		(174)	
Net Income	**200**		**246**		**506**		**534**		**1,486**	
EPS	**$ 0.21**		**$ 0.26**		**$ 0.54**		**$ 0.57**		**$ 1.59**	
Shares	933.3		932.5		930.7		930.5		931.7	

*Supplemental unaudited selected historical information for the fiscal year ending September 30, 2018, as well as for each quarterly period of fiscal 2018, which reflects the continuing operations of the Company as if the Power Solutions business was reported as a discontinued operation as of October 1, 2018. Non-GAAP excludes special items see reconciliation filed on Form 8-K on November 13, 2018.

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JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Three Months Ended March 31,	
	2019	2018
Net sales	$ 5,779	$ 5,630
Cost of sales	3,935	3,806
Gross profit	1,844	1,824
Selling, general and administrative expenses	(1,458)	(1,490)
Net financing charges	(98)	(107)
Equity income	33	27
Income from continuing operations before income taxes	321	254
Income tax provision	47	36
Income from continuing operations	274	218
Income from discontinued operations, net of tax	284	265
Net income	558	483
Less: Income from continuing operations attributable to noncontrolling interests	34	34
Less: Income from discontinued operations attributable to noncontrolling interests	9	11
Net income attributable to JCI	$ 515	$ 438
Income from continuing operations	$ 240	$ 184
Income from discontinued operations	275	254
Net income attributable to JCI	$ 515	$ 438
Diluted earnings per share from continuing operations	$ 0.26	$ 0.20
Diluted earnings per share from discontinued operations	0.30	0.27
Diluted earnings per share *	$ 0.57	$ 0.47
Diluted weighted average shares	905.9	932.5
Shares outstanding at period end	898.1	926.2

* May not sum due to rounding.

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Six Months Ended March 31,	
	2019	2018
Net sales	$ 11,243	$ 10,935
Cost of sales	7,674	7,413
Gross profit	3,569	3,522
Selling, general and administrative expenses	(2,896)	(2,809)
Restructuring and impairment costs	-	(154)
Net financing charges	(183)	(209)
Equity income	75	74
Income from continuing operations before income taxes	565	424
Income tax provision	155	253
Income from continuing operations	410	171
Income from discontinued operations, net of tax	547	583
Net income	957	754
Less: Income from continuing operations attributable to noncontrolling interests	63	62
Less: Income from discontinued operations attributable to noncontrolling interests	24	24
Net income attributable to JCI	$ 870	$ 668
Income from continuing operations	$ 347	$ 109
Income from discontinued operations	523	559
Net income attributable to JCI	$ 870	$ 668
Diluted earnings per share from continuing operations	$ 0.38	$ 0.12
Diluted earnings per share from discontinued operations	0.57	0.60
Diluted earnings per share	$ 0.95	$ 0.72
Diluted weighted average shares	915.6	932.9
Shares outstanding at period end	898.1	926.2

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	March 31, 2019	September 30, 2018
ASSETS		
Cash and cash equivalents	$ 239	$ 185
Accounts receivable - net	5,707	5,622
Inventories	2,124	1,819
Assets held for sale	2,999	3,015
Other current assets	1,767	1,182
Current assets	12,836	11,823
Property, plant and equipment - net	3,332	3,300
Goodwill	18,311	18,381
Other intangible assets - net	6,015	6,187
Investments in partially-owned affiliates	937	848
Noncurrent assets held for sale	5,229	5,188
Other noncurrent assets	1,829	3,070
Total assets	$ 48,489	$ 48,797
LIABILITIES AND EQUITY		
Short-term debt and current portion of long-term debt	$ 3,968	$ 1,307
Accounts payable and accrued expenses	4,214	4,428
Liabilities held for sale	1,558	1,791
Other current liabilities	3,701	3,724
Current liabilities	13,441	11,250
Long-term debt	8,418	9,623
Other noncurrent liabilities	5,144	5,259
Noncurrent liabilities held for sale	185	207
Shareholders' equity attributable to JCI	20,036	21,164
Noncontrolling interests	1,265	1,294
Total liabilities and equity	$ 48,489	$ 48,797

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Three Months Ended March 31,	
	2019	2018
Operating Activities		
Net income attributable to JCI from continuing operations	$ 240	$ 184
Income from continuing operations attributable to noncontrolling interests	34	34
Net income from continuing operations	274	218
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	211	212
Pension and postretirement benefit income	(28)	(36)
Pension and postretirement contributions	(16)	(13)
Equity in earnings of partially-owned affiliates, net of dividends received	(31)	(26)
Deferred income taxes	460	1
Other - net	5	11
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	(285)	(97)
Inventories	(99)	(13)
Other assets	34	(37)
Restructuring reserves	(34)	(102)
Accounts payable and accrued liabilities	209	206
Accrued income taxes	(518)	(51)
Cash provided by operating activities from continuing operations	182	273
Investing Activities		
Capital expenditures	(125)	(166)
Acquisition of businesses, net of cash acquired	-	(15)
Business divestitures, net of cash divested	-	103
Other - net	2	9
Cash used by investing activities from continuing operations	(123)	(69)
Financing Activities		
Increase (decrease) in short and long-term debt - net	530	(488)
Stock repurchases	(533)	(49)
Payment of cash dividends	(239)	(241)
Proceeds from the exercise of stock options	38	20
Dividends paid to noncontrolling interests	(89)	(43)
Employee equity-based compensation withholdings	(2)	(12)
Cash used by financing activities from continuing operations	(295)	(813)
Discontinued Operations		
Net cash provided by operating activities	309	391
Net cash used by investing activities	(87)	(107)
Net cash used by financing activities	(17)	(1)
Net cash flows provided by discontinued operations	205	283
Effect of exchange rate changes on cash, cash equivalents and restricted cash	5	44
Changes in cash held for sale	(28)	(5)
Decrease in cash, cash equivalents and restricted cash	$ (54)	$ (287)

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
Operating Activities		
Net income attributable to JCI from continuing operations	$ 347	$ 109
Income from continuing operations attributable to noncontrolling interests	63	62
Net income from continuing operations	410	171
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	422	422
Pension and postretirement benefit income	(57)	(72)
Pension and postretirement contributions	(37)	(36)
Equity in earnings of partially-owned affiliates, net of dividends received	(67)	(59)
Deferred income taxes	503	(79)
Non-cash restructuring and impairment costs	-	28
Gain on Scott Safety business divestiture	-	(114)
Other - net	33	38
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	(139)	(107)
Inventories	(321)	(209)
Other assets	(29)	(174)
Restructuring reserves	(59)	(6)
Accounts payable and accrued liabilities	(17)	(53)
Accrued income taxes	(539)	390
Cash provided by operating activities from continuing operations	103	140
Investing Activities		
Capital expenditures	(278)	(280)
Acquisition of businesses, net of cash acquired	(13)	(15)
Business divestitures, net of cash divested	6	2,114
Other - net	26	(8)
Cash provided (used) by investing activities from continuing operations	(259)	1,811
Financing Activities		
Increase (decrease) in short and long-term debt - net	1,544	(1,544)
Stock repurchases	(1,000)	(199)
Payment of cash dividends	(479)	(473)
Dividends paid to noncontrolling interests	(132)	(43)
Proceeds from the exercise of stock options	51	36
Employee equity-based compensation withholdings	(23)	(36)
Other - net	-	(4)
Cash used by financing activities from continuing operations	(39)	(2,263)
Discontinued Operations		
Net cash provided by operating activities	502	397
Net cash used by investing activities	(153)	(228)
Net cash provided (used) by financing activities	(28)	9
Net cash flows provided by discontinued operations	321	178
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(38)	61
Changes in cash held for sale	(30)	5
Increase (decrease) in cash, cash equivalents and restricted cash	$ 58	$ (68)

FOOTNOTES

1. Financial Summary

The Company evaluates the performance of its business units primarily on segment earnings before interest, taxes and amortization (EBITA), which represents income 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. In the first quarter of fiscal 2019, the Company began reporting the Power Solutions business as a discontinued operation, which required retrospective application to previously reported financial information. As a result, the financial results shown below are for continuing operations and exclude the Power Solutions business.

(in millions; unaudited)	Three Months Ended March 31,				Six Months Ended March 31,			
	2019		2018		2019		2018	
	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP
Net sales								
Building Solutions North America	$ 2,187	$ 2,187	$ 2,097	$ 2,097	$ 4,303	$ 4,303	$ 4,109	$ 4,109
Building Solutions EMEA/LA	878	878	907	907	1,785	1,785	1,822	1,822
Building Solutions Asia Pacific	628	628	586	586	1,241	1,241	1,183	1,183
Global Products	2,086	2,086	2,040	2,040	3,914	3,914	3,821	3,821
Net sales	$ 5,779	$ 5,779	$ 5,630	$ 5,630	$ 11,243	$ 11,243	$ 10,935	$ 10,935
Segment EBITA (1)								
Building Solutions North America	$ 257	$ 259	$ 239	$ 244	$ 507	$ 512	$ 466	$ 480
Building Solutions EMEA/LA	80	81	77	78	157	158	146	149
Building Solutions Asia Pacific	76	76	71	71	142	142	145	145
Global Products	251	255	228	237	441	449	514	415
Segment EBITA	664	671	615	630	1,247	1,261	1,271	1,189
Corporate expenses (2)	(167)	(104)	(162)	(113)	(303)	(197)	(300)	(218)
Amortization of intangible assets	(98)	(98)	(92)	(92)	(195)	(195)	(184)	(184)
Net mark-to-market adjustments (3)	20	-	-	-	(1)	-	-	-
Restructuring and impairment costs (4)	-	-	-	-	-	-	(154)	-
EBIT (5)	419	469	361	425	748	869	633	787
EBIT margin	7.3%	8.1%	6.4%	7.5%	6.7%	7.7%	5.8%	7.2%
Net financing charges	(98)	(98)	(107)	(107)	(183)	(183)	(209)	(209)
Income from continuing operations before income taxes	321	371	254	318	565	686	424	578
Income tax provision (6)	(47)	(50)	(36)	(38)	(155)	(93)	(253)	(70)
Income from continuing operations	274	321	218	280	410	593	171	508
Income from continuing operations attributable to noncontrolling interests	(34)	(34)	(34)	(34)	(63)	(63)	(62)	(62)
Net income from continuing operations attributable to JCI	$ 240	$ 287	$ 184	$ 246	$ 347	$ 530	$ 109	$ 446

(1) The Company's press release contains financial information regarding adjusted segment EBITA and adjusted segment EBITA margins, which are non-GAAP performance measures. The Company's definition of adjusted segment EBITA excludes special items because these costs are not considered to be directly related to the underlying operating performance of its businesses. Management believes these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company.

The following is the three months ended March 31, 2019 and 2018 reconciliation of segment EBITA and segment EBITA margin as reported to adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment EBITA as reported	$ 257	$ 239	$ 80	$ 77	$ 76	$ 71	$ 251	$ 228	$ 664	$ 615
Segment EBITA margin as reported	11.8%	11.4%	9.1%	8.5%	12.1%	12.1%	12.0%	11.2%	11.5%	10.9%
Adjusting items:										
Integration costs	2	5	1	1	-	-	4	9	7	15
Adjusted segment EBITA	$ 259	$ 244	$ 81	$ 78	$ 76	$ 71	$ 255	$ 237	$ 671	$ 630
Adjusted segment EBITA margin	11.8%	11.6%	9.2%	8.6%	12.1%	12.1%	12.2%	11.6%	11.6%	11.2%

The following is the six months ended March 31, 2019 and 2018 reconciliation of segment EBITA and segment EBITA margin as reported to adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment EBITA as reported	$ 507	$ 466	$ 157	$ 146	$ 142	$ 145	$ 441	$ 514	$ 1,247	$ 1,271
Segment EBITA margin as reported	11.8%	11.3%	8.8%	8.0%	11.4%	12.3%	11.3%	13.5%	11.1%	11.6%
Adjusting items:										
Integration costs	5	14	1	3	-	-	8	15	14	32
Scott Safety gain on sale	-	-	-	-	-	-	-	(114)	-	(114)
Adjusted segment EBITA	$ 512	$ 480	$ 158	$ 149	$ 142	$ 145	$ 449	$ 415	$ 1,261	$ 1,189
Adjusted segment EBITA margin	11.9%	11.7%	8.9%	8.2%	11.4%	12.3%	11.5%	10.9%	11.2%	10.9%

(2) Adjusted Corporate expenses for the three months ended March 31, 2019 excludes $61 million of integration costs and $2 million of transaction costs. Adjusted Corporate expenses for the six months ended March 31, 2019 excludes $102 million of integration costs and $4 million of transaction costs. Adjusted Corporate expenses for the three months ended March 31, 2018 excludes $46 million of integration costs and $3 million of transaction costs. Adjusted Corporate expenses for the six months ended March 31, 2018 excludes $74 million of integration costs and $8 million of transaction costs.

(3) On October 1, 2018, the Company adopted Accounting Standards Update (ASU) No. 2016-01, "Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." ASU No. 2016-01 amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments, including marketable securities. The new standard requires the mark-to-market of marketable securities investments previously recorded within accumulated other comprehensive income on the statement of financial position be recorded in the statement of income on a prospective basis beginning as of the adoption date. The three months ended March 31, 2019 exclude the net mark-to-market adjustments on restricted investments of $20 million. The six months ended March 31. 2018 exclude the net mark-to-market adjustments on restricted investments of $1 million. As these restricted investments do not relate to the underlying operating performance of its businesses, the Company's definition of adjusted segment EBITA and adjusted EBIT excludes the mark-to-market adjustments effective October 1, 2018.

(4) Restructuring and impairment costs for the six months ended March 31, 2018 of $154 million are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs related primarily to workforce reductions, plant closures and asset impairments in the Building Technologies & Solutions business and at Corporate.

(5) Management defines earnings before interest and taxes (EBIT) as income from continuing operations before net financing charges, income taxes and noncontrolling interests.

(6) Adjusted income tax provision for the three months ended March 31, 2019 excludes the tax benefits of integration costs of $7 million and transaction costs of $1 million, partially offset by the tax provision for net mark-to-market adjustments of $5 million. Adjusted income tax provision for the six months ended March 31, 2019 excludes the tax provision for valuation allowance adjustments of $76 million as a result of changes in U.S. tax law, partially offset by the tax benefits for integration costs of $13 million and transactions costs of $1 million. Adjusted income tax provision for the three months ended March 31, 2018 excludes the tax benefit for integration costs of $9 million, partially offset by the impact of the third quarter fiscal 2018 effective tax rate change of $7 million. Adjusted income tax provision for the six months ended March 31, 2018 excludes the net tax provision related to the U.S. Tax Reform legislation of $204 million, Scott Safety gain on sale of $30 million and the impact of the third quarter fiscal 2018 effective tax rate change of $13 million, partially offset by tax audit settlements of $25 million, restructuring and impairment costs of $23 million, integration costs of $15 million and transaction costs of $1 million.

2. Diluted Earnings Per Share Reconciliation

The Company's press release contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include transaction/integration costs, gain on sale of the Scott Safety business, net mark-to-market adjustments, restructuring and impairment costs, impact of ceasing the depreciation / amortization expense for the Power Solutions business as the business is held for sale, 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 these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company.

A reconciliation of diluted earnings per share as reported to adjusted diluted earnings per share for the respective periods is shown below (unaudited):

	Net Income Attributable to JCI plc		Net Income Attributable to JCI plc from Continuing Operations		Net Income Attributable to JCI plc		Net Income Attributable to JCI plc from Continuing Operations	
	Three Months Ended March 31,		Three Months Ended March 31,		Six Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Earnings per share as reported for JCI plc	$ 0.57	$ 0.47	$ 0.26	$ 0.20	$ 0.95	$ 0.72	$ 0.38	$ 0.12
Adjusting items:								
Transaction costs	0.02	-	-	-	0.05	0.01	-	0.01
Related tax impact	-	-	-	-	(0.01)	-	-	-
Integration costs	0.08	0.07	0.08	0.07	0.13	0.11	0.13	0.11
Related tax impact	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)
Scott Safety gain on sale	-	-	-	-	-	(0.12)	-	(0.12)
Related tax impact	-	-	-	-	-	0.03	-	0.03
Net mark-to-market adjustments	(0.02)	-	(0.02)	-	-	-	-	-
Related tax impact	0.01	-	0.01	-	-	-	-	-
Restructuring and impairment costs	-	-	-	-	-	0.17	-	0.17
Related tax impact	-	-	-	-	-	(0.03)	-	(0.02)
Cease of Power Solutions depreciation / amortization expense	(0.07)	-	-	-	(0.10)	-	-	-
Related tax impact	0.02	-	-	-	0.03	-	-	-
Discrete tax items	-	0.01	-	0.01	0.16	0.21	0.08	0.21
Adjusted earnings per share for JCI plc*	$ 0.59	$ 0.54	$ 0.32	$ 0.26	$ 1.20	$ 1.08	$ 0.58	$ 0.48

* May not sum due to rounding.

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Weighted average shares outstanding for JCI plc				
Basic weighted average shares outstanding	902.5	926.2	912.1	926.2
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	3.4	6.3	3.5	6.7
Diluted weighted average shares outstanding	905.9	932.5	915.6	932.9

The Company has presented forward-looking statements regarding adjusted EPS from continuing operations, organic net sales growth, organic adjusted EBITA growth, organic adjusted EBIT growth, adjusted segment EBITA margin, adjusted EBIT margin and adjusted free cash flow conversion for the full fiscal year of 2019, 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 and the effect of foreign currency exchange fluctuations. Our fiscal 2019 outlook for organic net sales and adjusted EBITA and EBIT growth 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 full year 2019 GAAP financial results.

3. Organic Growth Reconciliation

The components of the changes in net sales for the three months ended March 31, 2019 versus the three months ended March 31, 2018, including organic growth, is shown below (unaudited):

(in millions)	Net Sales for the Three Months Ended March 31, 2018	Base Year Adjustments - Acquisitions and Divestitures		Adjusted Base Net Sales for the Three Months Ended March 31, 2018	Foreign Currency		Organic Growth		Net Sales for the Three Months Ended March 31, 2019	
Building Solutions North America	$ 2,097	$ -	-	$ 2,097	$ (10)	-	$ 100	5%	$ 2,187	4%
Building Solutions EMEA/LA	907	-	-	907	(69)	-8%	40	4%	878	-3%
Building Solutions Asia Pacific	586	-	-	586	(26)	-4%	68	12%	628	7%
Total field	3,590	-	-	3,590	(105)	-3%	208	6%	3,693	3%
Global Products	2,040	(38)	-2%	2,002	(60)	-3%	144	7%	2,086	4%
Total net sales	$ 5,630	$ (38)	-1%	$ 5,592	$ (165)	-3%	$ 352	6%	$ 5,779	3%

The components of the changes in net sales for the six months ended March 31, 2019 versus the six months ended March 31, 2018, including organic growth, is shown below (unaudited):

(in millions)	Net Sales for the Six Months Ended March 31, 2018	Base Year Adjustments - Acquisitions and Divestitures		Adjusted Base Net Sales for the Six Months Ended March 31, 2018	Foreign Currency		Organic Growth		Net Sales for the Six Months Ended March 31, 2019	
Building Solutions North America	$ 4,109	$ -	-	$ 4,109	$ (18)	-	$ 212	5%	$ 4,303	5%
Building Solutions EMEA/LA	1,822	2	-	1,824	(112)	-6%	73	4%	1,785	-2%
Building Solutions Asia Pacific	1,183	-	-	1,183	(44)	-4%	102	9%	1,241	5%
Total field	7,114	2	-	7,116	(174)	-2%	387	5%	7,329	3%
Global Products	3,821	(87)	-2%	3,734	(91)	-2%	271	7%	3,914	5%
Total net sales	$ 10,935	$ (85)	-1%	$ 10,850	$ (265)	-2%	$ 658	6%	$ 11,243	4%

The components of the changes in segment EBITA and EBIT for the three months ended March 31, 2019 versus the three months ended March 31, 2018, including organic growth, is shown below (unaudited):

(in millions)	Adjusted Segment EBITA / EBIT for the Three Months Ended March 31, 2018	Base Year Adjustments - Acquisitions and Divestitures		Adjusted Base Segment EBITA / EBIT for the Three Months Ended March 31, 2018	Foreign Currency		Organic Growth		Adjusted Segment EBITA / EBIT for the Three Months Ended March 31, 2019	
Building Solutions North America	$ 244	$ -	-	$ 244	$ (1)	-	$ 16	7%	$ 259	6%
Building Solutions EMEA/LA	78	-	-	78	(10)	-13%	13	17%	81	4%
Building Solutions Asia Pacific	71	-	-	71	(3)	-4%	8	11%	76	7%
Total field	393	-	-	393	(14)	-4%	37	9%	416	6%
Global Products	237	(6)	-3%	231	(7)	-3%	31	13%	255	10%
Total adjusted segment EBITA	630	$ (6)	-1%	624	$ (21)	-3%	$ 68	11%	671	8%
Corporate expenses	(113)	-		(113)					(104)	8%
Amortization of intangible assets	(92)	2		(90)					(98)	-9%
Total adjusted EBIT	$ 425	$ (4)		$ 421					$ 469	11%

The components of the changes in segment EBITA and EBIT for the six months ended March 31, 2019 versus the six months ended March 31, 2018, including organic growth, is shown below (unaudited):

(in millions)	Adjusted Segment EBITA / EBIT for the Six Months Ended March 31, 2018	Base Year Adjustments - Acquisitions and Divestitures		Adjusted Base Segment EBITA / EBIT for the Six Months Ended March 31, 2018	Foreign Currency		Organic Growth		Adjusted Segment EBITA / EBIT for the Six Months Ended March 31, 2019	
Building Solutions North America	$ 480	$ -	-	$ 480	$ (2)	-	$ 34	7%	$ 512	7%
Building Solutions EMEA/LA	149	1	1%	150	(17)	-11%	25	17%	158	5%
Building Solutions Asia Pacific	145	-	-	145	(4)	-3%	1	1%	142	-2%
Total field	774	1	-	775	(23)	-3%	60	8%	812	5%
Global Products	415	(12)	-3%	403	(10)	-2%	56	14%	449	11%
Total adjusted segment EBITA	1,189	$ (11)	-1%	1,178	$ (33)	-3%	$ 116	10%	1,261	7%
Corporate expenses	(218)	-		(218)					(197)	10%
Amortization of intangible assets	(184)	2		(182)					(195)	-7%
Total adjusted EBIT	$ 787	$ (9)		$ 778					$ 869	12%

4. Adjusted Free Cash Flow Reconciliation

The Company's press release contains financial information regarding free cash flow, adjusted free cash flow and adjusted free cash flow conversion, which are non-GAAP performance measures. Free cash flow is defined as cash provided by operating activities less capital expenditures. Adjusted free cash flow excludes special items, as included in the table below, because these cash flows are not considered to be directly related to its underlying businesses. Adjusted 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.

The following is the three months and six months ended March 31, 2019 and 2018 reconciliation of free cash flow, adjusted free cash flow and adjusted free cash flow conversion for continuing operations (unaudited):

(in billions)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
Cash provided by operating activities from continuing operations	$ 0.2	$ 0.3	$ 0.1	$ 0.1
Capital expenditures	(0.1)	(0.2)	(0.3)	(0.3)
Reported free cash flow *	0.1	0.1	(0.2)	(0.1)
Adjusting items:				
Transaction/integration costs	0.1	0.1	0.1	0.1
Restructuring payments	-	0.1	0.1	0.1
Nonrecurring tax payments, net of refunds	-	-	-	(0.1)
Total adjusting items *	0.1	0.2	0.2	0.2
Adjusted free cash flow *	$ 0.2	$ 0.3	$ -	$ -
Adjusted net income from continuing operations attributable to JCI	$ 0.3	$ 0.2	$ 0.5	$ 0.4
Adjusted free cash flow conversion	67%	150%	0%	0%

* May not sum due to rounding

5. Net Debt to Capitalization

The Company provides financial information regarding net debt as a percentage of total capitalization, which is a non-GAAP performance measure. The Company believes the percentage of total net debt to total capitalization is useful to understanding the Company's financial condition as it provides a review of the extent to which the Company relies on external debt financing for its funding and is a measure of risk to its shareholders. The following is the March 31, 2019 and September 30, 2018 calculation of net debt as a percentage of total capitalization (unaudited):

(in millions)	March 31, 2019	September 30, 2018
Short-term debt and current portion of long-term debt	$ 3,968	$ 1,307
Long-term debt	8,418	9,623
Total debt	12,386	10,930
Less: cash and cash equivalents	239	185
Total net debt	12,147	10,745
Shareholders' equity attributable to JCI	20,036	21,164
Total capitalization	$ 32,183	$ 31,909
Total net debt as a % of total capitalization	37.7%	33.7%

6. Divestitures

On November 13, 2018, the Company entered into a definitive agreement to sell its Power Solutions business to BCP Acquisitions LLC for approximately $13.2 billion. BCP Acquisitions LLC is a newly-formed entity controlled by investment funds managed by Brookfield Capital Partners LLC. The transaction closed on April 30, 2019 with net cash proceeds of $11.6 billion after tax and transaction-related expenses.

On March 16, 2017, the Company announced that it signed a definitive agreement to sell its Scott Safety business to 3M for approximately $2.0 billion. The transaction closed on October 4, 2017. Net cash proceeds from the transaction approximated $1.9 billion and the Company recorded a net gain of $114 million ($84 million after tax). Scott Safety is a leader in the design, manufacture and sale of high performance respiratory protection, gas and flame detection, thermal imaging and other critical products for fire services, law enforcement, industrial, oil and gas, chemical, armed forces, and homeland defense end markets.

7. Income Taxes

The Company's effective tax rate from continuing operations before consideration of transaction/integration costs, gain on sale of the Scott Safety business, net mark-to-market adjustments, restructuring and impairment costs, and discrete tax items for the three and six months ending March 31, 2019 is 13.5% and 13.6%, respectively, and for the three and six months ending March 31, 2018 is approximately 11.9% and 12.1%, respectively.

8. Restructuring

The six months ended March 31, 2018 include restructuring and impairment costs of $154 million related primarily to workforce reductions, plant closures and asset impairments in the Building Technologies & Solutions business and at Corporate.