UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ To _____

Commission File Number: 001-13836

JOHNSON CONTROLS INTERNATIONAL PLC

(Exact name of registrant as specified in its charter)

Ireland	**98-0390500**
(Jurisdiction of Incorporation)	(IRS Employer Identification No.)
One Albert Quay, Cork, Ireland, T12 X8N6	**(353) 21-423-5000**
(Address of Principal Executive Offices and Postal Code)	(Registrant's Telephone Number)

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Ordinary Shares, Par Value $0.01	JCI	New York Stock Exchange
3.900% Notes due 2026	JCI26A	New York Stock Exchange
0.375% Senior Notes due 2027	JCI27	New York Stock Exchange
3.000% Senior Notes due 2028	JCI28	New York Stock Exchange
5.500% Senior Notes due 2029	JCI29	New York Stock Exchange
1.750% Senior Notes due 2030	JCI30	New York Stock Exchange
2.000% Sustainability-Linked Senior Notes due 2031	JCI31	New York Stock Exchange
1.000% Senior Notes due 2032	JCI32	New York Stock Exchange
4.900% Senior Notes due 2032	JCI32A	New York Stock Exchange
3.125% Senior Notes due 2033	JCI33	New York Stock Exchange
4.250% Senior Notes due 2035	JCI35	New York Stock Exchange
6.000% Notes due 2036	JCI36A	New York Stock Exchange
5.70% Senior Notes due 2041	JCI41B	New York Stock Exchange
5.250% Senior Notes due 2041	JCI41C	New York Stock Exchange
4.625% Senior Notes due 2044	JCI44A	New York Stock Exchange
5.125% Notes due 2045	JCI45B	New York Stock Exchange
6.950% Debentures due December 1, 2045	JCI45A	New York Stock Exchange
4.500% Senior Notes due 2047	JCI47	New York Stock Exchange
4.950% Senior Notes due 2064	JCI64A	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Smaller reporting company	☐
Non-accelerated filer	☐			Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Ordinary Shares Outstanding at December 31, 2025
Ordinary Shares, $0.01 par value per share	612,004,462

JOHNSON CONTROLS INTERNATIONAL PLC

FORM 10-Q

Report Index

PART I. FINANCIAL INFORMATION

ITEM 1. 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

The accompanying notes are an integral part of the consolidated financial statements.

Johnson Controls International plc
Consolidated Statements of Comprehensive Income
(in millions; unaudited)

	Three Months Ended December 31,	
	2025	2024
Net income	$ 525	$ 451
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	6	(146)
Other	6	11
Other comprehensive income (loss)	12	(135)
Total comprehensive income	537	316
Comprehensive income (loss) attributable to noncontrolling interests	2	(23)
Comprehensive income attributable to Johnson Controls	$ 535	$ 339

The accompanying notes are an integral part of the consolidated financial statements.

Johnson Controls International plc
Consolidated Statements of Financial Position
(in millions, except par value; unaudited)

	December 31, 2025	September 30, 2025
Assets		
Cash and cash equivalents	$ 552	$ 379
Accounts receivable, less allowance for expected credit losses of $177 and $205, respectively	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
Commitments and contingencies (Note 18)		
Ordinary shares, $0.01 par value	6	6
Ordinary A shares, €1.00 par value	—	—
Preferred shares, $0.01 par value	—	—
Ordinary shares held in treasury, at cost	(1,351)	(1,302)
Capital in excess of par value	14,902	14,865
Retained earnings	278	—
Accumulated other comprehensive loss	(631)	(642)
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

The accompanying notes are an integral part of the consolidated financial statements.

Johnson Controls International plc
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 business, 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

The accompanying notes are an integral part of the consolidated financial statements.

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

	Three Months Ended December 31,	
	2025	2024
Shareholders' Equity Attributable to Johnson Controls		
Beginning Balance	$ 12,927	$ 16,098
Ordinary Shares - Beginning and ending balance	6	7
Ordinary Shares Held in Treasury, at Cost		
Beginning balance	(1,302)	(1,268)
Employee equity-based compensation withholding taxes	(49)	(29)
Ending balance	(1,351)	(1,297)
Capital in Excess of Par Value		
Beginning balance	14,865	17,475
Share-based compensation expense	29	24
Other, including options exercised	8	44
Ending balance	14,902	17,543
Retained Earnings		
Beginning balance	—	848
Net income attributable to Johnson Controls	524	419
Cash dividends declared	(246)	(246)
Repurchases and retirements of ordinary shares	—	(330)
Ending balance	278	691
Accumulated Other Comprehensive Loss		
Beginning balance	(642)	(964)
Other comprehensive income (loss)	11	(80)
Ending balance	(631)	(1,044)
Ending Balance	13,204	15,900
Shareholders' Equity Attributable to Noncontrolling Interests		
Beginning Balance	27	1,263
Comprehensive income (loss)	2	(23)
Dividends	—	(13)
Other	—	3
Ending Balance	29	1,230
Total Shareholders' Equity	$ 13,233	$ 17,130
Cash Dividends Declared per Ordinary Share	$ 0.40	$ 0.37

The accompanying notes are an integral part of the consolidated financial statements.

1. BASIS OF PRESENTATION

The consolidated financial statements include the consolidated accounts of Johnson Controls International plc, a public limited company organized under the laws of Ireland, and its subsidiaries (Johnson Controls International plc and all its subsidiaries, hereinafter collectively referred to as the "Company" or "Johnson Controls"). In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (which include normal recurring adjustments) necessary to state fairly the financial position, results of operations and cash flows for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been omitted pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). These consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2025 filed with the SEC on November 14, 2025. The results of operations for the three month period ended December 31, 2025 is not necessarily indicative of results for the Company’s 2026 fiscal year because of seasonal and other factors.

On April 1, 2025, the Company realigned into three reportable segments (Americas, EMEA and APAC) from four reportable segments (Global Products, Building Solutions North America, Building Solutions EMEA/LA and Building Solutions APAC). Historical information has been recast to present the comparative periods on a consistent basis. Refer to Note 16, "Segment Information," of the notes to the consolidated financial statements for further disclosure.

Nature of Operations

Johnson Controls International plc, headquartered in Cork, Ireland, a global technology leader in energy efficiency, decarbonization, thermal management and mission-critical performance, helps customers use energy more productively, reduce carbon emissions, and operate with the precision and resilience required in rapidly expanding industries such as data centers, healthcare, pharmaceuticals, advanced manufacturing, and higher education.

The Company is a global leader in engineering, manufacturing, commissioning and retrofitting building products and systems, including commercial heating, ventilating, air-conditioning ("HVAC") equipment, industrial refrigeration systems, controls, security systems, fire-detection systems and fire-suppression solutions. The Company further serves customers by providing technical services, including maintenance, management, repair, retrofit and replacement of equipment (in the HVAC, industrial refrigeration, controls, security and fire-protection space) and energy-management consulting. The Company partners with customers by leveraging its broad product portfolio and digital capabilities, together with its direct channel capabilities, to deliver solutions and services addressing distinct and diverse operating environments and regulatory requirements that address customers’ needs in their core missions.

Principles of Consolidation

The consolidated financial statements include the consolidated accounts of Johnson Controls International plc and its subsidiaries in conformity with U.S. GAAP. The results of companies acquired or disposed of during the reporting period are included in the consolidated financial statements from the effective date of acquisition or up to the date of disposal. Investments in partially-owned affiliates are accounted for by the equity method when the Company exercises significant influence, which typically occurs when its ownership interest exceeds 20%, and the Company does not have a controlling interest.

Prior Period Revision – Statement of Cash Flows

Amounts reported as "Repayments of debt" and "Proceeds from debt" have been revised for certain short-term debt transactions that occurred in the three months ended December 31, 2024 and were incorrectly presented on a net basis within the financing activities section of the consolidated statements of cash flows. A similar revision for the periods ended March 31, 2025 and June 30, 2025 will be included in future Quarterly Reports on Form 10-Q. Cash provided by financing activities and the total increase (decrease) in cash, cash equivalents and restricted cash were unchanged for all affected periods. The Company does not consider the incorrect presentation to be material to any periods impacted.

2. NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment and contain other disclosure requirements. The Company adopted the new annual disclosures as required for fiscal 2025 and the interim disclosures as required in the first quarter of fiscal 2026. Refer to Note 16, "Segment Information," of the notes to consolidated financial statements for the Company's segment disclosures.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance the transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments require that on an annual basis, entities disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. In addition, the amendments require that entities disclose additional information about income taxes paid as well as additional disclosures of pretax income and income tax expense, and remove the requirement to disclose certain items that are no longer considered cost beneficial or relevant. The Company expects to adopt the new annual disclosures as required for fiscal 2026.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which is intended to enhance transparency into the nature and function of expenses. The amendments require that on an annual and interim basis, entities disclose disaggregated operating expense information about specific categories, including purchases of inventory, employee compensation, depreciation, amortization and depletion. The Company expects to adopt the new annual disclosures as required for fiscal 2028 and the interim disclosures as required beginning with the first quarter of fiscal 2029.

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software," which is intended to increase the operability of the recognition guidance considering different methods of software development. The amendments remove all references to prescriptive and sequential software development stages (referred to as “project stages”) throughout Subtopic 350-40, and instead specify an entity is required to start capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to complete recognition threshold”). The Company expects to adopt the new guidance as required for fiscal 2029 and is evaluating the impact the new standard will have on its consolidated financial statements.

Other recently issued accounting pronouncements are not expected to have a material impact on the Company's consolidated financial statements.

3. DIVESTITURES

ADT Mexico Security Business

On October 31, 2025, the Company completed the sale of its ADT Mexico Security business for net proceeds of $207 million. In connection with the sale, the Company recognized a pre-tax gain of $70 million within selling, general and administrative expenses in the consolidated statements of income.

The held for sale assets and liabilities in the consolidated balance sheet at September 30, 2025 included $154 million of assets and $21 million of liabilities associated with the ADT Mexico Security business as the Company determined that the held for sale criteria was met in the third quarter of 2025.

Assets and Liabilities Held for Sale

During the first quarter of fiscal 2026, the Company signed a definitive agreement to sell a component of its EMEA Security business and determined that it met the criteria to be classified as held for sale. As the estimated fair value less costs to sell was below its carrying value, the Company recorded non-cash impairment charges of $50 million within restructuring and impairment costs in the consolidated statements of income.

As of December 31, 2025, $106 million of assets and $19 million of liabilities associated with the business were separately presented in the consolidated statements of financial position. The remaining assets and liabilities classified as held for sale as of December 31, 2025 relate to other immaterial disposal groups.

The business did not meet the criteria to be classified as a discontinued operation as the divestiture does not represent a strategic shift that will have a major effect on the Company's operations and financial results. The transaction is expected to close in the second quarter of fiscal 2026.

Residential & Light Commercial ("R&LC") HVAC business

In 2024, the Company determined that the R&LC HVAC business, which was previously reported in the Global Products segment, met the criteria to be classified as discontinued operations as it represented a strategic shift in the Company's operations and resulted in the exit of substantially all of its residential and light commercial HVAC businesses. In July 2025, the Company completed the sale of its R&LC HVAC business.

The results of the R&LC HVAC business recorded in income from discontinued operations, net of tax, was a loss of $31 million for the three months ended December 31, 2025 associated with estimated post-closing working capital and net debt adjustments.

The following table summarizes the results of the R&LC HVAC business which were reported as discontinued operations (in millions) for the three months ended December 31, 2024:

Net sales	$ 966
Cost of goods sold	731
Gross profit	235
Selling, general and administrative expenses	183
Restructuring and impairment costs	4
Net financing charges	(1)
Equity income	65
Income from discontinued operations before income taxes	114
Provision for income taxes on discontinued operations	24
Income from discontinued operations, net of tax	90
Income from discontinued operations attributable to noncontrolling interest, net of tax	34
Income from discontinued operations	$ 56

4. REVENUE RECOGNITION

Disaggregated Revenue

The following table presents the Company's revenues disaggregated by segment and by Products & Systems and Services revenue (in millions):

	Three Months Ended December 31,					
	2025			2024		
	Products & Systems	Services	Total	Products & Systems	Services	Total
Americas	$ 2,640	$ 1,203	$ 3,843	$ 2,536	$ 1,091	$ 3,627
EMEA	762	499	1,261	700	457	1,157
APAC	490	203	693	449	193	642
Total	$ 3,892	$ 1,905	$ 5,797	$ 3,685	$ 1,741	$ 5,426

Contract Balances

Contract assets relate to the Company’s right to consideration for performance obligations satisfied but not billed. Contract liabilities relate to customer payments received in advance of satisfaction of performance obligations under the contract. Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

The following table presents the location and amount of contract balances in the Company's consolidated statements of financial position (in millions):

	Location of contract balances	December 31, 2025	September 30, 2025
Contract assets - current	Accounts receivable - net	$ 2,343	$ 2,178
Contract assets - noncurrent	Other noncurrent assets	6	9
Contract liabilities - current	Deferred revenue	2,542	2,470
Contract liabilities - noncurrent	Other noncurrent liabilities	501	478

For the three months ended December 31, 2025 and 2024, the Company recognized revenue of $1,004 million and $878 million, respectively, that was included in the contract liability balance at the end of the prior fiscal year.

Performance Obligations

Performance obligations are satisfied at a point in time or over time. The timing of satisfying the performance obligation is typically stipulated by the terms of the contract. As of December 31, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $24.5 billion, of which approximately 65% is expected to be recognized as revenue over the next two years. The remaining performance obligations expected to be recognized in revenue beyond two years primarily relate to large, multi-purpose construction contracts, which include services to be performed over the building's lifetime, with initial contract terms of 25 to 35 years. Future contract modifications could affect both the timing and the amount of the remaining performance obligations. The Company excludes the value of remaining performance obligations of service contracts with a duration of one year or less and open purchase orders from the indirect third-party sales channel that have a short cycle time (generally 60 days or less).

Costs to Obtain or Fulfill a Contract

The Company recognizes the incremental costs incurred to obtain or fulfill a contract with a customer as an asset when these costs are recoverable. These costs consist primarily of sales commissions and design costs that relate to a contract or an anticipated contract that the Company expects to recover. Costs to obtain or fulfill a contract are capitalized when incurred and amortized to expense over the period of contract performance.

The following table presents the location and amount of costs to obtain or fulfill a contract recorded in the Company's consolidated statements of financial position (in millions):

	December 31, 2025	September 30, 2025
Other current assets	$ 320	$ 327
Other noncurrent assets	233	249
Total	$ 553	$ 576

Amortization of costs to obtain or fulfill a contract was $102 million and $84 million during the three months ended December 31, 2025 and 2024, respectively.

5. INVENTORIES

Inventories consisted of the following (in millions):

	December 31, 2025	September 30, 2025
Raw materials and supplies	$ 797	$ 716
Work-in-process	138	132
Finished goods	997	972
Inventories	$ 1,932	$ 1,820

6. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table summarizes changes in the carrying amount of goodwill in each of the Company's reportable segments (in millions):

	Three Months Ended December 31, 2025			
	Americas	EMEA	APAC	Total
Goodwill	$ 14,092	$ 2,388	$ 1,348	$ 17,828
Accumulated impairment loss	(918)	(277)	—	(1,195)
Balance at beginning of period	13,174	2,111	1,348	16,633
Foreign currency translation and other [1]	20	(41)	(2)	(23)
Balance at end of period	$ 13,194	$ 2,070	$ 1,346	$ 16,610

[1] Includes the allocation of $38 million of goodwill from an EMEA reporting unit to the disposal group classified as held for sale. Refer to Note 3, "Divestitures" of the notes to the consolidated financial statements for further information.

Other intangible assets, primarily from business acquisitions, consisted of (in millions):

	December 31, 2025			September 30, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Definite-lived intangible assets						
Technology	$ 1,204	$ (741)	$ 463	$ 1,197	$ (714)	$ 483
Customer relationships	2,023	(1,312)	711	2,026	(1,272)	754
Miscellaneous	936	(535)	401	910	(511)	399
	4,163	(2,588)	1,575	4,133	(2,497)	1,636
Indefinite-lived intangible assets						
Trademarks/trade names	1,975	—	1,975	1,977	—	1,977
Total intangible assets	$ 6,138	$ (2,588)	$ 3,550	$ 6,110	$ (2,497)	$ 3,613

Amortization of other intangible assets included within continuing operations for the three months ended December 31, 2025 and 2024 was $87 million and $120 million, respectively.

7. SUPPLEMENTAL CASH FLOW DISCLOSURES

The following table presents supplemental noncash operating lease activity (in millions):

	Three Months Ended December 31,	
	2025	2024
Right-of-use assets obtained in exchange for operating lease liabilities	$ 104	$ 130

8. SUPPLY CHAIN FINANCING

The Company maintains agreements with third-party financial institutions who offer voluntary supply chain financing ("SCF") programs to its suppliers. The SCF programs enable suppliers to sell their receivables to third-party financial institutions and receive payments earlier than the negotiated commercial terms between the suppliers and the Company, which generally range from 90 to 120 days. Suppliers sell receivables to third-party financial institutions on terms negotiated between the supplier and the respective third-party financial institution. The Company remains obligated to make payments under the terms of the original commercial arrangement regardless of whether the supplier receivable is sold, and does not pledge any assets as security or provide other forms of guarantees for the committed payment to the third-party financial institutions.

Amounts outstanding related to SCF programs are included in accounts payable in the consolidated statements of financial position. Accounts payable included in the SCF programs were approximately $910 million and $835 million as of December 31, 2025 and September 30, 2025, respectively.

9. DEBT AND FINANCING ARRANGEMENTS

Short-term debt consisted of the following (in millions):

	December 31, 2025	September 30, 2025
Commercial paper	$ 200	$ 400
Term loans	236	320
Bank borrowings	—	3
	$ 436	$ 723
Weighted average interest rate on short-term debt outstanding	4.3 %	4.5 %

As of December 31, 2025, the Company had an outstanding syndicated committed revolving credit facility of $2.5 billion which is scheduled to expire in December 2028. There were no draws on the facility as of December 31, 2025.

The following table presents the Company's net financing charges (in millions):

	Three Months Ended December 31,	
(in millions)	2025	2024
Interest expense, net of capitalized interest costs	$ 42	$ 67
Other financing charges	7	6
Interest income	(2)	(3)
Net foreign exchange results for financing activities	12	16
Net financing charges	$ 59	$ 86

Net financing charges includes pre-tax losses on derivatives not designated as hedging instruments of $155 million and $144 million for the three months ended December 31, 2025 and 2024, respectively, which are offset by gains resulting from changes in foreign exchange rates on underlying exposures during those periods.

10. FAIR VALUE MEASUREMENTS

ASC 820, "Fair Value Measurement," defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The following tables present the Company's fair value hierarchy for those assets and liabilities measured at fair value (in millions):

	Fair Value Measurements Using:			
	Total as of December 31, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other current assets				
Derivatives	$ 26	$ —	$ 26	$ —
Other noncurrent assets				
Deferred compensation plan assets	64	64	—	—
Exchange traded funds (fixed income)[1]	72	72	—	—
Exchange traded funds (equity)[1]	219	219	—	—
Total assets	$ 381	$ 355	$ 26	$ —
Other current liabilities				
Derivatives	$ 62	$ —	$ 62	$ —
Contingent earn-out liabilities	19	—	—	19
Total liabilities	$ 81	$ —	$ 62	$ 19

[1] Classified as restricted investments for payment of asbestos liabilities. See Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further details.

	Total as of September 30, 2025	Fair Value Measurements Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other current assets				
Derivatives	$ 15	$ —	$ 15	$ —
Other noncurrent assets				
Deferred compensation plan assets	63	63	—	—
Exchange traded funds (fixed income)[1]	73	73	—	—
Exchange traded funds (equity)[1]	217	217	—	—
Total assets	$ 368	$ 353	$ 15	$ —
Other current liabilities				
Derivatives	$ 24	$ —	$ 24	$ —
Contingent earn-out liabilities	19	—	—	19
Total liabilities	$ 43	$ —	$ 24	$ 19

[1] Classified as restricted investments for payment of asbestos liabilities. See Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further details.

Net Investment Hedges

The Company enters into foreign-currency-denominated debt obligations in order to manage foreign currency translation risk associated with normal operations. The carrying value of foreign operations translates on a recurring basis using the exchange rate at the end of the applicable period and approximates its fair value. As of both December 31, 2025 and September 30, 2025, the Company had designated debt obligations of €2.9 billion and ¥30 billion as partial hedges of its investments in certain euro-denominated and yen-denominated subsidiaries.

The fair value of foreign-currency-denominated debt was $3.5 billion as of December 31, 2025 and $3.6 billion as of September 30, 2025. The currency effects of the debt obligations are reflected in the accumulated other comprehensive income ("AOCI") account within shareholders' equity attributable to Johnson Controls ordinary shareholders where they offset gains and losses recorded on the Company’s net investments globally.

Pre-tax gains on net investment hedges recorded as foreign currency translation adjustments ("CTA") within other comprehensive income (loss) were $16 million and $238 million for the three months ended December 31, 2025 and 2024, respectively.

Valuation Methods

Contingent earn-out liabilities: The contingent earn-out liabilities were established using a Monte Carlo simulation based on the forecasted operating results and the earn-out formula specified in the purchase agreements.

Deferred compensation plan assets: Assets held in the deferred compensation plans will be used to pay benefits under certain of the Company's non-qualified deferred compensation plans. The investments primarily consist of mutual funds which are publicly traded on stock exchanges and are valued using a market approach based on the quoted market prices. Unrealized gains (losses) on the deferred compensation plan assets are recognized in the consolidated statements of income where they offset unrealized gains and losses on the related deferred compensation plan liability.

Derivatives: The derivatives are valued under a market approach using publicly available prices, where available, or dealer quotes.

Exchange traded funds: Investments in exchange traded funds are valued using a market approach based on quoted market prices, where available, or broker/dealer quotes of identical or comparable instruments. Refer to Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further information.

Unrealized gains (losses) recognized in the consolidated statements of income that relate to equity securities still held at December 31, 2025 and 2024 were $4 million and $(2) million for the three months ended December 31, 2025 and 2024, respectively.

The fair values of cash and cash equivalents, accounts receivable, short-term debt and accounts payable approximate their carrying values.

The fair value of long-term debt at December 31, 2025 and September 30, 2025 was as follows (in billions):

	December 31, 2025	September 30, 2025
Public debt	$ 8.4	$ 8.4
Other long-term debt	0.6	0.5
Total fair value of long-term debt	$ 9.0	$ 8.9

The fair value of public debt was determined primarily using market quotes which are classified as Level 1 inputs within the ASC 820 fair value hierarchy. The fair value of other long-term debt was determined using quoted market prices for similar instruments and are classified as Level 2 inputs within the ASC 820 fair value hierarchy.

11. WEIGHTED AVERAGE SHARES OUTSTANDING

The following table reconciles shares used to calculate basic and diluted earnings per share (in millions):

	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
Antidilutive Securities		
Stock options and unvested restricted stock	—	—

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table includes changes in AOCI attributable to Johnson Controls (in millions):

	Three Months Ended December 31,	
	2025	2024
Foreign currency translation adjustments		
Balance at beginning of period	$ (638)	$ (956)
Aggregate adjustment for the period	5	(85)
Balance at end of period	(633)	(1,041)
Other		
Balance at beginning of period	(4)	(8)
Current period changes in fair value	10	8
Reclassification to income	(4)	(2)
Net tax impact	—	(1)
Balance at end of period	2	(3)
Accumulated other comprehensive loss, end of period	$ (631)	$ (1,044)

13. PENSION AND RETIREMENT PLANS

The components of net periodic benefit cost (credit) associated with defined benefit pension and postretirement plans, which are primarily recorded in selling, general and administrative expenses in the consolidated statements of income, are shown in the table below (in millions):

	Three Months Ended December 31,	
	2025	2024
Service cost	$ 4	$ 4
Interest cost	32	33
Expected return on plan assets	(44)	(46)
Amortization of prior service credit	(1)	(1)
Net periodic benefit credit	$ (9)	$ (10)

14. RESTRUCTURING AND RELATED COSTS

To better align its resources with its growth strategies and reduce the cost structure of its global operations in certain underlying markets, the Company commits to restructuring plans as necessary. Restructuring activities generally result in charges for workforce reductions, plant closures, asset impairments and other related costs which are reported as restructuring and impairment costs in the Company's consolidated statements of income. The Company expects the restructuring actions to reduce cost of sales and SG&A due to reduced employee-related costs, depreciation and amortization expense.

During the fourth quarter of fiscal 2024, the Company committed to a multi-year restructuring plan to address stranded costs and further right-size its global operations as a result of portfolio simplification actions. It is expected that the plan will be completed in fiscal 2027 and the Company will incur one-time restructuring costs, including severance and other employee termination benefits, contract termination costs, and certain other related cash and non-cash charges, totaling approximately $400 million.

The following table summarizes restructuring and related costs (in millions):

	Three Months Ended December 31, 2025	Inception to December 31, 2025
Americas	$ 9	$ 60
EMEA	11	60
APAC	3	20
Corporate	14	61
Total	$ 37	$ 201

The following table summarizes changes in the reserve under the Company's restructuring plan announced in the fourth quarter of fiscal 2024, which is included within other current liabilities in the consolidated statements of financial position (in millions):

	Employee Severance and Termination Benefits	Long-Lived Asset Impairments	Other	Total
Balance at September 30, 2025	$ 39	$ —	$ 5	$ 44
Restructuring and related costs	25	10	2	37
Utilized—cash	(28)	—	(2)	(30)
Utilized—noncash	—	(10)	—	(10)
Other	3	—	2	5
Balance at December 31, 2025	$ 39	$ —	$ 7	$ 46

15. INCOME TAXES

In calculating the provision for income taxes, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances known at each interim period. On a quarterly basis, the actual effective tax rate is adjusted, as appropriate, based upon changed facts and circumstances, if any, as compared to those forecasted at the beginning of the fiscal year and each interim period thereafter.

The statutory tax rate in Ireland is being used as a comparison since the Company is domiciled in Ireland.

For the three months ended December 31, 2025, the Company's effective tax rate for continuing operations was 21.4% and was higher than the statutory tax rate of 12.5% primarily due to the tax impact of the water systems Aqueous Film Forming Foam ("AFFF") insurance proceeds, the tax impact of current and planned divestitures, and tax rate differentials, partially offset by the benefits of continuing global tax planning.

For the three months ended December 31, 2024, the Company's effective tax rate for continuing operations was 11.5% and was lower than the statutory tax rate of 12.5% primarily due to the benefits of continuing global tax planning, partially offset by tax rate differentials.

Refer to Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further disclosure related to the water systems AFFF settlement.

Uncertain Tax Positions

At September 30, 2025, the Company had gross tax-effected unrecognized tax benefits of $1.9 billion, of which $1.4 billion, if recognized, would impact the effective tax rate. Accrued interest, net at September 30, 2025 was approximately $459 million (net of tax benefit). Interest accrued during the three months ended December 31, 2025 and 2024 was approximately $30 million and $28 million (both net of tax benefit), respectively. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense.

In the U.S., fiscal years 2019 through 2020 are currently under audit and fiscal years 2017 through 2018 are currently under appeal with the Internal Revenue Service ("IRS") for certain legal entities. Additionally, the Company is currently under exam in the following major non-U.S. jurisdictions:

Tax Jurisdiction	Tax Years Covered
Belgium	2016 - 2017; 2019 - 2020
Germany	2007 - 2021
Mexico	2016; 2018 - 2019
United Kingdom	2014 - 2015; 2018; 2020 - 2021

It is reasonably possible that certain tax examinations and/or tax litigation will conclude within the next twelve months, which could have a material impact on tax expense. Based upon the circumstances surrounding these examinations, the impact is not currently quantifiable.

16. SEGMENT INFORMATION

On April 1, 2025, the Company, as part of ongoing initiatives to drive simplification, accelerate growth, better reflect its organizational and operational structure and align with the manner in which the Company's chief operating decision maker assesses performance and makes decisions regarding the allocation of resources following portfolio simplification actions, realigned into three reportable segments (Americas, EMEA and APAC).

The Company conducts its business through three operating segments, all of which are reportable segments:

- *Americas,* which designs, manufactures, sells, installs and services HVAC, controls, building management, refrigeration, integrated electronic security systems, integrated fire detection and suppression systems, and digital (software) solutions for commercial, industrial, data center, institutional and governmental customers in the Americas (United States, Canada, and Latin America – Central and South America). Americas also provides energy efficiency solutions and technical services, including inspection, scheduled maintenance, and repair and replacement of mechanical and control systems, as well as data-driven "smart building" solutions, to the Americas marketplace.

- *EMEA,* which designs, manufactures sells, installs and services HVAC, controls, building management, refrigeration, integrated electronic security systems, integrated fire detection and suppression systems, and digital (software) solutions for commercial, residential security (Global Subscriber business), industrial, data center, institutional, governmental, and marine customers and provides technical services, including data-driven "smart building" solutions, to markets in Europe, the Middle East and Africa.

- *APAC,* which designs, manufactures, sells, installs, and services HVAC, controls, building management, refrigeration, integrated electronic security systems, integrated fire detection and suppression systems, and digital (software) solutions for commercial, industrial, data center, institutional, and governmental customers and provides technical services, including data-driven "smart building" solutions, to the Asian and Pacific marketplace.

The Chief Executive Officer, the Company’s chief operating decision maker ("CODM"), evaluates the performance of its segments and allocates resources based on two profitability measures, Segment EBITA and Segment EBIT:

- Segment earnings before interest, taxes, and amortization (“EBITA”) represents income from continuing operations, before income taxes and noncontrolling interests, excluding corporate expenses, restructuring and impairment costs, AFFF related settlement costs and insurance recoveries, gains or losses on divestitures, net mark-to-market gains and losses related to pension and postretirement plans and restricted asbestos investments, net finance charges, and amortization. Segment EBITA is used as a tool to allow the CODM to evaluate the recurring profitability of the segments, including revenues and expenses that are within the operational control of the segments, and excluding the impact of certain non-cash and non-recurring items. Segment EBITA also provides the CODM with performance comparability across periods and for more accurate benchmarking against peer companies that may not have similar historical acquisition activity, by holding constant the impact of significant acquisitions.

- Segment earnings before interest and taxes ("EBIT") represents Segment EBITA, adding back the impact of amortization of intangible assets. Segment EBIT allows the CODM to review profitability, inclusive of the impact of significant acquisition activity, informing the CODM of how the business is integrating key strategic initiatives and generating synergies.

Both EBITA and EBIT are reviewed by the CODM and compared against the profit plan and forecast for the current and prior year. Segment EBITA and Segment EBIT are not defined under GAAP and may not be comparable to similarly titled measures used by other companies. Measures of total assets by reportable segment are not provided to the CODM. Therefore, asset information by segment is not disclosed.

Financial information relating to the Company’s reportable segments is as follows (in millions):

	Three Months Ended December 31, 2025		
	Americas	EMEA	APAC
Net sales	$ 3,843	$ 1,261	$ 693
Cost of sales	2,429	808	441
Selling, general and administrative expenses ("SG&A")	794	295	136
Equity loss	—	—	(1)
Segment EBITA	620	158	117
Amortization of intangible assets	76	7	4
Segment EBIT	$ 544	$ 151	$ 113
Depreciation included in Cost of sales and SG&A	$ 33	$ 6	$ 5

	Three Months Ended December 31, 2024		
	Americas	EMEA	APAC
Net sales	$ 3,627	$ 1,157	$ 642
Cost of sales	2,278	754	404
SG&A	760	267	148
Segment EBITA	589	136	90
Amortization of intangible assets	95	20	5
Segment EBIT	$ 494	$ 116	$ 85
Depreciation included in Cost of sales and SG&A	$ 33	$ 5	$ 5

A reconciliation of segment EBIT and segment EBITA to consolidated income before income taxes is as follows (in millions):

	Three Months Ended December 31,	
	2025	2024
Segment EBITA	$ 895	$ 815
Amortization of intangible assets	87	120
Segment EBIT	808	695
Corporate expenses	156	171
Restructuring and impairment costs	87	33
Water systems AFFF insurance recoveries (1)	(130)	(4)
Net financing charges	59	86
Gain on divestiture	(70)	—
Net mark-to-market adjustments	(2)	1
Income from continuing operations before income taxes	$ 708	$ 408

(1) Refer to Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further disclosure related to the water systems AFFF settlement.

17. GUARANTEES

Certain of the Company's subsidiaries at the business segment level guarantee the performance of third parties and provide financial guarantees for uncompleted work and financial commitments. The terms of these guarantees vary with end dates ranging from the current fiscal year through the completion of such transactions and would typically be triggered in the event of nonperformance. Performance under the guarantees, if required, would not have a material effect on the Company's financial position, results of operations or cash flows.

The Company offers warranties to its customers depending upon the specific product and terms of the customer purchase agreement. Generally, the Company's warranties require the repair or replacement of defective products within a specified time period from the date of sale. The Company records an estimate for future warranty-related costs based on actual historical costs to repair or replace products and other known factors. The Company monitors its warranty activity and adjusts its reserve estimates when it is probable that future warranty costs will be different than those estimates.

The Company’s product warranty liability is recorded in the consolidated statements of financial position in other current liabilities for estimated costs to be incurred within 12 months and in other non-current liabilities for estimated costs to be incurred in more than one year.

The following table summarizes changes in the total product warranty liability (in millions):

Balance at September 30, 2025	$	120
Accruals for warranties issued		33
Settlements made		(28)
Changes in estimates to pre-existing warranties		9
Balance at December 31, 2025	$	134

18. COMMITMENTS AND CONTINGENCIES

Environmental Matters

The Company accrues for potential environmental liabilities when it is probable a liability has been incurred and the amount of the liability is reasonably estimable. The following table presents the location and amount of reserves for environmental liabilities in the Company's consolidated statements of financial position (in millions):

	December 31, 2025		September 30, 2025	
Other current liabilities	$	24	$	27
Other noncurrent liabilities		156		160
Total reserves for environmental liabilities	$	180	$	187

The Company periodically examines whether the contingent liabilities related to the environmental matters described below are probable and reasonably estimable based on experience and ongoing developments in those matters, including continued study and analysis of ongoing remediation obligations. The Company expects that it will pay the amounts recorded over an estimated period of up to 20 years. The Company is not able to estimate a possible loss or range of loss, if any, in excess of the established accruals for environmental liabilities at this time.

A substantial portion of the Company's environmental reserves relates to ongoing long-term remediation efforts to address contamination relating to Aqueous Film Forming Foam ("AFFF") containing perfluorooctane sulfonate ("PFOS"), perfluorooctanoic acid ("PFOA"), and/or other per- and poly-fluoroalkyl substances ("PFAS") at or near the Tyco Fire Products L.P. (“Tyco Fire Products”) Fire Technology Center ("FTC") located in Marinette, Wisconsin and surrounding areas in the City of Marinette and Town of Peshtigo, Wisconsin, as well as the continued remediation of PFAS, arsenic and other contaminants at the Tyco Fire Products Stanton Street manufacturing facility also located in Marinette, Wisconsin (the “Stanton Street Facility”). Tyco Fire Products has discontinued the production and sale of fluorinated firefighting foams, including AFFF products, and has transitioned to non-fluorinated foam alternatives.

PFOA, PFOS, and other PFAS compounds are being studied by the U.S. Environmental Protection Agency ("EPA") and other environmental and health agencies and researchers. In April 2024, EPA published National Primary Drinking Water Regulation (“NPDWR”) for six PFAS compounds including PFOA and PFOS. The NPDWR established legally enforceable levels, called Maximum Contaminant Levels, of 4.0 parts per trillion ("ppt") for each of PFOA and PFOS, 10 ppt for each of PFHxS, PFNA, and HFPO-DA (commonly known as GenX Chemicals), and a Hazard Index of one for mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS. In February 2024, EPA released two proposed rules relating to PFAS under the Resource Conservation and Recovery Act (“RCRA”): one rule proposes to list nine PFAS (including PFOA and PFOS) as “hazardous constituents,” and a second rule proposes to clarify that hazardous waste regulated under the rule includes not only substances listed or identified as hazardous waste in the regulations, but also any substances that meet the statutory definition of hazardous waste. In April 2024, EPA finalized a rule designating PFOA and PFOS, along with their salts and structural isomers, as "hazardous substances" under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). In May 2025, EPA announced that it will retain the 4.0 ppt limit on PFOS and PFOA but will institute a two-year delay in the compliance deadline from 2029 until 2031. EPA also announced its intent to rescind and reconsider the limits on four other types of PFAS (PFHxS, PFNA, HFPO-DA, and PFBS).

It is not possible to estimate the Company’s ultimate level of liability at many remediation sites due to the large number of other parties that may be involved, the complexity of determining the relative liability among those parties, the financial viability of other potentially responsible parties and third-party indemnitors, the uncertainty as to the nature and scope of the investigations and remediation to be conducted, changes in environmental regulations, changes in permissible levels of specific compounds in soil, groundwater and drinking water sources, or changes in enforcement theories and policies, including efforts to recover natural resource damages, the uncertainty in the application of law and risk assessment, the various choices and costs associated with diverse technologies that may be used in corrective actions at the sites, and the often quite lengthy periods over which eventual remediation may occur. It is possible that technological, regulatory or enforcement developments, the results of additional environmental studies or other factors could change the Company's expectations with respect to future charges and cash outlays, and such changes could be material to the Company's future results of operations, financial condition or cash flows. Nevertheless, the Company does not currently believe that any claims, penalties or costs in addition to the amounts accrued will have a material adverse effect on the Company’s financial position, results of operations or cash flows.

In addition, the Company has identified asset retirement obligations for environmental matters that are expected to be addressed at the retirement, disposal, removal or abandonment of existing owned facilities. Conditional asset retirement obligations were $7 million at both December 31, 2025 and September 30, 2025.

FTC-Related Matters

FTC and Stanton Street Remediation

The use of fire-fighting foams at the FTC was primarily for training and testing purposes to ensure that such products sold by the Company’s affiliates, Chemguard, Inc. ("Chemguard") and Tyco Fire Products, were effective at suppressing high intensity fires that may occur at military installations, airports or elsewhere.

Tyco Fire Products has been engaged in remediation activities at the Stanton Street Facility since 1990. Its corporate predecessor, Ansul Incorporated (“Ansul”), manufactured arsenic-based agricultural herbicides at the Stanton Street Facility, which resulted in significant arsenic contamination of soil and groundwater on the site and in parts of the adjoining Menominee River. In 2009, Ansul entered into an Administrative Consent Order (the "Consent Order") with the EPA to address the presence of arsenic at the site. Under this agreement, Tyco Fire Products’ principal obligations are to contain the arsenic contamination on the site, pump and treat on-site groundwater, dredge, treat and properly dispose of contaminated sediments in the adjoining river areas, and monitor contamination levels on an ongoing basis. Activities completed under the Consent Order since 2009 include the installation of a subsurface barrier wall around the facility to contain contaminated groundwater, the installation and ongoing operation and monitoring of a groundwater extraction and treatment system and the dredging and offsite disposal of treated river sediment. In addition to ongoing remediation activities, the Company is also working with the Wisconsin Department of Natural Resources ("WDNR") to investigate and remediate the presence of PFAS at or near the Stanton Street Facility as part of the evaluation and remediation of PFAS in the Marinette region.

Tyco Fire Products is operating and monitoring at the FTC a Groundwater Extraction and Treatment System ("GETS"), a permanent groundwater remediation system that extracts groundwater containing PFAS, treats it using advanced filtration systems, and returns the treated water to the environment. Tyco Fire Products has also completed the removal and disposal of PFAS-affected soil from the FTC. The Company is also continuing to replace private drinking water wells that may have been impacted by PFAS migrating from the FTC. The Company's reserves for continued remediation of the FTC, the Stanton Street Facility and surrounding areas in Marinette and Peshtigo are based on estimates of costs associated with the long-term remediation actions, including the continued operation of the GETS, the implementation of long-term drinking water solutions for the area impacted by groundwater migrating from the FTC, continued monitoring and testing of groundwater monitoring wells, the operation and wind-down of other legacy remediation and treatment systems and the completion of ongoing investigation obligations.

FTC-Related Litigation

Wisconsin approved final regulatory standards for PFOA and PFOS in drinking water and surface water in February 2022. In August 2024, WDNR issued a new proposed rule to adopt the EPA Maximum Contaminant Levels for PFAS in drinking water. In February 2025, the Wisconsin Department of Health Services ("WDHS") recommended individual groundwater enforcement standards of 4 ng/L for PFOA and PFOS, 10 ng/L for PFHxS, PFNA, and HFPO-DA, and 2,000 ng/L for PFBS. Following the February 2025 WDHS recommendation, the WDNR Secretary and the Governor signed the WDNR scope statement. In January 2026, the Wisconsin Natural Resources Board approved drinking water standards of 4 ng/L for PFOA and PFOS and 10 ng/L for PFHxS, PFNA, and HFPO-DA. The standards are subject to further reviews and approvals before they become final.

In July 2019, the Company received a letter from the WDNR directing the expansion of the evaluation of PFAS in the Marinette region to include (1) biosolids sludge produced by the City of Marinette Waste Water Treatment Plant and spread on certain fields in the area and (2) the Menominee and Peshtigo Rivers. On October 16, 2019, the WDNR issued a “Notice of Noncompliance” to Tyco Fire Products and Johnson Controls, Inc. regarding the WDNR’s July 2019 letter. In February 2020, the WDNR sent a letter to Tyco Fire Products and Johnson Controls, Inc. further directing the expansion of the evaluation of PFAS in the Marinette region to include investigation activities south and west of the previously defined FTC study area. In September 2021, the WDNR sent an additional “Notice of Noncompliance” to Tyco Fire Products and Johnson Controls, Inc. concerning land-applied biosolids, which reviewed and responded to the Company’s biosolids investigation conducted to that date. On April 10, 2023, the WDNR issued a third “Notice of Noncompliance” to Tyco Fire Products and Johnson Controls, Inc. concerning land-applied biosolids in the Marinette region. Tyco Fire Products and Johnson Controls, Inc. believe that they have complied with all applicable environmental laws and regulations. The Company cannot predict what regulatory or enforcement actions, if any, might result from the WDNR’s actions, or the consequences of any such actions, including the potential assessment of penalties.

In March 2022, the Wisconsin Department of Justice (“WDOJ”) filed a civil enforcement action against Johnson Controls Inc. and Tyco Fire Products in Wisconsin state court relating to environmental matters at the FTC (*State of Wisconsin v. Tyco Fire Products, LP and Johnson Controls, Inc.*, Case No. 22-CX-1 (filed March 14, 2022 in Circuit Court in Marinette County, Wisconsin)). The WDOJ alleges that the Company failed to timely report the presence of PFAS chemicals at the FTC, and that the Company has not sufficiently investigated or remediated PFAS at or near the FTC. The WDOJ seeks monetary penalties and an injunction ordering these two subsidiaries to complete a site investigation and cleanup of PFAS contamination in accordance with the WDNR's requests. The parties have completed briefing of summary judgment and pretrial motions. The Court has continued the trial previously scheduled for March 3, 2025 and has not yet set a new trial date. The parties are actively working toward the finalization of a settlement to resolve the matter.

In October 2022, the Town of Peshtigo filed a tort action in Wisconsin state court against Tyco Fire Products, Johnson Controls Inc., Chemguard, Inc., and ChemDesign, Inc. relating to environmental matters at the FTC (*Town of Peshtigo v. Tyco Fire Products L.P. et al.*, Case No. 2022CV000234 (filed October 18, 2022 in Circuit Court in Marinette County, Wisconsin)). The Town alleges that use of AFFF products at the FTC caused contamination of water supplies in Peshtigo. The Town seeks monetary penalties and an injunction ordering abatement of PFAS contamination in Peshtigo. The case has been removed to federal court and transferred to a multi-district litigation ("MDL") before the United States District Court for the District of South Carolina.

In November 2022, individuals filed six actions in Dane County, Wisconsin alleging personal injury and/or property damage against Tyco Fire Products, Johnson Controls Inc., Chemguard, and other unaffiliated defendants related to environmental matters at the FTC. Plaintiffs allege that use of AFFF products at the FTC and activities by third parties unrelated to the Company contaminated nearby drinking water sources, surface waters, and other natural resources and properties, including their personal properties. The individuals seek monetary damages for their personal injury and/or property damage. These lawsuits have been transferred to the MDL. Subsequently, several additional plaintiffs have direct-filed in the MDL complaints with similar allegations.

The Company is vigorously defending each of these cases and believes that it has meritorious defenses, but it is presently unable to predict the duration, scope, or outcome of these actions.

Aqueous Film-Forming Foam ("AFFF") Matters

AFFF Litigation

Two of the Company's subsidiaries, Chemguard and Tyco Fire Products, have been named, along with other defendant manufacturers, suppliers and distributors, and, in some cases, certain subsidiaries of the Company affiliated with Chemguard and Tyco Fire Products, in a number of class action and other lawsuits relating to the use of fire-fighting foam products by the U.S. Department of Defense (the "DOD") and others for fire suppression purposes and related training exercises. Plaintiffs generally allege that the firefighting foam products contain or break down into the chemicals PFOS and PFOA and/or other PFAS compounds and that the use of these products by others at various airbases, airports and other sites resulted in the release of these chemicals into the environment and ultimately into communities' drinking water supplies neighboring those airports, airbases and other sites. Plaintiffs generally seek compensatory damages, including damages for alleged personal injuries, medical monitoring, diminution in property values, investigation and remediation costs, and natural resources damages, and also seek punitive damages and injunctive relief to address remediation of the alleged contamination.

In September 2018, Tyco Fire Products and Chemguard filed a Petition for Multidistrict Litigation with the United States Judicial Panel on Multidistrict Litigation ("JPML") seeking to consolidate all existing and future federal cases into one jurisdiction. On December 7, 2018, the JPML issued an order transferring various AFFF cases to the MDL. Additional cases have been identified for transfer to or are being directly filed in the MDL.

AFFF Municipal and Water Provider Cases

Chemguard and Tyco Fire Products have been named as defendants in more than 300 cases in federal and state courts involving municipal or water provider plaintiffs that were filed in state or federal courts originating from 36 states and territories. The vast majority of these cases have been transferred to or were directly filed in the MDL, and it is anticipated that the remaining cases will be transferred to the MDL. These municipal and water provider plaintiffs generally allege that the use of the defendants' fire-fighting foam products at fire training academies, municipal airports, Air National Guard bases, or Navy or Air Force bases released PFOS and PFOA into public water supply wells and/or other public property, allegedly requiring remediation.

Tyco Fire Products and Chemguard are also periodically notified by other municipal entities that those entities may assert claims regarding PFOS and/or PFOA contamination allegedly resulting from the use of AFFF.

Water Systems AFFF Settlement Agreement

On April 12, 2024, Tyco Fire Products agreed to a settlement with a nationwide class of public water systems that detected PFAS in their drinking water systems that they allege to be associated with the use of AFFF. Under the terms of the agreement, Tyco Fire Products agreed to contribute $750 million to resolve these PFAS claims. The settlement releases these claims against Tyco Fire Products, Chemguard, and other related corporate entities. In accordance with the terms of the settlement agreement, Tyco Fire Products made its final required payment of $415 million in December 2024 and has now paid the full settlement amount.

The class of public water systems included in this settlement broadly includes any public water system (as defined in the settlement agreement) that has detected PFAS in its drinking water sources as of May 15, 2024. The following systems are excluded from the settlement class: water systems owned and operated by a State or the United States government; systems that have not detected the presence of PFAS as of May 15, 2024; small transient water systems; privately-owned drinking water wells; and the water system in the city of Marinette, Wisconsin (which is included only if it so requests). The settlement does not resolve claims of public water systems that request exclusion from the class ("opt out") pursuant to the process to be established by the MDL court. It also does not resolve potential future claims of public water systems that detect PFAS in their water systems for the first time after May 15, 2024, or certain claims not related to drinking water, such as separate alleged claims relating to real property damage or stormwater or wastewater treatment. Finally, this settlement does not affect the other categories of cases that remain at issue in the MDL, such as personal injury cases, property damage cases, other types of class actions, claims brought by state or territory attorneys general, or other types of damages alleged to be related to the historical use of AFFF manufactured and sold by Tyco Fire Products and Chemguard. While it is reasonably possible that the excluded systems or claims could result in additional future lawsuits, claims, assessments or proceedings, it is not possible to predict the outcome of any such matters, and as such, the Company is unable to develop an estimate of a possible loss or range of losses, if any, at this time.

The settlement does not constitute an admission of liability or wrongdoing by Tyco Fire Products or Chemguard.

AFFF Putative Class Actions

Chemguard and Tyco Fire Products are named in 49 pending putative class actions in federal courts originating from 21 states and territories. All of these cases have been direct-filed in or transferred to the MDL. In addition, seven proposed class actions were filed in Canada (British Columbia, Manitoba, Quebec and Ontario), which name Tyco Fire Products and other manufacturers as defendants, on behalf of various classes of members (including individuals and government entities) who seek to recover for remediation (past and future) costs, claim property or other environmental damages, or claim personal injuries or other harms arising from alleged exposure to or contamination with PFAS or PFAS-containing products (including AFFF).

AFFF Individual or Mass Actions

There are more than 15,000 individual or "mass" actions pending that were filed in state or federal courts originating from 53 states and territories against Chemguard and Tyco Fire Products and other defendants in which the plaintiffs generally seek compensatory damages, including damages for alleged personal injuries, medical monitoring, and alleged diminution in property values. The Company is currently unable to determine a precise count of personal injury claimants currently pending. The vast majority of these matters transferred to or directly-filed in the MDL, and it is anticipated that several newly-filed state court actions will be similarly tagged and transferred. There are several matters that are or will be proceeding in state courts, including actions in Arizona, Illinois and Washington.

Tyco and Chemguard are also periodically notified by other individuals that they may assert claims regarding PFOS and/or PFOA contamination allegedly resulting from the use of AFFF.

AFFF State or U.S. Territory Attorneys General Litigation

In June 2018, the State of New York filed a lawsuit in New York state court (*State of New York v. The 3M Company et al* No. 904029-18 (N.Y. Sup. Ct., Albany County)) against a number of manufacturers, including affiliates of the Company, with respect to alleged PFOS and PFOA contamination purportedly resulting from firefighting foams used at locations across New York, including Stewart Air National Guard Base in Newburgh and Gabreski Air National Guard Base in Southampton, Plattsburgh Air Force Base in Plattsburgh, Griffiss Air Force Base in Rome, and unspecified "other" sites throughout the State. The lawsuit seeks to recover costs and natural resource damages associated with contamination at these sites. This suit has been removed to the United States District Court for the Northern District of New York and transferred to the MDL.

In February 2019, the State of New York filed a second lawsuit in New York state court (*State of New York v. The 3M Company et al* (N.Y. Sup. Ct., Albany County)), against a number of manufacturers, including affiliates of the Company, with respect to alleged PFOS and PFOA contamination purportedly resulting from firefighting foams used at additional locations across New York. This suit has been removed to the United States District Court for the Northern District of New York and transferred to the MDL. In July 2019, the State of New York filed a third lawsuit in New York state court (*State of New York v. The 3M Company et al* (N.Y. Sup. Ct., Albany County)), against a number of manufacturers, including affiliates of the Company, with respect to alleged PFOS and PFOA contamination purportedly resulting from firefighting foams used at further additional locations across New York. This suit has been removed to the United States District Court for the Northern District of New York and transferred to the MDL. In November 2019, the State of New York filed a fourth lawsuit in New York state court (*State of New York v. The 3M Company et al* (N.Y. Sup. Ct., Albany County)), against a number of manufacturers, including affiliates of the Company, with respect to alleged PFOS and PFOA contamination purportedly resulting from firefighting foams used at further additional locations across New York. This suit has been removed to federal court and transferred to the MDL.

In April 2021, the State of Alaska filed a lawsuit in the superior court of the State of Alaska against a number of manufacturers and other defendants, including affiliates of the Company, with respect to PFOS and PFOA damage of the State's land and natural resources allegedly resulting from the use of firefighting foams at various locations throughout the State. The State's case has been removed to federal court and transferred to the MDL. The State of Alaska has also named a number of manufacturers and other defendants, including affiliates of the Company, as third-party defendants in two cases brought by individuals against the State. These two cases have also been transferred to the MDL.

In early November 2021, the Attorney General of the State of North Carolina filed four individual lawsuits in the superior courts of the State of North Carolina against a number of manufacturers and other defendants, including affiliates of the Company, with respect to PFOS and PFOA damage of the State's land, natural resources, and property allegedly resulting from the use of firefighting foams at four separate locations throughout the State. These four cases have been removed to federal court and transferred to the MDL. In October 2022, the Attorney General filed two similar lawsuits in the superior courts of the State of North Carolina regarding alleged PFAS damages at two additional locations. These two cases have also been removed to federal court and transferred to the MDL.

In addition, 33 other states and territories have filed 35 lawsuits against a number of manufacturers and other defendants, including affiliates of the Company, with respect to PFAS damage of each of those State's environmental and natural resources allegedly resulting from the manufacture, storage, sale, distribution, marketing, and use of PFAS-containing AFFF within each respective State. The states and territories are: Arkansas, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Maine, Michigan, Mississippi, New Hampshire, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington, Wisconsin, Guam, the Northern Mariana Islands, and Puerto Rico. All of these complaints, if not filed directly in the MDL, have been removed to federal court and transferred to the MDL.

In addition, an affiliate of the Company has been named with other manufacturers as a third party by the Canadian Federal Government who is seeking contribution and indemnity in respect of a single-plaintiff action filed in Ontario relating to alleged PFAS and benzene contamination of a private well from the use of AFFF in firefighting training.

Other AFFF Related Matters

In March 2020, the Kalispel Tribe of Indians (a federally recognized Tribe) and two tribal corporations filed a lawsuit in the United States District Court for the Eastern District of Washington against a number of manufacturers, including affiliates of the Company, and the United States with respect to PFAS contamination allegedly resulting from the use and disposal of AFFF by the United States Air Force at and around Fairchild Air Force Base in eastern Washington. This case has been transferred to the MDL.

In October 2022, the Red Cliff Band of Lake Superior Chippewa Indians (a federally recognized tribe) filed a lawsuit in the United States District Court for the Western District of Wisconsin against a number of manufacturers, including affiliates of the Company, with respect to PFAS contamination allegedly resulting from the use and disposal of AFFF at Duluth Air National Guard Base in Duluth, Minnesota. This case has been transferred to the MDL.

In July 2023, the Fond du Lac Band of Lake Superior Chippewa (a federally recognized tribe) direct-filed a lawsuit in the MDL against a number of manufacturers, including affiliates of the Company, with respect to PFAS contamination allegedly resulting from the use and disposal of AFFF at Duluth Air National Guard Base in Duluth, Minnesota.

In September 2025, the Leech Lake Band of Ojibwe (one of six federally recognized sovereign bands that make up the federally recognized Minnesota Chippewa Tribe) filed a lawsuit in Minnesota state court against a number of manufacturers, including affiliates of the Company, with respect to PFAS contamination allegedly resulting from, among other things, the alleged use and disposal of AFFF on and near the Band's property. This case has been transferred to the MDL.

Four AFFF property damage proceedings have been filed in Belgium against numerous defendants, including an affiliate of the Company. The cases are currently on hold pending efforts to dismiss the proceedings.

The Company is vigorously defending all of the above AFFF matters and believes that it has meritorious defenses to class certification and the claims asserted, including statutes of limitations, the government contractor defense, various medical and scientific defenses, and other factual and legal defenses. The Company has a historical general liability insurance program and is pursuing coverage under the program from various insurers through insurance claims discussions and litigation pending in a state court in Wisconsin. The Company has reached settlements with certain insurers and remains in discussions and litigation with the remaining carriers. In the first quarter of fiscal year 2026, the Company recorded $130 million of insurance recoveries related to settlements with its insurance carriers in selling, general and administrative expenses in the consolidated statements of income. The Company is unable to predict the amount and timing of any future recoveries under its insurance policies with the remaining carriers. The insurance litigation involves numerous factual and legal issues. There are numerous factual and legal issues to be resolved in connection with these claims. The Company is presently unable to predict the outcome or ultimate financial exposure beyond the water systems AFFF settlement discussed above, if any, represented by these matters, and there can be no assurance that any such exposure will not be material.

Asbestos Matters

The Company and certain of its subsidiaries, along with numerous other third parties, are named as defendants in personal injury lawsuits based on alleged exposure to asbestos containing materials. These cases have typically involved product liability claims based primarily on allegations of manufacture, sale or distribution of industrial products that either contained asbestos or were used with asbestos containing components.

The following table presents the location and amount of asbestos-related assets and liabilities in the Company's consolidated statements of financial position (in millions):

	December 31, 2025	September 30, 2025
Other current liabilities	$ 58	$ 58
Other noncurrent liabilities	336	329
Total asbestos-related liabilities	394	387
Other current assets	14	13
Other noncurrent assets	326	326
Total asbestos-related assets	340	339
Net asbestos-related liabilities	$ 54	$ 48

The following table presents the components of asbestos-related assets (in millions):

	December 31, 2025	September 30, 2025
Restricted		
Cash	$ 6	$ 5
Investments	291	290
Total restricted assets	297	295
Insurance receivables for asbestos-related liabilities	43	44
Total asbestos-related assets	$ 340	$ 339

The amounts recorded for asbestos-related liabilities and insurance-related assets are based on the Company's strategies for resolving its asbestos claims, currently available information, and a number of estimates and assumptions. Key variables and assumptions include the number and type of new claims that are filed each year, the average cost of resolution of claims, the identity of defendants, the resolution of coverage issues with insurance carriers, amount of insurance, and the solvency risk with respect to the Company's insurance carriers. Other factors that may affect the Company's liability and cash payments for asbestos-related matters include uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, reforms of state or federal tort legislation and the applicability of insurance policies among subsidiaries. As a result, actual liabilities or insurance recoveries could be significantly higher or lower than those recorded if assumptions used in the Company's calculations vary significantly from actual results.

Self-Insured Liabilities

The Company records liabilities for its workers' compensation, product, general and auto liabilities. The determination of these liabilities and related expenses is dependent on claims experience. For most of these liabilities, claims incurred but not yet reported are estimated by utilizing actuarial valuations based upon historical claims experience. The Company maintains captive insurance companies to manage a portion of its insurable liabilities.

The following table presents the location and amount of self-insured liabilities in the Company's consolidated statements of financial position (in millions):

	December 31, 2025	September 30, 2025
Other current liabilities	$ 89	$ 87
Accrued compensation and benefits	38	38
Other noncurrent liabilities	311	289
Total self-insured liabilities	$ 438	$ 414

Other Matters

The Company is involved in various lawsuits, claims and proceedings incident to the operation of its businesses, including those pertaining to product liability, environmental, safety and health, intellectual property, employment, commercial and contractual matters, and various other casualty matters. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to the Company, it is management’s opinion that none of these will have a material adverse effect on the Company’s financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statements for Forward-Looking Information

Unless otherwise indicated, references to "Johnson Controls," the "Company," "we," "our" and "us" in this Quarterly Report on Form 10-Q refer to Johnson Controls International plc and its consolidated subsidiaries.

The Company has made statements in this document 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 document, statements regarding the Company’s future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures, debt levels and market outlook 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. The Company cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond the Company’s control, that could cause the Company’s 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 the Company's 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 the Company's enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of the Company's 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 the Company's 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 the Company 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 year ended September 30, 2025 filed with the United States Securities and Exchange Commission ("SEC") on November 14, 2025, which is available at www.sec.gov and www.johnsoncontrols.com under the "Investors" tab. The description of certain of these risks is supplemented in Item 1A of Part II of Johnson Controls subsequently filed Quarterly Reports on Form 10-Q. The forward-looking statements included in this document 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 document.

Overview

Johnson Controls International plc, headquartered in Cork, Ireland, a global technology leader in energy efficiency, decarbonization, thermal management and mission-critical performance, helps customers use energy more productively, reduce carbon emissions, and operate with the precision and resilience required in rapidly expanding industries such as data centers, healthcare, pharmaceuticals, advanced manufacturing, and higher education.

The Company is a global leader in engineering, manufacturing, commissioning and retrofitting building products and systems, including commercial heating, ventilating, air-conditioning ("HVAC") equipment, industrial refrigeration systems, controls, security systems, fire-detection systems and fire-suppression solutions. The Company further serves customers by providing technical services, including maintenance, management, repair, retrofit and replacement of equipment (in the HVAC, industrial refrigeration, controls, security and fire-protection space) and energy-management consulting. The Company partners with customers by leveraging its broad product portfolio and digital capabilities, together with its direct channel capabilities, to deliver solutions and services addressing distinct and diverse operating environments and regulatory requirements that address customers' needs in their core missions.

The following information should be read in conjunction with the September 30, 2025 consolidated financial statements and notes thereto, along with management's discussion and analysis of financial condition and results of operations included in the Company's Annual Report on Form 10-K for the year ended September 30, 2025 filed with the SEC on November 14, 2025. References in the following discussion and analysis to "Three Months," "First Quarter" or similar language refer to the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Macroeconomic Trends

Much of the demand for the Company's products, services and solutions is driven by commercial, institutional, industrial, data center and governmental construction, industrial facility expansion, retrofit activity, maintenance projects and other capital investments in buildings within the sectors that the Company serves. Construction and other capital investment projects are heavily dependent on general economic conditions, localized demand for real estate and availability of credit, public funding or other sources of financing. In addition, most real estate developers rely heavily on project financing in order to initiate and complete projects. Positive or negative fluctuations in these dependencies could have a corresponding impact on the Company's financial condition, results of operations and cash flows.

The Company maintains global operations. The United States has announced tariffs and reciprocal tariffs on a wide range of products manufactured or produced worldwide, including Canada, China, the European Union, Japan, India and Mexico, among others. Several countries have similarly announced reciprocal or other tariffs impacting products manufactured or produced in the United States. In addition, the United States and other nations have, and may in the future, pause, reimpose, decrease or increase tariffs. Although the Company has been largely able to mitigate the impact of tariffs that have been enacted to date, if additional tariffs and reciprocal tariffs are implemented (whether as currently proposed or otherwise), such actions could negatively impact the Company's revenue growth and margins in future periods through decreased sales and increased cost of goods sold. Further, the Company has experienced, and could again experience, increased material cost inflation and component shortages, as well as disruptions and delays in its supply chain, as a result of global macroeconomic trends including the imposition of tariffs and other restrictive trade measures, as well as geopolitical and economic tensions. The net effect of these events will continue to depend on the Company's ability to successfully mitigate and offset their impact.

The Company is taking actions to mitigate the actual and anticipated impact of these events, including strengthening the Company's in region, for region manufacturing strategy, pivoting to local sourcing in its supply chain, accelerating pricing actions and asserting contractual rights through change orders. The Company has historically taken a variety of actions to mitigate trade restrictions, supply chain disruptions and inflation, including through expanding and redistributing its supplier network, supplier financing, accelerated purchasing and productivity improvements. These actions have largely been successful in mitigating the impacts of the current macroeconomic environment, however, it is uncertain as to whether the actions taken or contemplated to be taken by the Company will be effective in continuing to mitigate the impact of current and future trade restrictions and their related impacts. The Company continues to actively monitor and evaluate the development and potential impacts of tariffs and other trade restrictions on its supply chain and results of operations.

As a result of the Company's global presence, a significant portion of its revenues and expenses are denominated in currencies other than the U.S. dollar, which results in non-U.S. currency risks and exchange exposure. While the Company employs financial instruments to hedge some of its transactional foreign exchange exposure, these activities do not insulate it completely from those exposures. In addition, currency exposure from the translation of non-U.S. dollar functional currency subsidiaries cannot be hedged. Exchange rates can be volatile and a substantial weakening or strengthening of foreign currencies against the U.S. dollar could increase or reduce the Company's profit margin, respectively, and impact the comparability of results from period to period.

The Company continues to observe trends demonstrating increased interest and demand for its products and services that enable smart, efficient and sustainable buildings, which are driven in part by government tax incentives, building performance standards and other regulations designed to limit emissions and combat climate change. In particular, legislative and regulatory initiatives such as the EU Energy Efficiency Directive, EU Heat Transition, U.S. Inflation Reduction Act and EU Energy Performance of Buildings Directive include provisions designed to fund and encourage investment in decarbonization and digital technologies for buildings. This demand is supplemented by commitments in both the public and private sectors to reduce emissions and/or achieve net zero emissions. In addition, the increased maturity and adoption of AI and high-performance computing is currently impacting the microchip and data center industry and driving technology innovation, which has led to increased demand for hyperscale and data center cooling solutions that deliver heat management and energy efficiency. The Company seeks to capitalize on these trends to enable delivery of sustainable, high-efficiency products and tailored services to empower customers to achieve their sustainability, heat management and energy efficiency goals. The Company is leveraging its install base, together with data-driven products and services, to offer outcome-based solutions to customers with a focus on generating accelerated growth in services and recurring revenue.

Certain of our customers, including governmental and institutional customers, have exhibited increased uncertainty regarding future spending decisions due to various political and economic factors, including budget reductions, reprioritization of spending, interest rate fluctuation and economic uncertainty. This uncertainty has and may in the future impact on the Company's ability to predict and forecast the revenue and backlog associated with these customers.

The extent to which the Company’s results of operations and financial condition are impacted by these and other factors in the future will depend on developments that are highly uncertain and cannot be predicted. See the section entitled "Risk Factors" in Johnson Controls' Annual Report on Form 10-K for the year ended September 30, 2025 filed with the United States Securities and Exchange Commission ("SEC") on November 14, 2025. Certain of these risk factors have been updated and supplemented in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Restructuring and Cost Optimization Initiatives

During the fourth quarter of fiscal 2024, the Company committed to a multi-year restructuring plan to address stranded costs and further right-size global operations as a result of previously announced portfolio simplification actions.

It is expected that the plan will be completed in fiscal 2027 and the Company will incur one-time restructuring costs, including severance and other employee termination benefits, contract termination costs, and certain other related cash and non-cash charges, totaling approximately $400 million, resulting in expected annual cost savings of approximately $500 million upon full completion of the plan. Restructuring costs will be incurred across all segments and Corporate functions. Refer to Note 14, "Restructuring and Related Costs," for an update on the restructuring plan.

Net Sales

	Three Months Ended December 31,		
(in millions)	2025	2024	Change
Net sales	$ 5,797	$ 5,426	7%

The increase in net sales for the three months ended December 31, 2025 was due to higher organic sales ($311 million) and the favorable impact of foreign currency translation ($72 million), partially offset by the net impact of acquisitions and divestitures ($12 million). Excluding the impact of foreign currency translation and business acquisitions and divestitures, net sales increased 6% over the prior year, driven by growth across all segments, led by the Americas.

Refer to the "Segment Analysis" below within this Item 2 for a discussion of net sales by segment.

Cost of Sales / Gross Profit

(in millions)	Three Months Ended December 31, 2025	2024	Change
Cost of sales	$ 3,723	$ 3,500	6%
Gross profit	2,074	1,926	8%
% of sales	35.8%	35.5%	30 bp

The increase in gross profit for the three months ended December 31, 2025 was primarily due to margin improvements as a result of disciplined execution across pricing, productivity, and project delivery.

Refer to the "Segment Analysis" below within this Item 2 for a discussion of segment earnings.

Selling, General and Administrative Expenses ("SG&A")

(in millions)	Three Months Ended December 31, 2025	2024	Change
SG&A	$ 1,221	$ 1,399	(13%)
% of sales	21.1%	25.8%	(470) bp

The decrease in SG&A was primarily due to AFFF insurance recoveries related to the previously disclosed water systems settlement ($130 million) and the gain on the ADT Mexico business divestiture ($70 million).

Refer to the "Segment Analysis" below within this Item 2 for a discussion of segment earnings. Refer to Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for further disclosure related to the water systems AFFF settlement.

Restructuring and Impairment Costs

(in millions)	Three Months Ended December 31, 2025	2024
Restructuring and related costs	$ 37	$ 33
Other impairments	50	—
Restructuring and impairment costs	$ 87	$ 33

Refer to Note 14, "Restructuring and Related Costs," of the notes to the consolidated financial statements for further disclosure related to the Company's restructuring actions.

Net Financing Charges

Refer to Note 9, "Debt and Financing Arrangements," of the notes to the consolidated financial statements for further disclosure related to the Company's net financing charges and debt.

Income Tax Provision

(in millions)	Three Months Ended December 31, 2025	2024
Income tax provision	$ 152	$ 47
Effective tax rate	21.4%	11.5%

Refer to Note 15, "Income Taxes" of the notes to the consolidated financial statements for further disclosure related to the Company's income taxes.

Segment Analysis

The Chief Executive Officer, the Company’s chief operating decision maker ("CODM"), evaluates the performance of its segments and allocates resources based on two profitability measures, Segment EBITA and Segment EBIT:

- Segment earnings before interest, taxes, and amortization (“EBITA”) represents income from continuing operations, before income taxes and noncontrolling interests, excluding corporate expenses, restructuring and impairment costs, AFFF related settlement costs and insurance recoveries, gains or losses on divestitures, net mark-to-market gains and losses related to pension and postretirement plans and restricted asbestos investments, net finance charges, and amortization. Segment EBITA is used as a tool to allow the CODM to evaluate the recurring profitability of the segments, including revenues and expenses that are within the operational control of the segments, and excluding the impact of certain non-cash and non-recurring items. Segment EBITA also provides the CODM with performance comparability across periods and for more accurate benchmarking against peer companies that may not have similar historical acquisition activity, by holding constant the impact of significant acquisitions.

- Segment earnings before interest and taxes ("EBIT") represents Segment EBITA, adding back the impact of amortization of intangible assets. Segment EBIT allows the CODM to review profitability, inclusive of the impact of significant acquisition activity, informing the CODM of how the business is integrating key strategic initiatives and generating synergies.

Both EBITA and EBIT are reviewed by the CODM and compared against the profit plan and forecast for the current and prior year. Segment EBITA and Segment EBIT are not defined under GAAP and may not be comparable to similarly titled measures used by other companies. Measures of total assets by reportable segment are not provided to the CODM. Therefore, asset information by segment is not disclosed.

Net Sales

(in millions)	Three Months Ended December 31, 2025	2024	Change
Americas	$ 3,843	$ 3,627	6%
EMEA	1,261	1,157	9%
APAC	693	642	8%
	$ 5,797	$ 5,426	7%

- The increase in Americas was primarily due to organic growth ($210 million). Excluding the impact of divestitures and foreign currency translation, sales increased 6%, led by continued strength across Applied HVAC and Controls. Products and Systems sales increased 4% and Services increased 10%.

- The increase in EMEA was primarily due to the favorable impact of foreign currency translation ($65 million) and organic growth ($51 million). Excluding the impact of foreign currency translation, sales increased 4%, led by 8% growth in Services.

- The increase in APAC was primarily due to organic growth ($50 million). Excluding the impact of foreign currency translation, sales increased 8%, led by 9% growth in Products and Systems.

Segment EBITA and Segment EBIT

(in millions)	Segment EBITA Three Months Ended December 31, 2025	2024	Change	Segment EBIT Three Months Ended December 31, 2025	2024	Change
Americas	$ 620	$ 589	5%	$ 544	$ 494	10%
EMEA	158	136	16%	151	116	30%
APAC	117	90	30%	113	85	33%

- The increase in Americas was primarily due to productivity improvements and improved mix.
- The increase in EMEA was primarily driven by favorable pricing and productivity improvements.
- The increase in APAC was primarily driven by increased volumes and productivity improvements.

Backlog and Orders

Backlog and orders are additional metrics that are meant to provide management with a deeper level of insight into the progress of specific strategic and growth initiatives. Orders provide management with a signal of customer demand for the Company's products and services, as well as an indication of future revenues and performance. However, the timing and conversion of backlog and orders are subject to numerous uncertainties and risks and are not necessarily indicative of the amount of revenue to be earned in the upcoming fiscal year.

The following table summarizes backlog and orders by segment:

(in billions)	Backlog December 31, 2025	Backlog Year-over-Year Change [(1)]	Orders Three Months Ended December 31, 2025	Orders Year-over-Year Change [(1)]
Americas	$ 13.3	22%	$ 5.0	56%
EMEA	3.0	11%	1.3	8%
APAC	1.9	20%	0.7	10%
Total	$ 18.2	20%	$ 7.0	39%

[(1)] Change is compared to December 31, 2024 (backlog) and the three months ended December 31, 2024 (orders) and excludes the impact of acquisitions, divestitures and foreign currency.

- The increase in backlog and orders was primarily due to demand led by customers' accelerated investments in data center projects.

Remaining performance obligations were $24.5 billion at December 31, 2025. Differences between the Company’s remaining performance obligations and backlog are primarily due to:

- Remaining performance obligations include large, multi-purpose contracts to construct hospitals, schools and other governmental buildings, which are services to be performed over the building's lifetime with average initial contract terms of 25 to 35 years for the entire term of the contract versus backlog which includes only the lifecycle period of these contracts which approximates five years;
- Remaining performance obligations exclude service contracts with an original expected duration of one year or less and contracts that are cancellable without substantial penalty versus backlog which includes short-term and cancellable contracts; and
- Remaining performance obligations include the full remaining term of service contracts with substantial termination penalties versus backlog which includes only one year for all outstanding service contracts.

The Company reports backlog, which it believes is a useful measure of evaluating the Company's operational performance and relationship to total orders.

Liquidity and Capital Resources

Working Capital

(in millions)	December 31, 2025	September 30, 2025	Change
Current assets	$ 10,441	$ 10,162	
Current liabilities	10,501	10,941	
Working capital	$ (60)	$ (779)	(92)%
Accounts receivable - net	$ 6,190	$ 6,269	(1)%
Inventories	1,932	1,820	6 %
Accounts payable	3,614	3,614	— %

The increase in working capital at December 31, 2025 as compared to September 30, 2025 was primarily due to increases in cash and inventories and decreases in short-term debt and accrued compensation, partially offset by the net impact of other current assets and liabilities.

Cash Flows From Continuing Operations

	Three Months Ended December 31,	
(in millions)	2025	2024
Cash provided by operating activities	$ 611	$ 249
Cash provided (used) by investing activities	90	(105)
Cash provided (used) by financing activities	(464)	201

The increase in cash provided by operating activities primarily reflects higher net income and favorable changes in accounts payable and accrued liabilities.

The change in investing activities was due to proceeds from the ADT Mexico divestiture.

The change in financing activities was primarily due to changes in net debt activity, partially offset by lower stock repurchases.

Capitalization

(in millions)	December 31, 2025	September 30, 2025
Short-term debt	$ 436	$ 723
Current portion of long-term debt	568	566
Long-term debt	8,701	8,591
Total debt	9,705	9,880
Less: Cash and cash equivalents	552	379
Net debt	$ 9,153	$ 9,501
Shareholders' equity attributable to Johnson Controls ordinary shareholders ("Equity")	$ 13,204	$ 12,927
Total capitalization (Total debt plus Equity)	22,909	22,807
Net capitalization (Net debt plus Equity)	22,357	22,428
Total debt as a % of Total capitalization	42.4%	43.3%
Net debt as a % of Net capitalization	40.9%	42.4%

- Net debt and net debt as a percentage of net capitalization are non-GAAP financial measures. The Company believes the percentage of net debt to net capitalization is useful to understanding the Company's financial condition as it provides a view of the extent to which the Company relies on external debt financing for its funding and is a measure of risk to its shareholders.

- As of December 31, 2025, approximately $4.8 billion remains available under the Company's share repurchase authorization, which does not have an expiration date and may be amended or terminated by the Board of Directors at any time without prior notice. The Company expects to repurchase outstanding shares from time to time depending on market conditions, alternate uses of capital, liquidity, and the economic environment.

- The Company declared a dividend of $0.40 per common share in the quarter ended December 31, 2025 and intends to continue paying dividends throughout fiscal 2026.

- The Company believes its capital resources and liquidity position, including cash and cash equivalents of $552 million at December 31, 2025, are adequate to fund operations and meet its cash obligations for the foreseeable future.

  - The Company manages its short-term debt position in the U.S. and euro commercial paper and bank loan markets. Commercial paper outstanding totaled $200 million as of December 31, 2025 and $400 million as of September 30, 2025.

  - The Company maintains a shelf registration statement with the SEC under which it may issue additional debt securities, ordinary shares, preferred shares, depository shares, warrants, purchase contracts and units that may be offered in one or more offerings on terms to be determined at the time of the offering. The Company anticipates that the proceeds of any offering would be used for general corporate purposes, including repayment of indebtedness, acquisitions, additions to working capital, repurchases of ordinary shares, dividends, capital expenditures and investments in the Company's subsidiaries.

  - The Company also has the ability to draw on its $2.5 billion revolving credit facility which is scheduled to expire in December 2028. There were no draws on the revolving credit facility as of December 31, 2025 and September 30, 2025.

- The Company's ability to access the global capital markets and the related cost of financing is dependent upon, among other factors, the Company's credit ratings. As of December 31, 2025, the Company's credit ratings and outlook were as follows:

Rating Agency	Short-Term Rating	Long-Term Rating	Outlook
S&P	A-2	BBB+	Stable
Moody's	P-2	Baa1	Stable

  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.

- Financial covenants in the Company's revolving credit facilities require a minimum consolidated shareholders' equity attributable to Johnson Controls of at least $3.5 billion at all times. The revolving credit facility also limits the amount of debt secured by liens that may be incurred to a maximum aggregated amount of 10% of consolidated shareholders' equity attributable to Johnson Controls for liens and pledges. For purposes of calculating these covenants, consolidated shareholders' equity attributable to Johnson Controls is calculated without giving effect to (i) the application of Accounting Standards Codification ("ASC") 715-60, "Defined Benefit Plans - Other Postretirement," or (ii) the cumulative foreign currency translation adjustment. As of December 31, 2025, the Company was in compliance with all covenants and other requirements set forth in its credit agreements and the indentures governing its notes, and expects to remain in compliance for the foreseeable future. None of the Company's debt agreements limit access to stated borrowing levels or require accelerated repayment in the event of a decrease in the Company's credit rating.

- The Company earns a significant amount of its income outside of the parent company. Outside basis differences in these subsidiaries are deemed to be permanently reinvested except in limited circumstances. The Company currently does not intend nor foresee a need to repatriate undistributed earnings included in the outside basis differences other than in tax efficient manners. The Company's intent is to reduce basis differences only when it would be tax efficient. The Company expects existing U.S. cash and liquidity to continue to be sufficient to fund the Company's U.S. operating activities and cash commitments for investing and financing activities for at least the next twelve months and thereafter for the foreseeable future. In the U.S., should the Company require more capital than is generated by its operations, the Company could elect to raise capital in the U.S. through debt or equity issuances. The Company has borrowed funds in the U.S. and continues to have the ability to borrow funds in the U.S. at reasonable interest rates. In addition, the Company expects existing non-U.S. cash, cash equivalents, short-term investments and cash flows from operations to continue to be sufficient to fund the Company's non-U.S. operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next twelve months and thereafter for the foreseeable future. Should the Company require more capital at its Luxembourg and Ireland holding and financing entities, other than amounts that can be provided in tax efficient methods, the Company could also elect to raise capital through debt or equity issuances. These alternatives could result in increased interest expense or other dilution of the Company's earnings.

- The Company may from time to time purchase its outstanding debt through open market purchases, privately negotiated transactions or otherwise. Purchases or retirement of debt, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Co-Issued Securities: Summarized Financial Information

The following information is provided in compliance with Rule 13-01 of Regulation S-X under the Securities Exchange Act of 1934 with respect to the following unsecured, unsubordinated senior notes (collectively, ("the Notes) which were issued by Johnson Controls International plc ("Parent Company") and Tyco Fire & Security Finance S.C.A. ("TFSCA"):

- €500 million aggregate principal amount of 0.375% Senior Notes due September 2027
- €600 million aggregate principal amount of 3.000% Senior Notes due September 2028
- $700 million aggregate principal amount of 5.500% Senior Notes due April 2029
- $625 million aggregate principal amount of 1.750% Senior Notes due September 2030
- $500 million aggregate principal amount of 2.000% Sustainability-Linked Senior Notes due September 2031
- €500 million aggregate principal amount of 1.000% Senior Notes due September 2032
- $650 million aggregate principal amount of 4.900% Senior Notes due December 2032

- €500 million aggregate principal amount of 3.125% Senior Notes due December 2033
- €800 million aggregate principal amount of 4.250% Senior Notes due May 2035

TFSCA is a corporate partnership limited by shares (*société en commandite par actions*) incorporated and organized under the laws of the Grand Duchy of Luxembourg ("Luxembourg") and is a wholly-owned consolidated subsidiary of the Company that is 99.924% owned directly by the Parent Company and 0.076% owned by TFSCA's sole general partner and manager, Tyco Fire & Security S.à r.l., which is itself wholly-owned by the Company. The Parent Company is incorporated and organized under the laws of Ireland. TFSCA is incorporated and organized under the laws of Luxembourg. The bankruptcy, insolvency, administrative, debtor relief and other laws of Luxembourg or Ireland, as applicable, may be materially different from, or in conflict with, those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could adversely affect noteholders' ability to enforce their rights under the Notes in those jurisdictions or limit any amounts that they may receive.

The following table presents the net loss attributable to the Parent Company and TFSCA (collectively, the "Obligor Group") and the net income (loss) attributable to intercompany transactions between the Obligor Group and subsidiaries of the Parent Company other than TFSCA (collectively, the "Non-Obligor Subsidiaries") which are excluded from the Net loss attributable to the Obligor Group (in millions):

	Three Months Ended December 31, 2025	Year Ended September 30, 2025
Net loss attributable to the Obligor Group	$ 69	$ 844
Net income (loss) attributable to intercompany transactions	4	(56)

The Obligor Group does not have sales, gross profit or amounts attributable to noncontrolling interests.

The following table presents summarized balance sheet information of the Obligor Group and intercompany balances between the Obligor Group and the Non-Obligor Subsidiaries which are excluded from the Obligor Group amounts (in millions):

	Obligor Group		Intercompany Balances	
	December 31, 2025	September 30, 2025	December 31, 2025	September 30, 2025
Current assets	$ 1,513	$ 2,748	$ 6,350	$ 6,161
Noncurrent assets	243	243	2,143	2,450
Current liabilities	1,320	1,585	3,156	4,041
Noncurrent liabilities	8,576	8,473	5,058	22,450 *

* Includes $17 billion of intercompany loans that were canceled as the result of a distribution by a non-obligor subsidiary in October 2025.

The same accounting policies as described in Note 1, "Summary of Significant Accounting Policies," of the Company's Annual Report on 10-K for the year ended September 30, 2025 are used by the Parent Company and each of its subsidiaries in connection with the summarized financial information presented above.

New Accounting Standards

Refer to Note 2, "New Accounting Standards," of the notes to the consolidated financial statements.

Critical Accounting Estimates

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). This requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. The Company's critical accounting estimates requiring significant judgement that could materially impact the Company's results of operations, financial position and cash flows are described in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the

Company’s Annual Report on Form 10-K for the year ended September 30, 2025. Since the date of the Company’s most recent Annual Report, there have been no material changes in the Company’s critical accounting estimates or assumptions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of December 31, 2025, the Company had not experienced any adverse changes in market risk exposures that materially affected the quantitative and qualitative disclosures presented in its Annual Report on Form 10-K for the year ended September 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2025.

Based on such evaluations, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2025, the Company’s disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control Over Financial Reporting

There have been no significant changes in the Company’s internal control over financial reporting during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Gumm v. Molinaroli, et al.

In May 2024, stockholders of Johnson Controls, Inc., filed a putative class action Complaint against Johnson Controls, Inc., certain former officers and directors of Johnson Controls, Inc., and two related entities (Jagara Merger Sub LLC and Johnson Controls International plc) in Wisconsin state court relating to the 2016 merger of Johnson Controls and Tyco (Gumm et al. v. Molinaroli et al., Case No. 30106, filed May 23, 2024 in the Circuit Court for Milwaukee County, Wisconsin). The filing of the state court Complaint follows the dismissal of a related lawsuit originally filed in federal court in 2016, which dismissal was affirmed on appeal in November 2023. On March 28, 2025, the Court dismissed the complaint in its entirety. Plaintiffs have appealed the decision, though the timing of the decision by the court is currently unknown.

Refer to Note 18, "Commitments and Contingencies," of the notes to the consolidated financial statements for discussion of environmental, asbestos, self-insured liabilities and other litigation matters, which is incorporated by reference herein and is considered an integral part of Part II, Item 1, "Legal Proceedings."

ITEM 1A. RISK FACTORS

Except as set forth herein, there have been no material changes to the disclosure regarding risk factors presented in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the September 30, 2025.

Our business success depends on attracting and retaining qualified personnel.

Our ability to sustain and grow our business requires us to hire, retain and develop a high-performance, customer-centric and diverse management team and workforce. Continuous efficient and timely customer service, customer support and customer intimacy are essential to enabling customer loyalty and driving our financial results. Our growth strategies require that we pivot to new talent capability investments and build the workforce of the future, with an emphasis on developing skills in digital and consultative, outcome-based selling. Failure to ensure that we have the leadership and talent capacity with the necessary skillset and experience could impede our ability to deliver our growth objectives, execute our strategic plan and effectively transition our leadership. Any unplanned turnover or inability to attract and retain key employees could have a negative effect on our results of operations.

The nature of our business requires us to maintain a labor force that is sufficiently large enough to support our manufacturing operations to meet customer demand, as well as provide on-site services and project support for our customers. This includes recruiting, hiring and retaining skilled trade workers to support our direct channel field businesses. Competition for skilled trade labor and experienced skilled subcontractors is high. We have in the past, and could in the future, experience shortages for skilled or unskilled labor. The impacts of such labor shortages could increase costs and limit our ability to scale our operations to meet increased demand and convert backlog into revenue, which could negatively impact our growth and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

As of December 31, 2025, approximately $4.8 billion remains available under the share repurchase program which was authorized by the Company's Board of Directors in June 2025. The share repurchase authorization does not have an expiration date and may be amended or terminated by the Board of Directors at any time without prior notice.

On August 7, 2025, the Company entered into accelerated share repurchase transactions (the "ASR Transactions") to repurchase an aggregate of $5.0 billion (the "Repurchase Price") of the Company's ordinary shares (the "Shares"). The ASR Transactions are being completed under the Company's current share repurchase authorization. Under the terms of the ASR Transactions, on August 11, 2025, the Company paid the Repurchase Price to the Counterparties in exchange for an initial delivery of approximately 43,140,640 Shares. The total number of Shares to be repurchased under the ASR Transactions will be based on volume-weighted average prices of the Shares during the term of the ASR Transactions, less a discount and subject to customary adjustments. The ASR Transactions are scheduled to terminate in the second quarter of fiscal 2026.

The following table presents information regarding the repurchase of the Company's ordinary shares by the Company as part of its publicly announced program during the three months ended December 31, 2025.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased under the Programs
10/01/25 - 10/31/25	—	$ —	—	$ 4,753,103,166
11/01/25 - 11/30/25	—	—	—	4,753,103,166
12/01/25 - 12/31/25	—	—	—	4,753,103,166

ITEM 5. OTHER INFORMATION

Director and Officer Rule 10b5-1 Plans

During the three months ended December 31, 2025, none of the Company's directors or Section 16 officers adopted, amended or terminated a “Rule 10b5–1 trading arrangement” or “non-Rule 10b5–1 trading arrangement” (as each term is defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

INDEX TO EXHIBITS

Exhibit No.	Description
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
101	The following materials from Johnson Controls International plc's Quarterly Report on Form 10-Q for the quarter ended December 31, 2025, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Statements of Financial Position, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JOHNSON CONTROLS INTERNATIONAL PLC

Date: February 4, 2026

By: */s/ Marc Vandiepenbeeck*

Marc Vandiepenbeeck
Executive Vice President and
Chief Financial Officer