Fiscal 2020
Second Quarter Results

May 1, 2020

The power behind **your mission**

Johnson Controls

Forward Looking/Cautionary Statements & Non-GAAP Financial Information

Johnson Controls International plc Cautionary Statement Regarding Forward-Looking Statements

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this communication, statements regarding Johnson Controls’ future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures and debt levels are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project” or “plan” and terms of similar meaning are also generally intended to identify forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls’ control, that could cause Johnson Controls’ actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: Johnson Controls’ ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions such as the merger with Tyco and the disposition of the Power Solutions business, changes in tax laws (including but not limited to the Tax Cuts and Jobs Act enacted in December 2017), regulations, rates, policies or interpretations, the loss of key senior management, the tax treatment of recent portfolio transactions, significant transaction costs and/or unknown liabilities associated with such transactions, the outcome of actual or potential litigation relating to such transactions, the risk that disruptions from recent transactions will harm Johnson Controls’ business, the strength of the U.S. or other economies, changes to laws or policies governing foreign trade, including increased tariffs or trade restrictions, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, maintaining the capacity, reliability and security of our information technology infrastructure, the risk of infringement or expiration of intellectual property rights, work stoppages, union negotiations, labor disputes and other matters associated with the labor force, the outcome of litigation and governmental proceedings and cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Johnson Controls' business is included in the section entitled "Risk Factors" in Johnson Controls' Annual Report on Form 10-K for the year ended September 30, 2019 filed with the United States Securities and Exchange Commission ("SEC") on November 21, 2019, 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. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this communication are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.

Non-GAAP Financial Information

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

Navigating Unprecedented Times

- Our employees and customers remain our first priority
- Macro economic uncertainty related to COVID-19
- On the front lines executing essential services
- Taking decisive actions to mitigate; contingency/scenario planning
- Strong Balance Sheet and liquidity
- Quarterly dividend maintained

Leadership Position In Response To COVID-19 Pandemic

COVID-19 Crisis Response With Essential Services

Johnson Controls is committed to serving the healthcare community during the COVID-19 crisis.
We have the global experience, national workforce and healthcare expertise to quickly expand hospital capacity and enhance caregiver response for COVID-19

Providing Urgent COVID-19 Healthcare Solutions

- Expanding hospital capacity to serve more patients
- Converting hotel rooms to modified isolation rooms to ensure patient safety and comfort
- Controlling the flow of contaminated air in laboratories to ensure the safety of researchers
- Deploying designs in hours, not days - with our Center of Excellence global engineering design team
- Integrating fever detection systems into building solutions
- Enhancing video capabilities to bridge communications between quarantine zones and operations and help protect the health of front line healthcare teams with the influx of patients

Essential Products With Enhanced Innovation

Applied Products

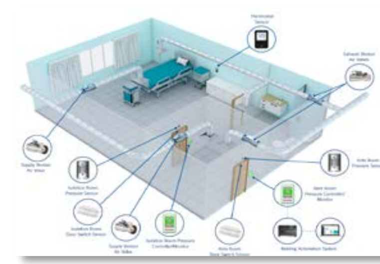
Pre-Configured Air Handling Units

Ducted Systems

"Limited Touch" Residential Replacement Systems

Controls Products

Room Pressure Monitoring System



Security Products

Frictionless Access Control

Thermal Detection & Scanning

Air Distribution

Envirco ISOCLEAN

COVID-19 Mitigating Actions

Complete

- Immediate flexing of Mfg and Field Ops to new demand
- Implemented unpaid time-off / furloughs; hiring freeze
- Decreased contactor spend and contingent workforce
- Curtailed all discretionary spend, including travel
- Reduced indirect spend with increased threshold for approval

In Process

- Executing permanent cost structure changes
- Additional working capital actions
- Deferring/reducing capital expenditures
- Improving productivity in Mfg and Field Ops

Immediate Actions Addressing Our Cost Structure

Johnson Controls

Emerging From COVID-19 With A Stronger Supply & Mfg Network

United States & Canada
- Employees: >10k
- # Plants & DC's: 37/16
- Plant Revenue: $2.1B

Status
- Manufacturing
- Supply Chain
- Logistics

Europe & Middle East
- Employees: >4k
- # Plants & DC's: 15/12
- Plant Revenue: $0.9B

Status
- Manufacturing
- Supply Chain
- Logistics

China & Rest of APAC
- Employees: >10k
- # Plants & DC's: 14/7
- Plant Revenue: $1.9B

Status
- Manufacturing
- Supply Chain
- Logistics

Mexico & LATAM
- Employees: >5k
- # Plants & DC's: 14/1
- Plant Revenue: $1.6B

Status
- Manufacturing
- Supply Chain
- Logistics

India
- Employees: >3k
- # Plants & DC's: 2/1
- Plant Revenue: $0.4B

Status
- Manufacturing
- Supply Chain
- Logistics

Japan
- Employees: >3k
- # Plants & DC's: 2/0
- Plant Revenue: $1.7B

Status
- Manufacturing
- Supply Chain
- Logistics

DC's = Distribution Centers

>90% vs. Baseline

75-90% vs. Baseline

<75% vs. Baseline

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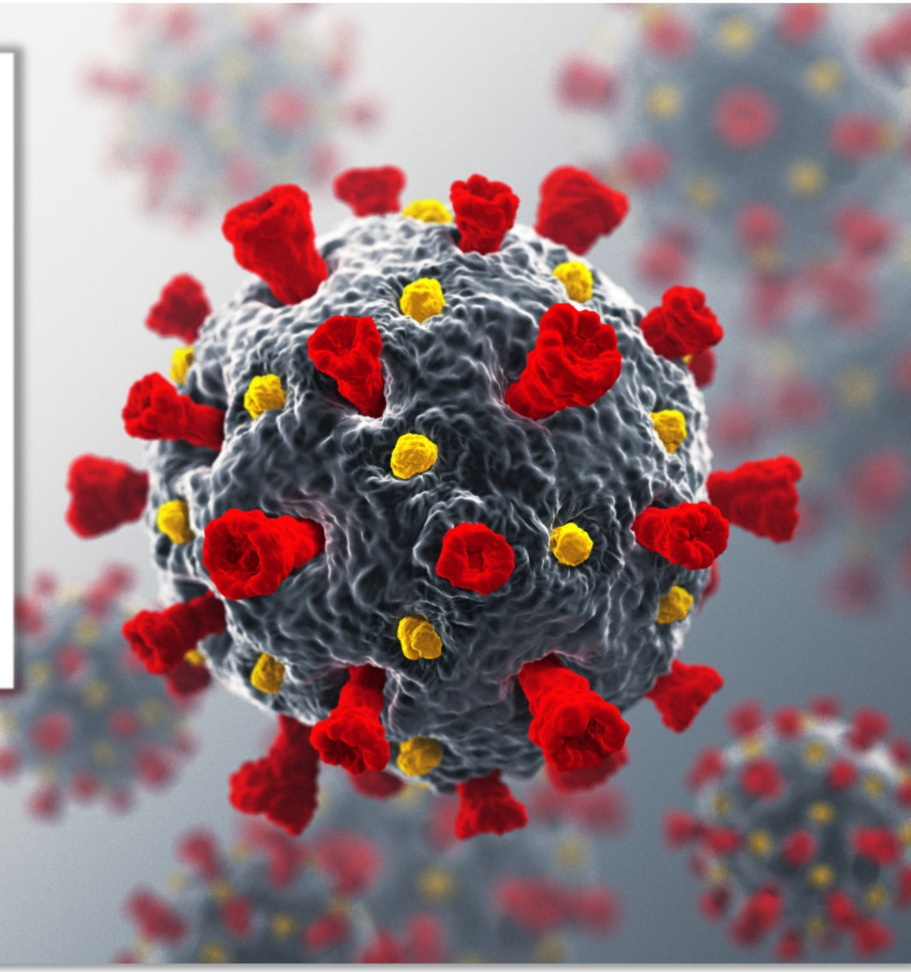
Estimated Q2 COVID-19 Financial Impact (continuing operations)

Q2	Actuals*	COVID-19 Net Impact
Sales	$5,444M	($350 - 390M)
Organic Growth	(5%)	(6 to 7 pts of organic growth headwind)
Segment EBITA	$619M	($90 - 110M)
EBIT	$440M	($80 - 100M)
Noncontrolling Interest	($12M)	$20 - 25M
Net income attributable to JCI	$317M	($49 - 62M)
EPS	$0.42	($0.05 - 0.07)



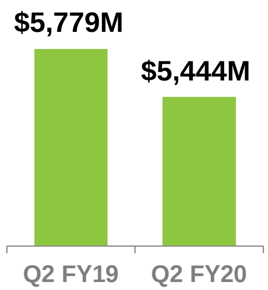
*Non-GAAP excludes special items. See footnotes for reconciliation.

Q2 FY20 Financial Summary* (continuing operations)

Estimated COVID-19 Net Impact

NET SALES

($350 - 390M)

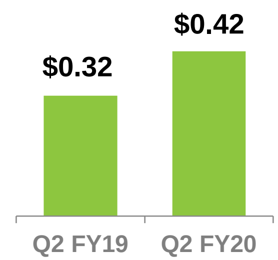


(6%) Reported

(5%) Organic

EPS

($0.05 - 0.07)



+31% Reported

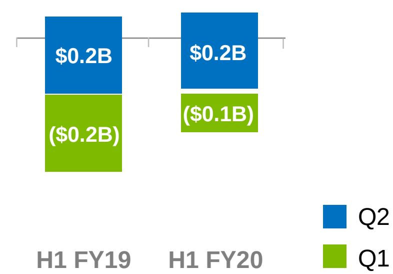
EBIT & MARGIN

($80 - 100M)

FLAT Reported

FLAT Organic

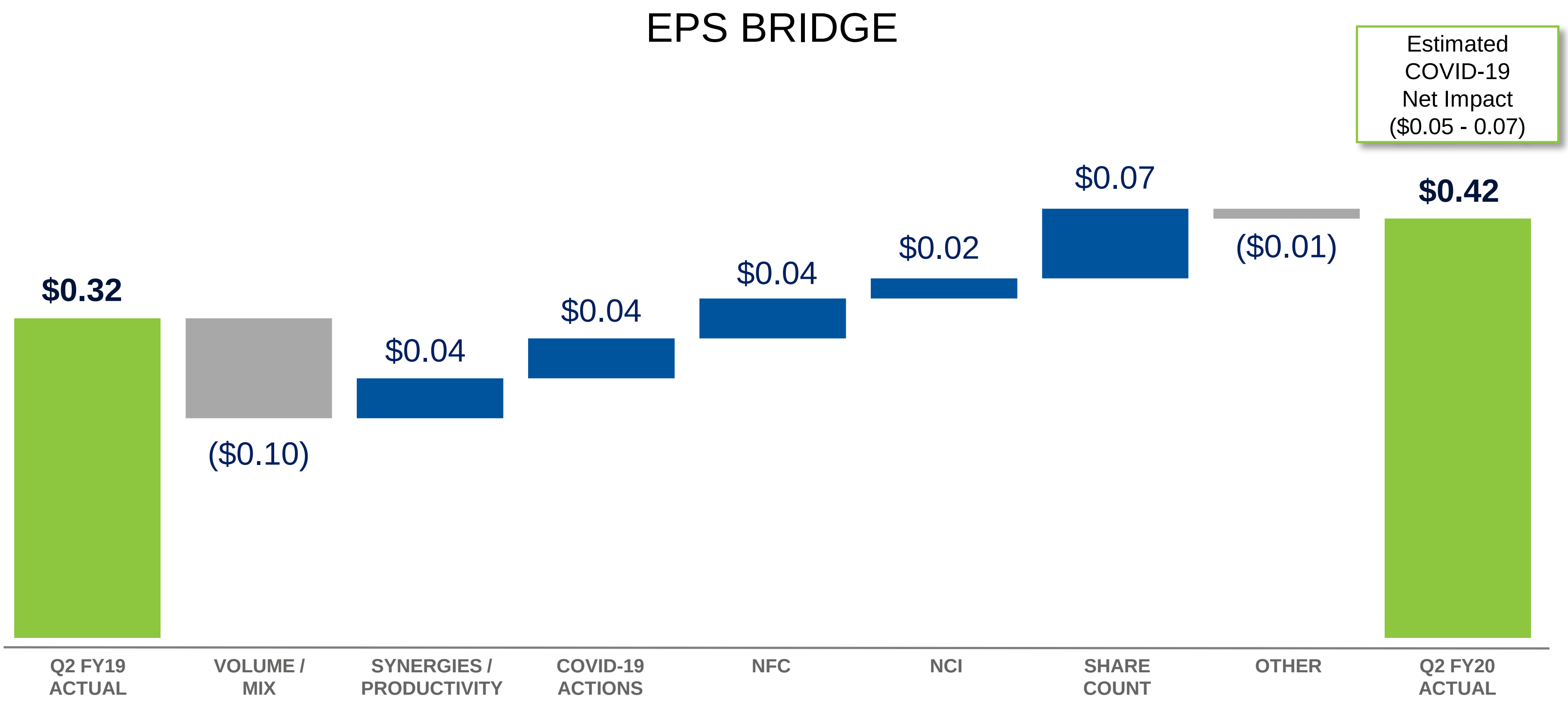
FCF



Normal Seasonal Pattern

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

Q2 FY20 Results vs. Prior Year* (continuing operations)



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

Balance Sheet

Capital Structure	Q1 FY20	Q2 FY20
Short-term debt and current portion of long-term debt	$1,362	$1,430
Long-term debt	5,920	5,640
Total debt	**7,282**	**7,070**
Less: cash and cash equivalents	2,160	1,006
Net debt*	**$5,122**	**$6,064**
Net debt / EBITDA*	**1.5x**	**1.8x**

*Non-GAAP measure. See footnotes for reconciliation.

Capital Structure: Strong Liquidity Position

Recent Debt Repayment and Issuances

- In March, repaid $500 million bond maturity with existing cash (5.0% interest rate)
- In April, raised $675 million via European financing arrangements (average interest rate of 1.0%, 6-month term)
- In April, raised $575 million in bank term loans (average interest rate of 2.7%, 1-year term)

Undrawn Senior Revolving Credit Facilities

- $500 million one-year facility
- $2.5 billion five-year facility

Additional Liquidity Items

- Repurchased 21 million shares for $816 million in quarter; suspended program mid-March
- Substantial operating cash flow expected to be generated in second half of fiscal year
- Reduced capital expenditures
- Maintain active shelf registration statement
- Well positioned to refinance upcoming debt maturities

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Free Cash Flow* (continuing operations)

(in $ billions)	Q2 FY19	Q2 FY20	H1 FY19	H1 FY20
Cash provided by operating activities	$0.2	$0.2	$0.1	$0.7
Capital expenditures	(0.1)	(0.1)	(0.3)	(0.3)
Reported FCF**	**$0.1**	**$0.0**	**$(0.2)**	**$0.4**
Integration/transaction costs	0.1	-	0.1	0.2
Restructuring payments		0.1	0.1	0.1
Nonrecurring tax refunds	-	-		(0.6)
Adjustments	**$0.1**	**$0.1**	**$0.2**	**(0.3)**
Adjusted FCF**	**$0.2**	**$0.2**	**$0.0**	**$0.1**

- Q2 adjusted FCF from continuing operations of $0.2 billion
- YTD adjusted FCF of $0.1 billion
- Expect FY20 adjusted free cash flow conversion of >100%
  - Excludes one-time cash outflows of ~$0.3 billion
  - Excludes ~$0.6 billion tax refund received in Q1 FY20

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

**May not sum due to rounding

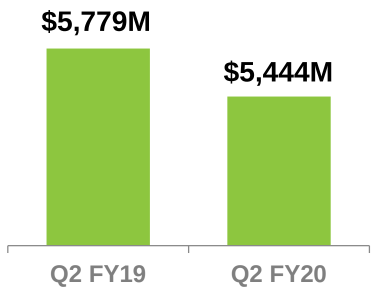
Segment Results*

Estimated COVID-19 Net Impact

Sales

(5%) Organic

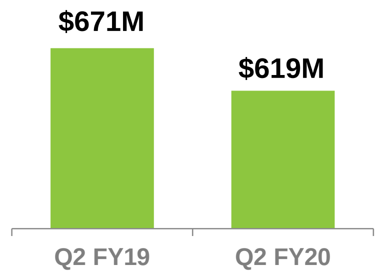
($350 - 390M)



Segment EBITA

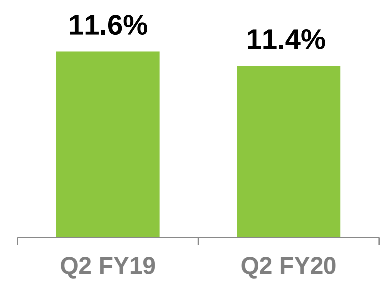
(7%) Organic

($90 - 110M)

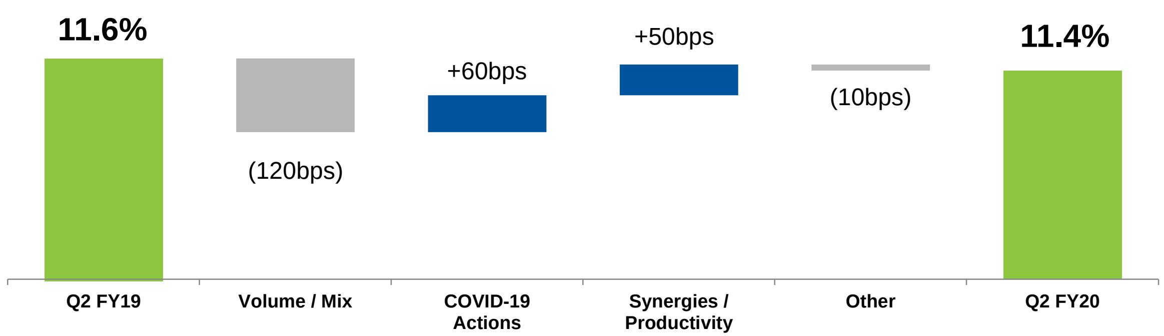


Segment EBITA Margin

(20) bps Organic



EBITA Margin



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

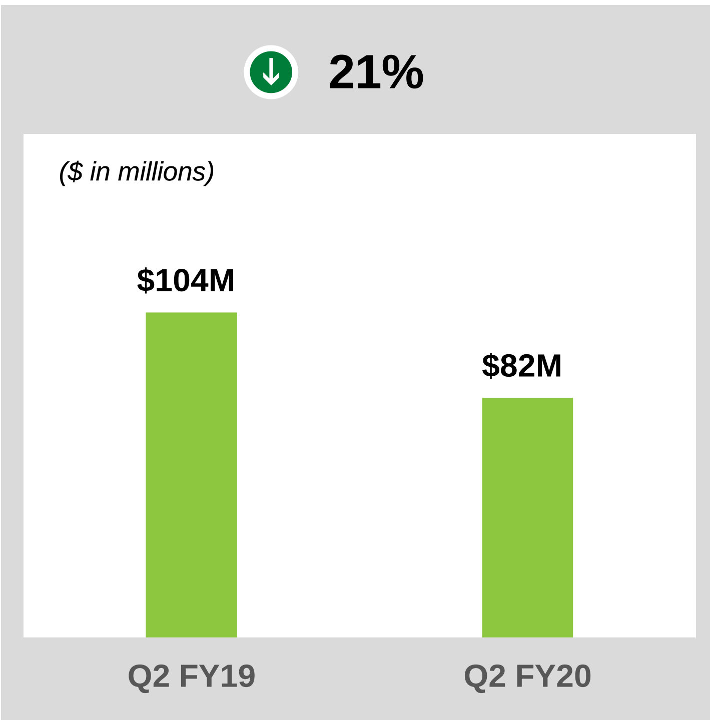
Segment Results*

($M)	**Sales** *Organic % yoy*	**EBITA Margin** *Change yoy*	**Comments**
North America	**$2,175** *FLAT*	**11.6%** *-20bps*	Service +2% / Install (2%) Orders (7%); Backlog $5.8B +4%
EMEALA	**$850** *(1%)*	**10.0%** *+80bps*	Service +2% / Install (4%) Orders (4%); Backlog $1.7B +6%
Asia Pac	**$525** *(14%)*	**12.4%** *+30bps*	Service (7%) / Install (20%) Orders (11%); Backlog $1.5B +3%
Global Products	**$1,894** *(8%)*	**11.4%** *-80bps*	Building Mgmt Flat HVAC Equipment (LDD) Specialty Products (MSD)

- Orders declined 7% year-over-year
- Backlog up 4% organically to $9.0 billion

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

Corporate Expense* (continuing operations)



- Realization of cost synergies and productivity savings
- COVID-19 cost actions
- Ongoing cost reductions related to Power Solutions sale

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

2nd Half Fiscal 2020 Framework*

	2nd Half FY20
Organic Revenue Decline	**(15 – 20%)**
Mitigating Cost Actions (including Corporate)	**$400 - 450M**
Net Decrementals on Revenue Decline	**(Low 20s)**

Mitigating Actions

- Comp & Benefits ~60%
- Indirect Spend ~30%
- Facilities ~10%

Previous FY20 Guidance Withdrawn

* Non-GAAP excludes special items.

Appendix:
Supplemental Information

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Direct Material Supply Base

Americas

United States
- # of Suppliers ~1,100
- Supply Chain Spend $2.2B

Mexico
- # of Suppliers ~100
- Supply Chain Spend $250M

EMEALA

Europe
- # of Suppliers ~700
- Supply Chain Spend $420M

Middle East
- # of Suppliers ~100
- Supply Chain Spend $75M

LATAM
- # of Suppliers ~100
- Supply Chain Spend $50M

APAC

China
- # of Suppliers ~400
- Supply Chain Spend $1.0B

India
- # of Suppliers ~100
- Supply Chain Spend $175M

Malaysia
- # of Suppliers ~100
- Supply Chain Spend $60M

Segment End Market Performance*

Field	North America	EMEALA	APAC
Organic Revenue	FLAT	(1%)	(14%)
Service	+2%	+2%	(7%)
Install	(2%)	(4%)	(20%)
HVAC & Controls	+LSD	(MSD)	(HT)
Fire & Security	(LSD)	(LSD)	(LSD)
Performance Contracting	+MSD	-	-
Industrial Refrigeration	-	+MSD	-

Global Products	Building Management	HVAC Equipment	Specialty Products
Organic Growth	Flat	(LDD)	(MSD)
Residential	-	(MT); NA (>20%)	-
Light Commercial	-	(MSD); NA (MSD)	-
Applied Equipment	-	(MT)	-
VRF	-	(LSD)	-
Industrial Refrigeration	-	(MSD)	-

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

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FY20 Second Quarter
Financial Results (continuing operations)

($ in millions, except earnings per share)	**Q2 FY19** GAAP	**Q2 FY20** GAAP	**Q2 FY19*** NON-GAAP	**Q2 FY20*** NON-GAAP	**% Change** NON-GAAP
Sales	$5,779	$5,444	$5,779	$5,444	(6%)
Gross profit	1,844	1,801	1,844	1,801	(2%)
% of sales	*31.9%*	*33.1%*	*31.9%*	*33.1%*	
SG&A expenses	1,458	1,451	1,408	1,381	(2%)
Restructuring & impairment costs	-	62	-	-	
Equity income	33	20	33	20	(39%)
EBIT	419	308	469	440	(6%)
EBIT margin	***7.3%***	***5.7%***	***8.1%***	***8.1%***	
Net financing charges	98	59	98	59	(40%)
Income before income taxes	321	249	371	381	3%
Income tax provision	47	13	50	52	4%
Net income	274	236	321	329	2%
Income attributable to noncontrolling interests	34	23	34	12	(65%)
Net income attributable to JCI	$240	$213	$287	$317	10%
Diluted EPS	**$0.26**	**$0.28**	**$0.32**	**$0.42**	31%

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

FY20 Second Quarter
Special Items (continuing operations)

$ In millions, except EPS

Q2 FY20	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax/NCI Income (Expense)	EPS Impact
Integration costs	$(38)	$6	$-	$(32)	$(0.04)
Net mark-to-market adjustments	(32)	7	-	(25)	(0.03)
Impairment charge	(62)	4	-	(58)	(0.08)
Discrete income tax items	-	22	(11)	11	0.01
Total	**$(132)**	**$39**	**$(11)**	**$(104)**	**$(0.14)**

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

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JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data; unaudited)

	Three Months Ended March 31,	
	2020	2019
Net sales	$ 5,444	$ 5,779
Cost of sales	3,643	3,935
Gross profit	1,801	1,844
Selling, general and administrative expenses	(1,451)	(1,458)
Restructuring and impairment costs	(62)	-
Net financing charges	(59)	(98)
Equity income	20	33
Income from continuing operations before income taxes	249	321
Income tax provision	13	47
Income from continuing operations	236	274
Income from discontinued operations, net of tax	-	284
Net income	236	558
Less: Income from continuing operations attributable to noncontrolling interests	23	34
Less: Income from discontinued operations attributable to noncontrolling interests	-	9
Net income attributable to JCI	$ 213	$ 515
Income from continuing operations	$ 213	$ 240
Income from discontinued operations	-	275
Net income attributable to JCI	$ 213	$ 515
Diluted earnings per share from continuing operations	$ 0.28	$ 0.26
Diluted earnings per share from discontinued operations	-	0.30
Diluted earnings per share*	$ 0.28	$ 0.57
Diluted weighted average shares	757.1	905.9
Shares outstanding at period end	743.9	898.1

* May not sum due to rounding.

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Six Months Ended March 31,	
	2020	2019
Net sales	$ 11,020	$ 11,243
Cost of sales	7,416	7,674
Gross profit	3,604	3,569
Selling, general and administrative expenses	(2,878)	(2,896)
Restructuring and impairment costs	(173)	-
Net financing charges	(111)	(183)
Equity income	63	75
Income from continuing operations before income taxes	505	565
Income tax provision	78	155
Income from continuing operations	427	410
Income from discontinued operations, net of tax	-	547
Net income	427	957
Less: Income from continuing operations attributable to noncontrolling interests	55	63
Less: Income from discontinued operations attributable to noncontrolling interests	-	24
Net income attributable to JCI	$ 372	$ 870
Income from continuing operations	$ 372	$ 347
Income from discontinued operations	-	523
Net income attributable to JCI	$ 372	$ 870
Diluted earnings per share from continuing operations	$ 0.49	$ 0.38
Diluted earnings per share from discontinued operations	-	0.57
Diluted earnings per share	$ 0.49	$ 0.95
Diluted weighted average shares	765.6	915.6
Shares outstanding at period end	743.9	898.1

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	March 31, 2020	September 30, 2019
ASSETS		
Cash and cash equivalents	$ 1,006	$ 2,805
Accounts receivable - net	5,492	5,770
Inventories	2,030	1,814
Assets held for sale	91	98
Other current assets	1,336	1,906
Current assets	9,955	12,393
Property, plant and equipment - net	3,274	3,348
Goodwill	18,072	18,178
Other intangible assets - net	5,391	5,632
Investments in partially-owned affiliates	869	853
Noncurrent assets held for sale	46	60
Other noncurrent assets	2,795	1,823
Total assets	$ 40,402	$ 42,287
LIABILITIES AND EQUITY		
Short-term debt and current portion of long-term debt	$ 1,430	$ 511
Accounts payable and accrued expenses	3,813	4,535
Liabilities held for sale	39	44
Other current liabilities	4,227	3,980
Current liabilities	9,509	9,070
Long-term debt	5,640	6,708
Other noncurrent liabilities	6,165	5,680
Shareholders' equity attributable to JCI	18,084	19,766
Noncontrolling interests	1,004	1,063
Total liabilities and equity	$ 40,402	$ 42,287

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating Activities		
Net income attributable to JCI from continuing operations	$ 213	$ 240
Income from continuing operations attributable to noncontrolling interests	23	34
Net income from continuing operations	236	274
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	207	211
Pension and postretirement benefit income	(40)	(28)
Pension and postretirement contributions	(15)	(16)
Equity in earnings of partially-owned affiliates, net of dividends received	(19)	(31)
Deferred income taxes	(58)	460
Non-cash restructuring and impairment costs	62	-
Other - net	40	5
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	7	(285)
Inventories	(147)	(99)
Other assets	(58)	34
Restructuring reserves	(71)	(34)
Accounts payable and accrued liabilities	(107)	209
Accrued income taxes	118	(518)
Cash provided by operating activities from continuing operations	155	182
Investing Activities		
Capital expenditures	(124)	(125)
Acquisition of businesses, net of cash acquired	(10)	-
Other - net	19	2
Cash used by investing activities from continuing operations	(115)	(123)
Financing Activities		
Increase (decrease) in short and long-term debt - net	(177)	530
Stock repurchases	(816)	(533)
Payment of cash dividends	(199)	(239)
Dividends paid to noncontrolling interests	-	(89)
Proceeds from the exercise of stock options	18	38
Employee equity-based compensation withholding	(12)	(2)
Cash used by financing activities from continuing operations	(1,186)	(295)
Discontinued Operations		
Net cash provided (used) by operating activities	(14)	309
Net cash used by investing activities	-	(87)
Net cash used by financing activities	-	(17)
Net cash flows provided (used) by discontinued operations	(14)	205
Effect of exchange rate changes on cash, cash equivalents and restricted cash	7	5
Changes in cash held for sale	-	(28)
Decrease in cash, cash equivalents and restricted cash	$ (1,153)	$ (54)

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Operating Activities		
Net income attributable to JCI from continuing operations	$ 372	$ 347
Income from continuing operations attributable to noncontrolling interests	55	63
Net income from continuing operations	427	410
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	414	422
Pension and postretirement benefit income	(80)	(57)
Pension and postretirement contributions	(27)	(37)
Equity in earnings of partially-owned affiliates, net of dividends received	(11)	(67)
Deferred income taxes	(61)	503
Non-cash restructuring and impairment costs	116	-
Other - net	56	33
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	244	(139)
Inventories	(261)	(321)
Other assets	(150)	(29)
Restructuring reserves	(38)	(59)
Accounts payable and accrued liabilities	(605)	(17)
Accrued income taxes	642	(539)
Cash provided by operating activities from continuing operations	666	103
Investing Activities		
Capital expenditures	(250)	(278)
Acquisition of businesses, net of cash acquired	(58)	(13)
Business divestitures, net of cash divested	-	6
Other - net	20	26
Cash used by investing activities from continuing operations	(288)	(259)
Financing Activities		
Increase (decrease) in short and long-term debt - net	(167)	1,544
Stock repurchases	(1,467)	(1,000)
Payment of cash dividends	(402)	(479)
Proceeds from the exercise of stock options	39	51
Dividends paid to noncontrolling interests	(5)	(132)
Employee equity-based compensation withholding	(32)	(23)
Other - net	(2)	-
Cash used by financing activities from continuing operations	(2,036)	(39)
Discontinued Operations		
Net cash provided (used) by operating activities	(208)	502
Net cash used by investing activities	-	(153)
Net cash used by financing activities	-	(28)
Net cash flows provided (used) by discontinued operations	(208)	321
Effect of exchange rate changes on cash, cash equivalents and restricted cash	64	(38)
Changes in cash held for sale	-	(30)
Increase (decrease) in cash, cash equivalents and restricted cash	$ (1,802)	$ 58

FOOTNOTES

1. Financial Summary

The Company evaluates the performance of its business units primarily on segment earnings before interest, taxes and amortization (EBITA), which represents income from continuing operations before income taxes and noncontrolling interests, excluding general corporate expenses, intangible asset amortization, net financing charges, restructuring and impairment costs, and the net mark-to-market adjustments related to restricted asbestos investments and pension and postretirement plans. The financial results shown below are for continuing operations and exclude the Power Solutions business.

(in millions; unaudited)	Three Months Ended March 31,				Six Months Ended March 31,			
	2020		2019		2020		2019	
	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP
Net sales								
Building Solutions North America	$ 2,175	$ 2,175	$ 2,187	$ 2,187	$ 4,342	$ 4,342	$ 4,303	$ 4,303
Building Solutions EMEA/LA	850	850	878	878	1,778	1,778	1,785	1,785
Building Solutions Asia Pacific	525	525	628	628	1,154	1,154	1,241	1,241
Global Products	1,894	1,894	2,086	2,086	3,746	3,746	3,914	3,914
Net sales	$ 5,444	$ 5,444	$ 5,779	$ 5,779	$ 11,020	$ 11,020	$ 11,243	$ 11,243
Segment EBITA (1)								
Building Solutions North America	$ 251	$ 253	$ 257	$ 259	$ 509	$ 512	$ 507	$ 512
Building Solutions EMEA/LA	85	85	80	81	175	175	157	158
Building Solutions Asia Pacific	65	65	76	76	137	137	142	142
Global Products	216	216	251	255	419	420	441	449
Segment EBITA	617	619	664	671	1,240	1,244	1,247	1,261
Corporate expenses (2)	(118)	(82)	(167)	(104)	(236)	(163)	(303)	(197)
Amortization of intangible assets	(97)	(97)	(98)	(98)	(193)	(193)	(195)	(195)
Net mark-to-market adjustments (3)	(32)	-	20	-	(22)	-	(1)	-
Restructuring and impairment costs (4)	(62)	-	-	-	(173)	-	-	-
EBIT (5)	308	440	419	469	616	888	748	869
EBIT margin	5.7%	8.1%	7.3%	8.1%	5.6%	8.1%	6.7%	7.7%
Net financing charges	(59)	(59)	(98)	(98)	(111)	(111)	(183)	(183)
Income from continuing operations before income taxes	249	381	321	371	505	777	565	686
Income tax provision (6)	(13)	(52)	(47)	(50)	(78)	(105)	(155)	(93)
Income from continuing operations	236	329	274	321	427	672	410	593
Income from continuing operations attributable to noncontrolling interests	(23)	(12)	(34)	(34)	(55)	(49)	(63)	(63)
Net income from continuing operations attributable to JCI	$ 213	$ 317	$ 240	$ 287	$ 372	$ 623	$ 347	$ 530

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

A reconciliation of segment EBITA to income from continuing operations is shown earlier within this footnote. The following is the three months ended March 31, 2020 and 2019 reconciliation of segment EBITA and segment EBITA margin as reported to adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment EBITA as reported	$ 251	$ 257	$ 85	$ 80	$ 65	$ 76	$ 216	$ 251	$ 617	$ 664
Segment EBITA margin as reported	11.5%	11.8%	10.0%	9.1%	12.4%	12.1%	11.4%	12.0%	11.3%	11.5%
Adjusting items:										
Integration costs	2	2	-	1	-	-	-	4	2	7
Adjusted segment EBITA	$ 253	$ 259	$ 85	$ 81	$ 65	$ 76	$ 216	$ 255	$ 619	$ 671
Adjusted segment EBITA margin	11.6%	11.8%	10.0%	9.2%	12.4%	12.1%	11.4%	12.2%	11.4%	11.6%

The following is the six months ended March 31, 2020 and 2019 reconciliation of segment EBITA and segment EBITA margin as reported to adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment EBITA as reported	$ 509	$ 507	$ 175	$ 157	$ 137	$ 142	$ 419	$ 441	$ 1,240	$ 1,247
Segment EBITA margin as reported	11.7%	11.8%	9.8%	8.8%	11.9%	11.4%	11.2%	11.3%	11.3%	11.1%
Adjusting items:										
Integration costs	3	5	-	1	-	-	1	8	4	14
Adjusted segment EBITA	$ 512	$ 512	$ 175	$ 158	$ 137	$ 142	$ 420	$ 449	$ 1,244	$ 1,261
Adjusted segment EBITA margin	11.8%	11.9%	9.8%	8.9%	11.9%	11.4%	11.2%	11.5%	11.3%	11.2%

(2) Adjusted Corporate expenses excludes special items because these costs are not considered to be directly related to the underlying operating performance of the Company's business. Adjusted Corporate expenses for the three months ended March 31, 2020 excludes $36 million of integration costs. Adjusted Corporate expenses for the six months ended March 31, 2020 excludes $73 million of integration costs. Adjusted Corporate expenses for the three months ended March 31, 2019 excludes $61 million of integration costs and $2 million of transaction costs. Adjusted Corporate expenses for the six months ended March 31, 2019 excludes $102 million of integration costs and $4 million of transaction costs.

(3) The three months ended March 31, 2020 exclude the net mark-to-market adjustments on restricted investments of $32 million. The six months ended March 31, 2020 exclude the net mark-to-market adjustments on restricted investments of $22 million. The three months ended March 31, 2019 exclude the net mark-to-market adjustments on restricted investments of $20 million. The six months ended March 31, 2019 exclude the net mark-to-market adjustments on restricted investments of $1 million.

(4) Restructuring and impairment costs for the three months ended March 31, 2020 of $62 million are excluded from the adjusted non-GAAP results. Restructuring and impairment costs for the six months ended March 31, 2020 of $173 million are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs related primarily to workforce reductions, plant closures and asset impairments.

(5) Management defines earnings before interest and taxes (EBIT) as income from continuing operations before net financing charges, income taxes and noncontrolling interests. EBIT is a non-GAAP performance measure. Management believes this non-GAAP measure is useful to investors in understanding the ongoing operations and business trends of the Company. A reconciliation of EBIT to income from continuing operations is shown earlier within this footnote.

(6) Adjusted income tax provision for the three months ended March 31, 2020 excludes tax benefits from tax audit reserve adjustments of $22 million, net mark-to-market adjustments of $7 million, integration costs of $6 million, and restructuring and impairment costs of $4 million. Adjusted income tax provision for the six months ended March 31, 2020 excludes tax benefits from tax audit reserve adjustments of $22 million, restructuring and impairment costs of $20 million, integration costs of $11 million and net mark-to-market adjustments of $4 million, partially offset by tax provisions related to Switzerland tax reform of $30 million. Adjusted income tax provision for the three months ended March 31, 2019 excludes the tax benefits of integration costs of $7 million and transaction costs of $1 million, partially offset by the tax provision for net mark-to-market adjustments of $5 million. Adjusted income tax provision for the six months ended March 31, 2019 excludes the tax provision for valuation allowance adjustments of $76 million as a result of changes in U.S. tax law, partially offset by the tax benefits for integration costs of $13 million and transaction costs of $1 million.

2. Diluted Earnings Per Share Reconciliation

The Company's press release contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include transaction/integration costs, net mark-to-market adjustments, restructuring and impairment costs, impact of ceasing the depreciation and amortization expense for the Power Solutions business as the business is held for sale, and discrete tax items. The Company excludes these items because they are not considered to be directly related to the underlying operating performance of the Company. Management believes these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company.

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

	Net Income Attributable to JCI plc Three Months Ended March 31,		Net Income Attributable to JCI plc from Continuing Operations Three Months Ended March 31,		Net Income Attributable to JCI plc Six Months Ended March 31,		Net Income Attributable to JCI plc from Continuing Operations Six Months Ended March 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Earnings per share as reported for JCI plc	$ 0.28	$ 0.57	$ 0.28	$ 0.26	$ 0.49	$ 0.95	$ 0.49	$ 0.38
Adjusting items:								
Transaction costs	-	0.02	-	-	-	0.05	-	-
Related tax impact	-	-	-	-	-	(0.01)	-	-
Integration costs	0.05	0.08	0.05	0.08	0.10	0.13	0.10	0.13
Related tax impact	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net mark-to-market adjustments	0.04	(0.02)	0.04	(0.02)	0.03	-	0.03	-
Related tax impact	(0.01)	0.01	(0.01)	0.01	(0.01)	-	(0.01)	-
Restructuring and impairment costs	0.08	-	0.08	-	0.23	-	0.23	-
Related tax impact	(0.01)	-	(0.01)	-	(0.03)	-	(0.03)	-
NCI impact of restructuring and impairment	-	-	-	-	(0.01)	-	(0.01)	-
Cease of Power Solutions depreciation / amortization expense	-	(0.07)	-	-	-	(0.10)	-	-
Related tax impact	-	0.02	-	-	-	0.03	-	-
Discrete tax items	(0.03)	-	(0.03)	-	0.01	0.16	0.01	0.08
NCI impact of discrete tax items	0.01	-	0.01	-	0.01	-	0.01	-
Adjusted earnings per share for JCI plc*	$ 0.42	$ 0.59	$ 0.42	$ 0.32	$ 0.81	$ 1.20	$ 0.81	$ 0.58

* May not sum due to rounding

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Weighted average shares outstanding for JCI plc				
Basic weighted average shares outstanding	754.8	902.5	762.4	912.1
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	2.3	3.4	3.2	3.5
Diluted weighted average shares outstanding	757.1	905.9	765.6	915.6

The Company has presented forward-looking statements regarding organic net sales, net decrementals and adjusted free cash flow conversion, which are non-GAAP financial measures. These non-GAAP financial measures are derived by excluding certain amounts, expenses, income or cash flows from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period, including but not limited to the high variability of the net mark-to-market adjustments and the effect of foreign currency exchange fluctuations. Our fiscal 2020 framework for organic net sales also excludes the effect of acquisitions, divestitures and foreign currency. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available and management cannot reliably predict all of the necessary components of such GAAP measures without unreasonable effort or expense. The unavailable information could have a significant impact on the Company's full year 2020 GAAP financial results.

3. Organic Growth Reconciliation

The components of the changes in net sales for the three months ended March 31, 2020 versus the three months ended March 31, 2019, including organic growth, is shown below (unaudited):

(in millions)	Net Sales for the Three Months Ended March 31, 2019	Base Year Adjustments - Divestitures and Other		Adjusted Base Net Sales for the Three Months Ended March 31, 2019	Acquisitions		Foreign Currency		Organic Growth		Net Sales for the Three Months Ended March 31, 2020	
Building Solutions North America	$ 2,187	$ -	-	$ 2,187	$ -	-	$ (2)	-	$ (10)	-	$ 2,175	-1%
Building Solutions EMEA/LA	878	2	-	880	10	1%	(33)	-4%	(7)	-1%	850	-3%
Building Solutions Asia Pacific	628	-	-	628	2	-	(15)	-2%	(90)	-14%	525	-16%
Total field	3,693	2	-	3,695	12	-	(50)	-1%	(107)	-3%	3,550	-4%
Global Products	2,086	(7)	-	2,079	2	-	(13)	-1%	(174)	-8%	1,894	-9%
Total net sales	$ 5,779	$ (5)	-	$ 5,774	$ 14	-	$ (63)	-1%	$ (281)	-5%	$ 5,444	-6%

The components of the changes in net sales for the six months ended March 31, 2020 versus the six months ended March 31, 2019, including organic growth, is shown below (unaudited):

(in millions)	Net Sales for the Six Months Ended March 31, 2019	Base Year Adjustments - Divestitures and Other		Adjusted Base Net Sales for the Six Months Ended March 31, 2019	Acquisitions		Foreign Currency		Organic Growth		Net Sales for the Six Months Ended March 31, 2020	
Building Solutions North America	$ 4,303	$ (2)	-	$ 4,301	$ -	-	$ (2)	-	$ 43	1%	$ 4,342	1%
Building Solutions EMEA/LA	1,785	(23)	-1%	1,762	15	1%	(58)	-3%	59	3%	1,778	-
Building Solutions Asia Pacific	1,241	-	-	1,241	4	-	(20)	-2%	(71)	-6%	1,154	-7%
Total field	7,329	(25)	-	7,304	19	-	(80)	-1%	31	-	7,274	-
Global Products	3,914	(15)	-	3,899	3	-	(10)	-	(146)	-4%	3,746	-4%
Total net sales	$ 11,243	$ (40)	-	$ 11,203	$ 22	-	$ (90)	-1%	$ (115)	-1%	$ 11,020	-2%

The components of the changes in segment EBITA and EBIT for the three months ended March 31, 2020 versus the three months ended March 31, 2019, including organic growth, is shown below (unaudited):

(in millions)	Adjusted Segment EBITA / EBIT for the Three Months Ended March 31, 2019	Base Year Adjustments - Divestitures and Other		Adjusted Base Segment EBITA / EBIT for the Three Months Ended March 31, 2019	Acquisitions		Foreign Currency		Organic Growth		Adjusted Segment EBITA / EBIT for the Three Months Ended March 31, 2020	
Building Solutions North America	$ 259	$ -	-	$ 259	$ -	-	$ -	-	$ (6)	-2%	$ 253	-2%
Building Solutions EMEA/LA	81	-	-	81	2	2%	(6)	-7%	8	10%	85	5%
Building Solutions Asia Pacific	76	-	-	76	-	-	(1)	-1%	(10)	-13%	65	-14%
Total field	416	-	-	416	2	-	(7)	-2%	(8)	-2%	403	-3%
Global Products	255	(1)	-	254	-	-	(2)	-1%	(36)	-14%	216	-15%
Total adjusted segment EBITA	671	(1)	-	670	$ 2	-	$ (9)	-1%	$ (44)	-7%	619	-8%
Corporate expenses	(104)	-		(104)							(82)	21%
Amortization of intangible assets	(98)	-		(98)							(97)	1%
Total adjusted EBIT	$ 469	$ (1)		$ 468							$ 440	-6%

The components of the changes in segment EBITA and EBIT for the six months ended March 31, 2020 versus the six months ended March 31, 2019, including organic growth, is shown below (unaudited):

(in millions)	Adjusted Segment EBITA / EBIT for the Six Months Ended March 31, 2019	Base Year Adjustments - Divestitures and Other		Adjusted Base Segment EBITA / EBIT for the Six Months Ended March 31, 2019	Acquisitions		Foreign Currency		Organic Growth		Adjusted Segment EBITA / EBIT for the Six Months Ended March 31, 2020	
Building Solutions North America	$ 512	$ -	-	$ 512	$ -	-	$ -	-	$ -	-	$ 512	-
Building Solutions EMEA/LA	158	(1)	-1%	157	3	2%	(9)	-6%	24	15%	175	11%
Building Solutions Asia Pacific	142	-	-	142	1	1%	(1)	-1%	(5)	-4%	137	-4%
Total field	812	(1)	-	811	4	-	(10)	-1%	19	2%	824	2%
Global Products	449	(1)	-	448	(1)	-	(3)	-1%	(24)	-5%	420	-6%
Total adjusted segment EBITA	1,261	(2)	-	1,259	$ 3	-	$ (13)	-1%	$ (5)	-	1,244	-1%
Corporate expenses	(197)	-		(197)							(163)	17%
Amortization of intangible assets	(195)	-		(195)							(193)	1%
Total adjusted EBIT	$ 869	$ (2)		$ 867							$ 888	2%

4. Adjusted Free Cash Flow Reconciliation

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

The following is the three months and six months ended March 31, 2020 and 2019 reconciliation of free cash flow, adjusted free cash flow and adjusted free cash flow conversion for continuing operations (unaudited):

(in billions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Cash provided by operating activities from continuing operations	$ 0.2	$ 0.2	$ 0.7	$ 0.1
Capital expenditures	(0.1)	(0.1)	(0.3)	(0.3)
Reported free cash flow *	-	0.1	0.4	(0.2)
Adjusting items:				
Transaction/integration costs	-	0.1	0.2	0.1
Restructuring payments	0.1	-	0.1	0.1
Nonrecurring tax refunds	-	-	(0.6)	-
Total adjusting items	0.1	0.1	(0.3)	0.2
Adjusted free cash flow *	$ 0.2	$ 0.2	$ 0.1	$ -
Adjusted net income from continuing operations attributable to JCI	$ 0.3	$ 0.3	$ 0.6	$ 0.5
Adjusted free cash flow conversion	67%	67%	17%	0%

* May not sum due to rounding

5. Net Debt to EBITDA

The Company provides financial information regarding net debt to adjusted EBITDA, which is a non-GAAP performance measure. The Company believes the total net debt to adjusted EBITDA ratio is useful to understanding the Company's financial condition as it provides a review of the extent to which the Company relies on external debt financing for its funding and is a measure of risk to its shareholders. The following is the March 31, 2020 and December 31, 2019 calculation of net debt to adjusted EBITDA (unaudited):

(in millions)	March 31, 2020	December 31, 2019
Short-term debt and current portion of long-term debt	$ 1,430	$ 1,362
Long-term debt	5,640	5,920
Total debt	7,070	7,282
Less: cash and cash equivalents	1,006	2,160
Total net debt	$ 6,064	$ 5,122
Last twelve months adjusted EBITDA	$ 3,326	$ 3,359
Total net debt to adjusted EBITDA	1.8x	1.5x

The following is the last twelve months ended March 31, 2020 and December 31, 2019 reconciliation of income from continuing operations to adjusted EBIT and adjusted EBITDA, which are non-GAAP performance measures (unaudited):

(in millions)	Last Twelve Months Ended March 31, 2020	Last Twelve Months Ended December 31, 2019
Income from continuing operations	$ 1,306	$ 1,344
Income tax benefit	(310)	(276)
Net financing charges	278	317
EBIT	1,274	1,385
Adjusting items:		
Transaction costs	7	9
Integration costs	267	297
Net mark-to-market adjustments	639	587
Restructuring and impairment costs	408	346
Tax indemnification reserve release	(226)	(226)
Environmental reserve	140	140
Adjusted EBIT (1)	2,509	2,538
Depreciation and amortization	817	821
Adjusted EBITDA (1)	$ 3,326	$ 3,359

(1) The Company's definition of adjusted EBIT and adjusted EBITDA excludes special items because these costs are not considered to be directly related to the underlying operating performance of its businesses. Management believes this non-GAAP measure is useful to investors in understanding the ongoing operations and business trends of the Company.

6. Income Taxes

The Company's effective tax rate from continuing operations before consideration of transaction/integration costs, net mark-to-market adjustments, restructuring and impairment costs, and discrete tax items for the three and six months ending March 31, 2020 and March 31, 2019 is approximately 13.5%.

7. Restructuring and Impairment Costs

The three months ended March 31, 2020 include restructuring and impairment costs of $62 million related to indefinite-lived intangible asset impairments primarily related to the Company's retail business. The six months ended March 31, 2020 include restructuring and impairment costs of $173 million related primarily to workforce reductions, plant closures and asset impairments.

8. Leases

On October 1, 2019, the Company adopted ASU 2016-02, "Leases (Topic 842)," which requires recognition of operating leases as a lease asset and liabilities on the balance sheet. The adoption of the new guidance resulted in recognition of a right-of-use asset and related lease liabilities of $1.1 billion.