Fiscal Q1 2022 Earnings Conference Call

February 2, 2022

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, 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. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond its control, that could cause its actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: Johnson Controls’ ability to manage general economic, business, capital market and geopolitical conditions, including global price inflation and shortages impacting the availability of raw materials and component products; Johnson Controls’ ability to manage the impacts of natural disasters, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic; the strength of the U.S. or other economies; changes or uncertainty in laws, regulations, rates, policies or interpretations that impact Johnson Controls’ business operations or tax status; the ability to develop or acquire new products and technologies that achieve market acceptance and meet applicable regulatory requirements; changes to laws or policies governing foreign trade, including increased tariffs or trade restrictions; maintaining the capacity, reliability and security of Johnson Controls’ enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls’ digital platforms and services; the risk of infringement or expiration of intellectual property rights; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the outcome of litigation and governmental proceedings; the ability to hire and retain senior management and other key personnel; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; fluctuations in currency exchange rates; 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, 2021 filed with the United States Securities and Exchange Commission ("SEC") on November 15, 2021, 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, net mark-to-market adjustments, Silent-Aire transaction costs and other nonrecurring costs, Power Solutions divestiture reserve adjustment and discrete tax items. Financial information regarding organic sales, adjusted sales, EBIT, EBIT margin, total segment EBITA, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, free cash flow, free cash flow conversion, net debt and net debt/EBITDA are also presented, which are non-GAAP performance measures. Management believes that, when considered together with unadjusted amounts, these non-GAAP measures are useful to investors in understanding period-over-period operating results and business trends of 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 the non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the attached footnotes.

Johnson Controls

Executing On Our Commitments

- Continued strong execution in a challenging environment
- Demand remains strong...recovery continues
- Driving value creation through Services
- On track to deliver ~$230M in productivity savings in FY22
- Strong FCF performance supports capital deployment opportunities
- Leading positions in key vectors of growth: decarbonization, smart buildings and healthy buildings
- FY22 guidance and outlook reaffirmed

Johnson Controls

Honored to be Recognized as an ESG & Smart Buildings Leader

Corporate Knights 2022 Global 100 Most Sustainable Corporations in the World

- Ranked 1st among both Building Products peers and HVAC equipment manufacturers
- Ranked 12th overall (up from 38th in 2021)

Identified as a Sustainalytics Top-Rated ESG Performer

- Ranked 3rd among Building Products peers for strong management of material ESG issues

Received HRH The Prince of Wales' Terra Carta Seal

- 1 of 45 companies globally to be recognized for our commitment to a more sustainable future
- Underscores our commitment to achieve Scope 1 and 2 Net Zero by 2040

IoT Company CEO of the Year 2022

- 2021 – Awarded "IoT Partner Ecosystem of the Year"
- 2020 – Awarded "Overall IoT Company of the Year"
- 2019 – Awarded "IoT Innovator of the Year"

Leadership position in the Verdantix Green Quadrant: IOT Platforms for Smart Buildings 2022

- Compares most prominent IoT platforms for smart buildings
- JCI received market leading scores
    - Asset monitoring and management
    - Balancing occupant wellbeing and energy efficiency
    - Space booking and comfort management
    - Building security capabilities

ACCELERATING REVENUE GROWTH

Optimizing & Transforming Service

$5.8B
FY21 PROFORMA SERVICE REVENUE[1]

~60%
RECURRING REVENUE

MSD
ANNUAL GROWTH RATE

2x MARGIN*
COMPANY EBITA MARGIN RATE

Q1 Revenue +5%	**Growth across all regions**
Q1 Orders +7%	**Led by double-digit growth in NA**
Q1 Attach Rate ~41%	**FY Guidance +400 to 500bps of improvement**

Digital Services & Products Revenues up HSD

*Adjusted and/or non-GAAP. Non-GAAP figures exclude special items.

[1] See appendix for additional information.

Johnson Controls

Buildings Play a Key Role in Achieving Net Zero

JCI Well Positioned and Differentiated

As an OEM and solutions provider, we have the technology and capabilities to provide complete solutions

Direct channel is a competitive advantage

Decades of experience guaranteeing outcomes and critical sustainability KPIs

Provide innovative deal structures

THE WHITE HOUSE
WASHINGTON

Biden Administration announces 'Building Performance Standards Coalition'

- Reinforces our vision on Decarbonization
- New performance standards **adopted by 33 states and cities**, accounting for nearly 20% of the nation's building footprint
  - Mandates current and new buildings to meet demanding CO_2 per sq ft requirements and includes escalating penalties

Q1 Performance Infrastructure Backlog +10% YoY

Decarbonization $240B industry through 2035[1]

[1] Source: Energy Information Administration, Guidehouse, Urban Green Council, Rocky Mountain Institute, JCI analysis; Represents incremental opportunity; majority of total opportunity is retrofit. Remainder is onsite renewables and advisory services.

Johnson Controls

DELIVERING HEALTHY & SUSTAINABLE BUILDINGS

OpenBlue Indoor Air Quality-as-a-Service (IAQaaS)

Why Johnson Controls?

IAQ research
Data-driven outcomes for better-informed decision making & benchmarking

Clean air experts
Air quality guaranteed through tried-and-tested clean air technologies & strategies

End-to-end capabilities from a trusted ecosystem of partners
Solutions tailored to customer needs

Solutions validated and in use with customers
Reputation for excellence

Global network with local presence
Single provider means one point of contact for simplified processes

OpenBlue IAQaaS Technical flow

Building IAQ values:

- CO_2
- Particulate matter
- Volatile organic compounds
- Temperature
- Humidity

IAQ sensor

Monitoring, Display, Compliance, Control Options

Metasys Building Automation Systems:

- Control of IAQ devices (dampers, UV lights, air handlers, etc.)
- Display of IAQ data, alarm trends

OpenBlue Enterprise Manager:

- Display of dashboard
- Optimization of IAQ & energy spend
- AI-powered recommendations for IAQ improvements
- Dashboards and recommendations for third-party BAS

Remote Operations Center:

- Remote monitoring of IAQ data
- Remote advisory of IAQ improvements
- Standardized customer reporting against IAQ outcomes
- Metasys operational changes

✓ **Subscription-based Model** ✓ **Turnkey Solution** ✓ **Clean Air + Energy Optimization**

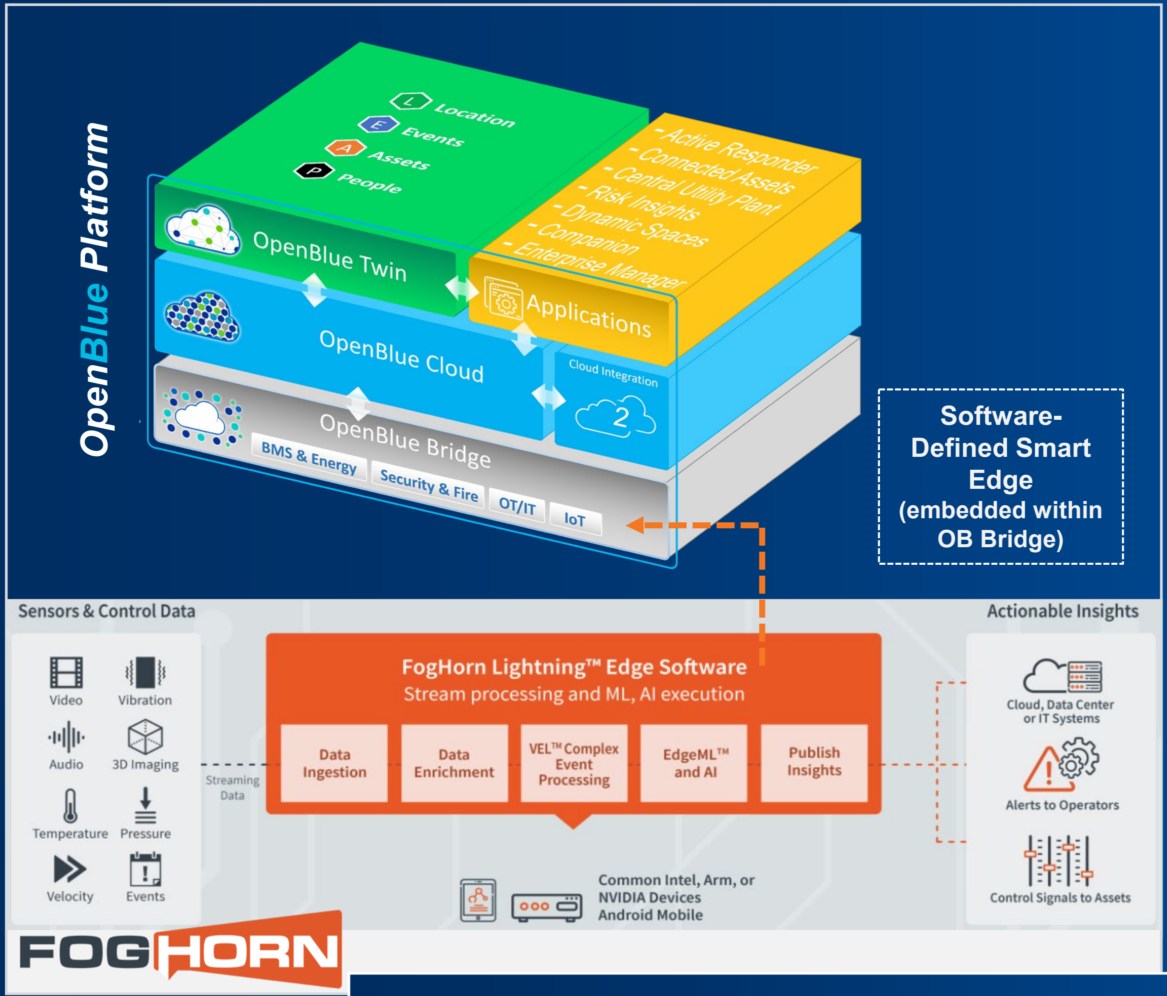
Q1 Healthy Buildings Orders +>45% YoY
$10-15B industry through 2030[1]

[1] Source: CleanTech Research & Markets, Guidehouse, JCI analysis.

Johnson Controls

PRODUCT TECHNOLOGY & INNOVATION

OpenBlue + FogHorn: Intelligence @ the Edge



Recognized Industry Leader with most Advanced Technology

- ✓ **Edge Anomaly Detection and Predictive Maintenance –** Proactive identification, alert generation in the moment
- ✓ **Local Control –** Multi-vendor BMS integration and management at the edge
- ✓ **Multi Cloud Support –** Data storage and model training
- ✓ **Smart Controls –** Solutions built for comfort, energy and carbon footprint reduction
- ✓ **Edge Dashboards** – Real-time monitoring of assets and alerts

✓ **Increased Speed** ✓ **Improved Cybersecurity** ✓ **Reduced Cost**

Strengthening our Capabilities in Smart Buildings

$70B industry through 2030[1]

[1] Source: Memoori, Navigant, JCI analysis

Johnson Controls

Customer Wins Across Regions Addressing Sustainability

North America

Performance Infrastructure/Connected Chiller project in Ontario

- Installed York YST steam turbine chiller with parallel electric driveline (dual drive)
- Increases flexibility/resiliency to run on (co-gen) steam or electric power
- **Optimizes operating costs and GHG emissions**
- Includes **OpenBlue connected chiller** technology; AI-enabled to optimize performance

✓ **Projected to reduce annual GHG emissions by 3k tons**

EMEALA

ESCO/Sustainability project in UAE

- JCI will leverage **OpenBlue** to power energy efficiency program across Aldar Properties' network of schools to achieve their sustainability commitments
- JCI will also replace/retrofit HVAC equipment, lighting, and all other energy-consuming assets
- Goal to **reduce energy usage, water consumption, carbon footprint, and operating costs**

✓ **Expected to yield >20% reduction in annual utility spend**

APAC

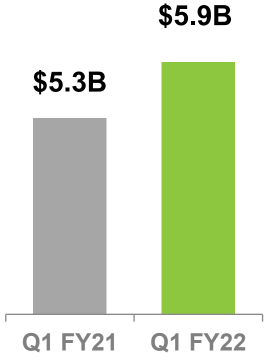
Energy Efficiency/Controls project in Wuxi, China

- Longstanding customer with an installed base of York chillers and Metasys controls systems
- JCI selected to further improve **energy savings by upgrading Metasys and integrating OpenBlue** in an on-prem configuration, with AI capabilities to optimize the performance of the chiller plant

✓ **Targeting 13.5% decline in energy consumption**

Fiscal Q1 Financial Summary*
Strong Execution in a Challenging Environment

SALES



+8% Organic

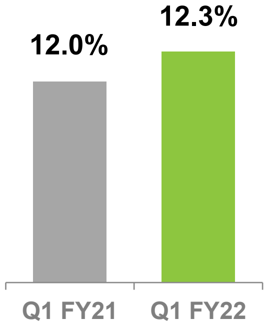
+ Field organic growth +6%; service +5%
+ Global Products organic revenue +14%

EPS

+26%

+ Increased profitability
+ Lower share count

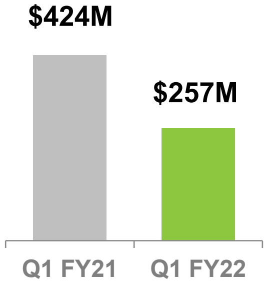
Segment EBITA MARGIN



+30bps

+ Volume leverage
+ Benefit of SG&A & COGS actions
- Price/cost & supply chain inefficiencies

FCF



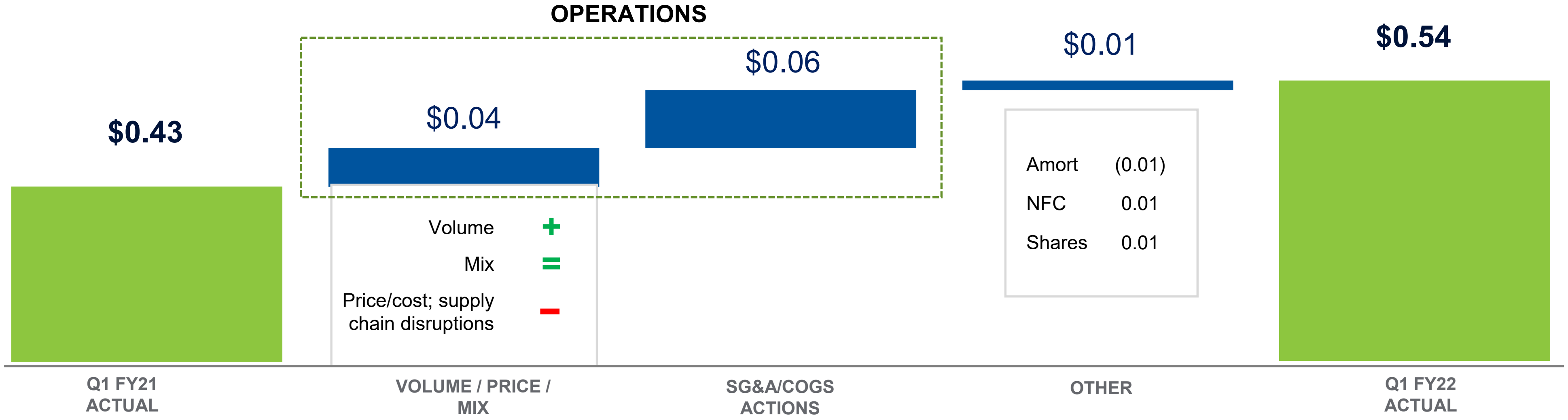
68% Conversion

+ Strong Trade Working Capital management
- Higher Capex vs. prior year
- Absence of prior year COVID benefits

*All figures other than sales are adjusted and/or non-GAAP. Non-GAAP figures exclude special items. See footnotes for reconciliation.

Johnson Controls

Fiscal Q1 EPS Bridge* (Continuing Operations)
Strong Operational Performance

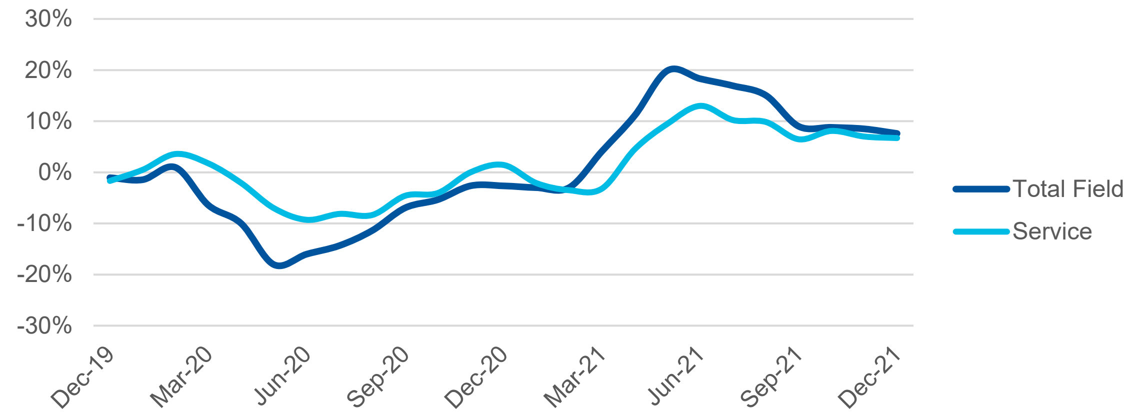


- Strong and accelerating operational performance
- Disciplined price / cost execution; offsetting significant increase in costs and supply chain disruptions
- Accelerating SG&A / COGS productivity actions
- Adjusting for price/cost and supply chain disruptions, incrementals of ~40%

*Non-GAAP EPS from continuing operations, excluding special items. See footnotes for reconciliation.

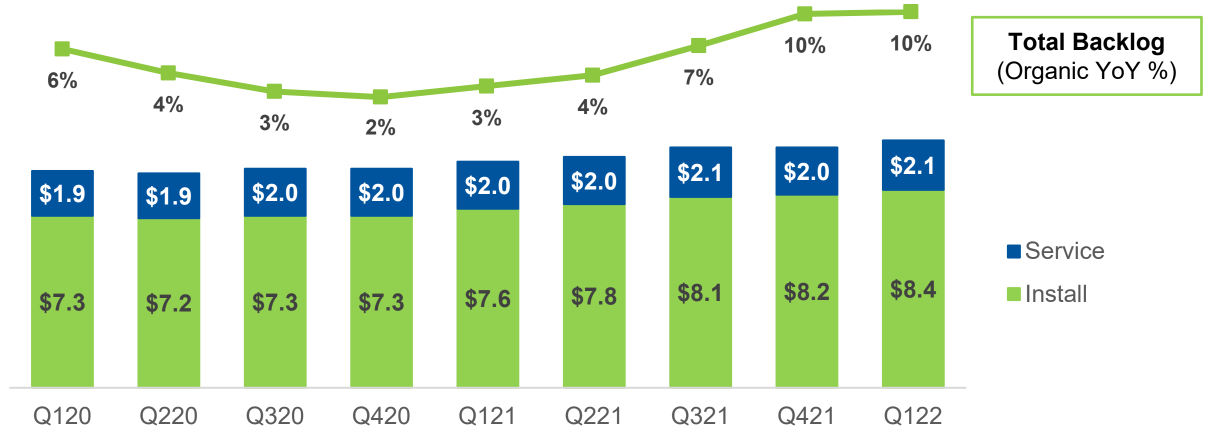
Order Momentum Continues & Backlog Continues To Build

Trailing 3-mo Field Orders (YoY % Chg)



- Trailing 3-month Field Orders +8% YoY
  - Service orders +7%
  - Install orders +8%

Backlog ($, billions; proforma for prospective service/install shift)



- Field backlog of $10.5B +10% YoY organic
- Service backlog +4% YoY; growth across all segments
- Install backlog +11% YoY; led by higher retrofit activity in NA & EMEALA and new construction in APAC
- Global Products backlog $1.9B nearly an 80% increase YOY organic

Fiscal Q1 Segment Results*
Managing Through Supply Chain Constraints

($M)	Sales *Organic % YoY*	EBITA Margin *Change YoY*	Comments
North America	**$2,152** *+5%*	**11.6%** *(90bps)*	▪ Service +7% / Install +4% ▪ Growth led by HVAC & Controls ▪ Significant headwinds from supply chain disruptions, material/labor availability, and operational inefficiencies ▪ Orders +11%; Backlog $6.5B, +12% YoY
EMEALA	**$959** *+3%*	**10.8%** *+50bps*	▪ Service +2% / Install +3% ▪ Growth led by Fire & Security ▪ Margin driven by positive price/cost partially offset by negative mix ▪ Orders +3%; Backlog $2.2B, +12% YoY
Asia Pac	**$675** *+12%*	**10.1%** *(260bps)*	▪ Service +4% / Install +15% ▪ China continues to lead other regions; revenue growth up nearly 30% ▪ Margin impacted by negative price/cost and install/service and geographic mix ▪ Orders +5%; Backlog $1.8B, +2% YoY
Global Products	**$2,076** *+14%*	**14.5%** *+240bps*	▪ Broad-based demand strength ▪ Strong volume leverage, net productivity and positive mix ▪ Material & freight inflation and supply chain disruptions ▪ Backlog of $1.9B, ~+80% YoY
Total Segment	**$5,862** *+8%*	**12.3%** *+30bps*	▪ Field: Service +5% / Install +6%; Products +14% ▪ Strong operational execution ▪ Order momentum continuing to build; strong growth in service ▪ Field orders +8%; Field backlog $10.5B, +10% YoY

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

Johnson Controls

Fiscal Q1 Segment End Market Performance*
Gaining Share Across HVAC and Fire & Security

Organic Sales % Change	% of FY21 Sales	North America	EMEALA	Asia PAC	Global Products	Consolidated JCI
Applied[1]	33%	+LDD	FLAT	+mid-teens	+high-teens[2]	+LDD
Light Commercial[3]	8%				+high-teens	+high-teens
Commercial HVAC	41%				+high-teens	+low-teens
NA Residential	4%				+high-teens	+high-teens
ROW Residential	9%				+HSD	+HSD
Residential HVAC	13%				+LDD	+LDD
Fire & Security[4]	39%	+MSD	+MSD	(LSD)	+LDD	+MSD
Performance Infrastructure	3%	(HSD)				(HSD)
Industrial Refrigeration	4%		+LSD		FLAT	+LSD
Total	**100%**	**+5%**	**+3%**	**+12%**	**+14%**	**+8%**

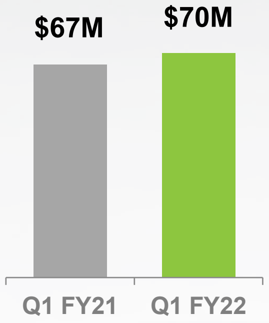
Underlying Market Continues To Improve

[1] Includes large commercial applied HVAC equipment, BMS & Controls
[2] Represents indirect sales of chiller and air handling equipment
[3] Includes global unitary and VRF equipment
[4] Includes Retail

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

Corporate Expense* & Other Items

Corporate Expense



Fiscal 2022 Guidance Items

- Corporate expense $280 to $290M
- Amortization expense ~$450M
- NFC $230 to $240M
- NCI $240 to $265M

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

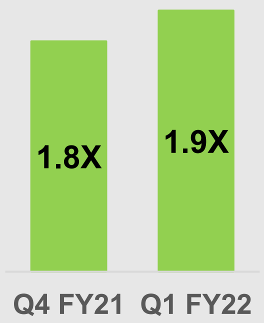
Balance Sheet & Free Cash Flow*
Ample Liquidity and Strong Free Cash Flow Conversion

Capital Structure ($ millions)	Q4 FY21	Q1 FY22
Short-term debt and current portion of long-term debt	$234	$612
Long-term debt	7,506	7,437
Total debt	**7,740**	**8,049**
Less: cash and cash equivalents	1,336	1,207
Net debt*	**$6,404**	**$6,842**

DEBT & LIQUIDITY

- **93% fixed** rate debt
- **2.7%** weighted avg interest rate
- **~$1.2B** cash position
- BBB+/Baa2 credit rating (S&P/Moody's)[1]
- ~$3B undrawn credit facilities
- Target Net Debt/EBITDA ~**2.0-2.5X**

Net Debt / EBITDA*



Free Cash Flow ($ millions)	Q1 FY21	Q1 FY22
Cash from Operating Activities	$515	$392
Capital Expenditures	(91)	(135)
Reported FCF*	**$424**	**$257**

FREE CASH FLOW

- Cash from Operating Activities down YoY due to temporary tax credit/other COVID benefits in FQ1'21
- Trade Working Capital % of Sales **down 140 bps YoY to 9.0%**
- Capex spend **up 48% YoY in Q1**

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

*Non-GAAP figures. See footnotes for reconciliation.

Fiscal Q2 & 2022 Guidance*
Continuing Strong Performance in a Challenging Environment

FY 2022 Commentary

- Underlying market is continuing to improve
- Supply chain constraints / highly inflationary environment expected to continue
  - Price / cost positive on FY EPS basis; ~60bps headwind segment EBITA margin
- SG&A / COGS net savings of $230M
- FX headwind of ~$0.03
- Tax rate 13.5%
- Free cash flow conversion ~100%
- Disciplined capital allocation
  - ~$1.4B of share repurchases
  - Pursuing M&A opportunities

Guidance	FQ2	FY22
Organic Revenue	+HSD	+8 to +10% (previously +HSD)
Segment EBITA Margin	+50 to +60bps	+50 to +60bps (previously +70 to +80bps)
EPS	$0.62 - $0.64 (19 to 23% increase yoy)	$3.22 - $3.32 (22 to 25% increase yoy)
Weighted-Average Shares	~705M	~704M (previously ~707M)

Reaffirming EPS Guidance of $3.22 to $3.32
22 to 25% Increase YOY

* Non-GAAP excludes special items.

Johnson Controls

Appendix

IR CONTACTS

Antonella Franzen
Chief Investor Relations & Communications Officer
antonella.franzen@jci.com

Ryan Edelman
Executive Director, Investor Relations
ryan.edelman@jci.com

www.johnsoncontrols.com

FY21 Re-casted Segment Results

- Effective at the start of the fiscal year, our Marine business, which was previously reported across Asia Pacific, Global Products and EMEALA, is now managed and reported under our EMEALA segment
- The table has been re-cast for this change

	Q1FY21 Actual	Organic Growth	Q2FY21 Actual	Organic Growth	Q3FY21 Actual	Organic Growth	Q4FY21 Actual	Organic Growth	FY21 Actual	Organic Growth
BT&S - North America	2,034	-6%	2,092	-4%	2,212	8%	2,347	4%	8,685	0%
BT&S - EMEALA	948	-6%	934	-1%	1,001	16%	1,001	1%	3,884	2%
BT&S - APAC	604	-7%	594	9%	703	14%	715	7%	2,616	6%
BT&S - Global Products	1,755	-2%	1,974	7%	2,428	21%	2,332	8%	8,489	9%
Buildings	5,341	-5%	5,594	1%	6,344	15%	6,395	5%	23,674	4%
		Margin		Margin		Margin		Margin		Margin
BT&S - North America	255	12.5%	266	12.7%	326	14.7%	357	15.2%	1,204	13.9%
BT&S - EMEALA	98	10.3%	88	9.4%	105	10.5%	110	11.0%	401	10.3%
BT&S - APAC	77	12.7%	73	12.3%	84	11.9%	110	15.4%	344	13.1%
BT&S - Global Products	212	12.1%	284	14.4%	512	21.1%	441	18.9%	1,449	17.1%
Segment EBITA	**642**	**12.0%**	**711**	**12.7%**	**1,027**	**16.2%**	**1,018**	**15.9%**	**3,398**	**14.4%**
Amortization of Intangibles	(104)		(104)		(109)		(108)		(425)	
Corporate	(67)		(70)		(70)		(83)		(290)	
EBIT	**471**	**8.8%**	**537**	**9.6%**	**848**	**13.4%**	**827**	**12.9%**	**2,683**	**11.3%**
Net Financing Charges	(59)		(44)		(56)		(47)		(206)	
Income before Tax	412		493		792		780		2,477	
Tax	(56)		(66)		(107)		(105)		(334)	
Tax Rate	13.6%		13.4%		13.5%		13.5%		13.5%	
Non-Controlling Interest	(45)		(54)		(87)		(47)		(233)	
Net Income	**311**		**373**		**598**		**628**		**1,910**	
EPS	**0.43**		**0.52**		**0.83**		**0.88**		**2.65**	
Shares	726.5		721.3		719.7		717.0		721.1	

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

FY21 Proforma Service Revenue

In Q1FY22, the Company began reporting certain retrofit projects in EMEALA and APAC as products and systems revenue on a prospective basis as they have evolved to be more aligned with other install offerings. The below table provides proforma amounts for FY21 to reflect the exclusion of these retrofit projects for the periods presented.

Revenue	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Total Service: Proforma *Organic Growth**	$1,377 *(2%)*	$1,398 *0%*	$1,467 *+11%*	$1,521 *+4%*	$5,763 *+3%*
EMEALA Service: Proforma *Organic Growth**	$417 *(1%)*	$407 *(2%)*	$427 *+13%*	$433 *(2%)*	$1,684 *+2%*
APAC Service: Proforma *Organic Growth**	$168 *(1%)*	$171 *+1%*	$183 *+11%*	$184 *+1%*	$706 *+3%*

*Non-GAAP excludes special items.

Fiscal First Quarter 2022
Consolidated Financial Results (Continuing Operations)

($ in millions, except earnings per share)	Q1 FY21 GAAP	Q1 FY22 GAAP	Q1 FY21* NON-GAAP	Q1 FY22* NON-GAAP	% Change NON-GAAP
Sales	$5,341	$5,862	$5,341	$5,862	10%
Gross profit	1,728	1,891	1,728	1,882	9%
% of sales	*32.4%*	*32.3%*	*32.4%*	*32.1%*	
SG&A expenses	1,294	1,369	1,315	1,410	7%
Restructuring & impairment costs	-	49	-	-	
Equity income	58	70	58	70	21%
EBIT	492	543	471	542	15%
EBIT margin	***9.2%***	***9.3%***	***8.8%***	***9.2%***	
Net financing charges	59	53	59	53	(10%)
Income before income taxes	433	490	412	489	19%
Income tax provision	61	71	56	66	18%
Net income	372	419	356	423	19%
Income attributable to noncontrolling interests	45	38	45	43	(4%)
Net income attributable to JCI	$327	$381	$311	$380	22%
Diluted EPS	**$0.45**	**$0.54**	**$0.43**	**$0.54**	26%

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

Special Items (Continuing Operations)

$ In millions, except EPS

Q1 FY22	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax/NCI Income (Expense)	EPS Impact
Mark-to-market adjustments	$57	$(14)	$-	$43	$0.06
Restructuring & impairment costs	(49)	7	5	(37)	(0.05)
Acquisition related items	(7)	2	-	(5)	(0.01)
Discrete income tax items	-	-	-	-	-
Total*	**$1**	**$(5)**	**$5**	**$1**	**$0.00**

Q1 FY21	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax/NCI Income (Expense)	EPS Impact
Mark-to-market adjustments	$21	$(5)	$-	$16	$0.02
Total	**$21**	**$5**	**$-**	**$16**	**$0.02**

*Totals may not sum due to rounding

Well on Our Way to FY24 Targets

Building Long-Term Shareholder Value

MSD+ Sales Growth
- Accelerated service growth
- Above market product growth
- Secular trends

250 to 300bps Of Margin Expansion
- Strong leverage
- SG&A / COGS program

100% FCF Conversion
- Continued improvement in WC as % of sales
- Disciplined capex

~$8B In Capital Deployment Potential
- Organic re-investment
- Attractive dividend
- Share repurchase
- M&A

Double Digit Adjusted EPS Growth
- Revenue growth
- Accelerated margin expansion
- Capital deployment

FY22 through FY24

Targeting 1 To 2 Points of Top-Line Growth From M&A

Note: Non-GAAP excludes special items.

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Net sales	$ 5,862	$ 5,341
Cost of sales	3,971	3,613
Gross profit	1,891	1,728
Selling, general and administrative expenses	(1,369)	(1,294)
Restructuring and impairment costs	(49)	-
Net financing charges	(53)	(59)
Equity income	70	58
Income from continuing operations before income taxes	490	433
Income tax provision	71	61
Income from continuing operations	419	372
Income from discontinued operations, net of tax	-	124
Net income	419	496
Less: Income from continuing operations attributable to noncontrolling interests	38	45
Less: Income from discontinued operations attributable to noncontrolling interests	-	-
Net income attributable to JCI	$ 381	$ 451
Income from continuing operations	$ 381	$ 327
Income from discontinued operations	-	124
Net income attributable to JCI	$ 381	$ 451
Diluted earnings per share from continuing operations	$ 0.54	$ 0.45
Diluted earnings per share from discontinued operations	-	0.17
Diluted earnings per share	$ 0.54	$ 0.62
Diluted weighted average shares	709.5	726.5
Shares outstanding at period end	702.8	720.3

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	December 31, 2021	September 30, 2021
ASSETS		
Cash and cash equivalents	$ 1,207	$ 1,336
Accounts receivable - net	5,671	5,613
Inventories	2,425	2,057
Other current assets	1,050	992
Current assets	10,353	9,998
Property, plant and equipment - net	3,213	3,228
Goodwill	18,386	18,335
Other intangible assets - net	5,505	5,549
Investments in partially-owned affiliates	1,102	1,066
Noncurrent assets held for sale	159	156
Other noncurrent assets	3,504	3,558
Total assets	$ 42,222	$ 41,890
LIABILITIES AND EQUITY		
Short-term debt and current portion of long-term debt	$ 612	$ 234
Accounts payable and accrued expenses	5,009	4,754
Other current liabilities	4,366	4,110
Current liabilities	9,987	9,098
Long-term debt	7,437	7,506
Other noncurrent liabilities	6,308	6,533
Shareholders' equity attributable to JCI	17,249	17,562
Noncontrolling interests	1,241	1,191
Total liabilities and equity	$ 42,222	$ 41,890

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Operating Activities		
Net income from continuing operations attributable to JCI	$ 381	$ 327
Income from continuing operations attributable to noncontrolling interests	38	45
Net income from continuing operations	419	372
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	224	207
Pension and postretirement benefit income	(82)	(46)
Pension and postretirement contributions	(41)	(17)
Equity in earnings of partially-owned affiliates, net of dividends received	(18)	(52)
Deferred income taxes	(32)	(59)
Other - net	1	(25)
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	(75)	224
Inventories	(376)	(98)
Other assets	(63)	(70)
Restructuring reserves	19	(34)
Accounts payable and accrued liabilities	333	91
Accrued income taxes	83	22
Cash provided by operating activities from continuing operations	392	515
Investing Activities		
Capital expenditures	(135)	(91)
Acquisition of businesses, net of cash acquired	(108)	-
Business divestitures, net of cash divested	16	11
Other - net	9	43
Cash used by investing activities from continuing operations	(218)	(37)
Financing Activities		
Increase (decrease) in short-term debt - net	394	(20)
Stock repurchases and retirements	(526)	(346)
Payment of cash dividends	(191)	(190)
Proceeds from the exercise of stock options	8	31
Employee equity-based compensation withholding taxes	(47)	(21)
Other - net	5	(1)
Cash used by financing activities from continuing operations	(357)	(547)
Discontinued Operations		
Net cash used by operating activities	(4)	(36)
Net cash provided by investing activities	-	-
Net cash provided by financing activities	-	-
Net cash flows used by discontinued operations	(4)	(36)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	67	(11)
Changes in cash held for sale	-	-
Decrease in cash, cash equivalents and restricted cash	$ (120)	$ (116)

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. Historical information has been re-cast for changes in the composition of reportable segments effective October 1, 2021, to present the comparative periods on a consistent basis.

(in millions; unaudited)	Three Months Ended December 31,			
	2021		2020	
	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP
Net sales (1)				
Building Solutions North America	$ 2,152	$ 2,152	$ 2,034	$ 2,034
Building Solutions EMEA/LA	959	959	948	948
Building Solutions Asia Pacific	675	675	604	604
Global Products	2,076	2,076	1,755	1,755
Net sales	$ 5,862	$ 5,862	$ 5,341	$ 5,341
Segment EBITA				
Building Solutions North America	$ 250	$ 250	$ 255	$ 255
Building Solutions EMEA/LA	104	104	98	98
Building Solutions Asia Pacific	68	68	77	77
Global Products	301	301	212	212
Segment EBITA (1)	723	723	642	642
Segment EBITA margin	12.3%	12.3%	12.0%	12.0%
Corporate expenses	(70)	(70)	(67)	(67)
Amortization of intangible assets (2)	(118)	(111)	(104)	(104)
Net mark-to-market adjustments (3)	57	-	21	-
Restructuring and impairment costs (4)	(49)	-	-	-
EBIT (5)	543	542	492	471
EBIT margin	9.3%	9.2%	9.2%	8.8%
Net financing charges	(53)	(53)	(59)	(59)
Income from continuing operations before income taxes	490	489	433	412
Income tax provision (6)	(71)	(66)	(61)	(56)
Income from continuing operations	419	423	372	356
Income from continuing operations attributable to noncontrolling interests (7)	(38)	(43)	(45)	(45)
Net income from continuing operations attributable to JCI	$ 381	$ 380	$ 327	$ 311

(1) The Company's press release contains financial information regarding adjusted net sales, segment EBITA, adjusted segment EBITA and adjusted segment EBITA margins, which are non-GAAP performance measures. The Company's definition of adjusted net sales and adjusted segment EBITA excludes special items because these items 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. For the three months ended December 31, 2021 and 2020, there were no items excluded from the calculation of adjusted net sales and adjusted segment EBITA.

(2) Adjusted amortization of intangible assets for the three months ended December 31, 2021 excludes $7 million of nonrecurring intangible asset amortization related to Silent-Aire purchase accounting.

(3) The three months ended December 31, 2021 exclude the net mark-to-market adjustments on restricted investments and pension and postretirement plans of $57 million. The three months ended December 31, 2020 exclude the net mark-to-market adjustment on restricted investments of $21 million.

(4) Restructuring and impairment costs for the three months ended December 31, 2021 of $49 million are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs are related primarily to workforce reductions and other related costs.

(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 December 31, 2021 excludes tax provisions related to net mark-to-market adjustments of $14 million, partially offset by tax benefits related to restructuring and impairment costs of $7 million and Silent-Aire nonrecurring intangible asset amortization of $2 million. Adjusted income tax provision for the three months ended December 31, 2020 excludes tax provision from net mark-to-market adjustments of $5 million.

(7) Adjusted income from continuing operations attributable to noncontrolling interests for the three months ended December 31, 2021 excludes $5 million impact from restructuring and impairment costs.

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 net mark-to-market adjustments, restructuring and impairment costs, Silent-Aire transaction costs and other nonrecurring costs, Power Solutions divestiture reserve adjustment, and discrete tax items. The Company excludes these items because they are not considered to be directly related to the underlying operating performance of the Company. Management believes these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company.

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

	Net Income Attributable to JCI plc		Net Income Attributable to JCI plc from Continuing Operations	
	Three Months Ended December 31,		Three Months Ended December 31,	
	2021	2020	2021	2020
Earnings per share as reported for JCI plc	$ 0.54	$ 0.62	$ 0.54	$ 0.45
Adjusting items:				
Net mark-to-market adjustments	(0.08)	(0.03)	(0.08)	(0.03)
Related tax impact	0.02	0.01	0.02	0.01
Restructuring and impairment costs	0.07	-	0.07	-
Related tax impact	(0.01)	-	(0.01)	-
NCI impact of restructuring and impairment costs	(0.01)	-	(0.01)	-
Power Solutions divestiture reserve adjustment	-	(0.21)	-	-
Related tax impact	-	0.04	-	-
Silent-Aire transaction costs and other nonrecurring costs	0.01	-	0.01	-
Adjusted earnings per share for JCI plc	$ 0.54	$ 0.43	$ 0.54	$ 0.43

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

	Three Months Ended December 31,	
	2021	2020
Weighted average shares outstanding for JCI plc		
Basic weighted average shares outstanding	704.3	723.1
Effect of dilutive securities:		
Stock options, unvested restricted stock and unvested performance share awards	5.2	3.4
Diluted weighted average shares outstanding	709.5	726.5

The Company has presented forward-looking statements regarding adjusted corporate expense, adjusted EPS, organic revenue, adjusted EBITA margin and 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 2022 second quarter and full year guidance for organic revenue 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 second quarter and full year 2022 GAAP financial results.

3. Organic Growth Reconciliation

The components of the change in net sales for the three months ended December 31, 2021 versus the three months ended December 31, 2020, including organic growth, are shown below (unaudited):

(in millions)	Net Sales for the Three Months Ended December 31, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended December 31, 2020	Acquisitions		Organic Growth		Net Sales for the Three Months Ended December 31, 2021	
Building Solutions North America	$ 2,034	$ -	-	$ 6	-	$ 2,040	$ 5	-	$ 107	5%	$ 2,152	6%
Building Solutions EMEA/LA	948	(1)	-	(22)	-2%	925	8	1%	26	3%	959	1%
Building Solutions Asia Pacific	604	(1)	-	(6)	-1%	597	9	2%	69	12%	675	12%
Total field	3,586	(2)	-	(22)	-1%	3,562	22	1%	202	6%	3,786	6%
Global Products	1,755	-	-	(23)	-1%	1,732	106	6%	238	14%	2,076	18%
Total net sales	$ 5,341	$ (2)	-	$ (45)	-1%	$ 5,294	$ 128	2%	$ 440	8%	$ 5,862	10%

The Company's earnings presentation presents organic growth for each of the periods re-casted as a result of changes in the composition of reportable segments effective October 1, 2021. The components of the change in adjusted net sales, including organic growth, are shown below for the three months ended December 31, 2020 versus the three months ended December 31, 2019, the three months ended March 31, 2021 versus the three months ended March 31, 2020, the three months ended June 30, 2021 versus the three months ended June 30, 2020, the three months ended September 30, 2021 versus the three months ended September 30, 2020, and the twelve months ended September 30, 2021 versus the twelve months ended September 30, 2020 (unaudited).

(in millions)	Adjusted Net Sales for the Three Months Ended December 31, 2019	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended December 31, 2019	Acquisitions		Organic Growth		Adjusted Net Sales for the Three Months Ended December 31, 2020	
Building Solutions North America	$ 2,167	$ -	-	$ 3	-	$ 2,170	$ -	-	$ (136)	-6%	$ 2,034	-6%
Building Solutions EMEA/LA	970	-	-	24	2%	994	9	1%	(55)	-6%	948	-2%
Building Solutions Asia Pacific	620	(2)	-	28	5%	646	-	-	(42)	-7%	604	-3%
Total field	3,757	(2)	-	55	1%	3,810	9	-	(233)	-6%	3,586	-5%
Global Products	1,819	(71)	-4%	35	2%	1,783	-	-	(28)	-2%	1,755	-4%
Total net sales	$ 5,576	$ (73)	-1%	$ 90	2%	$ 5,593	$ 9	-	$ (261)	-5%	$ 5,341	-4%

(in millions)	Adjusted Net Sales for the Three Months Ended March 31, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended March 31, 2020	Acquisitions		Organic Growth		Adjusted Net Sales for the Three Months Ended March 31, 2021	
Building Solutions North America	$ 2,175	$ -	-	$ 13	1%	$ 2,188	$ -	-	$ (96)	-4%	$ 2,092	-4%
Building Solutions EMEA/LA	891	-	-	44	5%	935	4	-	(5)	-1%	934	5%
Building Solutions Asia Pacific	518	(2)	-	29	6%	545	-	-	49	9%	594	15%
Total field	3,584	(2)	-	86	2%	3,668	4	-	(52)	-1%	3,620	1%
Global Products	1,860	(62)	-3%	49	3%	1,847	-	-	127	7%	1,974	6%
Total net sales	$ 5,444	$ (64)	-1%	$ 135	2%	$ 5,515	$ 4	-	$ 75	1%	$ 5,594	3%

(in millions)	Adjusted Net Sales for the Three Months Ended June 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended June 30, 2020	Acquisitions		Organic Growth		Adjusted Net Sales for the Three Months Ended June 30, 2021	
Building Solutions North America	$ 2,020	$ -	-	$ 21	1%	$ 2,041	$ -	-	$ 171	8%	$ 2,212	10%
Building Solutions EMEA/LA	795	-	-	60	8%	855	10	1%	136	16%	1,001	26%
Building Solutions Asia Pacific	579	(3)	-1%	40	7%	616	-	-	87	14%	703	21%
Total field	3,394	(3)	-	121	4%	3,512	10	-	394	11%	3,916	15%
Global Products	1,949	(54)	-3%	44	2%	1,939	80	4%	409	21%	2,428	25%
Total net sales	$ 5,343	$ (57)	-1%	$ 165	3%	$ 5,451	$ 90	2%	$ 803	15%	$ 6,344	19%

(in millions)	Adjusted Net Sales for the Three Months Ended September 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended September 30, 2020	Acquisitions		Organic Growth		Adjusted Net Sales for the Three Months Ended September 30, 2021	
Building Solutions North America	$ 2,243	$ -	-	$ 12	1%	$ 2,255	$ 4	-	$ 88	4%	$ 2,347	5%
Building Solutions EMEA/LA	957	-	-	17	2%	974	14	1%	13	1%	1,001	5%
Building Solutions Asia Pacific	651	(2)	-	18	3%	667	-	-	48	7%	715	10%
Total field	3,851	(2)	-	47	1%	3,896	18	-	149	4%	4,063	6%
Global Products	2,103	(79)	-4%	10	-	2,034	132	6%	166	8%	2,332	11%
Total net sales	$ 5,954	$ (81)	-1%	$ 57	1%	$ 5,930	$ 150	3%	$ 315	5%	$ 6,395	7%

(in millions)	Adjusted Net Sales for the Twelve Months Ended September 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Twelve Months Ended September 30, 2020	Acquisitions		Organic Growth		Adjusted Net Sales for the Twelve Months Ended September 30, 2021	
Building Solutions North America	$ 8,605	$ -	-	$ 49	1%	$ 8,654	$ 4	-	$ 27	-	$ 8,685	1%
Building Solutions EMEA/LA	3,613	-	-	145	4%	3,758	37	1%	89	2%	3,884	8%
Building Solutions Asia Pacific	2,368	(9)	-	115	5%	2,474	-	-	142	6%	2,616	10%
Total field	14,586	(9)	-	309	2%	14,886	41	-	258	2%	15,185	4%
Global Products	7,731	(266)	-3%	138	2%	7,603	212	3%	674	9%	8,489	10%
Total net sales	$ 22,317	$ (275)	-1%	$ 447	2%	$ 22,489	$ 253	1%	$ 932	4%	$ 23,674	6%

The organic growth reconciliations presented earlier within this footnote contain financial information regarding adjusted net sales. The following is the reconciliation of net sales as re-casted to adjusted net sales for the three months ended December 31, 2020 and 2019, the three months ended March 31, 2021 and 2020, the three months ended June 30, 2021 and 2020, the three months ended September 30, 2021 and 2020, and the twelve months ended September 30, 2021 and 2020 (unaudited):

	Three Months Ended								Twelve Months Ended	
	December 31,		March 31,		June 30,		September 30,		September 30,	
(in millions)	2020	2019	2021	2020	2021	2020	2021	2020	2021	2020
Net sales as re-casted										
Building Solutions North America	$ 2,034	$ 2,167	$ 2,092	$ 2,175	$ 2,212	$ 2,020	$ 2,347	$ 2,243	$ 8,685	$ 8,605
Building Solutions EMEA/LA	948	970	934	891	1,001	795	1,001	957	3,884	3,613
Building Solutions Asia Pacific	604	620	594	518	703	579	715	651	2,616	2,368
Global Products	1,755	1,819	1,974	1,860	2,425	1,949	2,329	2,103	8,483	7,731
Net sales as re-casted	5,341	5,576	5,594	5,444	6,341	5,343	6,392	5,954	23,668	22,317
Adjusting items (1)										
Building Solutions North America	-	-	-	-	-	-	-	-	-	-
Building Solutions EMEA/LA	-	-	-	-	-	-	-	-	-	-
Building Solutions Asia Pacific	-	-	-	-	-	-	-	-	-	-
Global Products	-	-	-	-	3	-	3	-	6	-
Adjusting items	-	-	-	-	3	-	3	-	6	-
Adjusted net sales										
Building Solutions North America	2,034	2,167	2,092	2,175	2,212	2,020	2,347	2,243	8,685	8,605
Building Solutions EMEA/LA	948	970	934	891	1,001	795	1,001	957	3,884	3,613
Building Solutions Asia Pacific	604	620	594	518	703	579	715	651	2,616	2,368
Global Products	1,755	1,819	1,974	1,860	2,428	1,949	2,332	2,103	8,489	7,731
Adjusted net sales	$ 5,341	$ 5,576	$ 5,594	$ 5,444	$ 6,344	$ 5,343	$ 6,395	$ 5,954	$ 23,674	$ 22,317

(1) Adjusting items to net sales relate to nonrecurring Silent-Aire purchase accounting impacts.

The components of the change in service revenue for the three months ended December 31, 2021 versus the three months ended December 31, 2020, including organic growth, are shown below (unaudited):

(in millions)	Proforma Service Revenue for the Three Months Ended December 31, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended December 31, 2020	Acquisitions		Organic Growth		Service Revenue for the Three Months Ended December 31, 2021	
Building Solutions North America	$ 792	$ -	-	$ 3	-	$ 795	$ 4	1%	$ 55	7%	$ 854	8%
Building Solutions EMEA/LA	417	(1)	-	(11)	-3%	405	1	-	9	2%	415	-
Building Solutions Asia Pacific	168	(1)	-1%	(2)	-1%	165	3	2%	6	4%	174	4%
Total field	1,377	(2)	-	(10)	-1%	1,365	8	1%	70	5%	1,443	5%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,377	$ (2)	-	$ (10)	-1%	$ 1,365	$ 8	1%	$ 70	5%	$ 1,443	5%

The Company's earnings presentation presents proforma service revenue and organic growth for the three months ended December 31, 2020, the three months ended March 31, 2021, the three months ended June 30, 2021, the three months ended September 30, 2021, and the twelve months ended September 30, 2021. The components of the change in proforma service revenue, including organic growth, for each period for which proforma financial information is presented are shown below (unaudited).

(in millions)	Proforma Service Revenue for the Three Months Ended December 31, 2019	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended December 31, 2019	Acquisitions		Organic Growth		Proforma Service Revenue for the Three Months Ended December 31, 2020	
Building Solutions North America	$ 811	$ -	-	$ 1	-	$ 812	$ -	-	$ (20)	-2%	$ 792	-2%
Building Solutions EMEA/LA	414	-	-	5	1%	419	3	1%	(5)	-1%	417	1%
Building Solutions Asia Pacific	165	(2)	-1%	7	4%	170	-	-	(2)	-1%	168	2%
Total field	1,390	(2)	-	13	1%	1,401	3	-	(27)	-2%	1,377	-1%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,390	$ (2)	-	$ 13	1%	$ 1,401	$ 3	-	$ (27)	-2%	$ 1,377	-1%

(in millions)	Proforma Service Revenue for the Three Months Ended March 31, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended March 31, 2020	Acquisitions		Organic Growth		Proforma Service Revenue for the Three Months Ended March 31, 2021	
Building Solutions North America	$ 818	$ -	-	$ 4	-	$ 822	$ -	-	$ (2)	-	$ 820	-
Building Solutions EMEA/LA	396	-	-	16	4%	412	2	-	(7)	-2%	407	3%
Building Solutions Asia Pacific	160	(2)	-1%	11	7%	169	-	-	2	1%	171	7%
Total field	1,374	(2)	-	31	2%	1,403	2	-	(7)	-	1,398	2%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,374	$ (2)	-	$ 31	2%	$ 1,403	$ 2	-	$ (7)	-	$ 1,398	2%

(in millions)	Proforma Service Revenue for the Three Months Ended June 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended June 30, 2020	Acquisitions		Organic Growth		Proforma Service Revenue for the Three Months Ended June 30, 2021	
Building Solutions North America	$ 770	$ -	-	$ 9	1%	$ 779	$ -	-	$ 78	10%	$ 857	11%
Building Solutions EMEA/LA	349	-	-	26	7%	375	4	1%	48	13%	427	22%
Building Solutions Asia Pacific	156	(3)	-2%	12	8%	165	-	-	18	11%	183	17%
Total field	1,275	(3)	-	47	4%	1,319	4	-	144	11%	1,467	15%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,275	$ (3)	-	$ 47	4%	$ 1,319	$ 4	-	$ 144	11%	$ 1,467	15%

(in millions)	Proforma Service Revenue for the Three Months Ended September 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended September 30, 2020	Acquisitions		Organic Growth		Proforma Service Revenue for the Three Months Ended September 30, 2021	
Building Solutions North America	$ 835	$ -	-	$ 4	-	$ 839	$ 3	-	$ 62	7%	$ 904	8%
Building Solutions EMEA/LA	435	-	-	6	1%	441	1	-	(9)	-2%	433	-
Building Solutions Asia Pacific	180	(2)	-1%	4	2%	182	-	-	2	1%	184	2%
Total field	1,450	(2)	-	14	1%	1,462	4	-	55	4%	1,521	5%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,450	$ (2)	-	$ 14	1%	$ 1,462	$ 4	-	$ 55	4%	$ 1,521	5%

(in millions)	Proforma Service Revenue for the Twelve Months Ended September 30, 2020	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Twelve Months Ended September 30, 2020	Acquisitions		Organic Growth		Proforma Service Revenue for the Twelve Months Ended September 30, 2021	
Building Solutions North America	$ 3,234	$ -	-	$ 18	1%	$ 3,252	$ 3	-	$ 118	4%	$ 3,373	4%
Building Solutions EMEA/LA	1,594	-	-	53	3%	1,647	10	1%	27	2%	1,684	6%
Building Solutions Asia Pacific	661	(9)	-1%	34	5%	686	-	-	20	3%	706	7%
Total field	5,489	(9)	-	105	2%	5,585	13	-	165	3%	5,763	5%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 5,489	$ (9)	-	$ 105	2%	$ 5,585	$ 13	-	$ 165	3%	$ 5,763	5%

4. Free Cash Flow Conversion

The Company's press release contains financial information regarding free cash flow and free cash flow conversion, which are non-GAAP performance measures. Free cash flow is defined as cash provided by operating activities less capital expenditures. Free cash flow conversion is defined as free cash flow divided by adjusted net income attributable to JCI. Management believes these non-GAAP measures are useful to investors in understanding the strength of the Company and its ability to generate cash. These non-GAAP measures can also be used to evaluate our ability to generate cash flow from operations and the impact that this cash flow has on our liquidity.

The following is the three months ended December 31, 2021 and 2020 reconciliation of free cash flow and free cash flow conversion for continuing operations (unaudited):

	Three Months Ended	
(in millions)	December 31, 2021	December 31, 2020
Cash provided by operating activities from continuing operations	$ 392	515
Capital expenditures	(135)	(91)
Reported free cash flow	257	424
Adjusted net income from continuing operations attributable to JCI	$ 380	$ 311
Free cash flow conversion	68%	136%

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 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. The following is the December 31, 2021 calculation of net debt to adjusted EBITDA (unaudited):

(in millions)	December 31, 2021
Short-term debt and current portion of long-term debt	$ 612
Long-term debt	7,437
Total debt	8,049
Less: cash and cash equivalents	1,207
Total net debt	$ 6,842
Last twelve months adjusted EBITDA	$ 3,599
Total net debt to adjusted EBITDA	1.9x

The following is the last twelve months ended December 31, 2021 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 December 31, 2021
Income from continuing operations	$ 1,793
Income tax provision	878
Net financing charges	200
EBIT	2,871
Adjusting items:	
Net mark-to-market adjustments	(438)
Restructuring and impairment costs	291
Silent-Aire transaction and other nonrecurring costs	30
Adjusted EBIT (1)	2,754
Depreciation and amortization	845
Adjusted EBITDA (1)	$ 3,599

(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. Trade Working Capital as a Percentage of Net Sales

The Company provides financial information regarding trade working capital as a percentage of net sales, which is a non-GAAP performance measure. Trade working capital is defined as current assets less current liabilities, excluding cash and cash equivalents, short-term debt, the current portion of long-term debt, the current portion of assets and liabilities held for sale, accrued compensation and benefits, and other current assets and liabilities. Management believes this non-GAAP measure, which excludes financing-related items, non-trade related items and businesses to be divested, is a more useful measurement of the Company's operating performance. The following is the December 31, 2021 and December 31, 2020 calculation of trade working capital as a percentage of net sales (unaudited):

(in millions)	December 31, 2021	December 31, 2020
Current assets	$ 10,353	$ 10,034
Current liabilities	(9,987)	(8,486)
Total working capital	366	1,548
Less: cash and cash equivalents	(1,207)	(1,839)
Less: other current assets	(1,050)	(1,105)
Add: short-term debt	392	11
Add: current portion of long-term debt	220	453
Add: accrued compensation and benefits	926	836
Add: other current liabilities	2,521	2,393
Trade working capital	$ 2,168	$ 2,297
Last twelve months net sales	$ 24,189	$ 22,082
Trade working capital as a percentage of net sales	9.0%	10.4%

7. Income Taxes

The Company's effective tax rate from continuing operations before consideration of net mark-to-market adjustments, restructuring and impairment costs and discrete tax items for the three months ending December 31, 2021 and December 31, 2020 is approximately 13.5%.

8. Restructuring and Impairment Costs

The three months ended December 31, 2021 include restructuring and impairment costs of $49 million related primarily to workforce reductions and other related costs.