Johnson Controls

FISCAL Q4

2023 Earnings Conference Call

December 12, 2023

The power behind **your mission**

FORWARD-LOOKING AND CAUTIONARY STATEMENTS/NON-GAAP FINANCIAL INFORMATION

Johnson Controls International plc cautionary statement regarding forward-looking statements

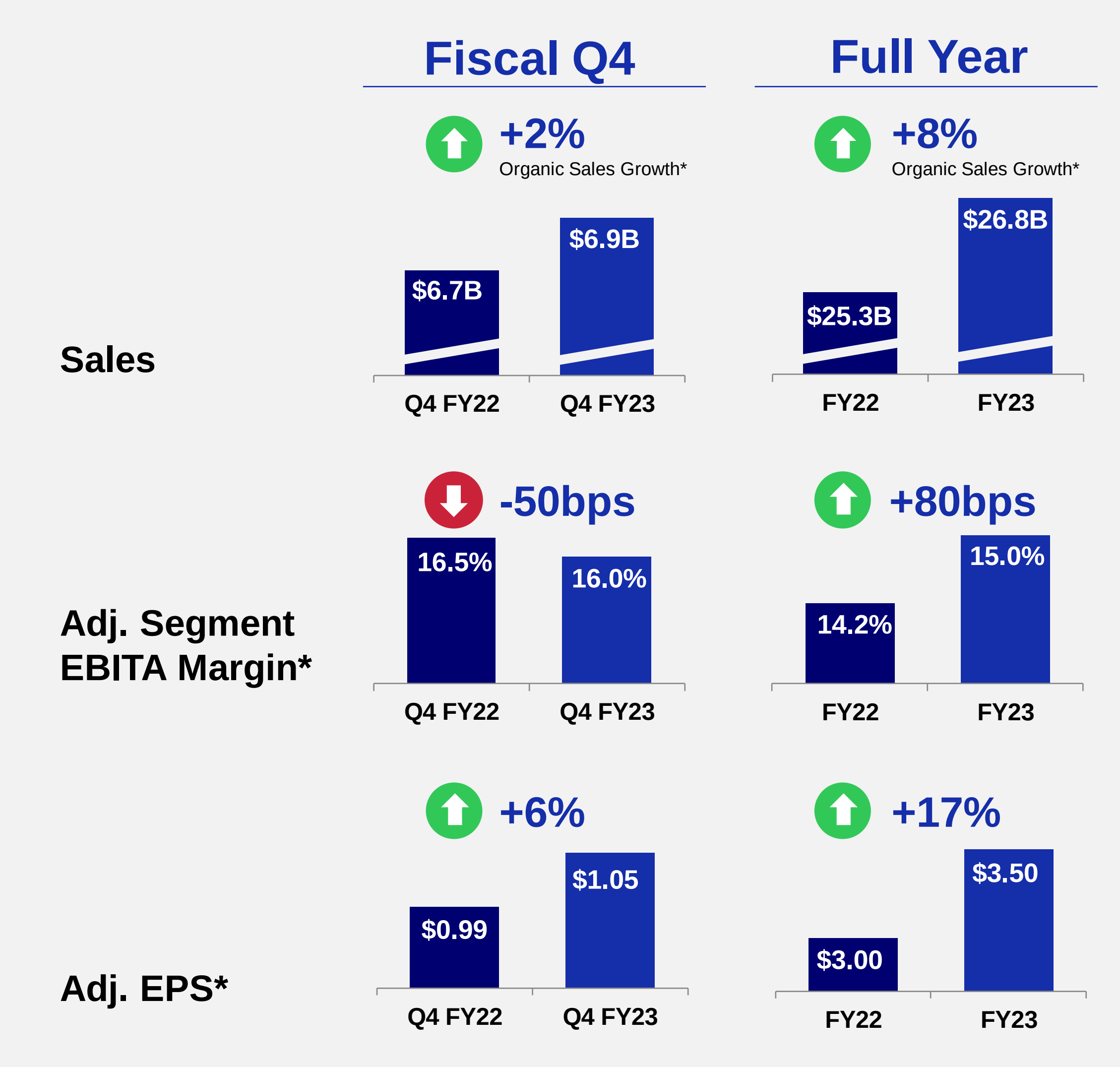
Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In 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 develop or acquire new products and technologies that achieve market acceptance and meet applicable quality and regulatory requirements; the ability to manage general economic, business and capital market conditions, including the impact of recessions, economic downturns and global price inflation; fluctuations in the cost and availability of public and private financing for its customers; the ability to innovate and adapt to emerging technologies, ideas and trends in the marketplace, including the incorporation of technologies such as artificial intelligence; the ability to manage macroeconomic and geopolitical volatility, including shortages impacting the availability of raw materials and component products and the conflicts between Russia and Ukraine and Israel and Hamas; managing the risks and impacts of potential and actual security breaches, cyberattacks, privacy breaches or data breaches, including business, service, or operational disruptions, the unauthorized access to or disclosure of data, financial loss, reputational damage, increased response and remediation costs, legal, and regulatory proceedings or other unfavorable outcomes; maintaining and improving the capacity, reliability and security of Johnson Controls enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls digital platforms and services; changes to laws or policies governing foreign trade, including economic sanctions, tariffs, foreign exchange and capital controls, import/export controls or other trade restrictions; fluctuations in currency exchange rates; changes or uncertainty in laws, regulations, rates, policies, or interpretations that impact Johnson Controls business operations or tax status; the ability to adapt to global climate change, climate change regulation and successfully meet Johnson Controls public sustainability commitments; the outcome of litigation and governmental proceedings; the risk of infringement or expiration of intellectual property rights; Johnson Controls ability to manage disruptions caused by catastrophic or geopolitical events, such as natural disasters, armed conflict, political change, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; the ability of Johnson Controls to drive organizational improvement; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; 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; 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 2022 fiscal year filed with the SEC on November 15, 2022, 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 other nonrecurring items, certain transaction / separation costs, Silent-Aire earn-out adjustment, charges attributable to the suspension of operations in Russia, warehouse fire loss, and discrete tax items. Financial information regarding organic revenue growth, EBIT, EBIT margin, adjusted EBIT, adjusted EBIT margin, total segment EBITA, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, net debt/EBITDA, cash provided by operating activities from continuing operations, excluding JC Capital, free cash flow, free cash flow conversion and adjusted net income from continuing operations are also presented, which are non-GAAP performance measures. Management believes that, when considered together with unadjusted amounts, these non-GAAP measures are useful to investors in understanding period-over-period operating results and business trends of Johnson Controls. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For further information on the calculation of the non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the attached footnotes.

Strong Sales and Order Growth, Margin Expansion in FY23

- Fiscal Q4 impacted by cyber incident; FY results strong with 8% organic sales growth* and 80 basis points margin expansion
- Service momentum led by 10% full year organic sales* and continued order and backlog growth
- Building Solutions Backlog grew 9% to $12.1B
- Generated $1.8B in free cash flow, returning $1.6B to shareholders in FY23
- Initiating FY24 guidance of ~MSD growth in both sales and adjusted EPS with FCF conversion* of ~85%



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

Company Overview

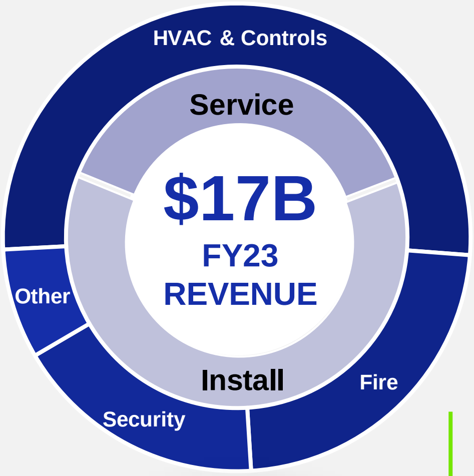
A Leader in Building Solutions

~$400B+ OPPORTUNITY[1]

Direct Channel

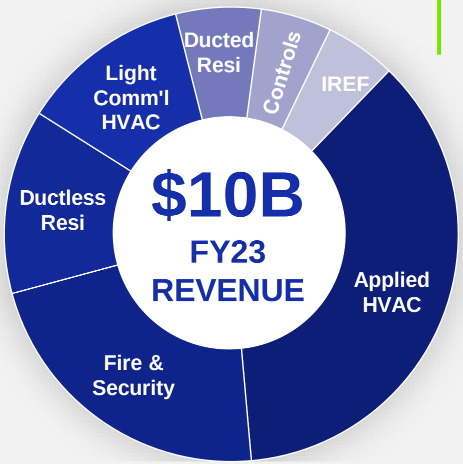
Indirect Channel

Building Solutions



- Installed systems during construction and retrofit
- Proactive services, maintenance, and parts
- Sustainability solutions

Global Products



- Full domain expertise
- Best-in-class product portfolio
- Go-to-Market through Indirect Channel and Direct Channel

ENABLED BY DIGITAL
OpenBlue
fm:systems
ENABLED BY DIGITAL

ENTERPRISE SOFTWARE SOLUTIONS

Single Pane of Glass Experience

Delivering Customer Outcomes

- Drive Energy Efficiency
- Achieve Sustainability
- Optimize Building Systems & Equipment
- Improve Real Estate Footprint Utilization
- Create Productive and Healthy Workspaces

SMART BUILDING PLATFORM

- Largest Repository of Building Equipment and Workplace Data
- Zero-trust Cybersecurity
- Award-winning AI
- Tailored, Actionable Insights

CONNECTED SERVICES

Connected Chillers
Connected Controls
Connected Security

Enhances Service Delivery to Customers

- Predictive Maintenance
- AI-powered Insight
- Local Technicians with Performance Data and Expertise

*Figures represent revenue for FY23

1. Service: ~$160B opportunity. Dodge, Navigant, CBRE, JCI Analysis; annual market size from 2021 through 2024 Decarbonization: ~$240B opportunity. Energy Information Administration, Guidehouse, Urban Green Council, Rocky Mountain Institute, JCI Analysis represents incremental opportunity; majority of total opportunity is retrofit. Remainder is rooftop solar and advisory services; total addressable market opportunity by 2035 Healthy Buildings: ~$10-$15B opportunity. CleanTech Research & Markets, Guidehouse; includes Install and Service; annual market size from 2021 through 2030

Industry Leading Service Model

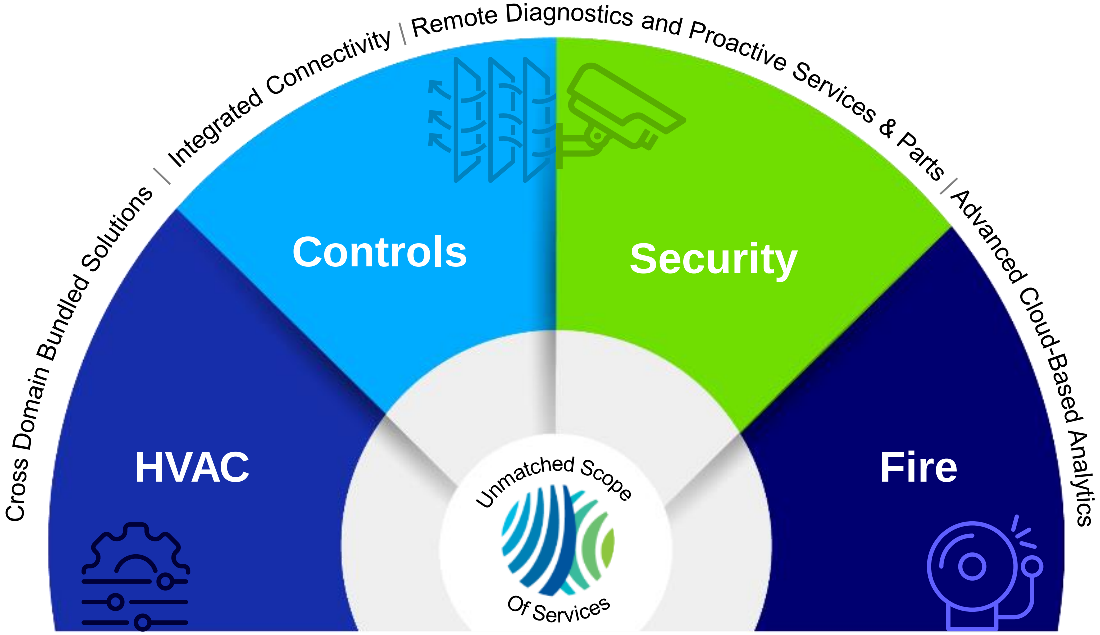
Tailoring Solutions for Long-Term Growth

Service Orders (Organic YoY % Chg)

Fiscal Q4	Full Year
+7%	+11%

Service Revenue (Organic* YoY % Chg)

Fiscal Q4	Full Year
+9%	+10%



~Trusted Long-Term Partner

- ~250K sites under long-term service agreements
- 20K+ building service professionals
- ~5.5M+ total service visits annually
- More than doubled connected assets during FY23

Tailored Building Solutions

- Optimize energy and performance
- Maximize uptime
- Reduce total cost of ownership
- Extend asset life
- Deliver safe, healthy, sustainable buildings

*Organic Sales Growth is non-GAAP measures and exclude special items. See footnotes for reconciliation.

Value Creation Framework

Accelerating Our Strategy

Positioned to capture secular trends across sustainable and healthy buildings

Enhanced Products, Services, and Solutions through the adoption of OpenBlue

Driving margin expansion and executing on our productivity plan

Disciplined capital allocation

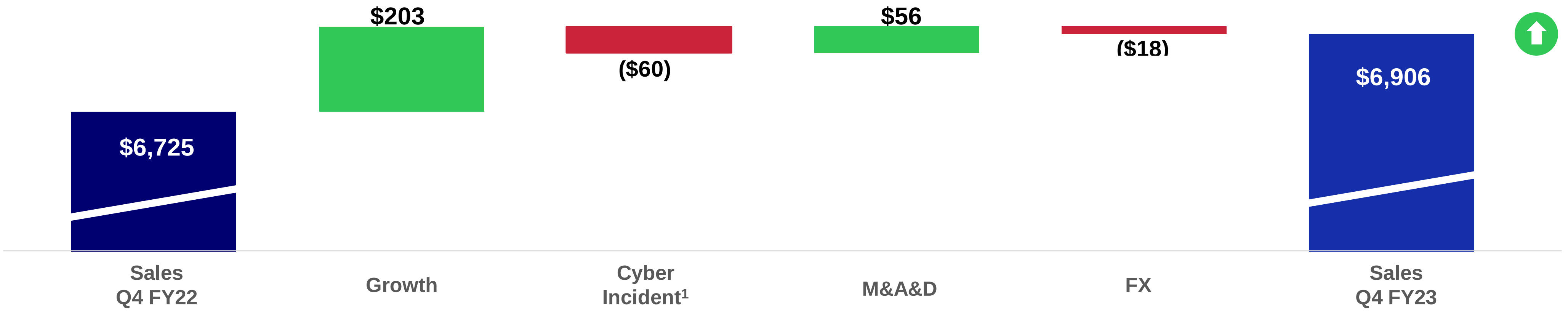
Built on Our Strong Foundation of Operational Excellence and Culture of Leadership

Fiscal Q4 Results

Sales Growth Continues Despite Near-Term Challenges

Total JCI Sales

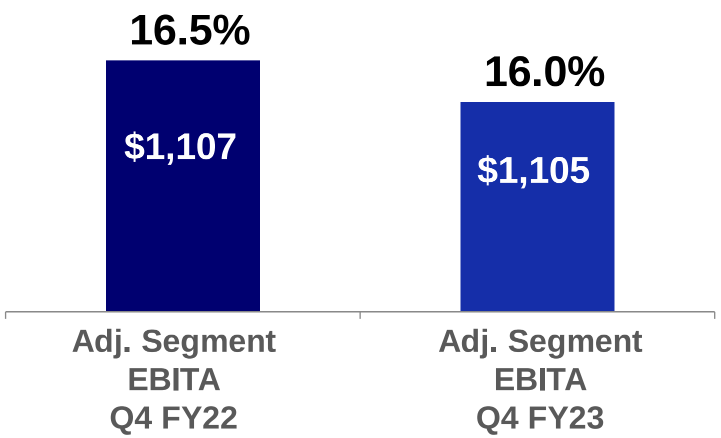
($ in Millions)



+2% Organic Sales Growth*

Total JCI Adj. Segment EBITA/Margin*

($ in Millions)



-50bps Adj. EBITA Margin* Decline

- Positive price/cost: ~$100M
- Productivity benefits: ~$75M
- Volume/Mix: ~($100M)
- Cyber incident[2]: ~($30M)
- FX headwind: ~($10M)

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

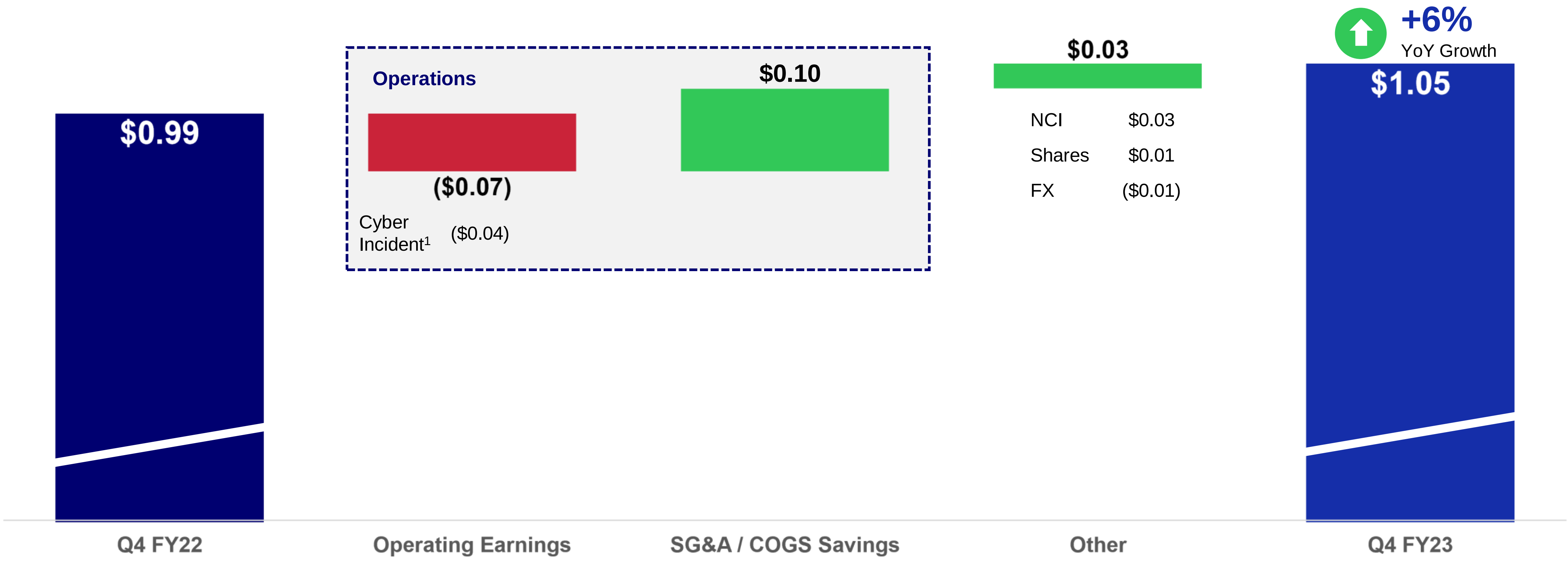
[1] Lost and deferred sales

[2] Lost/deferred sales and expenses

Fiscal Q4 Results

Delivering Productivity Initiatives

Adjusted EPS Bridge* (Continuing Operations)

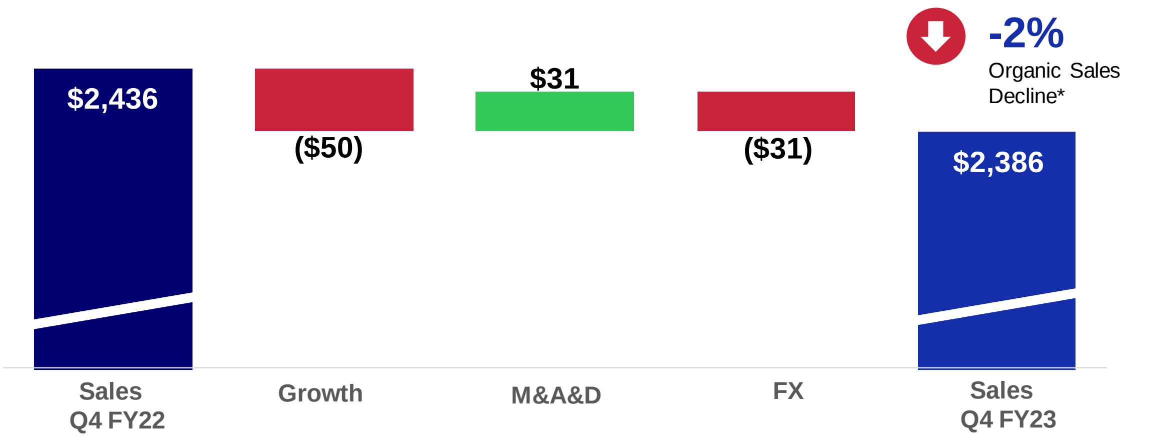


*Adjusted EPS from continuing operations, excluding special items, is a non-GAAP measure. See footnotes for reconciliation. Other items may not sum due to rounding.
[1] Mix of lost/deferred sales and expenses

Global Products Performance

Global Products Sales

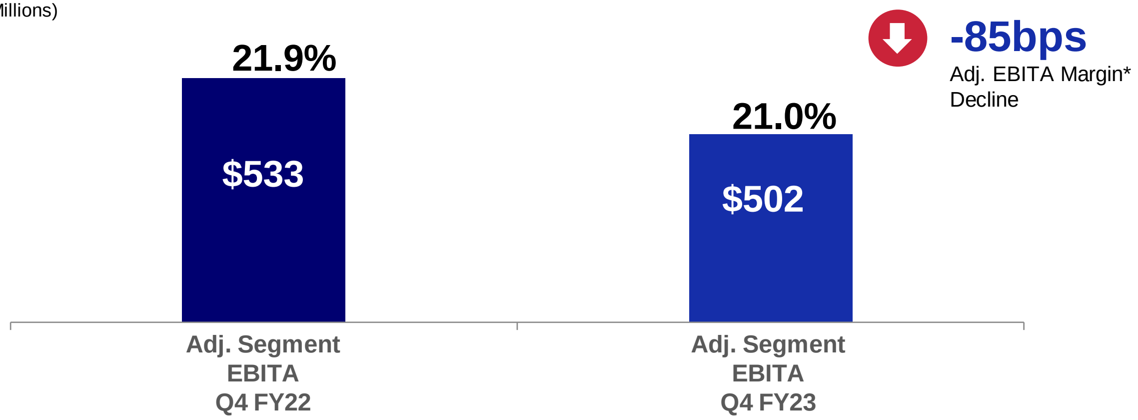
($ in Millions)



- Price +5% / Volume (5%) / Cyber incident[1] (2%)
- Commercial HVAC[2] +HSD
- Residential HVAC (high-teens); NA Residential (>30%)
- Fire and Security (LSD)
- Industrial Refrigeration +>45%
- 3rd party backlog of $2.5B (4%)

Global Products Adj. Segment EBITA/Margin*

($ in Millions)



- Price/cost: ~$20M
- Productivity benefits: ~$30M
- Volume/Mix: ~($25M)
- Cyber incident[3]: ~($20M)
- FX headwind: ~($5M)

*Organic Sales Growth and Adjusted Segment EBITA/Margin are non-GAAP measures and exclude special items. See footnotes for reconciliation.
[1] Lost and deferred sales
[2] Includes large commercial applied HVAC equipment, BMS and Controls, global unitary and VRF equipment and represents indirect sales of chiller and air handling equipment.
[3] Lost/deferred sales and expenses

Fiscal Q4 Results

Broad-Based Global Reach

Organic Sales Growth* %	% of FY23 Sales	North America	EMEALA	Asia Pac	Global Products	Consolidated JCI
Applied[1]	40%	+high-teens	+LSD	(HSD)	+MSD[2]	+HSD
Light Commercial[3]	6%				+low-teens	+low-teens
Commercial HVAC	46%				+HSD	+HSD
NA Residential	3%				(>30%)	(>30%)
ROW Residential	7%				(HSD)	(HSD)
Residential HVAC	10%				(high-teens)	(high-teens)
Fire and Security[4]	37%	flat	+LSD	+MSD	(LSD)	+LSD
Sustainability Infrastructure	3%	+LSD				+LSD
Industrial Refrigeration	4%		(HSD)		+>45%	+HSD
Total	**100%**	**+8%**	**+3%**	**(6%)**	**(2%)**	**+2%**

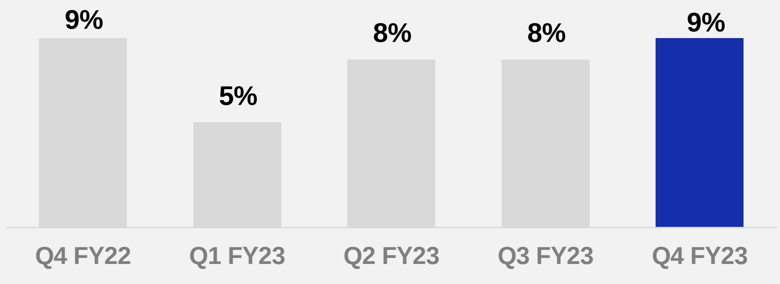
[1] Includes large commercial applied HVAC equipment, BMS and Controls.
[2] Represents indirect sales of chiller and air handling equipment.
[3] Includes global unitary and VRF equipment.
[4] Includes Retail.

*Organic Sales Growth is a non-GAAP measure. See footnotes for reconciliation.

Fiscal Q4 Results

Building Solutions Performance

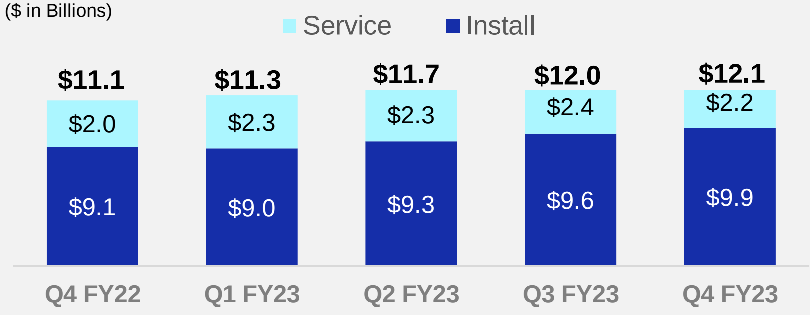
Building Solutions Orders - Organic % Growth



+9%
YoY Organic Growth

Service	**+7%**
Install	**+10%**

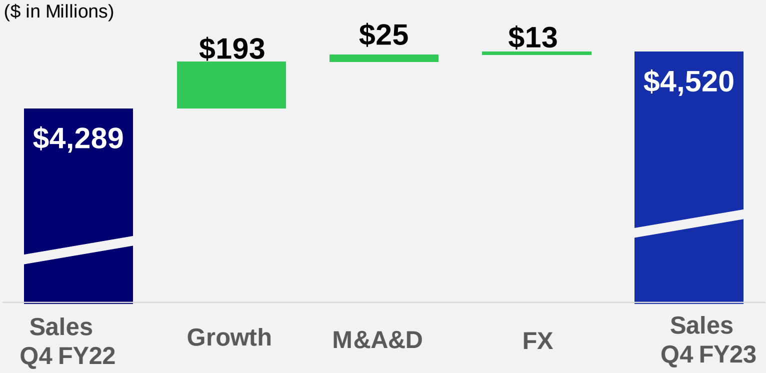
Building Solutions Backlog



+9%
YoY Organic Growth

Service	**+12%**
Install	**+8%**

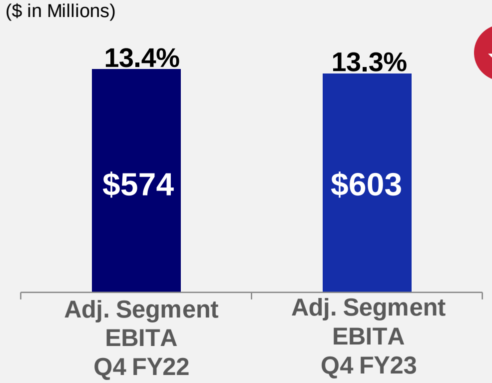
Building Solutions Sales



+5%
Organic Sales Growth*

Service	**+9%**
Install	**+2%**

Building Solutions Adj. Segment EBITA/Margin*



-10bps
Adj. EBITA Margin* Decline

- Positive price/cost: ~$80M
- Productivity benefits: ~$40M
- Mix: ~($100M)
- Cyber incident[1]: ~($10M)

*Organic Sales Growth and Adjusted Segment EBITA/Margin are non-GAAP measures and exclude special items. See footnotes for reconciliation.
[1] Lost/deferred sales and expenses

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Building Solutions Performance by Segment

	Orders *Organic % Growth*	Orders / Backlog Comments	Sales *Organic % YoY**	Sales Comments	Adj. Segment EBITA/Margin* *Change YoY*	Adj. Segment EBITA Comments
NA	+8% Q4 FY22: 13% Q4 FY23: 8%	▪ **Orders** - Service +2% - Install +11% ▪ **Backlog** $8.3B, +10% - Service +13% - Install +10%	+8% Q4 FY22: $2.6B Q4 FY23: $2.8B	▪ Service +7% ▪ Install +9% - Applied[1]: +high-teens - F&S[2]: Flat - SI: +LSD	+70bps Q4 FY22: $377, 14.7% Q4 FY23: $427, 15.4%	▪ Positive price/cost: ~$60M ▪ Productivity benefits: ~$20M ▪ Mix: ~($30M)
EMEALA	+16% Q4 FY22: 3% Q4 FY23: 16%	▪ **Orders** - Service +16% - Install +16% ▪ **Backlog** $2.3B, +10% - Service +15% - Install +8%	+3% Q4 FY22: $1.0B Q4 FY23: $1.0B	▪ Service +14% ▪ Install (5%) - Applied[1]: +LSD - F&S[2]: +LSD - IR: (HSD)	-160bps Q4 FY22: $92, 9.4% Q4 FY23: $82, 7.8%	▪ Positive price/cost: ~$10M ▪ Productivity benefits: ~$10M ▪ Mix: ~($35M)
APAC	+3% Q4 FY22: 3% Q4 FY23: 3%	▪ **Orders** - Service +13% - Install (1%) ▪ **Backlog** $1.5B, flat - Service flat - Install flat	-6% Q4 FY22: $0.8B Q4 FY23: $0.7B	▪ Service +11% ▪ Install (11%) - Applied[1]: (HSD) - F&S[2]: +MSD	-50bps Q4 FY22: $105, 14.0% Q4 FY23: $94, 13.5%	▪ Positive price/cost: ~$10M ▪ Productivity benefits: ~$10M ▪ Mix: ~($30M) ▪ Negative FX impacts: ~($5M)

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

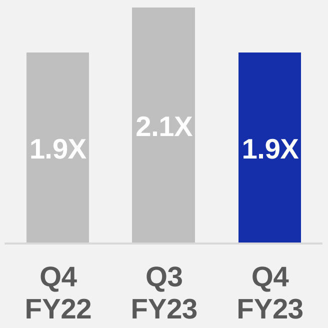
Disciplined Capital Allocation

Capital Structure ($ millions)	Q4 FY22	Q3 FY23	Q4 FY23
Short-term debt and current portion of long-term debt	$1,534	$1,267	$1,030
Long-term debt	$7,426	$8,497	$7,818
Total debt	**$8,960**	**$9,764**	**$8,848**
Less: cash and cash equivalents	$2,031	$1,057	$835
Net debt*	**$6,929**	**$8,707**	**$8,013**

Debt and liquidity

- **92% fixed** rate debt
- **3.4%** weighted avg interest rate
- **~$800M** 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)	Q4 FY22	Q4 FY23	YTD FY22	YTD FY23
Cash from operating activities, excluding JC Capital*	$1,179	$1,446	$1,990	$2,358
Capital expenditures, excluding JC Capital*	($162)	($173)	($592)	($539)
Reported FCF*	**$1,017**	**$1,273**	**$1,398**	**$1,819**

Free cash flow*

- Sequential improvement
- DIOH improved sequentially 5 days
- Returned $1.6B to shareholders in FY23
- Working capital improvement continues in FY24

[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 measures. See footnotes for reconciliation.

Effective January 1, 2023, the Company has excluded the impact of its financing entity, JC Capital, from the calculation of free cash flow. Management believes this provides a more true representation of the company's operational ability to convert cash, without the contrary impact from financing activities.

Outlook Summary

Introducing Q1 and Full Year Guidance

	Q1'24	FY'24	FY'24 Comments
Organic Revenue*	~Flat	Up ~MSD	▪ Normalized seasonality & cyber impact in Q1 ▪ GP stabilize 2H ▪ Strong backlog conversion ▪ Service HSD+
Segment EBITA Margin*	~13.0%	Up ~25bps+	▪ Price/cost remain positive ▪ Mix improves throughout year ▪ Improving incrementals in 2H
Adjusted EPS*	~$0.48 to $0.50	~$3.65 to $3.80	▪ Q1 impacted by cyber disruption and weakness in China ▪ Expect return to growth in Q2 and improving 2H
Cash Flow*	Seasonal Usage	~85%	▪ Seasonal usage & cyber impact in Q1 ▪ Improving working capital performance

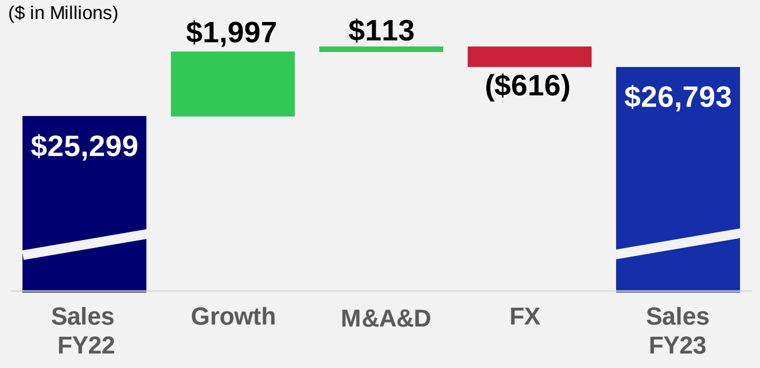
*Organic Sales Growth, Adjusted Segment EBITA/Margin, Free Cash Flow conversion, and Adjusted EPS are non-GAAP measures and exclude special items. See footnotes for reconciliation.

Appendix

Fiscal 2023 Results

Strong Sales Growth and Margin Expansion in FY23

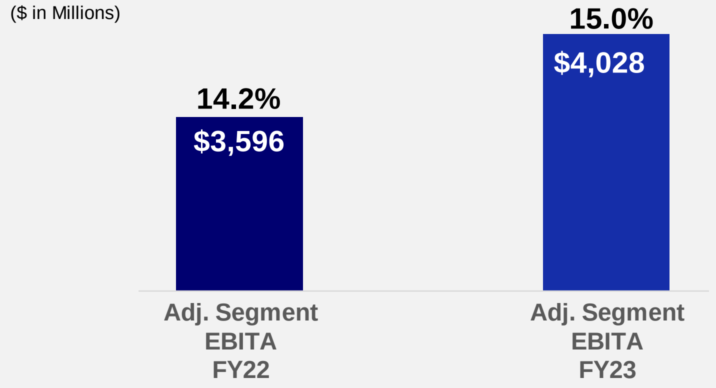
Total JCI Sales - Organic % Growth



+8% YoY Organic Growth

Service	**+10%**

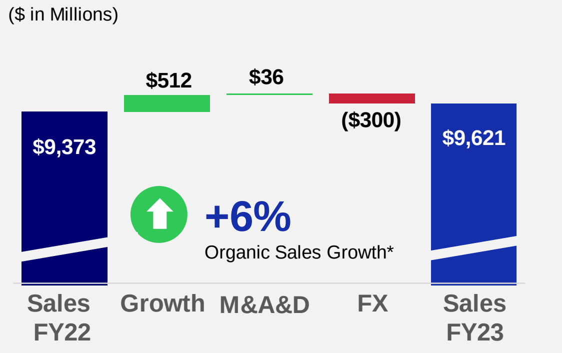
Total JCI Adj. Segment EBITA/Margin*

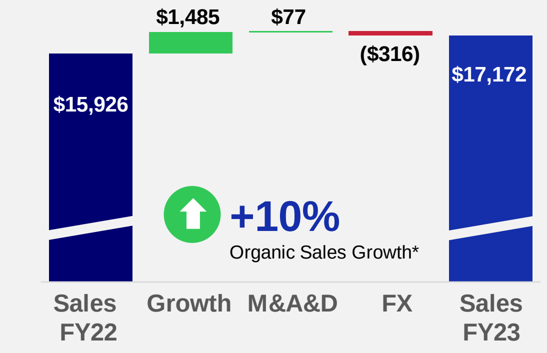


+80bps Adj. EBITA Margin* Expansion

Global Products	**+160bps**
Building Solutions	**+60bps**

Segment Sales - Organic % Growth





Global Products **Building Solutions**

Adjusted EPS Bridge* (Continuing Operations)

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

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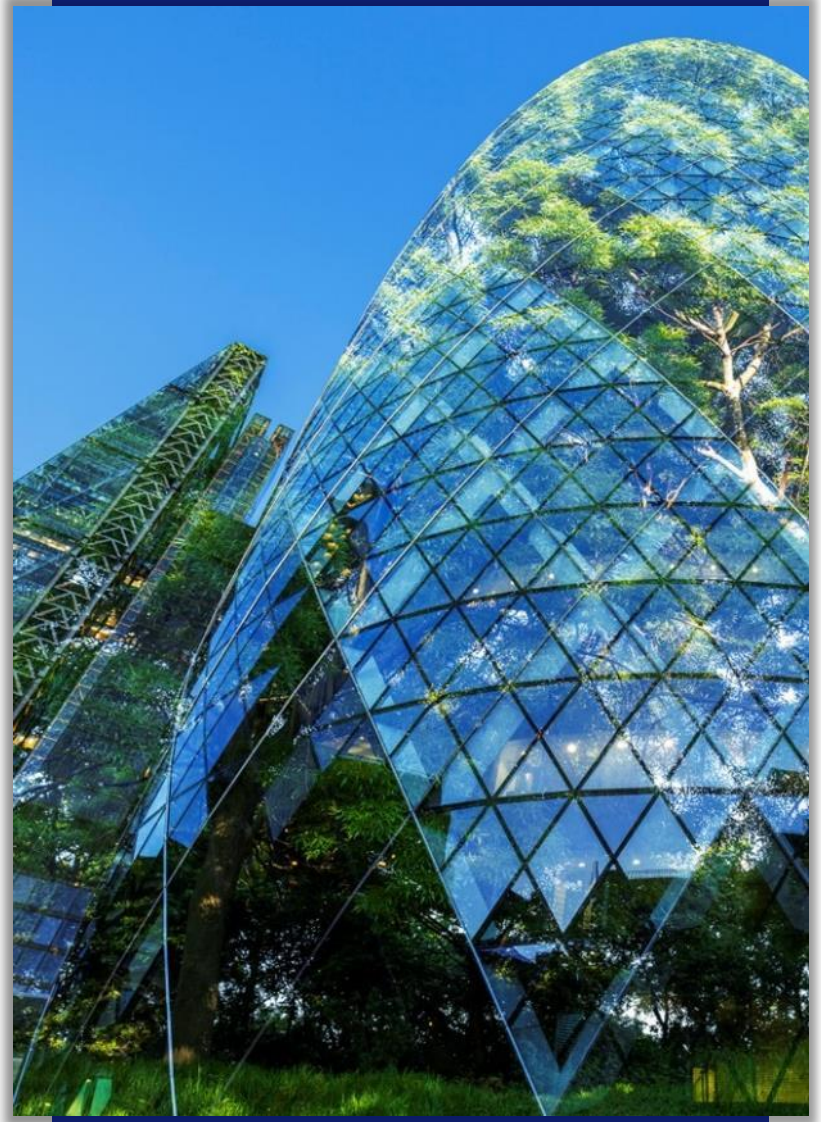
Notable Awards

Leading by Example

PERFORMANCE

- In 2022, achieved **42% Reduction** in **Scope 1 and 2 GHG Emissions** vs. 2017 baseline. Over 75% of our 2030 target of 55% emissions reduction.
- In 2022, achieved **14% Reduction** in **Scope 3 GHG Emissions** vs. 2017 baseline. Over 85% of our 2030 target of 16% emissions reduction.
- In both 2021 and 2022, **90% of R&D investment goes toward sustainable products & solutions**
- **54%** of Johnson Controls **revenue was generated from low carbon products and services** based on the Corporate Knights Sustainable Economy Taxonomy.
- In 2023, spent **$598M** with diverse suppliers, a **40%** increase vs. 2022, well exceeding our target to increase diverse supplier spend to outpace revenue growth.



AWARDS & RECOGNITION

- Our best-in-class performance is recognized by Corporate Knights by being named to:
  - 2023 Global 100 Listing of the World's Most Sustainable Corporations for the 9th consecutive year
  - 2023 Clean 200 for the 8th consecutive year
- Awarded platinum sustainability rating by EcoVadis, placing Johnson Controls in the top 1% of companies evaluated
- Ranked #2 on Guidehouse Insights Leaderboard
- Rated #4 on Fortune's 2023 Change the World List for our innovative heat pump technology
- 2023 TIME's inaugural World's Best Companies list

Johnson Controls

Additional FY 2024 Guidance Items

	FY24
Adjusted corporate expense*	~$360M
Amortization expense	~$510M
NFC	~$420M
Tax rate	~13.75%
NCI	~$215M
Shares	~675M

*Non-GAAP measure. Non-GAAP excludes special items.

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Fiscal Q4 2023

Consolidated Financial Results (Continuing Operations)

($ in Millions, except earnings per share)	Q4 FY22 GAAP	Q4 FY23 GAAP	Q4 FY22* NON-GAAP	Q4 FY23* NON-GAAP	% Change NON-GAAP
Sales	$6,725	$6,906	$6,725	$6,906	3%
Gross profit (% of sales)	$2,295 34.1%	$2,208 32.0%	$2,269 33.7%	$2,248 32.6%	-1%
SG&A expenses	$1,533	$1,476	$1,423	$1,387	-3%
Restructuring and impairment costs	$167	$220	-	-	
Equity income	$71	$75	$71	$75	6%
EBIT	$666	$587	$917	$936	2%
EBIT margin	**9.9%**	**8.5%**	**13.6%**	**13.6%**	
Net financing charges	$60	$63	$60	$63	5%
Income before income taxes	$606	$524	$857	$873	2%
Income tax provision (benefit)	$(203)	$(57)	$116	$118	2%
Net income	$809	$581	$741	$755	2%
Income attributable to non-controlling interests	$48	$32	$59	$36	-39%
Net income attributable to JCI	$761	$549	$682	$719	5%
Diluted EPS	**$1.10**	**$0.80**	**$0.99**	**$1.05**	**6%**

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

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Fiscal Q4 2023

Special Items (Continuing Operations)

($ in Millions, except EPS)

Q4 FY23	Pre-tax income (Expense)	Tax (Expense) benefit	NCI (Expense) income	After-tax/NCI income (Expense)	EPS impact
Mark-to-market adjustments	$(108)	$28	-	$(80)	$(0.12)
Restructuring and impairment costs	$(220)	$24	$4	$(192)	$(0.27)
Transaction / separation costs	$(21)	$2	-	$(19)	$(0.03)
Discrete income tax items	-	$121	-	$121	$0.18
Total*	**$(349)**	**$175**	**$4**	**$(170)**	**$(0.25)**

Q4 FY22	Pre-tax income (Expense)	Tax (Expense) benefit	NCI (Expense) income	After-tax/NCI income (Expense)	EPS impact
Mark-to-market adjustments	$192	$(33)	-	$159	$0.23
Restructuring and impairment costs	$(167)	$21	-	$(146)	$(0.21)
Transaction / separation costs	$(21)	$3	-	$(18)	$(0.03)
Environmental remediation	$(255)	$54	-	$(201)	$(0.29)
Discrete income tax items	-	$274	$11	$285	$0.42
Total*	**$(251)**	**$319**	**$11**	**$79**	**$0.11**

*Totals may not sum due to rounding.

Johnson Controls

IR Contacts

Jim Lucas
Vice President, Investor Relations
jim.lucas@jci.com

Michael Gates
Senior Director, Investor Relations
michael.j.gates@jci.com

www.johnsoncontrols.com

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Three Months Ended September 30,	
	2023	2022
Net sales	$ 6,906	$ 6,725
Cost of sales	4,698	4,430
Gross profit	2,208	2,295
Selling, general and administrative expenses	(1,476)	(1,533)
Restructuring and impairment costs	(220)	(167)
Net financing charges	(63)	(60)
Equity income	75	71
Income before income taxes	524	606
Income tax benefit	(57)	(203)
Net income	581	809
Income attributable to noncontrolling interests	32	48
Net income attributable to JCI	$ 549	$ 761
Diluted earnings per share	$ 0.80	$ 1.10
Diluted weighted average shares	683.3	691.2
Shares outstanding at period end	680.4	688.7

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Twelve Months Ended September 30,	
	2023	2022
Net sales	$ 26,793	$ 25,299
Cost of sales	17,822	16,956
Gross profit	8,971	8,343
Selling, general and administrative expenses	(6,181)	(5,945)
Restructuring and impairment costs	(1,064)	(721)
Net financing charges	(281)	(213)
Equity income	265	246
Income before income taxes	1,710	1,710
Income tax benefit	(323)	(13)
Net income	2,033	1,723
Income attributable to noncontrolling interests	184	191
Net income attributable to JCI	$ 1,849	$ 1,532
Diluted earnings per share	$ 2.69	$ 2.19
Diluted weighted average shares	687.4	699.6
Shares outstanding at period end	680.4	688.7

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	September 30, 2023	September 30, 2022
ASSETS		
Cash and cash equivalents	$ 835	$ 2,031
Accounts receivable - net	6,006	5,727
Inventories	2,776	2,665
Other current assets	1,120	1,262
Current assets	10,737	11,685
Property, plant and equipment - net	3,136	3,131
Goodwill	17,936	17,350
Other intangible assets - net	4,888	5,155
Investments in partially-owned affiliates	1,056	963
Other noncurrent assets	4,489	3,874
Total assets	$ 42,242	$ 42,158
LIABILITIES AND EQUITY		
Short-term debt and current portion of long-term debt	$ 1,030	$ 1,534
Accounts payable and accrued expenses	5,226	5,371
Other current liabilities	4,828	4,334
Current liabilities	11,084	11,239
Long-term debt	7,818	7,426
Other noncurrent liabilities	5,646	6,091
Shareholders' equity attributable to JCI	16,545	16,268
Noncontrolling interests	1,149	1,134
Total liabilities and equity	$ 42,242	$ 42,158

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended September 30,	
	2023	2022
Operating Activities		
Net income attributable to JCI	$ 549	$ 761
Income attributable to noncontrolling interests	32	48
Net income	581	809
Adjustments to reconcile net income to cash provided (used) by operating activities:		
Depreciation and amortization	227	197
Pension and postretirement benefit expense (income)	84	(224)
Pension and postretirement contributions	(19)	(13)
Equity in earnings of partially-owned affiliates, net of dividends received	(71)	55
Deferred income taxes	(406)	100
Non-cash restructuring and impairment costs	126	125
Other - net	-	12
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	499	210
Inventories	302	(12)
Other assets	(2)	(86)
Restructuring reserves	26	(5)
Accounts payable and accrued liabilities	(93)	482
Accrued income taxes	136	(471)
Cash provided by operating activities from continuing operations	1,390	1,179
Investing Activities		
Capital expenditures	(173)	(162)
Acquisition of businesses, net of cash acquired	(466)	(33)
Other - net	31	90
Cash used by investing activities from continuing operations	(608)	(105)
Financing Activities		
Decrease in short and long-term debt - net	(820)	(268)
Stock repurchases and retirements	(12)	(14)
Payment of cash dividends	(251)	(242)
Other - net	20	(21)
Cash used by financing activities from continuing operations	(1,063)	(545)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	62	(4)
Increase (decrease) in cash, cash equivalents and restricted cash	$ (219)	$ 525

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Twelve Months Ended September 30,	
	2023	2022
Operating Activities		
Net income attributable to JCI	$ 1,849	$ 1,532
Income attributable to noncontrolling interests	184	191
Net income	2,033	1,723
Adjustments to reconcile net income to cash provided (used) by operating activities:		
Depreciation and amortization	848	830
Pension and postretirement benefit expense (income)	61	(216)
Pension and postretirement contributions	(57)	(96)
Equity in earnings of partially-owned affiliates, net of dividends received	(98)	30
Deferred income taxes	(676)	(141)
Non-cash restructuring and impairment costs	827	555
Other - net	(12)	44
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	(168)	(427)
Inventories	(81)	(773)
Other assets	(216)	(362)
Restructuring reserves	59	(7)
Accounts payable and accrued liabilities	(222)	1,270
Accrued income taxes	(77)	(440)
Cash provided by operating activities from continuing operations	2,221	1,990
Investing Activities		
Capital expenditures	(539)	(592)
Acquisition of businesses, net of cash acquired	(726)	(269)
Other - net	81	168
Cash used by investing activities from continuing operations	(1,184)	(693)
Financing Activities		
Increase (decrease) in short and long-term debt - net	(433)	1,966
Stock repurchases and retirements	(625)	(1,441)
Payment of cash dividends	(980)	(916)
Dividends paid to noncontrolling interests	(149)	(121)
Other - net	13	(4)
Cash used by financing activities from continuing operations	(2,174)	(516)
Discontinued Operations - Cash used by operating activities	-	(4)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5)	(53)
Increase (decrease) in cash, cash equivalents and restricted cash	$ (1,142)	$ 724

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 before income taxes and noncontrolling interests, excluding general corporate expenses, intangible asset amortization, net mark-to-market adjustments related to restricted asbestos investments and pension and postretirement plans, restructuring and impairment costs and net financing charges.

(in millions; unaudited)	Three Months Ended September 30, 2023 Actual	Three Months Ended September 30, 2023 Adjusted Non-GAAP	Three Months Ended September 30, 2022 Actual	Three Months Ended September 30, 2022 Adjusted Non-GAAP	Twelve Months Ended September 30, 2023 Actual	Twelve Months Ended September 30, 2023 Adjusted Non-GAAP	Twelve Months Ended September 30, 2022 Actual	Twelve Months Ended September 30, 2022 Adjusted Non-GAAP
Segment EBITA (1)								
Building Solutions North America	$ 427	$ 427	$ 377	$ 377	$ 1,394	$ 1,394	$ 1,122	$ 1,122
Building Solutions EMEA/LA	82	82	92	92	316	316	358	369
Building Solutions Asia Pacific	94	94	105	105	343	343	332	332
Global Products	502	502	311	533	1,965	1,975	1,594	1,773
Segment EBITA	1,105	1,105	885	1,107	4,018	4,028	3,406	3,596
Corporate expenses (2)	(70)	(49)	(143)	(89)	(432)	(310)	(369)	(306)
Amortization of intangible assets (3)	(120)	(120)	(101)	(101)	(439)	(439)	(427)	(414)
Net mark-to-market gains (losses) (4)	(108)	-	192	-	(92)	-	34	-
Restructuring and impairment costs (5)	(220)	-	(167)	-	(1,064)	-	(721)	-
EBIT (6)	587	936	666	917	1,991	3,279	1,923	2,876
EBIT margin (6)	8.5%	13.6%	9.9%	13.6%	7.4%	12.2%	7.6%	11.4%
Net financing charges	(63)	(63)	(60)	(60)	(281)	(281)	(213)	(213)
Income before income taxes	524	873	606	857	1,710	2,998	1,710	2,663
Income tax benefit (provision) (7)	57	(118)	203	(116)	323	(405)	13	(359)
Net income	581	755	809	741	2,033	2,593	1,723	2,304
Income attributable to noncontrolling interests (8)	(32)	(36)	(48)	(59)	(184)	(188)	(191)	(207)
Net income attributable to JCI	$ 549	$ 719	$ 761	$ 682	$ 1,849	$ 2,405	$ 1,532	$ 2,097

(1) The Company's press release contains financial information regarding total 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 other non-recurring items that 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 net income is shown earlier within this footnote. The following is the three months ended September 30, 2023 and 2022 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 2023	Building Solutions North America 2022	Building Solutions EMEA/LA 2023	Building Solutions EMEA/LA 2022	Building Solutions Asia Pacific 2023	Building Solutions Asia Pacific 2022	Total Building Solutions 2023	Total Building Solutions 2022	Global Products 2023	Global Products 2022	Consolidated JCI plc 2023	Consolidated JCI plc 2022
Segment EBITA as reported	$ 427	$ 377	$ 82	$ 92	$ 94	$ 105	$ 603	$ 574	$ 502	$ 311	$ 1,105	$ 885
Segment EBITA margin as reported (9)	15.4%	14.7%	7.8%	9.4%	13.5%	14.0%	13.3%	13.4%	21.0%	12.8%	16.0%	13.2%
Adjusting items:												
Environmental remediation and related reserves adjustment	-	-	-	-	-	-	-	-	-	222	-	222
Adjusted segment EBITA	$ 427	$ 377	$ 82	$ 92	$ 94	$ 105	$ 603	$ 574	$ 502	$ 533	$ 1,105	$ 1,107
Adjusted segment EBITA margin (9)	15.4%	14.7%	7.8%	9.4%	13.5%	14.0%	13.3%	13.4%	21.0%	21.9%	16.0%	16.5%

A reconciliation of segment EBITA to net income is shown earlier within this footnote. The following is the twelve months ended September 30, 2023 and 2022 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 2023	Building Solutions North America 2022	Building Solutions EMEA/LA 2023	Building Solutions EMEA/LA 2022	Building Solutions Asia Pacific 2023	Building Solutions Asia Pacific 2022	Total Building Solutions 2023	Total Building Solutions 2022	Global Products 2023	Global Products 2022	Consolidated JCI plc 2023	Consolidated JCI plc 2022
Segment EBITA as reported	$ 1,394	$ 1,122	$ 316	$ 358	$ 343	$ 332	$ 2,053	$ 1,812	$ 1,965	$ 1,594	$ 4,018	$ 3,406
Segment EBITA margin as reported (9)	13.5%	12.0%	7.7%	9.3%	12.5%	12.2%	12.0%	11.4%	20.4%	17.0%	15.0%	13.5%
Adjusting items:												
Silent-Aire earn-out adjustment	-	-	-	-	-	-	-	-	(30)	(43)	(30)	(43)
Warehouse fire loss	-	-	-	-	-	-	-	-	40	-	40	-
Environmental remediation and related reserves adjustment	-	-	-	-	-	-	-	-	-	222	-	222
Charges attributable to the suspension of operations in Russia	-	-	-	11	-	-	-	11	-	-	-	11
Adjusted segment EBITA	$ 1,394	$ 1,122	$ 316	$ 369	$ 343	$ 332	$ 2,053	$ 1,823	$ 1,975	$ 1,773	$ 4,028	$ 3,596
Adjusted segment EBITA margin (9)	13.5%	12.0%	7.7%	9.6%	12.5%	12.2%	12.0%	11.4%	20.5%	18.9%	15.0%	14.2%

(2) Adjusted Corporate expenses for the three and twelve months ended September 30, 2023 excludes certain transaction/separation costs of $21 million and $122 million, respectively. Adjusted Corporate expenses for the three months ended September 30, 2022 excludes $33 million of an environmental remediation and related reserves adjustment and transaction/separation costs of $21 million. Adjusted Corporate expenses for the twelve months ended September 30, 2022 excludes $33 million of an environmental remediation and related reserves adjustment and transaction/separation costs of $30 million.

(3) Adjusted amortization of intangible assets for the twelve months ended September 30, 2022 excludes nonrecurring intangible asset amortization related to Silent-Aire purchase accounting of $13 million.

(4) Adjusted results for the three and twelve months ended September 30, 2023 exclude net mark-to-market losses on restricted asbestos investments and pension and postretirement plans of $108 million and $92 million, respectively. The three and twelve months ended September 30, 2022 exclude the net mark-to-market gains on restricted asbestos investments and pension and postretirement plans of $192 million and $34 million, respectively.

(5) Adjusted results for the three and twelve months ended September 30, 2023 exclude restructuring and impairment costs of $220 million and $1,064 million, respectively. The restructuring actions and impairment costs for the three months ended September 30, 2023 are related primarily to workforce reductions and other asset impairments. The restructuring actions and impairment costs for the twelve months ended September 30, 2023 are related primarily to workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit, impairment of assets associated with businesses previously classified as held for sale and other asset impairments. Adjusted results for the three and twelve months ended September 30, 2022 exclude restructuring and impairment costs of $167 million and $721 million, respectively. The restructuring actions and impairment costs for the three months ended September 30, 2022 are related primarily to workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments. The restructuring actions and impairment costs for the twelve months ended September 30, 2022 are related primarily to the impairment of assets associated with businesses classified as held for sale, workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments.

(6) Management defines earnings before interest and taxes (EBIT) as income before net financing charges, income taxes and noncontrolling interests. EBIT margin is defined as EBIT divided by net sales. EBIT and EBIT margin are non-GAAP performance measures. Management believes these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company. A reconciliation of EBIT to net income is shown earlier within this footnote.

(7) Adjusted income tax provision for the three months ended September 30, 2023 excludes net tax benefits related to valuation allowance adjustments of $121 million and the tax effect of other pre-tax adjusting items of $54 million. Adjusted income tax provision for the twelve months ended September 30, 2023 excludes net tax benefits related to adjustments to reserves for uncertain tax positions of $438 million, the net tax effect of other pre-tax adjusting items of $169 million and valuation allowance adjustments of $121 million. Adjusted income tax provision for the three months ended September 30, 2022 excludes tax benefits related to the expiration of the statute of limitations for certain tax years of $301 million and the net tax effect of other pre-tax adjusting items of $45 million, partially offset by tax provisions related to a Japan valuation allowance establishment of $27 million. Adjusted income tax provision for the twelve months ended September 30, 2022 excludes tax benefits related to the expiration of the statute of limitations for certain tax years of $301 million and the net tax effect of other pre-tax adjusting items of $119 million, partially offset by tax provisions related to a Japan valuation allowance establishment of $27 million and APB23 adjustments attributable to businesses classified as held for sale of $21 million.

(8) Adjusted income from continuing operations attributable to noncontrolling interests for the three and twelve months ended September 30, 2023 excludes $4 million impact from restructuring and impairment costs. Adjusted income from continuing operations attributable to noncontrolling interests for the three months ended September 30, 2022 excludes $11 million impact from a Japan valuation allowance establishment. Adjusted income from continuing operations attributable to noncontrolling interests for the twelve months ended September 30, 2022 excludes $11 million impact from a Japan valuation allowance establishment and $5 million impact from restructuring and impairment costs.

(9) Segment EBITA margin is defined as segment EBITA divided by segment net sales, as disclosed in the Company's press release.

The Company's press release and earnings presentation include forward-looking statements regarding organic revenue growth, adjusted segment EBITA margin improvement, free cash flow and adjusted EPS, which are non-GAAP financial measures. These non-GAAP financial measures are derived by excluding certain amounts from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts excluded is 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 and the high variability of certain amounts, such as mark-to-market adjustments. Organic revenue growth 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 the necessary components of such GAAP measures without unreasonable effort or expense. The unavailable information could have a significant impact on the Company's fiscal 2024 first quarter and full year GAAP financial results.

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 shown in the table below are excluded because these items are not considered to be directly related to the underlying operating performance of the Company. Management believes this non-GAAP measure is 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	
	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022
Earnings per share as reported for JCI plc	$ 0.80	$ 1.10	$ 2.69	$ 2.19
Adjusting items:				
Net mark-to-market adjustments	0.16	(0.28)	0.13	(0.05)
Related tax impact	(0.04)	0.05	(0.04)	(0.01)
Restructuring and impairment costs	0.32	0.24	1.55	1.03
Related tax impact	(0.04)	(0.03)	(0.18)	(0.07)
NCI impact of restructuring and impairment costs	(0.01)	-	(0.01)	(0.01)
Silent-Aire other nonrecurring costs	-	-	-	0.02
Environmental remediation and related reserves adjustment	-	0.37	-	0.36
Related tax impact	-	(0.08)	-	(0.08)
Transaction/separation costs	0.03	0.03	0.18	0.04
Related tax impact	-	-	(0.02)	-
Silent-Aire earn-out adjustment	-	-	(0.04)	(0.06)
Warehouse fire loss	-	-	0.06	-
Related tax impact	-	-	(0.01)	-
Charges attributable to the suspension of operations in Russia	-	-	-	0.01
Discrete tax items	(0.18)	(0.40)	(0.81)	(0.36)
NCI impact of discrete tax items	-	(0.02)	-	(0.02)
Adjusted earnings per share for JCI plc*	$ 1.05	$ 0.99	$ 3.50	$ 3.00

* 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 September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022
Weighted average shares outstanding for JCI plc				
Basic weighted average shares outstanding	680.3	688.6	684.3	696.1
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	3.0	2.6	3.1	3.5
Diluted weighted average shares outstanding	683.3	691.2	687.4	699.6

3. Organic Growth Reconciliation

The components of the change in net sales for the three months ended September 30, 2023 versus the three months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Net Sales for the Three Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended September 30, 2022	Acquisitions		Organic Growth		Net Sales for the Three Months Ended September 30, 2023	
Building Solutions North America	$ 2,562	$ -	-	$ (4)	-	$ 2,558	$ 12	-	$ 208	8%	$ 2,778	8%
Building Solutions EMEA/LA	976	(5)	-1%	39	4%	1,010	7	1%	28	3%	1,045	7%
Building Solutions Asia Pacific	751	(13)	-2%	(22)	-3%	716	24	3%	(43)	-6%	697	-7%
Total Building Solutions	4,289	(18)	-	13	-	4,284	43	1%	193	5%	4,520	5%
Global Products	2,436	-	-	(31)	-1%	2,405	31	1%	(50)	-2%	2,386	-2%
Total net sales	$ 6,725	$ (18)	-	$ (18)	-	$ 6,689	$ 74	1%	$ 143	2%	$ 6,906	3%

The components of the change in net sales for the twelve months ended September 30, 2023 versus the twelve months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Net Sales for the Twelve Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Twelve Months Ended September 30, 2022	Acquisitions		Organic Growth		Net Sales for the Twelve Months Ended September 30, 2023	
Building Solutions North America	$ 9,367	$ -	-	$ (45)	-	$ 9,322	$ 29	-	$ 979	11%	$ 10,330	10%
Building Solutions EMEA/LA	3,845	(32)	-1%	(102)	-3%	3,711	61	2%	324	9%	4,096	7%
Building Solutions Asia Pacific	2,714	(13)	-	(169)	-6%	2,532	32	1%	182	7%	2,746	1%
Total Building Solutions	15,926	(45)	-	(316)	-2%	15,565	122	1%	1,485	10%	17,172	8%
Global Products	9,373	-	-	(300)	-3%	9,073	36	-	512	6%	9,621	3%
Total net sales	$ 25,299	$ (45)	-	$ (616)	-2%	$ 24,638	$ 158	1%	$ 1,997	8%	$ 26,793	6%

The components of the change in total service revenue for the three months ended September 30, 2023 versus the three months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Service Revenue for the Three Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended September 30, 2022	Acquisitions		Organic Growth		Service Revenue for the Three Months Ended September 30, 2023	
Building Solutions North America	$ 977	$ -	-	$ (3)	-	$ 974	$ 11	1%	$ 66	7%	$ 1,051	8%
Building Solutions EMEA/LA	405	(1)	-	9	2%	413	3	1%	59	14%	475	17%
Building Solutions Asia Pacific	188	(13)	-7%	(4)	-2%	171	9	5%	19	11%	199	6%
Total Building Solutions	1,570	(14)	-1%	2	-	1,558	23	1%	144	9%	1,725	10%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,570	$ (14)	-1%	$ 2	-	$ 1,558	$ 23	1%	$ 144	9%	$ 1,725	10%

The components of the change in total service revenue for the twelve months ended September 30, 2023 versus the twelve months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Service Revenue for the Twelve Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Twelve Months Ended September 30, 2022	Acquisitions		Organic Growth		Service Revenue for the Twelve Months Ended September 30, 2023	
Building Solutions North America	$ 3,659	$ -	-	$ (18)	-	$ 3,641	$ 28	1%	$ 293	8%	$ 3,962	8%
Building Solutions EMEA/LA	1,657	(13)	-1%	(63)	-4%	1,581	13	1%	227	14%	1,821	10%
Building Solutions Asia Pacific	709	(13)	-2%	(40)	-6%	656	12	2%	91	14%	759	7%
Total Building Solutions	6,025	(26)	-	(121)	-2%	5,878	53	1%	611	10%	6,542	9%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 6,025	$ (26)	-	$ (121)	-2%	$ 5,878	$ 53	1%	$ 611	10%	$ 6,542	9%

The components of the change in total install revenue for the three months ended September 30, 2023 versus the three months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Install Revenue for the Three Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Install Revenue for the Three Months Ended September 30, 2022	Acquisitions		Organic Growth		Install Revenue for the Three Months Ended September 30, 2023	
Building Solutions North America	$ 1,585	$ -	-	$ (1)	-	$ 1,584	$ 1	-	$ 142	9%	$ 1,727	9%
Building Solutions EMEA/LA	571	(4)	-1%	30	5%	597	4	1%	(31)	-5%	570	-
Building Solutions Asia Pacific	563	-	-	(18)	-3%	545	15	3%	(62)	-11%	498	-12%
Total Building Solutions	2,719	(4)	-	11	-	2,726	20	1%	49	2%	2,795	3%
Global Products	2,436	-	-	(31)	-1%	2,405	31	1%	(50)	-2%	2,386	-2%
Total install revenue	$ 5,155	$ (4)	-	$ (20)	-	$ 5,131	$ 51	1%	$ (1)	-	$ 5,181	1%

The components of the change in total install revenue for the twelve months ended September 30, 2023 versus the twelve months ended September 30, 2022, including organic growth, are shown below (unaudited):

(in millions)	Install Revenue for the Twelve Months Ended September 30, 2022	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Install Revenue for the Twelve Months Ended September 30, 2022	Acquisitions		Organic Growth		Install Revenue for the Twelve Months Ended September 30, 2023	
Building Solutions North America	$ 5,708	$ -	-	$ (27)	-	$ 5,681	$ 1	-	$ 686	12%	$ 6,368	12%
Building Solutions EMEA/LA	2,188	(19)	-1%	(39)	-2%	2,130	48	2%	97	5%	2,275	4%
Building Solutions Asia Pacific	2,005	-	-	(129)	-6%	1,876	20	1%	91	5%	1,987	-1%
Total Building Solutions	9,901	(19)	-	(195)	-2%	9,687	69	1%	874	9%	10,630	7%
Global Products	9,373	-	-	(300)	-3%	9,073	36	-	512	6%	9,621	3%
Total install revenue	$ 19,274	$ (19)	-	$ (495)	-3%	$ 18,760	$ 105	1%	$ 1,386	7%	$ 20,251	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. We also present below free cash flow conversion from the GAAP measure of net income attributable to JCI. Effective January 1, 2023, the Company has excluded the impact of its financing entity, JC Capital, from the calculation of free cash flow. Management believes this provides a more true representation of the Company's operational ability to convert cash, without the contrary impact from financing activities. The impact on interim and annual periods prior to January 1, 2023 was not material. JC Capital cash flows that are excluded from the calculation of free cash flow primarily include activity associated with finance/notes receivables and inventory and/or capital expenditures related to lease arrangements. JC Capital net income that is excluded is primarily related to interest income on the finance/notes receivable and profit recognized on arrangements with sales-type lease components.

Free cash flow is defined as cash provided (used) by operating activities, excluding JC Capital, less capital expenditures, excluding JC Capital. Free cash flow conversion from net income is defined as free cash flow divided by net income attributable to JCI. Free cash flow conversion is defined as free cash flow divided by adjusted net income attributable to JCI, excluding JC Capital. 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 and twelve months ended September 30, 2023 and 2022 calculation of free cash flow (unaudited):

	Three Months Ended		Twelve Months Ended	
(in millions)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Cash provided by operating activities from continuing operations	$ 1,390	$ 1,179	$ 2,221	$ 1,990
Less: JC Capital cash used by operating activities from continuing operations	(56)	-	(137)	-
Cash provided by operating activities from continuing operations, excluding JC Capital	$ 1,446	$ 1,179	$ 2,358	$ 1,990
Capital expenditures	$ (173)	$ (162)	$ (539)	$ (592)
Less: JC Capital capital expenditures	-	-	-	-
Capital expenditures, excluding JC Capital	$ (173)	$ (162)	$ (539)	$ (592)
Free cash flow	$ 1,273	$ 1,017	$ 1,819	$ 1,398

The following is the twelve months ended September 30, 2023 and 2022 calculation of free cash flow conversion from net income and free cash flow conversion (unaudited):

	Twelve Months Ended	
(in millions)	September 30, 2023	September 30, 2022
Net income attributable to JCI	$ 1,849	$ 1,532
Free cash flow conversion from net income	98%	91%
Adjusted net income attributable to JCI	$ 2,405	$ 2,097
Less: JC Capital net income	11	-
Adjusted net income attributable to JCI, excluding JC Capital	$ 2,394	$ 2,097
Free cash flow conversion	76%	67%

5. Debt Ratios

The Company's earnings presentation provides financial information regarding net debt to adjusted EBITDA, which is a non-GAAP performance measure. We also present below net debt to income before income taxes. The Company believes these ratios are useful to understanding the Company's financial condition as they provide an overview of the extent to which the Company relies on external debt financing for its funding and are a measure of risk to its shareholders. The following is the September 30, 2023, June 30, 2023, and September 30, 2022 calculation of net debt to income before income taxes and net debt to adjusted EBITDA (unaudited):

(in millions)	September 30, 2023	June 30, 2023	September 30, 2022
Short-term debt and current portion of long-term debt	$ 1,030	$ 1,267	$ 1,534
Long-term debt	7,818	8,497	7,426
Total debt	8,848	9,764	8,960
Less: cash and cash equivalents	835	1,057	2,031
Total net debt	$ 8,013	$ 8,707	$ 6,929
Last twelve months income before income taxes	$ 1,710	$ 1,792	$ 1,710
Total net debt to income before income taxes	4.7x	4.9x	4.1x
Last twelve months adjusted EBITDA	$ 4,127	$ 4,078	$ 3,693
Total net debt to adjusted EBITDA	1.9x	2.1x	1.9x

The following is the last twelve months ended September 30, 2023, June 30, 2023, and September 30, 2022 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 September 30, 2023	Last Twelve Months Ended June 30, 2023	Last Twelve Months Ended September 30, 2022
Income from continuing operations	$ 2,033	$ 2,261	$ 1,723
Income tax benefit	(323)	(469)	(13)
Net financing charges	281	278	213
EBIT	1,991	2,070	1,923
Adjusting items:			
Net mark-to-market adjustments	92	(208)	(34)
Restructuring and impairment costs	1,064	1,011	721
Environmental remediation and related reserves adjustment	-	255	255
Silent-Aire other nonrecurring costs	-	-	13
Silent-Aire earn-out adjustment	(30)	(30)	(43)
Charges attributable to the suspension of operations in Russia	-	-	11
Warehouse fire loss	40	40	-
Transaction/separation costs	122	122	30
Adjusted EBIT (1)	3,279	3,260	2,876
Depreciation and amortization	848	818	817
Adjusted EBITDA (1)	$ 4,127	$ 4,078	$ 3,693

(1) The Company's definition of adjusted EBIT and adjusted EBITDA excludes special items that 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 net mark-to-market adjustments, restructuring and impairment costs, Silent-Aire nonrecurring intangible asset amortization and purchase accounting, charges attributable to the suspension of operations in Russia, discrete tax items, certain transaction/separation costs and warehouse fire loss for the three and twelve months ending September 30, 2023 and September 30, 2022 is approximately 13.5%.