FISCAL Q1

2025 Earnings Conference Call

February 5, 2025

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 some cases, these forward-looking statements can be identified by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. 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 of Johnson Controls to execute on its operating model and drive organizational improvement; Johnson Controls’ ability to successfully execute and complete portfolio simplification, including the completion of the divestiture of the Residential and Light Commercial Business, as well as the possibility that the expected benefits of such actions will not be realized or will not be realized within the expected time frame; the ability to hire and retain senior management and other key personnel, including successfully executing Johnson Controls’ Chief Executive Officer succession plan; 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 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 Johnson Controls’ customers; the ability to manage macroeconomic and geopolitical volatility, including supply chain shortages, restrictive trade measures and the conflict between Russia and Ukraine and the ongoing conflicts in the Middle East; managing the risks and impacts of potential and actual security breaches, cyberattacks, privacy breaches or data breaches; maintaining and improving the capacity, reliability and security of 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; risks and uncertainties related to the settlement with a nationwide class of public water systems concerning the use of AFFF; 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; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; labor shortages, work stoppages, union negotiations, labor disputes and other matters associated with the labor force; and the cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Johnson Controls business is included in the section entitled “Risk Factors” in Johnson Controls Annual Report on Form 10-K for the fiscal year filed with the SEC, which is available at www.sec.gov and www.johnsoncontrols.com under the “Investors” tab, and such factors may be updated from time to time in Johnson Controls filings with the SEC, which are or will be accessible on the SEC’s website at www.sec.gov. 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, certain transaction / separation costs, cyber incident costs, warehouse fire loss, certain earnout liability adjustments, water systems AFFF settlement charges and AFFF insurance recoveries, loss on divestitures, product quality issue costs, one-time EMEALA joint venture losses, and discrete tax items. Financial information regarding organic revenue growth, EBIT, adjusted EBIT, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, net debt/EBITDA, adjusted cash provided by operating activities from continuing operations, adjusted free cash flow, adjusted 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 footnotes of the Company's earnings release.

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Key Reminders and Non-GAAP Definitions

- Fiscal year 2025 guidance is being provided on a continuing operations basis, excluding the results of the Residential & Light Commercial (“R&LC”) discontinued operations.
- Organic sales represents the change in sales excluding the impact of acquisitions, divestitures and foreign currency.
- Segment margin represents earnings before interest, taxes and amortization ("EBITA"). Adjusted segment EBITA excludes items such as mark-to-market adjustments and restructuring and impairment costs, amongst other discrete or one-time items. Refer to the appendix for details of adjusting items.
- Free cash flow conversion is a non-GAAP measure calculated as cash provided by operating activities, less capital expenditures, and divided by net income. Adjusted free cash flow conversion excludes the impact of JC Capital, the AFFF legal settlement and discontinuing our factoring program, and is divided by adjusted net income.
- For further information on the calculation of non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company's earnings release.

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CEO Summary

Delivered strong results and execution across the portfolio

- Organic sales growth of 10% with broad-based strength
- Segment EBITA margin expanded 200 basis points to 15%
- Adjusted EPS up 39%
- Strong Q1 cash flow and on track to deliver free cash flow conversion of 90%+

Record backlog and accelerated orders bolstering sustained growth

- Orders grew 16% led by double-digit growth in Systems and Service
- Backlog grew 11% to $13.2B

Raised 2025 EPS guidance to reflect continued momentum and strong start to the year

- Expect organic revenue growth of ~MSD
- Expect adjusted segment margins to expand >80bps (previous: >50bps)
- Expect adjusted EPS of ~$3.50 to $3.60 (previous: ~$3.40 to $3.50)

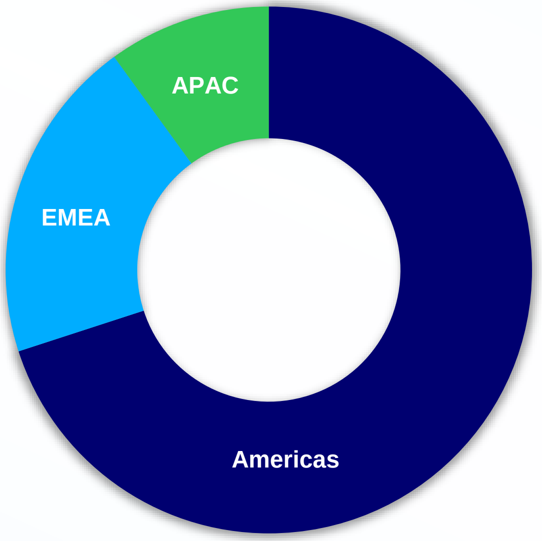
Positioned for future success through the substantial progress of our portfolio transformation

- Announced Company's next CEO following a thorough succession planning process
- Advancing position as a pure-play commercial building solutions provider

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

A Simplified Portfolio Across the Building Lifecycle

GEOGRAPHY



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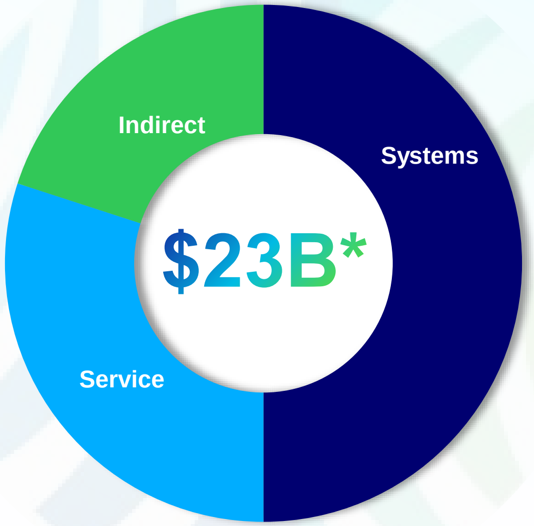

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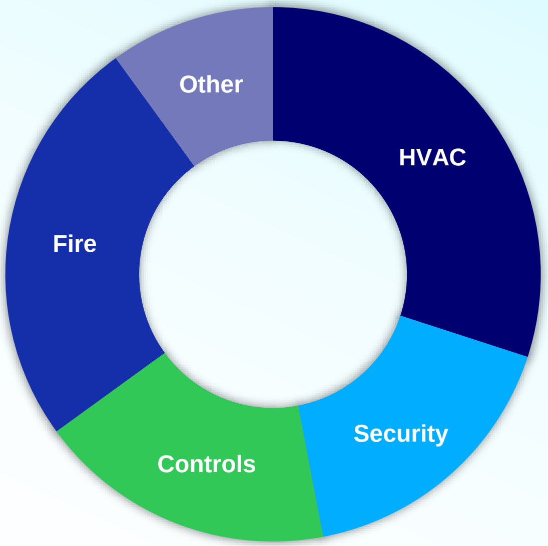


One End-to-End Business Solutions Operating Model

Systems + *Services* = *Solutions*

Enabled by Digital

KEY STATISTICS

4M+	10K+	1K+	250K+	20K+	50TB+	5.5M+	~39M
Global Customers	Channel Partners	Digital Customers with Subscriptions	Sites Under PSA	Building Service Professionals	Data from Connected Assets	Service Visits Annually	Metric Tons of CO_2 Emissions Reduced for our Customers Since 2000

KEY MARKETS

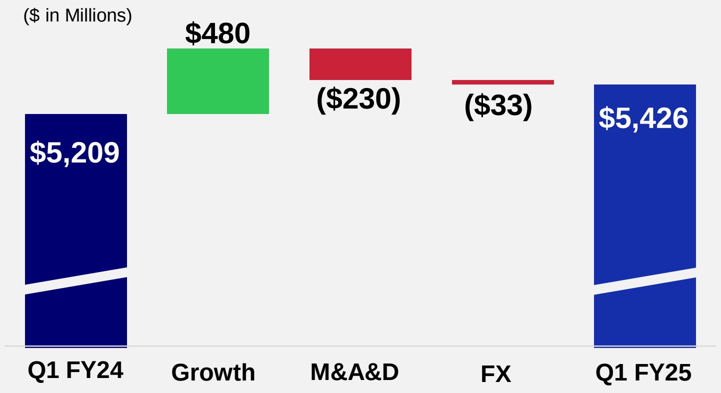
- Commercial Real Estate
- Datacenter
- Education
- Government
- Healthcare
- Industrial
- Sports & Entertainment
- Transportation

*Represents FY24 Sales from Continuing Operations

Fiscal Q1 Results

Broad-Based Strength Across the Portfolio

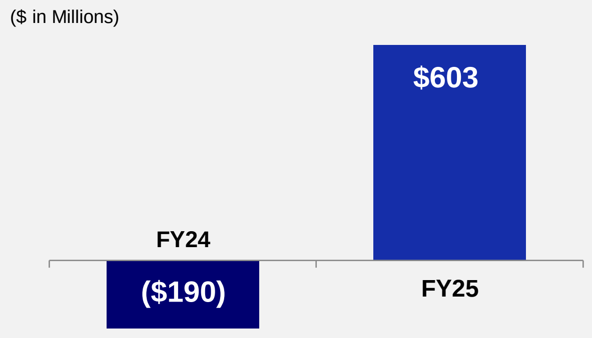
JCI Sales - Organic % Growth*



10%
YoY Organic Growth*

Service	+10%
Systems	+8%
Global Products	+15%

Balance Sheet and Reported FY25 Adjusted Free Cash Flow*



Balance Sheet

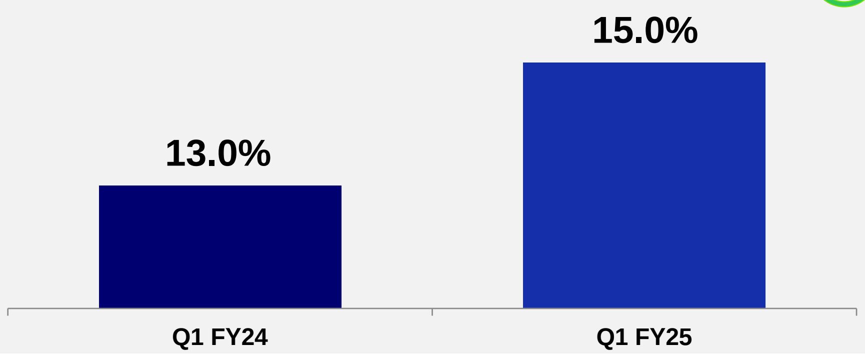
- 89% fixed rate debt
- ~$1.2B cash position
- 2.3X Net Debt / EBITDA*

Adjusted Free Cash Flow*

- Strong improvement YoY

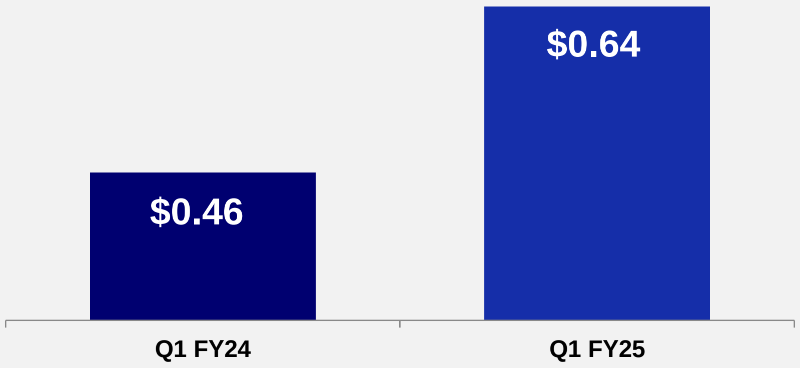
JCI Adj. Segment EBITA/Margin*

200bps
Adj. EBITA Margin* Expansion



Adjusted EPS*

39%
YoY Growth



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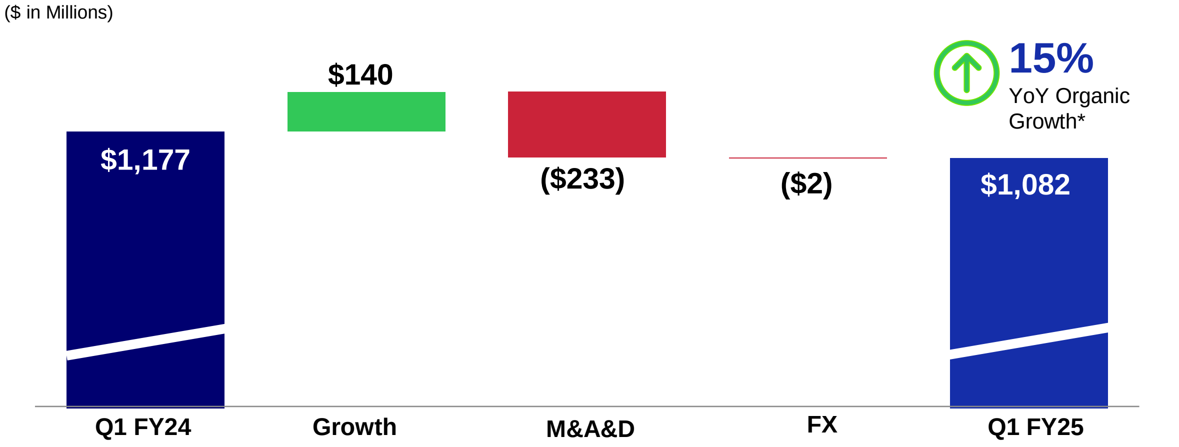
Fiscal Q1 Results

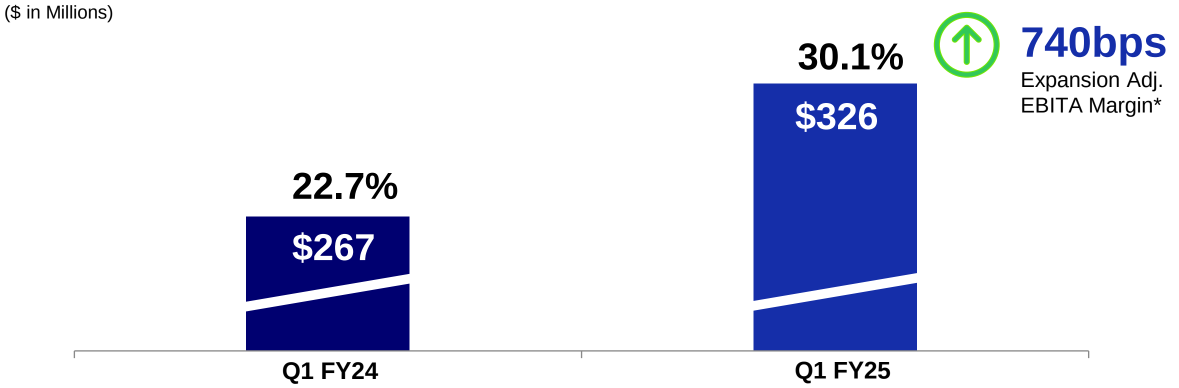
Margin Expansion Driven by Strong Demand and Robust Leverage

Global Products Sales



- Price +4% / Volume +11%
- Applied HVAC[1] +>30%
- Fire and Security +MSD
- Industrial Refrigeration (MSD)

Global Products Adj. Segment EBITA/Margin*



- Growth: ~$65M
- Productivity: ~$30M
- Mix: ~($15M)
- Divestitures: ~($20M)

*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, global unitary and VRF equipment and represents indirect sales of chiller and air handling equipment.

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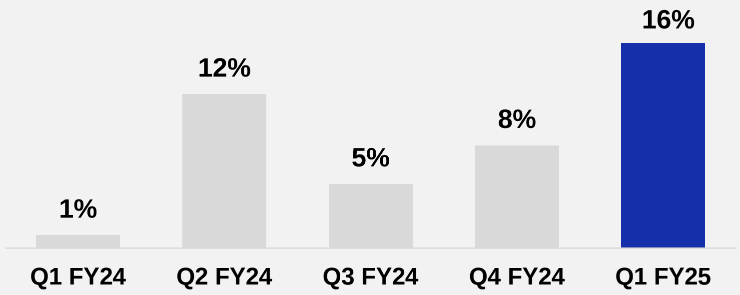
Fiscal Q1 Results

Accelerating Orders and Record Backlog; Supports Continued Momentum

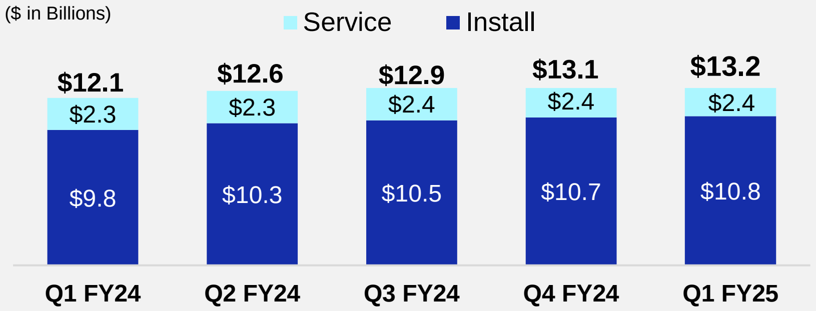
Building Solutions Orders - Organic % Growth



16%
YoY Organic Growth

Service	+10%
Systems	+20%

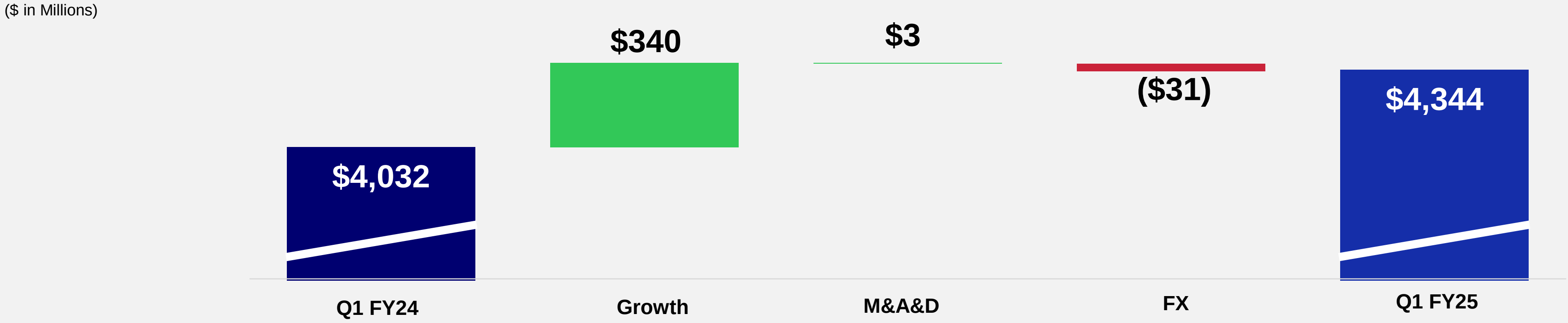
Building Solutions Backlog



11%
YoY Organic Growth

Service	+8%
Systems	+12%

Building Solutions Sales



8%
Organic Sales Growth*

Service	+10%
Systems	+8%

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

Fiscal Q1 Results

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	↑ 18% Q1 FY24: 6% Q1 FY25: 18%	▪ **Orders** - Service +10% - Systems +23% ▪ **Backlog** $9.3B, +12% - Service +6% - Systems +13%	↑ 10% Q1 FY24: $2.5B Q1 FY25: $2.7B	▪ Service +9% ▪ Systems +12% - Applied[1]: +high-teens - F&S[2]: +LSD - SI: +LSD	↑ 60bps Q1 FY24: 11.5% $285 Q1 FY25: 12.1% $332	▪ Growth: ~$70M ▪ Productivity: ~($20M)
EMEALA	↑ 6% Q1 FY24: 5% Q1 FY25: 6%	▪ **Orders** - Service +9% - Systems +4% ▪ **Backlog** $2.5B, +5% - Service +15% - Systems +2%	↑ 6% Q1 FY24: $1.0B Q1 FY25: $1.1B	▪ Service +10% ▪ Systems +2% - Applied[1]: Flat - F&S[2]: +HSD - IR: +LDD	↑ 240bps Q1 FY24: 7.7% $80 Q1 FY25: 10.1% $108	▪ Growth: ~$15M ▪ Productivity: ~$10M
APAC	↑ 32% Q1 FY24: -31% Q1 FY25: 32%	▪ **Orders** - Service +14% - Systems +43% ▪ **Backlog** $1.5B, +22% - Service +2% - Systems +25%	↑ 5% Q1 FY24: $0.5B Q1 FY25: $0.5B	▪ Service +14% ▪ Systems Flat - Applied[1]: +MSD - F&S[2]: +LSD - IR: +LSD	↑ 20bps Q1 FY24: 9.1% $46 Q1 FY25: 9.3% $49	▪ Mix: ~$10M ▪ Other: ~($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.

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Outlook Summary

Introducing Q2 and Raising Fiscal '25 Full Year Guidance (Continuing Operations)

	Q2'25	FY'25
Organic Revenue*	Up ~MSD	Up ~MSD (unchanged)
Adjusted Segment EBITA Margin*	~16.5%	Up >80bps (previous: Up >50bps)
Adjusted EPS*	~$0.77 to $0.79	~$3.50 to $3.60 (previous: ~$3.40 to $3.50)

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

The New Johnson Controls

A Faster Growing, More Profitable, Simplified Company

- **Higher-growth business model**
- **Increased exposure to robust data center demand**
- **Long-cycle backlog underpins greater revenue visibility**
- **Higher profit margins with further margin expansion driven by operating leverage and growing Service mix**
- **Target ~100% of free cash flow returned to shareholders**

Appendix

Additional FY 2025 Guidance Items (Continuing Operations)

	Q2'25	FY25
Corporate Expense*	~$130M	~$440M
Amortization Expense	~$120M	~$480M
NFC	~$85M	~$340M
Tax Rate	~12%	~12%
Shares	~662M	~660M
Free Cash Flow Conversion	—	90%+

*Adjusted Corporate expense includes certain stranded costs from divestiture transactions to be addressed by multi-year restructuring program

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Fiscal Q1 Results

Broad-Based Global Reach

Organic Sales Growth* %	% of FY24 Sales	North America	EMEALA	Asia Pac	Global Products	Consolidated JCI
Applied HVAC[1]	46%	+high-teens	Flat	+MSD	+>30%	+high-teens
Fire and Security[4]	44%	+LSD	+HSD	+LSD	+MSD	+MSD
Sustainability Infrastructure	4%	+LSD				+LSD
Industrial Refrigeration	6%		+LDD	+LSD	(MSD)	+MSD
Total	**100%[5]**	**+10%**	**+6%**	**+5%**	**+15%**	**+10%**

[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.
[5] Totals might not add up to 100% due to rounding

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

Balance Sheet and Adjusted Free Cash Flow

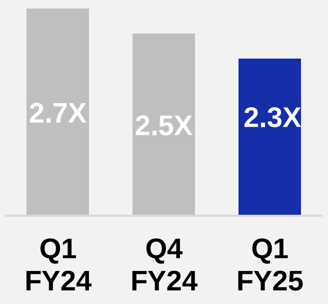
Disciplined Capital Allocation

Capital Structure ($ billions)	Q1 FY24	Q4 FY24	Q1 FY25
Short-term debt and current portion of long-term debt	$2.6	$1.5	$1.4
Long-term debt	$8.0	$8.0	$8.6
Total debt	**$10.6**	**$9.5**	**$10.0**
Less: cash and cash equivalents	$1.8	$0.6	$1.2
Net debt*	**$8.8**	**$8.9**	**$8.8**

Debt and liquidity

- **89% fixed** rate debt
- **3.5%** 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*



Adj. Free Cash Flow* ($ billions)	Q1 FY24	Q1 FY25
Free cash flow	($0.2)	$0.1
Less: JC Capital free cash flow	($0.1)	($0.1)
Less: AFFF Settlement Payments and related insurance recoveries	-	($0.4)
Less: Impact of discontinuation of factoring programs	$0.1	-
Reported Adj. Free Cash Flow*	**($0.2)**	**$0.6**

Adjusted free cash flow*

- Strong YoY improvement

*Non-GAAP measures. See footnotes for reconciliation.

*Adjusted free cash flow and net debt / EBITDA are non-GAAP measures. Refer to footnotes for reconciliation. During the three months ended March 31, 2024, the Company discontinued its receivables factoring program. Effective January 1, 2024, the Company has excluded the impact of the discontinuation of its accounts receivables factoring programs from the calculation of adjusted free cash flow. Management believes this provides a more accurate representation of the Company's current period operating cash flows compared to the prior year. The Company has also re-baselined the prior year adjusted free cash flow measure to present a more comparative measure without the impact of factoring.

Fiscal Q1

Consolidated Financial Results

($ in Millions, except earnings per share)	Q1 FY24 GAAP	Q1 FY25 GAAP	Q1 FY24* NON-GAAP	Q1 FY25* NON-GAAP	% Change NON-GAAP
Sales	$5,209	$5,426	$5,209	$5,426	4%
Gross profit (% of sales)	$1,778 34.1%	$1,926 35.5%	$1,778 34.1%	$1,926 35.5%	8%
SG&A expenses	$1,334	$1,399	$1,333	$1,358	2%
Restructuring and impairment costs	$35	$33	-	-	-
Equity income (loss)	$(2)	-	$(2)	-	NM
EBIT*	$407	$494	$443	$568	28%
Net financing charges	$87	$86	$87	$86	-1%
Income from continuing operations before income taxes	$320	$408	$356	$482	35%
Income tax provision (benefit)	$(20)	$47	$41	$58	41%
Income from continuing operations	$340	$361	$315	$424	35%
Income from discontinued operations, net of tax	$64	$90	$68	$100	47%
Net income	$404	$451	$383	$524	37%
Income (loss) from continuing operations attributable to non-controlling interests Income from discontinued operations attributable to non-controlling interests	$ - $30	$(2) $34	$ - $32	$(2) $35	NM 9%
Net income attributable to Johnson Controls	$374	$419	$351	$491	40%
Income from continuing operations Income from discontinued operations	$340 $34	$363 $56	$315 $36	$426 $65	35% 81%
Diluted EPS continuing ops **Diluted EPS discontinued ops**	**$0.50** **$0.05**	**$0.55** **$0.08**	**$0.46** **$0.05**	**$0.64** **$0.10**	**39%** **100%**
Total EPS	**$0.55**	**$0.63**	**$0.51**	**$0.74**	**45%**

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

Fiscal Q1

Special Items

($ in Millions, except EPS)

Three Months Ended December 31	Net income (Expense)		EPS impact	
	2024	2025	2024	2025
Mark-to-market adjustments	$22	$(1)	$0.03	-
Restructuring and impairment costs	$(35)	$(33)	$(0.05)	$(0.05)
AFFF insurance recoveries	-	$4	-	$0.01
Transaction/separation costs	-	$(11)	-	$(0.02)
Transformation costs	-	$(33)	-	$(0.05)
Cyber incident costs	$(23)	-	$(0.03)	-
Discrete tax items	$57	-	$0.08	-
Related tax impact	$4	$11	$0.01	$0.02
Total*	**$25**	**$(63)**	**$0.04**	**$(0.09)**

*Totals may not sum due to rounding.

Historical Quarterly Results – Continuing Operations

Continuing Operations (in $ millions)	FY 2024					FY 2023				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net sales	5,209	5,597	5,898	6,248	22,952	5,155	5,546	5,777	5,853	22,331
Net income attributable to JCI	340	(321)	852	536	1,392	97	44	940	481	1,563
Income attributable to NCI	-	3	(1)	2	4	4	1	7	7	19
Net income	340	(318)	851	538	1,396	101	45	947	488	1,582
Income tax provision (benefit)	(20)	(153)	174	110	126	(3)	8	(381)	(92)	(468)
Income before income taxes	320	(471)	1,025	648	1,522	98	53	566	396	1,113
Net financing charges	87	89	70	96	342	62	66	74	56	258
EBIT (Non-GAAP)*	407	(382)	1,095	744	1,863	160	119	640	452	1,372
Adjustments:										
Net mark-to-market adjustments	(22)	(15)	(5)	(6)	(48)	(3)	4	(17)	111	95
Restructuring and impairment costs, net of NCI	35	239	102	133	509	343	415	79	212	1,049
Water systems AFFF settlement	-	750	-	-	750	-	-	-	-	-
AFFF insurance recoveries	-	-	(351)	(16)	(367)	-	-	-	-	-
Transaction/separation costs	-	5	10	17	32	26	29	43	20	118
Earn-out adjustments	-	(7)	(61)	-	(68)		(30)	-	-	(30)
Warehouse fire loss	-	-	-	-	-	40		-	-	40
Cyber incident costs	23	4	-	-	27	-	-	-	-	-
Global Products product quality issue	-	33	-	-	33	-	-	-	-	-
Loss on divestiture	-	-	-	42	42	-	-	-	-	-
EMEALA joint venture loss	-	-	-	17	17	-	-	-	-	-
Adjusted EBIT (Non-GAAP)*	443	627	790	931	2,790	566	537	745	795	2,643

*Totals may not sum due to rounding.

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Historical Quarterly Results – Continuing Operations

Continuing Operations	FY 2024 Q1	FY 2024 Q2	FY 2024 Q3	FY 2024 Q4	FY 2024 YTD	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2023 YTD
Diluted EPS	$ 0.50	$ (0.47)	$ 1.25	$ 0.80	$ 2.08	$ 0.14	$ 0.07	$ 1.36	$ 0.70	$ 2.27
Adjustments:										
Net mark-to-market adjustments	(0.03)	(0.02)	(0.01)	(0.01)	(0.07)	-	0.01	(0.02)	0.16	0.14
Restructuring and impairment costs	0.05	0.35	0.15	0.20	0.75	0.50	0.60	0.12	0.31	1.53
Water systems AFFF settlement	-	1.10	-	-	1.11	-	-	-	-	-
AFFF insurance recoveries	-	-	(0.52)	(0.02)	(0.54)	-	-	-	-	-
Transaction/separation costs	-	0.01	0.01	0.03	0.05	0.04	0.04	0.06	0.03	0.17
Earn-out adjustments	-	(0.01)	(0.09)	-	(0.10)	-	(0.04)	-	-	(0.04)
Warehouse fire loss	-	-	-	-	-	0.06	-	-	-	0.06
Cyber incident costs	0.03	0.01	-	-	0.04	-	-	-	-	-
Global Products product quality issue	-	0.05	-	-	0.05	-	-	-	-	-
Loss on divestiture	-	-	-	0.06	0.06	-	-	-	-	-
EMEALA joint venture loss	-	-	-	0.03	0.03	-	-	-	-	-
Tax impact of adjusting items	(0.01)	(0.32)	0.14	0.03	(0.16)	(0.09)	(0.06)	(0.02)	(0.08)	(0.24)
Discrete tax items	(0.08)	-	-	-	(0.08)	-	-	(0.64)	(0.18)	(0.81)
Adjusted diluted EPS (Non-GAAP)*	$ 0.46	$ 0.69	$ 0.95	$ 1.11	$ 3.21	$ 0.63	$ 0.62	$ 0.87	$ 0.95	$ 3.07
Weighted shares outstanding	682.4	679.0	672.8	668.1	676.0	690.3	689.7	686.2	683.3	687.4

*Totals may not sum due to rounding.

Historical Quarterly Results – Global Products Continuing Operations

Global Products - Continuing Operations (in $ millions)	FY2024					FY2023				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Segment EBITA*	267	290	387	459	1,403	298	305	355	358	1,317
Adjusting items:										
Earn out adjustments	-	(7)	-	-	(7)	-	(30)	-	-	(30)
Global products quality costs	-	33	-	-	33	-	-	-	-	-
Warehouse fire loss	-	-	-	-	-	40	-	-	-	40
Adjusted Segment EBITA*	267	316	387	459	1,429	338	275	355	358	1,327

*Totals may not sum due to rounding.

Solutions to Bring Value Across the Building Lifecycle

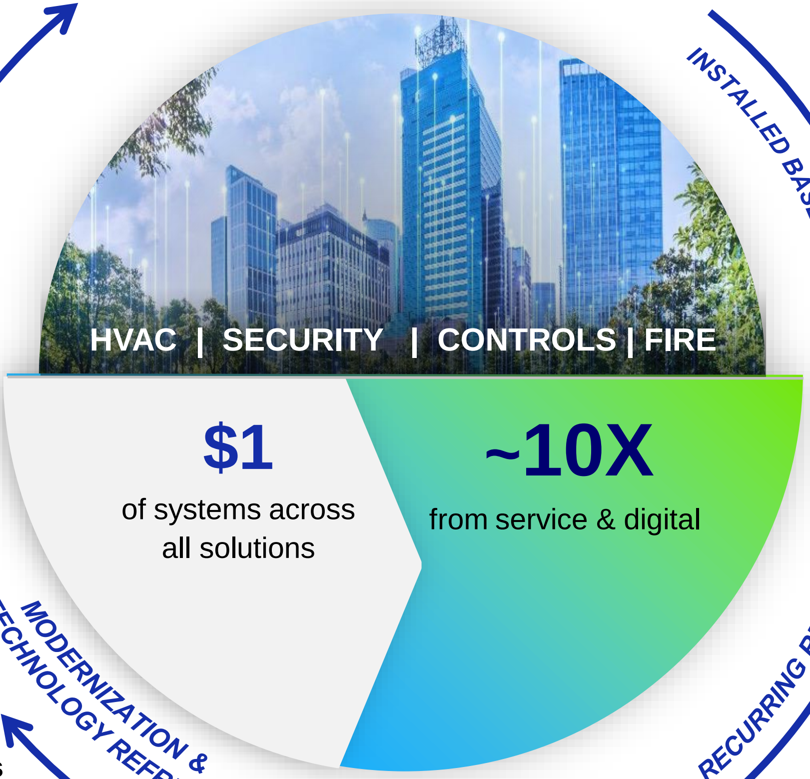
1. Product & Technology Leadership

- Sales support and project engineering
- World class estimating tools
- Connection ready systems and digital software as a service

2. New Construction Systems

- Focus on systems margin expansion
- Local execution matched with centralized application engineering
- Service linkage to capture lifecycle revenue

INSTALLED BASE GROWTH



3. Proactive Service & Maintenance

- Connected Solutions expand customer utilization of system capabilities
- Advanced Cloud analytics measure performance
- Enhance local technician productivity with Open Blue technology

RECURRING REVENUE

4. Parts & Repair

- Connected systems software detects faults and risks
- Remote diagnostics to improve response time
- AI driven proactive service

MODERNIZATION & TECHNOLOGY REFRESH

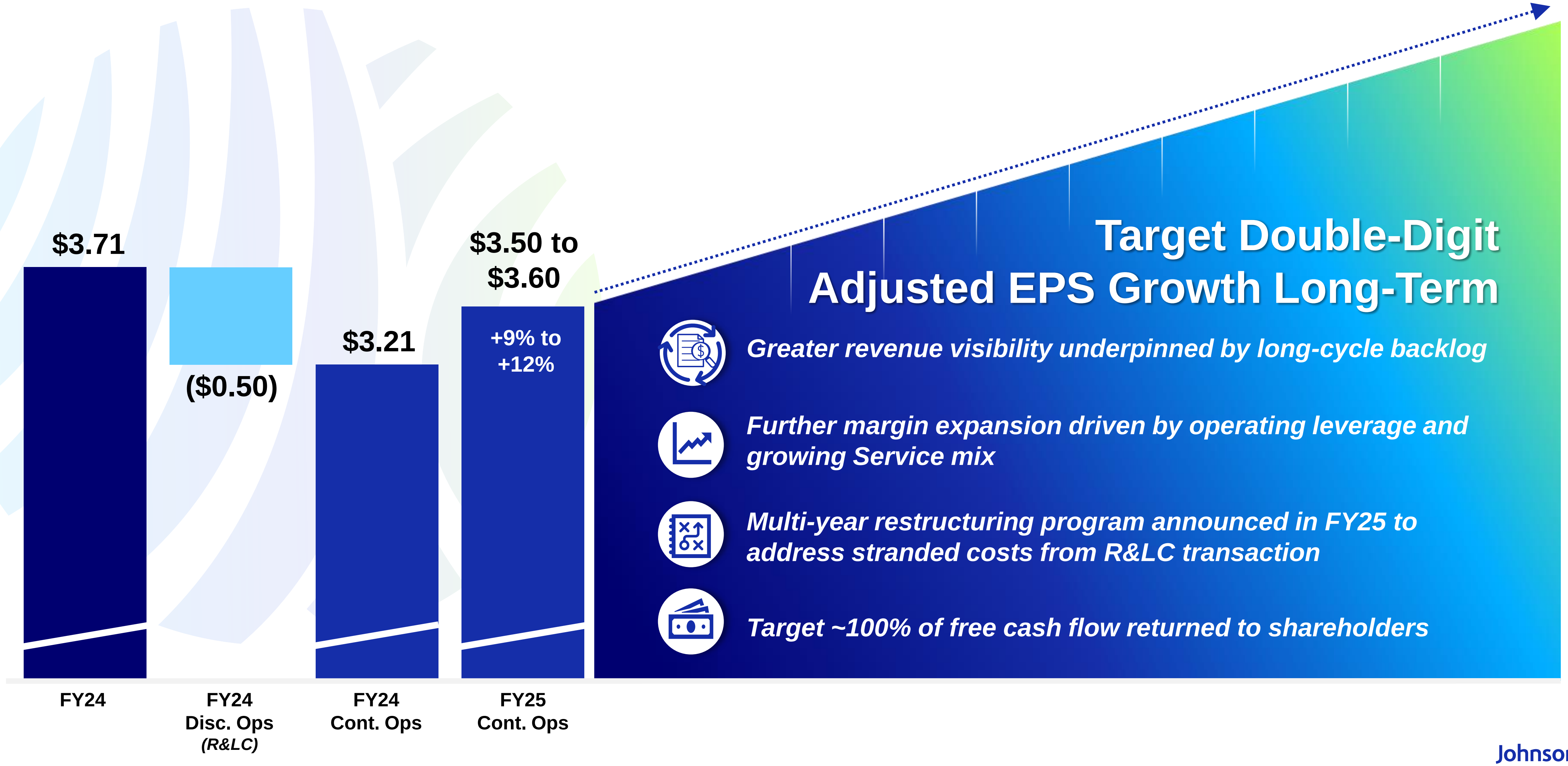
5. Owner Driven Retrofit

- Ongoing technology refresh
- Lifecycle planning and prioritization of building needs
- Digital solutions to measure and optimize building performance

Johnson Controls

2025 Guidance and Long-Term Outlook

Simpler, Higher Growth Company Driving Consistent Adjusted EPS* Growth



*Adjusted EPS is a non-GAAP measure and excludes special items. See footnotes for reconciliation.

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FINANCIAL STATEMENTS

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

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Net sales		
Products and systems	$ 3,685	$ 3,604
Services	1,741	1,605
	5,426	5,209
Cost of sales		
Products and systems	2,456	2,490
Services	1,044	941
	3,500	3,431
Gross profit	1,926	1,778
Selling, general and administrative expenses	1,399	1,334
Restructuring and impairment costs	33	35
Net financing charges	86	87
Equity loss	—	(2)
Income from continuing operations before income taxes	408	320
Income tax provision (benefit)	47	(20)
Income from continuing operations	361	340
Income from discontinued operations, net of tax (Note 3)	90	64
Net income	451	404
Income (loss) attributable to noncontrolling interests		
Continuing operations	(2)	—
Discontinued operations	34	30
Net income attributable to Johnson Controls	$ 419	$ 374
Income attributable to Johnson Controls		
Continuing operations	$ 363	$ 340
Discontinued operations	56	34
Total	$ 419	$ 374
Basic earnings per share attributable to Johnson Controls		
Continuing operations	$ 0.55	$ 0.50
Discontinued operations	0.08	0.05
Total	$ 0.63	$ 0.55
Diluted earnings per share attributable to Johnson Controls		
Continuing operations	$ 0.55	$ 0.50
Discontinued operations	0.08	0.05
Total	$ 0.63	$ 0.55

Johnson Controls International plc
Condensed Consolidated Statements of Financial Position
(in millions; unaudited)

	December 31, 2024	September 30, 2024
Assets		
Cash and cash equivalents	$ 1,237	$ 606
Accounts receivable - net	5,614	6,051
Inventories	1,739	1,774
Current assets held for sale	1,658	1,595
Other current assets	1,041	1,153
Current assets	11,289	11,179
Property, plant and equipment - net	2,418	2,403
Goodwill	16,412	16,725
Other intangible assets - net	3,963	4,130
Noncurrent assets held for sale	2,986	3,210
Other noncurrent assets	5,030	5,048
Total assets	$ 42,098	$ 42,695
Liabilities and Equity		
Short-term debt	$ 882	$ 953
Current portion of long-term debt	522	536
Accounts payable	3,214	3,389
Accrued compensation and benefits	917	1,048
Deferred revenue	2,211	2,160
Current liabilities held for sale	1,322	1,431
Other current liabilities	2,015	2,438
Current liabilities	11,083	11,955
Long-term debt	8,589	8,004
Pension and postretirement benefits	192	217
Noncurrent liabilities held for sale	407	405
Other noncurrent liabilities	4,697	4,753
Long-term liabilities	13,885	13,379
Shareholders’ equity attributable to Johnson Controls	15,900	16,098
Noncontrolling interests	1,230	1,263
Total equity	17,130	17,361
Total liabilities and equity	$ 42,098	$ 42,695

Johnson Controls International plc
Consolidated Statements of Cash Flows
(in millions; unaudited)

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Operating Activities of Continuing Operations		
Income from continuing operations attributable to Johnson Controls	$ 363	$ 340
Loss from continuing operations attributable to noncontrolling interests	(2)	—
Income from continuing operations	361	340
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	193	208
Pension and postretirement income and contributions	(16)	(16)
Deferred income taxes	(54)	(80)
Noncash restructuring and impairment charges	8	9
Equity-based compensation	28	29
Other - net	8	(22)
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	284	40
Inventories	(15)	(106)
Other assets	(171)	(195)
Restructuring reserves	2	(14)
Accounts payable and accrued liabilities	(407)	(315)
Accrued income taxes	28	11
Cash provided (used) by operating activities from continuing operations	249	(111)
Investing Activities of Continuing Operations		
Capital expenditures	(116)	(82)
Other - net	11	18
Cash used by investing activities from continuing operations	(105)	(64)
Financing Activities of Continuing Operations		
Net proceeds from borrowings with maturities less than three months	12	1,116
Proceeds from debt	775	422
Stock repurchases and retirements	(330)	—
Payment of cash dividends	(245)	(252)
Employee equity-based compensation withholding taxes	(29)	(23)
Other - net	18	(27)
Cash provided by financing activities from continuing operations	201	1,236
Discontinued Operations		
Cash used by operating activities	(2)	(135)
Cash used by investing activities	(10)	(10)
Cash used by financing activities	—	(8)
Cash used by discontinued operations	(12)	(153)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	154	60
Change in cash, cash equivalents and restricted cash held for sale	4	5
Increase in cash, cash equivalents and restricted cash	491	973
Cash, cash equivalents and restricted cash at beginning of period	767	917
Cash, cash equivalents and restricted cash at end of period	1,258	1,890
Less: Restricted cash	21	91
Cash and cash equivalents at end of period	$ 1,237	$ 1,799

FOOTNOTES

1. Sale of Residential and Light Commercial HVAC Business

The Company signed a definitive agreement in July 2024 to sell its Residential and Light Commercial HVAC business (the “R&LC Business”), which includes the North America Ducted businesses and the global Residential joint venture with Hitachi Global Life Solutions, Inc. (“Hitachi”), of which Johnson Controls owns 60% and Hitachi owns 40%. The R&LC Business, which was previously reported in the Global Products segment, meets the criteria to be classified as a discontinued operation and, as a result, its historical financial results are reflected in the consolidated financial statements as a discontinued operation, and assets and liabilities were retrospectively reclassified as held for sale for all periods presented. Unless otherwise noted, all activities and amounts reported in the following footnotes include only continuing operations of the Company and exclude activities and amounts related to the R&LC business.

2. Non-GAAP Measures

The Company reports various non-GAAP measures in this earnings release and the related earnings presentation. Non-GAAP measures should be considered in addition to, and not as replacements for, the most comparable GAAP measures. Refer to footnotes three through eight for further information on the calculations of the non-GAAP measures and reconciliations of the non-GAAP measures to the most comparable GAAP measures.

Organic sales

Organic sales growth excludes the impact of acquisitions, divestitures and foreign currency. Management believes organic sales growth is useful to investors in understanding period-over-period sales results and trends.

Cash flow

Management believes free cash flow and adjusted free cash flow 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 the Company’s ability to generate cash flow from operations and the impact that this cash flow has on its liquidity. Management also believes adjusted free cash flows are useful to investors in understanding period-over-period cash flows, cash trends and ongoing cash flows of the Company.

Adjusted free cash flow and adjusted free cash flow conversion are non-GAAP measures which exclude the impacts of the following:

- JC Capital cash flows primarily include activity associated with finance/notes receivables and inventory and/or capital expenditures related to lease arrangements. JC Capital net income is primarily related to interest income on the finance/notes receivable and profit recognized on arrangements with sales-type lease components.

- Effective January 1, 2024, the Company has excluded the impact of discontinuing its accounts receivables factoring programs from adjusted free cash flow and adjusted free cash flow conversion. The Company has also re-baselined the prior year adjusted free cash flow measures to present a more comparative measure without the impact of factoring.

- Cash payments related to the water systems AFFF settlement and cash receipts for AFFF-related insurance recoveries.

Adjusted financial measures

Adjusted financial measures include adjusted segment EBITA, adjusted net income, adjusted earnings per share, adjusted EBIT, adjusted EBITDA and adjusted corporate expenses. These non-GAAP measures are derived by excluding certain amounts from the corresponding financial measures determined in accordance with GAAP. The determination of the excluded amounts is a matter of management judgment and depends upon the nature and variability of the underlying expense or income amounts and other factors.

As detailed in the tables included in footnotes five through eight, the following items were excluded from certain financial measures:

- **Net mark-to-market adjustments** are the result of adjusting restricted asbestos investments and pension and postretirement plan assets to their current market value. These adjustments may have a favorable or unfavorable impact on results.

- **Restructuring and impairment costs, net of NCI** represents restructuring costs attributable to Johnson Controls including costs associated with exit plans or other restructuring plans that will have a more significant impact on the underlying cost structure of the organization. Impairment costs primarily relate to write-downs of goodwill, intangible assets and assets held for sale to their fair value.

- **Water systems AFFF settlement and insurance recoveries** include amounts related to a settlement with a nationwide class of public water systems concerning the use of AFFF manufactured and sold by a subsidiary of the Company, and AFFF-related insurance recoveries.

- **Transaction/separation costs** include costs associated with significant mergers and acquisitions.

- **Transformation costs** represent incremental expenses incurred in association with strategic growth initiatives and cost saving opportunities in order to realize the benefits of portfolio simplification and the Company's lifecycle solutions strategy.

- **Earn-out adjustments** relate to earn-out liabilities associated with certain significant acquisitions and may have a favorable or unfavorable impact on results.

- **Cyber incident costs** primarily represent expenses, net of insurance recoveries, associated with the response to, and remediation of, a cybersecurity incident which occurred in September 2023.

- **Global products product quality issue** are costs related to a product quality issue within the Global Products segment that is unusual due to the magnitude of the expected cost to remediate in comparison to typical product quality issues experienced by the Company.

- **Loss on divestiture** relates to the sale of the ADTi business.

- **EMEA/LA joint venture loss** relates to certain non-recurring losses associated with the equity method accounting of a joint venture company.

- **Discrete tax items, net** includes the net impact of discrete tax items within the period, including the following types of items: changes in estimates associated with valuation allowances, changes in estimates associated with reserves for uncertain tax positions, withholding taxes recorded upon changes in indefinite re-investment assertions for businesses to be disposed of, impacts from statutory rate changes, and the recording of significant tax credits.

- **Related tax impact** includes the tax impact of the various excluded items.

Management believes the exclusion of these items is useful to investors due to the unusual nature and/or magnitude of the amounts. When considered together with unadjusted amounts, adjusted financial measures are useful to investors in understanding period-over-period operating results, business trends and ongoing operations of the Company. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes.

Debt ratios

Management believes that net debt to adjusted EBITDA, a non-GAAP measure, is useful to understanding the Company's financial condition as the ratio provides an overview of the extent to which the Company relies on external debt financing for its funding and also is a measure of risk to its shareholders.

3. Sales

The following tables detail the changes in sales from continuing operations attributable to organic growth, foreign currency, acquisitions, divestitures and other (unaudited):

Net sales	Three Months Ended December 31					
	Building Solutions					
(in millions)	North America	EMEA/LA	Asia Pacific	Total	Global Products	Total JCI plc
Net sales - 2023	$ 2,487	$ 1,038	$ 507	$ 4,032	$ 1,177	$ 5,209
Base year adjustments						
Divestitures and other	—	—	—	—	(233)	(233)
Foreign currency	(3)	(25)	(3)	(31)	(2)	(33)
Adjusted base net sales	2,484	1,013	504	4,001	942	4,943
Acquisitions	—	3	—	3	—	3
Organic growth	260	57	23	340	140	480
Net sales - 2024	$ 2,744	$ 1,073	$ 527	$ 4,344	$ 1,082	$ 5,426
Growth %:						
Net sales	10 %	3 %	4%	8 %	(8)%	4 %
Organic growth	10 %	6 %	5%	8 %	15 %	10 %

Products and systems revenue	Three Months Ended December 31					
	Building Solutions					
(in millions)	North America	EMEA/LA	Asia Pacific	Total	Global Products	Total JCI plc
Products and systems revenue - 2023	$ 1,518	$ 572	$ 337	$2,427	$ 1,177	$ 3,604
Base year adjustments						
Divestitures and other	—	—	—	—	(233)	(233)
Foreign currency	—	(12)	(3)	(15)	(2)	(17)
Adjusted products and systems revenue	1,518	560	334	2,412	942	3,354
Acquisitions	—	2	—	2	—	2
Organic growth	176	13	—	189	140	329
Products and systems revenue - 2024	$ 1,694	$ 575	$ 334	$2,603	$ 1,082	$ 3,685
Growth %:						
Products and systems revenue	12 %	1 %	(1)%	7 %	(8)%	2 %
Organic growth	12 %	2 %	— %	8 %	15 %	10 %

Service revenue	Three Months Ended December 31					
	Building Solutions					
(in millions)	North America	EMEA/LA	Asia Pacific	Total	Global Products	Total JCI plc
Service revenue - 2023	$ 969	$ 466	$ 170	$1,605	$ —	$ 1,605
Base year adjustments						
Divestitures and other	—	—	—	—	—	—
Foreign currency	(3)	(13)	—	(16)	—	(16)
Adjusted base service revenue	966	453	170	1,589	—	1,589
Acquisitions	—	1	—	1	—	1
Organic growth	84	44	23	151	—	151
Service revenue - 2024	$ 1,050	$ 498	$ 193	$1,741	$ —	$ 1,741
Growth %:						
Service revenue	8%	7%	14%	8%	—%	8%
Organic growth	9%	10%	14%	10%	—%	10%

4. Cash Flow, Free Cash Flow and Free Cash Flow Conversion

The following table includes free cash flow and free cash flow conversion (unaudited):

	Three Months Ended December 31,	
(in millions)	2024	2023
Cash provided (used) by operating activities from continuing operations	$ 249	$ (111)
Capital expenditures	(116)	(82)
Free cash flow (non-GAAP)	$ 133	$ (193)
Income from continuing operations attributable to Johnson Controls	$ 363	$ 340
Free cash flow conversion from net income (non-GAAP)	37 %	(57)%

The following table includes adjusted free cash flow and adjusted free cash flow conversion (unaudited):

	Three Months Ended December 31,	
(in millions)	2024	2023
Free cash flow (non-GAAP)	$ 133	$ (193)
Adjustments:		
JC Capital cash used by operating activities	66	88
Water systems AFFF settlement cash payments and insurance recoveries	397	—
Impact from discontinuation of factoring programs	7	—
Adjusted free cash flow (non-GAAP)	603	(105)
Prior year impact from factoring programs	—	(85)
Re-baselined adjusted free cash flow (non-GAAP)	$ 603	$ (190)
Adjusted net income attributable to JCI (non-GAAP)	$ 426	$ 315
JC Capital net income	(5)	(2)
Adjusted net income attributable to JCI, excluding JC Capital (non-GAAP)	$ 421	$ 313
Adjusted free cash flow conversion (non-GAAP)	143%	(61)%

5. EBITA, EBIT and Corporate Expense

The Company evaluates the performance of its business units primarily on segment EBITA. The following table includes continuing operations:

	Three Months Ended December 31,			
	Actual		Adjusted (Non-GAAP)	
(in millions; unaudited)	2024	2023	2024	2023
Segment EBITA				
Building Solutions North America	$ 332	$ 285	$ 332	$ 285
Building Solutions EMEA/LA	108	80	108	80
Building Solutions Asia Pacific	49	46	49	46
Global Products	326	267	326	267
EBIT (non-GAAP)				
Income (loss) from continuing operations:				
Attributable to Johnson Controls	$ 363	$ 340	$ 426	$ 315
Attributable to noncontrolling interests [1]	(2)	—	(2)	—
Income from continuing operations	361	340	424	315
Less: Income tax provision (benefit) [2]	47	(20)	58	41
Income before income taxes	408	320	482	356
Net financing charges	86	87	86	87
EBIT (non-GAAP)	$ 494	$ 407	$ 568	$ 443

[1] Adjusted income attributable to noncontrolling interests excludes the impact of restructuring and impairment costs.

[2] Adjusted income tax provision (benefit) excludes the related tax impacts of pre-tax adjusting items.

The following table reconciles Corporate expense from continuing operations as reported to the comparable adjusted amounts (unaudited):

	Three Months Ended December 31,	
(in millions)	2024	2023
Corporate expense (GAAP)	$ 171	$ 139
Adjusting items:		
Transaction/separation costs	(11)	—
Transformation costs	(33)	—
Cyber incident costs	—	(23)
Adjusted corporate expense (non-GAAP)	$ 127	$ 116

6. Net Income and Diluted Earnings Per Share

The following tables reconcile income from continuing operations attributable to JCI and diluted earnings per share from continuing operations as reported to the comparable adjusted amounts (unaudited):

	Three Months Ended December 31,			
	Income from continuing operations attributable to JCI		Diluted earnings per share	
(in millions, except per share)	2024	2023	2024	2023
As reported (GAAP)	$ 363	$ 340	$ 0.55	$ 0.50
Adjusting items:				
Net mark-to-market adjustments	1	(22)	—	(0.03)
Restructuring and impairment costs, net of NCI	33	35	0.05	0.05
Water systems AFFF insurance recoveries	(4)	—	(0.01)	—
Transaction/separation costs	11	—	0.02	—
Transformation costs	33	—	0.05	—
Cyber incident costs	—	23	—	0.03
Discrete tax items	—	(57)	—	(0.08)
Related tax impact	(11)	(4)	(0.02)	(0.01)
Adjusted (non-GAAP)*	$ 426	$ 315	$ 0.64	$ 0.46

** May not sum due to rounding*

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

	Three Months Ended December 31,	
	2024	2023
Weighted average shares outstanding		
Basic weighted average shares outstanding	662.0	680.7
Effect of dilutive securities:		
Stock options, unvested restricted stock and unvested performance share awards	3.0	1.7
Diluted weighted average shares outstanding	665.0	682.4

7. Debt Ratios

The following table includes continuing operations and details net debt to income before income taxes and net debt to adjusted EBITDA (unaudited):

(in millions)	December 31, 2024	September 30, 2024	December 31, 2023
Short-term debt	$ 882	$ 953	$ 1,981
Current portion of long-term debt	522	536	652
Long-term debt	8,589	8,004	7,959
Total debt	9,993	9,493	10,592
Less: cash and cash equivalents	1,237	606	1,799
Net debt	$ 8,756	$ 8,887	$ 8,793
Last twelve months income before income taxes	$ 1,610	$ 1,522	$ 1,335
Net debt to income before income taxes	5.4x	5.8x	6.6x
Last twelve months adjusted EBITDA (non-GAAP)	$ 3,733	$ 3,623	$ 3,295
Net debt to adjusted EBITDA (non-GAAP)	2.3x	2.5x	2.7x

The following table reconciles income from continuing operations to adjusted EBIT and adjusted EBITDA (unaudited):

	Twelve Months Ended		
(in millions)	December 31, 2024	September 30, 2024	December 31, 2023
Income from continuing operations	$ 1,432	$ 1,411	$ 1,820
Income tax provision (benefit)	178	111	(485)
Income before income taxes	1,610	1,522	1,335
Net financing charges	341	342	283
EBIT	1,951	1,864	1,618
Adjusting items:			
Net mark-to-market adjustments	(24)	(47)	76
Restructuring and impairment costs	507	509	741
Water systems AFFF settlement	750	750	—
Water systems AFFF insurance recoveries	(371)	(367)	—
Earn-out adjustments	(68)	(68)	(30)
Transaction/separation costs	43	32	92
Transformation costs	33	—	—
Cyber incident costs	4	27	23
Global Products product quality issue	33	33	—
Loss on divestiture	42	42	—
EMEA/LA joint venture loss	17	17	—
Adjusted EBIT (non-GAAP)	2,917	2,792	2,520
Depreciation and amortization	816	831	775
Adjusted EBITDA (non-GAAP)	$ 3,733	$ 3,623	$ 3,295

8. Income Taxes

The Company's effective tax rate before consideration of certain excluded items was approximately 12.0% for the three months ending December 31, 2024 and 11.5% for the three months ending December 31, 2023.