

05-Nov-2025

Johnson Controls International Plc (JCI)

Q4 2025 Earnings Call

CORPORATE PARTICIPANTS

Jim C. Lucas

Vice President-Investor Relations, Johnson Controls International Plc

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

OTHER PARTICIPANTS

Amit Mehrotra

Analyst, UBS Securities LLC

Nigel Coe

Analyst, Wolfe Research LLC

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Chris Snyder

Analyst, Morgan Stanley & Co. LLC

Nicole DeBlase

Analyst, Deutsche Bank Securities, Inc.

Scott Reed Davis

Analyst, Melius Research LLC

Joe Ritchie

Analyst, Goldman Sachs & Co. LLC

Julian Mitchell

Analyst, Barclays Capital, Inc.

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Andrew Obin

Analyst, BofA Securities, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Hello everyone, and welcome to the Johnson Controls Q4 2025 Earnings Conference Call. My name is Nadia and I'll be coordinating the call today. [Operator Instructions] . I will now hand the call over to Jim Lucas, Vice President, Investor Relations to begin. Jim, please go ahead.

Jim C. Lucas

Vice President-Investor Relations, Johnson Controls International Plc

Good morning and thank you for joining our conference call to discuss Johnson Controls' Fiscal Fourth Quarter 2025 results. Joining me on the call today are Johnson Controls' Chief Executive Officer Joakim Weidemanis and Marc Vandiepenbeeck our Chief Financial Officer.

Before we begin, let me remind you that during our presentation today, we will make forward-looking statements that reflect our current views about our future performance and financial results. These statements are based on certain assumptions and expectations of future events that are subject to risks and uncertainties.

Please refer to our SEC filings for a list of these important risk factors that could cause actual results to differ from our predictions. We will also reference certain non-GAAP measures throughout today's presentation. Reconciliations of these non-GAAP measures are contained in the schedules attached to our press release and in the appendix to this presentation, both of which can be found on the Investor Relations section of Johnson Controls website. I will now turn the call over to Joakim.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Thanks, Jim, and good morning everyone. Thank you for joining us on today's call. As we close out our 140th year as a company, I want to begin by recognizing the extraordinary efforts of our 90,000 colleagues around the world. Their dedication to our customers and their commitment to our mission have been the driving force behind our progress and our results. Since joining Johnson Controls, I made it a priority to spend time where value is created in the field with customers and our teams, at our innovation centers and on the factory floors around the world. It's important to be right alongside our team as they do the work to deliver for our customers. These experiences have given me a firsthand appreciation for the passion and expertise that define our culture.

Our customers and my colleagues on the front lines give me valuable insights on how we work and where we can improve processes and uncover new opportunities together. Learning about our capabilities and seeing our teams' drive our company forward by problem solving to better serve our customers has reinforced my belief in the strength of our foundation and the significant opportunities we're beginning to capture.

Before I dive into the specifics, I want to summarize where we stand today and our path forward. First, we delivered strong results this quarter and for the full year, exceeding our free cash flow target and continuing to build a record backlog. Second, our proprietary business system is taking shape as our growth engine, combining 80/20 and lean principles with digital and AI approaches to create a more customer centric and continuous improvement oriented organization. Third, we are updating our long-term growth algorithm to reflect the improved mid-single digit top line growth, enhanced operating leverage, double-digit adjusted EPS growth, and continuing to target 100% free cash flow conversion. Demonstrating that the opportunity in front of us is clear, significant, and achievable.

Turning to our results. Fiscal 2025 was a year of strong execution and momentum. Sales grew 6%, segment margins expanded by 100 basis points, and adjusted EPS increased 17%. Notably, we offset the dilution from the Residential and Light Commercial divestiture in one year ahead of our original expectations. Free cash flow conversion reached 102%, reflecting our disciplined execution and financial strength. Orders grew 7% for the year and our backlog expanded 13%, ending at a record \$15 billion. This sustained demand highlights the value our customers place in our solutions and the strength of our portfolio. This quarter's performance reflects our disciplined execution and operational focus. While our evolving business system is still in its early stages, we're already seeing encouraging signs of progress.

Let's turn to slide 6. Last quarter, we introduced our proprietary business system, a proven approach to building a stronger, more disciplined company. It is rooted in winning and retaining customers through differentiated products, services and exceptional experiences. It's about enabling front line colleagues, engaging all teams and building a better Johnson Controls and being a magnet for talent. Our system is built on three pillars. Simplify. Apply 80/20 principles to focus on what matters the most. Accelerate. Use lean methodologies to remove waste and accelerate execution. And Scale. Leverage digital and AI approaches to amplify impact across the enterprise. And it's anchored in a global, cross-functional language and methodology for how we communicate and collaborate to win. The approach is practical. Identify barriers to growth and remove them quickly.

We start narrow and go deep, get the root causes, pilot countermeasures, adjust and secure front line buy-in before scaling broadly. While it's still early days and business systems take time to mature in large organizations, I'm energized by our progress. More than 700 colleagues are actively engaged across several priority areas and have conducted over 50 kaizens to date, with many more to come. We have already trained 200 leaders worldwide through activation boot camps. Leadership plays a pivotal role in the progress of our business system and our opportunity to build an even stronger company that is more capable, more focused, and more disciplined. A company that executes with consistency and delivers for customers where it matters most.

To further strengthen our leadership capabilities and align talent with strategic priorities we recently announced a new leader of our Americas segment, Todd Grabowski. He brings over 30 years of experience in the Commercial part of our business and product management within our largest franchise, our Global Applied business. His industry knowledge and customer orientation will be instrumental as we accelerate growth and sharpen our customer focus in this important region. Earlier this week, we announced to our colleagues the hire of a global leader of manufacturing a key role accountable for performance across our factory footprint, driving improvements in safety, quality, delivery and cost, SQDC, using our business system to build competitive advantage and winning performance for our customers, as well as drive overall productivity, creating more funding for re-investments.

As we continue to strengthen our talent development, it will enable us to accelerate our progress. Last quarter, we highlighted two areas with clear potential, sales capacity and productivity and factory on time delivery. Today, I want to show you how our proprietary business system is already delivering measurable progress. By working together across teams and leveraging 80/20 and lean tools, our conventional HVAC sellers in one of our local markets increased the time they're able to spend engaging with customers by over 60%, and our team manufacturing key chillers in North America improved on time delivery to over 95%. These examples reflect our commitment to going narrow and deep, focusing on specific areas to uncover the true sources of waste and avoid surface level fixes. This approach enables faster piloting, stronger front line engagement, and eases broader deployment later across the organization.

As is typical and continuous improvement we see even more opportunities as we dig deeper. In the example of selling time with a customer, the team streamlined the sales process by eliminating non-value added process steps and upgrading tools to accelerate the sales cycle. These improvements simplified workflows and led to more than a 60% increase in time spent engaging directly with customers. We're now applying AI to the overall sales process of estimation and selection to codify, scale, and amplify several process steps that will yield even more time with customers on top of that. We've also been focused on improving the on time delivery in one of our key chiller plants that serves the rapidly growing data center vertical.

While we have a leading position in advanced thermal solutions for data centers, historically our on time delivery was inconsistent and our lead times were longer than what customers demand. Leveraging 80/20 and lean approaches. We have dramatically improved on time delivery and are now over 95%, and lead times are on the way of being cut in half. I'm confident we can maintain this standard which only strengthens our competitive advantage and our ability to win in this fast growing vertical. This isn't about putting a playbook on a shelf. It's about fundamentally changing how we work. These improvements come from going narrow and deep, counter measuring root causes and engaging the teams impacted, ensuring sustainable change and easier scaling across the enterprise. Simplify. Accelerate. Scale. That's how we win together.

As we move to slide 7, you'll see how our focus on technology innovation and sustainability is powering our future growth and reinforcing our leadership in mission critical verticals. Johnson Controls continues to strengthen its leadership in advanced thermal management with AI-driven demand for high density data centers pushing cooling technology to new limits we are well- positioned across the thermal management or cooling chain, as well as with our integrated offering of digital monitoring and controls.

During the quarter, we successfully launched our coolant distribution unit offering a major milestone in our differentiated data cooling center strategy. CDUs are critical enablers of liquid cooling, which is rapidly becoming essential as AI chips are becoming more powerful and generating more heat. Traditional air cooled systems are reaching physical limits, driving a transition toward liquid and hybrid cooling architectures that improve thermal management performance in addition to energy and water efficiency. This launch, combined with our award winning YVAM magnetic bearing chillers, absorption chillers, and now our strategic investment in Accelsius, positions Johnson Controls to deliver a comprehensive and integrated portfolio that addresses the full thermal management spectrum from chip to ambient, covering the entire heat capture, removal and regen journey.

We are receiving strong early interest from hyperscale customers who are prioritizing energy efficiency and sustainability, core pillars of our innovation strategy. Our data center solutions are aligned with global trends in AI and increasing compute density, where thermal performance is now a strategic differentiator with our cooling technologies reducing non-IT energy consumption by more than 50% in most North American hubs we are delivering substantial energy savings. This reinforces our role as a strategic partner to the world's leading data center professionals at a time when the vertical is poised for significant growth over the next decade.

In Europe, we recently made a major announcement that underscores our leadership in decarbonization. Johnson Controls will provide green heat to the City of Zurich through a landmark waste incineration project. While we have delivered similar solutions across the region, this deployment more than doubles the heat capacity of our previous largest project, and ranks amongst the largest heat pump installations globally to utilize the zero-GWP refrigerant, ammonia. Our advanced heat pump technology will recover energy from flue gases and feed it into the district heating network, supplying heat to approximately 15,000 homes, about 15% of the city's total district heating demand. This project is another powerful example of how Johnson Controls is enabling critical industries, institutions and now cities to transition to sustainable heating solutions while maintaining reliability and

performance. And it highlights the tremendous opportunity to harness excess heat, reduce operating costs and accelerate decarbonization.

In 2024 alone, our heat pumps enable customers to cut energy costs by 50% and emissions by 60%. The partnership we have with Zurich and other cities, as well as with hundreds of others from global manufacturers and pharmaceuticals, chemicals, food and beverage and more solidifies our leadership position in the European energy and heat transition, where we can capture our share of these opportunities amid regulatory tailwinds and accelerating customer demand.

These initiatives reinforce our leadership in thermal management, decarbonization, digital solutions, and mission critical environments supported by our commercially advantaged embedded service capabilities and relationships. The strength of our service model lies in the combination of customer intimacy, technical depth, and global reach. With direct service operations across the globe, Johnson Controls delivers consistent, high quality support to customers over the lifecycle in mission critical verticals such as data centers, advanced manufacturing, life science manufacturing, and large hospital and university research centers. Our ability to deliver consistent service across the global footprints of hyperscalers is a unique differentiator. As data centers multiply our service model is helping maintain the pace positioned to deliver reliability wherever our customers build. Our view is that customers will always demand high touch, high availability service, and that is an unparalleled differentiator for Johnson Controls.

Now, as we look ahead, our guidance for fiscal 2026 builds directly on the momentum we've established this year. I already previewed our updated long-term growth algorithm, and Marc will discuss the details shortly, but I want to highlight how excited we are about the opportunity in front of us. In short, our strategy to leverage our strengths, particularly in HVAC controls and digital, to deliver differentiated value and long-term growth underpins our success. Our ability to meet global demand for mission critical systems, whether in data centers or decarbonization projects is backed by an exceptional service organization and positions us to capture significant opportunities ahead. With that, I will now turn it over to Marc.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Thanks, Joakim, and good morning, everyone. We close fiscal 2025 on a strong note, delivering another quarter of solid financial performance. This consistent execution throughout the year has strengthened our foundation and position us well as we enter the new fiscal year. Our ongoing focus on stronger operational discipline, customer satisfaction and continuous improvement is driving results and we remain committed to generating sustainable, long-term value for our shareholders.

Now, let's take a closer look at fourth quarter result on slide 8. In the quarter organic revenue grew 4% and segment margin expanded 20 basis points to 18.8%, driven by our ongoing focus on cost discipline, favorable mix, and a tangible benefit of our productivity programs. Adjusted EPS of \$1.26 increased 14% year-over-year, and exceeded the high end of our guidance range. On the balance sheet we ended the quarter with approximately \$400 million in available cash. The net debt remained within our long-term target range of 2 to 2.5 times, declining to 2.4 times compared to the prior year. For the year, adjusted free cash flow improved by approximately \$700 million to \$2.5 billion. Our strong earnings performance and rigorous approach to working capital management enabled us to achieve 102% free cash flow conversion for the year. This reinforces the strength of our execution and the quality of our earnings.

Let's now discuss our segment result in more detail on slide 9 and 10. We are seeing strong customer engagement and healthy demand for our solution across key verticals. Orders grew 6% in the quarter, highlighted

by 9% growth in the Americas, supported by strength in data centers. In EMEA orders increased 3%, despite a challenging comparison to 14% growth in the prior year, with double-digit growth in service. In APAC, orders saw a small decline of 1% as decrease in System more than offset mid-single digit growth in Service. At the enterprise level, organic sales growth was led by mid-single digit growth in Service. In the Americas, sales were up 3% organically on a tough compare, supported by continued strength in both HVAC and Controls. EMEA delivered 9% organic growth, with strong double-digit growth in System and high single-digit growth in Service.

In APAC, sales declined 3% organically due primarily to lower volumes in China. This result reflects strong execution, particularly in the Americas and EMEA against a backdrop of challenging year-on-year comparisons. Margin performance improved steadily throughout the year as we captured greater operating leverage and continued to optimize our cost structure. Our resilient operating model enabled us to align pricing, productivity, and mix to support consistent profitability even as market conditions evolved. This translated into notable fourth quarter performance.

By region, adjusted segment EBITDA margins in the Americas improved 50 basis points to almost 20%, supported by productivity gains and operational efficiency. In EMEA, margin expanded by 30 basis points to 15.6%, reflecting positive operating leverage from top line growth. In APAC, margins declined 190 basis points to 17.8% as lower volumes in China created pressure on factory absorption. Our backlog remains at record level, growing 13% to \$15 billion. System backlog grew 14% and Service backlog grew 9%.

With this momentum in mind, let's discuss our long-term outlook and capital allocation priorities on slide 11 and 12. We are updating our long-term growth algorithm to incorporate the principles of our value creation framework and the momentum we have built this year. As we look ahead, we expect to deliver mid-single digit organic revenue growth, operating leverage of 30% or better, double-digit adjusted EPS growth, and approximately 100% free cash flow conversion. This algorithm is supported by three key factors. First, the sustained demand for decarbonization and mission critical solutions. Second, the continued evolution of our [ph] proprietary (00:19:25) business system to drive operational efficiency. And third, the ongoing technological innovation through new product launch and a disciplined approach to portfolio management by channeling resources into our most attractive growth areas. On capital allocation, our priorities remain unchanged. We are investing in organic growth. We are focusing on returning capital to shareholders through dividend and share repurchases. And finally, we are pursuing selective acquisition to strengthen our portfolio. Our strong balance sheet and consistent cash flow generations gives us ample flexibility to execute on these priorities with confidence.

Let's now discuss our fiscal first quarter and full year guidance on slide 13. Momentum remains strong as we begin the first quarter, supported by operational efficiencies and a record backlog. We anticipate organic sales growth of approximately 3%, operating leverage of approximately 55% and adjusted EPS of approximately \$0.83. For the full year, we are confident in our ability to deliver on long-term growth and profitability commitments. We expect organic sales growth of mid-single digits and adjusted EPS of approximately \$4.55 per share which is over 20% growth. We anticipate operating leverage to be approximately 50% which is above our long-term algorithm as our efforts to remove stranded costs are recognized faster in the new fiscal year.

Our guidance reflects continued operational discipline, strong customer demand, and the visibility provided by our record backlog. Our ability to navigate evolving markets condition reflect the strength of our enterprise capabilities and the resilience of our operating model. We expect approximately 100% free cash flow conversion for the year consistent with our long-term financial framework. This reflects our focus on earnings quality, working capital discipline and efficient capital deployment, all of which support our ability to invest in growth while returning value to shareholders. We have built a strong foundation for the years ahead. As we enter fiscal 2026 our focus remain

on advancing sustainable growth, expanding margins and creating lasting value for all shareholders. We look forward to keeping you updated on our journey. Operator. We are now ready for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. We will now begin the question-and-answer session. [Operator Instructions] . We ask you please limit yourselves to one question and one follow-up. The first question goes to Amit Mehrotra of UBS. Amit, please go ahead.

Amit Mehrotra

Analyst, UBS Securities LLC

Q

Thanks, morning. Marc, the 50% operating leverage target for 2026, can you just walk that to segment EBITDA margins? There's the moving parts on corporate expense amortization, but looks like it implies about 90 basis points of expansion from the 17.1%. Correct me if I'm wrong, but if you can just kind of double click on that, that'd be helpful.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

A

Yeah, sure. Thanks, Amit. Good morning. Yeah, you're pretty close on margin. I would say by segment, EMEA and APAC will be the main driver of margin improvement this year not that Americas will not contribute, but if you look at that incremental, they've shown a decent improvement this year and the level of ramp year-on-year will be probably a little bit more muted than the other segment. But overall, we feel very comfortable that our operating leverage will be in the 50s or above.

Amit Mehrotra

Analyst, UBS Securities LLC

Q

Great. And then, Joakim, just on the opportunity going forward. I mean, there's a lot of stuff here. There's a cost opportunity. There's maybe a portfolio opportunity. You talked about M&A. Maybe rank those. It just seems like there's maybe a huge G&A opportunity, but then also there's a lot of questions about maybe slimming down the portfolio further. But can you, obviously your 237 days into the job now, so maybe just offer a little bit more color on prioritizing all those buckets of opportunity.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

A

Hi. Good morning, Amit. Thanks for keeping count on number of days I've been with the company. Well, let's start with where you left off with Marc. So the operating leverage. There's a reason there's a plus behind the guidance and how we're thinking about operating leverage. And that really comes back to what we're doing with the business system, where we are going after driving productivity and our field operations and our factory footprint. And, then, I'm sorry, field operations and service. And then in SG&A, we see leverage opportunities, i.e. getting more out of the SG&A investment that we have more the S of the SG&A with the help of the business system. And I gave you an example here in the prepared remarks. So I'm very excited about the continued progress that we're going to be able to make there and hence the plus behind the leverage and the guidance.

And then as we've talked about before we have and we're working away at reducing the G&A cost and our corporate costs. So we continue to do that. There's no change in our ambition level there at all. And then on the

M&A side, we continue to work away at the portfolio that we have together with the board. And we have evolved, a little bit more clarity on our future strategies here. But you know that, as I said last time, that's a multi-quarter effort together with the board. And that effort is really guided by creating shareholder value. That's the number one principle right.

And then in terms of acquisitions, we have started to apply some of the discipline that I have learned in prior roles prior to joining Johnson Controls. So I can tell you that, our acquisition pipeline is vibrant and we are engaged in multiple situations. And we are being very, very disciplined about doing the proper strategy work, the proper target work and not falling in love with anything in particular. And being just very, very disciplined about capital allocation.

Amit Mehrotra

Analyst, UBS Securities LLC

Thank you.

Q

Operator: Thank you the next question goes to Nigel Coe of Wolfe Research. Nigel please go ahead.

Nigel Coe

Analyst, Wolfe Research LLC

Oh, thanks, good morning. I just want to go back to the 50% incremental margin, sorry, 50%-plus incremental margin for FY 2026. And if I take 30% as your baseline operating leverage, it suggests it's about \$250 million of benefits over and above that 30%. Number one, is my math okay on that? And maybe just talk about that \$250 million and you've suggested de-layering, a number of other initiatives. Is there anything in there for process improvements, et cetera? Just want to get a bit more details on that. And should we think about this as confined to FY 2026 or could there be benefits beyond this year?

Q

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Marc, can help you on the exact math here? I'm sure we'll be talking about that in follow up calls as well. But no, we're just getting started with our business system. And so some of the examples that I shared with you today, my objective was to share an SG&A example and a above gross margin example. And we are just getting started. And as you saw from the examples I gave, the opportunities are significant here. So that operating leverage is going to continue to improve over time. And, the main reason we're actually shifting the guidance to include that and have a strong element of that is it's really reflecting what we're trying to do here. We're trying to build a higher performing company, that's more focused on profitable growth and, but both driving top line by pointing at higher growth opportunities, verticals, applications but also doing the solid productivity work that I talked a little bit about as well as the responsible cost reductions that we've discussed in other quarters.

A

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Yeah, Nigel, directionally your numbers are there, thereabout. Yeah.

A

Operator: Thank you the next question goes to Steve Tusa of JPMorgan. Steve, please go ahead.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Q

Hey. Good morning.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Morning, Steve.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Good morning. Steve.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Hello?

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Yes. Can you hear us?

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

So just on this, yeah, yeah, I can hear you now, just as amort coming down this year, can you just talk about the drivers? And is that related to this \$400 million restructuring charge you guys took in the quarter? Also kind of like, what if it wasn't the amort, what was, what's kind of like in that, that charge? What does that relate to?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Yeah. It's not around the restructuring. It's more [ph] around (00:29:19) the impairments we took in the quarter, Steve. It reflects the different portfolio actions also we've taken over the year, obviously, but there's further reduction possible if we do act on some of the divestitures we've been contemplating for a while on the fringe of the portfolio. The vast majority came from those one-time actions you saw in the quarter.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Okay. Got it. So that decline in amort is sustainable is what you're saying. And is that part of like your stranded cost takeout or is that something outside?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

No. Completely outside. The stranded cost takes out is incremental to that.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Okay. Okay. And then just one last one on orders. I know you had a really tough comp in the first quarter of last year, but you beat this quarter. Is there, what would you expect for the first quarter? Will you be up despite the tough comp or will that be down on the tough comp in 1Q order-wise?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Yeah, as you know, we generally don't guide around orders. I can tell you that the health of our pipeline continues to improve, and we see opportunity to continuously see growth on all the, this quarter and the oncoming quarter as well.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Wow. So you can grow off that comp in orders?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

That's right.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

With your pipeline?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Correct.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Super. Thank you.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Yes. And maybe to just to reinforce that, we, as part of building a faster growing, more profitable company here, it's not just about the productivity work and the business system work that I talked about, it's also about pointing our efforts from verticals, applications and so on at parts of the market that are growing at a faster rate.

Operator: Thank you. The next question goes to Jeff Sprague of Vertical Research. Jeff, please go ahead.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Hey. Thank you. Good morning everyone. Maybe just a couple modeling nits for me too. Interesting, on the amortization obviously lifting the earnings, but I was maybe actually a little bit more surprised that with lower am work you've got this comfort level on 100% cash conversion going forward. And I guess that cash flows from everything you're talking about from productivity. But maybe you could just give us a little bit more color on maybe what the target rich environment might be on free cash flow and how that might unfold over the next year or two.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Yeah. Good morning, Jeff. So you're right. Amort is not reduction, amort is not going to help. But we see opportunities to continue to outperform on our working capital management overall but free capital conversion particularly. This year, fiscal year 2025, we've seen strong improvement in our receivable management. Just the way we bill a customer when we do and how we collect and the quality of that process; there's obviously continuous improvement we can bring there. And there's a lot more we can do there. But I don't think moving forward, it will be the core, pocket of opportunities. Where we think we're going to drive a lot of, value moving forward with free cash flow conversion comes a lot from our inventory management and the amount of inventory we need to continue to grow the company. And that's where the business system will bring tremendous clarity and visibility into where we can continuously improve and reduce that reliance and therefore improve our cash flow conversion.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Yeah, and that, good morning, Jeff, by the way.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

And then...Okay, good morning.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

And that just hasn't been a focus in the past, Jeff. So that's an opportunity for us. Yeah.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Yeah.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Yeah. And then, Joakim, could you just address a little bit more color, Marc alluded to the upside in EMEA and APAC margins for 2026. Are there some and I know, I get the comps easier in Europe especially. But, are there some, clearly targeted actions that support that or are you counting on sort of a stronger revenue recovery in those businesses? Maybe just a little bit more color on what's going on there.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Yeah, I think the short answer is we're not counting on one single big thing. So it's a combination of things that we have largely proof of already that we're able to execute on. So, it includes some elements of our pricing discipline that has become much better here over the recent couple of quarters. But it also includes a better discipline around where we point our efforts. But then also, again, some of the examples that I gave here around how we're deploying the business system, that work is ongoing in EMEA and Asia as well. So, we see opportunities on multiple parts of the P&L here.

Operator: Thank you. The next question goes to Chris Snyder of Morgan Stanley. Chris, please go ahead.

Chris Snyder*Analyst, Morgan Stanley & Co. LLC*

Q

Thank you. I wanted to ask about the content opportunity into data center. So maybe moving aside the CDU that you guys announced. If we look at the legacy business, I mean, I'm just kind of wondering how content changes on the move from air cooling to liquid cooling. I imagine the chiller opportunity is still as strong as ever. Could we lose some content in air handling? I'm just trying to figure out how that nets out as we look towards the future. Thank you.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

I think the simple answer to that is because newer chips require more power and therefore generate more heat. So in general, more cooling is needed. So, the scope of our offering and the performance required from the chillers, only increases over time here. And the, you heard me talk in the past about how when I first joined the company, how I thought our technological capabilities, in particular in HVAC, are impressive and, some of the needs here of the data center market here going forward for higher precision, higher capacity cooling actually plays to our strengths when it comes to the chillers.

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

A

But if you think about the different offering we have between air side solution and chillers; we see continued demand for both.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

Yeah.

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

A

And regardless of the, how the chip themselves are cool, you have solution liquid to air and liquid to liquid, and liquid to air continues to see very strong momentum and matches well our offering. And obviously we have a very strong developing solution liquid to liquid.

Chris Snyder*Analyst, Morgan Stanley & Co. LLC*

Q

Thank you. I really appreciate that. I wanted to then follow up on some of the investments that the company is making in the aftermarket. It seems like the investments in technology are both lowering the cost to serve the aftermarket for JCI while also providing efficiency savings to the customer. So I guess my question is, is this more of a driver of share gain, through the value add you're bringing to the customer, or is it more of an opportunity to improve the incremental margin profile of services by lowering that cost to serve, by using more technology and less labor, I would presume. Thank you.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

It's both. It's really both. You could say it's share gain because we're able to with the technology investments, serve customers at a price point which allows them to out. So we become more competitive in certain mission critical applications so that they will actually give us that business versus having to maintain some of their own

service staffs. And then it's also share gain against various third parties that service our equipment as well as every other OEM in this industry. But as we deploy the technologies, we also reduce our cost to serve. So it's both a share gain and a margin improvement effort here.

And I'd say, we're in the early innings of that in general as an industry when it comes to deploying more sophisticated technology-based approaches and lifecycle services. So that's an exciting area for us both from a growth and a margin improvement outcome. So we'll be talking more about that over the next couple of quarters.

Operator: Thank you the next question goes to Nicole DeBlase of Deutsche Bank. Nicole, please go ahead.

Nicole DeBlase

Analyst, Deutsche Bank Securities, Inc.

Yeah. Thanks. Good morning, guys.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Morning, Nicole.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Good morning.

Nicole DeBlase

Analyst, Deutsche Bank Securities, Inc.

Hi. Yeah, maybe just starting with the nice acceleration you guys saw in order growth this quarter. Can you talk a little bit more about maybe what you saw from a vertical perspective within Applied in particular? And any color on the magnitude of data center order growth that you'd be willing to give.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Yeah. Good morning, Nicole. Yeah, so we typically don't comment on order numbers by vertical. But I can say that in general, we have a shorter list of vertical that's driving outsized growth of our backlog. Backlogs up 13%. We have an ingoing backlog of almost \$15 billion going into this year, record backlog. We've never had that kind of backlog in this company, which is phenomenal. So data centers, as you mentioned, is a vertical we're very excited about. Our pipelines remain very healthy, those orders are variable. We get a couple of very big ones in one quarter and, but maybe not every quarter, but overall over a couple of quarters, you can see the results here. So, 13% up in backlog. So data centers very healthy.

And then you have verticals such as pharmaceutical, or biologics rather, manufacturing where new campuses are being built since the pharmaceutical campuses of the past cannot manufacture the drugs of the future here that are biologics based. So that's a vertical that's very healthy for us. And then in general, the large campuses where a significant amount of research is conducted. So think both universities, general research institutions, but also hospitals that, of course, are places of significant research. Those kinds of verticals are very, very healthy for us. And then finally, what we typically would call, advanced manufacturing. So semi con and other types of manufacturing where very precise indoor climates need to be created because their mission critical for the manufacturing. So those are generally the areas where we see the healthiest growth.

Nicole DeBlase*Analyst, Deutsche Bank Securities, Inc.*

Q

Okay. Got it. That makes sense. Thank you. And then just maybe a little nitpickier one around the quarterly cadence of organic growth. Think you, guys have embedded a little bit of decel in the first quarter. If you could maybe speak to what's driving that. And then the way you see organic growth kind of progressing throughout the year to get back to mid singles. Thank you.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

Yeah it's really a comparison issue, Nicole. So think of the first half being lower than the second half. And like I said it's mostly a compares issue. The backlog that we have gives us good visibility to what we can do in the individual quarters. And then, of course we, our Service business, there's such a heavy recurring element there. So we have pretty good predictability there as well. And so, we're excited about the outlook for the year here. And we'll keep you updated as we make progress here. But the tale of compares, first half and second half.

Operator: Thank you, the next question goes to Scott Davis of Melius Research. Scott please go ahead.

Scott Reed Davis*Analyst, Melius Research LLC*

Q

Hey good morning guys.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

Good morning, Scott.

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

A

Good morning, Scott.

Scott Reed Davis*Analyst, Melius Research LLC*

Q

[ph] Joakim, Marc (00:42:21) and Jim. So, look, you're doing a lot of stuff here. 80/20, lean. You changed a bunch of leaders and stuff, and it's a lot of change. And none of that works if there isn't accountability and, to the right KPIs. Have you changed compensation structures meaningfully down into the organization, Joakim, or do you need to, based on what you've seen so far?

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

I would say, in terms of accountability, first you have to define what you're going to measure to hold people accountable for. So, we're in the process of establishing and rolling out what we call our enterprise KPIs. There are nine of them, which we could probably come back and talk about at some other point in time. And how we do that and drive them through the organization is as important as the compensation part to drive a higher level of accountability for holistic results. And as we're deploying that throughout the organization we are looking at the different compensation approaches and models that we have. And, I would largely say there are some tweaks here and there, Scott, but not fundamentally any big changes that are necessary.

Scott Reed Davis*Analyst, Melius Research LLC*

Q

Okay. And, Joakim, have you pretty much unwound any remaining matrix within the, management within the structure of the organization? I mean, I haven't heard you talk about running a certain number of P&Ls, but maybe you can address that and just talk about how you've changed that part of the organization.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

So that's work in progress, Scott, together with the team. And we made a couple of changes like you pointed out here. So trying to put in place a championship team that can help us build a champion of a company here. And as we staff up here, of course, we, have more capabilities, higher caliber in our senior most teams. We are reflecting and looking at structures and so on. We've made a couple of tweaks since I joined. But no major moves. Not at this point.

Operator: The next question goes to Joe Ritchie of Goldman Sachs. Joe, please go ahead.

Joe Ritchie*Analyst, Goldman Sachs & Co. LLC*

Q

Thank you. Good morning, guys.

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

A

Hey. Morning, Joe.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

Good morning.

Joe Ritchie*Analyst, Goldman Sachs & Co. LLC*

Q

So, Joakim, I want to, hey, good morning. Yeah. So, I want to focus on the strategic investment in Accelsius. And ultimately, with the launch of your CDU, just can you maybe just like, double click on, like, how complimentary the investment is, like, whether you will be going to market together. I just want to try to understand what the opportunity is as I think about this over the course of the next 12 to 24 months.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

A

Yeah, yeah, good question. So, we continue to invest beyond the chillers and the various HVAC solutions that we have, right. So, and the way we think about it is, what's the end-to-end thermal solution that is needed for data centers. And the CDU investment or launch rather, is to capture a market that's significant and there right now and that product was really a result of a very close collaboration with a number of our existing hyperscale customers. And it's actually a platform with several different products available in all the regions of the world already. So, we're super excited about that.

Accelsius is about, really about, looking ahead. And, this is a two phase, cold plate technology platform. And so here we're looking ahead. What are the chip launches that NVIDIA and others will be making over the next 4 to 5 years? And therefore, what kind of cooling solutions, end-to-end thermal solutions will be needed. And so, Accelsius is about anticipating what will be needed in 4 to 5 years from now. But of course, applications for this technology are available already today. And, we are going to be working on both commercial collaboration as well as technology and product integration. One plus one equals more than two here over time. So, we're excited about both. One is short-term, drive revenue now. And the second one is more strategic anticipating where the puck is going and what will be needed over the next 4 to 5 years.

Joe Ritchie*Analyst, Goldman Sachs & Co. LLC*

Very helpful. Thank you. And then just the follow on there just around the portfolio, you've mentioned a little bit on the fringes on the divestitures. Just how is your thinking evolved just in terms of addition by subtraction across the portfolio?

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

Yeah. So, there's no change. We had mentioned already, well before I joined actually, that about 10% of the portfolio, we're looking at alternatives for and better ownerships and the driver here is create shareholder value. And, then there are some other parts of the portfolio that I've mentioned before that we've been looking into strategically how we're positioned, what one could do with the businesses operationally, how much do we think we can improve them. And this is a dialogue we're having with the board. And over the next couple of quarters, we'll draw some conclusions and decisions and they will all be guided by driving shareholder value. That is goal number one. And we'll keep you posted.

Operator: The next question goes to Julian Mitchell of Barclays. Julian, please go ahead.

Julian Mitchell*Analyst, Barclays Capital, Inc.*

Thanks, good morning.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

Morning, Julian.

Julian Mitchell*Analyst, Barclays Capital, Inc.*

Maybe I just wanted to circle back to the discussions on, good morning, on commercial HVAC because I guess in the Americas, for example, I think the last few quarters you've grown at a sort of high single-digit rate in Applied. I think some of your competitors are growing at a much faster pace in revenues right now. And I suppose when I look at your guidance for 2026, it doesn't suggest an acceleration in the Applied business. I just wondered if that was correct on 2026 and how we should think about that Applied HVAC growth in revenue vis-a-vis the market growth rate.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

I have read those scripts as well. We are not losing share on Applied and the part of Applied that we are playing in. I'm very confident of that. And so, and I also, I know what we have in the backlog, what's coming in, in orders and in the pipeline. So, for the verticals where we are pointing our company, we are, we can always do better. But we're doing pretty well.

Julian Mitchell*Analyst, Barclays Capital, Inc.*

Understood. Thanks very much. And then just, my follow-up, I suppose would be, just circling back to clarify on that incremental margin or operating leverage, sorry, guide for fiscal 2026. Is the right way to think about it, that you've got a sort of traditional segment EBITA, operating leverage of sort of high 20%, let's say, similar to that 30% long-term algorithm, and then the augmentation to get to 50% for the year is the amortization reduction, largely and some stranded cost takeout. Is that the sort of framework for margin expansion this year ahead?

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

No, I would say the traditional operating leverage you'll get out of the segment is solid leaning the 30%, excluding, some of the benefit from [indiscernible] (00:50:00). And then the effect of our restructuring and transformation will [ph] combine (00:50:54) that number. And that's how we think we're going to get well beyond that 30%-plus percent algorithm we shared. So, for 2026, more than 30%. And then over time, obviously this will naturally go back to a 30%-plus kind of average as you go beyond 2027.

Operator: Thank you. The next question goes to Joseph O'Dea of Wells Fargo. Joe, please go ahead.

Joseph O'Dea*Analyst, Wells Fargo Securities LLC*

Hi, good morning.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

Good morning.

Marc Vandiepenbeeck*Chief Financial Officer & Executive Vice President, Johnson Controls International Plc*

Good morning, Joe.

Joseph O'Dea*Analyst, Wells Fargo Securities LLC*

Can you unpack the mid-single digit organic. Morning. Can you unpack the mid-single digit organic for fiscal 2026 a little bit? Talk about the price, if that price is already in place. Any color on kind of volume by regions, HVAC versus Fire and Security. Just give us a little bit of a sense of how it all comes together.

Joakim Weidemanis*Chief Executive Officer & Director, Johnson Controls International Plc*

Yeah.

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Q

And sort of what is already there with respect to price and kind of backlog and what you would still need to go get to achieve it.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

A

Yeah. So, I'll start and then Marc will fill in with some additional detail. Our backlog grew by 13%. We have a record backlog going into our fiscal year that we're in right now, \$15 billion. Of course, not all of that is shippable in this year, but the vast majority is. On top of that, we have, a very significant, large part of our Service business that is not in the backlog, is recurring, so we actually have pretty good predictability for the year already. And as I alluded to here, our growth guidance here is not counting on anything that we haven't been proven to be able to execute on already, such as price. But also, in terms of what growth we're able to drive in the different regions or the different businesses that we are in. So, I'd say that's sort of the headline here, and that's why we have such great confidence in the guide here. And then, Marc, I, I'm still so new so, I don't know exactly how, what detail of guide we provide here to the colleagues on the call.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

A

Yeah. Well, Joe, overall if you think first regionally, I would say across the board everybody's going to be within that mid-single digit, with EMEA might be just slightly above the average, but Americas and APAC just at the enterprise level. So, each segment, think about it overall wherever the company guide overall lends.

And then by domain. Yeah, our traditional Applied and HVAC business will grow probably a little faster than a mid-single digit supported by the strength in some of the core vertical we talked about, including data center. And then Fire and Security will be probably on the lower hand of that enterprise guide and probably bring some contribution obviously to growth but, not as much as the domain that are highly supported by those high growth verticals.

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Q

That's helpful color. And then on the restructuring side of things and coming back to the \$500 million over a multi-year period of time, can you just update us on what you achieved in 2025, what's baked into the 2026 guide with respect to that \$500 million?

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

A

Yeah. So, if you look at that, that \$500 million benefit and we had mentioned when we launched the program, kind of 2 to 3-year program, \$400 million on restructuring expenses, we probably spent about \$200 million in fiscal year 2025, a little bit ahead of where we anticipated when we started the program. But the run rate benefit of that \$200 million is reflected both in our guide here for 2026, but also in the upside of results we saw in 2025. As you know we came into the year with expecting segment margin up 50%-plus. And we then move that to 90%. And now we've achieved up 100%. So, you can see that benefit, probably close to the \$350 million to \$450 million run rate as we exit 2025 and [ph] predicted in (00:55:25) our guide for 2026.

As we look at further opportunity that the business system will provide that are maniacal, focus on reducing our footprint. There may be some incremental, restructuring that's going to be needed above and beyond the original

program, but I don't think we're there yet. And as we look at opportunity, obviously we expect the return on any incremental restructuring beyond that program we've announced to actually translate into the operating leverage kind of profile we laid out as part of our new algorithm.

Operator: Thank you. The next question goes to Andrew Obin of Bank of America. Andrew, please go ahead.

Andrew Obin

Analyst, BofA Securities, Inc.

Hi. Yes, good morning.

Marc Vandiepenbeeck

Chief Financial Officer & Executive Vice President, Johnson Controls International Plc

Hey, Andrew.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Hi, good morning, Andrew.

Andrew Obin

Analyst, BofA Securities, Inc.

Can you hear me?

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

We can.

Andrew Obin

Analyst, BofA Securities, Inc.

Hey, how are you? Yeah. Just to dig in a little bit more on the data center market. Generally, you guys, I believe you invented the mag bearing chiller. A lot of your competitors are adding capacity to go after this market. Do you think over the next three years, given your capacity additions, given, sort of the efforts to improve the throughput on time delivery, do you think you can keep your market share, or do you think it's just naturally, as incremental capacity comes in from other players, your natural market share donor just given what everybody else is doing?

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

That's a great question, Andrew. We are going to take share. We made a significant investment in capacity before I got here. But now with the example that I gave you, leveraging our business system where, we had our, one of our [ph] high sellers (00:57:18) and data centers, was not running at variable on time delivery and too long lead times. So, with the focused work that we've done here over the last couple of months, we brought on time delivery up to 95%. And we're on track to cut the lead time in half. And that lead time will be market-leading. And we know that already because we've taken orders as a result of having capacity earlier and faster than some others in some cases. And of course it's, you shouldn't generalize all the time, right.

But our goal is to build a capability here, an innovation capability to stay on the forefront of what's needed by the data centers, not just on the chillers, but as we talked about here, the end-to-end thermal solution or the cold

chain, including CDUs and anticipating what will be needed in the future, Accelsius and other investments, and then to be, and have a manufacturing position that is very agile and fast with market-leading lead times. And then augmented finally with our proprietary and differentiated, 40-plus thousand people in the field around the world. And, because field service, lifecycle services is such an important part for, of, in the data center market, because downtime or unexpected downtime is just so incredibly more valuable to avoid, if you can, in data centers than in most other verticals. So, we are definitely building, continuing to build off of the capabilities that we already have, but strengthen those to make sure that we stay on the forefront here. We are not going to donate market share.

Operator: Thank you. This concludes our Q&A session. I will hand the call back to Joakim Weidemanis for any closing comments.

Joakim Weidemanis

Chief Executive Officer & Director, Johnson Controls International Plc

Thank you. We have an exciting future ahead of us here at Johnson Controls. And the important work we have underway will position us to capitalize on compelling opportunities ahead, not just in data centers, as I was just commenting on, but more broadly. With a culture focused on customers and centered around our proprietary business system, I'm confident we'll continue winning with our customers and delivering value to our shareholders.

I'd like to take another moment to thank our 90,000 colleagues around the world. You are the foundation of our company, and I'm energized by the prospect of what the future has in store for us. I look forward to continuing my conversations with all of our stakeholders. Thank you all for joining today and see you on the follow-up calls.

Operator: Thank you. This now concludes today's call. Thank you all for joining. You may now disconnect your lines.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2025 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.