Fiscal Q4 2022 Earnings Conference Call

November 3, 2022

The power behind **your mission**

Johnson Controls

Forward Looking & Cautionary Statements / Non-GAAP Financial Information

Johnson Controls International plc Cautionary Statement Regarding Forward-Looking Statements

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this communication, statements regarding Johnson Controls future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures, debt levels and market outlook are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project” or “plan” and terms of similar meaning are also generally intended to identify forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond its control, that could cause its actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to Johnson Controls ability to manage general economic, business and capital market conditions, including recessions and other economic downturns, the ability to manage macroeconomic and geopolitical volatility, including global price inflation, shortages impacting the availability of raw materials and component products and the conflict between Russia and Ukraine; the ability to develop or acquire new products and technologies that achieve market acceptance and meet applicable regulatory requirements; the strength of the U.S. or other economies; fluctuations in currency exchange rates; changes or uncertainty in laws, regulations, rates, policies or interpretations that impact Johnson Controls business operations or tax status; changes to laws or policies governing foreign trade, including economic sanctions, increased tariffs or trade restrictions; maintaining the capacity, reliability and security of Johnson Controls enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls digital platforms and services; the risk of infringement or expiration of intellectual property rights; Johnson Controls ability to manage the impacts of natural disasters, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic; the ability of Johnson Controls to drive organizational improvement; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the outcome of litigation and governmental proceedings; the ability to hire and retain senior management and other key personnel; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; 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 2021 fiscal year filed with the SEC on November 15, 2021, which is available at www.sec.gov and www.johnsoncontrols.com under the “Investors” tab. The description of certain of these risks is supplemented in Item 1A of Part II of Johnson Controls subsequently filed Quarterly Reports on Form 10-Q. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this communication are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.

Non-GAAP Financial Information

This press release contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include restructuring and impairment costs, net mark-to-market adjustments, Silent-Aire other nonrecurring items, Silent-Aire earn-out adjustment, charges associated with the suspension of operations in Russia, certain transaction / separation costs, certain environmental remediation and related reserve adjustments, Power Solutions divestiture reserve adjustment and discrete tax items. Financial information regarding organic sales growth, adjusted sales, EBIT, EBIT margin, adjusted EBIT, adjusted EBIT margin, organic segment EBITA growth, total segment EBITA, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, free cash flow, free cash flow conversion and adjusted net income from continuing operations are also presented, which are non-GAAP performance measures. Management believes that, when considered together with unadjusted amounts, these non-GAAP measures are useful to investors in understanding period-over-period operating results and business trends of Johnson Controls. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For further information on the calculation of the non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the attached footnotes.

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2022 Year In Review
Robust Demand and Expanded Digital Capabilities

- **Significant YoY Backlog growth with record order velocity and robust demand**
  - Record Field Backlog of $11.1B, increased 13% organically YoY
  - Total Field Orders up 10% organically; +16% 2-year stack
- **Disciplined pricing approach driving margin improvement**
  - Achieved positive price cost 2H of FY22
- **Accelerating our service transformation, capitalizing on emerging secular trends across smart, healthy and sustainable buildings**
- **Exceeded our productivity plan of ~$230M in savings for FY22**
  - Additional operational enhancement levers through functionalization, simplification and ERP roll-out expected to drive our productivity further
- **Effective capital allocation of $2.4B for FY22, consisting of approximately $1.4B in share repurchases and $0.9B in cash dividends**
- **Backlog resiliency, government incentives, and commercial market presence to offset macro uncertainty in the year ahead, as our offerings continue to resonate with our customers**

DIGITALIZING THE PORTFOLIO

Leading in Connectivity with OpenBlue

1 Solving Customer Needs

Dynamic building modes
Customer Vision Workshops
Energy optimization
Connected experiences
Predictive maintenance
Higher tenant satisfaction
Remote diagnostics
Increased productivity
Reduce operating costs
Optimized processes
Clean Air
Risk insight
Improved asset safety
Touchless environments
Active compliance management
Cyber Solutions
Advanced Security
Healthy Buildings

Doha, Qatar – FIFA Stadiums

- ***Digital Solution powered by OpenBlue A.I.***
- ***Transforms 8 World Cup Venues into one digitally connected space***
- ***Improves security, energy efficiency and playing conditions***

2 Uniquely Positioned with Expanded Suite of Digital Services

FY22 – Significantly Expanded Capabilities

Connected Services / Capabilities

- ✓ ***FogHorn** AI at the Edge – Q1*
- ✓ *Open**Blue** Chillers BSNA – Q2*
- ✓ *Open**Blue Connected** IREF – Q3*
- ✓ ***Tempered** CyberSecurity – Q3*
- ✓ *Open**Blue Controls & BAS** – Q3*
- ✓ *Open**Blue** Chillers Global – **Q4***
- ✓ *Open**Blue** Bridge v3 – **Q4***
  - *Built-in AI at the edge*
  - *Interoperability*
  - *ZeroTrust Cyber Security*

Outcome Analysis

- ✓ *Open**Blue** Indoor Air Quality – Q1*
- ✓ *Open**Blue** NetZero Advisors – Q2*

Smart Building Solutions

- ✓ *Open**Blue** Enterprise Management for AliCloud – **Q4***

3 Delivering Results*

TOTAL CHILLER CONNECTIONS	~10,700, ~106% YoY Growth
TOTAL FY22 REVENUE FROM CONNECTED DEVICES	~$4.5B, +HSD YoY Organic Growth

FY22 Awards and Recognitions

Q3	Q3	Q4
		
Connected Chillers in North America	*Open**Blue** 2022 Microsoft US IoT Partner of the Year*	*Open**Blue** NetZero Buildings as a Service*

*Figures represent organic connections and revenue..

ACCELERATING DIGITAL SERVICE TRANSFORMATION | $160B Global Service Market Opportunity[1]

Continuing to Mature the Service Growth Flywheel with Digital Accelerators

1 Service Growth Strategy

The JCI Digital Advantage

- **Vendor-agnostic** connectivity
- **Multi-tenant cloud** environment
- **Digital twin** data models
- Intelligent **connected edge**
- **Zero trust** cybersecurity

Connected Services (e.g., chillers)

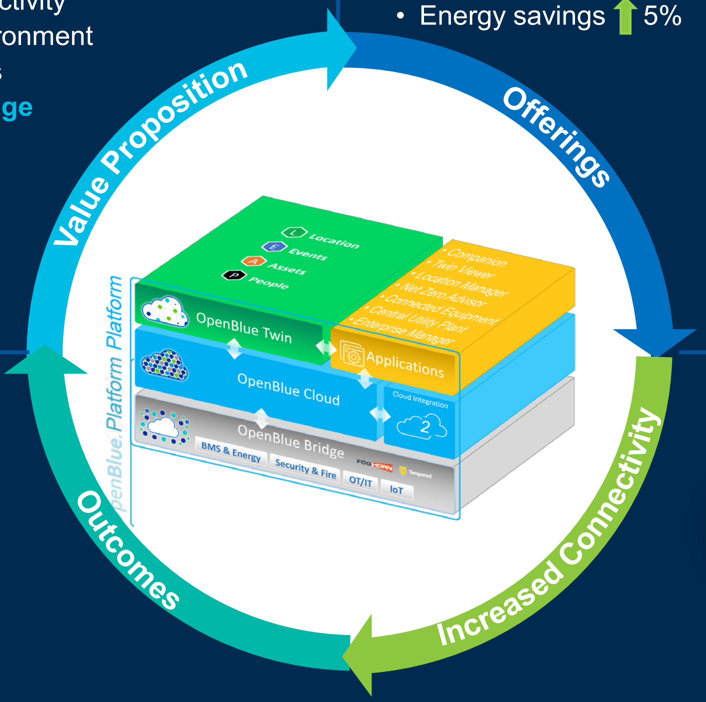
- Uptime ↑ 50%
- Repair cost savings ↑ 20%
- Energy savings ↑ 5%

Outcomes as a Service

- Net Zero
- Indoor Air Quality
- Space Mgmt
- Cooling & Heating

Tailored solutions for target verticals

- Healthcare
- Government
- Education
- CRE



500 bps
Increase in Attach Rate

3-4X
Increase in $ / Customer

100 bps/year
Decrease in Attrition

(e.g., connected chillers)

3X
increase in connectivity

2 Delivering Results*

	Q4	FY22
SERVICE ORDERS:	+7% YoY	+8% YoY
2-YEAR GROWTH:	+11%	+11%
SERVICE REVENUE:	+8% YoY	+8% YoY
2-YEAR GROWTH:	+12%	+11%
ATTACH RATE IMPROVEMENT:	(35) bps	+230 bps
ATTRITION RATE IMPROVEMENT:	(160) bps	(145) bps

Increased Attach Rate + Increased Connectivity + Digital Services & Apps − Lower Attrition = >$2B REVENUE OPPORTUNITY BY 2024

*Figures represent organic orders, revenue and growth rates. Organic revenue and organic revenue growth are non-GAAP measures. See footnotes for reconciliation.
Sources: 1) Dodge, Navigant, CBRE, JCI Analysis.

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VECTORS OF GROWTH: DECARBONIZATION RESULTS | $240B Global Market Opportunity through 2035[1]

Sustainability Initiatives Supporting Secular Trends

1 Q4 Actions Driving Clean Energy Usage and Green Economy

Domestic Tailwinds

Inflation Reduction Act (IRA)[2]

$369B credits for renewable offerings

$4.3B *Rebates for high efficiency homes (i.e. heat pumps)*

$800M+ *Commercial buildings tax credits*

Climate Smart Buildings Initiatives[3]

Leveraging public-private partnerships to modernize federal buildings and cut "GHG" green house gas emissions

5x *Increase in investments from performance contracts by 2030*

50% *Reduction in emissions from Federal buildings by 2032*

International Tailwinds

European Commission

REPower EU

- **Goals to reduce dependence on Russian gas**
- **Support for diversified heat pump functionality (hydronic, air-air, hot water)**
- **Upcoming policies to support Energy Performance of Buildings Directive**

4x *Increase in heat pump units by 2030[4]*

60M *heat pump units targeted by 2030[4]*

2 Johnson Controls Well Positioned

Growing Best-in-Class Partnership Ecosystem and Customer Relationships

Johnson Controls partnering with Microsoft Beijing
West Campus, China

~28% *Energy savings through continuous retrofitting and optimization*

98% *Uptime on key equipment and increasing level of operational automation*

Colorado State University
Pueblo, CO

- **Continuing 20-year relationship**
- **First campus in Colorado to reach "net zero electricity" with solar power**
- **Microgrid solution helped campus lock-in electricity costs for next 25 years**

OpenBlue Net Zero Buildings

Net Zero Advisor

Ability to quantify Scope I/II GHG emissions and configurable to setup unique Net Zero goals and targets for emissions, energy, water & waste.

3 Delivering Results*

	FY22
ORDERS:	~$1B
YoY GROWTH:	12%
2-YEAR GROWTH:	56%
REVENUE:	$814M
YoY GROWTH:	+HSD
2-YEAR GROWTH:	+>20%

PIPELINE[5]
~$7.6B+

*Figures represent organic orders, revenue and growth rates. Sources: 1) Energy Information Administration, Guidehouse, Urban Green Council, Rocky Mountain Institute, JCI analysis Represents incremental opportunity; majority of total opportunity is retrofit. Remainder is rooftop solar and advisory services; 2) BY THE NUMBERS: The Inflation Reduction Act; 3) White House Takes Action on Climate by Accelerating Energy Efficiency Projects Across Federal Government; 4) European Heat Pump Association 5) Unfactored Pipeline.

Unlocking Health, Wellness and Business Value through Healthier Buildings

1 Business case for Indoor Air Quality (IAQ) investment is stronger than ever

Buildings with well-managed IAQ lead to:

- ✓ Lower incidences of sickness and absenteeism
- ✓ Reduction in asthma and allergy symptoms
- ✓ Overall improvements in productivity rates

Addressing employee costs with up to:

100x

Greater impact on bottom-line than addressing energy costs alone[2]

Improving IAQ:

$800

ROI per employee, per year[3]

2 Johnson Controls is partnering with our customers to unlock the value of improved IAQ

Key Win: Large Professional Services Firm (India)

- ✓ Providing IAQ sensors to measure important metrics, such as particulate matter and CO_2 levels, that have a direct impact on employee health and productivity
- ✓ Leveraging OpenBlue to optimize energy consumption and airborne infection risk, and to enable remote advisement

3 Delivering Results*

	Q4	FY22
ORDERS:	~$141M	~$574M
YoY GROWTH:	57%	45%
2-YEAR GROWTH:	332%	291%

HEALTHY BUILDINGS PIPELINE[4]

$1.3B

*Figures represent organic orders and growth rates.
1) CleanTech Research & Markets, Guidehouse; 2) World Green Building Council; 3) Johnson Controls estimates based on well-documented costs from US-focused studies;
4) Unfactored Pipeline.

NOTABLE AWARDS

Honored to be Recognized as an ESG Leader I Q4 Recognitions

Leading by Example

- ✓ Johnson Controls Sabroe® celebrating **125 years of industry leading innovation**
- ✓ Helping homeowners **maximize higher-efficiency HVAC savings**, including Inflation Reduction Act incentives
- ✓ **Continuing to implement decarbonization programs** at plants and facilities, providing customer insights into **best practices**, with a **net zero target by 2040**

FORTUNE CHANGE THE WORLD 2022

Forbes 2022 WORLD'S BEST EMPLOYERS POWERED BY STATISTA

Sustainable Markets Initiative

FROST & SULLIVAN

gbm GLOBAL BRANDS MAGAZINE

Named to Fortune's 2022 Change the World List

- Johnson Controls was recognized for OpenBlue solutions and OpenBlue Net Zero Buildings as a Service offering

Named as a Forbes World's Best Employers 2022

- Johnson Controls was recognized as exceling in corporate impact and image, talent development, gender equality and social responsibility

CEO George Oliver is Leading the Sustainable Buildings Taskforce

- At the invitation of King Charles, CEO George Oliver is leading the Sustainable Buildings Taskforce, as part of the Sustainable Markets Initiative

Recognized as Leader in Connected Chillers

- Named Best Practices Customer Value Leader for 2022, compared against global peers for connected chiller systems in North America

Named the Most Innovative Building Technology Globally

- Recognized by Global Brands Magazine for leadership in advancing smart, healthy, and sustainable buildings around the world

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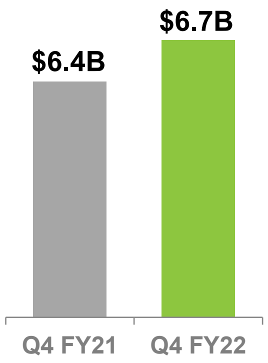
FISCAL Q4 FINANCIAL SUMMARY*

Continued Growth…Navigating a Challenging Environment

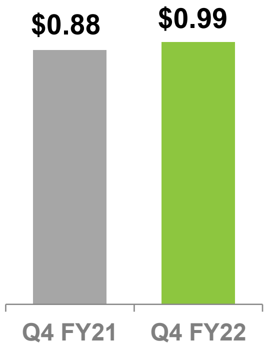
Sales



+10%
ORGANIC SALES GROWTH

+ Price +9% / Volume 1%
+ Field Solutions +10%; Service +8%
+ Global Products +11%
- FX Headwind ~$300M

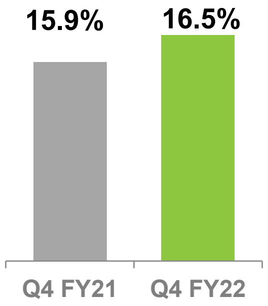
Adjusted EPS



+13%

+ Increased profitability
+ Lower share count
- FX Headwind of 5c

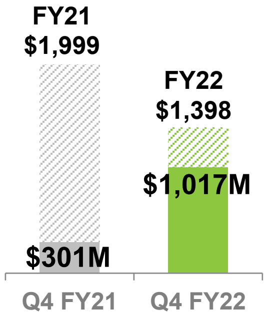
Segment EBITA Margin



+55bps

+ Benefits of SG&A & COGS actions
+ Segment EBITA $ +9%; +13% organically
+ Volume leverage
- Supply chain/Labor disruptions ~(39bps) headwind YoY

Free Cash Flow



67% Conversion FY

- Elevated Trade Working Capital due to supply chain disruptions
- Increased capital investments

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

FISCAL Q4 EPS BRIDGE* (CONTINUING OPERATIONS)

Delivering on Our Commitments

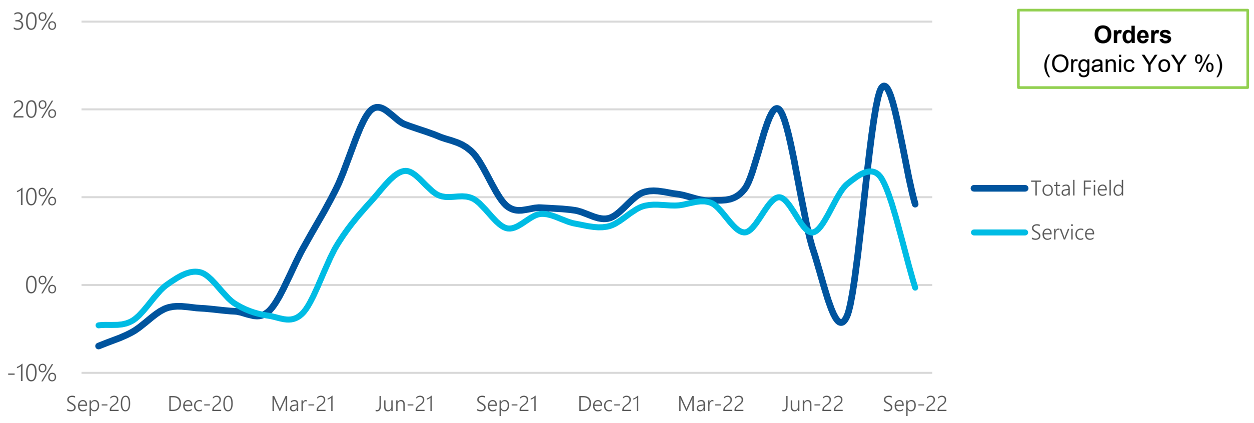
Executing in a Challenging Environment

*Non-GAAP EPS from continuing operations, excluding special items. See footnotes for reconciliation. Other items may not sum due to rounding

ORDER VELOCITY

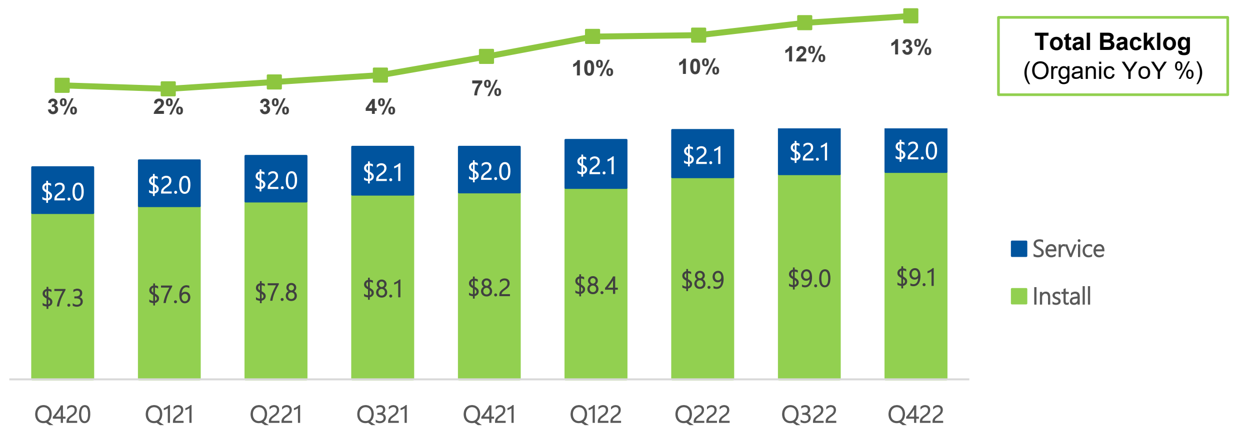
Order Momentum Continues & Backlog Remains at Record Levels

Trailing 3-mo Field Orders (YoY % Chg)



- **Trailing 3-month Field Orders +9% YoY**
  - Service orders +7%; +11% 2-year stack
  - Install orders +10%; +23% 2-year stack
- 2-year Stack +18% (vs. +29% in FQ3)

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



- Field backlog of $11.1B, +13%
- Service backlog +4%; growth across NA & EMEALA
- Install backlog +15%; led by order activity in NA
- Global Products 3rd party backlog $2.3B, +>25% YoY

FISCAL Q4 SEGMENT RESULTS*

Capitalizing on Strong Demand

($M)	Sales *Organic % YoY*	EBITA Margin *Change YoY*	Comments
North America	**$2,562** *+9%*	**14.7%** *(50bps)*	▪ Service +8% / Install +10% ▪ Strong demand for Applied HVAC & Controls equipment ▪ Sequential margin improvement of 400bps ▪ Continued supply chain disruptions and material/labor availability, slightly offset by favorable volume/mix ▪ Orders +13%; Backlog $7.5B, +18% YoY
EMEALA	**$976** *+9%*	**9.4%** *(160bps)*	▪ Service +8% / Install +10% ▪ Strong performance in our Fire & Security platforms ▪ Margin impacted by unfavorable region and project mix along with continued FX headwinds ▪ Orders +3%; Backlog $2.0B, +7% YoY
Asia Pac	**$751** *+12%*	**14.0%** *(140bps)*	▪ Service +11% / Install +12% ▪ China +16% growth, with strong performance in both service and install ▪ Favorable price/cost offset by FX headwinds, lower volumes and unfavorable mix ▪ Orders +3%; Backlog $1.6B, -2% YoY
Global Products	**$2,436** *+11%*	**21.9%** *+300bps*	▪ Broad-based demand for Commercial and Resi HVAC; Includes ~12ppts of price ▪ Margin performance driven by volume leverage and favorable mix ▪ 3rd Party Backlog of $2.3B, +>25% YoY
Total Segment	**$6,725** *+10%*	**16.5%** *+55bps*	▪ Field: Service +8% / Install +11%; Products +11% ▪ Order momentum remains strong; low double-digit growth in Install ▪ Favorable price/cost ▪ $50M impact from supply chain disruptions ▪ Field orders +9%; Field backlog $11.1B, +13% YoY

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

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FISCAL Q4 SEGMENT END MARKET PERFORMANCE*

Broad Based Growth, Strong Price Realization

Organic Sales % Change	% of FY22 Sales	North America	EMEALA	Asia Pac	Global Products	Consolidated JCI
Applied[1]	33%	+LDD	+MSD	+high-teens	+HSD[2]	+mid-teens
Light Commercial[3]	9%				+mid-teens	+mid-teens
Commercial HVAC	42%				+mid-teens	+mid-teens
NA Residential	5%				+MSD	+MSD
ROW Residential	8%				+LDD	+LDD
Residential HVAC	13%				+HSD	+HSD
Fire & Security[4]	38%	+HSD	+LDD	(LSD)	+LDD	+HSD
Sustainability Infrastructure	3%	+LDD				+LDD
Industrial Refrigeration	4%		+HSD		+>25%	+mid-teens
Total	**100%**	**+9%**	**+9%**	**+12%**	**+11%**	**+10%**

Resilient Growth Across Our End Markets

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

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

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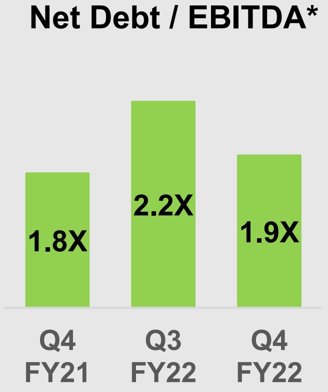
BALANCE SHEET & FREE CASH FLOW*

Disciplined Capital Allocation

Capital Structure ($ millions)	Q4 FY21	Q3 FY22	Q4 FY22
Short-term debt and current portion of long-term debt	$234	$2,298	$1,534
Long-term debt	7,506	7,194	7,426
Total debt	**7,740**	**9,492**	**8,960**
Less: cash and cash equivalents	1,336	1,506	2,031
Net debt*	**$6,404**	**$7,986**	**$6,929**

DEBT & LIQUIDITY

- **92% fixed** rate debt
- **2.9%** weighted avg interest rate
- **~$2.0B** cash position
- BBB+/Baa2 credit rating (S&P/Moody's)[1]
- ~$3B undrawn credit facilities
- Target Net Debt/EBITDA ~**2.0-2.5X**



Free Cash Flow ($ millions)	Q4 FY21	Q4 FY22	YTD FY21	YTD FY22
Cash from operating activities	$529	$1,179	$2,551	$1,990
Capital expenditures	(228)	(162)	(552)	(592)
Reported FCF*	**$301**	**$1,017**	**$1,999**	**$1,398**

FREE CASH FLOW

- Cash from Operating Activities down YoY due to continued supply chain pressures, driving higher inventory levels
- Capex spend **declined 29% YoY in Q4**
- **FY Capex spend increased 7% in FY23**

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

*Non-GAAP figures. See footnotes for reconciliation.

Q1 and High End of FY23 Guidance Reflects Continued Momentum

FY 2023 Commentary

- Q1 guidance supported by continued positive momentum
- Backlog and end markets remain strong
- Value proposition continues to resonate with our customers
- Low end of FY23 guide provides EPS bookend reflecting a potential economic downside scenario in the balance of the year
- Free cash flow conversion ~80% to 90%

	FQ1	FY23
Organic Revenue	+LDD	+HSD to LDD
Segment EBITA Margin	120 to 130bps	80 to 120bps
Adjusted EPS	$0.65 – $0.67 (20% to 24% growth)	$3.20 – $3.60 (7% to 20% growth)

Wide FY23 EPS Range Reflects Macro Economic Uncertainty[1]

Low

World GDP of ~0% to 1%

- Service and Commercial Markets resilient
- Additional cost mitigation actions

$3.20 – $3.60

Base

World GDP of ~2% to 3%

- Growth Vector Acceleration
- Continued investments

[1] World GDP based on weighted average of JCI geographic revenue mix / vertical revenue mix.

* Non-GAAP excludes special items.

Appendix

Additional FY 2023 Guidance Items

	FY23
Corporate Expense	$300 - $310M
Amortization Expense	$415 - $425M
NFC	$285 – $310M
Tax Rate	~13.5%
NCI	$215 – $245M
Shares	~690M

FISCAL Q4 2022

Consolidated Financial Results (Continuing Operations)

($ in millions, except earnings per share)	Q4 FY21 GAAP	Q4 FY22 GAAP	Q4 FY21* NON-GAAP	Q4 FY22* NON-GAAP	% Change NON-GAAP
Sales	$6,392	$6,725	$6,395	$6,725	5%
Gross profit	2,191	2,295	2,137	2,269	6%
% of sales	*34.3%*	*34.1%*	*33.4%*	*33.7%*	
SG&A expenses	1,344	1,533	1,383	1,423	3%
Restructuring & impairment costs	67	167	-	-	
Equity income	73	71	73	71	(3%)
EBIT	853	666	827	917	11%
EBIT margin	***13.3%***	***9.9%***	***12.9%***	***13.6%***	
Net financing charges	47	60	47	60	28%
Income before income taxes	806	606	780	857	10%
Income tax provision	490	(203)	105	116	10%
Net income	316	809	675	741	10%
Income attributable to noncontrolling interests	47	48	47	59	26%
Net income attributable to JCI	$269	$761	$628	$682	9%
Diluted EPS	**$0.38**	**$1.10**	**$0.88**	**$0.99**	13%

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

Special Items (Continuing Operations)

$ In millions, except EPS

Q4 FY22	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax/NCI Income (Expense)	EPS Impact
Mark-to-market adjustments	$192	$(33)	$-	$159	$0.23
Restructuring & impairment costs	(167)	21	-	(146)	(0.21)
Transaction / separation costs	(21)	3	-	(18)	(0.03)
Environmental remediation & related reserve adjustments	(255)	54	-	(201)	(0.29)
Discrete income tax items[1]	-	274	11	285	0.42
Total*	**$(251)**	**$319**	**$11**	**$79**	**$0.11**

Q4 FY21	Pre-tax Income (Expense)	Tax (Expense) Benefit	NCI (Expense) Income	After-tax/NCI Income (Expense)	EPS Impact
Mark-to-market adjustments	$106	$(18)	$-	$88	$0.12
Restructuring & impairment costs	(67)	9	-	(58)	(0.08)
Acquisition related items	(13)	2	-	(11)	(0.02)
Discrete income tax items[2]		(378)	-	(378)	(0.53)
Total*	**$26**	**$(385)**	**$-**	**$(359)**	**$(0.50)**

*Totals may not sum due to rounding

[1] During Q4 FY22, the Company recorded a discrete tax benefit of $301 million upon the expiration of the statute of limitations for certain tax years and a discrete tax charge of $27 million related to the establishment of a valuation allowance

[2] During Q4 FY21, the Company recorded a tax charge of $417 million related to the tax impacts of an intra-entity sale of certain of the Company's intellectual property as well as a tax benefit of $39 million related to valuation allowance adjustments

FY21 Re-casted Segment Results

- Effective at the start of fiscal 2022, our Marine business, which was previously reported across Asia Pacific, Global Products and EMEALA, is now managed and reported under our EMEALA segment
- The table has been re-cast for this change

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

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

FY21 Proforma Service Revenue

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

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

*Non-GAAP excludes special items.

OpenBlue Enables Outcomes Across All Vectors of Growth
Goal: Deliver Scalable Digital Growth from an integrated platform

OpenBlue Connected Services

- HVAC
- Controls
- Fire
- Security

OpenBlue Enterprise Solutions

Industry-Based

Healthcare
Comm'l Real Estate
Higher Ed

Need-Based

Energy & Sustainability
Asset Health
Space Health
Command Center
Safety & Security

OpenBlue Outcomes as a Service (XaaS)

NetZero Buildings as a Service
Infrastructure as a Service
Healthy Buildings

OB Enterprise Manager – Single Pane of Glass Console

Sustainability Apps
Sustainability Manager
Tenant Manager
Central Utility Plant

Asset Health Apps
Asset Manager
Connected Equipment
Remote Advisory Services
Vibration Analysis

Space Health & Compliance Apps
Space Manager
Location Manager
Companion
Compliance Manager

Command Center Apps
Command Center
Integrated OB Viewer
Alarm Manager
Notifications

Safety & Security Apps
Risk Insights
Active Responder

Foundational Capabilities

Digital Twin, Analytics, AI/ML, AI at the EDGE

ZeroTrust CyberSecurity, Multi-Cloud, Microservices, DevOps & SRE capabilities

HVAC

Controls

Fire

Security

IR Contacts

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JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Net sales	$ 6,725	$ 6,392
Cost of sales	4,430	4,201
Gross profit	2,295	2,191
Selling, general and administrative expenses	(1,533)	(1,344)
Restructuring and impairment costs	(167)	(67)
Net financing charges	(60)	(47)
Equity income	71	73
Income from continuing operations before income taxes	606	806
Income tax provision (benefit)	(203)	490
Income from continuing operations	809	316
Income from discontinued operations, net of tax	-	-
Net income	809	316
Less: Income from continuing operations attributable to noncontrolling interests	48	47
Net income attributable to JCI	$ 761	$ 269
Income from continuing operations	$ 761	$ 269
Diluted earnings per share from continuing operations	$ 1.10	$ 0.38
Diluted earnings per share from discontinued operations	-	-
Diluted earnings per share	$ 1.10	$ 0.38
Diluted weighted average shares	691.2	717.0
Shares outstanding at period end	688.7	708.7

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data; unaudited)

	Twelve Months Ended September 30, 2022	2021
Net sales	$ 25,299	$ 23,668
Cost of sales	16,956	15,609
Gross profit	8,343	8,059
Selling, general and administrative expenses	(5,945)	(5,258)
Restructuring and impairment costs	(721)	(242)
Net financing charges	(213)	(206)
Equity income	246	261
Income from continuing operations before income taxes	1,710	2,614
Income tax provision (benefit)	(13)	868
Income from continuing operations	1,723	1,746
Income from discontinued operations, net of tax	-	124
Net income	1,723	1,870
Less: Income from continuing operations attributable to noncontrolling interests	191	233
Net income attributable to JCI	$ 1,532	$ 1,637
Income from continuing operations	$ 1,532	$ 1,513
Income from discontinued operations	-	124
Net income attributable to JCI	$ 1,532	$ 1,637
Diluted earnings per share from continuing operations	$ 2.19	$ 2.10
Diluted earnings per share from discontinued operations	-	0.17
Diluted earnings per share	$ 2.19	$ 2.27
Diluted weighted average shares	699.6	721.1
Shares outstanding at period end	688.7	708.7

JOHNSON CONTROLS INTERNATIONAL PLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	September 30, 2022	September 30, 2021
ASSETS		
Cash and cash equivalents	$ 2,031	$ 1,336
Accounts receivable - net	5,528	5,613
Inventories	2,510	2,057
Assets held for sale	387	-
Other current assets	1,229	992
Current assets	11,685	9,998
Property, plant and equipment - net	3,042	3,228
Goodwill	17,328	18,335
Other intangible assets - net	4,641	5,549
Investments in partially-owned affiliates	963	1,066
Noncurrent assets held for sale	751	156
Other noncurrent assets	3,748	3,558
Total assets	$ 42,158	$ 41,890
LIABILITIES AND EQUITY		
Short-term debt and current portion of long-term debt	$ 1,534	$ 234
Accounts payable and accrued expenses	5,219	4,754
Liabilities held for sale	236	-
Other current liabilities	4,250	4,110
Current liabilities	11,239	9,098
Long-term debt	7,426	7,506
Other noncurrent liabilities	6,029	6,533
Noncurrent liabilities held for sale	62	-
Shareholders' equity attributable to JCI	16,268	17,562
Noncontrolling interests	1,134	1,191
Total liabilities and equity	$ 42,158	$ 41,890

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Operating Activities		
Net income from continuing operations attributable to JCI	$ 761	$ 269
Income from continuing operations attributable to noncontrolling interests	48	47
Net income from continuing operations	809	316
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	197	218
Pension and postretirement benefit income	(224)	(158)
Pension and postretirement contributions	(13)	(28)
Equity in earnings of partially-owned affiliates, net of dividends received	55	(51)
Deferred income taxes	100	30
Non-cash restructuring and impairment costs	125	4
Other - net	12	29
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	210	14
Inventories	(12)	(15)
Other assets	(86)	(134)
Restructuring reserves	(5)	(17)
Accounts payable and accrued liabilities	482	(41)
Accrued income taxes	(471)	362
Cash provided by operating activities from continuing operations	1,179	529
Investing Activities		
Capital expenditures	(162)	(228)
Acquisition of businesses, net of cash acquired	(33)	(18)
Other - net	90	42
Cash used by investing activities from continuing operations	(105)	(204)
Financing Activities		
Increase (decrease) in short and long-term debt - net	(268)	36
Stock repurchases and retirements	(14)	(306)
Payment of cash dividends	(242)	(192)
Proceeds from the exercise of stock options	2	18
Dividends paid to noncontrolling interests	-	(9)
Employee equity-based compensation withholding taxes	(2)	(3)
Other - net	(21)	(25)
Cash used by financing activities from continuing operations	(545)	(481)
Discontinued Operations		
Net cash used by operating activities	-	(8)
Net cash used by investing activities	-	-
Net cash used by financing activities	-	-
Net cash flows used by discontinued operations	-	(8)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	49
Increase (decrease) in cash, cash equivalents and restricted cash	$ 525	$ (115)

JOHNSON CONTROLS INTERNATIONAL PLC

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

	Twelve Months Ended September 30,	
	2022	2021
Operating Activities		
Net income from continuing operations attributable to JCI	$ 1,532	$ 1,513
Income from continuing operations attributable to noncontrolling interests	191	233
Net income from continuing operations	1,723	1,746
Adjustments to reconcile net income from continuing operations to cash provided by operating activities:		
Depreciation and amortization	830	845
Pension and postretirement benefit income	(216)	(551)
Pension and postretirement contributions	(96)	(68)
Equity in earnings of partially-owned affiliates, net of dividends received	30	(117)
Deferred income taxes	(141)	36
Non-cash restructuring and impairment costs	555	98
Other - net	44	(9)
Changes in assets and liabilities, excluding acquisitions and divestitures:		
Accounts receivable	(427)	(143)
Inventories	(773)	(219)
Other assets	(362)	(164)
Restructuring reserves	(7)	(44)
Accounts payable and accrued liabilities	1,270	813
Accrued income taxes	(440)	328
Cash provided by operating activities from continuing operations	1,990	2,551
Investing Activities		
Capital expenditures	(592)	(552)
Acquisition of businesses, net of cash acquired	(269)	(725)
Business divestitures, net of cash divested	16	19
Other - net	152	168
Cash used by investing activities from continuing operations	(693)	(1,090)
Financing Activities		
Increase (decrease) in short and long-term debt - net	1,966	(28)
Stock repurchases and retirements	(1,441)	(1,307)
Payment of cash dividends	(916)	(762)
Proceeds from the exercise of stock options	17	178
Dividends paid to noncontrolling interests	(121)	(142)
Cash paid to acquire a noncontrolling interest	(1)	(14)
Employee equity-based compensation withholding taxes	(51)	(33)
Other - net	31	(23)
Cash used by financing activities from continuing operations	(516)	(2,131)
Discontinued Operations		
Net cash used by operating activities	(4)	(64)
Net cash used by investing activities	-	-
Net cash used by financing activities	-	-
Net cash flows used by discontinued operations	(4)	(64)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(53)	116
Increase (decrease) in cash, cash equivalents and restricted cash	$ 724	$ (618)

FOOTNOTES

1. Financial Summary

The Company evaluates the performance of its business units primarily on segment earnings before interest, taxes and amortization (EBITA), which represents income from continuing operations before income taxes and noncontrolling interests, excluding general corporate expenses, intangible asset amortization, net financing charges, restructuring and impairment costs, charges attributable to the suspension of operations in Russia, Silent-Aire earn-out adjustment, certain transaction/separation costs, certain environmental remediation and related reserve adjustments, and the net mark-to-market adjustments related to restricted asbestos investments and pension and postretirement plans. The financial results shown below are for continuing operations and exclude the Power Solutions business. Historical information has been re-cast for changes in the composition of reportable segments effective October 1, 2021, to present the comparative periods on a consistent basis.

(in millions; unaudited)	Three Months Ended September 30,				Twelve Months Ended September 30,			
	2022		2021		2022		2021	
	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP	Actual	Adjusted Non-GAAP
Net sales (1)								
Building Solutions North America	$ 2,562	$ 2,562	$ 2,347	$ 2,347	$ 9,367	$ 9,367	$ 8,685	$ 8,685
Building Solutions EMEA/LA	976	976	1,001	1,001	3,845	3,845	3,884	3,884
Building Solutions Asia Pacific	751	751	715	715	2,714	2,714	2,616	2,616
Global Products	2,436	2,436	2,329	2,332	9,373	9,373	8,483	8,489
Net sales	$ 6,725	$ 6,725	$ 6,392	$ 6,395	$ 25,299	$ 25,299	$ 23,668	$ 23,674
Segment EBITA (1)								
Building Solutions North America	$ 377	$ 377	$ 357	$ 357	$ 1,122	$ 1,122	$ 1,204	$ 1,204
Building Solutions EMEA/LA	92	92	110	110	358	369	401	401
Building Solutions Asia Pacific	105	105	110	110	332	332	344	344
Global Products	311	533	435	441	1,594	1,773	1,436	1,449
Segment EBITA	885	1,107	1,012	1,018	3,406	3,596	3,385	3,398
Corporate expenses (2)	(143)	(89)	(83)	(83)	(369)	(306)	(290)	(290)
Amortization of intangible assets (3)	(101)	(101)	(115)	(108)	(427)	(414)	(435)	(425)
Net mark-to-market gains (4)	192	-	106	-	34	-	402	-
Restructuring and impairment costs (5)	(167)	-	(67)	-	(721)	-	(242)	-
EBIT (6)	666	917	853	827	1,923	2,876	2,820	2,683
EBIT margin	9.9%	13.6%	13.3%	12.9%	7.6%	11.4%	11.9%	11.3%
Net financing charges	(60)	(60)	(47)	(47)	(213)	(213)	(206)	(206)
Income from continuing operations before income taxes	606	857	806	780	1,710	2,663	2,614	2,477
Income tax benefit (provision) (7)	203	(116)	(490)	(105)	13	(359)	(868)	(334)
Income from continuing operations	809	741	316	675	1,723	2,304	1,746	2,143
Income from continuing operations attributable to noncontrolling interests (8)	(48)	(59)	(47)	(47)	(191)	(207)	(233)	(233)
Net income from continuing operations attributable to JCI	$ 761	$ 682	$ 269	$ 628	$ 1,532	$ 2,097	$ 1,513	$ 1,910

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

A reconciliation of total segment EBITA to income from continuing operations is shown earlier within this footnote. The following is the three months ended September 30, 2022 and 2021 reconciliation of net sales, total segment EBITA, and segment EBITA margin as reported to adjusted net sales, adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales as reported	$ 2,562	$ 2,347	$ 976	$ 1,001	$ 751	$ 715	$ 2,436	$ 2,329	$ 6,725	$ 6,392
Adjusting items:										
Nonrecurring Silent-Aire purchase accounting impacts	-	-	-	-	-	-	-	3	-	3
Adjusted net sales	$ 2,562	$ 2,347	$ 976	$ 1,001	$ 751	$ 715	$ 2,436	$ 2,332	$ 6,725	$ 6,395
Segment EBITA as reported	$ 377	$ 357	$ 92	$ 110	$ 105	$ 110	$ 311	$ 435	$ 885	$ 1,012
Segment EBITA margin as reported	14.7%	15.2%	9.4%	11.0%	14.0%	15.4%	12.8%	18.7%	13.2%	15.8%
Adjusting items:										
Nonrecurring Silent-Aire purchase accounting impacts and other costs	-	-	-	-	-	-	-	6	-	6
Environmental remediation and related reserves adjustment (9)	-	-	-	-	-	-	222	-	222	-
Adjusted segment EBITA	$ 377	$ 357	$ 92	$ 110	$ 105	$ 110	$ 533	$ 441	$ 1,107	$ 1,018
Adjusted segment EBITA margin	14.7%	15.2%	9.4%	11.0%	14.0%	15.4%	21.9%	18.9%	16.5%	15.9%

The following is the twelve months ended September 30, 2022 and 2021 reconciliation of net sales, total segment EBITA and segment EBITA margin as reported to adjusted net sales, adjusted segment EBITA and adjusted segment EBITA margin (unaudited):

(in millions)	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products		Consolidated JCI plc	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales as reported	$ 9,367	$ 8,685	$ 3,845	$ 3,884	$ 2,714	$ 2,616	$ 9,373	$ 8,483	$ 25,299	$ 23,668
Adjusting items:										
Nonrecurring Silent-Aire purchase accounting impacts	-	-	-	-	-	-	-	6	-	6
Adjusted net sales	$ 9,367	$ 8,685	$ 3,845	$ 3,884	$ 2,714	$ 2,616	$ 9,373	$ 8,489	$ 25,299	$ 23,674
Segment EBITA as reported	$ 1,122	$ 1,204	$ 358	$ 401	$ 332	$ 344	$ 1,594	$ 1,436	$ 3,406	$ 3,385
Segment EBITA margin as reported	12.0%	13.9%	9.3%	10.3%	12.2%	13.1%	17.0%	16.9%	13.5%	14.3%
Adjusting items:										
Silent-Aire earn-out adjustment	-	-	-	-	-	-	(43)	-	(43)	-
Charges attributable to the suspension of operations in Russia	-	-	11	-	-	-	-	-	11	-
Nonrecurring Silent-Aire purchase accounting impacts and other costs	-	-	-	-	-	-	-	13	-	13
Environmental remediation and related reserves adjustment (9)	-	-	-	-	-	-	222	-	222	-
Adjusted segment EBITA	$ 1,122	$ 1,204	$ 369	$ 401	$ 332	$ 344	$ 1,773	$ 1,449	$ 3,596	$ 3,398
Adjusted segment EBITA margin	12.0%	13.9%	9.6%	10.3%	12.2%	13.1%	18.9%	17.1%	14.2%	14.4%

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

(3) Adjusted amortization of intangible assets for the twelve months ended September 30, 2022 excludes $13 million of nonrecurring intangible asset amortization related to Silent-Aire purchase accounting. Adjusted amortization of intangible assets for the three and twelve months ended September 30, 2021 excludes nonrecurring intangible asset amortization related to Silent-Aire purchase accounting of $7 million and $10 million, respectively.

(4) The three and twelve months ended September 30, 2022 exclude the net mark-to-market gains on restricted asbestos investments and pension and postretirement plans of $192 million and $34 million, respectively. The three and twelve months ended September 30, 2021 exclude the net mark-to-market gains on restricted asbestos investments and pension and postretirement plans of $106 million and $402 million, respectively.

(5) Restructuring and impairment costs for the three and twelve months ended September 30, 2022 of $167 million and $721 million, respectively, are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs for the three months ended September 30, 2022 are related primarily to workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments. The restructuring actions and impairment costs for the twelve months ended September 30, 2022 are related primarily to the impairment of assets associated with businesses classified as held for sale, workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments. Restructuring and impairment costs for the three and twelve months ended September 30, 2021 of $67 million and $242 million, respectively, are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs for the three and twelve months ended September 30, 2021 are related primarily to workforce reductions and asset impairments.

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

(7) Adjusted income tax provision for the three months ended September 30, 2022 excludes tax benefits related to the expiration of the statute of limitations for certain tax years of $301 million and the net tax effect of other pre-tax adjusting items of $45 million, partially offset by tax provisions related to a Japan valuation allowance establishment of $27 million. Adjusted income tax provision for the twelve months ended September 30, 2022 excludes tax benefits related to the expiration of the statute of limitations for certain tax years of $301 million and the net tax effect of other pre-tax adjusting items of $119 million, partially offset by tax provisions related to a Japan valuation allowance establishment of $27 million and APB23 adjustments attributable to businesses classified as held for sale of $21 million. Adjusted income tax provision for the three months ended September 30, 2021 excludes tax provisions from an intra-entity sale of certain of the Company's intellectual property of $417 million and the net tax effect of other pre-tax adjusting items of $7 million, partially offset by tax benefits related to valuation allowance adjustments of $39 million. Adjusted income tax provision for the twelve months ended September 30, 2021 excludes tax provisions from an intra-entity sale of certain of the Company's intellectual property of $417 million, a Mexico valuation allowance adjustment of $105 million and net tax effect of other pre-tax adjusting items of $51 million, partially offset by tax benefits related to other valuation allowance adjustments of $39 million. A summary of other adjusting items is included earlier within this footnote and in footnote 2.

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

(9) Segment EBITA includes a charge for increasing the environmental remediation and related reserves for the three and twelve months ended September 30, 2022 of $222 million is excluded from the adjusted non-GAAP results. The $222 million is related to remediation efforts to be undertaken to address contamination primarily at our facilities in Marinette, Wisconsin.

The Company has presented forward-looking statements regarding adjusted EPS, organic revenue growth, adjusted segment EBITA margin and free cash flow conversion, which are non-GAAP financial measures. These non-GAAP financial measures are derived by excluding certain amounts, expenses, or income from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period, including but not limited to the high variability of the net mark-to-market adjustments and the effect of foreign currency exchange fluctuations. Our fiscal 2023 full year and first quarter guidance for organic revenue growth also excludes the effect of acquisitions, divestitures and foreign currency. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available and management cannot reliably predict all of the necessary components of such GAAP measures without unreasonable effort or expense. The unavailable information could have a significant impact on the Company’s fiscal 2023 full year and first quarter GAAP financial results.

2. Diluted Earnings Per Share Reconciliation

The Company's press release contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include net mark-to-market adjustments, restructuring and impairment costs, Silent-Aire other nonrecurring costs, Silent-Aire earn-out adjustment, charges related to the suspension of operations in Russia, Power Solutions divestiture reserve adjustment, certain transaction/separation costs, certain environmental remediation and related reserve adjustments and discrete tax items. The Company excludes these items because they are not considered to be directly related to the underlying operating performance of the Company. Management believes these non-GAAP measures are useful to investors in understanding the ongoing operations and business trends of the Company.

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

	Net Income Attributable to JCI plc		Net Income Attributable to JCI plc from Continuing Operations		Net Income Attributable to JCI plc		Net Income Attributable to JCI plc from Continuing Operations	
	Three Months Ended September 30,		Three Months Ended September 30,		Twelve Months Ended September 30,		Twelve Months Ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Earnings per share as reported for JCI plc	$ 1.10	$ 0.38	$ 1.10	$ 0.38	$ 2.19	$ 2.27	$ 2.19	$ 2.10
Adjusting items:								
Net mark-to-market adjustments	(0.28)	(0.15)	(0.28)	(0.15)	(0.05)	(0.56)	(0.05)	(0.56)
Related tax impact	0.05	0.03	0.05	0.03	(0.01)	0.13	(0.01)	0.13
Restructuring and impairment costs	0.24	0.09	0.24	0.09	1.03	0.34	1.03	0.34
Related tax impact	(0.03)	(0.01)	(0.03)	(0.01)	(0.07)	(0.05)	(0.07)	(0.05)
NCI impact of restructuring and impairment costs	-	-	-	-	(0.01)	-	(0.01)	-
Power Solutions divestiture reserve adjustment	-	-	-	-	-	(0.17)	-	-
Environmental remediation and related reserves adjustment	0.37	-	0.37	-	0.36	-	0.36	-
Related tax impact	(0.08)	-	(0.08)	-	(0.08)	-	(0.08)	-
Transaction/separation costs	0.03	-	0.03	-	0.04	-	0.04	-
Silent-Aire other nonrecurring costs	-	0.02	-	0.02	0.02	0.03	0.02	0.03
Silent-Aire earn-out adjustment	-	-	-	-	(0.06)	-	(0.06)	-
Charges attributable to the suspension of operations in Russia	-	-	-	-	0.01	-	0.01	-
Discrete tax items	(0.40)	0.53	(0.40)	0.53	(0.36)	0.67	(0.36)	0.67
NCI impact of discrete tax items	(0.02)	-	(0.02)	-	(0.02)	-	(0.02)	-
Adjusted earnings per share for JCI plc*	$ 0.99	$ 0.88	$ 0.99	$ 0.88	$ 3.00	$ 2.65	$ 3.00	$ 2.65

* May not sum due to rounding

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

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2022	2021	2022	2021
Weighted average shares outstanding for JCI plc				
Basic weighted average shares outstanding	688.6	711.7	696.1	716.6
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	2.6	5.3	3.5	4.5
Diluted weighted average shares outstanding	691.2	717.0	699.6	721.1

3. Organic Growth Reconciliation

The components of the change in net sales for the three months ended September 30, 2022 versus the three months ended September 30, 2021, including organic growth, are shown below (unaudited):

(in millions)	Adjusted Net Sales for the Three Months Ended September 30, 2021	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Three Months Ended September 30, 2021	Acquisitions		Organic Growth		Net Sales for the Three Months Ended September 30, 2022	
Building Solutions North America	$ 2,347	$ -	-	$ (9)	-	$ 2,338	$ 7	-	$ 217	9%	$ 2,562	9%
Building Solutions EMEA/LA	1,001	(6)	-1%	(114)	-11%	881	14	2%	81	9%	976	-2%
Building Solutions Asia Pacific	715	-	-	(59)	-8%	656	16	2%	79	12%	751	5%
Total field	4,063	(6)	-	(182)	-4%	3,875	37	1%	377	10%	4,289	6%
Global Products	2,332	-	-	(146)	-6%	2,186	-	-	250	11%	2,436	4%
Total net sales	$ 6,395	$ (6)	-	$ (328)	-5%	$ 6,061	$ 37	1%	$ 627	10%	$ 6,725	5%

The components of the change in net sales for the twelve months ended September 30, 2022 versus the twelve months ended September 30, 2021, including organic growth, are shown below (unaudited):

(in millions)	Adjusted Net Sales for the Twelve Months Ended September 30, 2021	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Net Sales for the Twelve Months Ended September 30, 2021	Acquisitions		Organic Growth		Net Sales for the Twelve Months Ended September 30, 2022	
Building Solutions North America	$ 8,685	$ -	-	$ (12)	-	$ 8,673	$ 22	-	$ 672	8%	$ 9,367	8%
Building Solutions EMEA/LA	3,884	(22)	-1%	(269)	-7%	3,593	38	1%	214	6%	3,845	-1%
Building Solutions Asia Pacific	2,616	(1)	-	(121)	-5%	2,494	42	2%	178	7%	2,714	4%
Total field	15,185	(23)	-	(402)	-3%	14,760	102	1%	1,064	7%	15,926	5%
Global Products	8,489	-	-	(339)	-4%	8,150	254	3%	969	12%	9,373	10%
Total net sales	$ 23,674	$ (23)	-	$ (741)	-3%	$ 22,910	$ 356	2%	$ 2,033	9%	$ 25,299	7%

The components of the change in total segment EBITA for the three months ended September 30, 2022 versus the three months ended September 30, 2021, including organic growth, is shown below (unaudited):

(in millions)	Adjusted Segment EBITA for the Three Months Ended September 30, 2021	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Segment EBITA for the Three Months Ended September 30, 2021	Acquisitions		Organic Growth		Adjusted Segment EBITA for the Three Months Ended September 30, 2022	
Total segment EBITA	$ 1,018	$ (2)	-	$ (44)	-4%	$ 972	$ 6	1%	$ 129	13%	$ 1,107	9%

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

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

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

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

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

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

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

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

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

The Company's earnings presentation presents service revenue and organic growth for the three months ended September 30, 2022. The components of the change in service revenue, including organic growth, are shown below (unaudited):

(in millions)	Proforma Service Revenue for the Three Months Ended September 30, 2021	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Three Months Ended September 30, 2021	Acquisitions		Organic Growth		Service Revenue for the Three Months Ended September 30, 2022	
Building Solutions North America	$ 904	$ -	-	$ (3)	-	$ 901	$ 6	1%	$ 70	8%	$ 977	8%
Building Solutions EMEA/LA	433	(6)	-1%	(51)	-12%	376	-	-	29	8%	405	-6%
Building Solutions Asia Pacific	184	-	-	(17)	-9%	167	2	1%	19	11%	188	2%
Total field	1,521	(6)	-	(71)	-5%	1,444	8	1%	118	8%	1,570	3%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 1,521	$ (6)	-	$ (71)	-5%	$ 1,444	$ 8	1%	$ 118	8%	$ 1,570	3%

The Company's earnings presentation presents service revenue and organic growth for the twelve months ended September 30, 2022. The components of the change in service revenue, including organic growth, are shown below (unaudited):

(in millions)	Proforma Service Revenue for the Twelve Months Ended September 30, 2021	Base Year Adjustments - Divestitures and Other		Base Year Adjustments - Foreign Currency		Adjusted Base Service Revenue for the Twelve Months Ended September 30, 2021	Acquisitions		Organic Growth		Service Revenue for the Twelve Months Ended September 30, 2022	
Building Solutions North America	$ 3,373	$ -	-	$ (4)	-	$ 3,369	$ 19	1%	$ 271	8%	$ 3,659	8%
Building Solutions EMEA/LA	1,684	(22)	-1%	(120)	-7%	1,542	2	-	113	7%	1,657	-2%
Building Solutions Asia Pacific	706	(1)	-	(39)	-6%	666	8	1%	35	5%	709	-
Total field	5,763	(23)	-	(163)	-3%	5,577	29	1%	419	8%	6,025	5%
Global Products	-	-	-	-	-	-	-	-	-	-	-	-
Total service revenue	$ 5,763	$ (23)	-	$ (163)	-3%	$ 5,577	$ 29	1%	$ 419	8%	$ 6,025	5%

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

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

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

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

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

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

4. Free Cash Flow Conversion

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

The following is the three months and twelve months ended September 30, 2022 and 2021 reconciliation of free cash flow and free cash flow conversion for continuing operations (unaudited):

	Three Months Ended		Twelve Months Ended	
(in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Cash provided by operating activities from continuing operations	$ 1,179	$ 529	$ 1,990	$ 2,551
Capital expenditures	(162)	(228)	(592)	(552)
Free cash flow	$ 1,017	$ 301	$ 1,398	$ 1,999
Adjusted net income from continuing operations attributable to JCI	$ 682	$ 628	$ 2,097	$ 1,910
Free cash flow conversion	149%	48%	67%	105%

5. Net Debt to EBITDA

The Company provides financial information regarding net debt to adjusted EBITDA, which is a non-GAAP performance measure. The Company believes the total net debt to adjusted EBITDA ratio is useful to understanding the Company's financial condition as it provides a review of the extent to which the Company relies on external debt financing for its funding and is a measure of risk to its shareholders. The following is the September 30, 2022, June 30, 2022, and September 30, 2021 calculation of net debt to adjusted EBITDA (unaudited):

(in millions)	September 30, 2022	June 30, 2022	September 30, 2021
Short-term debt and current portion of long-term debt	$ 1,534	$ 2,298	$ 234
Long-term debt	7,426	7,194	7,506
Total debt	8,960	9,492	7,740
Less: cash and cash equivalents	2,031	1,506	1,336
Total net debt	$ 6,929	$ 7,986	$ 6,404
Last twelve months adjusted EBITDA	$ 3,693	$ 3,617	$ 3,518
Total net debt to adjusted EBITDA	1.9x	2.2x	1.8x

The following is the last twelve months ended September 30, 2022, June 30, 2022, and September 30, 2021 reconciliation of income from continuing operations to adjusted EBIT and adjusted EBITDA, which are non-GAAP performance measures (unaudited):

(in millions)	Last Twelve Months Ended September 30, 2022	Last Twelve Months Ended June 30, 2022	Last Twelve Months Ended September 30, 2021
Income from continuing operations	$ 1,723	$ 1,230	$ 1,746
Income tax (benefit) provision	(13)	680	868
Net financing charges	213	200	206
EBIT	1,923	2,110	2,820
Adjusting items:			
Net mark-to-market adjustments	(34)	52	(402)
Restructuring and impairment costs	721	621	242
Environmental remediation and related reserves adjustment	255	-	-
Silent-Aire other nonrecurring costs	13	26	23
Silent-Aire earn-out adjustment	(43)	(43)	-
Charges attributable to the suspension of operations in Russia	11	11	-
Transaction/separation costs	30	9	-
Adjusted EBIT (1)	2,876	2,786	2,683
Depreciation and amortization	817	831	835
Adjusted EBITDA (1)	$ 3,693	$ 3,617	$ 3,518

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

6. Trade Working Capital as a Percentage of Net Sales

The Company provides financial information regarding trade working capital as a percentage of net sales, which is a non-GAAP performance measure. Trade working capital is defined as current assets less current liabilities, excluding cash, short-term debt, the current portion of long-term debt, the current portion of assets and liabilities held for sale, accrued compensation and benefits, and other current assets and liabilities. Management believes this non-GAAP measure, which excludes financing-related items, non-trade related items and businesses to be divested, is a more useful measurement of the Company's operating performance. The following is the September 30, 2022 and September 30, 2021 calculation of trade working capital as a percentage of net sales (unaudited):

(in millions)	September 30, 2022	September 30, 2021
Current assets	$ 11,685	$ 9,998
Current liabilities	(11,239)	(9,098)
Total working capital	446	900
Less: cash and cash equivalents	(2,031)	(1,336)
Less: assets held for sale	(387)	-
Less: other current assets	(1,229)	(992)
Add: short-term debt	669	8
Add: current portion of long-term debt	865	226
Add: accrued compensation and benefits	978	1,008
Add: liabilities held for sale	236	-
Add: other current liabilities	2,482	2,473
Trade working capital	$ 2,029	$ 2,287
Last twelve months net sales	$ 25,299	$ 23,668
Trade working capital as a percentage of net sales	8.0%	9.7%

7. Income Taxes

The Company's effective tax rate from continuing operations before consideration of net mark-to-market adjustments, restructuring and impairment costs, Silent-Aire nonrecurring intangible asset amortization and purchase accounting, charges related to the suspension of operations in Russia, certain transaction/separation costs, certain environmental remediation and related reserve adjustments and discrete tax items for the three and twelve months ended September 30, 2022 and September 30, 2021 is approximately 13.5%.

8. Restructuring and Impairment Costs

Restructuring and impairment costs for the three and twelve months ended September 30, 2022 of $167 million and $721 million, respectively, are excluded from the adjusted non-GAAP results. The restructuring actions and impairment costs for the three months ended September 30, 2022 are related primarily to workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments. The restructuring actions and impairment costs for the twelve months ended September 30, 2022 are related primarily to the impairment of assets associated with businesses classified as held for sale, workforce reductions, impairment of goodwill attributable to the Company's Silent-Aire reporting unit and other asset impairments. The three and twelve months ended September 30, 2021 include restructuring and impairment costs of $67 and $242 million, respectively, related primarily to workforce reductions and asset impairments.