

FISCAL Q4
**2024 Earnings
Conference Call**

November 6, 2024



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

Johnson Controls International plc cautionary statement regarding forward-looking statements

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. However, the absence of these words does not mean that a statement is not forward-looking. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond its control, that could cause its actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: Johnson Controls’ ability to develop or acquire new products and technologies that achieve market acceptance and meet applicable quality and regulatory requirements; the ability of Johnson Controls to execute on its operating model and drive organizational improvement; Johnson Controls’ ability to successfully execute and complete portfolio simplification, including the completion of the divestiture of the Residential and Light Commercial Business, as well as the possibility that the expected benefits of such actions will not be realized or will not be realized within the expected time frame; the ability to hire and retain senior management and other key personnel, including successfully executing Johnson Controls’ Chief Executive Officer succession plan; the ability to innovate and adapt to emerging technologies, ideas and trends in the marketplace, including the incorporation of technologies such as artificial intelligence; the ability to manage general economic, business and capital market conditions, including the impact of recessions, economic downturns and global price inflation; fluctuations in the cost and availability of public and private financing for Johnson Controls’ customers; the ability to manage macroeconomic and geopolitical volatility, including supply chain shortages and the conflicts between Russia and Ukraine and the ongoing conflicts in the Middle East; managing the risks and impacts of potential and actual security breaches, cyberattacks, privacy breaches or data breaches; maintaining and improving the capacity, reliability and security of Johnson Controls’ enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls’ digital platforms and services; changes to laws or policies governing foreign trade, including economic sanctions, tariffs, foreign exchange and capital controls, import/export controls or other trade restrictions; fluctuations in currency exchange rates; changes or uncertainty in laws, regulations, rates, policies, or interpretations that impact Johnson Controls’ business operations or tax status; the ability to adapt to global climate change, climate change regulation and successfully meet Johnson Controls’ public sustainability commitments; risks and uncertainties related to the settlement with a nationwide class of public water systems concerning the use of AFFF; the outcome of litigation and governmental proceedings; the risk of infringement or expiration of intellectual property rights; Johnson Controls’ ability to manage disruptions caused by catastrophic or geopolitical events, such as natural disasters, armed conflict, political change, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; labor shortages, work stoppages, union negotiations, labor disputes and other matters associated with the labor force; and the cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Johnson Controls business is included in the section entitled “Risk Factors” in Johnson Controls Annual Report on Form 10-K for the fiscal year filed with the SEC, which is available at www.sec.gov and www.johnsoncontrols.com under the “Investors” tab, and such factors may be updated from time to time in Johnson Controls filings with the SEC, which are or will be accessible on the SEC’s website at www.sec.gov. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this communication are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.

Non-GAAP financial information

This presentation contains financial information regarding adjusted earnings per share, which is a non-GAAP performance measure. The adjusting items include restructuring and impairment costs, net mark-to-market adjustments, certain transaction / separation costs, cyber incident costs, warehouse fire loss, certain earnout liability adjustments, water systems AFFF settlement charges and AFFF insurance recoveries, loss on divestitures, product quality issue costs, one-time EMEALA joint venture losses, and discrete tax items. Financial information regarding organic revenue growth, EBIT, adjusted EBIT, adjusted segment EBITA, adjusted segment EBITA margin, adjusted Corporate expense, net debt/EBITDA, adjusted cash provided by operating activities from continuing operations, adjusted free cash flow, adjusted free cash flow conversion and adjusted net income from continuing operations are also presented, which are non-GAAP performance measures. Management believes that, when considered together with unadjusted amounts, these non-GAAP measures are useful to investors in understanding period-over-period operating results and business trends of Johnson Controls. Management may also use these metrics as guides in forecasting, budgeting and long-term planning processes and for compensation purposes. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For further information on the calculation of the non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company’s earnings release.

Key Reminders and Non-GAAP Definitions

- Results for fiscal fourth quarter 2024 and fiscal year 2024 contained within this presentation represent the consolidated results of the Company, inclusive of the Residential & Light Commercial (“R&LC”) business, which was classified as discontinued operations during the fiscal fourth quarter of 2024 and is expected to be divested in the fiscal fourth quarter 2025, as previously announced. This presentation is consistent with and is intended to be compared against the guidance provided during the Company's fiscal third quarter 2024 earnings call and presentation.
- Fiscal year 2025 guidance is being provided on a continuing operations basis, excluding the results of the R&LC discontinued operations.
- Organic sales represents the change in sales excluding the impact of acquisitions, divestitures and foreign currency.
- Segment margin represents earnings before interest, taxes and amortization ("EBITA"). Adjusted segment EBITA excludes items such as mark-to-market adjustments and restructuring and impairment costs, amongst other discrete or one-time items. Refer to the appendix for details of adjusting items.
- Free cash flow conversion is a non-GAAP measure calculated as cash provided by operating activities, less capital expenditures, and divided by net income. Adjusted free cash flow conversion excludes the impact of JC Capital, the AFFF legal settlement and discontinuing our factoring program, and is divided by adjusted net income.
- For further information on the calculation of non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company's earnings release.

CEO Summary

Delivered robust Q4 sales growth, margin expansion, and cash flow

- Organic sales growth of 10% led by double-digit growth in Systems and Service
- Segment EBITA margin expanded 260 basis points to 18.6%
- FY24 adjusted free cash flow conversion of 96%

Strong order growth led by data center demand

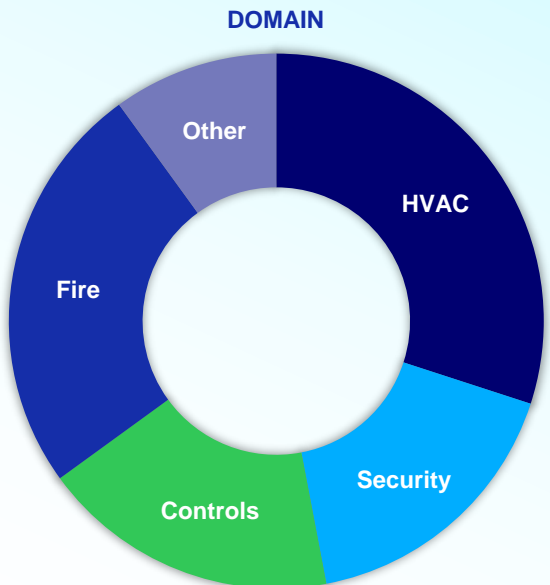
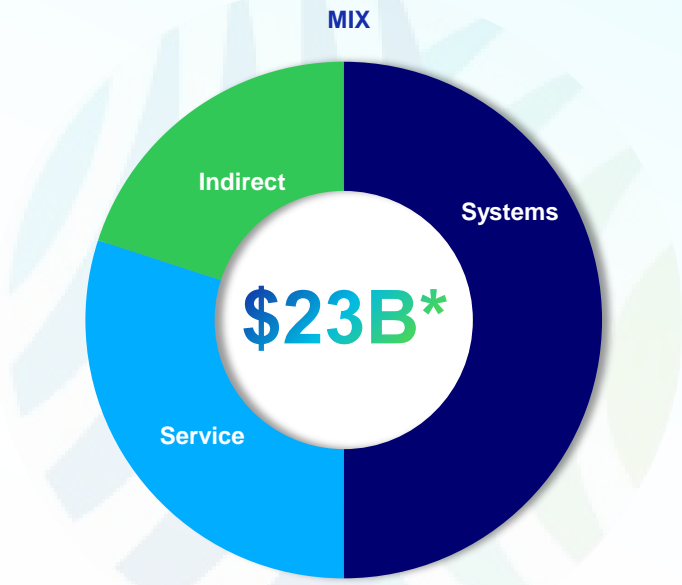
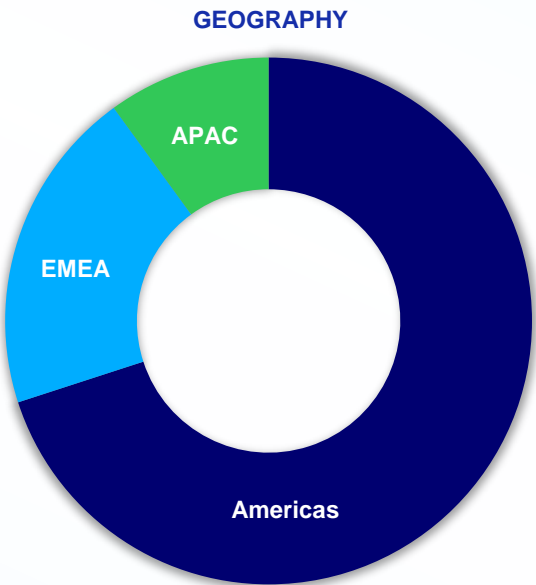
- Orders grew 8% led by double digit Service growth
- Systems orders grew 5% against a tough comp

Long-cycle backlog grew 7% and ended FY24 at a record \$13.1B

Portfolio transformation largely completed

Initiating FY25 guidance

A Simplified Portfolio Across the Building Lifecycle



One End-to-End Business Solutions Operating Model

Systems + Services = Solutions

Enabled by Digital

KEY STATISTICS

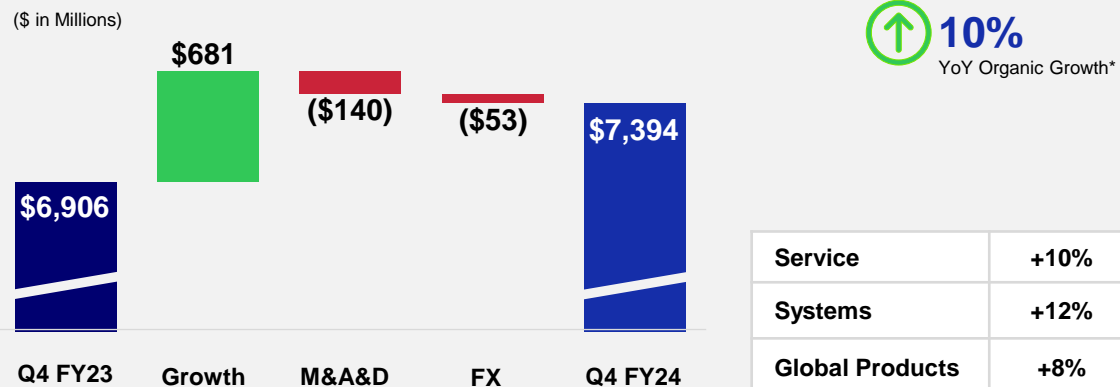
4M+ Global Customers	10K+ Channel Partners	1K+ Digital Customers with Subscriptions	250K+ Sites Under PSA	20K+ Building Service Professionals	50TB+ Data from Connected Assets	5.5M+ Service Visits Annually	~39M Metric Tons of CO ₂ Emissions Reduced for our Customers Since 2000
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KEY MARKETS

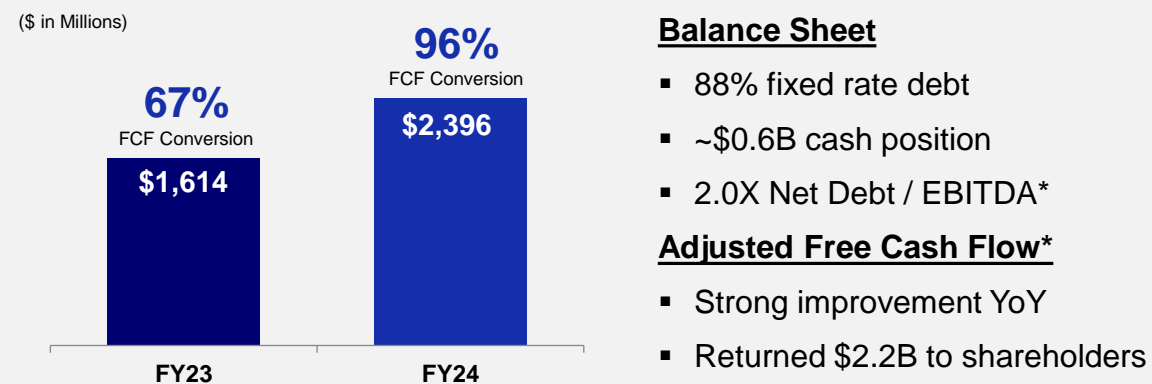
 Commercial Real Estate	 Datacenter	 Education	 Government	 Healthcare	 Industrial	 Sports & Entertainment	 Transportation
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Strength Across the Portfolio

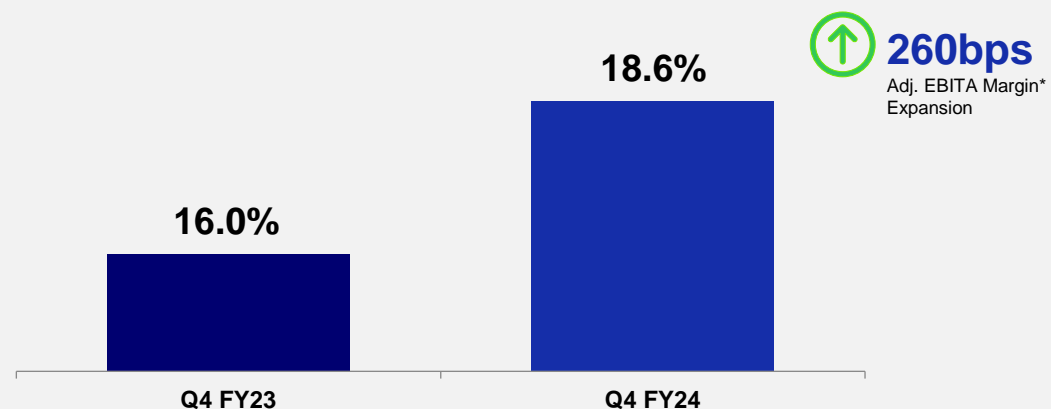
JCI Sales - Organic % Growth*



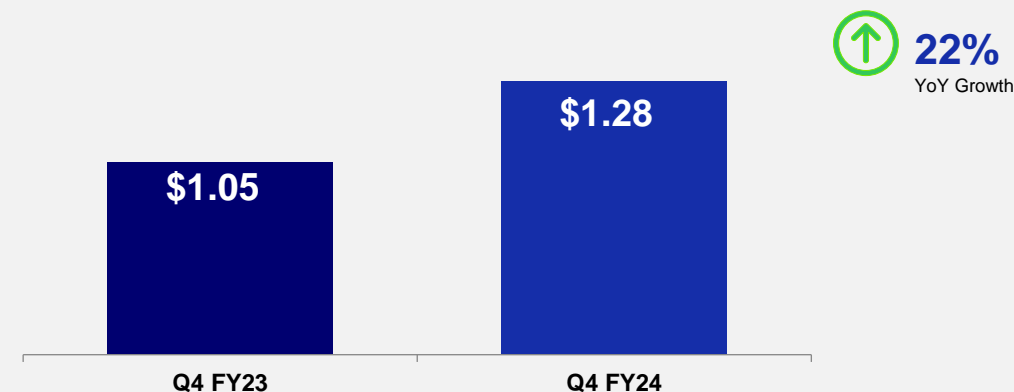
Balance Sheet and Reported FY24 Adjusted Free Cash Flow*



JCI Adj. Segment EBITA/Margin*



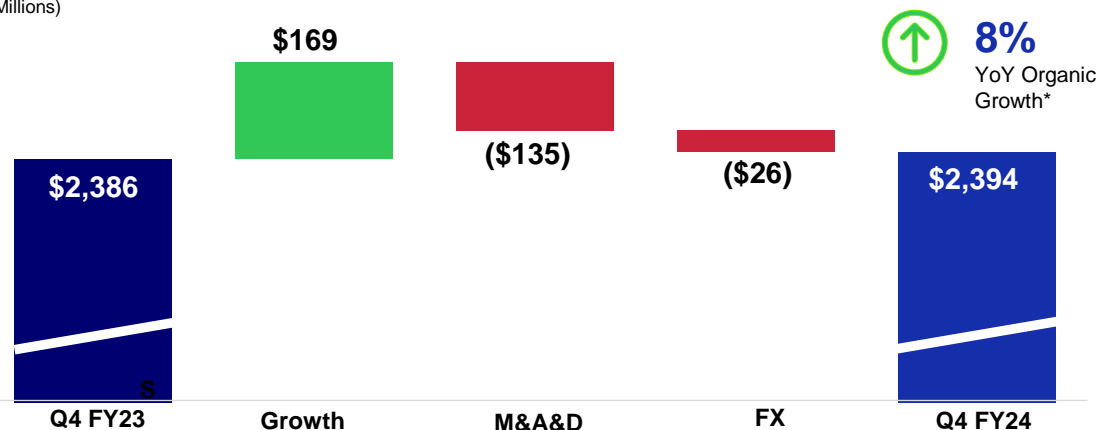
Adjusted EPS*



Growth and Robust Margin Expansion

Global Products Sales

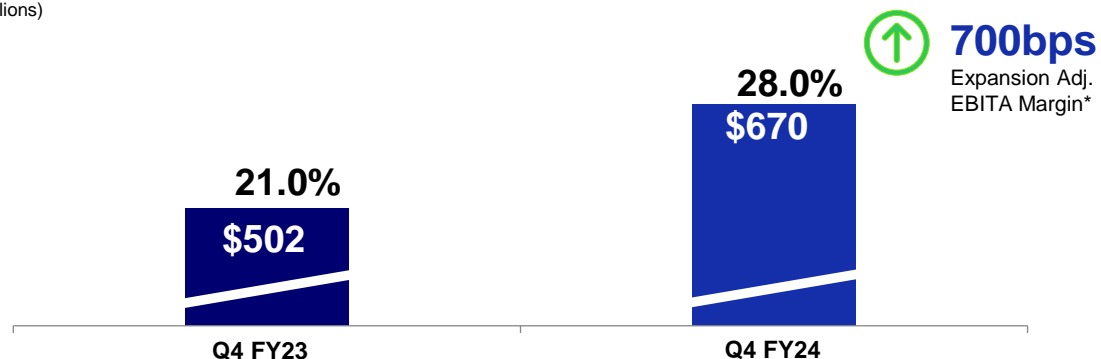
(\$ in Millions)



- Price +3% / Volume +5%
- Commercial HVAC¹ +LDD
- Residential HVAC +LDD
 - NA Residential +>25%
- Fire and Security (LSD)
- Industrial Refrigeration (MSD)

Global Products Adj. Segment EBITA/Margin*

(\$ in Millions)

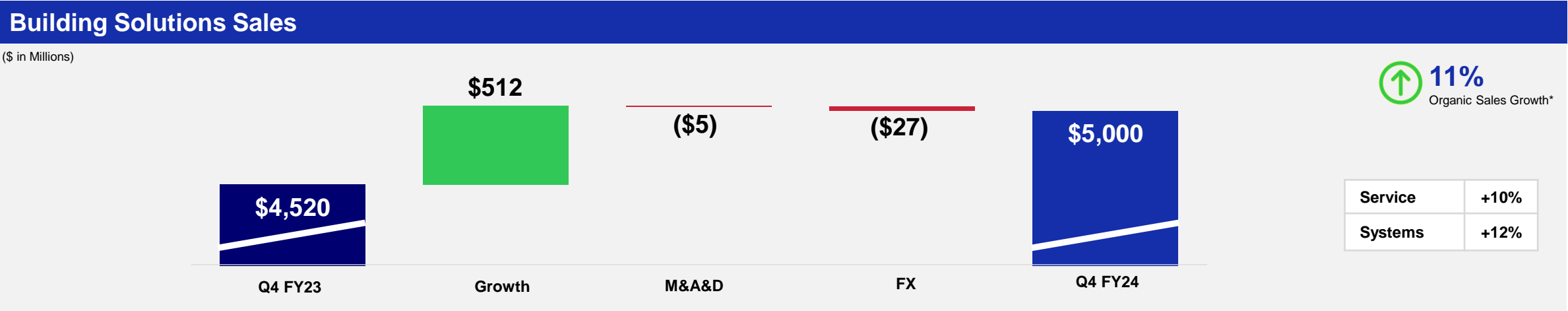
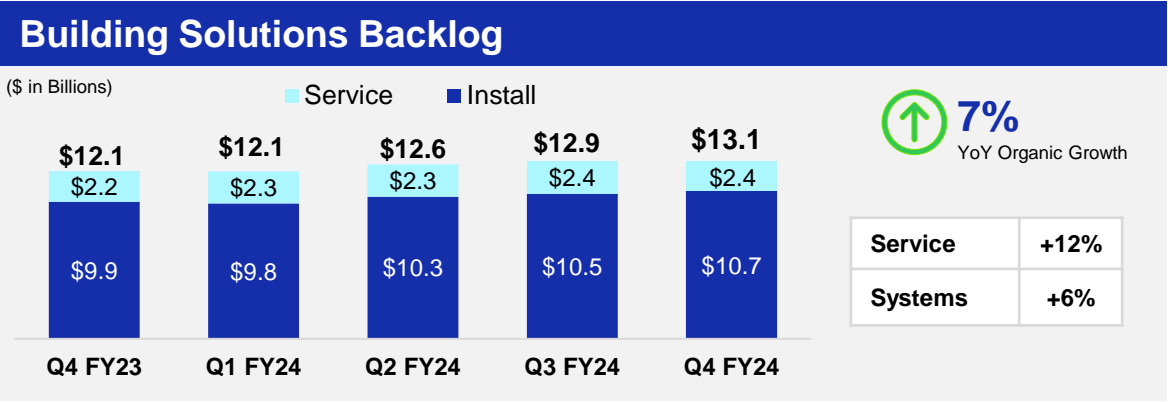
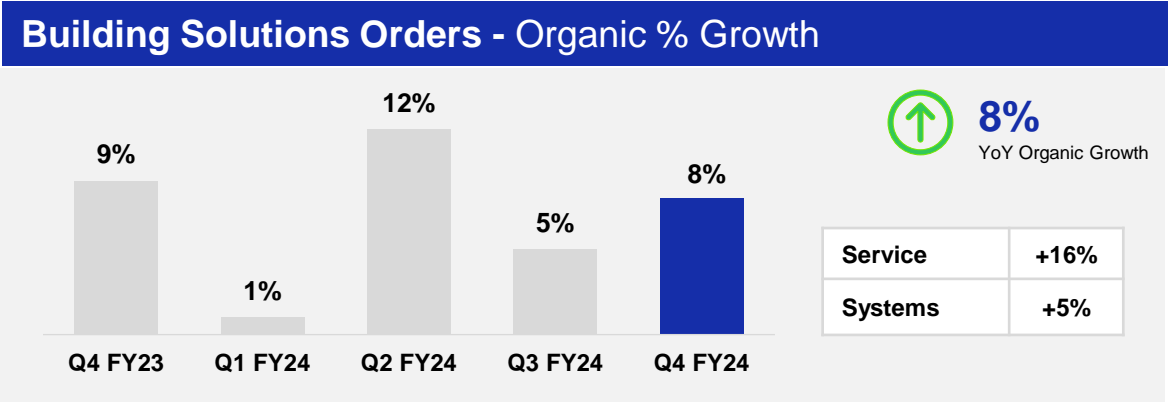


- Growth: ~\$100M
- Productivity: ~\$30M
- Mix: ~\$20M
- Other: ~\$20M

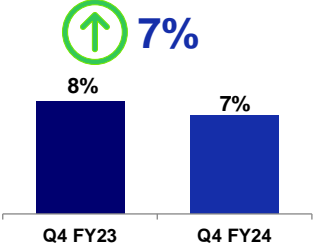
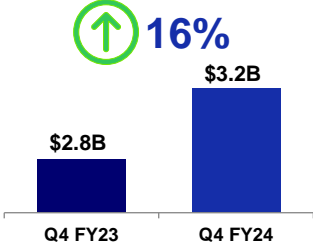
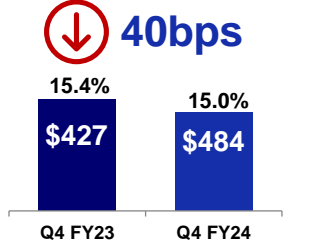
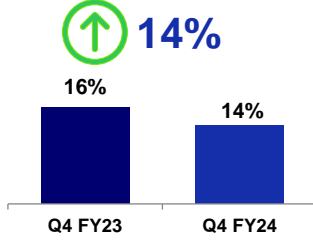
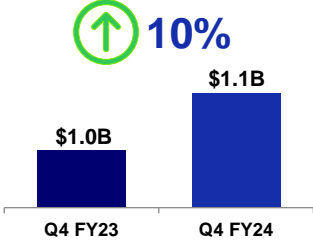
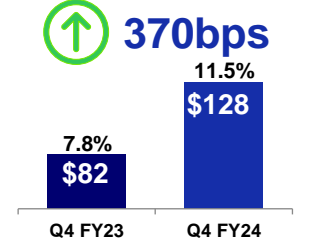
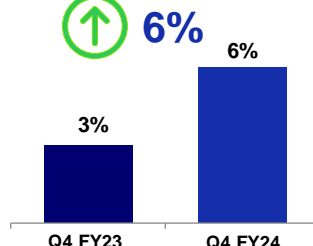
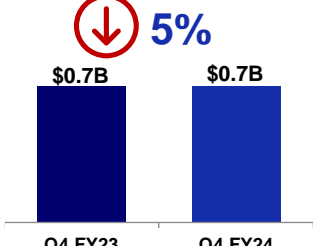
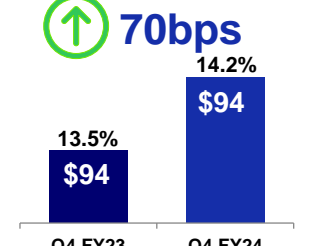
*Organic Sales Growth and Adjusted Segment EBITA/Margin are non-GAAP measures and exclude special items. See footnotes for reconciliation.

¹ Includes large commercial applied HVAC equipment, BMS and Controls, global unitary and VRF equipment and represents indirect sales of chiller and air handling equipment.

Order Growth Delivered Record Backlog; Supports Continued Momentum



Building Solutions Performance by Segment

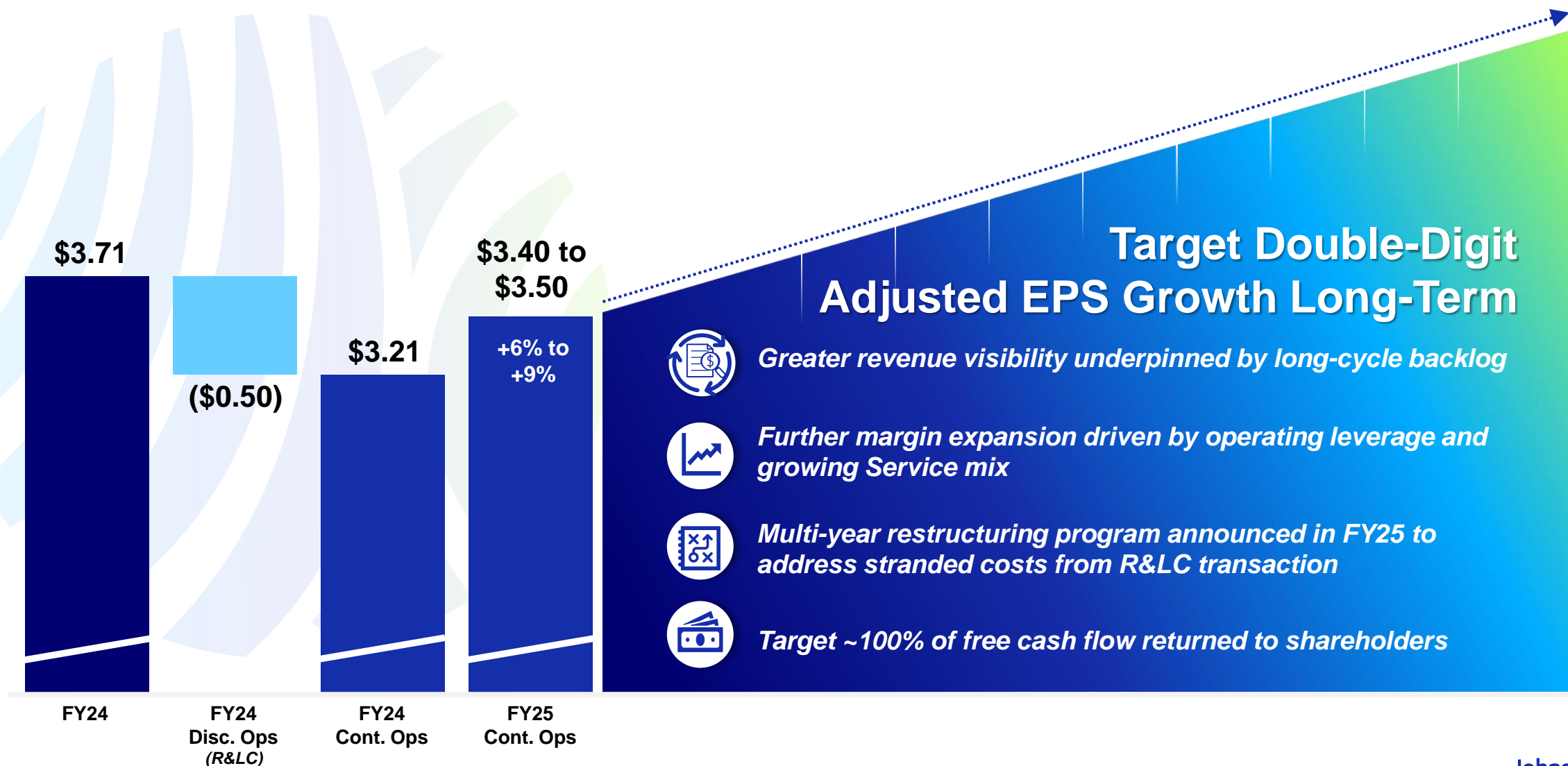
	Orders Organic % Growth	Orders / Backlog Comments	Sales Organic % YoY*	Sales Comments	Adj. Segment EBITA/Margin* Change YoY	Adj. Segment EBITA Comments
NA		<ul style="list-style-type: none"> Orders <ul style="list-style-type: none"> - Service +15% - Systems +3% Backlog \$9.1B, +10% <ul style="list-style-type: none"> - Service +6% - Systems +11% 		<ul style="list-style-type: none"> - Service +8% - Systems +21% - Applied¹: +>20% - F&S²: +LSD - SI: +>40% 		<ul style="list-style-type: none"> - Growth: ~\$75M - Mix: ~(\$20M)
EMEALA		<ul style="list-style-type: none"> Orders <ul style="list-style-type: none"> - Service +22% - Systems +9% Backlog \$2.5B, +10% <ul style="list-style-type: none"> - Service +36% - Systems +4% 		<ul style="list-style-type: none"> - Service +16% - Systems +4% - Applied¹: +LSD - F&S²: +HSD - IR: +>20% 		<ul style="list-style-type: none"> - Productivity: ~\$30M - Mix: ~\$25M - Growth: ~\$10M - Other: ~(\$20M)
APAC		<ul style="list-style-type: none"> Orders <ul style="list-style-type: none"> - Service +9% - Systems +5% Backlog \$1.5B, (10%) <ul style="list-style-type: none"> - Service +2% - Systems (12%) 		<ul style="list-style-type: none"> - Service +6% - Systems (9%) - Applied¹: (LSD) - F&S²: (LSD) - IR: (20%) 		<ul style="list-style-type: none"> - Mix: ~\$20M - Growth: ~(\$30M) - Other: ~\$10M

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

¹ Includes large commercial applied HVAC equipment, BMS and Controls.

² Includes Retail.

Simpler, Higher Growth Company Driving Consistent Adjusted EPS* Growth



Introducing Q1 and Fiscal '25 Full Year Guidance (Continuing Operations)

	Q1'25	FY'25	FY'25 Comments
Organic Revenue*	Up ~MSD	Up ~MSD	<ul style="list-style-type: none"> ▪ NA benefiting from data centers ▪ Continued momentum EMEALA ▪ China stabilization ▪ Global Products improvement ▪ Expect R&LC divestiture to close by F4Q25 (Use of proceeds expected in FY26) ▪ Adj. Free Cash Flow Conversion* ≥85%
Adjusted Segment EBITA Margin*	~14.5%	Up >50bps	
Adjusted EPS*	~\$0.57 to \$0.60	~\$3.40 to \$3.50	

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

A Faster Growing, More Profitable, Simplified Company

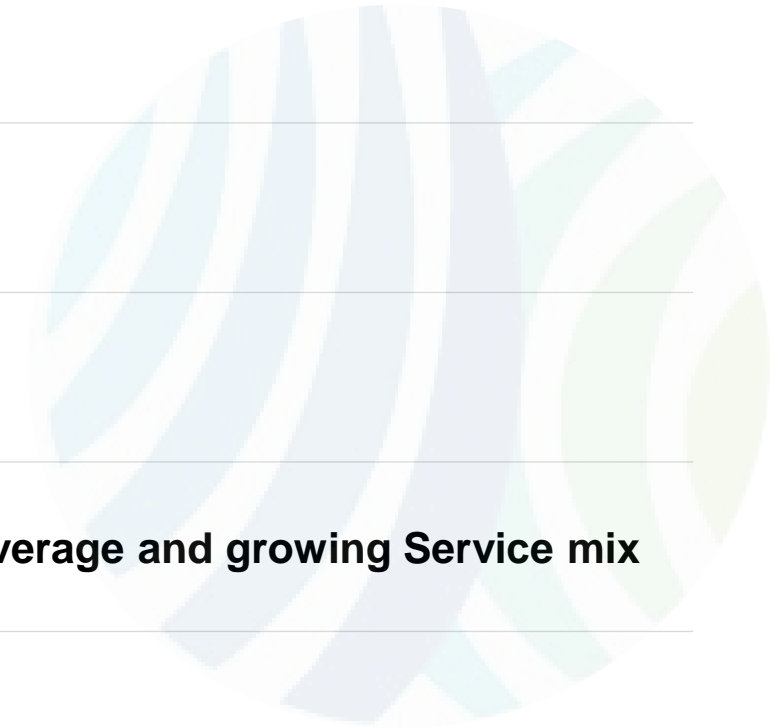
Higher-growth business model

Increased exposure to robust data center demand

Long-cycle backlog underpins greater revenue visibility

Higher profit margins with further margin expansion driven by operating leverage and growing Service mix

Target ~100% of free cash flow returned to shareholders



Appendix

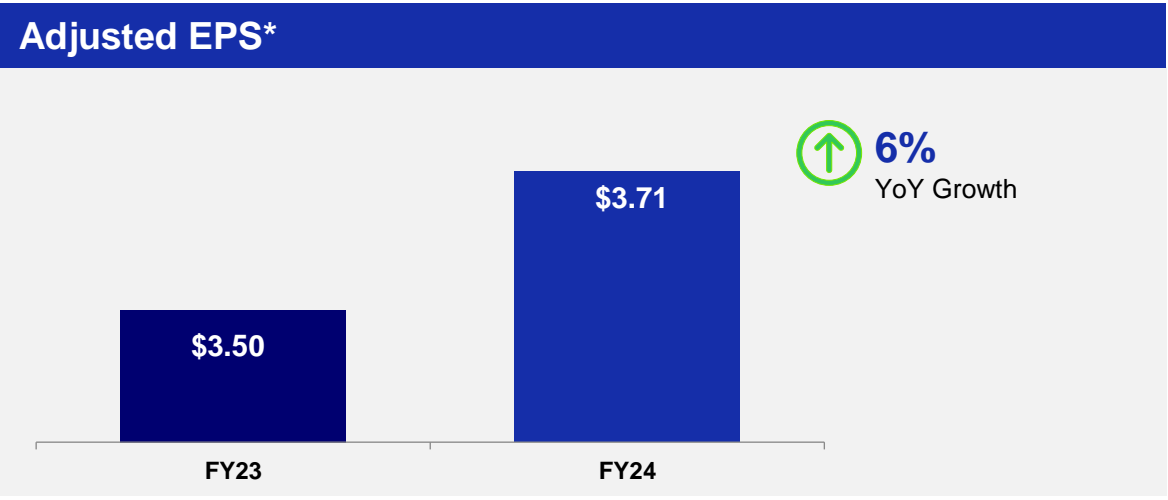
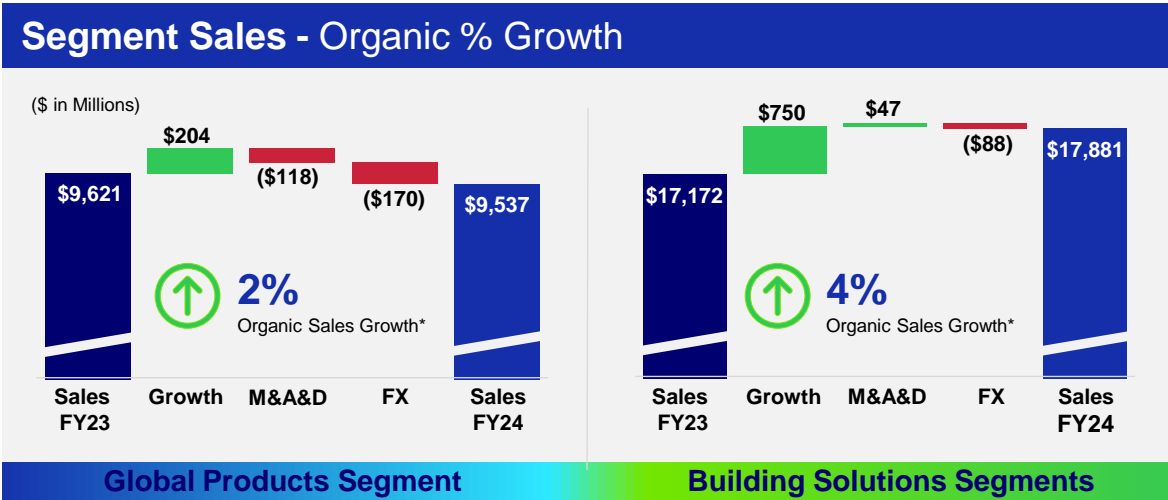
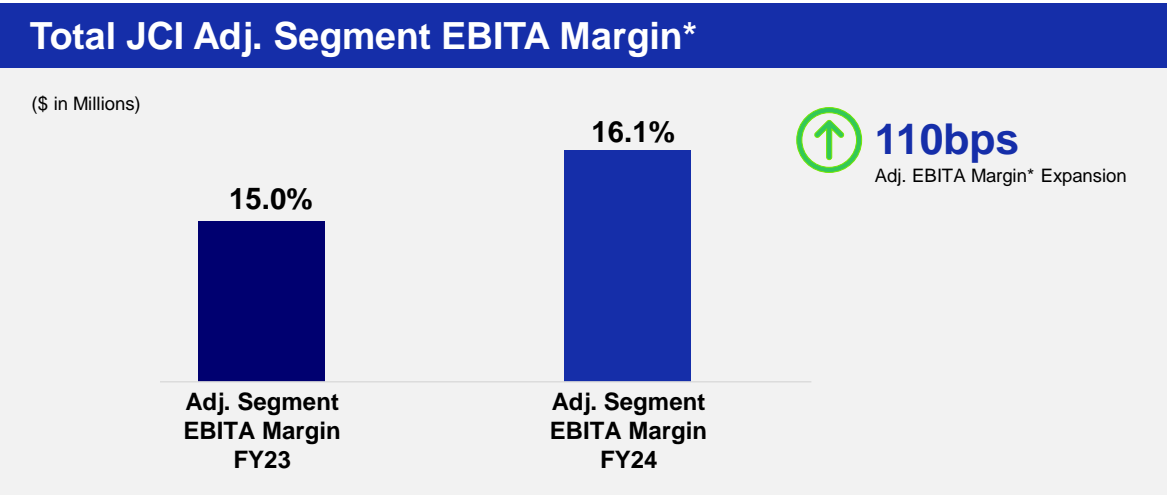
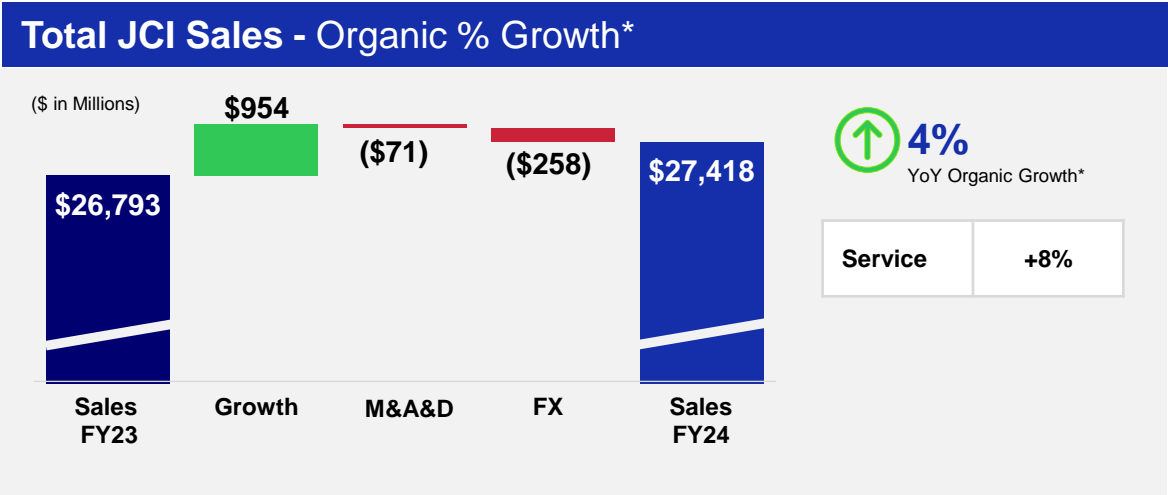


Additional FY 2025 Guidance Items (Continuing Operations)

	Q1'25	FY25
Corporate Expense*	~\$110M	~\$430M
Amortization Expense	~\$120M	~\$485M
NFC	~\$85M	~\$350M
Tax Rate	~12%	
Shares	~661M	~656M

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

Strong Sales Growth and Margin Expansion in FY24



Broad-Based Global Reach

Organic Sales Growth* %	% of FY24 Sales	North America	EMEALA	Asia Pac	Global Products	Consolidated JCI
Applied ¹	38%	+>20%	+LSD	(LSD)	+low-teens	+low-teens
Light Commercial ³	7%				+MSD	+MSD
Commercial HVAC	45%				+LDD	+low-teens
NA Residential	3%				+>25%	+>25%
ROW Residential	7%				+LSD	+LSD
Residential HVAC	10%				+LDD	+LDD
Fire and Security ⁴	37%	+LSD	+HSD	(LSD)	(LSD)	+LSD
Sustainability Infrastructure	4%	+>40%				+>40%
Industrial Refrigeration	5%		+>20%	(20%)	(MSD)	+LSD
Total	100%⁵	+16%	+10%	(5%)	+8%	+10%

¹ Includes large commercial applied HVAC equipment, BMS and Controls.

² Represents indirect sales of chiller and air handling equipment.

³ Includes global unitary and VRF equipment.

⁴ Includes Retail.

⁵ Totals might not add up to 100% due to rounding

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

Balance Sheet and Adjusted Free Cash Flow

Disciplined Capital Allocation

Capital Structure (\$ billions)	Q4 FY23	Q3 FY24	Q4 FY24	
Short-term debt and current portion of long-term debt	\$1.0	\$2.5	\$1.5	
Long-term debt	\$7.8	\$7.9	\$8.0	
Total debt	\$8.8	\$10.4	\$9.5	
Less: cash and cash equivalents	\$0.8	\$0.9	\$0.6	
Net debt*	\$8.0	\$9.5	\$8.9	
Adj. Free Cash Flow* (\$ billions)	Q4 FY23	Q4 FY24	YTD FY23	YTD FY24
Free cash flow	\$1.2	\$1.3	\$1.7	\$1.6
Less: JC Capital free cash flow	(\$0.1)	-	(\$0.1)	(\$0.2)
Less: AFFF Settlement Payments and related insurance recoveries	-	\$0.2	-	-
Less: Impact of discontinuation of factoring programs	\$0.3	-	\$0.2	(\$0.6)
Reported Adj. Free Cash Flow*	\$1.0	\$1.1	\$1.6	\$2.4

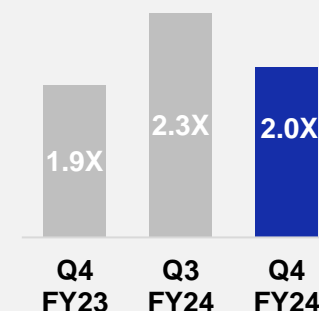
*Non-GAAP measures. See footnotes for reconciliation.

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

Debt and liquidity

- **88% fixed** rate debt
- **3.6%** weighted avg interest rate
- **~\$0.6B** cash position
- BBB+/Baa2 credit rating (S&P/Moody's)¹
- ~\$3B undrawn credit facilities
- Target Net Debt/EBITDA **~2.0-2.5X**

Net Debt / EBITDA*



Adjusted free cash flow*

- Strong YoY improvement
- 96% conversion

Consolidated Financial Results

(\$ in Millions, except earnings per share)	Q4 FY23 GAAP	Q4 FY24 GAAP	Q4 FY23* NON-GAAP	Q4 FY24* NON-GAAP	% Change NON-GAAP
Sales	\$5,853	\$6,248	\$5,853	\$6,248	7%
Gross profit (% of sales)	\$1,972 33.7%	\$2,268 36.3%	\$2,012 34.4%	\$2,270 36.3%	13%
SG&A expenses	\$1,309	\$1,368	\$1,218	\$1,332	9%
Restructuring and impairment costs	\$212	\$133	-	-	-
Equity income (loss)	\$1	\$(23)	\$1	\$(6)	NM
EBIT*	\$452	\$744	\$795	\$932	17%
Net financing charges	\$56	\$96	\$56	\$96	71%
Income from continuing operations before income taxes	\$396	\$648	\$739	\$836	13%
Income tax provision (benefit)	\$(92)	\$110	\$82	\$92	12%
Income from continuing operations	\$488	\$538	\$657	\$744	13%
Income from discontinued operations, net of tax	\$93	\$140	\$98	\$160	63%
Net income	\$581	\$678	\$755	\$904	20%
Income from continuing operations attributable to non-controlling interests	\$7	\$2	\$7	\$2	-71%
Income from discontinued operations attributable to non-controlling interests	\$25	\$43	\$29	\$44	52%
Net income attributable to Johnson Controls	\$549	\$633	\$719	\$858	19%
Income from continuing operations	\$481	\$536	\$650	\$742	14%
Income from discontinued operations	\$68	\$97	\$69	\$116	68%
Diluted EPS continuing ops	\$0.70	\$0.80	\$0.95	\$1.11	17%
Diluted EPS discontinued ops	\$0.10	\$0.15	\$0.10	\$0.17	70%
Total EPS	\$0.80	\$0.95	\$1.05	\$1.28	22%

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

Special Items

(\$ in Millions, except EPS)

Three Months Ended September 30	Net income (Expense)		EPS impact	
	2023	2024	2023	2024
Mark-to-market adjustments	\$(108)	\$16	\$(0.16)	\$0.02
Restructuring and impairment costs, net of NCI	\$(216)	\$(144)	\$(0.31)	\$(0.22)
AFFF insurance recoveries	-	\$16	-	\$0.02
Transaction/separation costs	\$(21)	\$(44)	\$(0.03)	\$(0.07)
Loss on divestiture	-	\$(42)	-	\$(0.06)
EMEALA joint venture loss	-	\$(17)	-	\$(0.03)
Discrete tax items	\$121	-	\$0.18	-
Related tax impact	\$54	\$(10)	\$0.08	\$(0.01)
Total*	\$(170)	\$(225)	\$(0.25)	\$(0.33)

Historical Quarterly Results – Continuing Operations

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

Historical Quarterly Results – Continuing Operations

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

Historical Quarterly Results – Global Products Continuing Operations

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

Solutions to Bring Value Across the Building Lifecycle



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FINANCIAL STATEMENTS

Johnson Controls International plc Consolidated Statements of Income

(in millions, except per share data; unaudited)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Net sales				
Products and systems	\$ 4,391	\$ 4,128	\$ 15,967	\$ 15,789
Services	1,857	1,725	6,985	6,542
	<u>6,248</u>	<u>5,853</u>	<u>22,952</u>	<u>22,331</u>
Cost of sales				
Products and systems	2,872	2,877	10,677	10,736
Services	1,108	1,004	4,198	3,791
	<u>3,980</u>	<u>3,881</u>	<u>14,875</u>	<u>14,527</u>
Gross profit	2,268	1,972	8,077	7,804
Selling, general and administrative expenses	1,368	1,309	5,661	5,387
Restructuring and impairment costs	133	212	510	1,049
Net financing charges	96	56	342	258
Equity income (loss)	(23)	1	(42)	3
Income from continuing operations before income taxes	648	396	1,522	1,113
Income tax provision (benefit)	110	(92)	111	(468)
Income from continuing operations	538	488	1,411	1,581
Income from discontinued operations, net of tax	140	93	489	452
Net income	678	581	1,900	2,033
Income from continuing operations attributable to noncontrolling interests	2	7	4	19
Income from discontinued operations attributable to noncontrolling interests	43	25	191	165
Net income attributable to Johnson Controls	<u>\$ 633</u>	<u>\$ 549</u>	<u>\$ 1,705</u>	<u>\$ 1,849</u>
Amounts attributable to Johnson Controls ordinary shareholders:				
Income from continuing operations	\$ 536	\$ 481	\$ 1,407	\$ 1,562
Income from discontinued operations	97	68	298	287
Net income	<u>\$ 633</u>	<u>\$ 549</u>	<u>\$ 1,705</u>	<u>\$ 1,849</u>
Basic earnings per share attributable to Johnson Controls				
Continuing operations	\$ 0.80	\$ 0.71	\$ 2.09	\$ 2.28
Discontinued operations	0.15	0.10	0.44	0.42
Total	<u>\$ 0.95</u>	<u>\$ 0.81</u>	<u>\$ 2.53</u>	<u>\$ 2.70</u>
Diluted earnings per share attributable to Johnson Controls				
Continuing operations	\$ 0.80	\$ 0.70	\$ 2.08	\$ 2.27
Discontinued operations	0.15	0.10	0.44	0.42
Total	<u>\$ 0.95</u>	<u>\$ 0.80</u>	<u>\$ 2.52</u>	<u>\$ 2.69</u>

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

	September 30, 2024	September 30, 2023
Assets		
Cash and cash equivalents	\$ 606	\$ 828
Accounts receivable - net	6,051	5,494
Inventories	1,774	1,872
Current assets held for sale	1,595	1,552
Other current assets	1,153	991
Current assets	<u>11,179</u>	<u>10,737</u>
Property, plant and equipment - net	2,403	2,374
Goodwill	16,725	16,772
Other intangible assets - net	4,130	4,772
Noncurrent assets held for sale	3,210	3,105
Other noncurrent assets	5,048	4,482
Total assets	<u>\$ 42,695</u>	<u>\$ 42,242</u>
Liabilities and Equity		
Short-term debt	\$ 953	\$ 361
Current portion of long-term debt	536	645
Accounts payable	3,389	3,498
Accrued compensation and benefits	1,048	847
Deferred revenue	2,160	1,923
Current liabilities held for sale	1,431	1,375
Other current liabilities	2,438	2,435
Current liabilities	<u>11,955</u>	<u>11,084</u>
Long-term debt	8,004	7,818
Pension and postretirement benefits	217	252
Noncurrent liabilities held for sale	405	407
Other noncurrent liabilities	4,753	4,987
Long-term liabilities	<u>13,379</u>	<u>13,464</u>
Shareholders' equity attributable to Johnson Controls	16,098	16,545
Noncontrolling interests	1,263	1,149
Total equity	<u>17,361</u>	<u>17,694</u>
Total liabilities and equity	<u>\$ 42,695</u>	<u>\$ 42,242</u>

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

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Operating Activities of Continuing Operations				
Income from continuing operations attributable to Johnson Controls	\$ 536	\$ 481	\$ 1,407	\$ 1,562
Income from continuing operations attributable to noncontrolling interests	2	7	4	19
Net income	538	488	1,411	1,581
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	192	202	816	745
Pension and postretirement benefit expense (income)	(10)	83	(43)	58
Pension and postretirement contributions	10	(5)	(6)	(48)
Equity in earnings of partially-owned affiliates, net of dividends received	23	(2)	44	(3)
Deferred income taxes	—	(337)	(403)	(602)
Non-cash restructuring and impairment charges	78	126	411	827
Equity-based compensation expense	26	18	107	107
Other - net	15	(20)	(112)	(117)
Changes in assets and liabilities, excluding acquisitions and divestitures:				
Accounts receivable	(46)	240	(537)	(259)
Inventories	168	141	(17)	(58)
Other assets	78	31	(482)	(187)
Restructuring reserves	5	25	(76)	57
Accounts payable and accrued liabilities	466	(17)	645	(85)
Accrued income taxes	(191)	95	(190)	(160)
Cash provided by operating activities from continuing operations	1,352	1,068	1,568	1,856
Investing Activities of Continuing Operations				
Capital expenditures	(195)	(139)	(494)	(446)
Sale of property, plant and equipment	1	3	1	30
Acquisition of businesses, net of cash acquired	(4)	(466)	(3)	(726)
Business divestitures, net of cash divested	326	28	345	28
Other - net	(26)	(1)	(33)	21
Cash used by investing activities from continuing operations	102	(575)	(184)	(1,093)
Financing Activities of Continuing Operations				
Net proceeds (payments) from borrowings with maturities less than three months	(655)	195	48	(75)
Proceeds from debt	—	2	1,281	1,173
Repayments of debt	(486)	(1,019)	(924)	(1,555)
Stock repurchases and retirements	(370)	(12)	(1,246)	(625)
Payment of cash dividends	(247)	(251)	(1,000)	(980)
Other - net	—	20	(107)	3
Cash used by financing activities from continuing operations	(1,758)	(1,065)	(1,948)	(2,059)
Discontinued Operations				
Cash provided by operating activities	174	322	530	365
Cash used by investing activities	(13)	(33)	(37)	(91)
Cash provided (used) by financing activities	—	2	(132)	(115)
Cash provided by discontinued operations	161	291	361	159
Effect of exchange rate changes on cash, cash equivalents and restricted cash	30	62	59	(5)
Change in cash, cash equivalents and restricted cash held for sale	(8)	(4)	(6)	(5)
Decrease in cash, cash equivalents and restricted cash	(121)	(223)	(150)	(1,147)
Cash, cash equivalents and restricted cash at beginning of period	888	1,140	917	2,064
Cash, cash equivalents and restricted cash at end of period	767	917	767	917
Less: Restricted cash	161	89	161	89
Cash and cash equivalents at end of period	\$ 606	\$ 828	\$ 606	\$ 828

FOOTNOTES

1. Sale of Residential and Light Commercial HVAC Business

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

2. Non-GAAP Measures

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

Organic sales

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

Cash flow

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

- JC Capital cash flows primarily include activity associated with finance/notes receivables and inventory and/or capital expenditures related to lease arrangements. JC Capital net income is primarily related to interest income on the finance/notes receivable and profit recognized on arrangements with sales-type lease components.
- Effective January 1, 2024, the Company has excluded the impact of discontinuing its accounts receivables factoring programs from adjusted free cash flow and adjusted free cash flow conversion. The Company has also re-baselined the prior year adjusted free cash flow measures to present a more comparative measure without the impact of factoring.
- Cash payments related to the water systems AFFF settlement and cash receipts for AFFF-related insurance recoveries.

Management believes free cash flow and adjusted free cash flow measures are useful to investors in understanding the strength of the Company and its ability to generate cash. These non-GAAP measures can also be used to evaluate the Company's ability to generate cash flow from operations and the impact that this cash flow has on its liquidity. Management also believes adjusted free cash flows are useful to investors in understanding period-over-period cash flows, cash trends and ongoing cash flows of the Company.

Adjusted financial measures

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

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

- **Net mark-to-market adjustments** are the result of adjusting restricted asbestos investments and pension and postretirement plan assets to their current market value. These adjustments may have a favorable or unfavorable impact on results.
- **Restructuring and impairment costs, net of NCI** represents restructuring costs attributable to Johnson Controls including costs associated with exit plans or other restructuring plans that will have a more significant impact on the underlying cost structure of the organization. Impairment costs primarily relate to write-downs of goodwill, intangible assets and assets held for sale to their fair value.
- **Water systems AFFF settlement and insurance recoveries** include amounts related to a settlement with a nationwide class of public water systems concerning the use of AFFF manufactured and sold by a subsidiary of the Company, and AFFF-related insurance recoveries.
- **Transaction/separation costs** include costs associated with significant mergers and acquisitions.
- **Earn-out adjustments** relate to earn-out liabilities associated with certain significant acquisitions and may have a favorable or unfavorable impact on results.
- **Warehouse fire loss** relates to an uninsured loss attributable to a fire at a warehouse in Menominee, Michigan.
- **Cyber incident costs** primarily represent expenses, net of insurance recoveries, associated with the response to, and remediation of, a cybersecurity incident which occurred in September 2023.
- **Global products product quality issue** are costs related to a product quality issue within the Global Products segment that is unusual due to the magnitude of the expected cost to remediate in comparison to typical product quality issues experienced by the Company.
- **Loss on divestiture** relates to the sale of the ADTi business.
- **EMEA/LA joint venture loss** relates to certain non-recurring losses associated with the equity method accounting of a joint venture company.
- **Discrete tax items, net** includes the net impact of discrete tax items within the period, including the following types of items: changes in estimates associated with valuation allowances, changes in estimates associated with reserves for uncertain tax positions, withholding taxes recorded upon changes in indefinite re-investment assertions for businesses to be disposed of, impacts from statutory rate changes, and the recording of significant tax credits.
- **Related tax impact** includes the tax impact of the various adjusting/excluded items.

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

Debt ratios

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

3. Sales

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

Three Months Ended September 30						
Net sales (in millions)	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
Net sales - 2023	\$ 2,778	\$ 1,045	\$ 697	\$ 4,520	\$ 2,386	\$ 6,906
Base year adjustments						
Divestitures and other	—	—	(7)	(7)	(135)	(142)
Foreign currency	(2)	(31)	6	(27)	(26)	(53)
Adjusted base net sales	2,776	1,014	696	4,486	2,225	6,711
Acquisitions	—	2	—	2	—	2
Organic growth	447	97	(32)	512	169	681
Net sales - 2024	<u>\$ 3,223</u>	<u>\$ 1,113</u>	<u>\$ 664</u>	<u>\$ 5,000</u>	<u>\$ 2,394</u>	<u>\$ 7,394</u>
Growth %:						
Net sales	16 %	7 %	(5%)	11 %	— %	7 %
Organic growth	16 %	10 %	(5%)	11 %	8 %	10 %

Twelve Months Ended September 30						
Net sales (in millions)	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
Net sales - 2023	\$10,330	\$ 4,096	\$ 2,746	\$17,172	\$ 9,621	\$26,793
Base year adjustments						
Divestitures and other	—	(3)	(58)	(61)	(147)	(208)
Foreign currency	13	(39)	(62)	(88)	(170)	(258)
Adjusted base net sales	10,343	4,054	2,626	17,023	9,304	26,327
Acquisitions	48	9	51	108	29	137
Organic growth	957	233	(440)	750	204	954
Net sales - 2024	<u>\$11,348</u>	<u>\$ 4,296</u>	<u>\$ 2,237</u>	<u>\$17,881</u>	<u>\$ 9,537</u>	<u>\$27,418</u>
Growth %:						
Net sales	10%	5%	(19%)	4%	(1%)	2%
Organic growth	9%	6%	(17%)	4%	2%	4%

Three Months Ended September 30						
Products and systems revenue	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
(in millions)						
Products and systems revenue - 2023	\$ 1,727	\$ 570	\$ 498	\$2,795	\$ 2,386	\$ 5,181
Base year adjustments						
Divestitures and other	—	(1)	—	(1)	(135)	(136)
Foreign currency	(1)	2	3	4	(26)	(22)
Adjusted products and systems revenue	1,726	571	501	2,798	2,225	5,023
Acquisitions	—	1	—	1	—	1
Organic growth	364	24	(44)	344	169	513
Products and systems revenue - 2024	<u>\$ 2,090</u>	<u>\$ 596</u>	<u>\$ 457</u>	<u>\$3,143</u>	<u>\$ 2,394</u>	<u>\$ 5,537</u>
Growth %:						
Products and systems revenue	21%	5%	(8%)	12%	—%	7%
Organic growth	21%	4%	(9%)	12%	8%	10%

Twelve Months Ended September 30						
Products and systems revenue	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
(in millions)						
Products and systems revenue - 2023	\$ 6,368	\$ 2,275	\$ 1,987	\$10,630	\$ 9,621	\$20,251
Base year adjustments						
Divestitures and other	—	(2)	—	(2)	(147)	(149)
Foreign currency	13	37	(48)	2	(170)	(168)
Adjusted products and systems revenue	6,381	2,310	1,939	10,630	9,304	19,934
Acquisitions	5	5	30	40	29	69
Organic growth	713	(1)	(486)	226	204	430
Products and systems revenue - 2024	<u>\$ 7,099</u>	<u>\$ 2,314</u>	<u>\$ 1,483</u>	<u>\$10,896</u>	<u>\$ 9,537</u>	<u>\$20,433</u>
Growth %:						
Products and systems revenue	11%	2%	(25%)	3%	(1%)	1%
Organic growth	11%	—%	(25%)	2%	2%	2%

Three Months Ended September 30						
Service revenue	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
(in millions)						
Service revenue - 2023	\$ 1,051	\$ 475	\$ 199	\$1,725	\$ —	\$ 1,725
Base year adjustments						
Divestitures and other	—	1	(7)	(6)	—	(6)
Foreign currency	(1)	(33)	3	(31)	—	(31)
Adjusted base service revenue	1,050	443	195	1,688	—	1,688
Acquisitions	—	1	—	1	—	1
Organic growth	83	73	12	168	—	168
Service revenue - 2024	<u>\$ 1,133</u>	<u>\$ 517</u>	<u>\$ 207</u>	<u>\$1,857</u>	<u>\$ —</u>	<u>\$ 1,857</u>
Growth %:						
Service revenue	8%	9%	4%	8%	—%	8%
Organic growth	8%	16%	6%	10%	—%	10%

Twelve Months Ended September 30						
Service revenue	Building Solutions				Global Products	Total JCI plc
	North America	EMEA/LA	Asia Pacific	Total		
(in millions)						
Service revenue - 2023	\$ 3,962	\$ 1,821	\$ 759	\$6,542	\$ —	\$ 6,542
Base year adjustments						
Divestitures and other	—	(1)	(58)	(59)	—	(59)
Foreign currency	—	(76)	(14)	(90)	—	(90)
Adjusted base service revenue	3,962	1,744	687	6,393	—	6,393
Acquisitions	43	4	21	68	—	68
Organic growth	244	234	46	524	—	524
Service revenue - 2024	<u>\$ 4,249</u>	<u>\$ 1,982</u>	<u>\$ 754</u>	<u>\$6,985</u>	<u>\$ —</u>	<u>\$ 6,985</u>
Growth %:						
Service revenue	7%	9%	(1%)	7%	—%	7%
Organic growth	6%	13%	7%	8%	—%	8%

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

The following table includes free cash flow and free cash flow conversion attributable to both continuing and discontinued operations (unaudited):

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Cash provided by operating activities	\$ 1,526	\$ 1,390	\$ 2,098	\$ 2,221
Capital expenditures	(208)	(173)	(532)	(539)
Free cash flow (non-GAAP)	<u>\$ 1,318</u>	<u>\$ 1,217</u>	<u>\$ 1,566</u>	<u>\$ 1,682</u>
Net income attributable to JCI	\$ 633	\$ 549	\$ 1,705	\$ 1,849
Free cash flow conversion from net income (non-GAAP)	208%	222%	92 %	91 %

The following table includes adjusted free cash flow and adjusted free cash flow conversion attributable to both continuing and discontinued operations (unaudited):

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Free cash flow (non-GAAP)	\$ 1,318	\$ 1,217	\$ 1,566	\$ 1,682
Adjustments:				
JC Capital cash used by operating activities	9	56	179	137
Water systems AFFF settlement cash payments and insurance recoveries	(257)	—	(14)	—
Impact from discontinuation of factoring programs	17	—	665	—
Adjusted free cash flow (non-GAAP)	<u>1,087</u>	<u>1,273</u>	<u>2,396</u>	<u>1,819</u>
Prior year impact from factoring programs	<u>—</u>	<u>(284)</u>	<u>—</u>	<u>(205)</u>
Re-baselined adjusted free cash flow (non-GAAP)	<u>\$ 1,087</u>	<u>\$ 989</u>	<u>\$ 2,396</u>	<u>\$ 1,614</u>
Adjusted net income attributable to JCI (non-GAAP)	\$ 858	\$ 719	\$ 2,510	\$ 2,405
JC Capital net income	(8)	1	(16)	(11)
Adjusted net income attributable to JCI, excluding JC Capital (non-GAAP)	<u>\$ 850</u>	<u>\$ 720</u>	<u>\$ 2,494</u>	<u>\$ 2,394</u>
Adjusted free cash flow conversion (non-GAAP)	<u>128%</u>	<u>137%</u>	<u>96%</u>	<u>67 %</u>

5. EBITA, EBIT and Corporate Expense

The Company evaluates the performance of its business units primarily on segment EBITA. The following table includes both continuing and discontinued operations (unaudited):

(in millions; unaudited)	Three Months Ended September 30,				Twelve Months Ended September 30,			
	Actual		Adjusted (Non-GAAP)		Actual		Adjusted (Non-GAAP)	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment EBITA								
Building Solutions North America	\$ 484	\$ 427	\$ 484	\$ 427	1,663	\$ 1,394	\$ 1,602	\$ 1,394
Building Solutions EMEA/LA	111	82	128	82	391	316	408	316
Building Solutions Asia Pacific	94	94	94	94	261	343	261	343
Global Products	670	502	670	502	2,123	1,965	2,149	1,975
EBIT (non-GAAP)								
Net income attributable to JCI	\$ 633	\$ 549	\$ 858	\$ 719	\$ 1,705	\$ 1,849	\$ 2,510	\$ 2,405
Income attributable to noncontrolling interests ⁽¹⁾	45	32	46	36	195	184	202	188
Net income	678	581	904	755	1,900	2,033	2,712	2,593
Income tax provision (benefit) ⁽²⁾	153	(57)	143	118	252	(323)	432	405
Income before income taxes	831	524	1,047	873	2,152	1,710	3,144	2,998
Net financing charges	96	63	96	63	359	281	359	281
EBIT (non-GAAP)	\$ 927	\$ 587	\$ 1,143	\$ 936	\$ 2,511	\$ 1,991	\$ 3,503	\$ 3,279

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

⁽²⁾ Adjusted income tax provision (benefit) excludes the net tax impacts of pre-tax adjusting items and discrete tax items.

The following tables reconcile segment EBITA to adjusted segment EBITA (unaudited) attributable to both continuing and discontinued operations:

(in millions)	Three Months Ended September 30,							
	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment EBITA	\$ 484	\$ 427	\$ 111	\$ 82	\$ 94	\$ 94	\$ 670	\$ 502
Adjusting items:								
EMEA/LA joint venture loss	—	—	17	—	—	—	—	—
Adjusted segment EBITA (non-GAAP)	\$ 484	\$ 427	\$ 128	\$ 82	\$ 94	\$ 94	\$ 670	\$ 502

(in millions)	Twelve Months Ended September 30,							
	Building Solutions North America		Building Solutions EMEA/LA		Building Solutions Asia Pacific		Global Products	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment EBITA	\$ 1,663	\$ 1,394	\$ 391	\$ 316	\$ 261	\$ 343	\$2,123	\$1,965
Adjusting items:								
Earn-out adjustments	(61)	—	—	—	—	—	(7)	(30)
Uninsured warehouse fire loss	—	—	—	—	—	—	—	40
Global Products product quality costs	—	—	—	—	—	—	33	—
EMEA/LA joint venture loss	—	—	17	—	—	—	—	—
Adjusted segment EBITA (non-GAAP)	<u>\$ 1,602</u>	<u>\$ 1,394</u>	<u>\$ 408</u>	<u>\$ 316</u>	<u>\$ 261</u>	<u>\$ 343</u>	<u>\$2,149</u>	<u>\$1,975</u>

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

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Corporate expense (GAAP)	\$ 158	\$ 70	\$ 531	\$ 432
Adjusting items:				
Transaction/separation costs	(44)	(21)	(72)	(122)
Cyber incident costs	—	—	(27)	—
Adjusted corporate expense (non-GAAP)	<u>\$ 114</u>	<u>\$ 49</u>	<u>\$ 432</u>	<u>\$ 310</u>

6. Net Income and Diluted Earnings Per Share

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

(in millions, except per share)	Three Months Ended September 30,			
	Net income attributable to JCI		Diluted earnings per share	
	2024	2023	2024	2023
As reported (GAAP)	\$ 633	\$ 549	\$ 0.95	\$ 0.80
Adjusting items:				
Net mark-to-market adjustments	(16)	108	(0.02)	0.16
Restructuring and impairment costs, net of NCI	144	216	0.22	0.31
AFFF insurance recoveries	(16)	—	(0.02)	—
Transaction/separation costs	44	21	0.07	0.03
Loss on divestiture	42	—	0.06	—
EMEA/LA joint venture loss	17	—	0.03	—
Tax impact of adjusting items, net	10	(54)	0.01	(0.08)
Discrete tax items, net	—	(121)	—	(0.18)
Adjusted (non-GAAP)*	\$ 858	\$ 719	\$ 1.28	\$ 1.05

* May not sum due to rounding

(in millions, except per share)	Twelve Months Ended September 30,			
	Net income attributable to JCI		Diluted earnings per share	
	2024	2023	2024	2023
As reported (GAAP)	\$ 1,705	\$ 1,849	\$ 2.52	\$ 2.69
Adjusting items:				
Net mark-to-market adjustments	(58)	92	(0.09)	0.13
Restructuring and impairment costs, net of NCI	537	1,060	0.79	1.54
Water systems AFFF settlement	750	—	1.11	—
AFFF insurance recoveries	(367)	—	(0.54)	—
Transaction/separation costs	72	122	0.11	0.18
Earn-out adjustments	(68)	(30)	(0.10)	(0.04)
Warehouse fire loss	—	40	—	0.06
Cyber incident costs	27	—	0.04	—
Global Products product quality issue	33	—	0.05	—
Loss on divestiture	42	—	0.06	—
EMEA/LA joint venture loss	17	—	0.03	—
Tax impact of adjusting items, net	(123)	(169)	(0.18)	(0.25)
Discrete tax items, net	(57)	(559)	(0.08)	(0.81)
Adjusted (non-GAAP)*	\$ 2,510	\$ 2,405	\$ 3.71	\$ 3.50

* May not sum due to rounding

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

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Weighted average shares outstanding				
Basic weighted average shares outstanding	665.3	680.3	673.8	684.3
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	2.8	3.0	2.2	3.1
Diluted weighted average shares outstanding	668.1	683.3	676.0	687.4

7. Debt Ratios

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

(in millions)	September 30, 2024	June 30, 2024	September 30, 2023
Short-term debt	\$ 953	\$ 1,523	\$ 385
Current portion of long-term debt	536	998	645
Long-term debt	8,004	7,867	7,818
Total debt	9,493	10,388	8,848
Less: cash and cash equivalents	611	862	835
Net debt	\$ 8,882	\$ 9,526	\$ 8,013
Last twelve months income before income taxes	\$ 2,152	\$ 1,845	\$ 1,710
Net debt to income before income taxes	4.1x	5.2x	4.7x
Last twelve months adjusted EBITDA (non-GAAP)	\$ 4,382	\$ 4,210	\$ 4,127
Net debt to adjusted EBITDA (non-GAAP)	2.0x	2.3x	1.9x

The following table reconciles net income to adjusted EBIT and adjusted EBITDA (unaudited):

	Twelve Months Ended		
(in millions)	September 30, 2024	June 30, 2024	September 30, 2023
Net income	\$ 1,900	\$ 1,803	\$ 2,033
Income tax provision (benefit)	252	42	(323)
Net financing charges	359	326	281
EBIT	2,511	2,171	1,991
Adjusting items:			
Net mark-to-market adjustments	(58)	66	92
Restructuring and impairment costs	544	619	1,064
Water systems AFFF settlement	750	750	—
AFFF insurance recoveries	(367)	(351)	—
Transaction/separation costs	72	49	122
Earn-out adjustments	(68)	(68)	(30)
Warehouse fire loss	—	—	40
Cyber incident costs	27	27	—
Global Products product quality issue	33	33	—
Loss on divestiture	42	—	—
EMEA/LA joint venture loss	17	—	—
Adjusted EBIT (non-GAAP)	3,503	3,296	3,279
Depreciation and amortization	879	914	848
Adjusted EBITDA (non-GAAP)	\$ 4,382	\$ 4,210	\$ 4,127

8. Income Taxes

The Company's effective tax rate before consideration of certain excluded items was approximately 13.75% for the three and twelve months ending September 30, 2024 and approximately 13.5% for the three and twelve months ending September 30, 2023.

9. Statements of Income

The following tables include statements of income for both continuing and discontinued operations.

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	Continuing Operations	Discontinued Operations	Combined	Continuing Operations	Discontinued Operations	Combined
Net sales						
Products and systems	\$ 4,391	\$ 1,146	\$ 5,537	\$ 4,128	\$ 1,053	\$ 5,181
Services	1,857	—	1,857	1,725	—	1,725
	<u>6,248</u>	<u>1,146</u>	<u>7,394</u>	<u>5,853</u>	<u>1,053</u>	<u>6,906</u>
Cost of sales						
Products and systems	2,872	832	3,704	2,877	817	3,694
Services	1,108	—	1,108	1,004	—	1,004
	<u>3,980</u>	<u>832</u>	<u>4,812</u>	<u>3,881</u>	<u>817</u>	<u>4,698</u>
Gross profit	2,268	314	2,582	1,972	236	2,208
Selling, general and administrative expenses	1,368	200	1,568	1,309	167	1,476
Restructuring and impairment costs	133	12	145	212	8	220
Net financing charges	96	—	96	56	7	63
Equity income (loss)	<u>(23)</u>	<u>81</u>	<u>58</u>	<u>1</u>	<u>74</u>	<u>75</u>
Income before income taxes	648	183	831	396	128	524
Income tax provision (benefit)	<u>110</u>	<u>43</u>	<u>153</u>	<u>(92)</u>	<u>35</u>	<u>(57)</u>
Net income	538	140	678	488	93	581
Income attributable to noncontrolling interests	2	43	45	7	25	32
Net income attributable to Johnson Controls	<u>\$ 536</u>	<u>\$ 97</u>	<u>\$ 633</u>	<u>\$ 481</u>	<u>\$ 68</u>	<u>\$ 549</u>
Earnings per share attributable to Johnson Controls						
Basic	\$ 0.80	\$ 0.15	\$ 0.95	\$ 0.71	\$ 0.10	0.81
Diluted	0.80	0.15	0.95	0.70	0.10	0.80

	Twelve Months Ended September 30, 2024			Twelve Months Ended September 30, 2023		
	Continuing Operations	Discontinued Operations	Combined	Continuing Operations	Discontinued Operations	Combined
Net sales						
Products and systems	\$ 15,967	\$ 4,466	\$ 20,433	\$ 15,789	\$ 4,462	\$ 20,251
Services	6,985	—	6,985	6,542	—	6,542
	<u>22,952</u>	<u>4,466</u>	<u>27,418</u>	<u>22,331</u>	<u>4,462</u>	<u>26,793</u>
Cost of sales						
Products and systems	10,677	3,300	13,977	10,736	3,295	14,031
Services	4,198	—	4,198	3,791	—	3,791
	<u>14,875</u>	<u>3,300</u>	<u>18,175</u>	<u>14,527</u>	<u>3,295</u>	<u>17,822</u>
Gross profit	8,077	1,166	9,243	7,804	1,167	8,971
Selling, general and administrative expenses	5,661	761	6,422	5,387	794	6,181
Restructuring and impairment costs	510	34	544	1,049	15	1,064
Net financing charges	342	17	359	258	23	281
Equity income (loss)	<u>(42)</u>	<u>276</u>	<u>234</u>	<u>3</u>	<u>262</u>	<u>265</u>
Income before income taxes	1,522	630	2,152	1,113	597	1,710
Income tax provision (benefit)	<u>111</u>	<u>141</u>	<u>252</u>	<u>(468)</u>	<u>145</u>	<u>(323)</u>
Net income	1,411	489	1,900	1,581	452	2,033
Income attributable to noncontrolling interests	<u>4</u>	<u>191</u>	<u>195</u>	<u>19</u>	<u>165</u>	<u>184</u>
Net income attributable to Johnson Controls	<u>\$ 1,407</u>	<u>\$ 298</u>	<u>\$ 1,705</u>	<u>\$ 1,562</u>	<u>\$ 287</u>	<u>\$ 1,849</u>
Earnings per share attributable to Johnson Controls						
Basic	\$ 2.09	\$ 0.44	\$ 2.53	\$ 2.28	\$ 0.42	\$ 2.70
Diluted	2.08	0.44	2.52	2.27	0.42	2.69

10. Quarterly Results - Continuing Operations

The following tables include reconciliations of EBIT to adjusted EBIT, diluted EPS to adjusted diluted EPS, and Global Products segment EBITA to Global Products adjusted segment EBITA for continuing operations only.

(in millions, except per share)	Fiscal 2024				
	Q1	Q2	Q3	Q4	Year
Net sales	\$ 5,209	\$ 5,597	\$ 5,898	\$ 6,248	\$ 22,952
Net income attributable to JCI	\$ 340	\$ (321)	\$ 852	\$ 536	\$ 1,407
Income attributable to NCI	—	3	(1)	2	4
Net income (loss)	340	(318)	851	538	1,411
Income tax provision (benefit)	(20)	(153)	174	110	111
Income (loss) before income taxes	320	(471)	1,025	648	1,522
Net financing charges	87	89	70	96	342
EBIT (Non-GAAP)	407	(382)	1,095	744	1,864
Adjusting items:					
Net mark-to-market adjustments	(22)	(15)	(5)	(6)	(48)
Restructuring and impairment costs, net of NCI	35	239	102	133	509
Water systems AFFF settlement	—	750	—	—	750
AFFF insurance recoveries	—	—	(351)	(16)	(367)
Transaction/separation costs	—	5	10	17	32
Earn-out adjustments	—	(7)	(61)	—	(68)
Uninsured warehouse fire loss	—	—	—	—	—
Cyber incident costs	23	4	—	—	27
Global Products product quality issue	—	33	—	—	33
Loss on divestiture	—	—	—	42	42
EMEA/LA joint venture loss	—	—	—	17	17
Adjusted EBIT (Non-GAAP)	\$ 443	\$ 627	\$ 790	\$ 931	\$ 2,791
Diluted EPS	\$ 0.50	\$ (0.47)	\$ 1.25	\$ 0.80	\$ 2.08
Adjusting items:					
Net mark-to-market adjustments	(0.03)	(0.02)	(0.01)	(0.01)	(0.07)
Restructuring and impairment costs, net of NCI	0.05	0.35	0.15	0.20	0.75
Water systems AFFF settlement	—	1.10	—	—	1.11
AFFF insurance recoveries	—	—	(0.52)	(0.02)	(0.54)
Transaction/separation costs	—	0.01	0.01	0.03	0.05
Earn-out adjustments	—	(0.01)	(0.09)	—	(0.10)
Cyber incident costs	0.03	0.01	—	—	0.04
Global Products product quality issue	—	0.05	—	—	0.05
Loss on divestiture	—	—	—	0.06	0.06
EMEA/LA joint venture loss	—	—	—	0.03	0.03
Tax impact of adjusting items	(0.01)	(0.32)	0.14	0.03	(0.16)
Discrete tax items	(0.08)	—	—	—	(0.08)
Adjusted diluted EPS (Non-GAAP)*	\$ 0.46	\$ 0.69	\$ 0.95	\$ 1.11	\$ 3.21
Weighted shares outstanding	682.4	679.0	672.8	668.1	676.0

* May not sum due to rounding

(in millions, except per share)	Fiscal 2023				
	Q1	Q2	Q3	Q4	Year
Net sales	\$ 5,155	\$ 5,546	\$ 5,777	\$ 5,853	\$ 22,331
Net income attributable to JCI	\$ 97	\$ 44	\$ 940	\$ 481	\$ 1,562
Income attributable to NCI	4	1	7	7	19
Net income	101	45	947	488	1,581
Income tax provision (benefit)	(3)	8	(381)	(92)	(468)
Income before income taxes	98	53	566	396	1,113
Net financing charges	62	66	74	56	258
EBIT (Non-GAAP)	160	119	640	452	1,371
Adjusting items:					
Net mark-to-market adjustments	(3)	4	(17)	111	95
Restructuring and impairment costs, net of NCI	343	415	79	212	1,049
Transaction/separation costs	26	29	43	20	118
Earn-out adjustments		(30)	—	—	(30)
Uninsured warehouse fire loss	40	—	—	—	40
Adjusted EBIT (Non-GAAP)	<u>\$ 566</u>	<u>\$ 537</u>	<u>\$ 745</u>	<u>\$ 795</u>	<u>\$ 2,643</u>
Diluted EPS	\$ 0.14	\$ 0.07	\$ 1.36	\$ 0.70	\$ 2.27
Adjusting items:					
Net mark-to-market adjustments	—	0.01	(0.02)	0.16	0.14
Restructuring and impairment costs, net of NCI	0.50	0.60	0.12	0.31	1.53
Transaction/separation costs	0.04	0.04	0.06	0.03	0.17
Earn-out adjustments	—	(0.04)	—	—	(0.04)
Uninsured warehouse fire loss	0.06	—	—	—	0.06
Tax impact of adjusting items	(0.09)	(0.06)	(0.02)	(0.08)	(0.24)
Discrete tax items	—	—	(0.64)	(0.18)	(0.81)
Adjusted diluted EPS (Non-GAAP)*	<u>\$ 0.63</u>	<u>\$ 0.62</u>	<u>\$ 0.87</u>	<u>\$ 0.95</u>	<u>\$ 3.07</u>
Weighted shares outstanding	690.3	689.7	686.2	683.3	687.4

* May not sum due to rounding

(in millions)	Global Products									
	Fiscal 2024					Fiscal 2023				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Segment EBITA	\$ 267	\$ 290	\$ 387	\$ 459	\$1,403	\$ 299	\$ 305	\$ 355	\$ 358	\$1,317
Adjusting items:										
Earn-out adjustments	—	(7)	—	—	(7)	—	(30)	—	—	(30)
Uninsured warehouse fire loss	—	—	—	—	—	40	—	—	—	40
Global Products product quality costs	—	33	—	—	33	—	—	—	—	—
Adjusted segment EBITA (non-GAAP)	<u>\$ 267</u>	<u>\$ 316</u>	<u>\$ 387</u>	<u>\$ 459</u>	<u>\$1,429</u>	<u>\$ 339</u>	<u>\$ 275</u>	<u>\$ 355</u>	<u>\$ 358</u>	<u>\$1,327</u>