

Fiscal Q4

2026 Earnings Conference Call

October 27, 2026

The power behind your mission

Forward-looking and Cautionary Statements/Non-GAAP Financial Information

Johnson Controls International PLC Cautionary statement regarding forward-looking statements

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this communication 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: the ability to develop or acquire new, competitively differentiated products and technologies that achieve market acceptance and meet applicable quality and regulatory requirements; the ability to manage general economic, business and capital market conditions, including the impacts of trade restrictions, recessions, economic downturns and global price inflation; the ability to manage macroeconomic and geopolitical volatility, including changes to laws or policies governing foreign trade, including tariffs, economic sanctions, foreign exchange and capital controls, import/export controls or other trade restrictions as well as any associated supply chain disruptions; fluctuations in demand in key verticals, including data centers and other mission-critical segments, as well as risks associated with customer concentration and the conversion of backlog to revenue; the ability to execute on Johnson Controls' business system and operating model to drive organizational improvement; the ability to innovate and adapt to emerging technologies, ideas and trends in the marketplace, including the incorporation of technologies such as artificial intelligence; fluctuations in the cost and availability of public and private financing for customers; the ability to manage disruptions caused by catastrophic or geopolitical events, such as international conflicts (including the Russia-Ukraine conflict and conflicts in the Middle East), armed conflict, terrorism, political change, natural disasters, extreme weather, pandemics and outbreaks of contagious diseases and other adverse public health developments; the ability to successfully execute and complete portfolio simplification actions, 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; 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; fluctuations in currency exchange rates; the ability to hire and retain senior management and other key personnel; changes or uncertainty in laws, regulations, rates, policies, or interpretations that impact business operations or tax status; the ability to adapt to global climate change, climate change regulation and successfully meet Johnson Controls' public sustainability commitments; the outcome of litigation and governmental proceedings; the risk of infringement or expiration of intellectual property rights; any delay or inability of Johnson Controls to realize the expected benefits and synergies of portfolio transactions; the tax treatment of 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 year ended September 30, 2025 filed with the United States Securities and Exchange Commission ("SEC") on November 14, 2025, 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. The forward-looking statements included in this document 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, water systems AFFF settlement charges and AFFF insurance recoveries, transformation costs, gain on divestiture, 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 included with this presentation.

Presentation of Results

Except as where otherwise indicated, results are presented on a continuing operations basis. Totals may not sum due to rounding. Percentages are based on unrounded amounts. Certain financial and other information contained in this presentation has been marked with numbered endnotes indicating additional information concerning the calculation and/or presentation of such information. Please see the slide titled "Endnotes" for additional information as indicated in the presentation.

CEO Summary

Q4 Execution Building on Growth Momentum

12% Organic revenue growth*
led by strength in Applied HVAC

18.3% Adjusted EBIT margin*
expanded 300 basis points

32% Adjusted EPS growth*
increased to \$1.66

Record Backlog Supported by Strong Orders

44% Orders growth⁴
led by 63% Systems growth

58% Growth in Americas orders⁴
driven by data center demand

\$23B Backlog⁴
grew 43% on sustained customer demand

Delivered on Fiscal 2026 Commitments

8% Organic revenue growth*
within our HSD growth algorithm

\$5.16 Adjusted EPS*
37% growth year-over-year

103% Adjusted Free Cash Flow conversion*

Supporting Customer Value Proposition

Enabling industry leading innovation in high-growth verticals

Optimizing production capacity to meet accelerating demand

Delivering lifecycle service through unmatched field presence

Turning strategy into results with proprietary business system

Positioned to Accelerate Growth in Fiscal 2027

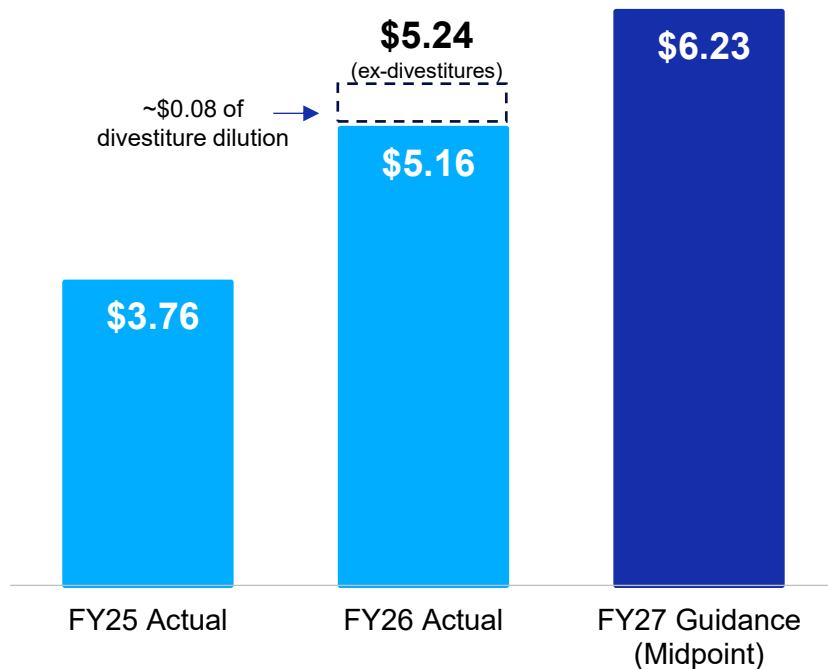
11% to 12% Organic revenue growth*

\$6.15 to \$6.30 Adjusted EPS*

~95% Adjusted Free Cash Flow conversion

Compounding Value by Delivering on Long-Term Growth Algorithm

ADJUSTED EPS*



STRATEGIC DRIVERS ACCELERATING GROWTH

Prioritizing Strategic Pillars

AI / Data Centers • Mission Critical Environments •
Decarbonization

Deploying Business System

Standard Work • Problem Solving • Value Stream Mapping
• Kaizen • Visual Daily Management

Fueling Economic Engine

Differentiated Customer Value • Innovation • Manufacturing
at Scale • Frontline Productivity

LONG-TERM GROWTH ALGORITHM

High-Single-Digit

Organic Revenue Growth*

30%+

Operating Leverage*

Double-Digit

Adjusted EPS Growth*

95%-100%

Adjusted Free Cash Flow Conversion*

Global Thermal Technology Leader Built to Win

JOHNSON CONTROLS IS BUILT FOR THIS MOMENT; DRIVING GROWTH THROUGH EXPOSURE TO MISSION-CRITICAL MARKETS

Portfolio positioned for mission-critical growth

Integrated thermal management and controls with expanded capabilities for the most demanding, fastest-growing environments

Differentiated technology innovation

A 150-year innovation heritage that spans the full thermal chain and subsystem technology developed in-house

Unmatched field presence

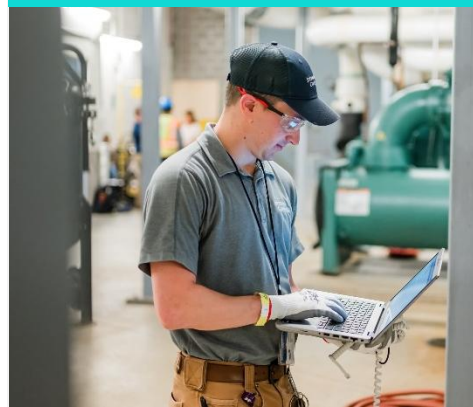
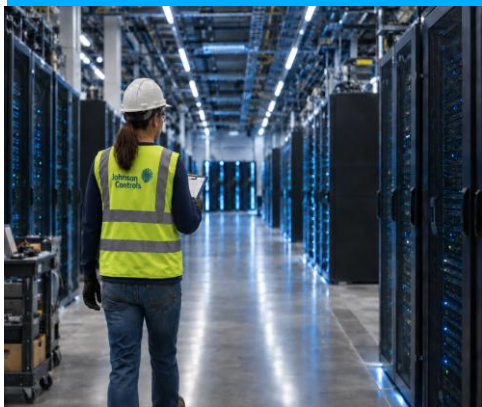
50,000 sales architects and highly skilled technicians with proprietary parts and technology, giving us deep insight about our customers

Emerging manufacturing advantage

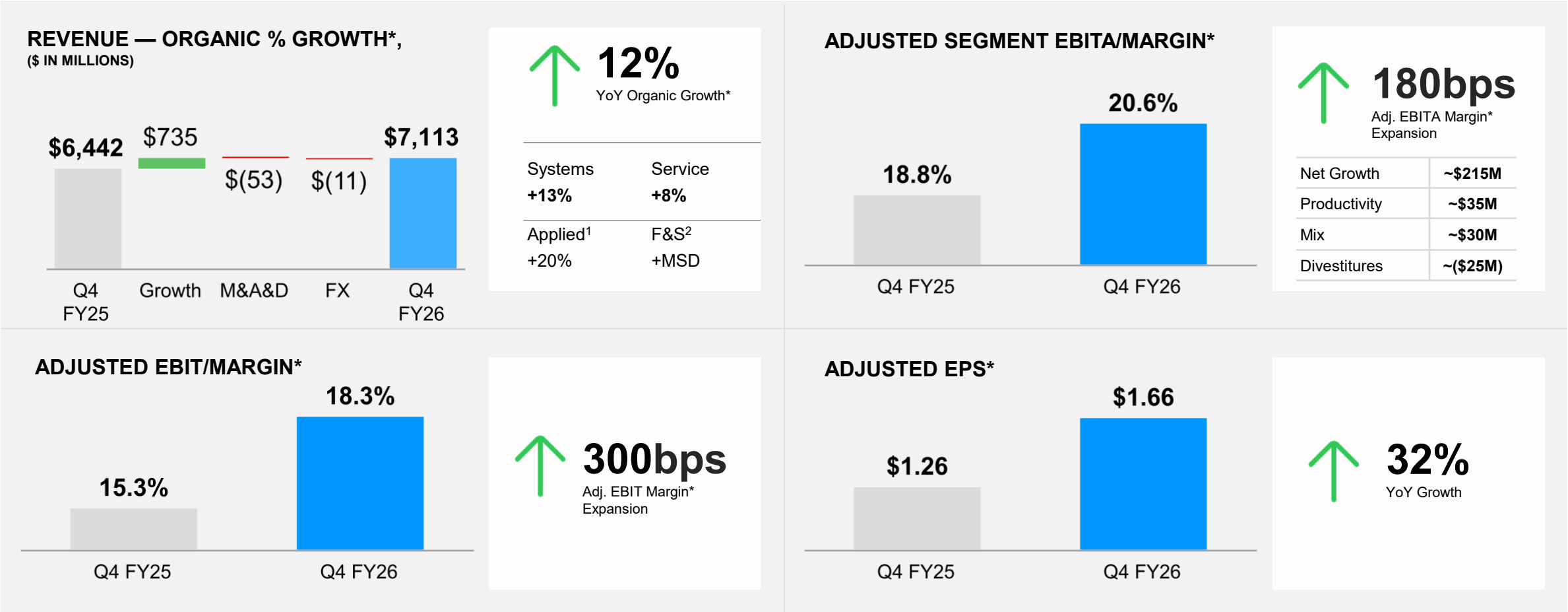
Capacity, quality, lead times and on-time delivery that help customers build faster, improving uptime and outcomes

Powerful, disciplined Business system

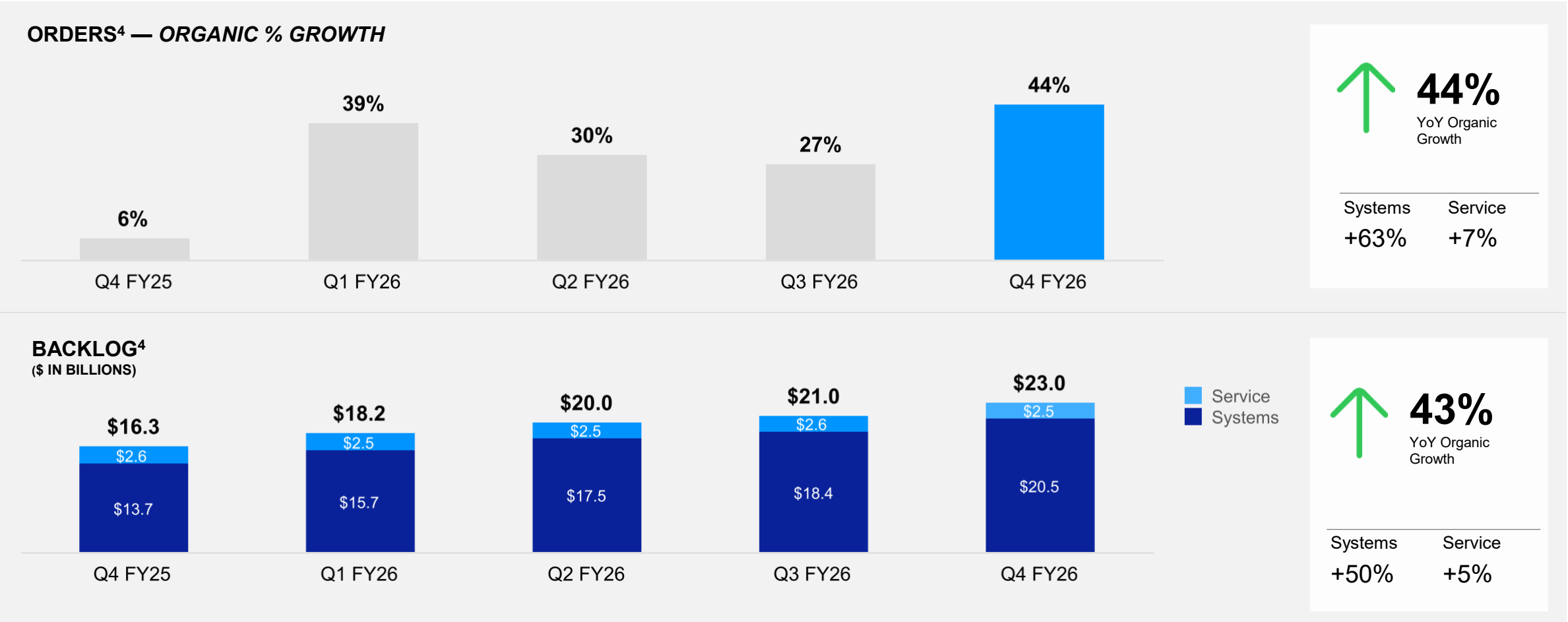
Includes standard work, problem solving, kaizen, visual management and AI to strengthen execution



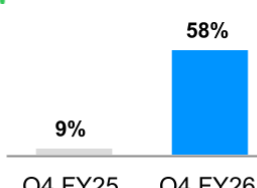
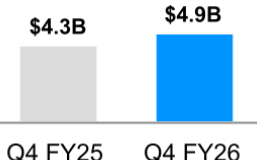
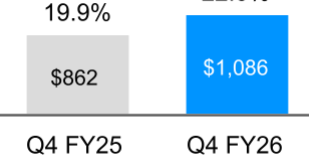
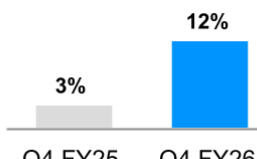
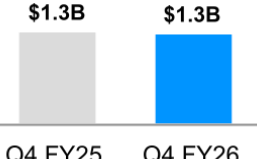
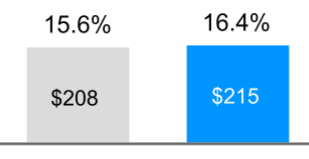
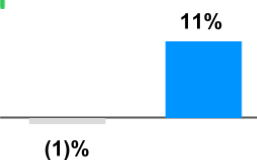
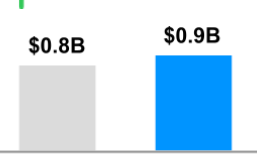
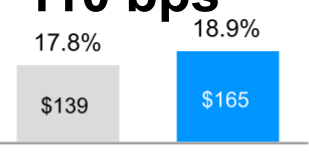
Total Enterprise³



Solutions Orders and Backlog



Segment View

	Orders ⁴ Organic % Growth	Comments	Revenue Organic % YoY	Comments	Adj. Segment EBITA Margin* Change YoY	Comments
Americas	↑ 58%  9% 58% Q4 FY25 Q4 FY26	Orders • Systems +81% • Service +8% Backlog \$17.8B, 54% • Systems +63% • Service Flat	↑ 14%  \$4.3B \$4.9B Q4 FY25 Q4 FY26	Systems +16% Service +10% • Applied¹: +25% • F&S²: +MSD	↑ 210 bps  19.9% 22.0% \$862 \$1,086 Q4 FY25 Q4 FY26	Net Growth: ~\$180M Mix: ~\$30M Productivity: ~\$20M Divestitures: ~(\$5M)
EMEA	↑ 12%  3% 12% Q4 FY25 Q4 FY26	Orders • Systems +19% • Service +3% Backlog \$3.1B, 18% • Systems +18% • Service +16%	↑ 3%  \$1.3B \$1.3B Q4 FY25 Q4 FY26	Systems Flat Service +6% • Applied¹: (LSD) • F&S²: +LSD	↑ 80 bps  15.6% 16.4% \$208 \$215 Q4 FY25 Q4 FY26	Net Growth: ~\$20M Productivity: ~\$5M Divestitures: ~(\$20M)
APAC	↑ 11%  (1)% 11% Q4 FY25 Q4 FY26	Orders • Systems +12% • Service +8% Backlog \$2.1B, 12% • Systems +13% • Service +10%	↑ 13%  \$0.8B \$0.9B Q4 FY25 Q4 FY26	Systems +15% Service +6% • Applied¹: +LDD	↑ 110 bps  17.8% 18.9% \$139 \$165 Q4 FY25 Q4 FY26	Net Growth: ~\$15M Productivity: ~\$10M

Disciplined Capital Allocation

Capital Structure (\$ billions)	Q4 FY25	Q3 FY26	Q4 FY26
Short-term debt and current portion of long-term debt	\$1.3	\$1.2	\$1.7
Long-term debt	\$8.6	\$8.3	\$7.5
Total debt	\$9.9	\$9.5	\$9.2
Less: cash and cash equivalents	\$0.4	\$0.6	\$0.6
Net debt*	\$9.5	\$8.9	\$8.6

(\$ billions)	Q4 FY25	Q4 FY26	YTD FY25	YTD FY26
Adjusted Free Cash Flow*	\$0.7	\$1.1	\$2.5	\$3.2

CAPITAL RETURNS

~\$2.5B

Returned to shareholders in FY 2026

~\$1.5B

FY26 total share repurchases

~\$1B

Returned to shareholders through quarterly dividend

DEBT AND LIQUIDITY

88%

fixed rate debt

3.6%

weighted avg interest rate

~\$0.6B

cash position

BBB+/Baa1

credit rating (S&P/Moody's)⁵

\$2.5B

undrawn credit facilities

~2.0-2.5X

Target Net Debt/EBITDA*

NET DEBT / EBITDA*

2.4X

Q4FY25

1.9X

Q3FY26

1.8X

Q4FY26

Investing For Customer Growth And Accelerating Value Creation



INVESTING AHEAD OF THE CURVE

- Expanding capacity in high-growth verticals anchored in demand in backlog and pipeline
- Improving lead times and delivery
- Accelerating backlog conversion and execution

- ✓ Capture larger portion of demand growth
- ✓ Enabling customers to scale through greater capacity and faster delivery
- ✓ Strengthen ability to win new business

\$0.9B

CAPEX in FY27



SIMPLIFYING ORGANIZATION AND FOOTPRINT

- Consolidating manufacturing and warehouse facilities
- Simplifying the operating footprint and reducing complexity
- Streamlining support functions across the enterprise

- ✓ Reinvestment in the business
- ✓ Higher productivity and reduced complexity
- ✓ Improved return on capital

\$0.4B

Anticipated Expenses Over FY27-FY28

\$0.6B

Gross Savings Run Rate Achieved by FY29

Our proprietary business system enables capital-efficient growth, higher productivity and faster execution while maintaining strong free cash flow conversion

Introducing Q1 and Full Year Fiscal '27 Guidance

	Q1'27	FY'27
Organic Revenue*	Up 12% to 14%	Up 11% to 12%
Operating Leverage*	30% to 35%	30%+
Adjusted EPS*	\$1.15 to \$1.20	\$6.15 to \$6.30
Adjusted Free Cash Flow Conversion*		~95%

11 *Organic Revenue, Operating Leverage, Adjusted EPS, and Adjusted Free Cash Flow conversion are non-GAAP measures and exclude special items. See footnotes for additional details.



Appendix



Key Reminders and Non-GAAP Definitions

Organic revenue represents the change in sales excluding the impact of acquisitions, divestitures and foreign currency.

Segment margin is calculated based on 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.

Earnings before interest and taxes ("EBIT") represents income from continuing operations, excluding restructuring and impairment costs, AFFF related settlement costs and insurance recoveries, gains or losses on divestitures, and net mark-to-market gains and losses related to pension and postretirement plans and restricted asbestos investments.

Operating leverage is defined as the ratio of the change in adjusted EBIT for the period, divided by the corresponding change in net revenues.

Free cash flow conversion is 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 financing activity, the AFFF related settlements and recoveries, prepaid IP license royalties, and discontinuing our factoring program.

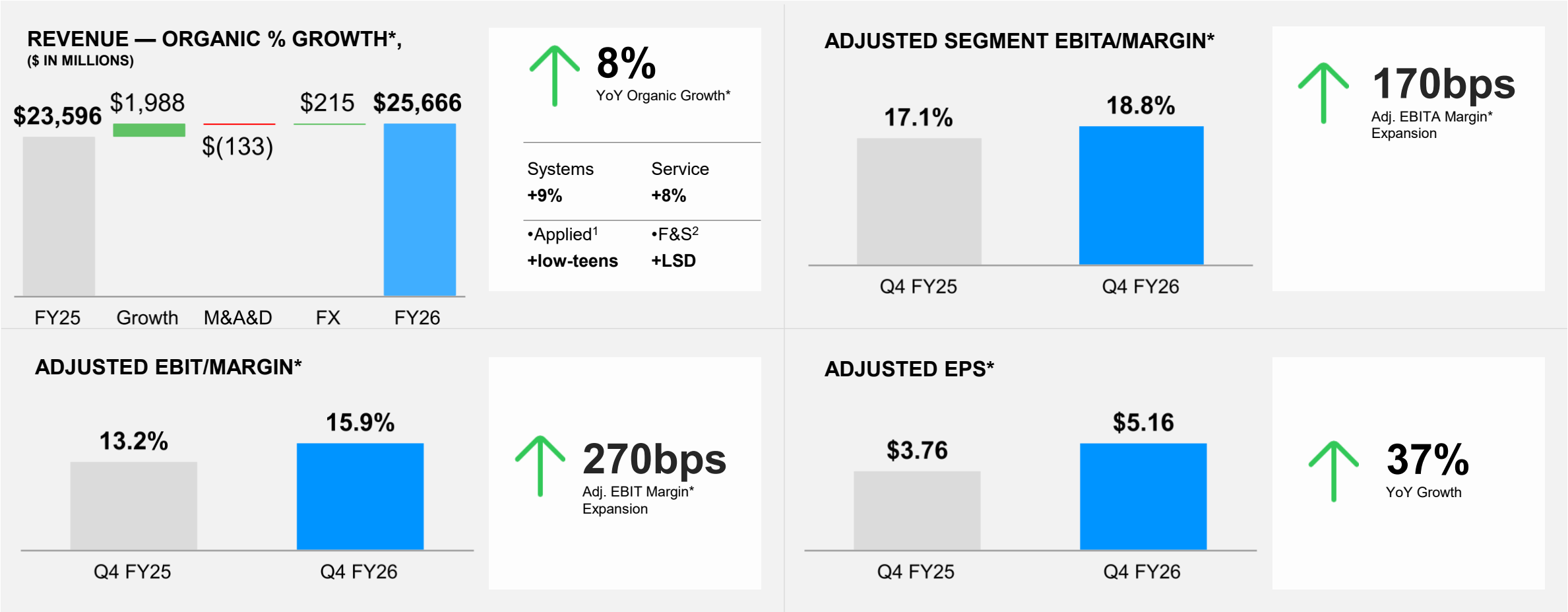
For further information on the calculation of non-GAAP measures and a reconciliation of these non-GAAP measures, refer to the footnotes of the Company's earnings release that accompany this presentation.



Endnotes

Reference	Slides	Description
1	6, 8 and 15	Applied revenue includes large commercial applied HVAC equipment, building management systems, and controls
2	6, 8 and 15	Fire & Security revenue growth includes Retail
3	6 and 15	Results are presented for continuing operations only
4	3, 7 and 8	Consists of orders and backlog for the Company's Solutions and Services businesses. Orders prior to Q1 FY26 exclude certain equipment-only sales for longer cycle projects. Excluding these sales, Total Enterprise orders increased 31% in Q1 FY26 , 24% in Q2 FY26, 25% in Q3 FY26, and 31% in Q4. By Segment, orders increased 41% in the Americas, increased 6% in EMEA, and increased 11% in APAC in Q4 FY26. The historical presentation of backlog has been restated to include this new category.
5	9	Credit ratings are issued by unaffiliated third-party rating agencies and are not recommendations to buy, sell or hold securities. Ratings may be revised or withdrawn by the assigning organization at any time.
Other Notes	Various	Totals may not sum due to rounding. Percentages are based on unrounded amounts

Total Enterprise³



Additional FY 2027 Guidance Items

	Q1'27	FY'27
Adjusted Corporate Expense*	~\$105M	~\$385M
Amortization Expense	~\$80M	~\$320M
NFC	~\$70M	~\$295M
Tax Rate	~18.5%	~18.5%
Shares	~602M	~598M

Fiscal Q4

(\$ in Millions, except earnings per share)	Q4 FY25 GAAP	Q4 FY26 GAAP	Q4 FY25* Non-GAAP	Q4 FY26* Non-GAAP	% Change Non-GAAP
Sales	\$6,442	\$7,113	\$6,442	\$7,113	10%
Gross profit	\$2,351	\$2,705	\$2,365	\$2,668	13%
(% of sales)	36.5%	38.0%	36.7%	37.5%	
SG&A expenses	\$1,521	\$1,481	\$1,378	\$1,377	NM
Restructuring and impairment costs	\$400	\$87	\$—	\$—	—
Equity income	\$1	\$8	\$1	\$8	NM
EBIT*	\$431	\$1,145	\$988	\$1,299	31%
Net financing charges	\$76	\$82	\$76	\$82	8%
Income from continuing operations before income taxes	\$355	\$1,063	\$912	\$1,217	33%
Income tax provision	\$85	\$93	\$111	\$206	86%
Income from continuing operations	\$270	\$970	\$801	\$1,011	26%
Income from discontinued operations, net of tax	\$1,488	\$—	\$41	\$—	NM
Net income	\$1,758	\$970	\$842	\$1,011	20%
Income from continuing operations attributable to non-controlling interests	\$3	\$3	\$3	\$3	NM
Income from discontinued operations attributable to non-controlling interests	\$62	\$—	\$64	\$—	NM
Net income attributable to Johnson Controls	\$1,693	\$967	\$775	\$1,008	30%
Income from continuing operations	\$267	\$967	\$798	\$1,008	26%
Income from discontinued operations	\$1,426	\$—	\$(23)	\$—	NM
Diluted EPS continuing ops	\$0.42	\$1.60	\$1.26	\$1.66	32%
Diluted EPS discontinued ops	\$2.25	\$—	\$(0.04)	\$—	NM
Total EPS	\$2.67	\$1.60	\$1.22	\$1.66	36%

*Adjusted Corporate expense is a non-GAAP measure that includes certain stranded costs from divestiture transactions to be addressed by multi-year restructuring program. See footnotes for reconciliation

(\$ in Millions, except EPS)

Special Items

	Net (Income) Expense		EPS Impact	
	2025	2026	2025	2026
<i>Three Months Ended September 30</i>				
Net mark-to-market adjustments	\$13	\$(57)	\$0.02	\$(0.09)
Restructuring & impairment costs	\$400	\$87	\$0.63	\$0.14
Water systems AFFF insurance recoveries	\$(26)	\$(1)	\$(0.04)	\$—
Transaction/separation costs	\$12	\$30	\$0.02	\$0.05
ERP asset - accelerated depreciation	\$102	\$—	\$0.16	\$—
Transformation costs	\$56	\$95	\$0.09	\$0.16
Discrete tax items	\$50	\$(90)	\$0.08	\$(0.15)
Related tax impact	\$(76)	\$(23)	\$(0.12)	\$(0.04)
Total*	\$531	\$41	\$0.84	0.06

(\$ in Billions)

Adjusted Free Cash Flow

Adj. Free Cash Flow*	Q4 FY25	Q4 FY26	YTD FY25	YTD FY26
Free Cash Flow*	\$0.8	\$1.1	\$2.1	\$3.4
Less: JC Capital Free Cash Flow	—	—	\$(0.1)	—
Less: AFFF Settlement Payments and related insurance recoveries	—	—	\$(0.4)	\$0.2
Less: York license prepayment receipt	\$0.2	—	\$0.2	—
Less: Discrete tax payments	\$(0.1)	—	\$(0.1)	—
Adjusted Free Cash Flow*	\$0.7	\$1.1	\$2.5	\$3.2

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,	
	2026	2025	2026	2025
Net sales				
Products and systems	\$ 5,014	\$ 4,452	\$ 17,701	\$ 16,124
Services	2,099	1,990	7,965	7,472
	<u>7,113</u>	<u>6,442</u>	<u>25,666</u>	<u>23,596</u>
Cost of sales				
Products and systems	3,249	2,908	11,697	10,543
Services	1,159	1,183	4,454	4,461
	<u>4,408</u>	<u>4,091</u>	<u>16,151</u>	<u>15,004</u>
Gross profit	2,705	2,351	9,515	8,592
Selling, general and administrative expenses	1,481	1,521	5,510	5,764
Restructuring and impairment costs	87	400	311	546
Net financing charges	82	76	279	319
Equity income	<u>8</u>	<u>1</u>	<u>11</u>	<u>6</u>
Income from continuing operations before income taxes	1,063	355	3,426	1,969
Income tax provision	<u>93</u>	<u>85</u>	<u>536</u>	<u>245</u>
Income from continuing operations	970	270	2,890	1,724
Income (loss) from discontinued operations, net of tax	<u>—</u>	<u>1,488</u>	<u>(27)</u>	<u>1,789</u>
Net income	970	1,758	2,863	3,513
Income attributable to noncontrolling interests				
Continuing operations	3	3	10	3
Discontinued operations	<u>—</u>	<u>62</u>	<u>—</u>	<u>219</u>
Net income attributable to Johnson Controls	<u>\$ 967</u>	<u>\$ 1,693</u>	<u>\$ 2,853</u>	<u>\$ 3,291</u>
Income (loss) attributable to Johnson Controls				
Continuing operations	\$ 967	\$ 267	\$ 2,880	\$ 1,721
Discontinued operations	<u>—</u>	<u>1,426</u>	<u>(27)</u>	<u>1,570</u>
Total	<u>\$ 967</u>	<u>\$ 1,693</u>	<u>\$ 2,853</u>	<u>\$ 3,291</u>
Basic earnings (loss) per share attributable to Johnson Controls				
Continuing operations	\$ 1.60	\$ 0.42	\$ 4.73	\$ 2.64
Discontinued operations	<u>—</u>	<u>2.26</u>	<u>(0.04)</u>	<u>2.40</u>
Total	<u>\$ 1.60</u>	<u>\$ 2.68</u>	<u>\$ 4.69</u>	<u>\$ 5.04</u>
Diluted earnings (loss) per share attributable to Johnson Controls				
Continuing operations	\$ 1.60	\$ 0.42	\$ 4.72	\$ 2.63
Discontinued operations	<u>—</u>	<u>2.25</u>	<u>(0.04)</u>	<u>2.40</u>
Total	<u>\$ 1.60</u>	<u>\$ 2.67</u>	<u>\$ 4.68</u>	<u>\$ 5.03</u>

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

	September 30, 2026	September 30, 2025
Assets		
Cash and cash equivalents	\$ 618	\$ 379
Accounts receivable - net	7,316	6,269
Inventories	1,999	1,820
Current assets held for sale	4	14
Other current assets	1,741	1,680
Current assets	<u>11,678</u>	<u>10,162</u>
Property, plant and equipment - net	2,106	2,193
Goodwill	16,640	16,633
Other intangible assets - net	3,482	3,613
Noncurrent assets held for sale	231	140
Other noncurrent assets	6,065	5,198
Total assets	<u>\$ 40,202</u>	<u>\$ 37,939</u>
Liabilities and Equity		
Short-term debt	\$ 678	\$ 723
Current portion of long-term debt	1,066	566
Accounts payable	4,381	3,614
Accrued compensation and benefits	1,198	1,268
Deferred revenue	3,370	2,470
Current liabilities held for sale	6	12
Other current liabilities	2,220	2,288
Current liabilities	<u>12,919</u>	<u>10,941</u>
Long-term debt	7,533	8,591
Pension and postretirement benefits	204	211
Noncurrent liabilities held for sale	34	9
Other noncurrent liabilities	5,866	5,233
Noncurrent liabilities	<u>13,637</u>	<u>14,044</u>
Shareholders' equity attributable to Johnson Controls	13,611	12,927
Noncontrolling interests	35	27
Total equity	<u>13,646</u>	<u>12,954</u>
Total liabilities and equity	<u>\$ 40,202</u>	<u>\$ 37,939</u>

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

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Operating Activities of Continuing Operations				
Income from continuing operations:				
Attributable to Johnson Controls	\$ 967	\$ 267	\$ 2,880	\$ 1,721
Attributable to noncontrolling interests	3	3	10	3
Total	970	270	2,890	1,724
Adjustments to reconcile net income to cash provided by operating activities of continuing operations:				
Depreciation and amortization	159	280	654	865
Pension and postretirement benefits	(76)	11	(115)	(41)
Deferred income taxes	(740)	341	(798)	195
Non-cash restructuring and impairment charges	35	371	195	427
Equity-based compensation	29	33	124	140
Other - net	(3)	(36)	(87)	(28)
Changes in assets and liabilities:				
Accounts receivable	(339)	(132)	(1,096)	(211)
Inventories	(44)	4	(210)	(75)
Other assets	(140)	(292)	(78)	(581)
Restructuring reserves	24	(1)	(1)	1
Accounts payable and accrued liabilities	951	663	1,715	694
Accrued income taxes	474	(544)	679	(556)
Cash provided by operating activities from continuing operations	1,300	968	3,872	2,554
Investing Activities of Continuing Operations				
Capital expenditures	(222)	(130)	(465)	(434)
Acquisition of businesses, net of cash acquired	—	(1)	(291)	(10)
Divestitures of businesses, net of cash divested	—	3	331	5
Other - net	(11)	18	(43)	27
Cash used by investing activities from continuing operations	(233)	(110)	(468)	(412)
Financing Activities of Continuing Operations				
Net proceeds from (repayments of) borrowings with maturities less than three months	24	(245)	(170)	38
Proceeds from debt	—	396	545	1,765
Repayments of debt	(220)	(552)	(859)	(1,648)
Stock repurchases and retirements	(655)	(5,021)	(1,505)	(5,991)
Payment of cash dividends	(242)	(243)	(976)	(976)
Other - net	(9)	(8)	(83)	28
Cash used by financing activities from continuing operations	(1,102)	(5,673)	(3,048)	(6,784)
Discontinued Operations				
Cash used by operating activities	—	(1,410)	(98)	(1,155)
Cash provided (used) by investing activities	—	6,598	(155)	6,546
Cash used by financing activities	—	(430)	—	(604)
Cash provided (used) by discontinued operations	—	4,758	(253)	4,787
Effect of exchange rate changes on cash, cash equivalents and restricted cash	7	(43)	129	(259)
Change in cash, cash equivalents and restricted cash held for sale	—	(258)	—	(255)
Increase (decrease) in cash, cash equivalents and restricted cash	(28)	(358)	232	(369)
Cash, cash equivalents and restricted cash at beginning of period	658	756	398	767
Cash, cash equivalents and restricted cash at end of period	630	398	630	398
Less: Restricted cash	12	19	12	19
Cash and cash equivalents at end of period	\$ 618	\$ 379	\$ 618	\$ 379

FOOTNOTES

1. Sale of Residential and Light Commercial HVAC Business

In July 2025, the Company sold its Residential and Light Commercial ("R&LC") HVAC business, including the North America Ducted business and the global Residential joint venture with Hitachi Global Life Solutions, Inc. ("Hitachi"), of which Johnson Controls owned 60% and Hitachi owned 40%. The R&LC HVAC business met 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.

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 the following footnotes for further information on the calculations of the non-GAAP measures and reconciliations of the non-GAAP measures to the most comparable GAAP measures.

Organic sales

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

Cash flow

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

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

- JC Capital cash flows primarily include activity associated with finance/notes receivables and inventory and/or capital expenditures related to lease arrangements. JC Capital net income is primarily related to interest income on the finance/notes receivable and profit recognized on arrangements with sales-type lease components.
- The impact of the accounts receivables factoring program which was discontinued in March 2024.
- Cash payments related to the water systems AFFF settlement and cash receipts for AFFF-related insurance recoveries.
- Prepayment of royalty fees associated with certain IP licensed to divested businesses.
- Discrete tax payments are non-recurring tax settlements for certain non-US jurisdictions.

Adjusted financial measures

Adjusted financial measures are non-GAAP measures that 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** represents restructuring costs attributable to Johnson Controls including costs associated with exit plans or other restructuring plans that will have a more significant impact on the underlying cost structure of the organization. Impairment costs primarily relate to write-downs of goodwill, intangible assets and assets held for sale to their fair value.
- **Water systems AFFF settlement and insurance recoveries** include amounts related to a settlement with a nationwide class of public water systems concerning the use of AFFF manufactured and sold by a subsidiary of the Company, and AFFF-related insurance recoveries.
- **Transaction/separation costs** include costs associated with significant mergers and acquisitions.
- **Transformation costs** represent incremental expenses incurred in association with strategic growth initiatives and cost saving opportunities in order to realize the benefits of portfolio simplification and the Company's lifecycle solutions strategy.
- **ERP asset - accelerated depreciation** represents a change in ERP strategy within the EMEA segment, which led to certain assets being abandoned and the useful lives reduced.
- **Gain on divestiture** relates to the sale of the ADT Mexico Security business.
- **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 and impacts from statutory rate changes.
- **Related tax impact** includes the tax impact of the various excluded items.

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

Operating leverage

Operating leverage is defined as the change in adjusted EBIT for the period, divided by the corresponding change in net revenues. Management believes operating leverage is a useful metric to reflect enterprise value creation, capturing the impact of scale and cost discipline across the organization.

Debt ratios

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

3. Sales

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

Net sales

(in millions)

Three Months Ended September 30,				
	Americas	EMEA	APAC	Total
Net sales - 2025	\$ 4,325	\$ 1,337	\$ 780	\$ 6,442
Base year adjustments				
Divestitures and other	—	(42)	(13)	(55)
Foreign currency	(2)	(16)	7	(11)
Adjusted base net sales	4,323	1,279	774	6,376
Acquisitions	2	—	—	2
Organic growth	605	33	97	735
Net sales - 2026	<u>\$ 4,930</u>	<u>\$ 1,312</u>	<u>\$ 871</u>	<u>\$ 7,113</u>
Growth %:				
Net sales	14 %	(2) %	12 %	10 %
Organic growth	14 %	3 %	13 %	12 %

Net sales

(in millions)

Twelve Months Ended September 30,				
	Americas	EMEA	APAC	Total
Net sales - 2025	\$ 15,831	\$ 4,968	\$ 2,797	\$ 23,596
Base year adjustments				
Divestitures and other	—	(120)	(18)	(138)
Foreign currency	36	153	26	215
Adjusted base net sales	15,867	5,001	2,805	23,673
Acquisitions	2	3	—	5
Organic growth	1,529	115	344	1,988
Net sales - 2026	<u>\$ 17,398</u>	<u>\$ 5,119</u>	<u>\$ 3,149</u>	<u>\$ 25,666</u>
Growth %:				
Net sales	10 %	3 %	13 %	9 %
Organic growth	10 %	2 %	12 %	8 %

Products and systems revenue

(in millions)

	Three Months Ended September 30,			
	Americas	EMEA	APAC	Total
Products and systems revenue - 2025	\$ 3,093	\$ 800	\$ 559	\$ 4,452
Base year adjustments				
Divestitures and other	—	—	(2)	(2)
Foreign currency	(8)	(8)	7	(9)
Adjusted products and systems revenue	3,085	792	564	4,441
Acquisitions	2	—	—	2
Organic growth	483	3	85	571
Products and systems revenue - 2026	<u>\$ 3,570</u>	<u>\$ 795</u>	<u>\$ 649</u>	<u>\$ 5,014</u>
Growth %:				
Products and systems revenue	15 %	(1)%	16 %	13 %
Organic growth	16 %	— %	15 %	13 %

Products and systems revenue

(in millions)

	Twelve Months Ended September 30,			
	Americas	EMEA	APAC	Total
Products and systems revenue - 2025	\$ 11,187	\$ 2,977	\$ 1,960	\$ 16,124
Base year adjustments				
Divestitures and other	—	—	(3)	(3)
Foreign currency	26	105	22	153
Adjusted products and systems revenue	11,213	3,082	1,979	16,274
Acquisitions	2	3	—	5
Organic growth	1,064	48	310	1,422
Products and systems revenue - 2026	<u>\$ 12,279</u>	<u>\$ 3,133</u>	<u>\$ 2,289</u>	<u>\$ 17,701</u>
Growth %:				
Products and systems revenue	10 %	5 %	17 %	10 %
Organic growth	9 %	2 %	16 %	9 %

Service revenue

(in millions)

Service revenue - 2025

Base year adjustments

Divestitures and other

Foreign currency

Adjusted base service revenue

Organic growth

Service revenue - 2026

Growth %:

Service revenue

Organic growth

Three Months Ended September 30,

	Americas	EMEA	APAC	Total
Service revenue - 2025	\$ 1,232	\$ 537	\$ 221	\$ 1,990
Base year adjustments				
Divestitures and other	—	(42)	(11)	(53)
Foreign currency	6	(8)	—	(2)
Adjusted base service revenue	1,238	487	210	1,935
Organic growth	122	30	12	164
Service revenue - 2026	\$ 1,360	\$ 517	\$ 222	\$ 2,099

10 %

(4)%

— %

5 %

10 %

6 %

6 %

8 %

Service revenue

(in millions)

Service revenue - 2025

Base year adjustments

Divestitures and other

Foreign currency

Adjusted base service revenue

Organic growth

Service revenue - 2026

Growth %:

Service revenue

Organic growth

Twelve Months Ended September 30,

	Americas	EMEA	APAC	Total
Service revenue - 2025	\$ 4,644	\$ 1,991	\$ 837	\$ 7,472
Base year adjustments				
Divestitures and other	—	(120)	(15)	(135)
Foreign currency	10	48	4	62
Adjusted base service revenue	4,654	1,919	826	7,399
Organic growth	465	67	34	566
Service revenue - 2026	\$ 5,119	\$ 1,986	\$ 860	\$ 7,965

10 %

— %

3 %

7 %

10 %

3 %

4 %

8 %

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

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

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Cash provided by operating activities from continuing operations	\$ 1,300	\$ 968	\$ 3,872	\$ 2,554
Income from continuing operations attributable to Johnson Controls	967	267	2,880	1,721
Operating cash flow conversion	134%	363%	134%	148%
Cash provided by operating activities from continuing operations	\$ 1,300	\$ 968	\$ 3,872	\$ 2,554
Capital expenditures	(222)	(130)	(465)	(434)
Free cash flow (non-GAAP)	\$ 1,078	\$ 838	\$ 3,407	\$ 2,120
Income from continuing operations attributable to Johnson Controls	\$ 967	\$ 267	\$ 2,880	\$ 1,721
Free cash flow conversion from net income (non-GAAP)	111 %	314%	118 %	123 %

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

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Free cash flow (non-GAAP)	\$ 1,078	\$ 838	\$ 3,407	\$ 2,120
Adjustments:				
JC Capital cash (provided) used by operating activities	9	38	(24)	149
Water systems AFFF settlement cash payments and insurance recoveries	9	3	(156)	386
IP license prepayments	—	(240)	(29)	(240)
Discrete tax payments	—	71	31	71
Impact of discontinued factoring program	—	—	—	15
Adjusted free cash flow (non-GAAP)	\$ 1,096	\$ 710	\$ 3,229	\$ 2,501
Adjusted net income attributable to JCI (non-GAAP)	\$ 1,008	\$ 798	\$ 3,153	\$ 2,462
JC Capital net (income) loss	(28)	1	(6)	(3)
Adjusted net income attributable to JCI, excluding JC Capital (non-GAAP)	\$ 980	\$ 799	\$ 3,147	\$ 2,459
Adjusted free cash flow conversion (non-GAAP)	112 %	89%	103%	102 %

5. EBIT, Segment Profitability and Corporate Expense

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

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Income from continuing operations:				
Attributable to Johnson Controls	\$ 967	\$ 267	\$ 2,880	\$ 1,721
Attributable to noncontrolling interests	3	3	10	3
Income from continuing operations	970	270	2,890	1,724
Less: Income tax provision ⁽¹⁾	93	85	536	245
Income before income taxes	1,063	355	3,426	1,969
Net financing charges	82	76	279	319
EBIT	\$ 1,145	\$ 431	\$ 3,705	\$ 2,288
EBIT margin	16.1 %	6.7 %	14.4 %	9.7 %
Adjusting items:				
Net mark-to-market adjustments	57	(13)	73	(6)
Restructuring and impairment costs	(87)	(400)	(311)	(546)
Water systems AFFF insurance recoveries	1	26	149	39
Transaction/separation costs	(30)	(12)	(73)	(39)
Transformation costs	(95)	(56)	(292)	(180)
ERP asset - accelerated depreciation	—	(102)	—	(102)
Gain on divestiture	—	—	70	—
Adjusted EBIT (non-GAAP)	\$ 1,299	\$ 988	\$ 4,089	\$ 3,122
Adjusted EBIT margin (non-GAAP)	18.3 %	15.3 %	15.9 %	13.2 %

⁽¹⁾ Adjusted income tax provision excludes the net tax impacts of pre-tax adjusting items and discrete tax items.

The following tables reconcile Segment EBIT to Segment EBITA (non-GAAP) as reported and reconcile Segment EBIT and Segment EBITA (non-GAAP) as reported to adjusted Segment EBIT and Segment EBITA (non-GAAP) and adjusted Segment EBIT and Segment EBITA (non-GAAP) margin (unaudited):

(in millions)	Three Months Ended September 30,					
	Americas		EMEA		APAC	
	2026	2025	2026	2025	2026	2025
Sales	\$4,930	\$4,325	\$1,312	\$1,337	\$ 871	\$ 780
Segment EBIT	992	763	198	188	162	136
Amortization	77	81	7	13	3	3
Segment EBITA (non-GAAP)	1,069	844	205	201	165	139
Adjusting items:						
Transformation costs	17	18	10	7	—	—
Adjusted Segment EBIT (non-GAAP)	1,009	781	208	195	162	136
Adjusted Segment EBITA (non-GAAP)	1,086	862	215	208	165	139
Segment EBIT margin %	20.1 %	17.6 %	15.1 %	14.1 %	18.6 %	17.4 %
Adjusted Segment EBIT margin % (non-GAAP)	20.5 %	18.1 %	15.9 %	14.6 %	18.6 %	17.4 %
Segment EBITA margin % (non-GAAP)	21.7 %	19.5 %	15.6 %	15.0 %	18.9 %	17.8 %
Adjusted Segment EBITA margin % (non-GAAP)	22.0 %	19.9 %	16.4 %	15.6 %	18.9 %	17.8 %

(in millions)	Twelve Months Ended September 30,					
	Americas		EMEA		APAC	
	2026	2025	2026	2025	2026	2025
Sales	\$17,398	\$15,831	\$5,119	\$4,968	\$3,149	\$2,797
Segment EBIT	3,088	2,526	700	581	589	461
Amortization	309	356	28	68	14	15
Segment EBITA (non-GAAP)	3,397	2,882	728	649	603	476
Adjusting items:						
Transformation costs	74	24	23	9	4	—
Adjusted Segment EBIT (non-GAAP)	3,162	2,550	723	590	593	461
Adjusted Segment EBITA (non-GAAP)	3,471	2,906	751	658	607	476
Segment EBIT margin %	17.7 %	16.0 %	13.7 %	11.7 %	18.7 %	16.5 %
Adjusted Segment EBIT margin % (non-GAAP)	18.2 %	16.1 %	14.1 %	11.9 %	18.8 %	16.5 %
Segment EBITA margin % (non-GAAP)	19.5 %	18.2 %	14.2 %	13.1 %	19.1 %	17.0 %
Adjusted Segment EBITA margin % (non-GAAP)	20.0 %	18.4 %	14.7 %	13.2 %	19.3 %	17.0 %

The following table reconciles adjusted Segment EBITA (non-GAAP) to adjusted Segment EBITA margin (non-GAAP) (unaudited):

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Adjusted Segment EBITA (non-GAAP)				
Americas	\$ 1,086	\$ 862	\$ 3,471	\$ 2,906
EMEA	215	208	751	658
APAC	165	139	607	476
Sales	7,113	6,442	25,666	23,596
Adjusted Segment EBITA margin (non-GAAP)	20.6 %	18.8 %	18.8 %	17.1 %

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

(in millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2026	2025	2026	2025
Corporate expense (GAAP)	\$ 178	\$ 269	\$ 653	\$ 767
31 Adjusting items:				
Transaction/separation costs	(30)	(12)	(73)	(39)
Transformation costs	(68)	(31)	(191)	(147)
ERP asset - accelerated depreciation	—	(102)	—	(102)
Adjusted corporate expense (non-GAAP)	\$ 80	\$ 124	\$ 389	\$ 479

6. Net Income and Diluted Earnings Per Share

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

(in millions, except per share)	Three Months Ended September 30,			
	Income from continuing operations attributable to JCI		Diluted earnings per share	
	2026	2025	2026	2025
As reported (GAAP)	\$ 967	\$ 267	\$ 1.60	\$ 0.42
Adjusting items:				
Net mark-to-market adjustments	(57)	13	(0.09)	0.02
Restructuring and impairment costs	87	400	0.14	0.63
Water systems AFFF insurance recoveries	(1)	(26)	—	(0.04)
Transaction/separation costs	30	12	0.05	0.02
ERP asset - accelerated depreciation	—	102	—	0.16
Transformation costs	95	56	0.16	0.09
Discrete tax items	(90)	50	(0.15)	0.08
Related tax impact	(23)	(76)	(0.04)	(0.12)
Adjusted (non-GAAP)*	\$ 1,008	\$ 798	\$ 1.66	\$ 1.26

* May not sum due to rounding

(in millions, except per share)	Twelve Months Ended September 30			
	Income from continuing operations attributable to JCI		Diluted earnings per share	
	2026	2025	2026	2025
As reported (GAAP)	\$ 2,880	\$ 1,721	\$ 4.72	\$ 2.63
Adjusting items:				
Net mark-to-market adjustments	(73)	6	(0.12)	0.01
Gain on divestiture	(70)	—	(0.11)	—
Restructuring and impairment costs	311	546	0.51	0.83
Water systems AFFF insurance recoveries	(149)	(39)	(0.24)	(0.06)
Transaction/separation costs	73	39	0.12	0.06
ERP asset - accelerated depreciation	—	102	—	0.16
Transformation costs	292	180	0.48	0.28
Discrete tax items	(79)	(36)	(0.13)	(0.06)
Related tax impact	(32)	(57)	(0.05)	(0.07)
Adjusted (non-GAAP)*	\$ 3,153	\$ 2,462	\$ 5.16	\$ 3.76

* 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,	
	2026	2025	2026	2025
Weighted average shares outstanding				
Basic weighted average shares outstanding	604	631	609	652
Effect of dilutive securities:				
Stock options, unvested restricted stock and unvested performance share awards	2	2	2	2
Diluted weighted average shares outstanding	606	633	611	654

7. Debt Ratios

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

(in millions)	September 30, 2026	June 30, 2026	September 30, 2025
Short-term debt	\$ 678	\$ 865	\$ 723
Current portion of long-term debt	1,066	311	566
Long-term debt	7,533	8,299	8,591
Total debt	9,277	9,475	9,880
Less: cash and cash equivalents	618	641	379
Net debt	\$ 8,659	\$ 8,834	\$ 9,501
Last twelve months income before income taxes	\$ 3,426	\$ 2,718	\$ 1,969
Net debt to income before income taxes	2.5x	3.3x	4.8x
Last twelve months adjusted EBITDA (non-GAAP)	\$ 4,743	\$ 4,553	\$ 3,987
Net debt to adjusted EBITDA (non-GAAP)	1.8x	1.9x	2.4x

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

	Twelve Months Ended		
(in millions)	September 30, 2026	June 30, 2026	September 30, 2025
Income from continuing operations	\$ 2,890	\$ 2,190	\$ 1,724
Income tax provision	536	528	245
Income before income taxes	3,426	2,718	1,969
Net financing charges	279	273	319
EBIT	3,705	2,991	2,288
Adjusting items:			
Net mark-to-market adjustments	(73)	(3)	6
Restructuring and impairment costs	311	624	546
Water systems AFFF insurance recoveries	(149)	(174)	(39)
Transaction/separation costs	73	55	39
Transformation costs	292	253	180
ERP asset - accelerated depreciation	—	102	102
Gain on divestiture	(70)	(70)	—
Adjusted EBIT (non-GAAP)	4,089	3,778	3,122
Depreciation and amortization	654	775	865
Adjusted EBITDA (non-GAAP)	\$ 4,743	\$ 4,553	\$ 3,987

8. Income Taxes

After adjusting for certain non-recurring items, the Company's effective tax rate for continuing operations was approximately 17% for the three and twelve months ended September 30, 2026 and approximately 12% for the three and twelve months ended September 30, 2025.