

Johnson Controls Strategic Review and 2016 Outlook

December 1, 2015

Johnson Controls Strategic Review and 2016 Outlook



CEO Section

Alex Molinaroli

Chairman, President and Chief Executive Officer

December 1, 2015 – Public



Forward looking statement



Statements Johnson Controls, Inc. has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project" or "plan" or terms of similar meaning are also generally intended to identify forward-looking statements. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, that could cause Johnson Controls' actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include potential impacts of the planned separation of the Automotive Experience business on business operations, assets or results, required regulatory approvals that are material conditions for proposed transactions to close, currency exchange rates, strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, availability of raw materials and component products, and cancellation of or changes to commercial contracts, as well as other factors discussed in Item 1A of Part I of Johnson Controls' most recent Annual Report on Form 10-K for the year ended September 30, 2014. 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 document are only made as of the date of this document, and Johnson Controls assumes no obligation, and disclaims any obligation, to update forwardlooking statements to reflect events or circumstances occurring after the date of this document.

Delivering on our Commitments
2015: Record performance



Revenue

Delivering on our Commitments
2015: Record performance



Segment Margin

*Excludes separation / integration / transaction and other one-time or unusual items.

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December 1, 2015

Delivering on our Commitments

2015: Record performance

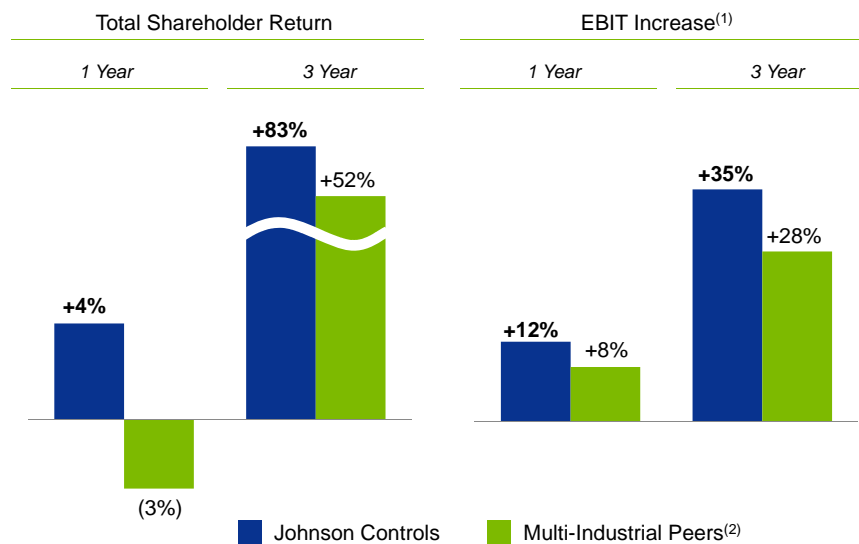


Earnings Per Share*

*Diluted earnings per share from continuing operations excluding separation / integration / transaction and other one-time or unusual items.

Delivering on our Commitments

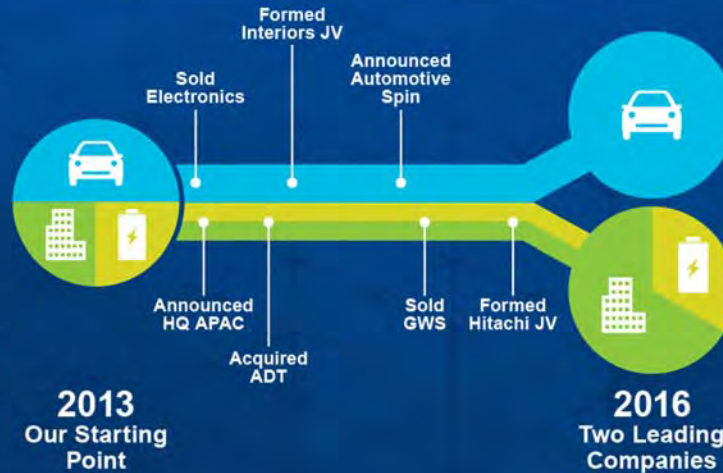
Driving Value for Shareholders as We Execute



Source: FactSet as of October 27, 2015.
⁽¹⁾ Johnson Controls figures based on reported segment income.
⁽²⁾ Peer set includes 3M, Danaher, Dover, Eaton, Emerson, Honeywell, Ingersoll-Rand, Tyco and United Technologies.

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Delivering on our Commitments Tremendous Progress on Portfolio Transformation



Much has changed, but...Johnson Controls Vision and Core Enterprise Plan Remain Constant



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Vision and Enterprise Plan

Our Strengths – Deliberate and Explicit Choices



-  Products & Offerings
-  Manufacturing
-  Business Models
-  Customers & Brands

Playing to Our Strengths

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Vision and Enterprise Plan

Our Strengths – Deliberate and Explicit Choices



-  Products & Offerings
 - Technical products that enable follow-on and value-added services
-  Manufacturing
 - Technology leader in our core businesses
-  Business Models
 - Sustainable operations and offerings
-  Customers & Brands
 - Relatively long and stable product cycles
 - Innovation embedded capabilities

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Vision and Enterprise Plan

Our Strengths – Deliberate and Explicit Choices



- Products & Offerings
 - A manufacturing and supply chain company
- Manufacturing
 - Sustainable operations and offerings
- Business Models
 - Continuous and relentless improvement culture
- Customers & Brands

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Vision and Enterprise Plan

Our Strengths – Deliberate and Explicit Choices

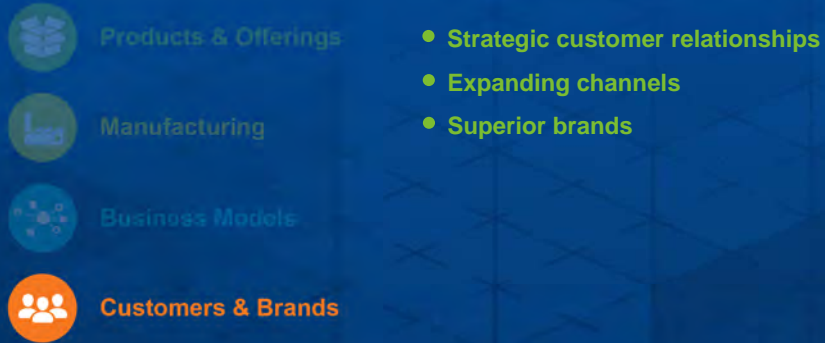


- Products & Offerings
 - Businesses with scale
- Manufacturing
 - Applied engineering and technologies
- Business Models
 - Good, trusted and capable partner
- Customers & Brands

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Vision and Enterprise Plan Our Strengths – Deliberate and Explicit Choices



Vision and Enterprise Plan Johnson Controls Operating System



The “JCI Way”

Embedded in how we create opportunity and drive performance across every aspect of our business

Integral to our Culture

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Our Path to Multi-Industrial Key Metrics



Opportunity

A bright future ahead
for two leading companies



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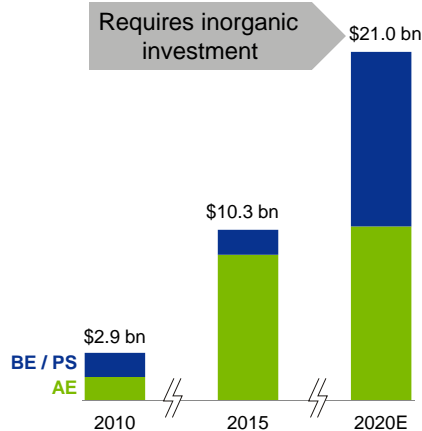


Opportunity for growth in Asia-Pacific

Asia-Pacific China Remains Large Opportunity for Both Companies



Significant China Revenue Growth



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Aligned with Market Trends

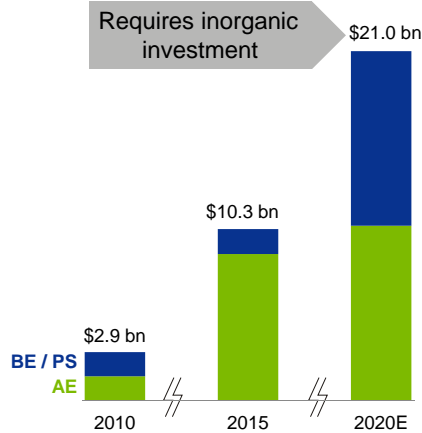
- Real GDP per capita doubles from 2010 to 2020
- Urbanization to continue China to represent 40% of global HVAC market by 2020
- World's largest automotive battery market by 2020
- Highest growth commercial building and HVAC market in the world

Over Long-term Leadership in China is Essential to Being a Global Leader in our Markets

Asia-Pacific China Remains Large Opportunity for Both Companies



Significant China Revenue Growth



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Advantaged positioning

- Local-market relevant products, channels, processes, tooling
- China corporate citizenship
- Focus on strategic relationships
 - History of successful auto JVs
 - Hitachi JV
- Maintain flexible investing policy; seize opportunities to partner / consolidate the market

Over Long-term Leadership in China is Essential to Being a Global Leader in our Markets

Asia-Pacific Currently Planned Investments Through 2020



Johnson Controls Automotive



\$1B+

- JV capacity
- M&A
- Metals

Remaining Johnson Controls



\$1B+

- Hitachi
- M&A
- Channel expansion
- Product investment



\$1B+

- Manufacturing capacity
- M&A
- Channel expansion
- Lead recycling



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Automotive Keys to Our Plan to Win in Auto



APAC/China



Components



Margins

January 13, 2016: Detroit Auto Show analyst conference

- Presentation on post-spin Automotive business

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Automotive Investment Thesis for SpinCo



Why should I continue to invest in Auto as a standalone business?

- 1 Leading, pure play automotive supplier in its space with focused strategy
- 2 Differentiated product value proposition for customers
- 3 Positioned for growth and improved profitability
- 4 Commitment to smart investment as independent business
- 5 Solid FCF supporting consistent return of capital to shareholders

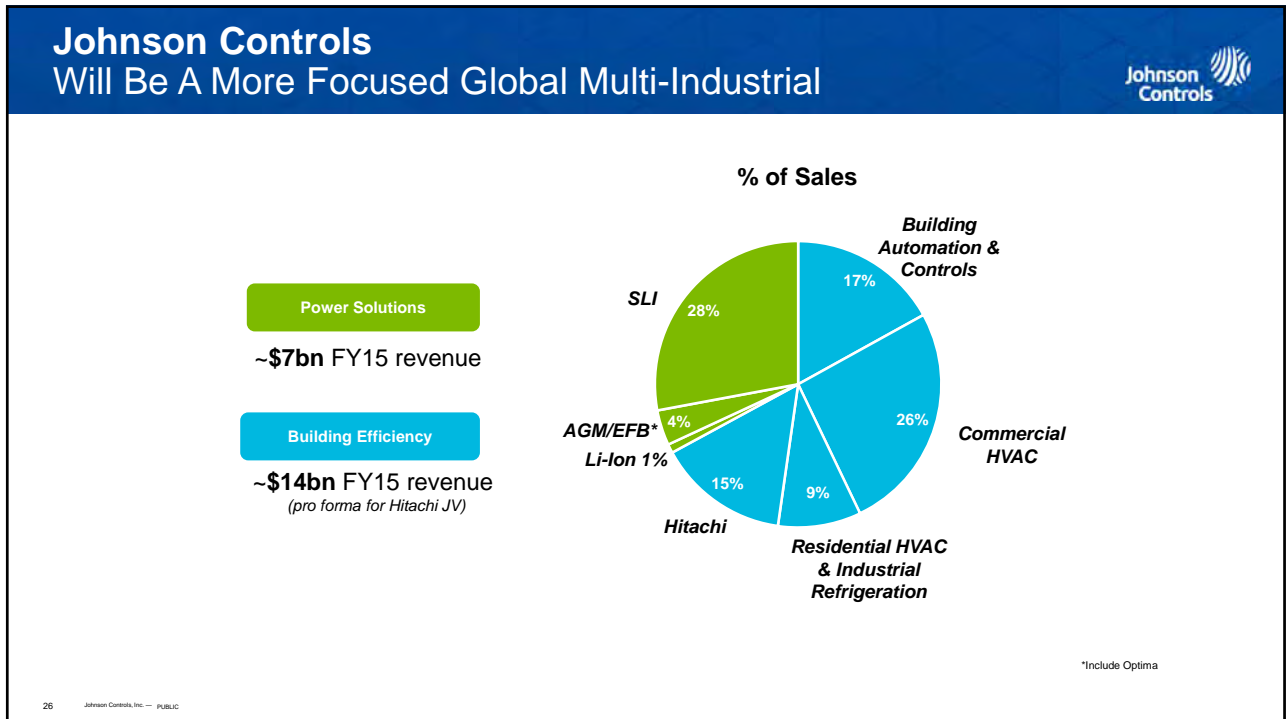


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Opportunity for growth in Johnson Controls



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Johnson Controls Will Be A More Focused Global Multi-Industrial



Power Solutions

- Leadership position in battery energy storage solutions
- Advantaged manufacturing scale and process technology
- 74% of sales from stable, profitable automotive after-market
- Emerging energy management platform utilizing battery technology



Building Efficiency⁽¹⁾

- Diverse product portfolio
- Global leader in complex building automation and controls and centrifugal chillers
- JCI-owned direct sales channel
- North America branch contracting and service network
- VRF technology through Hitachi

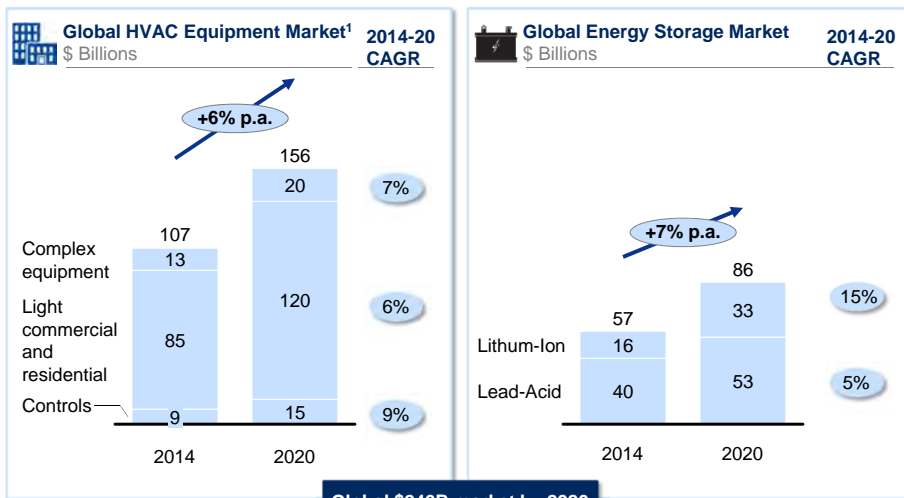


■ North America ■ EMEA ■ Asia Pacific ■ Latin America

Leading Global Businesses in Attractive End Markets Exposed to Important Mega Trends

(1) Geographic breakdown is not pro forma for Hitachi JV.

Johnson Controls Growth in our Large, Global Core Markets



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Johnson Controls Investment Thesis



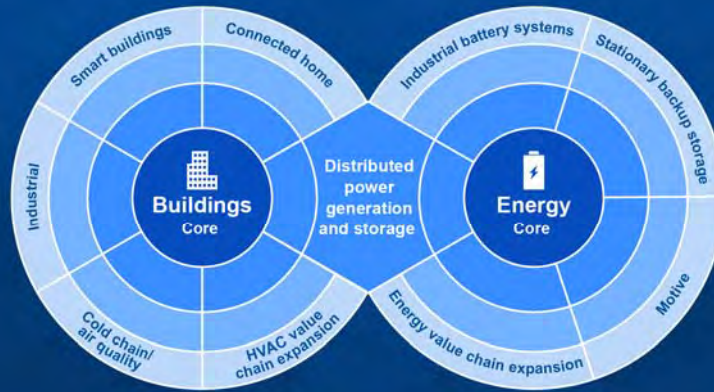
Why should I be excited about the New JCI?

- 1 Attractive topline growth opportunities both organic and inorganic
- 2 Leadership positions in markets aligned with mega trends where we can win
- 3 JCOS driving improved ways to do business
- 4 Clear margin runway—differentiated opportunity for margin expansion versus multi-industry peer group
- 5 Commitment to shareholder-friendly capital allocation



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What's next for Johnson Controls? New Market Opportunity at the Intersection of our Businesses



What's next for Johnson Controls? Distributed Energy Storage \$19B market by 2020

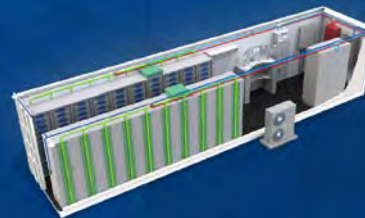


Investing in product businesses that are core to our multi-industrial portfolio and growth objectives

- Leverages Johnson Controls world-class battery technology, building systems expertise and intelligent controls for energy storage at the lowest lifecycle cost




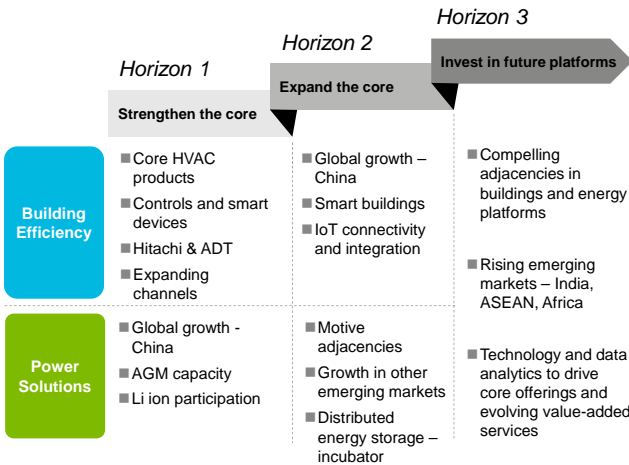
In-building system



Containerized modular system

What's Next for Johnson Controls? Further Growth & Transformation Potential






	Horizon 1 Strengthen the core	Horizon 2 Expand the core	Horizon 3 Invest in future platforms
Building Efficiency	<ul style="list-style-type: none"> ■ Core HVAC products ■ Controls and smart devices ■ Hitachi & ADT ■ Expanding channels 	<ul style="list-style-type: none"> ■ Global growth – China ■ Smart buildings ■ IoT connectivity and integration 	<ul style="list-style-type: none"> ■ Compelling adjacencies in buildings and energy platforms ■ Rising emerging markets – India, ASEAN, Africa
Power Solutions	<ul style="list-style-type: none"> ■ Global growth - China ■ AGM capacity ■ Li ion participation 	<ul style="list-style-type: none"> ■ Motive adjacencies ■ Growth in other emerging markets ■ Distributed energy storage – incubator 	<ul style="list-style-type: none"> ■ Technology and data analytics to drive core offerings and evolving value-added services

- First objective is always driving shareholder returns
- Not pursuing change for its own sake
- Investing in places where JCI can win

Pursuing logical and strategic investment opportunities—no surprises

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What's Next for Johnson Controls? Disciplined Metrics Guide Our Decisions



Comprehensive Framework Focused on Driving Long-term Value

Growth

+

Margin Expansion

+

Leading Position in Attractive Spaces

- Core revenue growth exceeding our markets
- Deal economics supported by cost synergies
- Accretive to EPS in year 3
- Return above our weighted average cost of capital in year 2
- Outperformance supported by Johnson Controls operating system
- Attractive incremental investments
- Complementary to existing platforms
- Consistent with multi-industry vision
- Supports premium trading multiple


Framework balances our investment returns with market realities











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December 1, 2015

Aligned with the Characteristics of a Multi-Industrial Leadership to Drive Increasing Shareholder Value



MI Peers	Characteristics of Leading Multi-Industrial Businesses	RemainCo
         	Strategic <ul style="list-style-type: none"> Businesses in attractive growing markets Leading #1 or #2 market position Active portfolio management 	<ul style="list-style-type: none"> ✓ ✓ ✓
	Operational <ul style="list-style-type: none"> Competitively advantaged scale position Effective and well-developed operating system 	<ul style="list-style-type: none"> ✓ + ✓ +
	Financial <ul style="list-style-type: none"> Mid-to-high single digit revenue growth Strong margins Strong cash flow and conversion Balanced capital allocation 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓

Peer Average P/E: 15.7x
Top peer P/E: 18.8x

Planning to be top-tier MI peer with consistent double-digit EPS growth and premium multiple; strong strategic positioning; executing on plan to improve margins and cash flow

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Opportunity A Bright Future Ahead



- Execution** – Continue to deliver on strategic and financial commitments
- Transformation** - Significant portfolio progress with Auto spin-off on track
- Acquisitions** – Strong balance sheet to support future growth
- Operational Excellence** – JCOS delivering tangible results with more to come
- Growth** - Strong portfolio post-Auto spin-off; well-positioned and reinvesting for growth and improved profitability
- Shareholder Value** - On clear path to establishing a leading multi-industrial company with significant opportunity to drive increasing shareholder value

Focused Multi-industrial Leader Positioned for Sustainable Growth and Returns

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December 1, 2015

Today's Presentations



Kim Metcalf-Kupres
Vice President and
Chief Marketing Officer

Mega Trends



William C. Jackson
President
Building Efficiency

Building Efficiency



Joseph Walicki
President
Power Solutions

Power Solutions



Jeff Williams
Vice President
Enterprise Operations and Engineering

**Johnson Controls
Operating System**



Brian Stief
Executive Vice President and
Chief Financial Officer

**Financial Outlook
Update on Auto Spin**

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December 1, 2015

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Mega Trends

Kim Metcalf-Kupres

Vice President and Chief Marketing Officer

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Forward looking statement



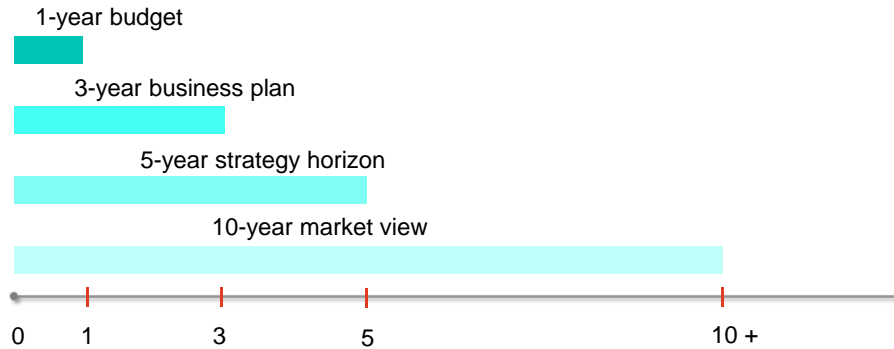
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December 1, 2015

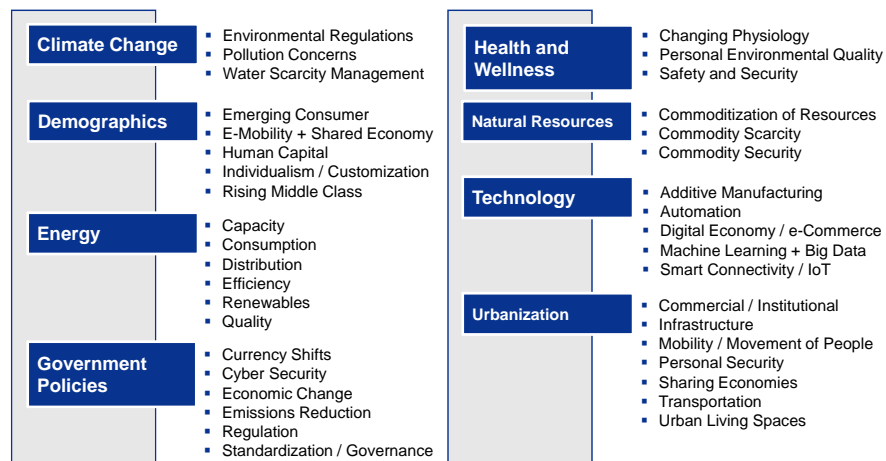
Managing across multiple time horizons

Long-term vision guides mid-and short-term planning



Mega Trends

Most Relevant to Johnson Controls



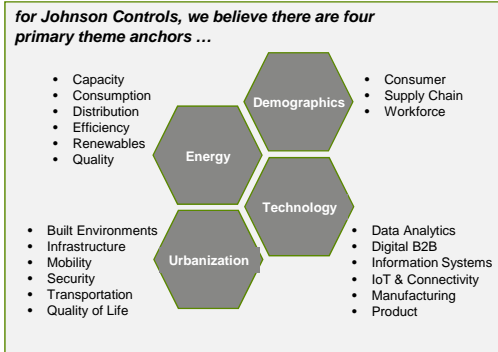
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Four Anchors

Interact with Key Enablers and Disruptors



there are also four key Enablers and Disruptors to consider ...



Theme Anchors
 Enabler / Disruptor

Demographics

Consumer and workforce implications help guide our investments



- 97% of +1B population growth by 2030 from emerging markets
- 2+ billion people join rising middle class by 2030
- Consumer spending will rise from \$21T to \$56T by 2030, 41% from China and India
- The world will be challenged by labor imbalances:
 - Global migration
 - Shortages for high-skill workers
 - Over-supply of low-skill workers



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Urbanization

Rates and challenges create opportunities where we can help



- Urbanization in developing world - 100K people/day
- By 2025 emerging market cities ~75% of global GDP
- Cities are centers of global GDP growth – creating current / future challenges.
Cities today...
 - are home to 50% of the global population...
 - consume 60% drinking water supply...
 - consume 75% of global energy capacity...
 - produce 80% of global greenhouse emissions.
- Infrastructure implications result
 - Building investments +\$57T through 2030
 - Public-Private partnerships will evolve
 - Energy supply/demand tensions will emerge
 - Increasing environmental pressure



Energy

Regulations are driving demand where Johnson Controls can help



Environmental regulations driving needs for:

- Energy efficiency
 - China: 50% of new construction is “green” by 2020
- Fuel economy
 - US: CAFE standards to double by 2025
- CO2 reductions
 - US: 26-28% emissions reduction by 2025 (COP 21)
- Alternative forms of energy
 - US: Clean Energy Incentive Program doubles emissions credits for renewable energy projects in low-income communities operational by 2020
- Grid stability and energy resiliency
 - US: coastal geographies incentivizing and funding energy resiliency investments



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December 1, 2015

Energy

Increasing energy demand means new opportunities



- Emerging consumers drive increased energy demand
- Renewables dominate power capacity additions
- **Wind and solar in developing countries \$1.1T market by 2023**
- As solar & wind approach 30% of global energy capacity by 2030



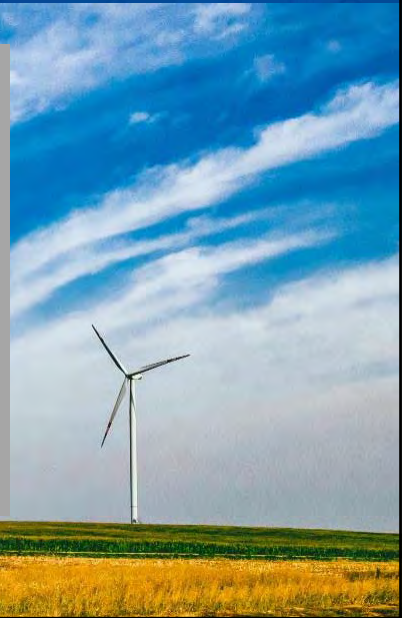
Supply intermittency will cause grid instability issues



Creating opportunity for energy storage to level supply and demand



Energy Storage = \$19B market by 2023



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Technology

Transforming offerings, applications and supply chains



Connectivity and smart applications

- Internet of things (IoT) will be **#1 form of connectivity** by 2018
- Operations will drive B2B opportunities ~5% cost savings
- Growing demand for **smart building applications – 90B market by 2020**

Advanced manufacturing and materials

- Distributed manufacturing models **transform supply chains** and labor
- Digital development and verification significantly **speed development cycles**
- Additive manufacturing and advanced automation **transform production**
- Predictive analytics drive **efficiency** and **quality**
- Nanostructured and bio-engineered materials **consolidate design and assembly**



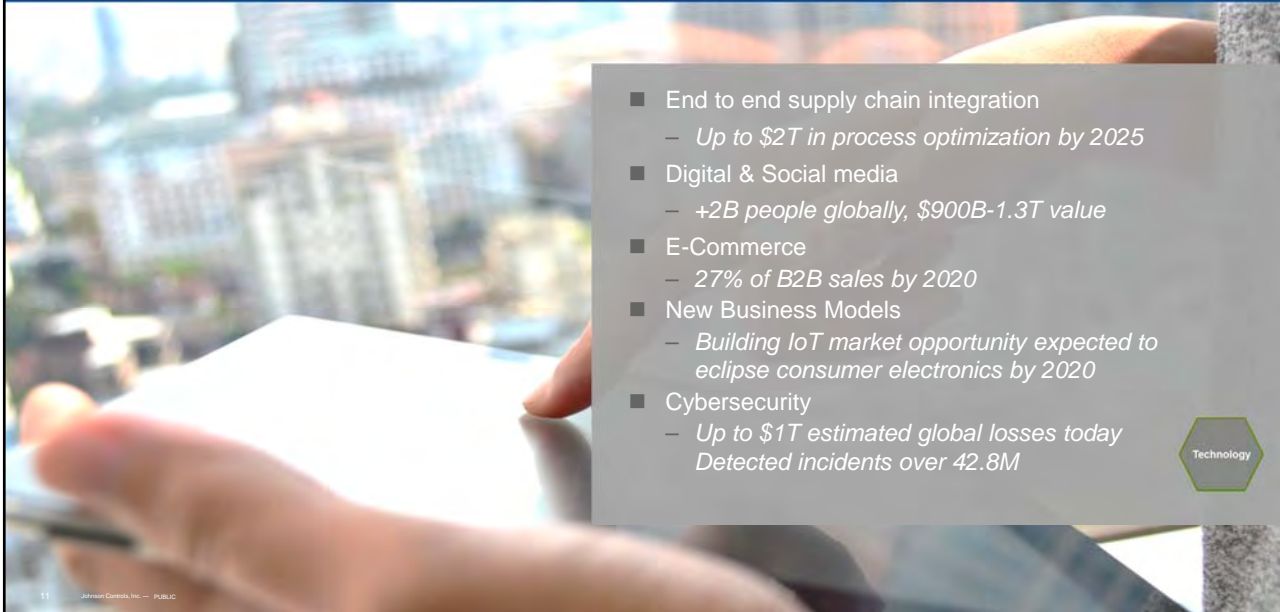
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Digitalization

Transforming business models and customer-centricity



- End to end supply chain integration
 - Up to \$2T in process optimization by 2025
- Digital & Social media
 - +2B people globally, \$900B-1.3T value
- E-Commerce
 - 27% of B2B sales by 2020
- New Business Models
 - Building IoT market opportunity expected to eclipse consumer electronics by 2020
- Cybersecurity
 - Up to \$1T estimated global losses today
 - Detected incidents over 42.8M



Mega Trends

Implications for Johnson Controls



Buildings & Urban Environments

- Increasing demand
 - Emerging markets
 - Different HVAC systems
 - Urban business models
-
- Diverse building types
 - Other building technologies
 - Related infrastructure



Energy Storage & Distribution

- Increasing demand
 - Emerging markets
 - New stationary and grid
 - Evolving business models
-
- Adjacent applications
 - Advanced materials/systems
 - Nascent new markets



Changing Transportation

- Shifting auto industry
 - Geographic footprints
 - Different consumer value
 - Electrification
-
- Cars vs. alternatives
 - Sharing economy
 - New technologies



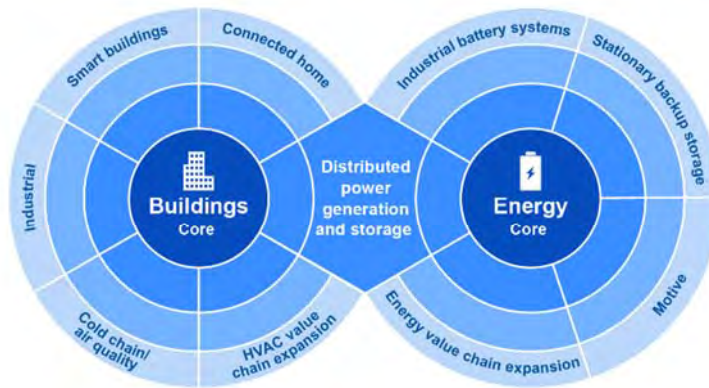
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December 1, 2015

Growth Platforms

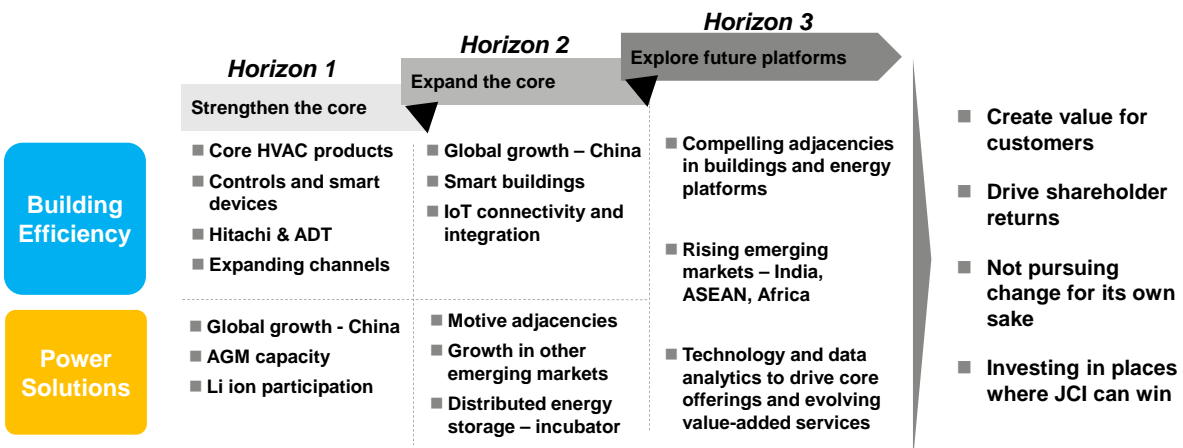
Mega Trends inform our platforms and investments for growth



\$400 billion of opportunity for strategic growth across current platforms

Growth Platforms

Mega Trends inform our areas of focus and investments for growth



Pursuing logical and strategic investment opportunities

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Technology

Mega Trends inform our technology priorities





- Smart Connectivity / IoT
- Accelerated product development cycles
- Advanced Materials
- Smart buildings, campuses and cities
- Advanced Manufacturing
- Advanced battery technologies
- Digitalization
- Distributed Energy Storage

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Strategic Capabilities

Mega Trends inform our investments in strategic capabilities



- Johnson Controls Operating System
- Global presence & brands
- Innovation
- Corporate Development

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Summary

- Multiple time horizons with mid to long-term vision guiding planning
- Global macro trends are generally favorable for Johnson Controls
- Business plans address most attractive near and mid-term opportunities
- Significant growth opportunities exist – organic and inorganic
- We are investing in technology and building capabilities to pursue aggressive growth



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December 1, 2015

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Johnson Controls Operating System

Jeff Williams

Vice President, Enterprise Operations and Engineering

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Johnson Controls Operating System

Our vision



- Most operationally capable
- Standardize enterprise approach
- Span all areas of business
- Establish and leverage best practices
- Consistent, repeatable processes
- Increase speed and agility

Johnson Controls Operating System

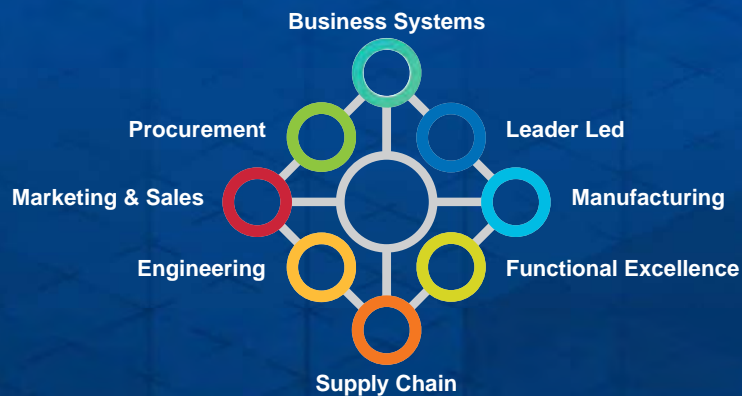


Johnson Controls Operating System

What is the Johnson Controls Operating System?



- Integrates framework
- Performance-based
- Leadership commitment
- Enterprise-wide



Johnson Controls Operating System

Where are we on our journey?



Each Element of JCOS at Different Level of Maturity



Johnson Controls Operating System

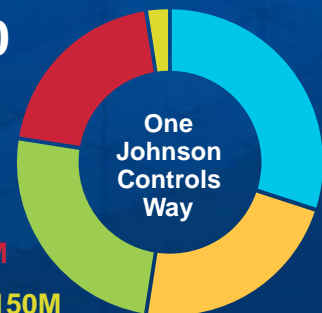
Enterprise Value



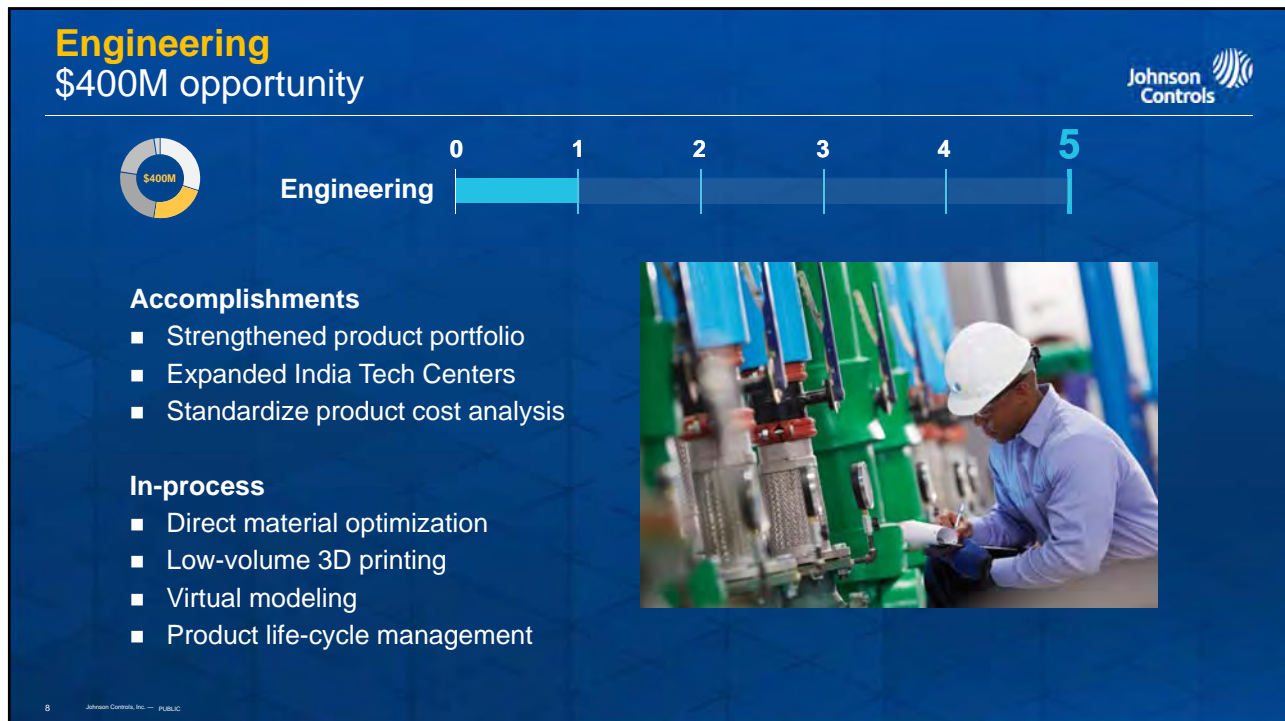
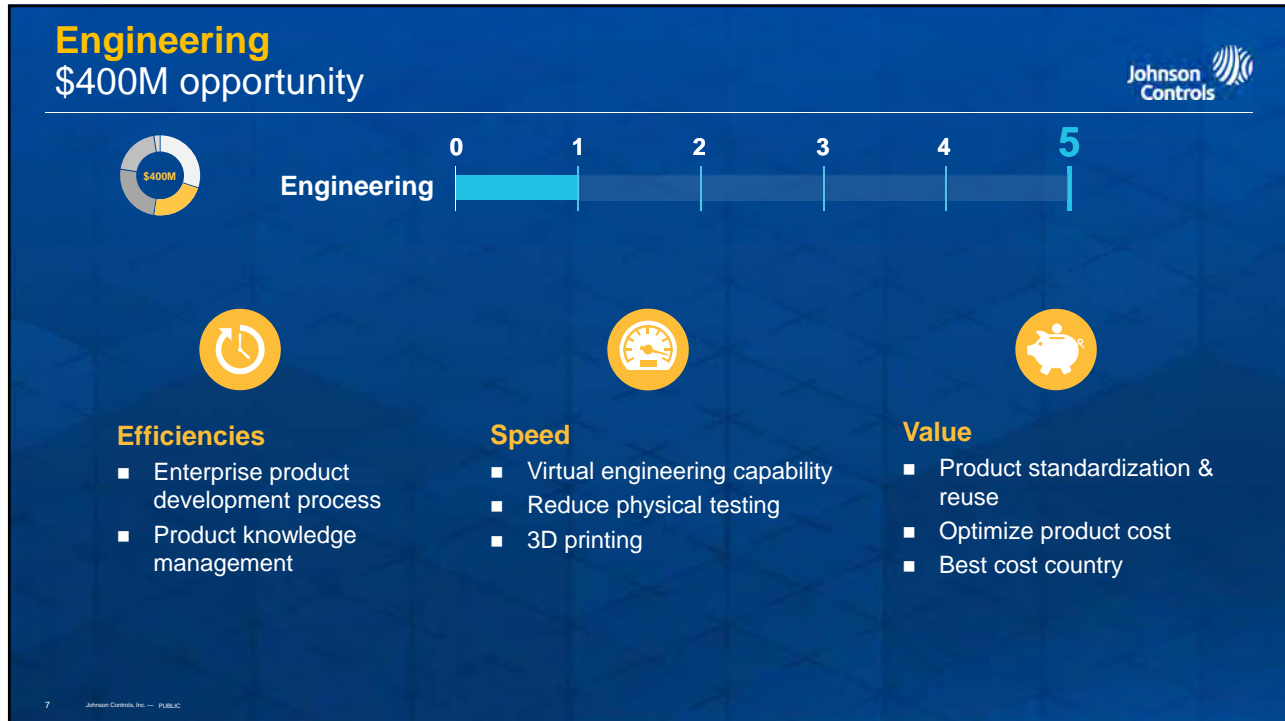
- Speed-to-market
- Improve quality
- Increase productivity
- Expand product portfolio
- Leader agility
- Improve operating margins
- Increase share

\$2 Billion by 2020

- Manufacturing – \$600M
- Engineering – \$400M
- Procurement – \$450M
- Marketing & Sales – \$400M
- Functional Excellence – \$150M



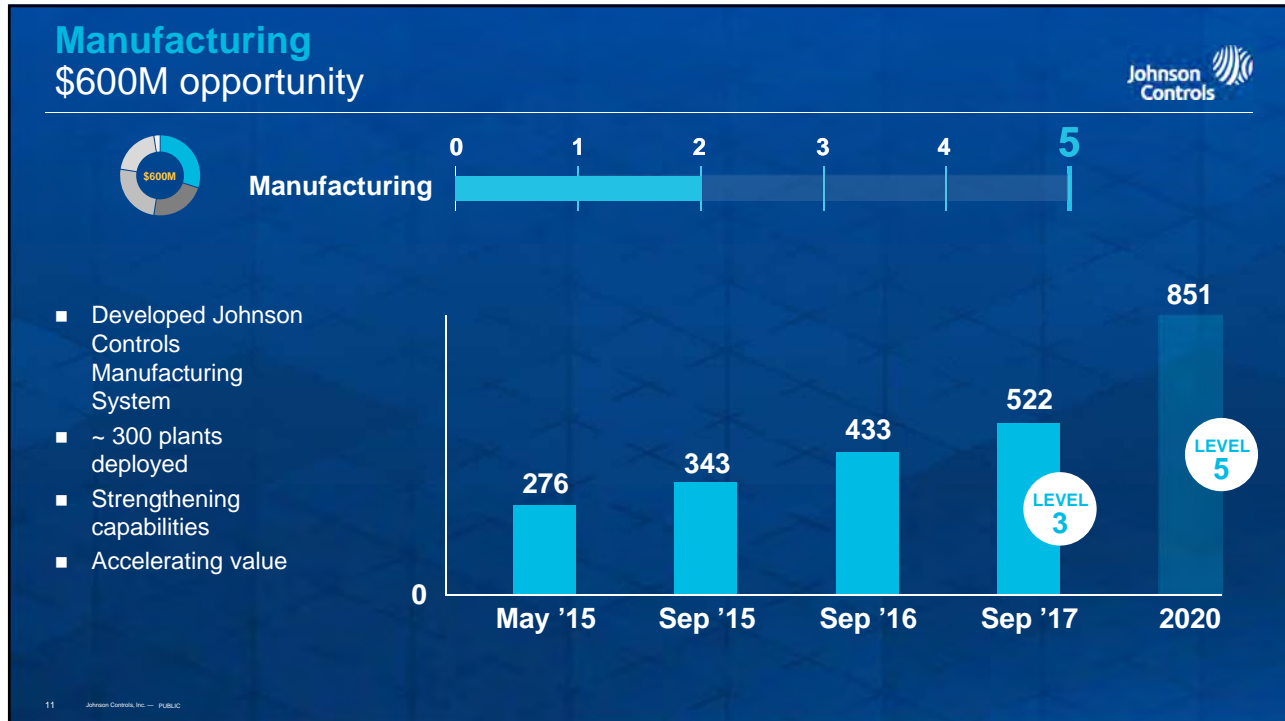
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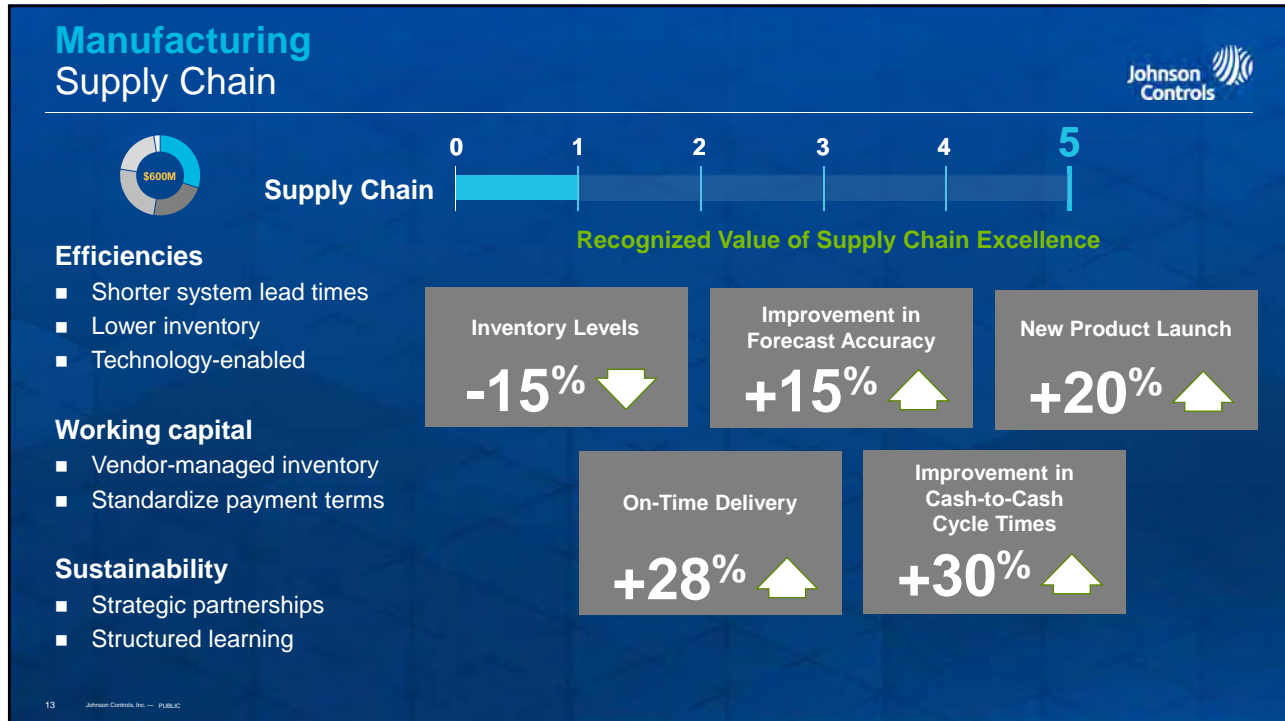
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December 1, 2015

Marketing and Sales
\$400M opportunity




Marketing & Sales



<p>Product Management</p> <ul style="list-style-type: none"> ■ Product and lifecycle strategy ■ Market insights ■ Marketing and branding ■ Development and launch 	<p>Innovation</p> <ul style="list-style-type: none"> ■ New growth platforms and pipelines ■ Mega trend knowledge ■ Market validated strategies ■ Improve profitability 	<p>Commercial Excellence</p> <ul style="list-style-type: none"> ■ Customer experience ■ Account management ■ New product sales ■ Sales competencies ■ Enabling tools
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Marketing and Sales
\$400M opportunity




Marketing & Sales



<p>Product Management</p>	<p>Accomplishments</p> <ul style="list-style-type: none"> ■ Product-based organizational models ■ Focused technology reviews 	<p>In-process</p> <ul style="list-style-type: none"> ■ Product and technology roadmaps ■ New product introductions
<p>Innovation</p>	<ul style="list-style-type: none"> ■ Dedicated innovation team and process ■ Ring-fenced budget ■ Leader engagement 	<ul style="list-style-type: none"> ■ Mega trends and scouting ■ Distributed energy storage pilot ■ Growth platform targets
<p>Commercial Excellence</p>	<ul style="list-style-type: none"> ■ Standard customer relationship process ■ Pricing model development 	<ul style="list-style-type: none"> ■ Common account management tools ■ Skills and competency development

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Johnson Controls Operating System

Our success is yielding



- Reduced time to market
- Improved quality and productivity
- Stronger product portfolio
- Growing market share
- Increased customer loyalty
- Expanding margins
- Faster integration



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Johnson Controls Operating System

Foundation of Strategic Growth



Embedded in...

- Culture
- Businesses
- Systems and processes
- Work product
- Dialogue
- Customer and shareholder expectations



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Johnson Controls Strategic Review and 2016 Outlook

December 1, 2015

Johnson Controls Strategic Review and 2016 Outlook



Building Efficiency

Bill Jackson

President, Building Efficiency

December 1, 2015 – Public



Forward looking statement



Statements Johnson Controls, Inc. has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project" or "plan" or terms of similar meaning are also generally intended to identify forward-looking statements. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, that could cause Johnson Controls' actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include potential impacts of the planned separation of the Automotive Experience business on business operations, assets or results, required regulatory approvals that are material conditions for proposed transactions to close, currency exchange rates, strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, availability of raw materials and component products, and cancellation of or changes to commercial contracts, as well as other factors discussed in Item 1A of Part I of Johnson Controls' most recent Annual Report on Form 10-K for the year ended September 30, 2014. 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 document are only made as of the date of this document, and Johnson Controls assumes no obligation, and disclaims any obligation, to update forwardlooking statements to reflect events or circumstances occurring after the date of this document.

Johnson Controls Building Efficiency

Our Mission is to drive shareholder value by winning in HVAC/IR and Building Automation and Controls across the globe

\$13.5B

revenue with
Hitachi JV

80+

manufacturing
locations
globally

1M+

customers

650

branches globally

1000+

channel partners

Building Efficiency

Mega trends continue to be a positive for the industry



- Global urbanization with high growth rates in emerging markets
- Long-term energy trends and economics
- Energy / green house gas legislation / regulation
- Economic pressure to reduce operating costs across all segments
- Internet of things (IoT) connectivity / growing demand for smart building applications

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Building Efficiency

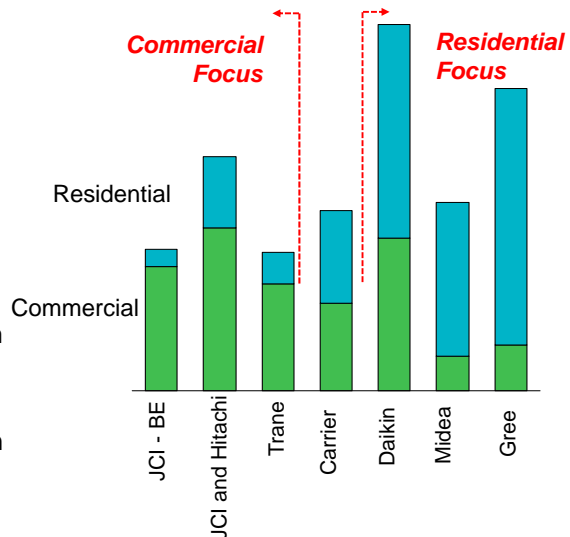
Today, we are the global leader in non-residential HVAC and IR



Johnson Controls makes buildings all around the world more comfortable, efficient and safe:

- Delivers HVAC equipment, building automation, controls and technologies with a broad range of value-added services
- Is a market leader in non-residential building segments
- Has broad and growing product capabilities with increasing penetration
- Has a leading position in Industrial Refrigeration – specifically in NA and Europe

HVAC Equipment Revenues and Mix

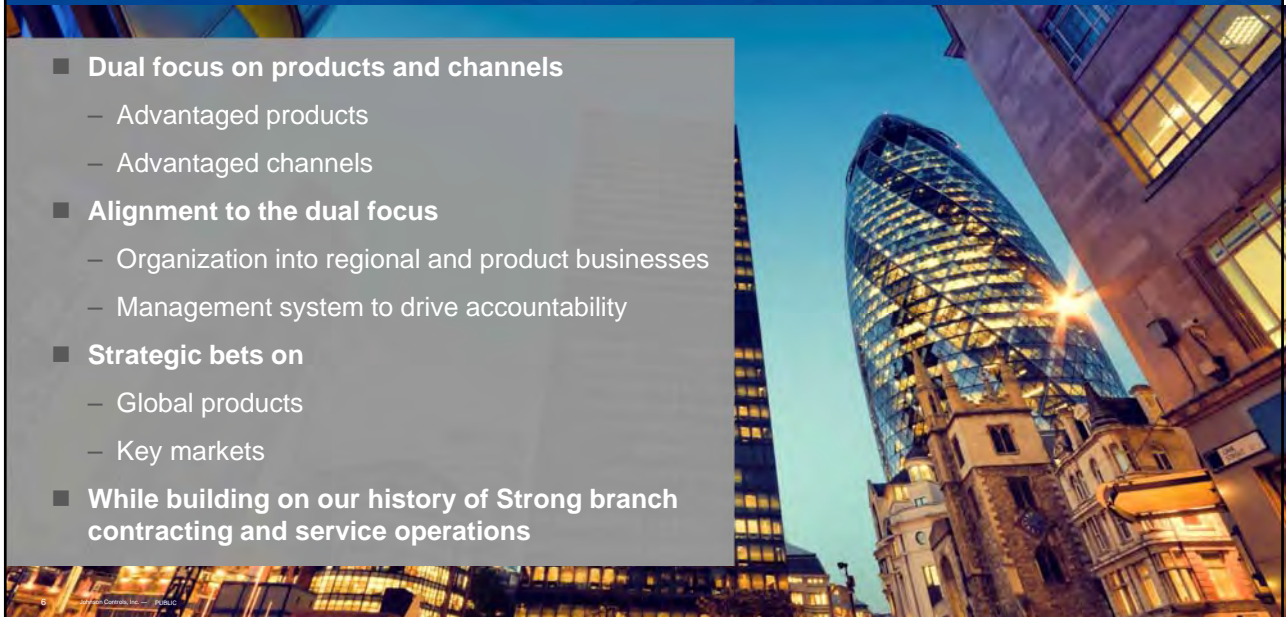


Building Efficiency

We have a new view of the Building Efficiency business



- **Dual focus on products and channels**
 - Advantaged products
 - Advantaged channels
- **Alignment to the dual focus**
 - Organization into regional and product businesses
 - Management system to drive accountability
- **Strategic bets on**
 - Global products
 - Key markets
- **While building on our history of Strong branch contracting and service operations**



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Building Efficiency

We are building on and playing to Our Strengths




- 
New Business Model
 - New model built around product and channels
 - Leaner organization (spans and layers)
 - Lowered G&A by 15 percent
- 
New Products and Offerings
 - Developing and launching new products
 - Lowering development time
 - Leveraging best cost engineering footprint
 - Developing simulation tools
- 
Customer Excellence and Multi-Brands
 - Going multi-brand and multi-channel
 - Moving to local transparency
 - Building out network in China
 - Building out DX channels in NA
- 
Operationally Excellent
 - Implementing JCOS and CI
 - Piloting Tailored Business Streams
 - Implemented three tiered supplier structure

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Building Efficiency

A broad portfolio of product businesses



Equipment and Product Manufacturer

- **Building Automation and Controls:** field devices, field controllers, supervisory controllers, building management systems
- **Chillers:** full tonnage range, across various compressor types
- **Air Systems:** air handling units, VAV boxes, fan coil units, fans, GRD, etc.
- **Direct Expansion:**
 - Ducted: rooftops and split systems (primarily North America)
 - Ductless: VRF and RAC (mini-splits)
- **Industrial Refrigeration:** refrigeration and gas compression technology

Building Automation & Controls




Chillers



Air Systems




Direct Expansion Ducted



Direct Expansion Ductless



Industrial Refrigeration



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Building Efficiency

We reach and serve our customers locally in a number of ways



Branch Networks & Third Party Distribution

- **Equipment Sales:** branches, and third party reps and distributors
- **Service:** controls, chillers, other mechanical, security and fire, industrial refrigeration
- **Contracting:** controls, security and fire, systems integrator, industrial refrigeration (outside North America), performance contracting (North America)



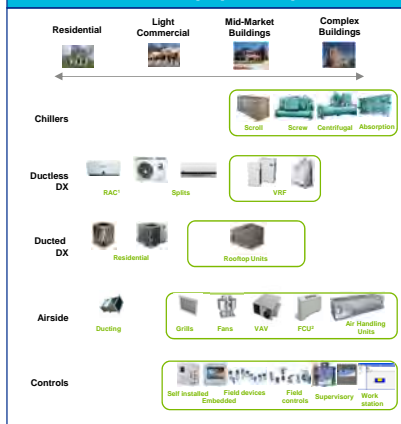
BE Locations across the World



Building Efficiency success is founded on the unique interaction between products and channels



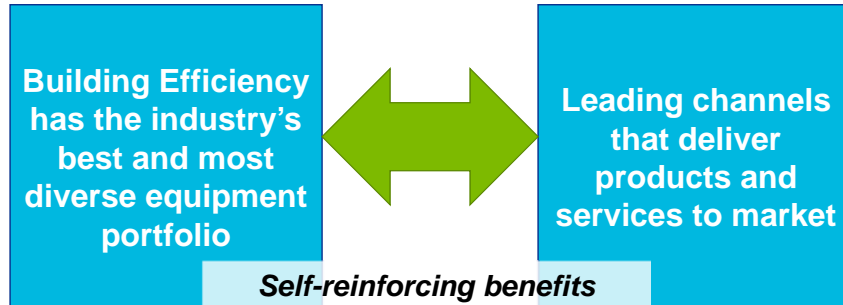
Building Efficiency has the industry's most diverse equipment portfolio



Leading channels that deliver products and services to market

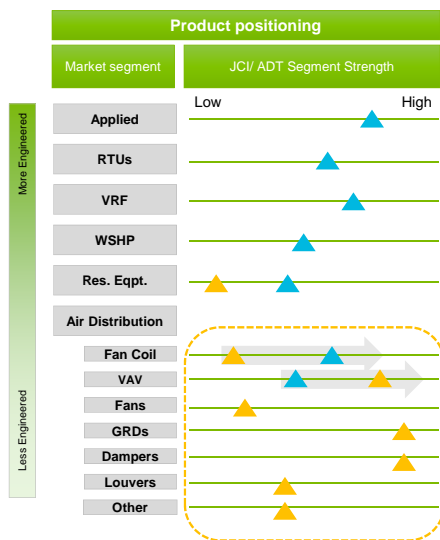
- Building Efficiency branches
 - Use in contracting and service
 - Channel to sell equipment to mechanical contractors
- Reps, distributors, and dealers who supply mechanical contractors with HVAC equipment
- Distributors who supply controls; contractors with controls products
- Controls and industrial refrigeration contractors who buy from Building Efficiency directly

...An interaction that is self-reinforcing




- Leading products at the right price, with good selection tools and on-time delivery allow channels to expand relationships
- Scale allows products to improve investment cycle economics

Building Efficiency
ADT brought us both products...



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...and channels



Basis of Relationships

Residential	Light Commercial	Mid Market	Complex
Technical expertise			
Solve problems			
Manage risk			
On time Delivery and completion			
Help win bids			
Issue resolution			
Market intelligence			
Product availability			
Price			
Quote responsiveness			
Ease of doing business			


Complementary distribution from ADT

- Buildings are by nature local
- Serving customers requires local relationships and local delivery
- It is a relationship driven business
- ADT brought a network of local independent reps...
- ...resulting in additional access to local customers and relationships

ADT's Strength (Red arrow)
JCI's Strength (Blue arrow)

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Building Efficiency
Hitachi JV positions JCI as a global leader in VRF



VRF is a key HVAC technology

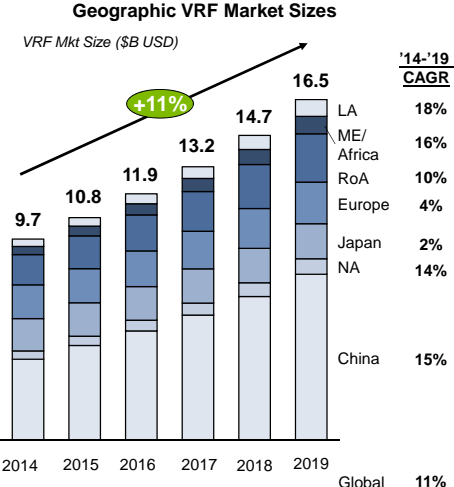
- Originated in Asia
- China is the largest single market
- North America is a fast growing market

Hitachi JV positions us as a global competitor

- Competition is global; Daikin is clear leader
- JCI is #2 in the key Chinese market
- Globally JCI is #3
- Launched our NA VRF program

Geographic VRF Market Sizes

VRF Mkt Size (\$B USD)



Year	VRF Mkt Size (\$B USD)
2014	9.7
2015	10.8
2016	11.9
2017	13.2
2018	14.7
2019	16.5

Source: BSIRA 2015; 2016-2019 projected

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Building Efficiency

We are strengthening our products



Building Automation & Controls

- Filling in the gaps in our product line
- Developing new controls platforms
- Updating Metasys – continuing its world-class position

Chillers

- Cost reducing current platforms to drive margin improvements
- Introducing new chillers – strengthening our leading position
- Responding to demand for low global warming potential (GWP) chillers

Direct Expansion

- Launching a new ducted residential and light commercial product line
- Filling in the VRF line for global requirements

Air Side

- Filling in the gaps in our product line
- Fixing our custom Air Handling Unit business
- Continuing to grow our standard Air Handling Units

Building Efficiency

We are growing our channels



Branches

- Continue to build out our sales force across the regions
- Adding branches in Asia

Third Party

- Building out our line card to strengthen our position with our reps
- Supporting our reps with better tools

Distribution

- Working on building our market coverage
- Layering market by market

China remains a priority for **Building Efficiency**, both in product...



- New Chillers oriented to better cost – Budget positioning
- New Building Automation, Devices and Controls for the China market
- Direct Expansion (DX) – Continue to grow VRF with our JV partner
- Airside – Updating and filling in our product line



...and channels



Today (~\$1B)

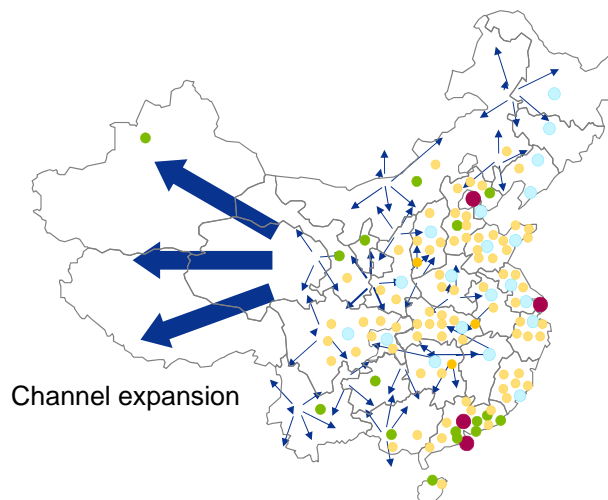
- 40 branches
- 70 Regional Center Offices



2020* (~\$3B)

- 75 plus branches
- 200+ Regional Center Offices

*projected



Two central priorities for **Building Efficiency** **Quality top line revenue growth...**



- **Continue ATD integration**
- **Grow JCI-Hitachi joint venture**
- **Investments in products to grow leadership positions and expand line card**
 - New chiller platforms and enhancements to existing platform
 - Broader Building Management Systems
 - Expanded field device line cards
 - Airside offerings from ADT
- **Invest in channels, starting in North America and China**
 - Leverage line card strength to layer multiple brands into local markets
 - Expand China branch network into Tier 3 and 4 cities

Strong management system to support execution

19
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...and margin enhancement



- **Offset dilutive margin impact of Hitachi**
 - Japan turnaround program
 - Brazil turnaround program
 - RAC turnaround
- **Maintain cost focus; increase product re-investment**
 - Manufacturing and supply chain – JCOS, CI and TBS
 - Lean G&A (15 percent reduction)
 - Reduced layers and increase spans
 - Improved investment cycle
- **Improve pricing discipline and pricing tools**
- **Leverage Johnson Controls Operating System**

Strong management system to support execution

20

Johnson Controls
Building Efficiency has an unmatched **opportunity**



- Broadest, most advanced portfolio for commercial and institutional applications
 - HVAC equipment
 - Building automation & controls
- Leading positions in attractive, growing geographic markets and products
- Significant profitable investment opportunities to strengthen our competitive position
- Outstanding branch network, complemented by a growing indirect channel presence
- Management system that drives real value for customers and shareholders

Johnson Controls Strategic Review and 2016 Outlook

December 1, 2015

Johnson Controls Strategic Review and 2016 Outlook



Power Solutions

Joe Walicki

President, Power Solutions

December 1, 2015 – Public



Forward looking statement



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Johnson Controls Power Solutions FY2015



Our full range of Lead-acid and Lithium-ion battery technology powers nearly every type of vehicle for our customers- including conventional, Start-Stop, Advanced Start-Stop, Micro Hybrid, hybrid and electric.

146
million batteries
sold

↑ 4%
YOY

36%
global market
share

>70%
of total market
volume growth

3

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Note: Market share for automotive market

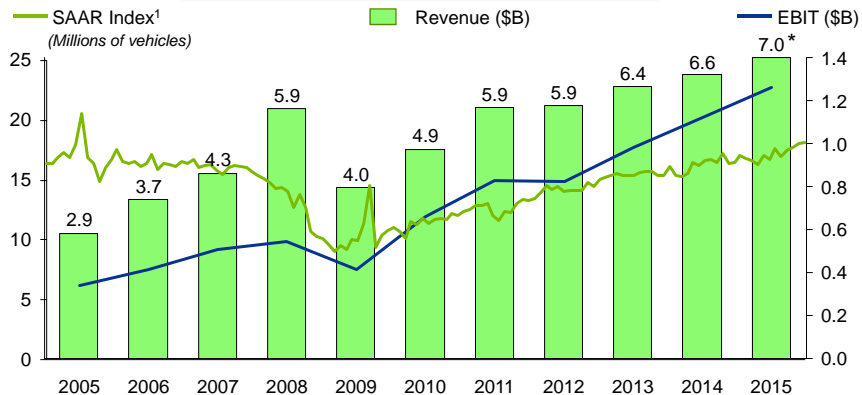
Power Solutions

We have a consistent platform for non cyclical, profitable growth



History of profitable growth (2005 – 2015)

10 Year Revenue CAGR	9%
10 Year EBIT CAGR	14%

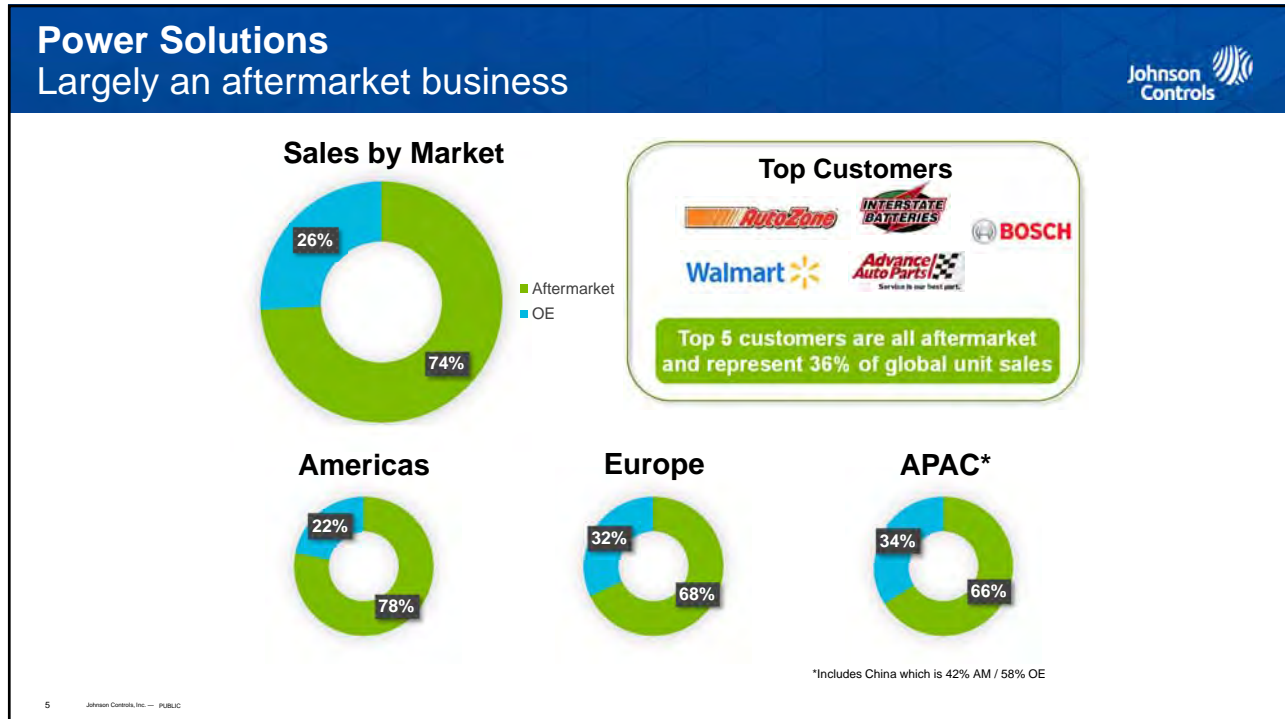


Notes: (1) US light vehicle sales
* Excludes foreign exchange, \$6.6B as reported.

4

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Power Solutions

Leveraging our Strengths



Playing to Our Strengths



Product and Technology

- Environmental
- Superior designs- PowerFrame
- Start-Stop: AGM and Advanced SS





Scale- Cost Leader

- Vertical integration/recycling
- Supply chain
- Plant productivity
- Global footprint and capacity

Deliberate and explicit choices that align with where we excel



Commercial

- Strong Brands
- Strategic customer relationships
- Global Channel Best Practices

- Businesses with scale
- Applied engineering and technologies
- Good partner



Partnership

- OEMs: VW, GM, Daimler, etc.
- NA retailers: AutoZone, Advance Auto, Walmart
- Distributors: Nor Auto, Feu Vert, Daisa, LTH
- Joint ventures: Interstate, Amara Raja, MEBCO
- Technology: NREL, JPL, LTU, Argonne, etc.

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Power Solutions

A global leader in environmental performance















- Our vision is where 100% of automotive batteries are responsibly recycled
- We have achieved 98% improvement in per unit environmental emissions since 1989
- 99% of our batteries in North America & Europe are responsibly recycled
- We recycle more than 8,000 batteries every hour across our network
- Our batteries use over 80% recycled content – more than any mass-market energy storage product

Source: U.S. EPA, BCI, JCI Data

Power Solutions

Driving Value in a Premium Multi-Industrial Portfolio



Multi-Industry Peers	Power Solutions	MI Peers									
        	<div style="background-color: #4a86e8; color: white; padding: 5px; border-radius: 5px; margin-bottom: 5px;"> Historical Revenue Growth (5 year CAGR) </div> <div style="background-color: #90ee90; color: black; padding: 5px; border-radius: 5px; margin-bottom: 5px;"> Projected Revenue Growth ('15E-'17E) </div> <div style="background-color: #add8e6; color: black; padding: 5px; border-radius: 5px;"> 2016E EBIT Margin </div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">6.1%</td> <td style="text-align: center;">4.6%</td> <td style="text-align: center;">✓✓</td> </tr> <tr> <td style="text-align: center;">8-9%</td> <td style="text-align: center;">3.1%</td> <td style="text-align: center;">✓✓</td> </tr> <tr> <td style="text-align: center;">17%*</td> <td style="text-align: center;">16.9%</td> <td style="text-align: center;">✓</td> </tr> </table>	6.1%	4.6%	✓✓	8-9%	3.1%	✓✓	17%*	16.9%	✓
6.1%	4.6%	✓✓									
8-9%	3.1%	✓✓									
17%*	16.9%	✓									

*Excluding one-time items and dual-innovation/separation costs. Source: All Peer data from Capital IQ


Johnson Controls Strategic Review and 2016 Outlook December 1, 2015

Power Solutions Strategy to continue to drive growth



OPERATIONALLY EXCELLENT

JOHNSON CONTROLS OPERATING SYSTEM



FUNCTIONAL EXCELLENCE

OUR STRATEGIES

- Product & Technology
- Mature Markets
- Emerging Markets
- Components & Supply Chain
- Adjacent Markets

GROWTH COMPANY

DELIVERING RESULTS 2020

Midterm outlook (through FY20)

Sales Growth 7 – 8%


Margin Expansion to 18.5 – 19%

ENGAGED EMPLOYEES




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Product & Technology

New regulatory targets drive technology choices for OEMs



Miles per gallon

	2015	2020	2025
	42	58 ⁽²⁰²¹⁾	70 - 80
	34	47	Not defined
	36	42	54.5

Confirmed Proposed

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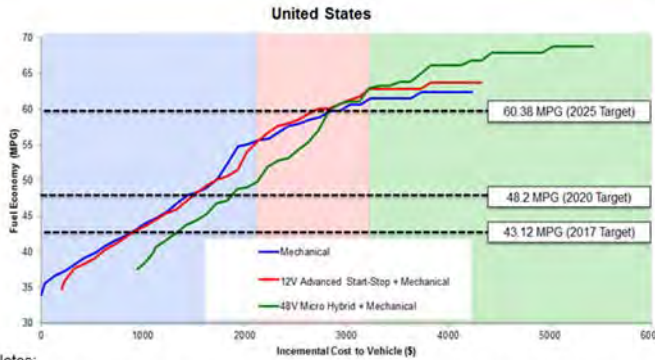
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Product & Technology

Automakers can meet fuel economy and emissions requirements without major investment in xEVs



Vehicle Efficiency Trade-Off Model (VETOM);
(Includes Diesel adoption)



Technology Alternatives

- Engine improvements (e.g. – turbo boosting)
- Component and accessory electrification
- Low rolling resistance tires
- Other fuel saving choices
- **Start / Stop Battery System**

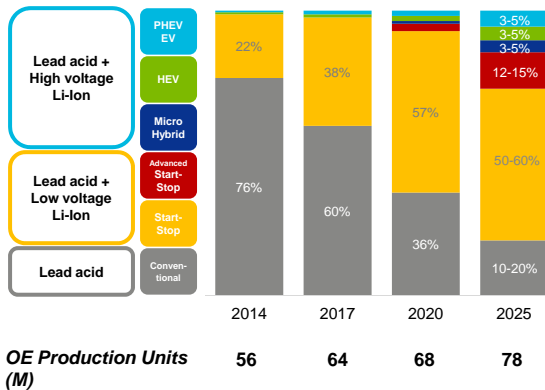
Notes:
- Based on analysis of Toyota Camry, considered a representative mid-point for American car parc

Product & Technology

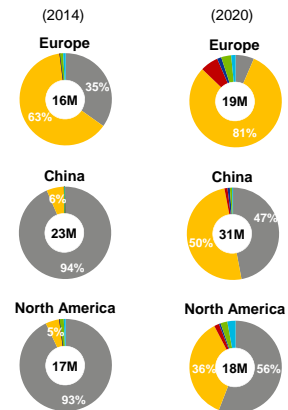
Lead-acid batteries remain majority through 2030 – significant growth in start-stop



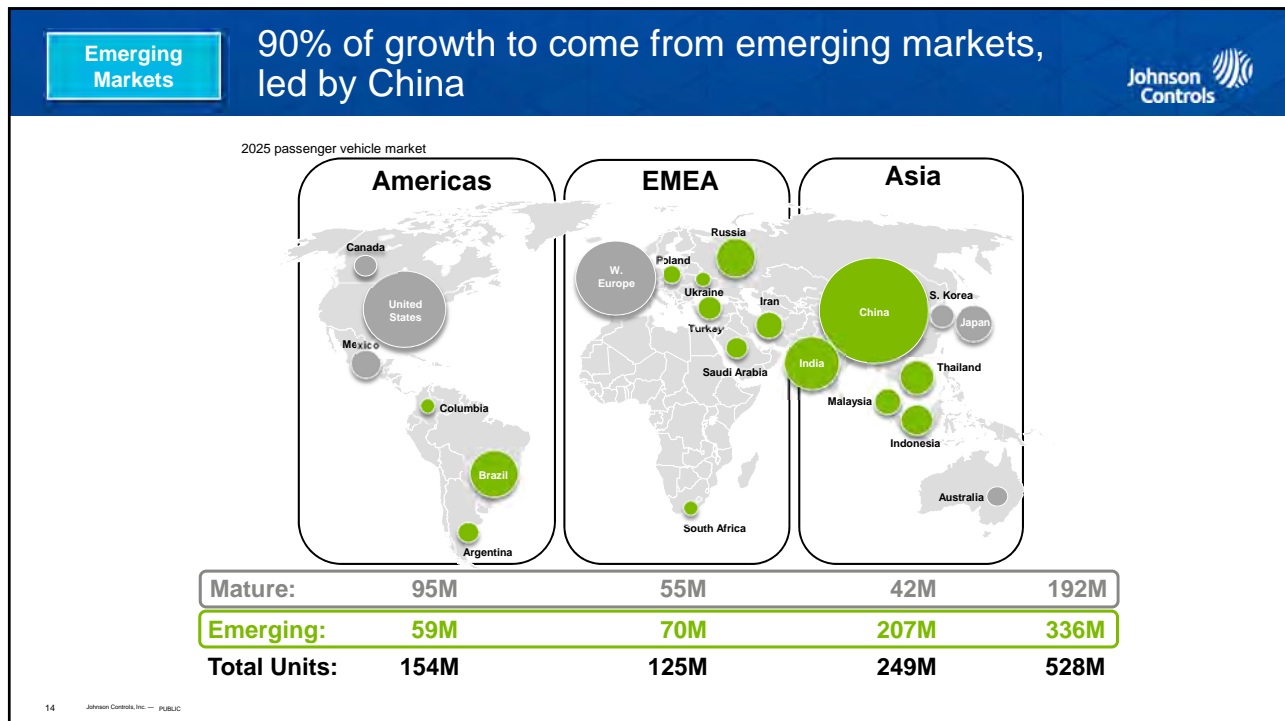
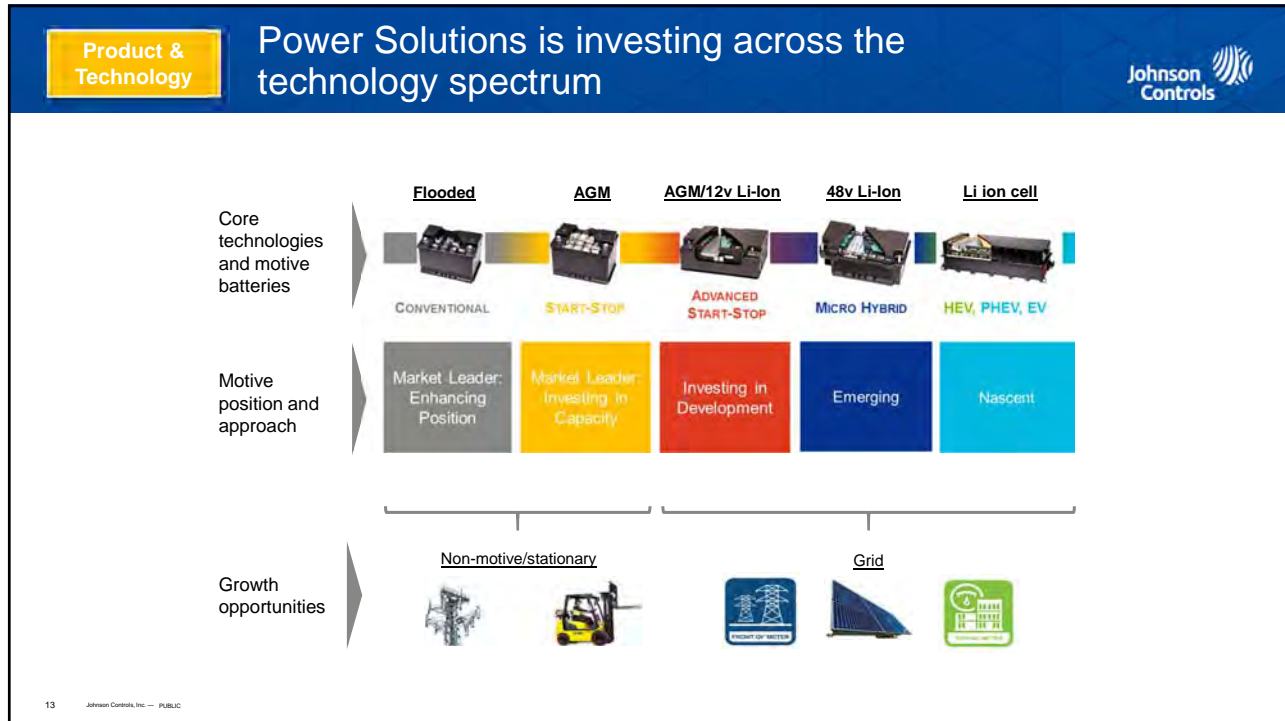
Global OE*
(U.S., EU, China only)



Regional OE*



Johnson Controls Strategic Review and 2016 Outlook December 1, 2015



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Emerging Markets

Investing for leadership in China



Power Solutions Footprint




- Growing aftermarket position through 250+ wholesale distributors
- Aggressive investments for strong regional positions – by 2020:
 - AGM capacity to supply >90% of market demand
- Strong OE relationships driving adoption and scale
- Influencing environmental and industry standards in a consolidating market

5 plants in China in the next 5 years

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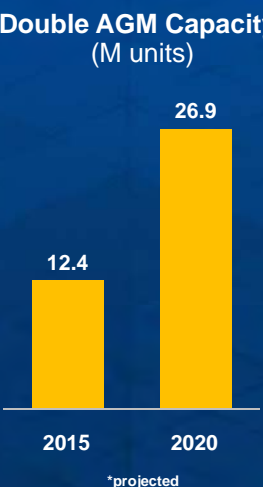
Components & Supply Chain

Increasing capacity to support global growth and to capture start-stop demand




2015 vs. 2020 AGM Capacity

Double AGM Capacity*
(M units)



Year	AGM Capacity (M units)
2015	12.4
2020	26.9

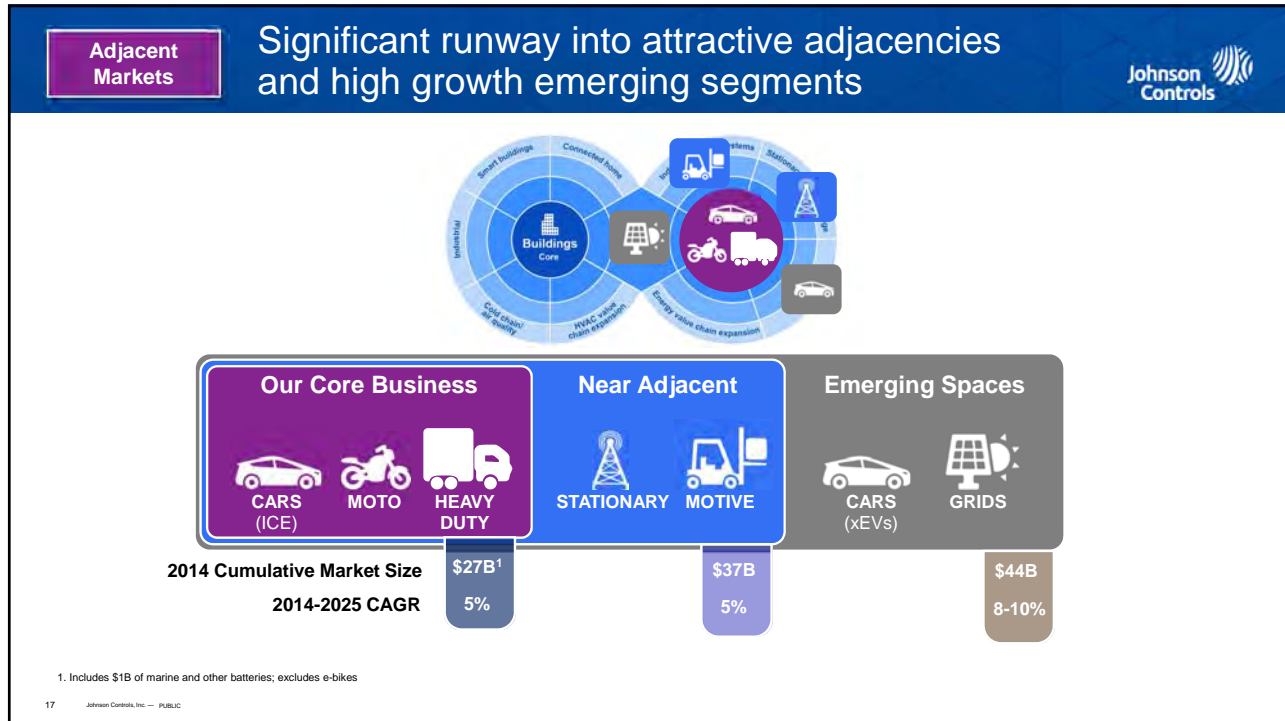
*projected



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Johnson Controls Strategic Review and 2016 Outlook December 1, 2015



Adjacent Markets We are well positioned in advanced battery technology

Technology

- 12V / 48V is natural extension for JCI
- ~Investing in 100M+ annually
- Strong R&D partnerships with universities and national labs

Operations & Engineering

- Four global R&D facilities
- World class manufacturing in Michigan
- Advanced modeling capabilities
- Systems application knowledge

Commercialization

- First to provide Li-ion batteries for xEV's starting in 2006
- Market leader in low voltage auto system applications
- Energy storage solutions launched Oct 2015


Our Holland, Michigan plant has +830 Megawatt hours of capacity

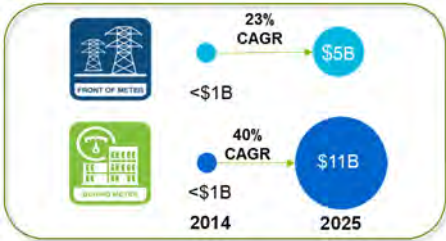
18

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Adjacent Markets

Entering grid storage – Stationary Energy Storage business






**Johnson Controls
Distributed Energy Storage System**



Leveraging existing capabilities

- 80% Johnson Controls content
- PS Li-ion product and capacity
- PS battery management
- BE controls, HVAC and container
- BE Solutions channel in NA



Early commercialization

- ~3MW installed capacity
- Robust sales pipeline: ~39MW and growing

Building Efficiency synergies

- Market access to early adopters through BE channels for “Behind the Meter”
- Developing “Front of Meter” segment

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Power Solutions Summary





- **Multi Industrial business** with aftermarket model, sustained performance and superior results
- Long runway for lead acid batteries where JCI is the incumbent market leader, **well-positioned across the technology spectrum**
- We are **investing in our customers, capacity, technology, cost leadership** and setting the **global benchmark in environmental best practices and standards**
- **Substantial growth opportunity:**
 - Advanced technology
 - Emerging markets
 - Adjacent markets
- Energy storage is **core to the portfolio** and a strong platform where **JCI is uniquely advantaged to grow**

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Johnson Controls Strategic Review and 2016 Outlook
December 1, 2015

Johnson Controls Strategic Review and 2016 Outlook



Financial Outlook and Auto Spin-off Update

Brian Stief

Executive Vice President and Chief Financial Officer

December 1, 2015 – Public



Forward looking statement



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Topics for Today's Discussion



- 1 Consistent Johnson Controls Financial Model
- 2 Free Cash Flow Overview
- 3 FY16 and Mid-Term Outlook
- 4 Auto Spin-off Update

Themes for FY16 Financial Outlook



- Transition year with Auto spin-off, but setting up Johnson Controls for future profitable growth
- Auto separation costs will be significant with additional restructuring likely
- Ongoing focus on operational excellence through Johnson Controls Operating System (JCOS) initiatives
- Continued margin expansion
- Capital allocation reflective of transition year
- Focus on free cash flow



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Consistent Johnson Controls Financial Model



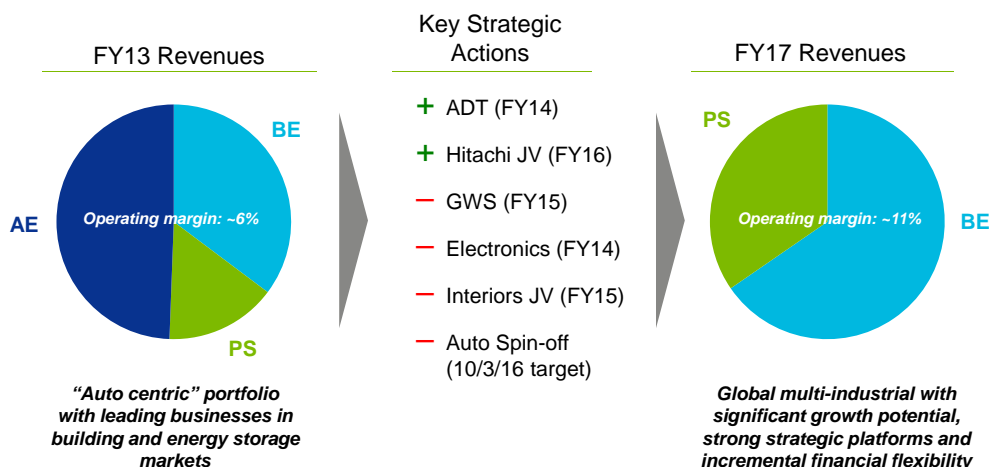
- Clear portfolio choices with focus on where we can win and making the required investments
- Support business and operating model changes
- Significant attention to margin enhancement through cost reduction, improved commercial capabilities and efficiency improvements; several initiatives underway
- Balanced allocation of capital to ensure highest return on investments; continued bias toward Building Efficiency and Power Solutions
- Consistent and sustainable returns to our shareholders



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Clear Portfolio Choices

Significant Progress on Portfolio Transformation/Operating Model

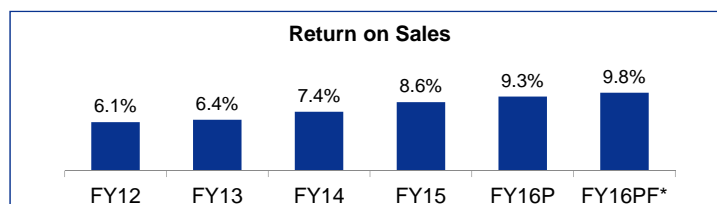


Margin Expansion

Solid Progress, with Opportunities Ahead



- Restructuring and cost reduction initiatives across our businesses (headcount reductions and footprint changes); additional FY16 actions likely in connection with Auto spin-off
- Strong JCOS execution in procurement, manufacturing, engineering, marketing and sales, and functional excellence
- Functional operating model changes under review in connection with Auto separation
- Higher margin product line growth accompanied with line card expansion
- Continued growth and scale in China
- Divestiture of lower margin, non-core businesses



* Proforma, excluding Hitachi joint venture

Margin Expansion

Johnson Controls Operating System Delivering Benefits

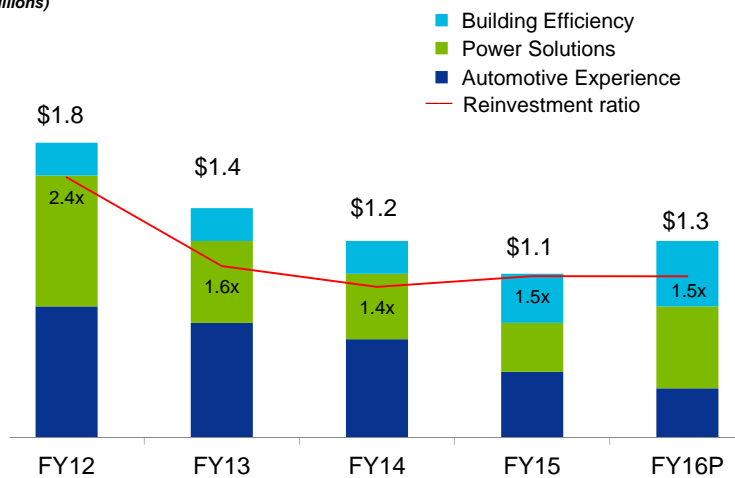


(In Millions)	FY16	FY20
Manufacturing	\$125	\$600
Engineering	50	400
Procurement	100	450
Marketing & Sales	75	400
Functional Excellence	50	150
Gross SINC Benefits	400	\$2000
Investments	(200)	
Net SINC Benefits	\$200	

Balanced Capital Allocation Framework Capex and Reinvestment Ratio



(\$ in billions)

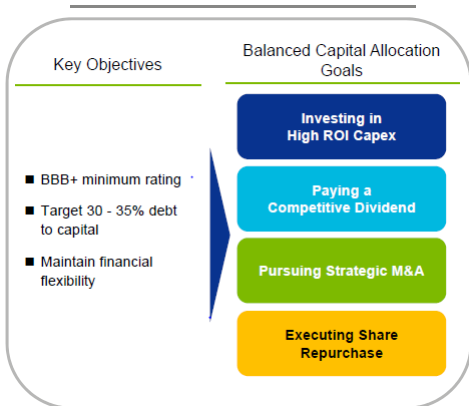


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Balanced Capital Allocation Framework FY16 Transition Year



Consistent Philosophy



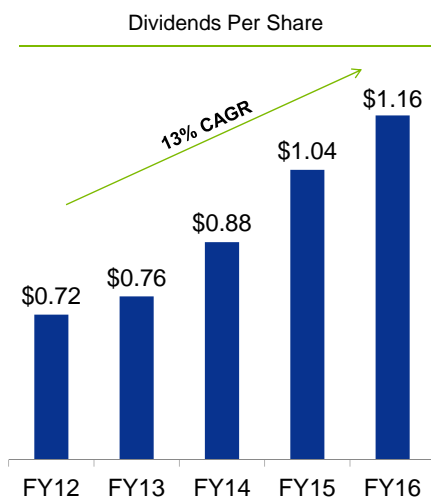
2016 Transition Year

- Significant Auto separation costs
- Pause on share repurchase program; re-evaluate second half FY16
- Dividend increase
- Strategic M&A

Post Auto Spin-off

- ✓ Maintain or improve credit rating
- ✓ Auto spin-off proceeds (\$2.5-3.5B)
- ✓ Move to multi-industrial financial metrics (share repurchase, dividends, etc.)
- ✓ Increased financial flexibility without auto cyclical
- ✓ Ability to increase debt to capital target
- ✓ Strategic M&A

Shareholder Returns Strong Dividend Track Record Continues



- Consecutive dividend payments since 1887
- \$4 billion in cash returned to shareholders via dividends over the past 10 years
- 35 dividend increases in past 37 years
 - Recently announced FY16 quarterly increase to \$0.29 / share vs. \$0.26 / share in FY15
 - 12% increase

Shareholder Returns Share Repurchase Program



- Announced share repurchase program in FY14; total of \$3.65 billion
 - \$1.25 billion completed in FY14
 - \$1.36 billion completed in FY15
 - FY16 pause due to Auto spin-off (separation costs estimated at \$400-600 million)
 - Re-evaluate remaining \$1.04 billion during second half FY16 into FY17

Total cash returned to shareholders (share repurchases and dividend payments) expected to exceed **\$4.5 billion** in FY14 through FY16



Free Cash Flow Significant Items Impacting FY16



- Auto separation costs
- Divestiture of GWS
- Additional restructuring likely, cash outflows tapering in FY17-FY18
- Transaction tax payments and Mexico tax law changes
- No Year 1 dividend from Interiors JV (normal dividend receipts in FY17 forward)
- Capex
 - PS growth investments in AGM and China
 - BE product line expansion investments
- Trade working capital improvements
 - Receivables in BE
 - Inventory optimization in PS

Free Cash Flow Reported to Adjusted Free Cash Flow



(\$ in billions)

	FY14	FY15	FY16P*
Reported Free Cash Flow	\$1.2	\$0.5	\$1.0
Adjustments:			
Voluntary pension contributions	-	0.4	-
Tax audit settlements	-	0.4	-
Transaction tax payments	0.1	-	0.2
Mexico tax law change	-	-	0.3
Transaction / integration / separation costs	-	0.1	-
Adjusted Free Cash Flow	\$1.3	\$1.4	\$1.5

*FY16P excludes Auto separation costs.

Free Cash Flow FCF Conversion by Business Segment



	BE	PS	Remain Co	AE
FY16 adjusted free cash flow conversion*	66%	61%	63%	47%
Hitachi growth capex investments	11%			
PS China growth capex investments and launch costs		11%		
PS incremental advanced battery investments		5%		
AE Interiors dividend deferral				8%
	77%	77%	77%	55%

*Adjusted free cash flow conversion adjusts free cash flow or net income to exclude one-time or unusual items.

Johnson Controls Mid-Term Outlook: Improve adjusted FCF conversion to 85-90%



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Johnson Controls Strategic Review and 2016 Outlook December 1, 2015

FY16 Outlook

Entering The Year



Good Momentum

Taking Actions


- Announced portfolio changes complete
- Auto separation activities well underway and progressing as planned
- Pipeline of investment opportunities for long-term growth
- Ongoing benefits of cost discipline and restructuring activities
- Continued focus on JCOS and operational improvements, driving further margin expansion

- Auto spin-off targeted for October 3, 2016
- Execute restructuring and cost reduction activities in connection with Auto separation
- Hitachi integration
- Focus on free cash flow
- Strategic acquisitions
- Monitor economic developments in China

19
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FY16 Outlook

Underlying Key Assumptions



Automotive Production

	FY16	FY15
– North America	17.7m	17.4m
– Europe	19.9m	20.5m
– China	25.4m	22.9m

Construction Spending

- Non-residential
 - U.S. +6%
 - Europe +2%
 - Asia +5%

Euro - \$1.10

Tax Rate - 19% in FY16 (18.6% in FY15)

M&A Activity

- Hitachi joint venture closed on October 1, 2015 with results now consolidated
- Interiors joint venture closed on July 2, 2015 with results now equity accounting
- Auto spin-off expected to occur on October 3, 2016, with significant one-time separation costs in FY16 that are excluded from guidance

Commodities

- Minimal exposure
 - Hedging strategies
 - Economics indexing in Automotive
- Lead at \$1,900/MT (average \$1,866 in FY15)

Diluted Shares

- 652M weighted average shares
- Assume no share repurchase in 1H
- Stock option exercise dilution

20
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FY16 Outlook Johnson Controls



Consolidated net sales

Approx \$38.6B (up 4%)

- Full year Hitachi (+\$3B)
- Strong aftermarket volumes in all regions
- Deconsolidated Interiors business on July 1, 2015 (-\$3B)
- Planned AE capital constraints and targeted new business hurdles

Segment income growth*

Approx 12%

- Segment margin expansion of 70 bps (120 bps ex-Hitachi)
- JCOS savings and continuous improvement initiatives
- SG&A reductions and restructuring savings

EPS

Approx \$3.70 - \$3.90 (up 8 to 14% vs FY15*)

- Restructuring, cost reduction and pricing initiatives
- Improved operational performance
- Excludes significant transaction / integration / separation costs

Net financing charges

Approx \$300M

- Higher average debt levels due to Hitachi investment

Minority interest

Approx \$200M

- Higher due to Hitachi joint venture minority interest

Capital expenditures

Approx \$1.3B

- Capacity expansion in emerging markets
- Hitachi investment; interiors deconsolidation
- Selective automotive new business launches

Net debt-to-capitalization

Approx 34% - 37%

- Weighted average debt maturity of 11 years as of September 30, 2015
- Higher leverage in early FY16 quarters

Adjusted free cash flow

Approx \$1.5B

- Solid operating cash flow to fund capital expenditures and increased dividend payments

* Excluding separation / transaction / integration costs and one-time or unusual items.

21

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Building Efficiency (including Hitachi) FY16 Financial Outlook



Sales growth of 37% - 39% (9% - 11% ex. Hitachi)

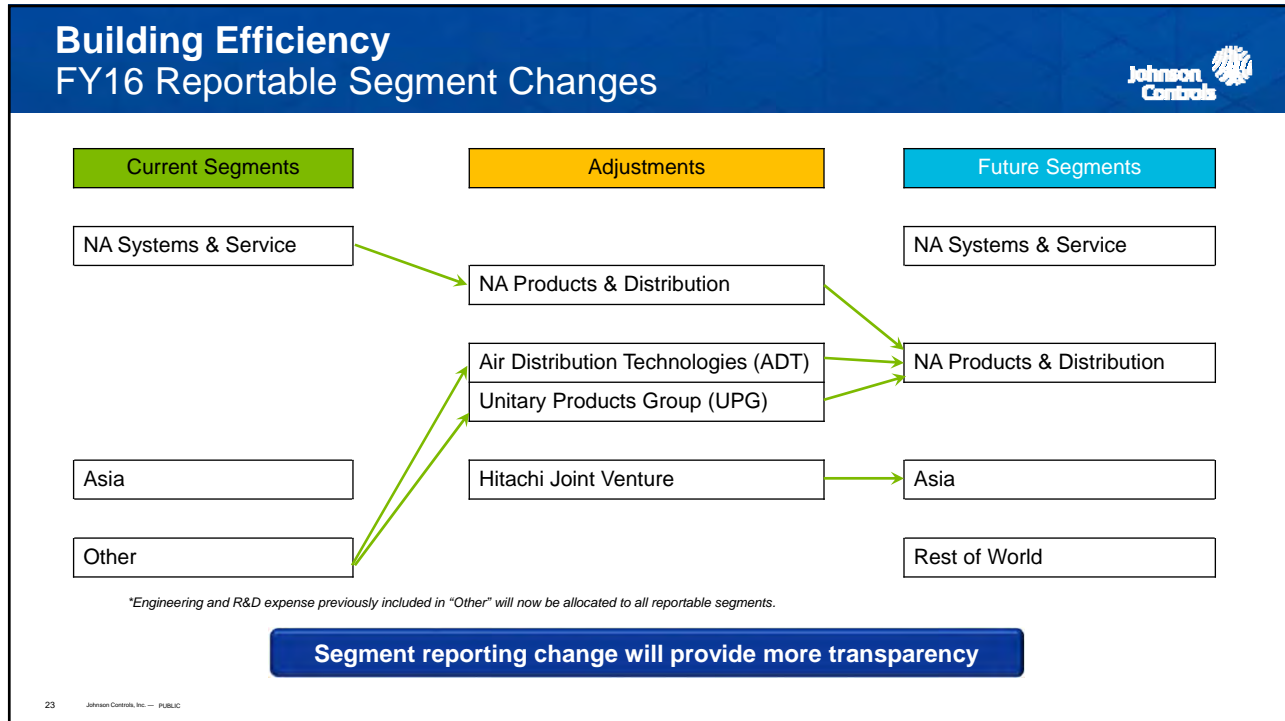
- Hitachi joint venture adds \$3B
- Organic growth in North America
- Order pipeline appears strong
- Asia volumes continue to be an area of concern
- Focused investments to update and expand product portfolio

Margin 8.1% - 8.3% (down 80 - 100 bps; up 30 bps ex. Hitachi)

- Hitachi dilutive to margins given breakeven residential air conditioning business
- Improved volume/mix
- G&A reductions and restructuring savings
- JCOS benefits

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December 1, 2015



Building Efficiency (including Hitachi) Mid-term Outlook (through FY20)

- Sales growth of 4% - 6%**
 - Hitachi VRF demand
 - Growth in emerging markets
 - Product line card expansion
- Margin expansion 9.5% - 10.5%**
 - Average annual improvement of 30 - 50 bps
 - Improved Hitachi residential air conditioning margins
 - Investments in product development
 - JCOS, pricing and cost reduction initiatives

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Power Solutions FY16 Financial Outlook



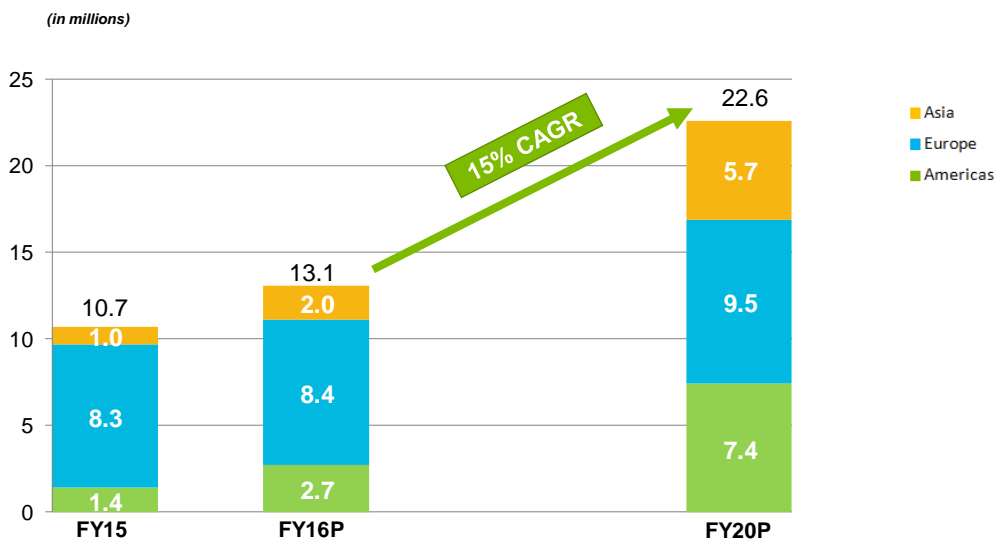
Sales growth of 9% - 11%

- Continued market share gains in all regions with aftermarket and OE volumes up 7% and 5%, respectively
- AGM volumes up 22% year-over-year
- China volumes projected to increase significantly year-over-year

Margin of approximately 17%

- China launch costs and other investments
- Increased advanced battery investments
- G&A reductions and JCOS benefits
- AGM growth

Power Solutions AGM Volume Growth Projection



Power Solutions Mid-term Outlook (through FY20)



Sales growth of 7% - 8%

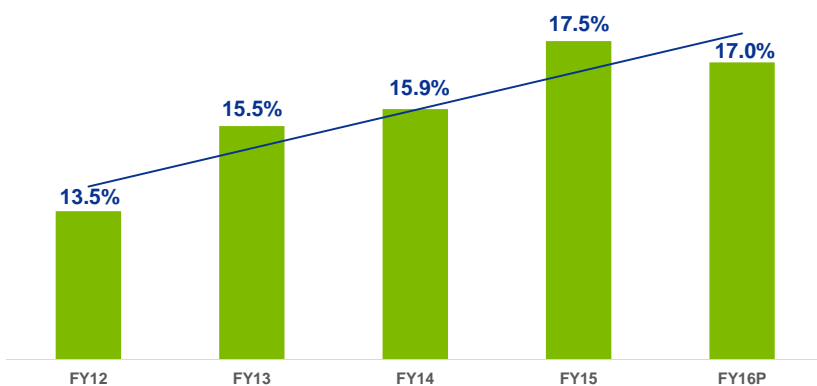
- Growth in China and other emerging markets
- Continued market share gains
- AGM and advanced battery volume increases

Margin expansion to 18.5% - 19.0%

- Average annual improvement of 40 - 50 bps
- Improved product mix (AGM)
- G&A reductions and JCOS benefits
- China plant launch costs
- Increased investment in advanced battery technologies



Power Solutions Segment Margin Trend*



- FY15 exceptional year
- AGM ramp-up costs faster than expected (new China plant and other regional line conversions)
- Increased advanced battery and other investments

* Excluding separation / transaction / integration costs and one-time or unusual items

Segment margin trend consistent with previous mid-term outlook

Automotive Experience (Seating and Interiors JV) FY16 Financial Outlook



Sales decline of 2 - 3% (excluding impact of deconsolidation of Interiors)

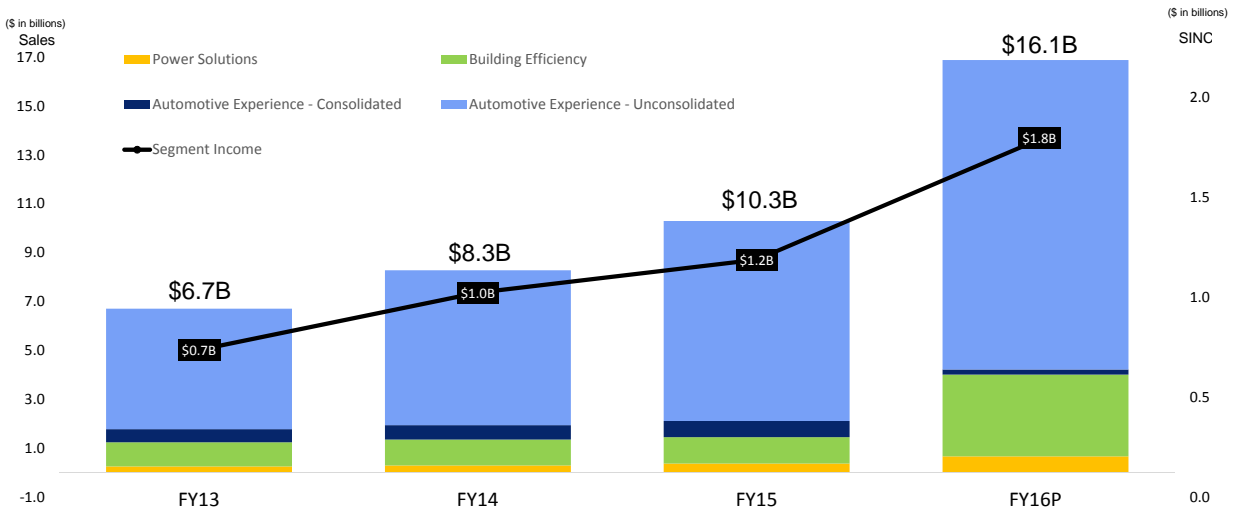
- Prior year capital constraints and new business profitability hurdles
- Strong global production volumes
- New business continues to be heavily weighted in China

Margin expansion to 6.8% - 7.0% (up 140 – 160 bps)

- Strong China JV performance; including new Interiors JV
- JCOS benefits
- G&A cost reduction and restructuring savings
- Metals business run rate improvement

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FY16 Outlook China Sales and SINC at 100%

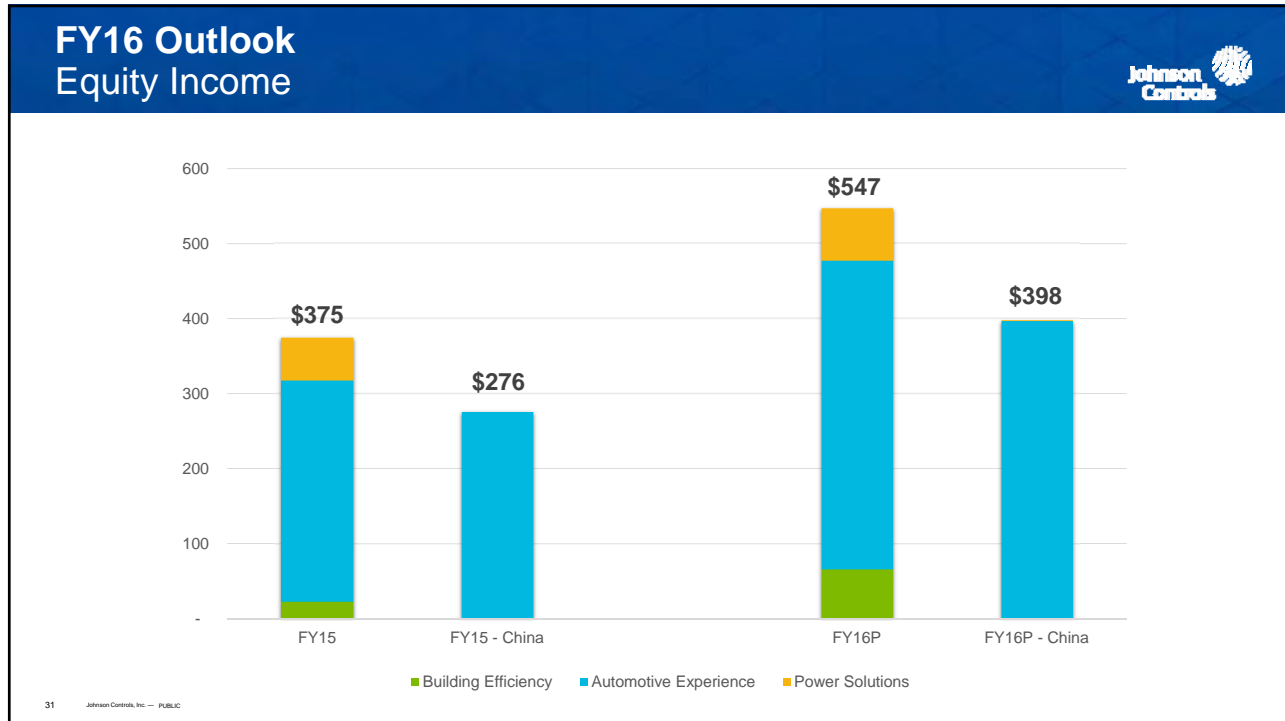


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Johnson Controls Strategic Review and 2016 Outlook

December 1, 2015



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A Commitment to Profitable, Sustainable Growth

- Focused on execution and delivering against our objectives
- Auto separation activities require significant management attention
- Confident in our outlook for FY16

**Committed to delivering
\$3.70 - \$3.90 / share in FY16
(up 8% - 14% YOY)***

*Excludes separation / transaction / integration costs and other one-time costs.

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Auto Spin-off Financial Profile and Capital Structure Considerations



Financial Profile

- >\$16B consolidated sales; \$17B in unconsolidated sales
- China organic growth
- Improving margins; plan in place to reach industry-leading levels over medium-term
- Cost and efficiency focus
- Solid free cash flow generation

Capital Structure

- Targeting high non-investment grade credit rating
- Manageable leverage (\$3.0 - 4.0B)
- Capital allocation flexibility (de-lever, share repurchase, dividends, M&A)

Johnson Controls Profile

- Retains investment grade credit rating
- Auto spin-off proceeds to Johnson Controls (\$2.5 – 3.5B)
- Strong balance sheet with more financial flexibility
- Continued dividend growth in-line with earnings
- Opportunity for significant organic and inorganic investments
- Allows for share repurchases

Johnson Controls Strategic Review and 2016 Outlook

December 1, 2015

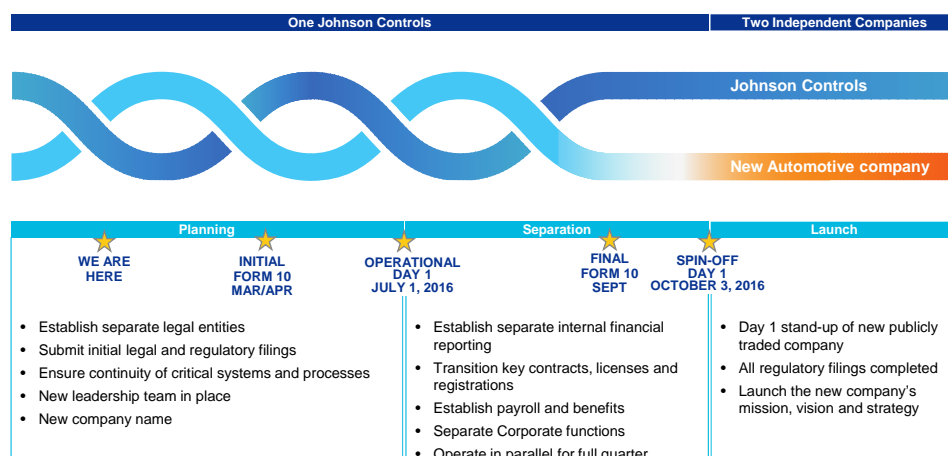
Auto Spin-off Preliminary Financial Overview



Key Metrics for Auto Spin-off	Expected Range
Debt / EBITDA Leverage	2.0x – 2.5x
Cash on Balance Sheet	\$400M – \$600M
Debt / Capital Ratio	30% – 35%
Tax Rate	18% – 20%
Capital Expenditures	Higher to support growth initiatives
Dividends	Dividend policy under review

Additional financial detail available in Form 10 to be filed in March / April 2016

Auto Spin-off High-level Timeline



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Opportunity A Bright Future Ahead



- **Execution** – Continue to deliver on strategic and financial commitments
- **Transformation** - Significant portfolio progress with Auto spin-off on track
- **Acquisitions** – Strong balance sheet to support future growth
- **Operational Excellence** – JCOS delivering tangible results with more to come
- **Growth** - Strong portfolio post-Auto spin-off; well-positioned and reinvesting for growth and improved profitability
- **Shareholder Value** - On clear path to establishing a leading multi-industrial company with significant opportunity to drive increasing shareholder value

37

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Driving sustainable growth and returns in attractive global markets where we can win



Johnson Controls

New Auto Company



FY16
Revenue \$21.8B
SINC \$2.4M

FY16
Revenue \$16.8B
SINC \$1.2M

38

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