

Johnson Controls Reports Strong Q2 Results; Raises FY25 Guidance

1 year ago



[Johnson Controls International plc](#), a global leader for smart, safe, healthy and sustainable buildings, this week reported fiscal second quarter 2025 GAAP earnings per share (“EPS”) of \$0.71. Adjusted EPS was \$0.82.

Sales in the quarter of \$5.7 billion increased 1% over the prior year on an as reported basis and 7% organically. GAAP income from continuing operations was \$473 million. Adjusted income from continuing operations was \$545 million.

“The Johnson Controls team delivered strong second quarter results, highlighted by organic sales growth, margin expansion and record backlog,” said Joakim Weidemanis, CEO. “The results reflect the strengthened execution from our team as well as broad-based and sustained demand for our differentiated solutions. We have a strong foundation in place and by starting to increase customer focus and implement lean and business system approaches, we can take the first step to accelerate our momentum and enhance value for all of our stakeholders.”

FISCAL Q2 SEGMENT RESULTS

The financial highlights presented in the tables below exclude discontinued operations and are in accordance with GAAP, unless otherwise indicated. All comparisons are to the second quarter of fiscal 2024.

A slide presentation to accompany the results can be found in the Investor Relations section of Johnson Controls’ website at <http://investors.johnsoncontrols.com>.

Building Solutions North America

	Fiscal Q2			
(in millions)	2025		2024	Change
Sales	\$ 2,916		\$ 2,739	6 %
Segment EBITA				
GAAP	390		373	5 %
Adjusted (non-GAAP)	390		373	5 %
Segment EBITA Margin %				
GAAP	13.4 %		13.6 %	(20 bp)
Adjusted (non-GAAP)	13.4 %		13.6 %	(20 bp)

Sales in the quarter of \$2.9 billion increased 6% over the prior year. Organic sales increased 7% over the prior year, led by continued strength across Applied HVAC and Controls.

Excluding M&A and adjusted for foreign currency, orders increased 4% year-over-year and backlog of \$9.8 billion increased 11% year-over-year.

Segment EBITA margin of 13.4% declined 20 basis points versus the prior year as Systems growth outpaced Service growth.

Building Solutions EMEA/LA (Europe, Middle East, Africa/Latin America)

	Fiscal Q2			
(in millions)	2025		2024	Change
Sales	\$ 1,085		\$ 1,064	2 %
Segment EBITA				
GAAP	136		89	53 %

Adjusted (non-GAAP)		136		89		53 %
Segment EBITA Margin %						
GAAP		12.5 %		8.4 %		410 bp
Adjusted (non-GAAP)		12.5 %		8.4 %		410 bp

Sales in the quarter of \$1.1 billion increased 2% over the prior year. Organic sales grew 5% versus the prior year quarter led by 9% growth in Service, including solid growth in Applied HVAC and Fire and Security sales.

Excluding M&A and adjusted for foreign currency, orders increased 10% year-over-year and backlog of \$2.7 billion increased 10% year-over-year.

Segment EBITA margin of 12.5% expanded 410 basis points versus the prior year driven by productivity improvements and positive mix from growth in Service.

Building Solutions Asia Pacific

		Fiscal Q2			
(in millions)		2025		2024	Change
Sales		\$ 542		\$ 491	10 %
Segment EBITA					
GAAP		79		54	46 %
Adjusted (non-GAAP)		79		54	46 %
Segment EBITA Margin %					
GAAP		14.6 %		11.0 %	360 bp
Adjusted (non-GAAP)		14.6 %		11.0 %	360 bp

Sales in the quarter of \$542 million increased 10% versus the prior year. Organic sales increased 13% versus the prior year led by strong double-digit growth from both Service and Systems.

Excluding M&A and adjusted for foreign currency, orders were flat year-over-year and backlog of \$1.5 billion increased 21% year-over-year.

Segment EBITA margin of 14.6% increased 360 basis points versus the prior year driven by productivity improvements.

Global Products

	Fiscal Q2				
(in millions)	2025		2024		Change
Sales	\$ 1,133		\$ 1,303		(13 %)
Segment EBITA					
GAAP	341		290		18 %
Adjusted (non-GAAP)	343		316		9 %
Segment EBITA Margin %					
GAAP	30.1 %		22.3 %		780 bp
Adjusted (non-GAAP)	30.3 %		24.3 %		600 bp

Sales in the quarter of \$1.1 billion declined 13% versus the prior year. Organic sales grew 8% versus the prior year, led by positive price and volume growth. Excluding the impact of divestitures, Applied HVAC grew over 20% with strong double-digit growth in North America and EMEA/LA.

Segment EBITA margin of 30.1% expanded 780 basis points versus the prior year due to enhanced operational efficiencies and increased volumes, excluding the impact of divestitures. Adjusted segment EBITA in Q2 2025 excludes transformation costs. Adjusted segment EBITA in Q2 2024 excludes costs for a product quality issue, partially offset by favorable earn-out adjustments.

Corporate

	Fiscal Q2				
(in millions)	2025		2024		Change

Corporate Expense					
GAAP		\$ 186		\$ 92	102 %
Adjusted (non-GAAP)		135		83	63 %

Corporate expenses increased over the prior year as a result of certain corporate accruals combined with the impact of stranded costs from the planned divestiture of the R&LC HVAC business. Adjusted Corporate expense in Q2 2025 excludes certain transaction/separation costs and transformation costs. Adjusted Corporate expense in Q2 2024 excludes certain transaction/separation costs and cyber incident costs.

OTHER Q2 ITEMS

- Cash provided by operating activities was \$550 million. Free cash flow was \$456 million and adjusted free cash flow was \$463 million.
- The Company paid dividends of \$245 million.
- The Company repurchased 4.1 million shares of common stock for \$330 million.