

Johnson Controls Reports Strong Q3 Results; Raises FY25 Guidance

6 months ago



[Johnson Controls International plc](#), a global leader for smart, safe, healthy and sustainable buildings, reported fiscal third quarter 2025 GAAP earnings per share ("EPS") of \$0.94. Adjusted EPS was \$1.05.

Sales in the quarter of \$6.1 billion increased 3% over the prior year on an as reported basis and 6% organically. GAAP income from continuing operations was \$618 million. Adjusted income from continuing operations was \$693 million.

"As we celebrate 140 years of innovation and customer commitment, our strong third quarter results and record backlog reflect the momentum we've built and the opportunities ahead," said Joakim Weidemanis, CEO. "By prioritizing our customers, empowering our 40,000 frontline colleagues, and investing in R&D, we are strengthening our capabilities to win - both now and in the future. Looking ahead, we believe implementing the right business system will allow us to accelerate performance, drive consistency, and deliver sustained long-term value for our shareholders."

FISCAL Q3 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 third quarter of fiscal 2024. Orders and backlog metrics included in the release relate to the Company's Systems and Services based businesses.

A slide presentation to accompany the results can be found in the Investor Relations section of Johnson Controls' website at [investors.johnsoncontrols.com](#).

Americas

	Fiscal Q3			
(in millions)	2025	2024	Change	

Sales	\$ 4,042	\$ 4,035	— %
Segment EBITA			
GAAP	742	804	(8 %)
Adjusted (non-GAAP)	746	743	— %
Segment EBITA Margin %			
GAAP	18.4 %	19.9 %	(150 bp)
Adjusted (non-GAAP)	18.5 %	18.4 %	10 bp

Sales in the quarter of \$4.0 billion remained flat 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 5% year-over-year and backlog of \$10.3 billion increased 10% year-over-year.

Segment EBITA margin of 18.4% declined 150 basis points versus the prior year due to the impact of divestitures and prior year earn-out adjustments. Adjusted segment EBITA in Q3 2025 excludes transformation costs. Adjusted segment EBITA in Q3 2024 excludes earn-out adjustments.

EMEA (Europe, Middle East, Africa)

	Fiscal Q3			
	2025	2024	Change	
(in millions)				
Sales	\$ 1,273	\$ 1,177	8 %	
Segment EBITA				
GAAP	177	154	15 %	
Adjusted (non-GAAP)	179	154	16 %	
Segment EBITA Margin %				

GAAP	13.9 %	13.1 %	80 bp
Adjusted (non-GAAP)	14.1 %	13.1 %	100 bp

Sales in the quarter of \$1.3 billion increased 8% over the prior year. Organic sales grew 4% versus the prior year quarter led by 8% growth in Service, including solid growth in Applied HVAC and Fire and Security sales.

Excluding M&A and adjusted for foreign currency, orders increased 2% year-over-year and backlog of \$2.6 billion increased 9% year-over-year.

Segment EBITA margin of 13.9% expanded 80 basis points versus the prior year driven by productivity improvements and positive mix from growth in Service. Adjusted segment EBITA in Q3 2025 excludes transformation costs.

APAC (Asia Pacific)

	Fiscal Q3		
(in millions)	2025	2024	Change
Sales	\$ 737	\$ 686	7 %
Segment EBITA			
GAAP	143	128	12 %
Adjusted (non-GAAP)	143	128	12 %
Segment EBITA Margin %			
GAAP	19.4 %	18.7 %	70 bp
Adjusted (non-GAAP)	19.4 %	18.7 %	70 bp

Sales in the quarter of \$737 million increased 7% versus the prior year. Organic sales increased 6% versus the prior year led by strong double-digit growth from the Service business.

Excluding M&A and adjusted for foreign currency, orders decreased 8% and backlog of \$1.7 billion increased 14% year-over-year.



Segment EBITA margin of 19.4% increased 70 basis points versus the prior year driven by productivity improvements.

Corporate

		Fiscal Q3				
(in millions)		2025		2024		Change
Corporate Expense						
GAAP		\$ 141		\$ 128		10 %
Adjusted (non-GAAP)		93		119		(22 %)

Adjusted Corporate expense in Q3 2025 excludes certain transaction/separation costs and transformation costs. Adjusted Corporate expense in Q3 2024 excludes certain transaction/separation costs.

OTHER Q3 ITEMS

- Cash provided by operating activities was \$787 million. Free cash flow was \$693 million and adjusted free cash flow was \$725 million.
- The Company paid dividends of \$243 million.
- The Company repurchased 3.8 million shares of common stock for \$310 million.