Johnson Controls Int'l PLC (JCI)

Updated July 30th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$144	**5 Year CAGR Estimate:**	9.2%	**Market Cap:**	$85 B
Fair Value Price:	$107	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date[1]:**	09/22/26
% Fair Value:	135%	**5 Year Valuation Multiple Estimate:**	-5.8%	**Dividend Payment Date[1]:**	10/16/26
Dividend Yield:	1.1%	**5 Year Price Target**	$214	**Years Of Dividend Growth:**	6
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Johnson Controls, originally founded in 1885, is an $85 billion industrial company that offers Building Solutions (cooling, heating, ventilation, and security) around the world, with more than half of its sales coming from North America. Johnson Controls is headquartered in Ireland after its merger with Tyco in 2016. In November 2018, the company announced it was selling its Power Solutions business. The Power segment made up about a fourth of Johnson Control's business and the sale made the company a "pure play" buildings technologies and solutions provider. On April 30th, 2019, Johnson Controls completed the sale of its Power Business for $11.6 billion in net proceeds.

On January 13th, 2023, Johnson Controls announced it acquired Hybrid Energy AS, a provider of high-temperature energy management solutions. With the acquisition, Johnson Controls will be able to supply high-temperature heat pumps in district heating and industrial markets, particularly in Europe.

On August 1st, 2025, Johnson completed the sale of its Residential and Light Commercial HVAC business to the Bosch Group. The overall deal value was $8.3 billion, with $6.9 billion going to JCI and the remainder to Hitachi (who owns 40% of the global Residential JV). JCI received around $5.0 billion in net cash proceeds.

Joakim Weidemanis was appointed the CEO position effective March 12, 2025. He previously worked at Danaher Corporation for 13 years in various executive leadership roles. His career spans 30 years in companies such as Mettler Toledo and ABB.

On July 29th, 2026, Johnson Controls reported third quarter 2026 results for the period ending June 30, 2026. For the quarter, sales increased 9% year-over-year to $6.6 billion. The Americas and APAC segments saw 11% and 15% sales increases, respectively. Meanwhile, EMEA sales fell 1%. Adjusted EPS equaled $1.42 per share; a 35% increase compared to $1.05 per share in Q3 2025. The company ended the quarter with a backlog of $21 billion, up 32% year-over-year.

Johnson Controls raised its fiscal year 2026 guidance again, now expecting $5.05 in adjusted earnings-per-share (previously $4.85), implying a 34% year-over-year increase.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.98	$2.60	$1.59	$1.96	$2.24	$2.65	$3.00	$3.50	$3.21	$3.76	***$5.05***	***$10.16***
DPS	$1.16	$1.00	$1.04	$1.04	$1.04	$1.07	$1.39	$1.45	$1.48	$1.48	***$1.60***	***$2.14***
Shares[2]	936	928	932	778	726	721	691	683	668	633	***610***	***585***

The Johnson Controls of today looks very different from the Johnson Controls of nine years ago due to the Tyco merger and automotive business spinoff, which is now publicly traded as Adient (ADNT). The 2016 merger with Tyco relocated Johnson Controls to Ireland for tax purposes. Yet tax legislation changes in the U.S. meant that the benefit of that move evaporated, and Johnson Controls was left with the integration costs of the merger.

Earnings-per-share were temporarily depressed after the sale of the Power Business, but they have since rebounded due in large part to Johnson Controls retiring a significant amount of stock. We believe the pure-play building solutions ought

[1] Estimate
[2] In millions.
Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

to do well in the long term, but business results are likely to be increasingly volatile, as the company has become more and more concentrated. Additionally, Johnson will likely continue to grow through acquisitions, where it can purchase unique solutions and valuable patents. Its business continued transforming in FY 2025, when it divested its R&LC HVAC and Air Distribution Technologies companies, which had accounted for ~20% of sales.

We are forecasting $5.05 in EPS for fiscal 2026 - the current guidance - and 15% longer-term annual EPS growth.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.5	16.2	16.0	18.8	16.7	22.3	20.2	17.0	20.4	25.6	***28.5***	***21.1***
Avg. Yld.	2.8%	2.4%	2.8%	2.8%	2.8%	1.8%	2.2%	2.8%	2.3%	1.6%	***1.1%***	***1.0%***

Looking at the 2016 through 2025 period, shares of Johnson Controls have traded hands with an average P/E ratio of about 18.4 times earnings. We are using 21.1 times earnings as a starting fair value baseline, taking into account the ongoing growth avenues – both organically, through acquisitions, and via share repurchases. With shares trading at 28.5 times our 2026 EPS estimate, this implies a meaningful valuation headwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	38%	65%	53%	46%	40%	46%	41%	46%	39%	***32%***	***21%***

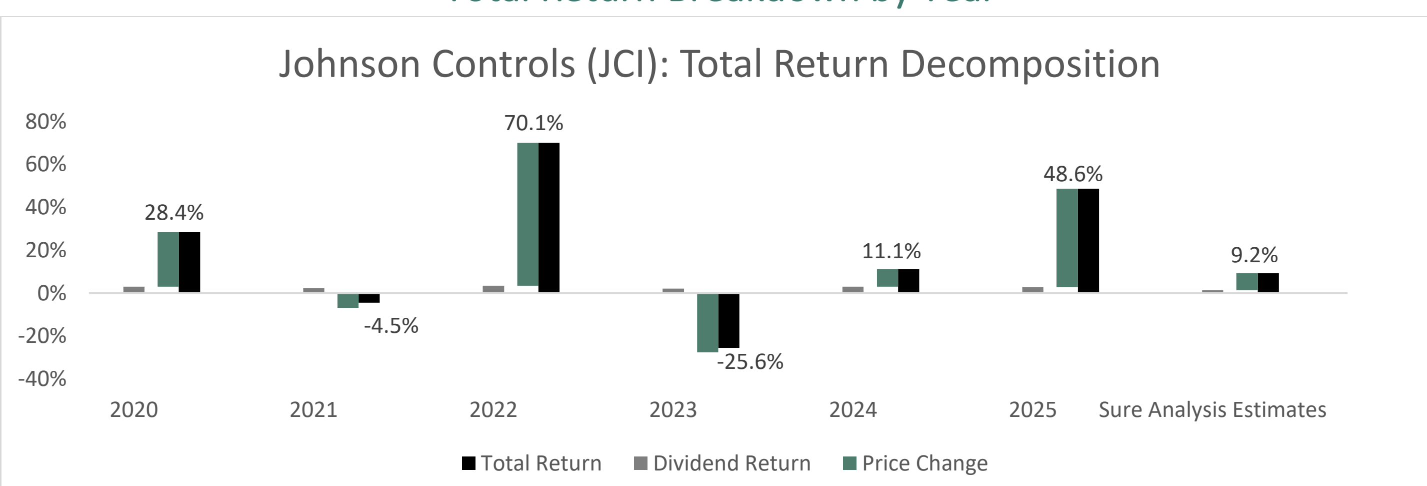
Johnson Controls is one of the key players in the building construction industry, where it provides products and services for heating, ventilation, cooling, and security systems. The company's sales network and expertise are hard to replicate for new entrants. Moreover, the sale of the Power business has led to financial flexibility, an increased focus on growth trends, lower capital intensity, and margin expansion.

As of Q3 2026, Johnson Controls held $641 million in cash, $11.3 billion in current assets and $38.8 billion in total assets against $11.3 billion in current liabilities and $25.2 billion in total liabilities. Long-term debt stood at $8.3 billion.

Final Thoughts & Recommendation

Johnson Controls' business has become a "pure play" Buildings Solution company within the last decade. It should be noted that this transformation has added uncertainty in the way of a less diversified business, but results have been promising and the current growth trajectory is impressive. We are forecasting 9.2% annual total return potential, driven by 15% EPS growth and a 1.1% starting dividend yield, partly offset by -5.8% P/E multiple contraction. JCI maintains its hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	20837	30172	31400	23968	22320	23670	25299	26790	22950	23,600
Gross Profit	5654	9339	9380	7693	7411	8059	8343	8971	8077	8,581
Gross Margin	27.1%	31.0%	29.9%	32.1%	33.2%	34.0%	33.0%	33.5%	35.2%	36.4%
SG&A Exp.	4190	6158	6010	6244	5665	5258	5945	6181	5661	5,764
D&A Exp.	953	1188	1085	825	206	845	830	848	816	865
Operating Profit	1464	3181	3370	1449	1746	2801	2398	2790	2416	2,814
Op. Margin	7.0%	10.5%	10.7%	6.0%	7.8%	11.8%	9.5%	10.4%	10.5%	11.9%
Net Profit	-868	1611	2162	5674	206	1637	1532	1849	1705	1,724
Net Margin	-4.2%	5.3%	6.9%	23.7%	0.9%	6.9%	6.1%	6.9%	7.4%	7.3%
Free Cash Flow	659	-1312	1483	616	879	1935	1394	1682	1604	965
Income Tax	197	705	518	-233	108	868	-13	-323	111	245

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	63179	51884	48797	42287	40820	41890	42158	42240	42700	37,940
Cash & Equivalents	579	321	200	2805	1951	1336	2031	835	606	384
Acc. Receivable	6394	6666	7065	5770	5294	5613	5528	6006	6051	6,269
Inventories	2888	3209	3224	1814	1773	2057	2510	2776	1774	1,820
Goodwill & Int.	28564	26429	25821	23810	23290	23880	21969	22820	20860	20,250
Total Liabilities	38089	30517	26339	21458	22280	23140	24756	24550	25330	24,980
Accounts Payable	4000	4271	4644	3582	---	---	---	---	3389	3,614
Long-Term Debt	12759	13572	10995	7219	7819	7740	8960	8848	9493	10,240
Total Equity	24118	20447	21164	19766	17450	17560	16268	16540	16100	12,930
LTD/E Ratio	0.53	0.66	0.52	0.37	0.45	0.44	0.55	0.53	0.59	0.87

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-1.9%	2.8%	4.3%	12.5%	1.5%	4.0%	3.6%	4.4%	4.0%	4.3%
Return on Equity	-5.0%	7.2%	10.4%	27.7%	3.4%	9.4%	9.1%	11.3%	9.7%	11.4%
ROIC	-3.2%	4.4%	6.3%	18.5%	2.3%	6.2%	5.8%	7.0%	6.4%	6.6%
Shares Out.	936	928	932	778	754	721	700	687	676	654
Revenue/Share	30.98	31.94	33.70	27.41	29.61	32.82	36.16	38.98	33.95	36.07
FCF/Share	0.98	-1.39	1.59	0.70	1.17	2.68	1.99	2.45	2.37	1.48

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.