



NEWS RELEASE

Johnson Controls to sell Scott Safety business to 3M for \$2 billion

2017-03-16

CORK, Ireland, March 16, 2017 /PRNewswire/ -- Johnson Controls (NYSE: JCI) today announced that it has signed a definitive agreement to sell its Scott Safety business to 3M in a cash transaction valued at approximately \$2.0 billion.

Scott Safety is a leader in the design, manufacture and sale of high performance respiratory protection, gas and flame detection, thermal imaging and other critical products for fire services, law enforcement, industrial, oil & gas, chemical, armed forces, and homeland defense end markets. The business is headquartered in Monroe, North Carolina, with approximately 1,500 employees globally.

"We are pleased to announce the sale of Scott Safety to 3M in a mutually beneficial strategic transaction," said Alex Molinaroli, Johnson Controls chairman and CEO. "Consistent with our priority to focus the portfolio on our two core platforms of Buildings and Energy, we continue to execute on our strategic plan, which positions us to deliver a 12 percent to 15 percent earnings per share CAGR by fiscal 2020."

On a trailing 12-month basis, Scott Safety generated sales of approximately \$570 million and earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately \$155 million. Johnson Controls plans to offset dilution from this transaction, including increasing its share repurchase program during the remainder of fiscal 2017, and will provide additional details during the quarterly earnings call to be held in April.

"Scott Safety is a leader in the fire safety solutions market, with a strong management team and highly dedicated employees," said George Oliver, Johnson Controls chief operating officer. "We thank them for their significant contributions over the years and believe this transaction positions them for long-term success at 3M."

Net cash proceeds from the transaction are expected to approximate \$1.8 to \$1.9 billion, and will be used to repay a portion of Tyco International Holding Sarl's \$4.0 billion of merger related debt. The purchase price translates to approximately 13 times Scott Safety's trailing 12-month EBITDA. The

transaction is expected to close in the second half of calendar 2017, subject to customary closing conditions including required regulatory approval.

Centerview Partners acted as Johnson Controls' financial advisor in connection with this transaction, and Simpson Thacher & Bartlett and Axinn, Veltrop & Harkrider acted as legal counsel.

About Johnson Controls:

Johnson Controls is a global diversified technology and multi industrial leader serving a wide range of customers in more than 150 countries. Our 130,000 employees create intelligent buildings, efficient energy solutions, integrated infrastructure and next generation transportation systems that work seamlessly together to deliver on the promise of smart cities and communities. Our commitment to sustainability dates back to our roots in 1885, with the invention of the first electric room thermostat. We are committed to helping our customers win and creating greater value for all of our stakeholders through strategic focus on our buildings and energy growth platforms. For additional information, please visit <http://www.johnsoncontrols.com> or follow us @johnsoncontrols on Twitter.

Johnson Controls 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 document 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 this communication, statements regarding Johnson Controls' future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures, debt levels, share repurchases and acquisition and divestiture activity are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project" or "plan" and terms of similar meaning are also generally intended to identify forward-looking statements. 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 Johnson Controls' control, that could cause Johnson Controls' actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: any delay or inability of Johnson Controls to realize the expected benefits and synergies of portfolio transactions (such as the merger with Tyco and the spin-off of Adient), changes in tax laws, regulations, rates, policies or interpretations, the loss of key senior management, the tax treatment of portfolio transactions, significant transaction costs and/or unknown liabilities associated with such transactions, the outcome of actual or potential litigation relating to such transactions, the risk that disruptions from portfolio transactions will harm Johnson Controls' business, the strength of the U.S. or other economies, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, cancellation of or changes to commercial arrangements, and capital market disruptions. 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 2016 year filed with the SEC on November 23, 2016, and in the quarterly reports on Form 10-Q filed with the SEC after such date, and available at www.sec.gov and www.johnsoncontrols.com under the "Investors" tab. 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 communication 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.

CONTACT:

Investors:

Antonella Franzen

(609) 720-4665

Ryan Edelman

(609) 720-4545

Media:

Fraser Engerman

(414) 524-2733

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/johnson-controls-to-sell-scott-safety-business-to-3m-for-2-billion-300424764.html>

SOURCE Johnson Controls