

JOHNSON CONTROLS INC
Form 10-Q
May 03, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-5097

JOHNSON CONTROLS, INC.

(Exact name of registrant as specified in its charter)

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Wisconsin
(State or Other Jurisdiction of
Incorporation or Organization)

39-0380010
(I.R.S. Employer
Identification No.)

5757 North Green Bay Avenue
Milwaukee, Wisconsin
(Address of principal executive offices)

53209
(Zip Code)

(414) 524-1200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding at March 31, 2012
Common Stock: \$0.01 7/18 par value per share	680,200,626

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Johnson Controls, Inc.****Condensed Consolidated Statements of Financial Position**

(in millions; unaudited)

	March 31, 2012	September 30, 2011	March 31, 2011
Assets			
Cash and cash equivalents	\$ 240	\$ 257	\$ 401
Accounts receivable net	7,402	7,151	6,946
Inventories	2,374	2,316	2,239
Other current assets	2,346	2,291	2,620
Current assets	12,362	12,015	12,206
Property, plant and equipment net	6,086	5,616	4,761
Goodwill	7,040	7,016	6,807
Other intangible assets net	966	945	832
Investments in partially-owned affiliates	961	811	864
Other noncurrent assets	3,558	3,273	3,198
Total assets	\$ 30,973	\$ 29,676	\$ 28,668
Liabilities and Equity			
Short-term debt	\$ 530	\$ 596	\$ 106
Current portion of long-term debt	148	17	53
Accounts payable	6,313	6,159	6,082
Accrued compensation and benefits	956	1,315	1,070
Other current liabilities	2,608	2,695	2,861
Current liabilities	10,555	10,782	10,172
Long-term debt	5,645	4,533	4,382
Pension, postretirement health and other benefits	782	1,102	803
Other noncurrent liabilities	1,928	1,819	1,982
Long-term liabilities	8,355	7,454	7,167
Commitments and contingencies (Note 17)			
Redeemable noncontrolling interests	318	260	223
Shareholders' equity attributable to Johnson Controls, Inc.	11,595	11,042	10,976
Noncontrolling interests	150	138	130
Total equity	11,745	11,180	11,106

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Total liabilities and equity	\$ 30,973	\$ 29,676	\$ 28,668
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The accompanying notes are an integral part of the financial statements.

Table of Contents**Johnson Controls, Inc.****Consolidated Statements of Income**

(in millions, except per share data; unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2012	2011	2012	2011
Net sales				
Products and systems*	\$ 8,495	\$ 8,107	\$ 16,829	\$ 15,702
Services*	2,070	2,037	4,153	3,979
	10,565	10,144	20,982	19,681
Cost of sales				
Products and systems*	7,302	6,973	14,464	13,501
Services*	1,714	1,697	3,437	3,292
	9,016	8,670	17,901	16,793
Gross profit	1,549	1,474	3,081	2,888
Selling, general and administrative expenses	(1,069)	(1,014)	(2,123)	(1,961)
Net financing charges	(63)	(46)	(112)	(81)
Equity income	79	61	199	127
Income before income taxes	496	475	1,045	973
Provision for income taxes	94	90	198	185
Net income	402	385	847	788
Income attributable to noncontrolling interests	38	31	73	59
Net income attributable to Johnson Controls, Inc.	\$ 364	\$ 354	\$ 774	\$ 729
Earnings per share				
Basic	\$ 0.54	\$ 0.52	\$ 1.14	\$ 1.08
Diluted	\$ 0.53	\$ 0.51	\$ 1.12	\$ 1.06

* Products and systems consist of automotive experience and power solutions products and systems and building efficiency installed systems. Services are building efficiency technical and global workplace solutions.
The accompanying notes are an integral part of the financial statements.

Table of Contents**Johnson Controls, Inc.****Consolidated Statements of Cash Flows**

(in millions; unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2012	2011	2012	2011
Operating Activities				
Net income attributable to Johnson Controls, Inc.	\$ 364	\$ 354	\$ 774	\$ 729
Income attributable to noncontrolling interests	38	31	73	59
Net income	402	385	847	788
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation	189	173	371	331
Amortization of intangibles	11	12	25	23
Equity in earnings of partially-owned affiliates, net of dividends received	(59)	(51)	(161)	(73)
Deferred income taxes	(34)		26	
Impairment charges	14		14	
Gain on divestitures net	(35)			