



Emerson Reports Third Quarter 2024 Results; Updates 2024 Outlook

ST. LOUIS (August 7, 2024) - Emerson (NYSE: EMR) today reported results¹ for its third quarter ended June 30, 2024 and updated its full year outlook for fiscal 2024. Emerson also declared a quarterly cash dividend of \$0.525 per share of common stock payable September 10, 2024 to stockholders of record on August 16, 2024.

| <i>(dollars in millions, except per share)</i> | 2023 Q3 | 2024 Q3 | Change |
|--|---------|---------|------------|
| Underlying Orders ² | | | 3% |
| Net Sales | \$3,946 | \$4,380 | 11% |
| <i>Underlying Sales³</i> | | | 3% |
| Pretax Earnings | \$822 | \$455 | |
| <i>Margin</i> | 20.8% | 10.4% | (1040) bps |
| Adjusted Segment EBITA ⁴ | \$1,060 | \$1,189 | |
| <i>Margin</i> | 26.9% | 27.1% | 20 bps |
| GAAP Earnings Per Share | \$1.12 | \$0.60 | (46)% |
| Adjusted Earnings Per Share ⁵ | \$1.29 | \$1.43 | 11% |
| Operating Cash Flow | \$842 | \$1,067 | 27% |
| Free Cash Flow | \$769 | \$975 | 27% |

Management Commentary

“Emerson delivered another strong quarter, with solid underlying orders growth and with profitability and cash flow both exceeding expectations,” said Emerson President and Chief Executive Officer Lal Karsanbhai. “Demand in process and hybrid markets, led by a constructive capex cycle, continues to meet expectations. Our operating leverage performance demonstrates the benefits of our highly differentiated technology and world-class Emerson Management System, giving us the confidence to execute on our plan for 2024.”

Karsanbhai continued, “In the quarter, we also took another important step to simplify our portfolio and enhance our focus as a global leader in automation with the definitive agreement to completely exit the Copeland business. Emerson is creating value for our shareholders as we execute with our higher growth and higher margin automation portfolio.”

2024 Outlook

The following tables summarize the fiscal year 2024 guidance framework for continuing operations⁶. The 2024 outlook assumes approximately \$300 million returned to shareholders through share repurchases and approximately \$1.2 billion of dividend payments. Guidance figures are approximate.

| | 2024 |
|--|-----------------|
| Net Sales Growth | ~15% |
| Underlying Sales Growth | ~6% |
| Earnings Per Share | \$2.82 - \$2.87 |
| <i>Amortization of Intangibles</i> | ~\$1.42 |
| <i>Restructuring and Related Costs</i> | ~\$0.34 |
| <i>Loss on Copeland Note Receivable</i> | \$0.38 |
| <i>Amortization of Acquisition-related Inventory Step-up</i> | \$0.38 |
| <i>Acquisition / Divestiture Fees and Related Costs</i> | ~\$0.24 |
| <i>Divestiture Loss / (Gain), net</i> | (\$0.03) |
| <i>Discrete Tax Benefits</i> | (\$0.10) |
| Adjusted Earnings Per Share | \$5.45 - \$5.50 |
| Operating Cash Flow | ~\$3.2B |
| Free Cash Flow | ~\$2.8B |

¹ Results are presented on a continuing operations basis.

² Underlying orders does not include AspenTech.

³ Underlying sales excludes the impact of currency translation, and significant acquisitions and divestitures.

⁴ Adjusted segment EBITA represents segment earnings less restructuring and intangibles amortization expense.

⁵ Adjusted EPS excludes intangibles amortization expense, restructuring and related costs, the amortization of acquisition-related inventory step-up, acquisition/divestiture gains, losses, fees and related costs, discrete tax benefits, an AspenTech Micromine purchase price hedge and write-offs associated with Emerson's Russia exit.

⁶ With the June 6, 2024 definitive agreement to completely exit its remaining interests in the Copeland joint venture, Emerson will report financial results for the Copeland equity ownership as discontinued operations for all periods presented, beginning in Q3 2024. The earnings from discontinued operations for 2024 are expected to be \$0.55 to \$0.60 per share, including the after-tax gain on the equity stake in Copeland. The Copeland Note Receivable interest income through June 6, 2024 remains in continuing operations. The pretax loss on the sale of the note receivable, \$279M (\$217M after-tax), is also reported in continuing operations but excluded from adjusted earnings per share, (\$0.38).

Copeland Transaction Update

As of August 2, 2024, Emerson has completed the previously announced sale of the Copeland Note Receivable to Copeland with pretax cash proceeds of \$1.9 billion. The sale of the 40% equity stake to private equity funds managed by Blackstone, with pretax cash proceeds of \$1.5 billion, is expected to close by the end of August. Emerson intends to use the approximately \$2.9 billion after-tax cash proceeds from both transactions to pay down its existing debt obligations. Both transactions are expected to result in a net pretax gain of approximately \$0.2 billion.

Conference Call

Today, beginning at 8:00 a.m. Central Time / 9:00 a.m. Eastern Time, Emerson management will discuss the third quarter results during an investor conference call. Participants can access a live webcast available at www.emerson.com/investors at the time of the call. A replay of the call will be available for 90 days. Conference call slides will be posted in advance of the call on the company website.

About Emerson

Emerson (NYSE: EMR) is a global technology and software company providing innovative solutions for the world's essential industries. Through its leading automation portfolio, including its majority stake in AspenTech, Emerson helps hybrid, process and discrete manufacturers optimize operations, protect personnel, reduce emissions and achieve their sustainability goals. For more information, visit Emerson.com.

Forward-Looking and Cautionary Statements

Statements in this press release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties, and Emerson undertakes no obligation to update any such statements to reflect later developments. These risks and uncertainties include the scope, duration and ultimate impacts of the Russia-Ukraine and other global conflicts, as well as economic and currency conditions, market demand, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, inflation, among others, as set forth in the Company's most recent Annual Report on Form 10-K and subsequent reports filed with the SEC. The outlook contained herein represents the Company's expectation for its consolidated results, other than as noted herein.

Emerson uses our Investor Relations website, www.Emerson.com/investors, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, webcasts and social media. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

Investors:

Colleen Mettler
(314) 553-2197

Media:

Joseph Sala / Greg Klassen
Joele Frank, Wilkinson Brimmer Katcher
(212) 355-4449

(tables attached)

Table 2

EMERSON AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS, UNAUDITED)

| | <u>Sept 30, 2023</u> | <u>June 30, 2024</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Cash and equivalents | \$ 8,051 | \$ 2,298 |
| Receivables, net | 2,518 | 2,761 |
| Inventories | 2,006 | 2,303 |
| Other current assets | 1,244 | 1,458 |
| Total current assets | <u>13,819</u> | <u>8,820</u> |
| Property, plant & equipment, net | 2,363 | 2,688 |
| Goodwill | 14,480 | 17,936 |
| Other intangible assets | 6,263 | 10,627 |
| Copeland note receivable and equity investment held-for-sale | 3,255 | 2,908 |
| Other | 2,566 | 2,606 |
| Total assets | <u>\$ 42,746</u> | <u>\$ 45,585</u> |
| Liabilities and equity | | |
| Short-term borrowings and current maturities of long-term debt | \$ 547 | \$ 2,991 |
| Accounts payable | 1,275 | 1,251 |
| Accrued expenses | 3,210 | 3,350 |
| Total current liabilities | <u>5,032</u> | <u>7,592</u> |
| Long-term debt | 7,610 | 7,111 |
| Other liabilities | 3,506 | 4,194 |
| Equity | | |
| Common stockholders' equity | 20,689 | 20,799 |
| Noncontrolling interests in subsidiaries | 5,909 | 5,889 |
| Total equity | <u>26,598</u> | <u>26,688</u> |
| Total liabilities and equity | <u>\$ 42,746</u> | <u>\$ 45,585</u> |

Table 3

EMERSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN MILLIONS, UNAUDITED)

| | Nine Months Ended June 30, | |
|---|----------------------------|-----------------|
| | 2023 | 2024 |
| Operating activities | | |
| Net earnings | \$ 12,462 | \$ 987 |
| Earnings from discontinued operations, net of tax | (10,979) | 88 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 780 | 1,263 |
| Stock compensation | 198 | 203 |
| Amortization of acquisition-related inventory step-up | — | 231 |
| Gain on subordinated interest | — | (79) |
| Loss on Copeland note receivable | — | 279 |
| Changes in operating working capital | (359) | (176) |
| Other, net | (383) | (552) |
| Cash from continuing operations | 1,719 | 2,244 |
| Cash from discontinued operations | (439) | 4 |
| Cash provided by operating activities | 1,280 | 2,248 |
| Investing activities | | |
| Capital expenditures | (194) | (251) |
| Purchases of businesses, net of cash and equivalents acquired | — | (8,342) |
| Proceeds from subordinated interest | 15 | 79 |
| Proceeds from related party note receivable | 918 | — |
| Other, net | (124) | (86) |
| Cash from continuing operations | 615 | (8,600) |
| Cash from discontinued operations | 12,485 | 36 |
| Cash provided by (used in) investing activities | 13,100 | (8,564) |
| Financing activities | | |
| Net increase (decrease) in short-term borrowings | (1,476) | 2,229 |
| Proceeds from short-term borrowings greater than three months | 395 | 322 |
| Payments of short-term borrowings greater than three months | (400) | (100) |
| Payments of long-term debt | (744) | (547) |
| Dividends paid | (900) | (901) |
| Purchases of common stock | (2,000) | (175) |
| AspenTech purchases of common stock | (100) | (188) |
| Payment of related party note payable | (918) | — |
| Other, net | (159) | (57) |
| Cash provided by (used in) financing activities | (6,302) | 583 |
| Effect of exchange rate changes on cash and equivalents | 75 | (20) |
| Increase (decrease) in cash and equivalents | 8,153 | (5,753) |
| Beginning cash and equivalents | 1,804 | 8,051 |
| Ending cash and equivalents | \$ 9,957 | \$ 2,298 |

Table 4

EMERSON AND SUBSIDIARIES
SEGMENT SALES AND EARNINGS
(DOLLARS IN MILLIONS, UNAUDITED)

The following tables show results for the Company's segments on an adjusted segment EBITA basis and are intended to supplement the Company's results of operations, including its segment earnings which are defined as earnings before interest and taxes. The Company defines adjusted segment and total segment EBITA as segment earnings excluding intangibles amortization expense, and restructuring and related expense. Adjusted segment and total segment EBITA, and adjusted segment and total segment EBITA margin are measures used by management and may be useful for investors to evaluate the Company's segments' operational performance.

| | Quarter Ended June 30, | | | |
|-----------------------------|------------------------|-----------------|-------------|------------|
| | 2023 | 2024 | Reported | Underlying |
| Sales | | | | |
| Final Control | \$ 1,035 | \$ 1,046 | 1 % | 2 % |
| Measurement & Analytical | 913 | 982 | 8 % | 9 % |
| Discrete Automation | 668 | 618 | (8)% | (6)% |
| Safety & Productivity | 363 | 351 | (3)% | (3)% |
| Intelligent Devices | \$ 2,979 | \$ 2,997 | 1 % | 2 % |
| Control Systems & Software | 663 | 700 | 6 % | 7 % |
| Test & Measurement | — | 355 | | |
| AspenTech | 320 | 343 | 7 % | 7 % |
| Software and Control | \$ 983 | \$ 1,398 | 42 % | 7 % |
| Eliminations | (16) | (15) | | |
| Total | \$ 3,946 | \$ 4,380 | 11 % | 3 % |

Sales Growth by Geography

| | Quarter Ended June 30, |
|----------------------------|---------------------------|
| Americas | 3 % |
| Europe | 4 % |
| Asia, Middle East & Africa | 2 % |

Table 4 cont.

| | Nine Months Ended June 30, | | | |
|-----------------------------|----------------------------|------------------|-------------|-------------|
| | 2023 | 2024 | Reported | Underlying |
| Sales | | | | |
| Final Control | \$ 2,889 | \$ 3,037 | 5 % | 6 % |
| Measurement & Analytical | 2,550 | 2,942 | 15 % | 17 % |
| Discrete Automation | 1,969 | 1,863 | (5)% | (5)% |
| Safety & Productivity | 1,034 | 1,038 | — % | — % |
| Intelligent Devices | \$ 8,442 | \$ 8,880 | 5 % | 6 % |
| Control Systems & Software | 1,892 | 2,062 | 9 % | 10 % |
| Test & Measurement | — | 1,104 | | |
| AspenTech | 793 | 878 | 11 % | 11 % |
| Software and Control | \$ 2,685 | \$ 4,044 | 51 % | 10 % |
| Eliminations | (52) | (51) | | |
| Total | \$ 11,075 | \$ 12,873 | 16 % | 7 % |

Sales Growth by Geography

| | Nine Months Ended June 30, |
|----------------------------|-------------------------------|
| Americas | 5 % |
| Europe | 9 % |
| Asia, Middle East & Africa | 9 % |

Table 4 cont.

| | Quarter Ended June 30, | | Quarter Ended June 30, | |
|---|------------------------|---------------------------------|--------------------------|---------------------------------|
| | 2023 | | 2024 | |
| | As Reported (GAAP) | Adjusted EBITA (Non-GAAP) | As Reported (GAAP) | Adjusted EBITA (Non-GAAP) |
| Earnings | | | | |
| Final Control | \$ 245 | \$ 266 | \$ 253 | \$ 279 |
| <i>Margins</i> | 23.7 % | 25.7 % | 24.2 % | 26.8 % |
| Measurement & Analytical | 257 | 263 | 252 | 266 |
| <i>Margins</i> | 28.1 % | 28.7 % | 25.6 % | 27.0 % |
| Discrete Automation | 124 | 144 | 109 | 134 |
| <i>Margins</i> | 18.5 % | 21.4 % | 17.6 % | 21.5 % |
| Safety & Productivity | 82 | 88 | 79 | 86 |
| <i>Margins</i> | 22.7 % | 24.3 % | 22.5 % | 24.7 % |
| Intelligent Devices | \$ 708 | \$ 761 | \$ 693 | \$ 765 |
| <i>Margins</i> | 23.7 % | 25.5 % | 23.1 % | 25.5 % |
| Control Systems & Software | 144 | 151 | 168 | 178 |
| <i>Margins</i> | 21.8 % | 22.8 % | 23.9 % | 25.2 % |
| Test & Measurement | — | — | (88) | 76 |
| <i>Margins</i> | | | (24.7)% | 21.4 % |
| AspenTech | 27 | 148 | 49 | 170 |
| <i>Margins</i> | 8.2 % | 46.1 % | 14.5 % | 50.0 % |
| Software and Control | \$ 171 | \$ 299 | \$ 129 | \$ 424 |
| <i>Margins</i> | 17.4 % | 30.4 % | 9.2 % | 30.3 % |
| <u>Corporate items and interest expense, net:</u> | | | | |
| Stock compensation | (56) | (56) | (56) | (47) |
| Unallocated pension and postretirement costs | 42 | 42 | 38 | 38 |
| Corporate and other | (43) | (19) | (38) | (24) |
| Gain on subordinated interest | — | — | — | — |
| Loss on Copeland note receivable | — | — | (279) | — |
| Interest expense, net | (10) | — | (56) | — |
| Interest income from related party ¹ | 10 | — | 24 | — |
| Pretax Earnings / Adjusted EBITA | \$ 822 | \$ 1,027 | \$ 455 | \$ 1,156 |
| <i>Margins</i> | 20.8 % | 26.0 % | 10.4 % | 26.4 % |
| <u>Supplemental Total Segment Earnings:</u> | | | | |
| Adjusted Total Segment EBITA | | \$ 1,060 | | \$ 1,189 |
| <i>Margins</i> | | 26.9 % | | 27.1 % |

¹ Represents interest on the Copeland note receivable through June 6, 2024.

Table 4 cont.

| | Quarter Ended June 30, | | Quarter Ended June 30, | |
|-----------------------------|--|--|--|--|
| | 2023 | | 2024 | |
| | Amortization of Intangibles ¹ | Restructuring and Related Costs ² | Amortization of Intangibles ¹ | Restructuring and Related Costs ² |
| Final Control | \$ 22 | \$ (1) | \$ 21 | \$ 5 |
| Measurement & Analytical | 5 | 1 | 11 | 3 |
| Discrete Automation | 8 | 12 | 9 | 16 |
| Safety & Productivity | 7 | (1) | 6 | 1 |
| Intelligent Devices | \$ 42 | \$ 11 | \$ 47 | \$ 25 |
| Control Systems & Software | 6 | 1 | 6 | 4 |
| Test & Measurement | — | — | 139 | 25 |
| AspenTech | 121 | — | 121 | — |
| Software and Control | \$ 127 | \$ 1 | \$ 266 | \$ 29 |
| Corporate | — | 1 | — | 6 ³ |
| Total | \$ 169 | \$ 13 | \$ 313 | \$ 60 |

¹ Amortization of intangibles includes \$49 and \$49 reported in cost of sales for the three months ended June 30, 2023 and 2024, respectively.

² Restructuring and related costs includes \$1 and \$3 reported in cost of sales and selling, general and administrative expenses for the three months ended June 30, 2023 and 2024, respectively.

³ Corporate restructuring of \$6 for the three months ended June 30, 2024 includes \$5 related to integration-related stock compensation expense attributable to NI.

| | Quarter Ended June 30, | |
|--------------------------------------|------------------------|---------------|
| | 2023 | 2024 |
| Depreciation and Amortization | | |
| Final Control | \$ 39 | \$ 41 |
| Measurement & Analytical | 26 | 32 |
| Discrete Automation | 20 | 22 |
| Safety & Productivity | 15 | 14 |
| Intelligent Devices | 100 | 109 |
| Control Systems & Software | 22 | 26 |
| Test & Measurement | — | 150 |
| AspenTech | 123 | 122 |
| Software and Control | 145 | 298 |
| Corporate | 12 | 10 |
| Total | \$ 257 | \$ 417 |

Table 5

EMERSON AND SUBSIDIARIES
ADJUSTED CORPORATE AND OTHER SUPPLEMENTAL
(DOLLARS IN MILLIONS, UNAUDITED)

The following table shows the Company's stock compensation and corporate and other expenses on an adjusted basis. The Company's definition of adjusted stock compensation excludes integration-related stock compensation expense. The Company's definition of adjusted corporate and other excludes corporate restructuring and related costs, first year purchase accounting related items and transaction fees, and certain gains, losses or impairments. This metric is useful for reconciling from total adjusted segment EBITA to the Company's consolidated adjusted EBITA.

| | Quarter Ended June 30, | |
|--|------------------------|----------------|
| | 2023 | 2024 |
| Stock compensation (GAAP) | \$ (56) | \$ (56) |
| Integration-related stock compensation expense | — | 9 ¹ |
| Adjusted stock compensation (non-GAAP) | \$ (56) | \$ (47) |
| | Quarter Ended June 30, | |
| | 2023 | 2024 |
| Corporate and other (GAAP) | \$ (43) | \$ (38) |
| Corporate restructuring and related costs | 1 | 1 |
| Acquisition / divestiture costs | 38 | 13 |
| National Instruments investment gain | (12) | — |
| AspenTech Micromine purchase price hedge | (3) | — |
| Adjusted corporate and other (non-GAAP) | \$ (19) | \$ (24) |

¹ Integration-related stock compensation expense relates to NI and includes \$5 reported as restructuring costs.

Table 6

EMERSON AND SUBSIDIARIES
ADJUSTED EBITA & EPS SUPPLEMENTAL
(AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

The following tables, which show results on an adjusted EBITA basis and diluted earnings per share on an adjusted basis, are intended to supplement the Company's discussion of its results of operations herein. The Company defines adjusted EBITA as earnings excluding interest expense, net, income taxes, intangibles amortization expense, restructuring expense, first year purchase accounting related items and transaction fees, and certain gains, losses or impairments. Adjusted earnings per share excludes intangibles amortization expense, restructuring expense, first year purchase accounting related items and transaction-related costs, and certain gains, losses or impairments. Adjusted EBITA, adjusted EBITA margin, and adjusted earnings per share are measures used by management and may be useful for investors to evaluate the Company's operational performance.

| | Quarter Ended June 30, | |
|---|------------------------|-----------------|
| | 2023 | 2024 |
| Pretax earnings | \$ 822 | \$ 455 |
| <i>Percent of sales</i> | 20.8 % | 10.4 % |
| Interest expense, net | 10 | 56 |
| Interest income from related party ¹ | (10) | (24) |
| Amortization of intangibles | 169 | 313 |
| Restructuring and related costs | 13 | 60 |
| Acquisition/divestiture fees and related costs | 38 | 17 |
| National Instruments investment gain | (12) | — |
| AspenTech Micromine purchase price hedge | (3) | — |
| Loss on Copeland note receivable | — | 279 |
| Adjusted EBITA | \$ 1,027 | \$ 1,156 |
| <i>Percent of sales</i> | 26.0 % | 26.4 % |

| | Quarter Ended June 30, | |
|---|------------------------|----------------|
| | 2023 | 2024 |
| GAAP earnings from continuing operations per share | \$ 1.12 | \$ 0.60 |
| Amortization of intangibles | 0.15 | 0.35 |
| Restructuring and related costs | 0.02 | 0.08 |
| Acquisition/divestiture fees and related costs | 0.07 | 0.02 |
| National Instruments investment gain | (0.02) | — |
| Interest income on undeployed proceeds from Copeland transaction | (0.05) | — |
| Loss on Copeland note receivable | — | 0.38 |
| Adjusted earnings from continuing operations per share | \$ 1.29 | \$ 1.43 |
| Less: AspenTech contribution to adjusted earnings per share | (0.11) | (0.14) |
| Adjusted earnings per share excluding AspenTech contribution | \$ 1.18 | \$ 1.29 |

¹ Represents interest on the Copeland note receivable through June 6, 2024.

Table 6 cont.

Quarter Ended June 30, 2024

| | Pretax Earnings | Income Taxes | Earnings from Cont. Ops. | Non- Controlling Interests ³ | Net Earnings Common Stockholders | Diluted Earnings Per Share |
|---|--------------------|-----------------|-----------------------------------|---|---|-------------------------------------|
| As reported (GAAP) | \$ 455 | \$ 88 | \$ 367 | \$ 23 | \$ 344 | \$ 0.60 |
| Amortization of intangibles | 313 ¹ | 74 | 239 | 40 | 199 | 0.35 |
| Restructuring and related costs | 60 ² | 14 | 46 | — | 46 | 0.08 |
| Acquisition/divestiture fees and related costs | 17 | 2 | 15 | — | 15 | 0.02 |
| Loss on Copeland note receivable | 279 | 62 | 217 | — | 217 | 0.38 |
| Adjusted (non-GAAP) | \$ 1,124 | \$ 240 | \$ 884 | \$ 63 | \$ 821 | \$ 1.43 |
| Interest expense, net | 56 | | | | | |
| Interest income from related party ⁴ | (24) | | | | | |
| Adjusted EBITA (non-GAAP) | \$ 1,156 | | | | | |

¹ Amortization of intangibles includes \$49 reported in cost of sales.

² Restructuring and related costs includes \$3 reported in cost of sales and selling, general and administrative expenses.

³ Represents the non-controlling interest in AspenTech applied to AspenTech's share of each adjustment presented herein and eliminated from Emerson's consolidated results.

⁴ Represents interest on the Copeland note receivable through June 6, 2024.

EMERSON AND SUBSIDIARIES
 ASPENTECH CONTRIBUTION TO EMERSON RESULTS SUPPLEMENTAL
 (AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

The following tables reconcile the financial results of AspenTech reported to its shareholders with the amounts included in Emerson's consolidated financial results. Emerson currently owns approximately 57 percent of the common shares outstanding of AspenTech, a separately traded public company (NASDAQ: AZPN), and consolidates AspenTech in its financial results. The 43 percent non-controlling interest in AspenTech is removed from Emerson's net earnings common stockholders through the non-controlling interest line item. AspenTech is also one of Emerson's segments and its GAAP segment earnings is reconciled below to its consolidated impact to clarify that certain items are reported outside of its segment earnings within Emerson corporate, including interest income and stock compensation.

Quarter Ended June 30, 2024

| | Pretax Earnings | Income Taxes (Benefit) | Earnings from Cont. Ops. | Non- Controlling Interests ⁴ | Net Earnings Common Stockholders | Diluted Earnings Per Share |
|---|--------------------|------------------------------|-----------------------------------|---|---|-------------------------------------|
| Standalone reporting (GAAP) | \$ 53 ¹ | \$ 8 | \$ 45 | | | |
| Other | (1) | (5) | 4 | | | |
| Reported in Emerson consolidation (GAAP) | 52 | 3 | 49 | 21 | 28 | \$ 0.05 |
| <u>Adjustments:</u> | | | | | | |
| Amortization of intangibles | 121 ² | 27 | 94 | 40 | 54 | 0.09 |
| Adjusted (Non-GAAP) | \$ 173 | \$ 30 | \$ 143 | \$ 61 | \$ 82 | \$ 0.14 |
| Interest income | (14) ³ | | | | | |
| Stock compensation | 11 ³ | | | | | |
| Adjusted segment EBITA (non- GAAP) | \$ 170 | | | | | |
| <u>Reconciliation to Segment EBIT</u> | | | | | | |
| Pre-tax earnings | \$ 52 | | | | | |
| Interest income | (14) ³ | | | | | |
| Stock compensation | 11 ³ | | | | | |
| Segment EBIT (GAAP) | \$ 49 | | | | | |
| Amortization of intangibles | 121 ² | | | | | |
| Adjusted segment EBITA (non- GAAP) | \$ 170 | | | | | |

¹ Amount reflects AspenTech's pretax earnings for the three months ended June 30, 2024 as reported in its quarterly earnings release 8-K.

² Amortization of intangibles includes \$48 reported in cost of sales.

³ Reported in Emerson corporate line items.

⁴ Represents the non-controlling interest in AspenTech applied to each adjustment presented herein and eliminated from Emerson's consolidated results.

Reconciliations of Non-GAAP Financial Measures & Other

Table 8

Reconciliations of Non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts). See tables 4 through 7 for additional non-GAAP reconciliations.

| 2024 Q3 Underlying Sales Change | Reported | (Favorable) / Unfavorable FX | (Acquisitions) / Divestitures | Underlying |
|---------------------------------|-------------|---------------------------------|----------------------------------|------------|
| Final Control | 1 % | 1 % | — % | 2 % |
| Measurement & Analytical | 8 % | 1 % | — % | 9 % |
| Discrete Automation | (8)% | 2 % | — % | (6)% |
| Safety & Productivity | (3)% | — % | — % | (3)% |
| Intelligent Devices | 1 % | 1 % | — % | 2 % |
| Control Systems & Software | 6 % | 1 % | — % | 7 % |
| Test & Measurement | | | | |
| AspenTech | 7 % | — % | — % | 7 % |
| Software and Control | 42 % | 1 % | (36)% | 7 % |
| Emerson | 11 % | 1 % | (9)% | 3 % |

| Nine Months Ended June 30, 2024 Underlying Sales Change | Reported | (Favorable) / Unfavorable FX | (Acquisitions) / Divestitures | Underlying |
|---|-------------|---------------------------------|----------------------------------|-------------|
| Final Control | 5 % | 1 % | — % | 6 % |
| Measurement & Analytical | 15 % | 1 % | 1 % | 17 % |
| Discrete Automation | (5)% | — % | — % | (5)% |
| Safety & Productivity | — % | — % | — % | — % |
| Intelligent Devices | 5 % | 1 % | — % | 6 % |
| Control Systems & Software | 9 % | — % | 1 % | 10 % |
| Test & Measurement | | | | |
| AspenTech | 11 % | — % | — % | 11 % |
| Software and Control | 51 % | — % | (41)% | 10 % |
| Emerson | 16 % | 1 % | (10)% | 7 % |

| Underlying Growth Guidance | 2024 Guidance |
|-------------------------------|------------------|
| Reported (GAAP) | ~15% |
| (Favorable) / Unfavorable FX | ~0.5 pts |
| (Acquisitions) / Divestitures | ~(9.5) pts |
| Underlying (non-GAAP) | ~6% |

| 2023 Q3 Adjusted Segment EBITA | EBIT | EBIT Margin | Amortization of Intangibles | Restructuring and Related Costs | Adjusted Segment EBITA | Adjusted Segment EBITA Margin |
|--------------------------------|---------------|---------------|-----------------------------|---------------------------------|------------------------|-------------------------------|
| Final Control | \$ 245 | 23.7 % | \$ 22 | \$ (1) | \$ 266 | 25.7 % |
| Measurement & Analytical | 257 | 28.1 % | 5 | 1 | 263 | 28.7 % |
| Discrete Automation | 124 | 18.5 % | 8 | 12 | 144 | 21.4 % |
| Safety & Productivity | 82 | 22.7 % | 7 | (1) | 88 | 24.3 % |
| Intelligent Devices | \$ 708 | 23.7 % | \$ 42 | \$ 11 | \$ 761 | 25.5 % |
| Control Systems & Software | 144 | 21.8 % | 6 | 1 | 151 | 22.8 % |
| Test & Measurement | — | — % | — | — | — | — % |
| AspenTech | 27 | 8.2 % | 121 | — | 148 | 46.1 % |
| Software and Control | \$ 171 | 17.4 % | \$ 127 | \$ 1 | \$ 299 | 30.4 % |

| 2024 Q3 Adjusted Segment EBITA | EBIT | EBIT Margin | Amortization of Intangibles | Restructuring and Related Costs | Adjusted Segment EBITA | Adjusted Segment EBITA Margin |
|--------------------------------|---------------|---------------|-----------------------------|---------------------------------|------------------------|-------------------------------|
| Final Control | \$ 253 | 24.2 % | \$ 21 | \$ 5 | \$ 279 | 26.8 % |
| Measurement & Analytical | 252 | 25.6 % | 11 | 3 | 266 | 27.0 % |
| Discrete Automation | 109 | 17.6 % | 9 | 16 | 134 | 21.5 % |
| Safety & Productivity | 79 | 22.5 % | 6 | 1 | 86 | 24.7 % |
| Intelligent Devices | \$ 693 | 23.1 % | \$ 47 | \$ 25 | \$ 765 | 25.5 % |
| Control Systems & Software | 168 | 23.9 % | 6 | 4 | 178 | 25.2 % |
| Test & Measurement | (88) | (24.7)% | 139 | 25 | 76 | 21.4 % |
| AspenTech | 49 | 14.5 % | 121 | — | 170 | 50.0 % |
| Software and Control | \$ 129 | 9.2 % | \$ 266 | \$ 29 | \$ 424 | 30.3 % |

| Total Adjusted Segment EBITA | 2023 Q3 | 2024 Q3 |
|---|-----------------|-----------------|
| Pretax earnings (GAAP) | \$ 822 | \$ 455 |
| Margin | 20.8 % | 10.4 % |
| Corporate items and interest expense, net | 57 | 367 |
| Amortization of intangibles | 169 | 313 |
| Restructuring and related costs | 12 | 54 |
| Adjusted segment EBITA (non-GAAP) | \$ 1,060 | \$ 1,189 |
| Margin | 26.9 % | 27.1 % |

| Free Cash Flow | 2023 Q3 | 2024 Q3 | 2024E (\$ in billions) |
|----------------------------------|---------------|---------------|---------------------------|
| Operating cash flow (GAAP) | \$ 842 | \$ 1,067 | ~\$3.2 |
| Capital expenditures | (73) | (92) | ~(0.4) |
| Free cash flow (non-GAAP) | \$ 769 | \$ 975 | ~\$2.8 |

Note 1: Underlying sales and orders exclude the impact of currency translation and significant acquisitions and divestitures.

Note 2: All fiscal year 2024E figures are approximate, except where range is given.