

2025 Q3 Earnings

August 6, 2025



Safe Harbor Statement

Statements in this presentation and our commentary and responses to questions that are not strictly historical may be “forward-looking” statements, which represent management’s expectations, based on currently available information. Actual results, performance or achievements could differ materially from those expressed in any forward-looking statement. Any forward-looking statements in this presentation speak only as of the date of this presentation. Emerson undertakes no obligation to update any such statements to reflect new information or later developments. Examples of risks and uncertainties that may cause our actual results or performance to be materially different from those expressed or implied by forward-looking statements 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.

Non-GAAP Measures

In this presentation we will discuss certain non-GAAP measures in talking about our company’s performance, and the reconciliation of those measures to the most comparable GAAP measures is contained within this presentation or available at our website, www.Emerson.com, under Investors. While we believe these non-GAAP financial measures are useful in evaluating our company’s performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Further, these non-GAAP financial measures may differ from similarly titled measures presented by other companies. The reasons management believes that these non-GAAP financial measures provide useful information are set forth in the Company’s most recent Form 10-K filed with the Securities and Exchange Commission and in the press release furnished on Form 8-K on the date of this presentation.

Continuing Operations

All financial metrics in this presentation are on a continuing operations basis, unless otherwise noted.



EMERSON EXCHANGE 2025

ACCELERATING
INNOVATION

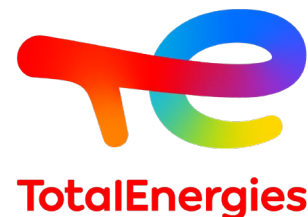


~3,000 attendees

51 countries

Accelerating Industrial Software Innovation

AspenTech



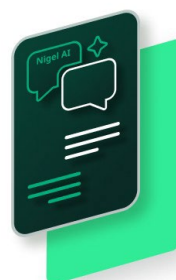
Announced strategic collaboration with TotalEnergies to implement **Inmation as their industrial data fabric**, powering AI use cases including Emerson's advanced process control solutions

Ovation

Ovation™

Released Ovation™ AI Advisor, **the first GenAI advisor** for power generation control systems, transforming operator productivity

LabVIEW



Launched Nigel™ AI Advisor in flagship LabVIEW test software to **reduce test complexity for engineers**

Key Messages



End-Market Demand

Continued momentum in process and hybrid markets; discrete markets recovering

Strength in North America, India and the Middle East & Africa

Strong demand for industrial software, ACV at \$1.5B and up 10% yoy



Q4 Guidance

Expect strong underlying sales growth between 5% - 6% driven by Test & Measurement recovery and continued investment in automation

Expect to deliver ~27% adjusted segment EBITA margin, higher than previously expected due to lower tariff exposure, and adjusted EPS of \$1.58 - \$1.62, up 7% - 10% yoy



Q3 Performance

Underlying orders growth of 4%; Test & Measurement orders up 16%

Underlying sales growth of 3% was meaningfully impacted by reduced pricing actions as tariff exposure improved; adjusted EPS of \$1.52 met the top end of guide

Better-than-expected free cash flow generation yielded 21.3% margin



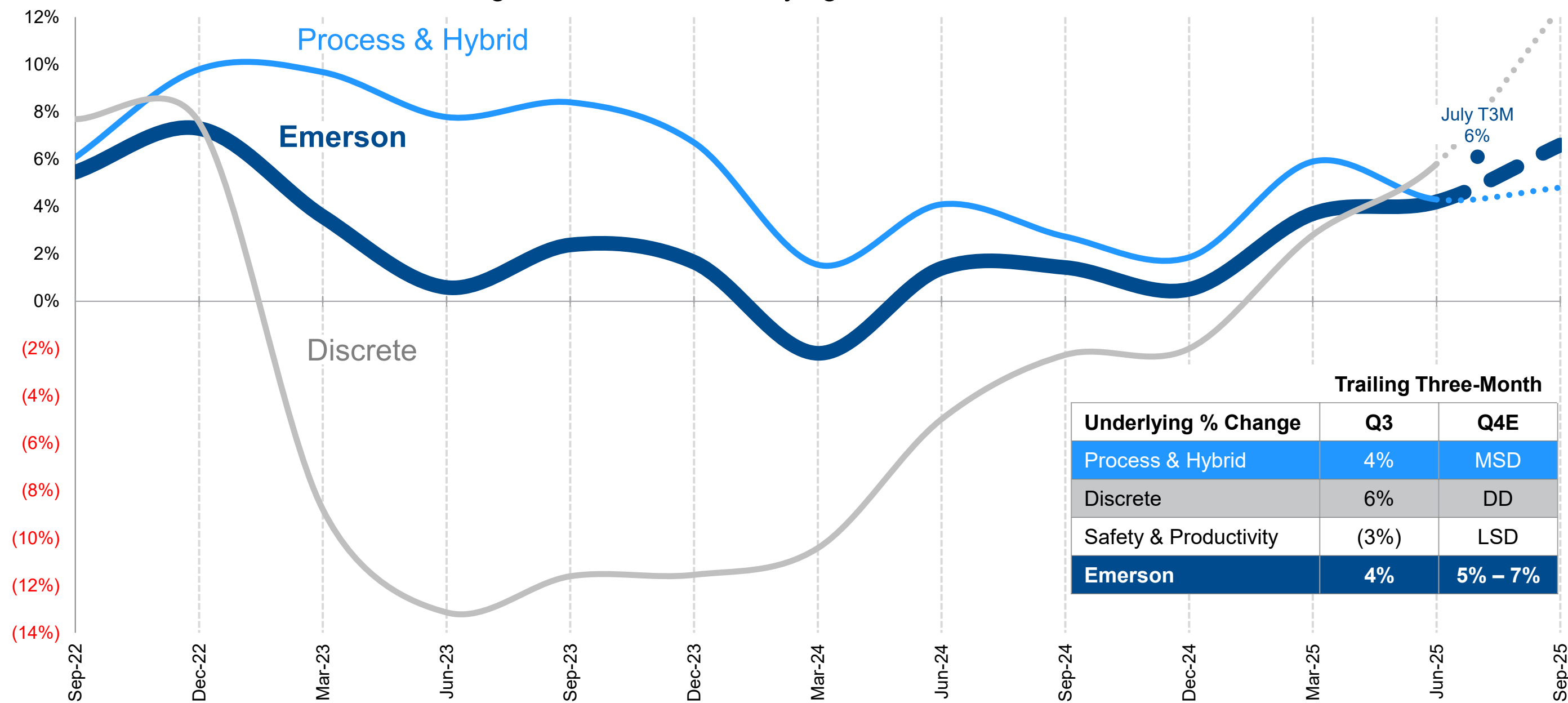
Looking Ahead to Fiscal 2026

Expect strong exit rates for underlying orders which will support our growth framework in 2026

Announcing a November 20th, 2025 Investor Conference in New York City

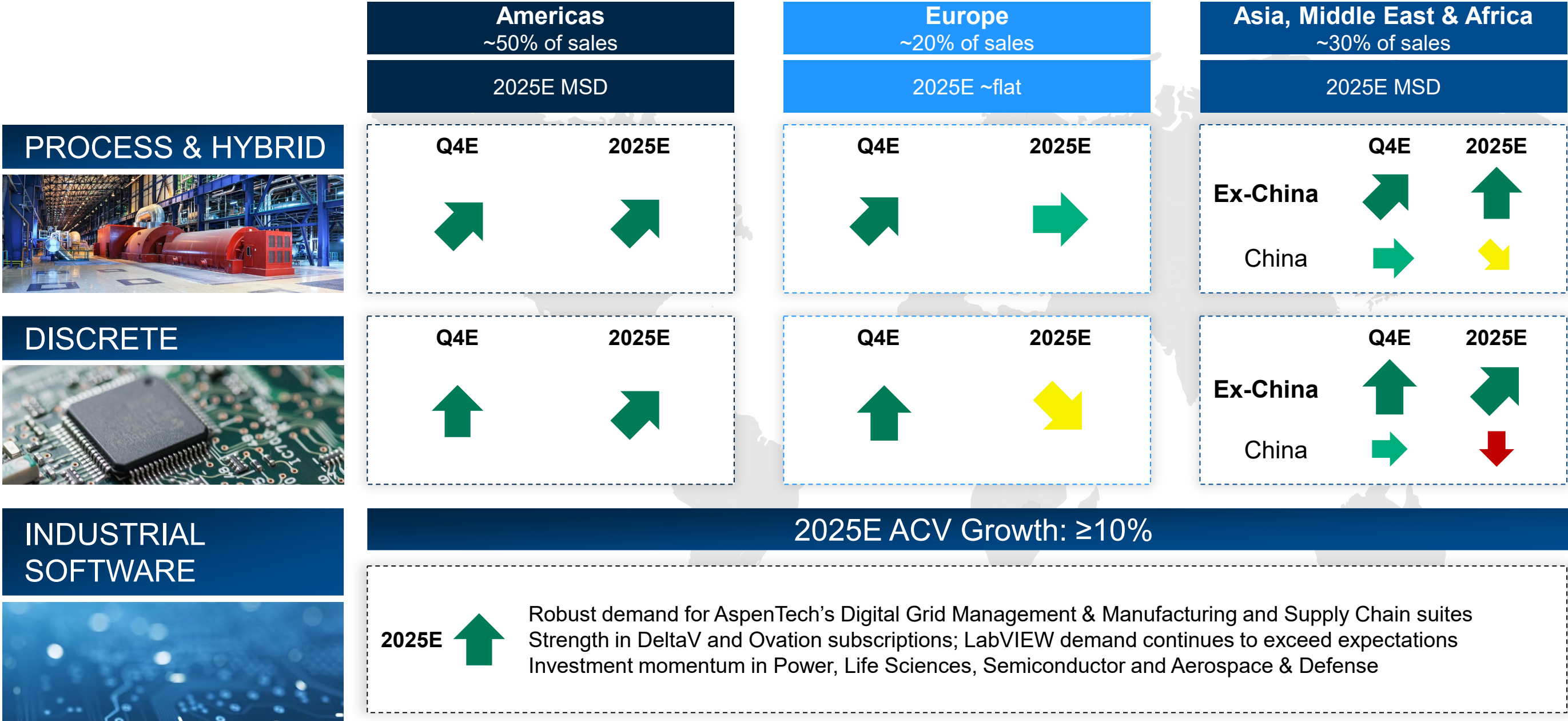
Strong Orders Outlook Driven by Discrete Recovery and Sustained Investment in Automation

Trailing Three-Month Underlying Orders¹ Versus Prior Year



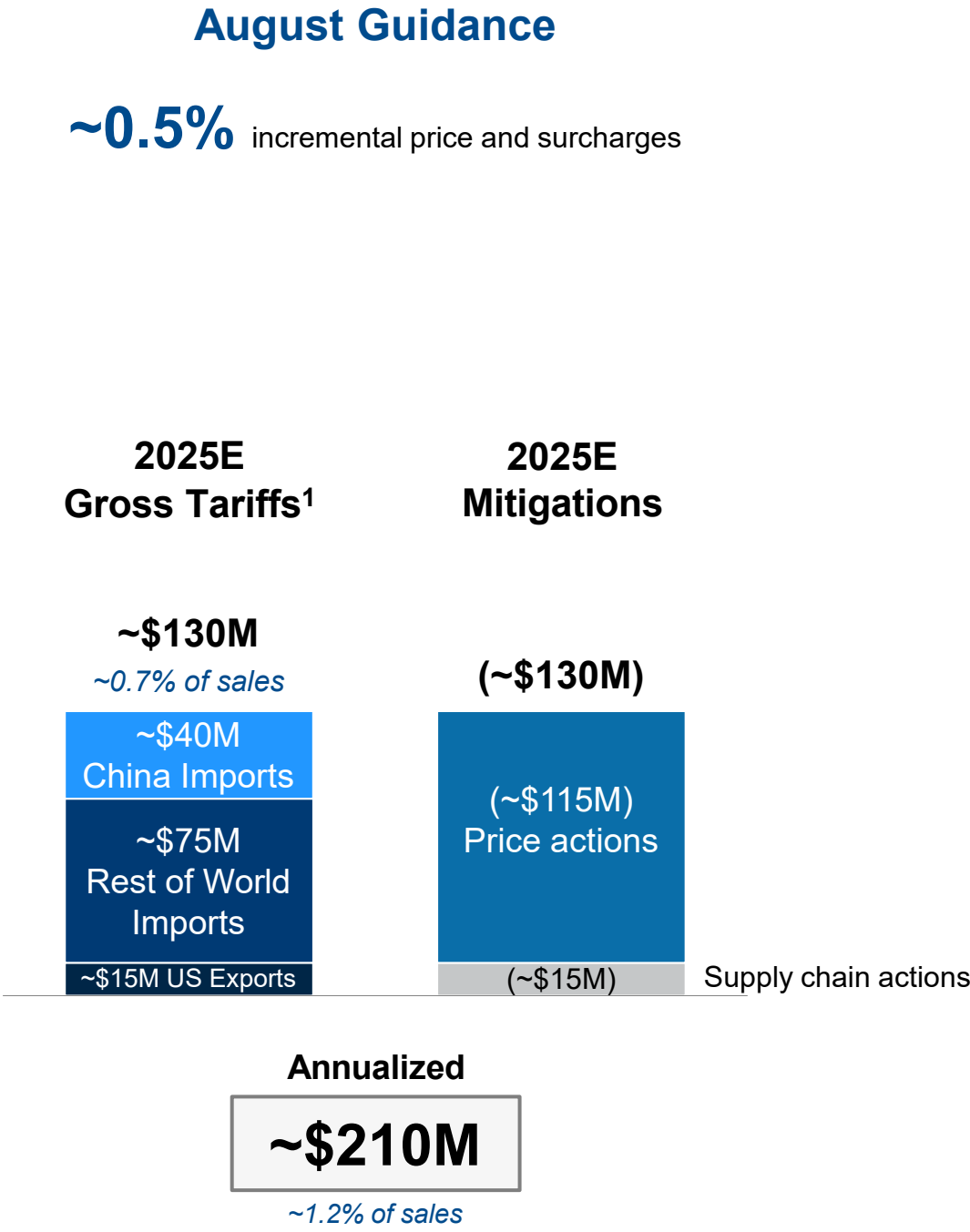
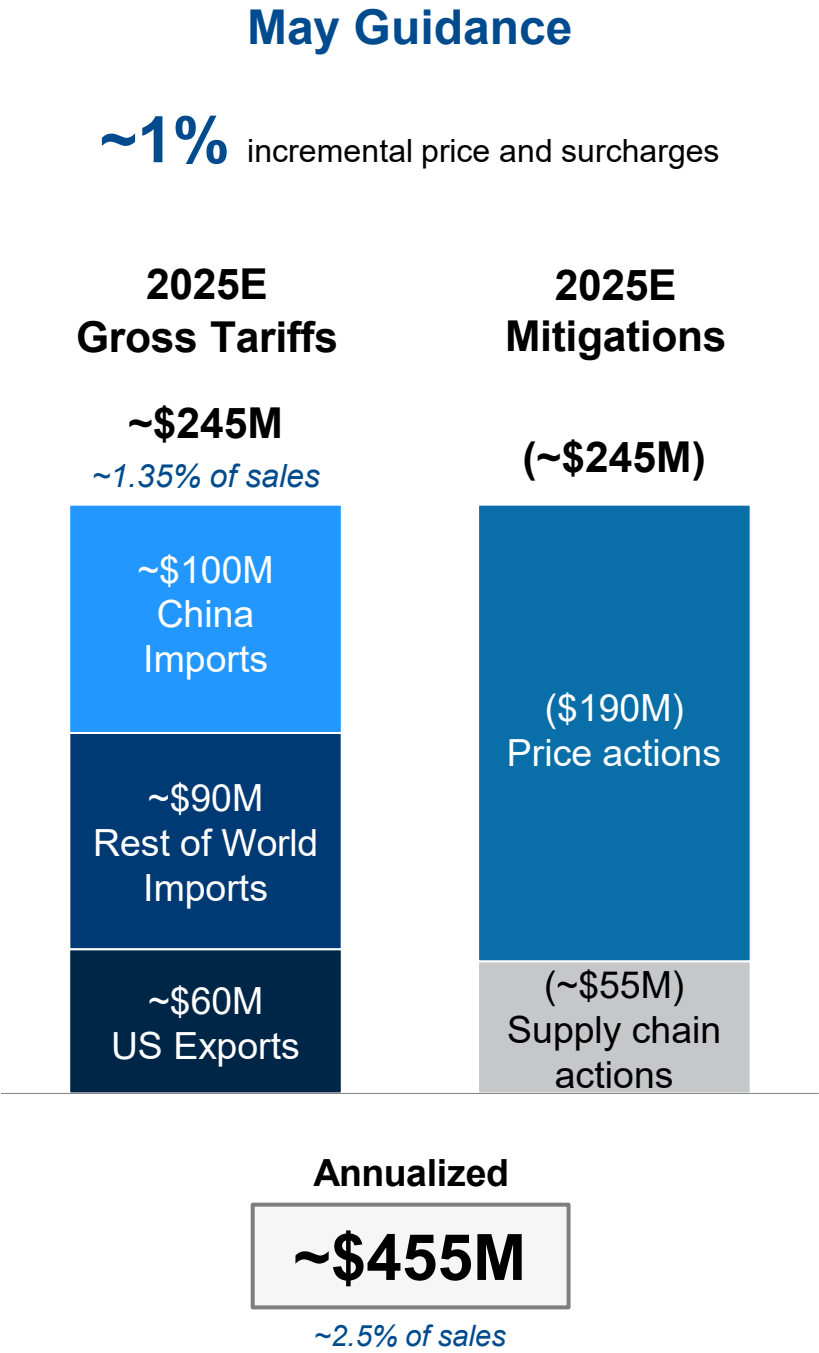
Note: Process & Hybrid includes Control Systems & Software, Measurement & Analytical and Final Control. Discrete includes Test & Measurement and Discrete Automation. Lines represent smoothed trailing three-month on quarter end points 1 Excludes AspenTech. Orders data includes Test & Measurement results on a pro forma basis for fiscal years 2022-2023.

Strong End-Market Demand Outlook Expected to Support Step-up in Fourth Quarter Underlying Sales Growth



Note: Process & Hybrid includes Control Systems & Software, Measurement & Analytical and Final Control. Discrete includes Test & Measurement and Discrete Automation. Underlying industrial software sales are embedded within regional and end-market performances and outlooks.

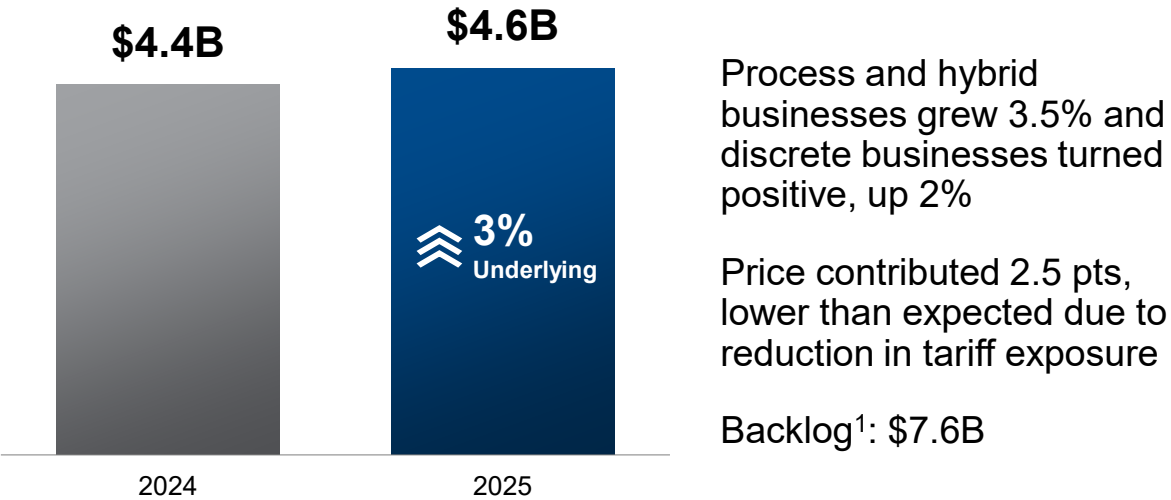
Reduced Tariff Exposure of ~\$210M Annualized; Expect to Offset Fully



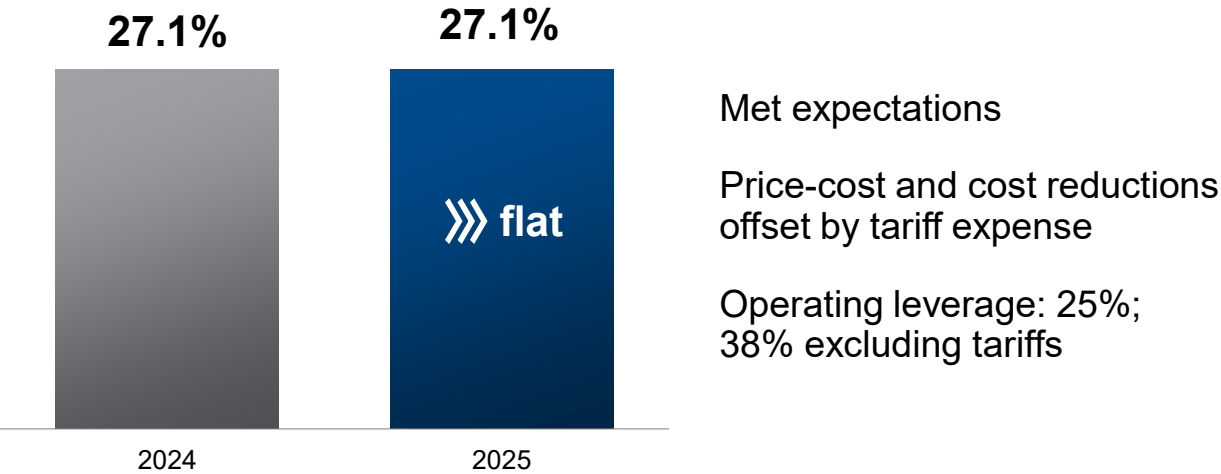
Note: Numbers may not foot due to rounding. 1 Based on tariff rates as of August 5, 2025

2025 Q3 Performance Summary

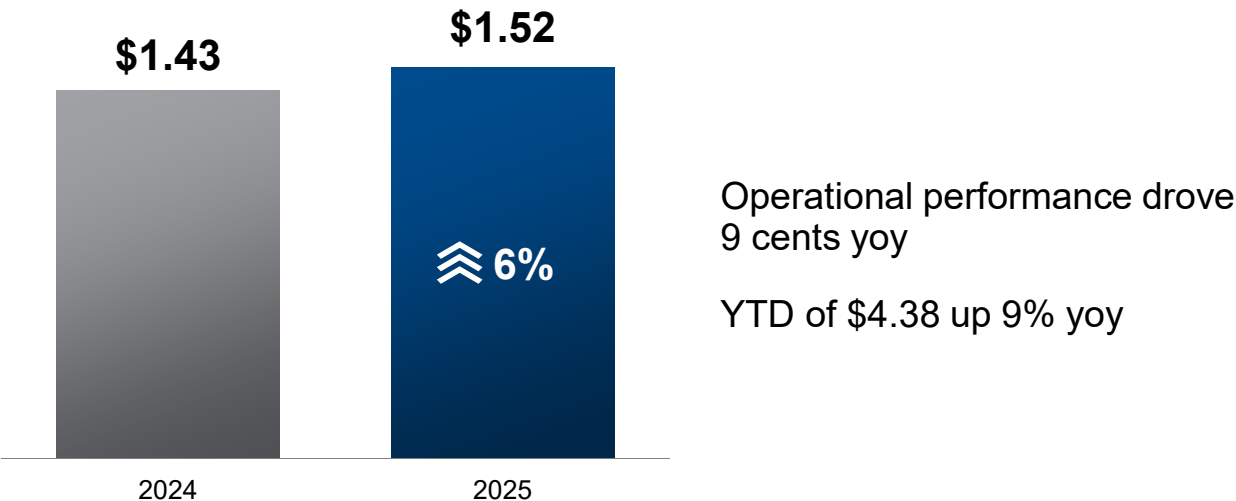
Sales



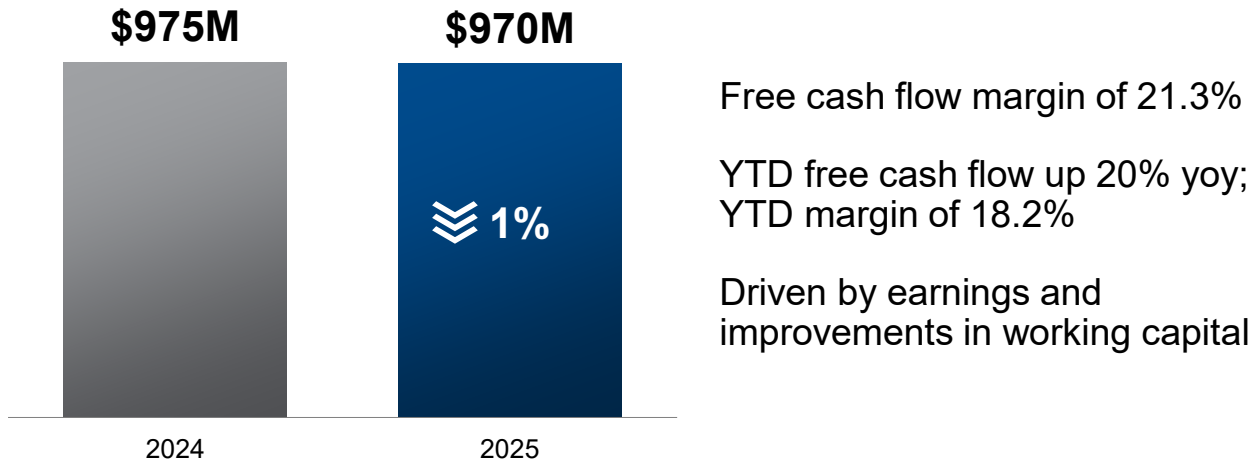
Adjusted Segment EBITA



Adjusted EPS

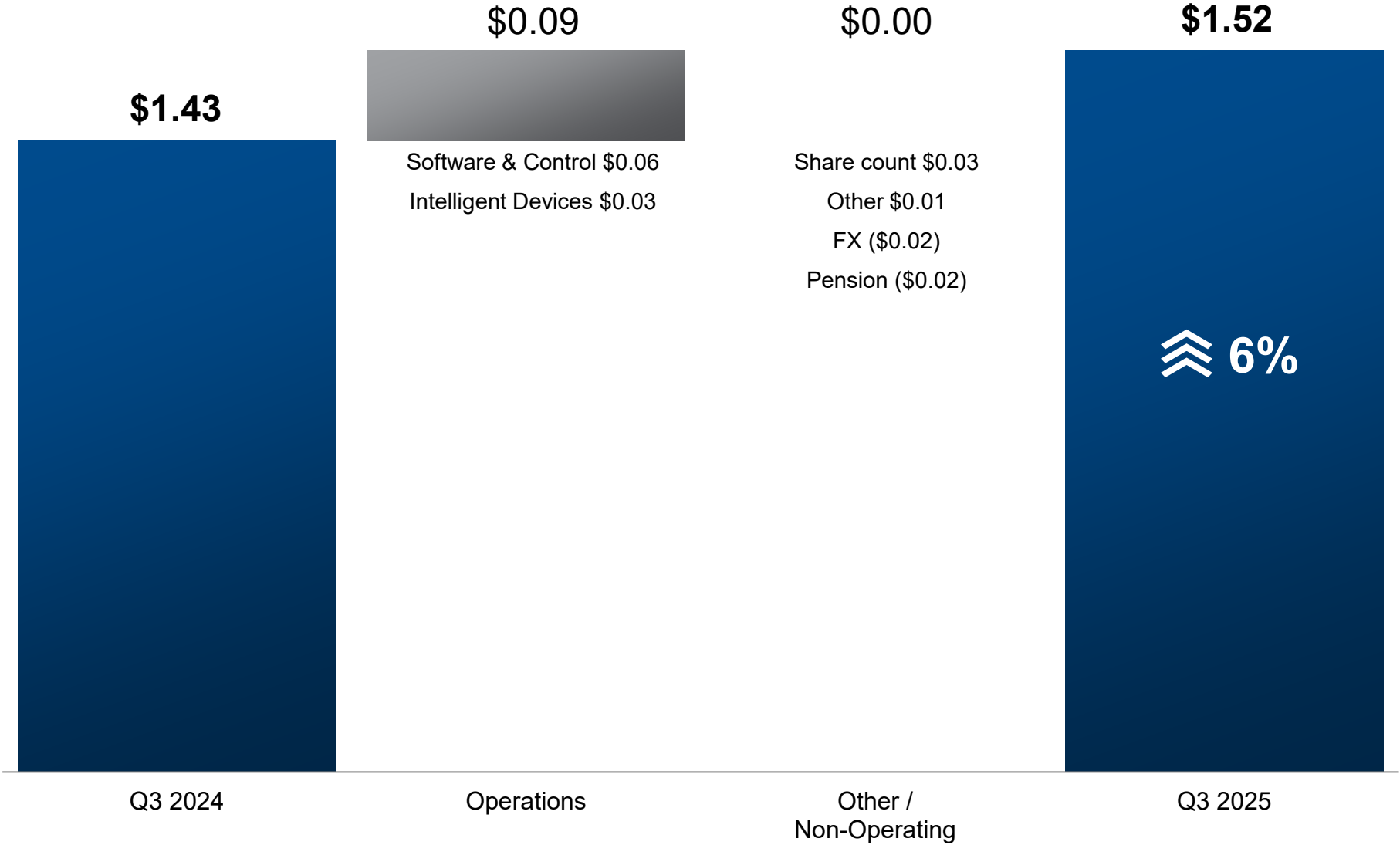


Free Cash Flow



¹ Excludes AspenTech

Q3 Adjusted EPS Bridge



2025 Guidance

OTHER 2025 GUIDANCE DETAILS

Q4	Underlying Sales Growth	5% – 6%
	Adjusted Segment EBITA Operating Leverage	~27% ~40%
	Adjusted EPS YoY Growth	\$1.58 – \$1.62 7% - 10%

Full Year	Underlying Sales Growth	~3.5%
	Adjusted Segment EBITA Operating Leverage	~27.5% ~70%
	Adjusted EPS YoY Growth	~\$6.00 ~9%

Free Cash Flow raised to ~\$3.2B,
~18% margin

Returning \$2.3B to shareholders
through dividend and share
repurchase

Price now expected to be ~2.5 pts
due to improved tariff environment
versus 3 pts in prior guide

Tax rate: ~22%

Appendix

Corporate and Other Items

<i>(in millions)</i>	2025 Q3 Results	2025 Q4 Expectations	2025 Expectations
Stock Compensation – GAAP	(\$71)	~(\$55)	~(\$250)
Integration-Related Stock Compensation Expense	\$26	~\$5	~\$40
Adjusted Stock Compensation – Non-GAAP	(\$45)	~(\$50)	~(\$210)
Pension	\$27	~\$30	~\$110
Corporate & Other – GAAP	(\$72)	~(\$55)	~(\$420)
Restructuring and Related Costs	\$3	~\$5	~\$15
Acquisition / Divestiture Fees and Related Costs	\$38	~\$5	~\$220
Adjusted Corporate & Other – Non-GAAP	(\$31)	~(\$45)	~(\$185)
Interest Income / (Expense)	(\$95)	~(\$95)	~(\$240)
Non-Controlling Interest – GAAP	-	-	~\$50
Amortization of Intangibles (AspenTech)	-	-	(\$73)
NCI impact from the transaction costs incurred by AspenTech.	-	-	(\$48)
Adjusted Non-Controlling Interest – Non-GAAP	-	-	~(\$71)
Average Diluted Share Count	564.7	~565	~567

Reconciliation of Non-GAAP Measures

Underlying Sales Growth

This information reconciles non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts)

Underlying Sales Growth	2025 Q3	2025 Q4 Guidance	2025 Guidance
Reported (GAAP)	4%	5.5% - 6.5%	~3.5%
(Favorable) / Unfavorable FX	(1%)	~(0.5%)	-
(Acquisitions) / Divestitures	-	-	-
Underlying (non-GAAP)	3%	5% - 6%	~3.5%

2025 Q3 Underlying Sales Change	Reported (GAAP)	(Favorable) / Unfavorable FX	(Acquisitions) / Divestitures	Underlying (Non-GAAP)
Intelligent Devices	4%	(1%)	-	3%
Software and Control	3%	(1%)	-	2%

Reconciliation of Non-GAAP Measures

Adjusted Segment EBITA

This information reconciles non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts)

Adjusted Segment EBITA	2024 Q3	2025 Q3
Net sales	\$4,380	\$4,553
Pretax earnings (GAAP)	\$455	\$734
<i>Pretax earnings margin (GAAP)</i>	<i>10.4%</i>	<i>16.1%</i>
Corporate items and interest expense, net	367	211
Amortization of intangibles	313	269
Restructuring and related costs	54	18
Adjusted segment EBITA (non-GAAP)	\$1,189	\$1,232
<i>Adjusted segment EBITA margin (non-GAAP)</i>	<i>27.1%</i>	<i>27.1%</i>

Adjusted Segment EBITA Margin	2025 Q4 Guidance	2025 Guidance
Pretax earnings margin (GAAP)	~17%	~16.5%
Corporate items and interest expense, net / amortization of intangibles / restructuring and related costs	~10%	~11%
Adjusted segment EBITA margin (non-GAAP)	~27%	~27.5%

Operating Leverage	2025 Q3	2025 Q4 Guidance	2025 Guidance
Pretax margin leverage (GAAP)	161%	~60%	~170%
Corporate items and interest expense, net / amortization of intangibles / restructuring and related costs	(136%)	~(20%)	~(100%)
Adjusted segment EBITA leverage (non-GAAP)	25%	~40%	~70%
Tariffs impact	13%		
Adjusted segment EBITA leverage excluding tariffs (non-GAAP)	38%		

Operating Leverage, or Incremental Margins, throughout the presentation is defined as the ratio of the change in adjusted segment EBITA for the current period less the prior period, divided by the change in the net sales for the current period less the prior period.

Reconciliation of Non-GAAP Measures

Adjusted EPS

This information reconciles non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts)

	2024 Q3	2025 Q3	2025 Q4 Guidance	2025 Guidance
Earnings per share (GAAP)	\$0.60	\$1.03	\$1.13 - \$1.17	~\$4.08
Amortization of intangibles	0.35	0.37	~0.34	~1.34
Restructuring and related costs	0.08	0.06	~0.10	~0.22
Acquisition/divestitures fees and related costs	0.02	0.06	~0.01	~0.27
Amortization of acquisition-related inventory step-up	-	-	-	-
Discrete taxes	-	-	-	0.09
Loss on Copeland note receivable	0.38	-	-	-
Adjusted earnings per share (non-GAAP)	\$1.43	\$1.52	\$1.58 - \$1.62	~\$6.00

Reconciliation of Non-GAAP Measures

Free Cash Flow

This information reconciles non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts)

			<u>\$ in billions</u>
	2024 Q3	2025 Q3	2025 Guidance
Net Sales	\$4,380	\$4,553	~\$18.1
Operating cash flow (GAAP)	\$1,067	\$1,062	~\$3.6
<i>Operating cash flow margin (GAAP)</i>	24.4%	23.3%	~20%
Capital expenditures	(92)	(92)	~(0.4)
Free cash flow (non-GAAP)	\$975	\$970	~\$3.2
<i>Free cash flow margin (non-GAAP)</i>	22.3%	21.3%	~18%

Reconciliation of Non-GAAP Measures

Other

This information reconciles non-GAAP measures with the most directly comparable GAAP measure (dollars in billions, except per share amounts)

	March 31, 2025	June 30, 2025
Backlog (GAAP)	\$8.8	\$8.9
AspenTech	(1.3)	(1.3)
Backlog excluding AspenTech (non-GAAP)	\$7.5	\$7.6

Control Systems & Software

Historical Results Including AspenTech

This information is being provided for investors to see the historical results of Control Systems & Software that now includes AspenTech.

	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025
Sales	\$3,648	\$932	\$965	\$1,043	\$995	\$3,935	\$993	\$1,062
EBIT (GAAP)	\$422	\$114	\$143	\$217	\$98	\$572	\$208	\$239
<i>EBIT margin (GAAP)</i>	11.6%	12.3%	14.8%	20.8%	9.8%	14.5%	20.9%	22.5%
Amortization of intangibles	508	127	132	127	126	512	127	127
Restructuring and related costs	10	1	3	4	15	23	2	6
Adjusted segment EBITA (non-GAAP)	\$940	\$242	\$278	\$348	\$239	\$1,107	\$337	\$372
<i>Adjusted segment EBITA margin (non-GAAP)</i>	25.8%	26.0%	28.8%	33.3%	24.0%	28.1%	33.8%	35.0%

Endnotes

Annual Contract Value (ACV):

ACV is an estimate of the annual value of our portfolio of term license and software maintenance and support (SMS) contracts, the annual value of SMS agreements purchased with perpetual licenses and the annual value of standalone SMS agreements purchased with certain legacy AspenTech term license agreements. Because software revenue recognition rules require upfront recognition of a significant portion of agreements, comparisons of revenue across periods is primarily impacted by the timing of term license renewals. ACV approximates the estimated annual billings associated with our recurring term license and SMS agreements at a point in time, and management finds this business metric useful in evaluating the growth and performance of our industrial software business.

For agreements denominated in other currencies, a fixed historical rate is used to calculate ACV in U.S. dollars in order to eliminate the impact of currency fluctuations.