

Emerson Overview

May 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 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.

Non-GAAP Measures

In this presentation we will discuss some 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.

Continuing Operations

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

2024 Emerson: \$17.5B Global Industrial Technology Leader Aligned to Secular Drivers

53.3%

Adjusted Gross Profit

\$1.4B

ACV¹

>60%

MRO / Recurring Revenue

10%

ACV Growth YoY

TRACK RECORD OF
VALUE CREATION
2021 – 2024

+3 consecutive years at or above
organic growth framework

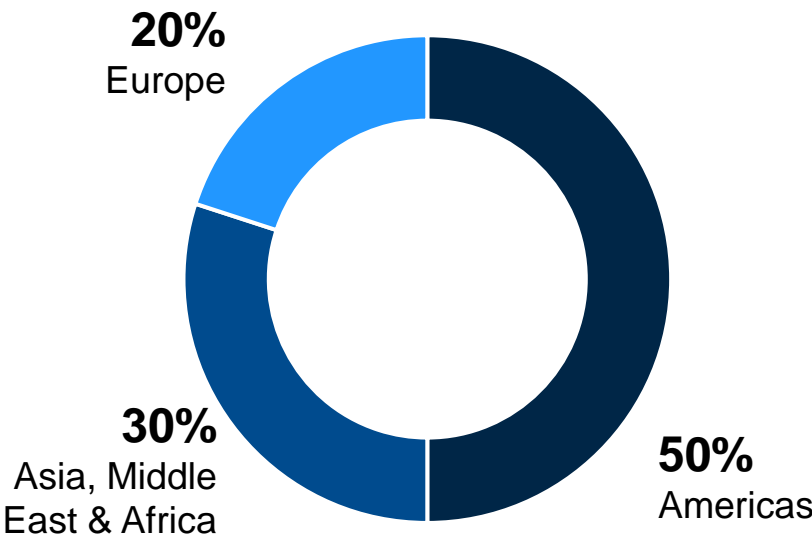
26.0% Adj. Segment EBITA

+ 550 bps from 2021

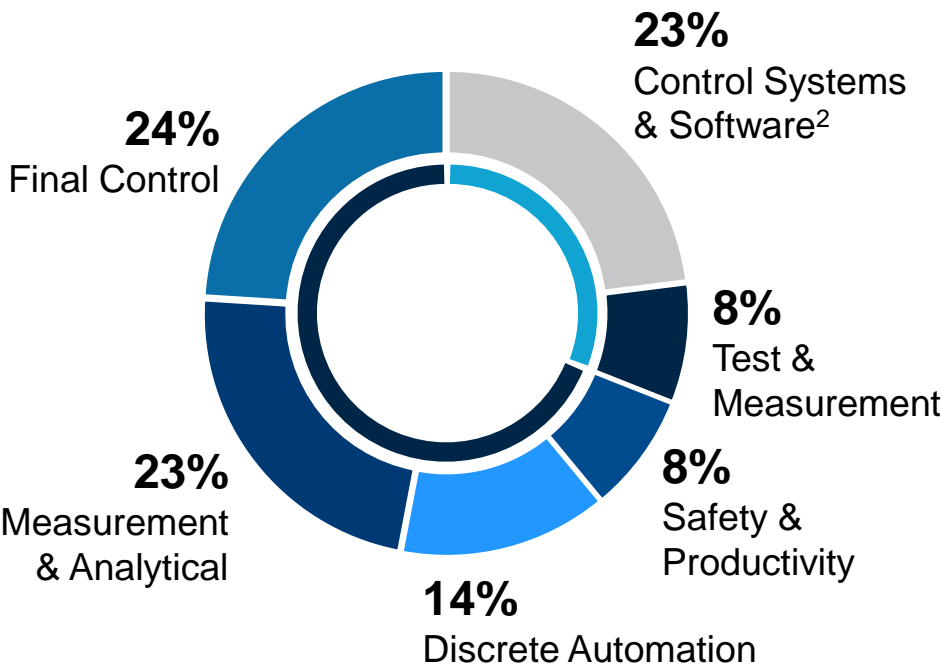
\$5.49 Adj. EPS

Year-on-year growth over 20%
for three consecutive years

GEOGRAPHY



SEGMENT



Intelligent Devices Software & Control

¹ As of 9/30/2024. Annual contract value (ACV) includes all applicable Emerson software businesses. See the end notes for definition of ACV.

² On 3/12/2025, Emerson completed the buy-in of AspenTech which now operates as an independent business unit within Control Systems & Software.

Leading the Future of Automation

Emerson's unmatched portfolio of intelligent devices, control systems and industrial software delivers solutions that automate and optimize business performance

LIFE SCIENCES



25 of the top 25 life sciences companies use Emerson software, control systems, and intelligent devices

RENEWABLES & ENERGY STORAGE



Emerson systems control **65,000** wind turbines globally

GREEN HYDROGEN



Emerson valves and measurement devices automate **one of the world's largest** green hydrogen facilities

SEMICONDUCTOR



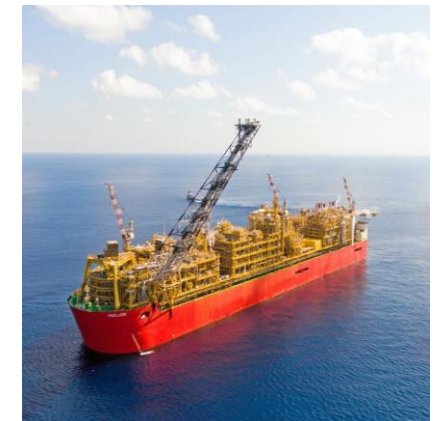
9 of the top 10 semiconductor manufacturers use Emerson intelligent devices and controls

POWER GENERATION



50% of North America power generation is automated using Emerson control systems and software (20% globally)

LNG



70% of world's LNG flows through Emerson valves, and Emerson is winning **>50%** of control systems in current wave

World-class Automation Portfolio for Process, Hybrid and Discrete Industries

OPTIMIZE

SEE

DECIDE

ACT

OPTIMIZE

Modeling & AI-Powered software to design, optimize and maintain operations for maximum performance

SOFTWARE

 **aspentech**



DELTA V™

OVATION™

DECIDE

Control Systems for intuitive and automated plant process control to maximize quality, efficiency and safety

CONTROL

DELTA V™



OVATION™

PACSYSTEMS™

ACT

Precision Control to ensure safe, responsive operations by controlling flow of liquids and gases

INTELLIGENT DEVICES

ROSEMOUNT™



MICRO MOTION

ASCO™

SEE

Sensing & Measurement to measure and collect critical process data to optimize insight and decision making

FISHER™

AVENTICS™

Emerson's Value Creation Framework

Organic Growth

Accelerating innovation and aligning with secular growth trends

Portfolio Management

Augmenting automation capabilities through bolt-on acquisitions

Operational Excellence

Continuing our long tradition of delivering strong margin and cash performance

THROUGH-THE-CYCLE TARGETS

4 – 7%

Through-The-Cycle Organic Growth

•

35%+

Incremental Margins

•

Double-Digit

Adjusted EPS Growth

•

15 – 18%

Free Cash Flow Margin

Organic Growth Supported by Secular Drivers and Innovation

Portfolio Is Aligned to Major Macro Trends Supporting Our Growth Platforms

SECULAR TRENDS

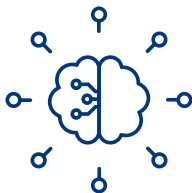
<p>Digital Transformation</p> <p><i>Unlocking greater value and improving returns through software and intelligent solutions</i></p>	<p>Energy Security & Affordability</p> <p><i>Improving the availability of energy sources at an affordable price</i></p>
<p>Sustainability & Decarbonization</p> <p><i>Decarbonizing existing assets and transitioning to new energy markets</i></p>	<p>Nearshoring</p> <p><i>Strengthening supply chains and bringing manufacturing nearshore via incremental capital investment</i></p>

GROWTH PLATFORMS



Energy Transition & Power

Leadership in energy transition and power generation, transmission & distribution markets to drive resilient through-the-cycle growth
LNG, nuclear & traditional power, renewables, hydrogen, clean fuels, carbon capture



Industrial Software

Enable customers to address the dual challenge of production and sustainability through productivity enhancements
AspenTech, NI, DeltaV



Priority Hybrid & Discrete Markets

Accelerate end-market diversification by leveraging strong position in segments poised for continued investment
Life Sciences, Metals & Mining, Factory Automation, Semiconductor

Exciting Opportunities Ahead in LNG & Power

LNG

Drivers

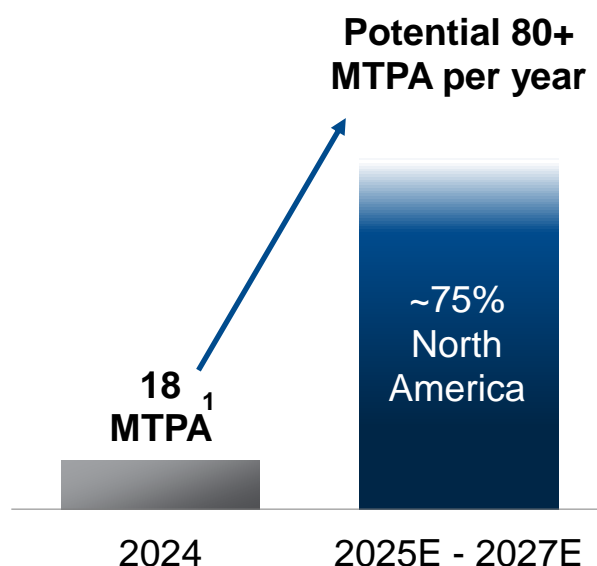
Expectation for uptick in North America FIDs post-moratorium

Increased demand from Asia and Europe

Energy transition fuel and demand growth for power



Potential LNG Project EPC Awards



~\$10M automation project scope per 1 MTPA of liquefaction

~50% Emerson win rate

>\$1B potential Emerson orders over next few years

POWER

Drivers

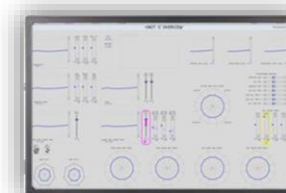
Data center, nearshoring and general electrification

Rising demand from developing nations for quality-of-life

Aging and increasingly complex grid infrastructure



Strength across power generation, transmission and distribution

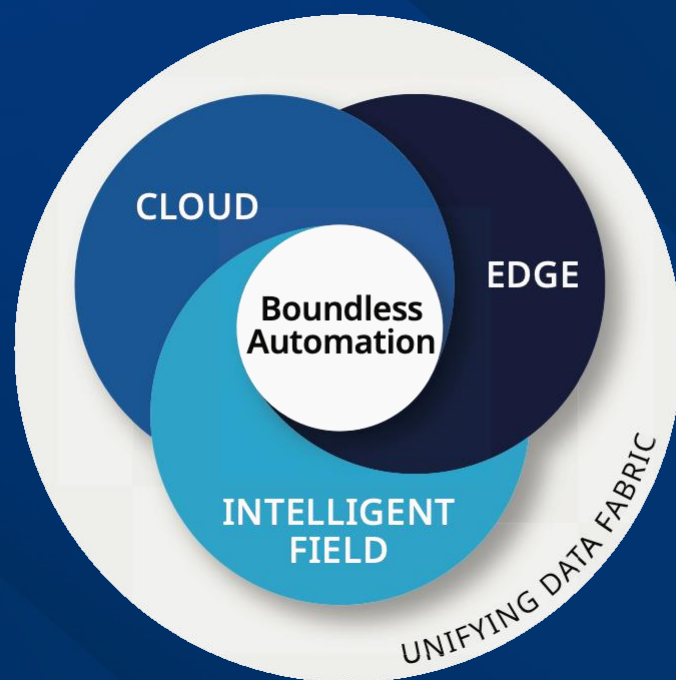


50% North America power generation automated by Ovation (20% global)

~90% world's nuclear reactors have Emerson valves and/or instruments

40% North America market share in real-time grid management software² (20% global)

Innovating the Future of Automation



Liberating data to unleash the power of software for world-class performance

CLOUD

- *Powering enterprise operations and engineering*
- *Unparalleled analytic computing power*
- *Limitless scalability*

EDGE

- *Unified automation and control software*
- *Enables IT / OT collaboration & innovation*
- *Zero Trust security model*

FIELD

- *Easier deployment of advanced sensor technology*
- *Portfolio of next-gen wireless devices*
- *Streamlined connectivity to anywhere*

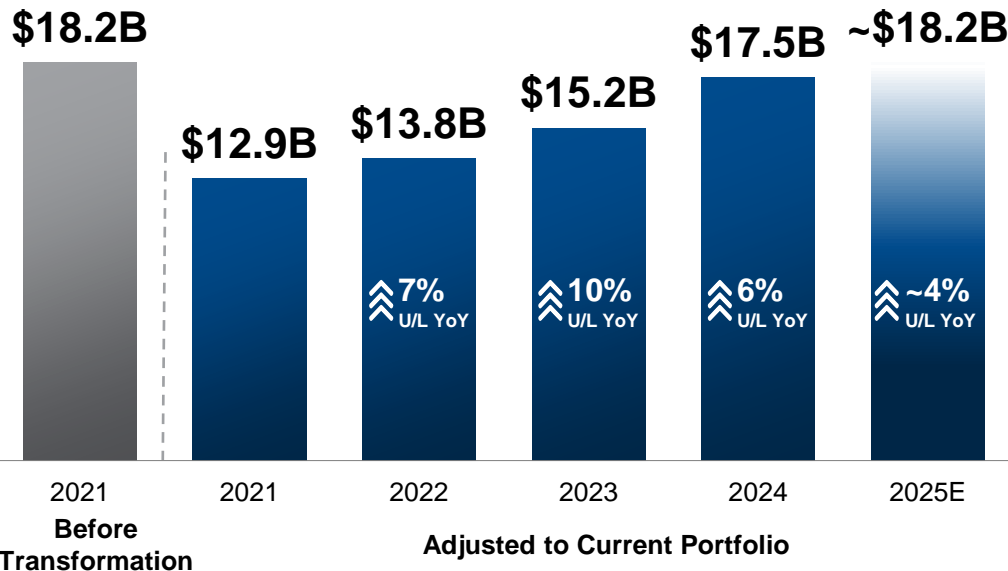
CUSTOMER BENEFITS

- ✓ Democratizes data
- ✓ Increased analytics and optimizations
- ✓ Operational flexibility
- ✓ Maximize enterprise operations
- ✓ Accelerated time to market
- ✓ Reduces installation cost

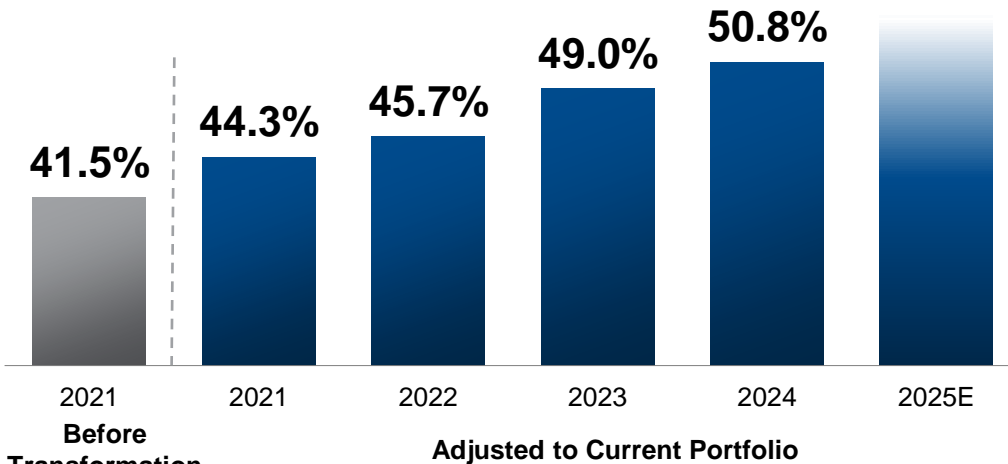
Sustained Operational Excellence

Updated Emerson Management System Has Driven Exceptional Operating Performance Since 2021

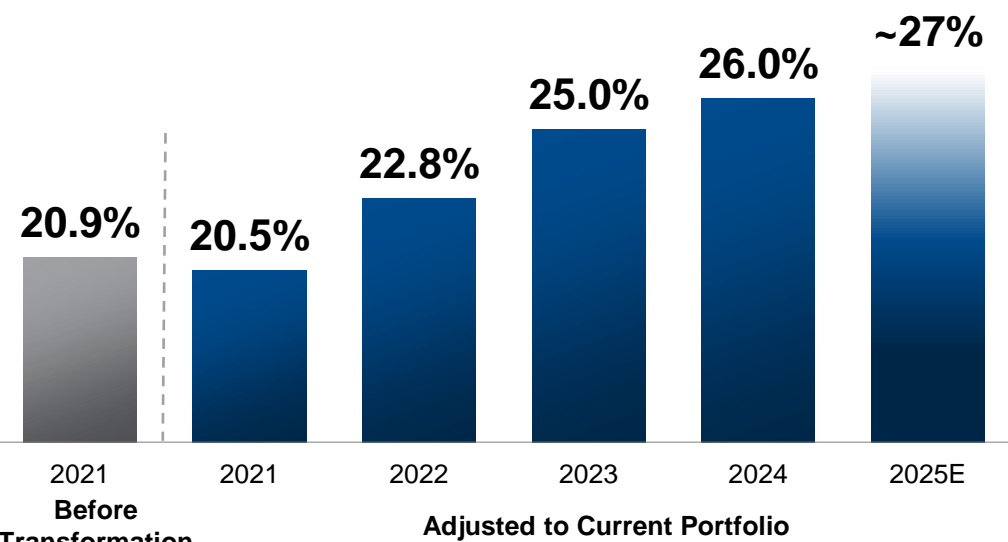
Sales



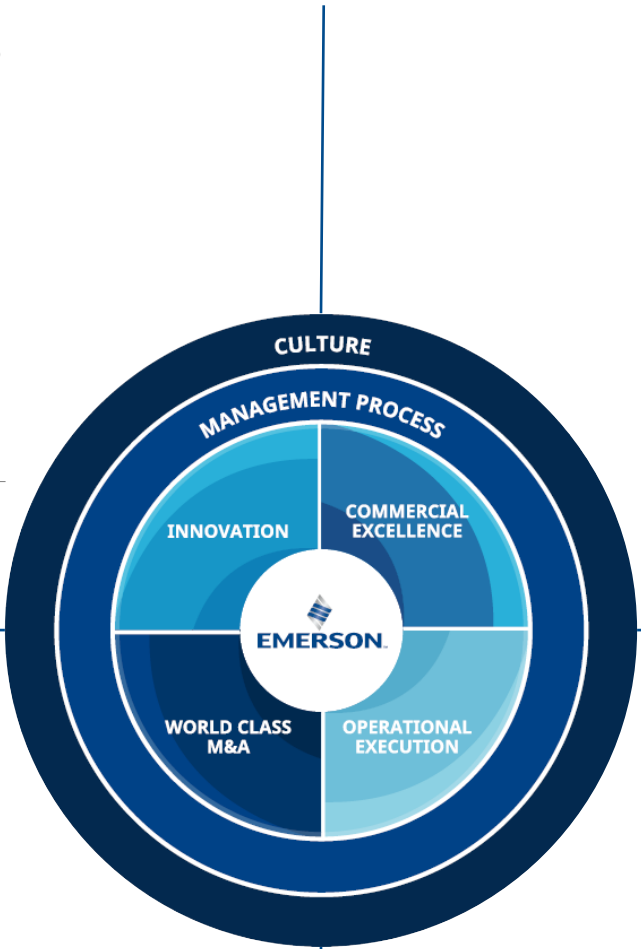
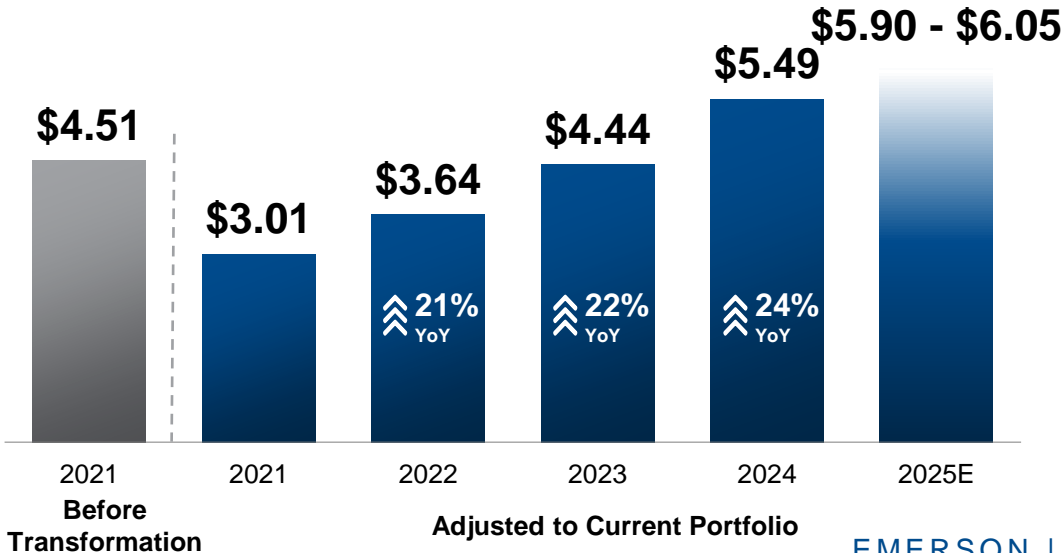
Gross Profit Margins



Adjusted Segment EBITA



Adjusted EPS

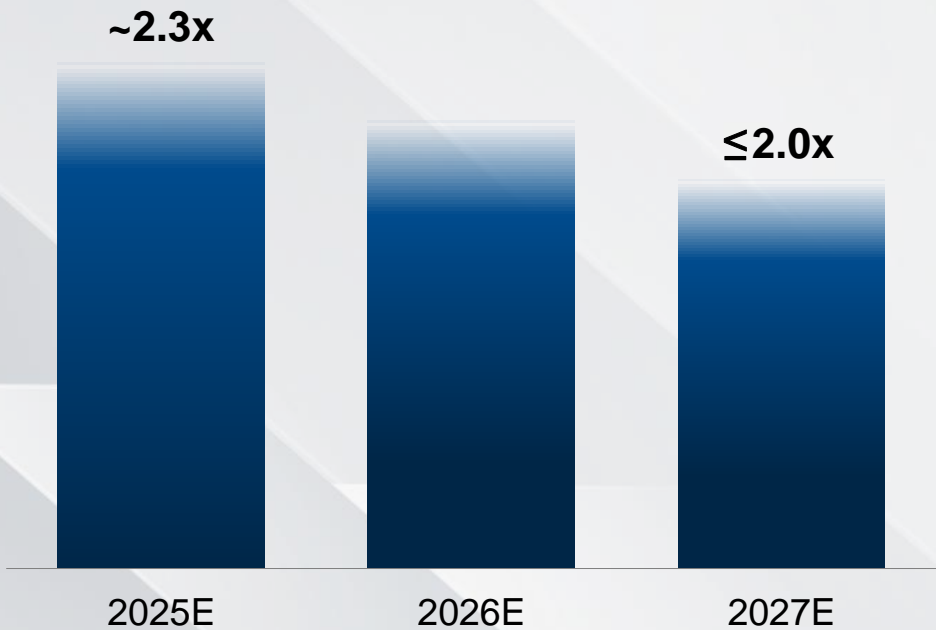


Note: Data shown is on a continuing ops basis; 2025E based on May 7, 2025 guidance

Remain Committed to Disciplined Capital Allocation

Priorities	2025 May Guide	2026 – 2027
Organic Growth	Investing for innovation and growth	
Dividend	69 th Year of Increased Dividends - \$1.2B in 2025	Continues to be a priority
Share Repurchase	\$1.1B in 2025	Expect ~\$2.5B over 2 years balanced between share repurchase and strategic bolt-on M&A
Strategic M&A	Completed AspenTech acquisition and focused on integration in 2025	
Debt Paydown	Net Debt / Adj EBITDA expected to be ~2.3x by year end	Net Debt / Adj EBITDA expected to be less than or equal to 2x by end of 2027

Net Debt / Adjusted EBITDA¹



Focused on maintaining A2 / A credit ratings

1 At fiscal year end

Why Emerson



Leading industrial technology portfolio exposed to critical secular trends and attractive growth markets



Track record of excellent operational performance and leading margins using differentiated Emerson Management System



History of innovation and market disruptions resulting in market-leading solutions and products



World-class M&A philosophy enables expansion into growth markets and diversification opportunities



Strong balance sheet and clear capital allocation framework including returning capital to shareholders



Resilient and experienced leadership team focused on attracting and retaining the best talent



Differentiated financial framework of 4 – 7% through-the-cycle organic growth, double-digit Adj. EPS growth and 15 – 18% free cash flow margin

Appendix

Reconciliation of Non-GAAP Measures

Underlying Sales

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

Underlying Sales Growth	2022	2023	2024	2025 Guidance
Reported (GAAP)	7%	10%	15%	~4%
(Favorable) / Unfavorable FX	3 pts	2 pts	-	-
(Acquisitions) / Divestitures	(3 pts)	(2 pts)	(9 pts)	-
Underlying (non-GAAP)	7%	10%	6%	~4%

Emerson Adjusted Gross Profit Margin	FY24
Emerson gross profit margin (GAAP)	50.8%
Amortization of acquisition-related inventory step-up	1.3%
Amortization of intangibles and restructuring costs	1.2%
Emerson adjusted gross profit margin (non-GAAP)	53.3%

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	2021 Before Transformation	2021 Continuing Operations	2022 Continuing Operations	2023	2024
Net sales	\$18,236	\$12,932	\$13,804	\$15,165	\$17,492
Pretax earnings (GAAP)	\$2,912	\$1,762	\$2,432	2,903	2,020
<i>Pretax earnings margin (GAAP)</i>	<i>16.0%</i>	<i>13.6%</i>	<i>17.6%</i>	<i>19.1%</i>	<i>11.5%</i>
Corporate items and interest expense, net	369	442	186	135	1,069
Amortization of intangibles	357	304	430	678	1,274
Restructuring and related costs	173	151	99	78	189
Adjusted segment EBITA (non-GAAP)	\$3,811	\$2,659	\$3,147	\$3,794	\$4,552
<i>Adjusted segment EBITA margin (non-GAAP)</i>	<i>20.9%</i>	<i>20.5%</i>	<i>22.8%</i>	<i>25.0%</i>	<i>26.0%</i>

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

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)

	2021 Before Transformation	2021 Continuing Operations	2022 Continuing Operations	2023	2024	2025 Guidance
Earnings per share (GAAP)	\$3.82	\$2.35	\$3.16	\$3.96	\$2.82	\$4.05 - \$4.20
Amortization of intangibles	0.41	0.38	0.45	0.62	1.43	~1.34
Restructuring and related costs	0.24	0.21	0.14	0.14	0.33	~0.20
Acquisition/divestiture fees and related costs	-	-	0.15 ¹	0.13	0.26	~0.22
Gain on subordinated interest	-	-	(0.60)	(0.21)	(0.10)	-
Russia business exit charge	-	-	0.32	0.08	-	-
Amortization of acquisition-related inventory step-up	-	-	-	-	0.38	-
Other investment-related gains	(0.03)	-	(0.02)	-	-	-
Loss on divestiture of businesses	-	-	-	-	0.09	-
Loss on Copeland note receivable	-	-	-	-	0.38	-
AspenTech Micromine purchase price hedge	-	-	0.04	-	-	-
Discrete taxes	-	-	-	-	(0.10)	0.09
OSI first year acquisition accounting charges and fees	0.07	0.07	-	-	-	-
National Instruments investment gain	-	-	-	(0.07)	-	-
AspenTech Micromine purchase price hedge	-	-	-	(0.02)	-	-
Interest income on undeployed proceeds from Copeland transaction	-	-	-	(0.19)	-	-
Adjusted earnings per share (non-GAAP)	\$4.51	\$3.01	\$3.64	\$4.44	\$5.49	\$5.90 - \$6.05

¹ Includes pre-acquisition interest expense on AspenTech debt (in 2022)

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

Reconciliation of Non-GAAP Measures

Net Debt / Adjusted EBITDA

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

	2025E
Net Debt / pretax earnings (GAAP)	3.8x
Interest, depreciation, amortization	(1.4)x
Acquisition/divestiture fees and related costs, restructuring and related costs	(0.1)x
Net Debt / Adjusted EBITDA (non-GAAP)	2.3x

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.