



EMERSONTM

Emerson 2023 Q4 & Full Year 2023 Earnings

November 7, 2023

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.

Endnotes

Please refer to endnotes for the definition of certain terms used in this presentation.

Strong Performance In 2023 And Healthy 2024 Expectations

EXCEPTIONAL 2023 RESULTS



Portfolio Transformation Steps

Closed Copeland transaction; NI transaction closed October 2023; completed 2 bolt-on acquisitions in Q4



Resilient End Market Demand

5% orders growth – process and hybrid demand strong; discrete bottoming



Strong Performance

Excellent execution: 10% underlying sales growth, 53% operating leverage¹, 22% adjusted EPS growth



Winning in Growth Markets

Double-digit underlying growth in growth platforms (energy transition, industrial software, diversified discrete & hybrid end markets)

2024 OUTLOOK



Expecting Strong Results

Underlying sales: 4% – 6%; operating leverage²: mid-to-high 40s; adjusted EPS midpoint growth: 18%; free cash flow margin: 15.2% – 15.4%



NI Synergies

Driving immediate synergies with NI in new Test & Measurement segment



Secular Growth Momentum

Robust funnel to support energy transition, industrial software, life sciences, metals & mining growth



Innovation to Drive Share Gain

Innovation spend accelerated to 7% of sales in 2023, with new products expected to further differentiate automation portfolio

¹ Excluding AspenTech

² Excluding Test & Measurement

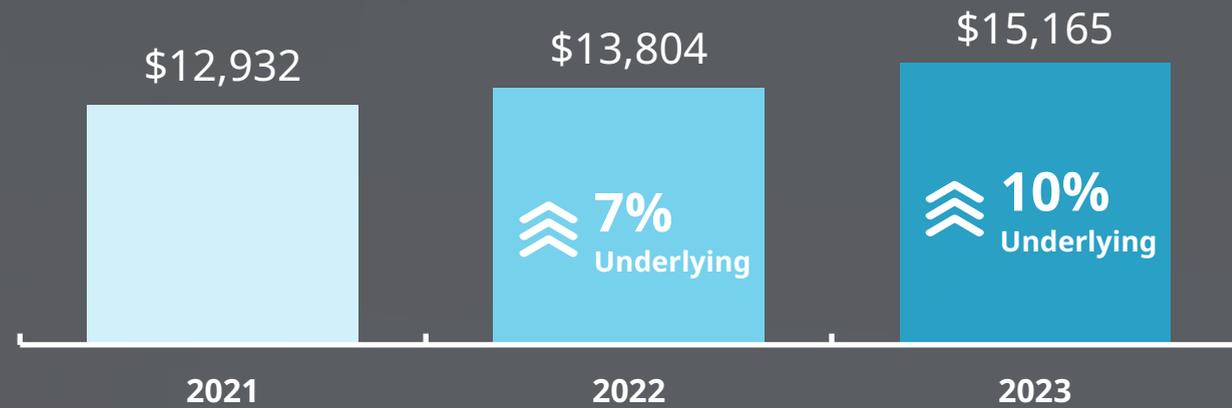
2023 Summary

	Results	August Guidance	Comments
Underlying Orders ¹	5%		Q4 underlying orders also up 5% Process and hybrid up HSD; discrete and other down LSD-MSD
Underlying Sales Growth	10%	~10%	Both business groups up ~10% Americas up 10%; Europe up 10%; Asia, Middle East & Africa up 9%
Operating Leverage ¹	53%	~50%	Strong operational performance and price-cost / mix (business and project) tailwinds
Adjusted EPS	\$4.44	\$4.40 – \$4.45	22% growth YoY
Free Cash Flow	\$2.4B	\$2.2B – \$2.3B	Margin: 15.6%

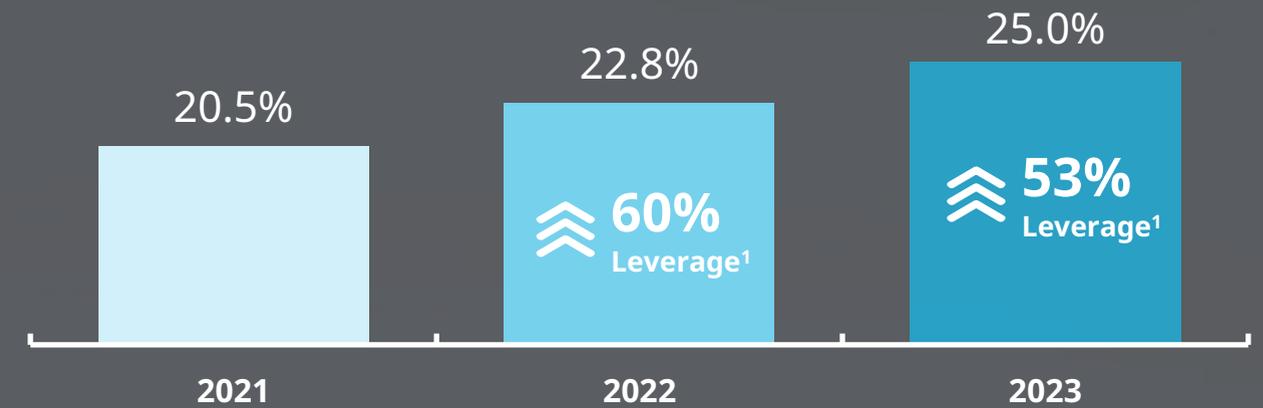
¹ Excluding AspenTech

World-Class Performance Since 2021

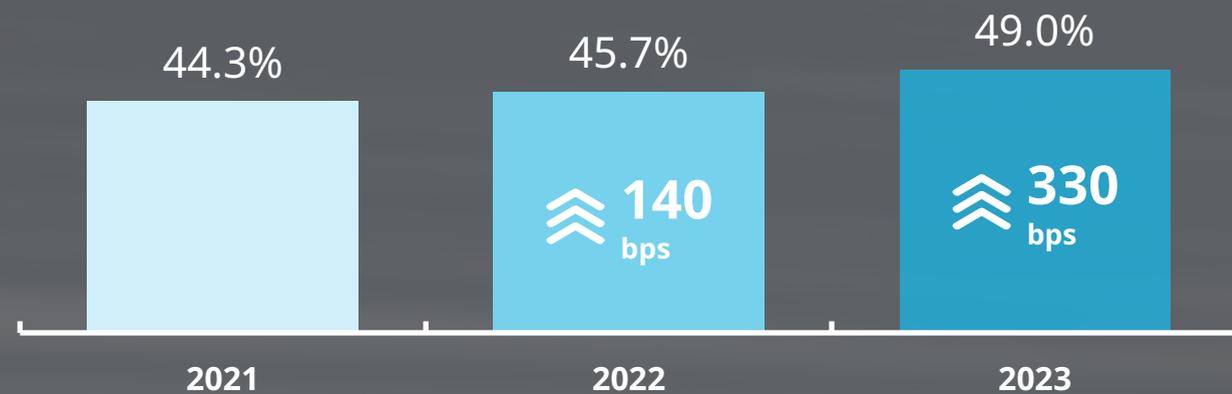
Sales (\$M)



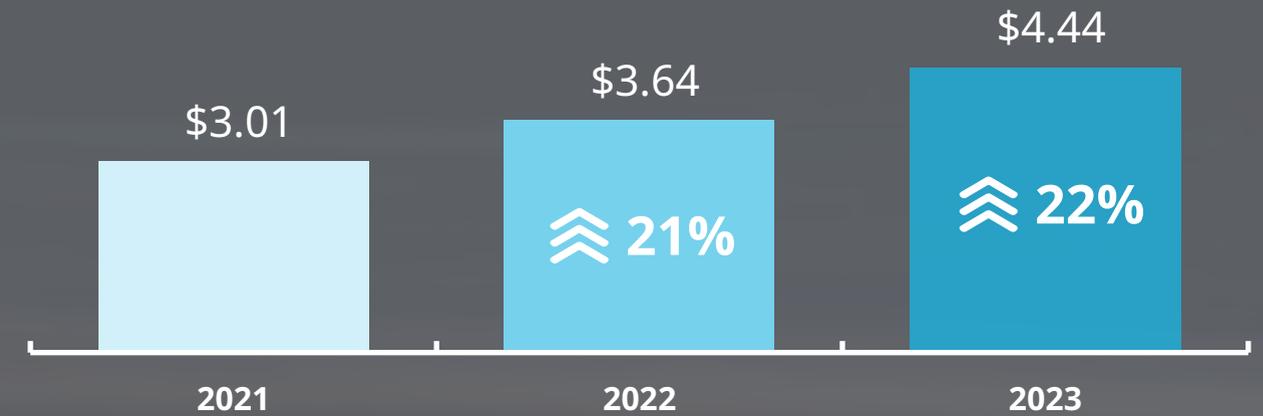
Adjusted Segment EBITA Margins



Gross Profit Margins



Adjusted Earnings Per Share



¹ Excluding AspenTech

Emerson Exchange Immerse Demonstrated Emerson's Automation Leadership

CUSTOMER TESTIMONIALS

Presentations from >100 customers highlighting Emerson's Control Systems & Software solutions



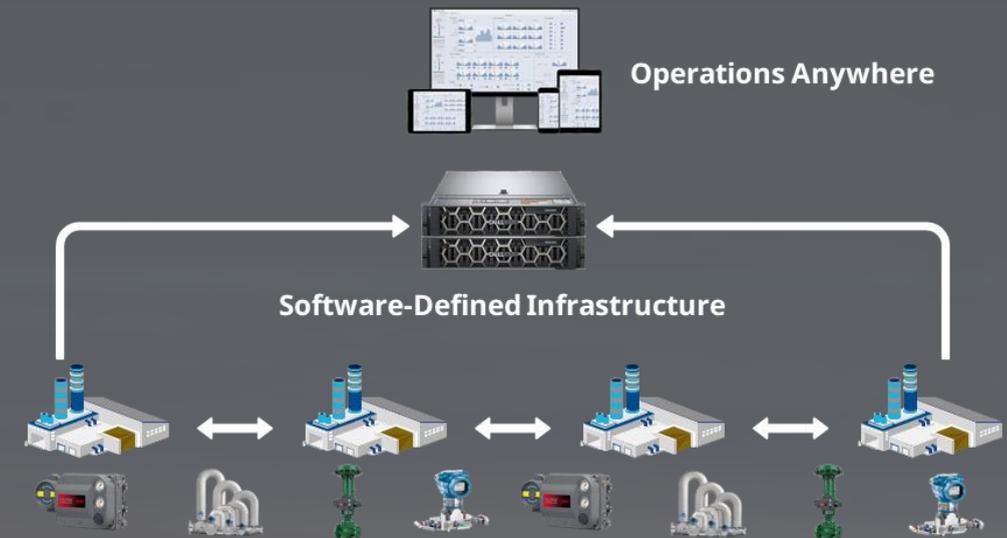
SHOWCASED INNOVATION

New Product Releases Enabling
Boundless Automation Vision

CLOUD



EDGE



FIELD

Substantial Progress On Breakthrough Innovations Expected To Accelerate Growth



Recent Transactions Underscore Commitment To Expanding Automation Leadership

NI

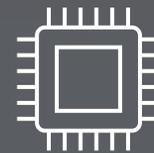


Transaction Closed October 11, 2023
Reported as new Test & Measurement segment

\$1.7B
Net Sales

35K
Customers

Growth Drivers



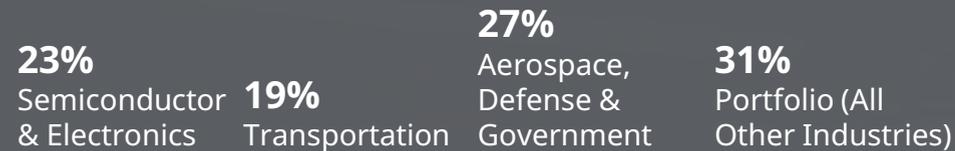
Nearshoring
(Semiconductor)



Electric /
Autonomous
Vehicles



Cognitive Systems
/ New Space



\$165M

Cost Synergies
Expected by
End of Year 5

~31%

Year 5 Target
Adjusted Segment
EBITA Percentage¹

FLEXIM



Transaction
Closed 2023 Q4

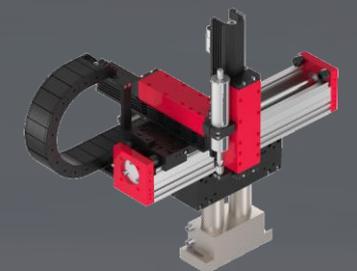


Global leader in
clamp-on ultrasonic
flow measurement
for liquids, gases
and steam.

AFAG



Transaction
Closed 2023 Q4



Innovative leader
in electric linear
motion, feeding
and handling
automation
solutions.

Note: numbers based on Emerson fiscal 2023
1 ~28% adjusted EBITA basis including burden of stock compensation

Actions Resulting In Higher Growth, More Profitable And Cohesive Portfolio

Acquisitions



~\$18B

Invested in intelligent automation technology and software

> **HSD-LDD**
Growth Expectations

~75%
Estimated Adjusted Gross Profit %

~30%
Estimated Adjusted EBITA %

Growth

Gross Profit

Adjusted EBITA

Divestitures



~\$18B

Gross value from divestitures of non-core assets at attractive valuations

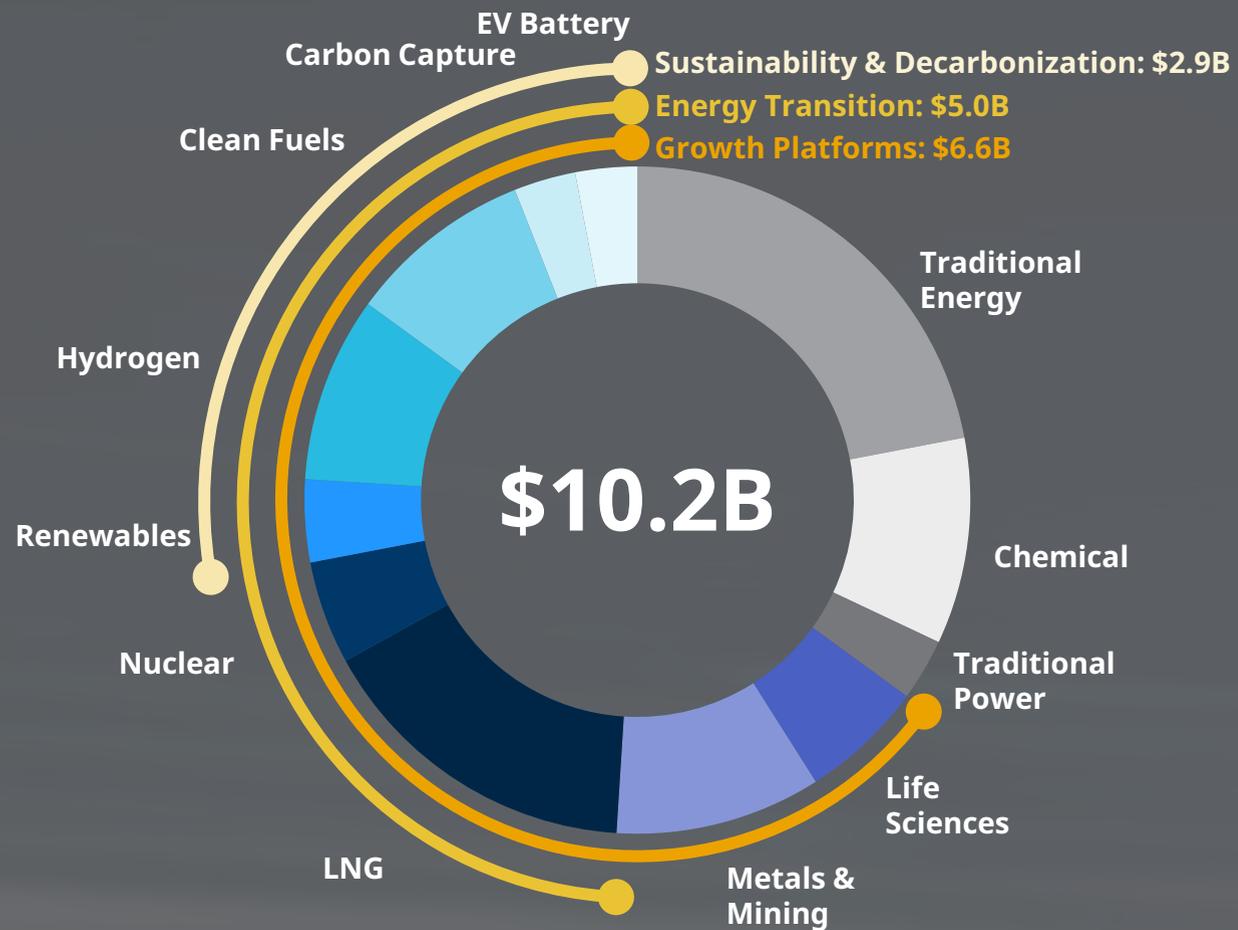
> **2%**
Historical Growth (2011-2021)

32%
2022 Gross Profit %

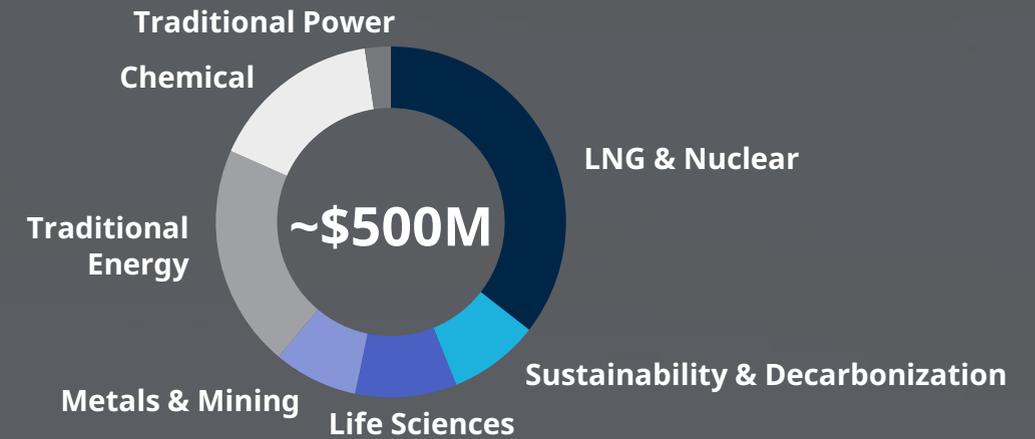
21%
2022 Adjusted EBITA %

Project Wins In Q4 Demonstrate Continued Shift Towards Growth Platforms

PROJECT FUNNEL



Q4 PROJECT WINS



GROWTH PLATFORM WINS

LIFE SCIENCES

SAMSUNG BIOLOGICS

Emerson automation selected for largest CDMO by production capacity

LNG

BECHTEL ENERGY / NEXTDECADE

Emerson awarded automation for Rio Grande LNG

ASPENTECH

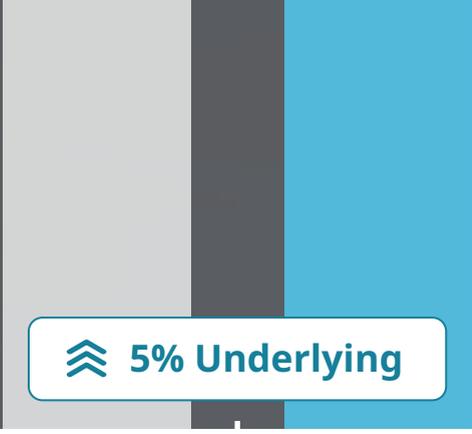
LEADING PULP & PAPER PRODUCER

AspenTech displaced incumbent leveraging Emerson integration and installed base

2023 Q4 Performance Summary

SALES

\$3.9B \$4.1B

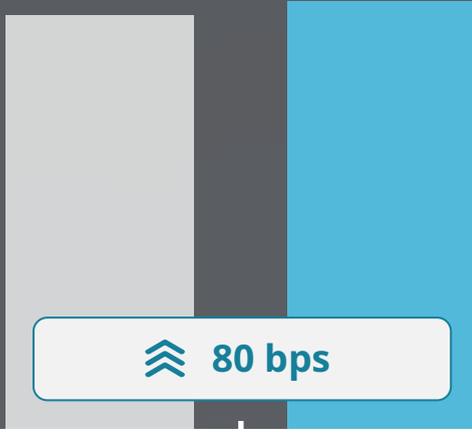


2022 2023

All world areas positive led by Europe
 Price contributed 4 pts
 Backlog¹ of \$6.6B, up 12% YoY

ADJUSTED SEGMENT EBITA

24.7% 25.5%

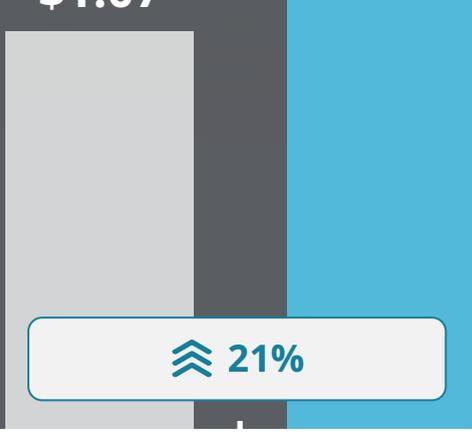


2022 2023

Operating leverage (excluding AspenTech): 45%
 Strong price and favorable net material inflation accretive to margins

ADJUSTED EPS

\$1.07 \$1.29

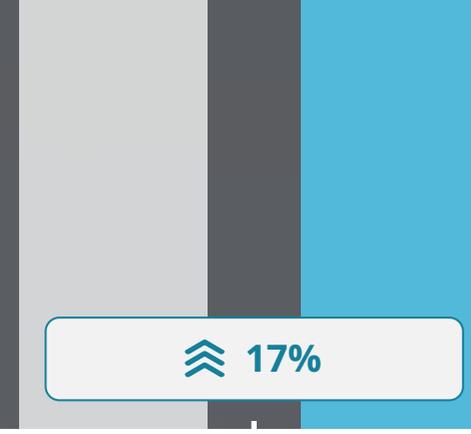


2022 2023

AspenTech contribution to 2023 Q4 EPS: \$0.06
 Interest from Copeland note receivable contribution to 2023 Q4 EPS: \$0.04

FREE CASH FLOW

\$713M \$838M



2022 2023

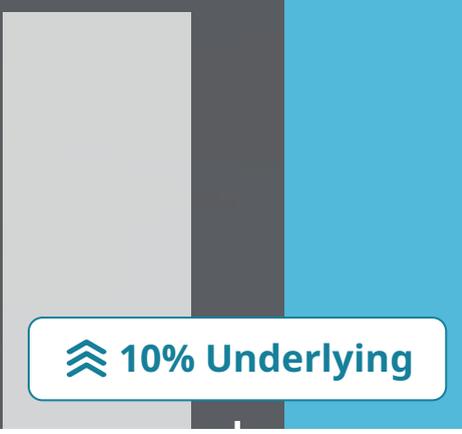
2023 Q4 FCF margin: 20.5%

¹ Excluding AspenTech

2023 Performance Summary

SALES

\$13.8B \$15.2B

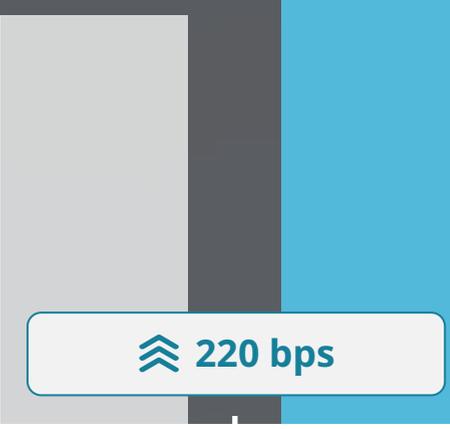


2022 2023

All world areas up 9-10%
Both business groups underlying sales up ~10%
Price contributed 4 pts

ADJUSTED SEGMENT EBITA

22.8% 25.0%

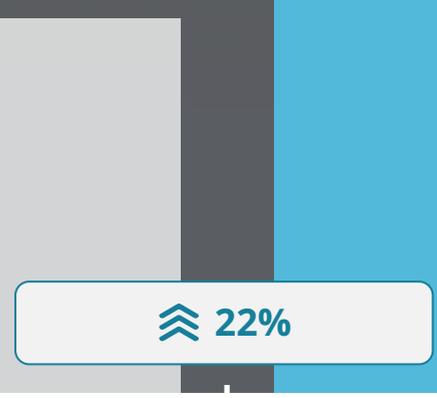


2022 2023

Operating leverage (excluding AspenTech): 53%
Accretive price-cost and favorable product/project mix

ADJUSTED EPS

\$3.64 \$4.44

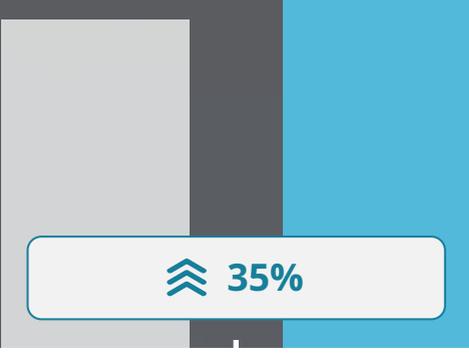


2022 2023

Driven by strong sales and continued execution
AspenTech contribution to 2023 EPS: \$0.27

FREE CASH FLOW

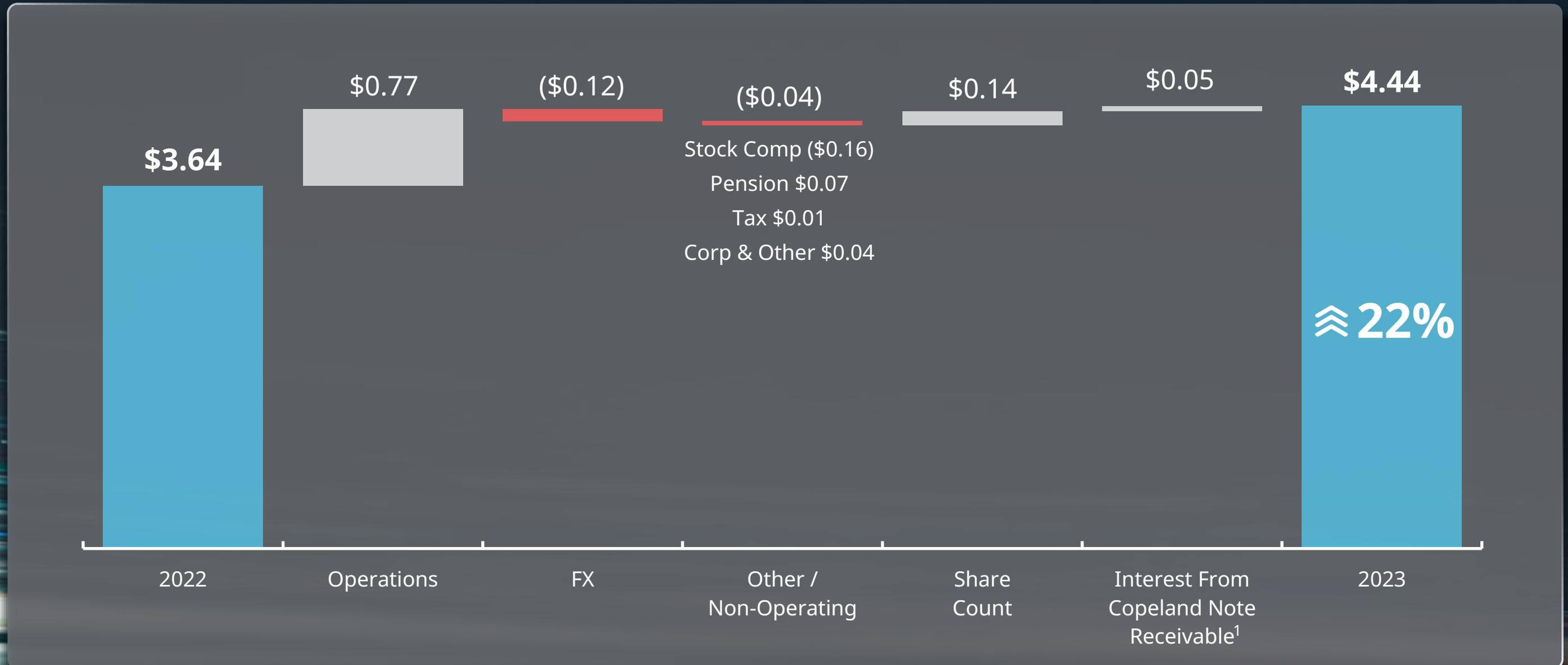
\$1.7B \$2.4B



2022 2023

AspenTech contribution to 2023 free cash flow: \$305M
Contribution from interest on undeployed proceeds: ~\$100M
2023 FCF margin: 15.6%

2022 To 2023 Adjusted EPS Bridge



¹ Included in adjusted EPS post-Copeland transaction close

2024 Outlook Led By Process And Hybrid Industries

CURRENT ENVIRONMENT



Resilient Demand Environment

Full year 2023 and 2023 Q4 orders up 5%



Healthy Backlog and MRO

Backlog¹ of \$6.6B up 12% YoY and ~65% MRO percentage of sales provide good visibility



Robust Project Funnel

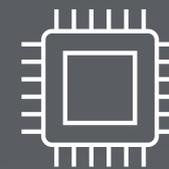
Strategic project funnel: \$10B+

2024 ASSUMPTIONS



Process / Hybrid Demand Remains Strong

Secular trends (energy security, sustainability & decarbonization, nearshoring) driving demand



Discrete Inflection in Second Half

Discrete Automation and Test & Measurement expecting positive orders in second half of fiscal 2024



Balanced World Area Outlook

All world areas expected to grow MSD

¹ Excluding AspenTech

2024 Continuing Operations Guidance

DETAILS

	2024 Q1	2024
Net Sales Growth	14% – 17.5%	13% – 15.5%
FX	~0 pts	~(1 pts)
Acquisitions (NI)	8.5 – 10 pts	10 – 10.5 pts
Divestitures	~(1 pts)	~0 pts
Underlying Sales Growth	6.5% – 8.5%	4% – 6%
Operating Leverage¹	Mid 30s	Mid-to-High 40s
Adjusted EPS	\$1.00 – \$1.05	\$5.15 – \$5.35
NI Contribution	~\$0.05	\$0.35 – \$0.40
Free Cash Flow		\$2.6B – \$2.7B
Free Cash Flow Margin		15.2% – 15.4%

AspenTech contribution:

2024 Adjusted EPS: **\$0.32 – \$0.34**

2024 Free Cash Flow: **\$350M – \$375M**

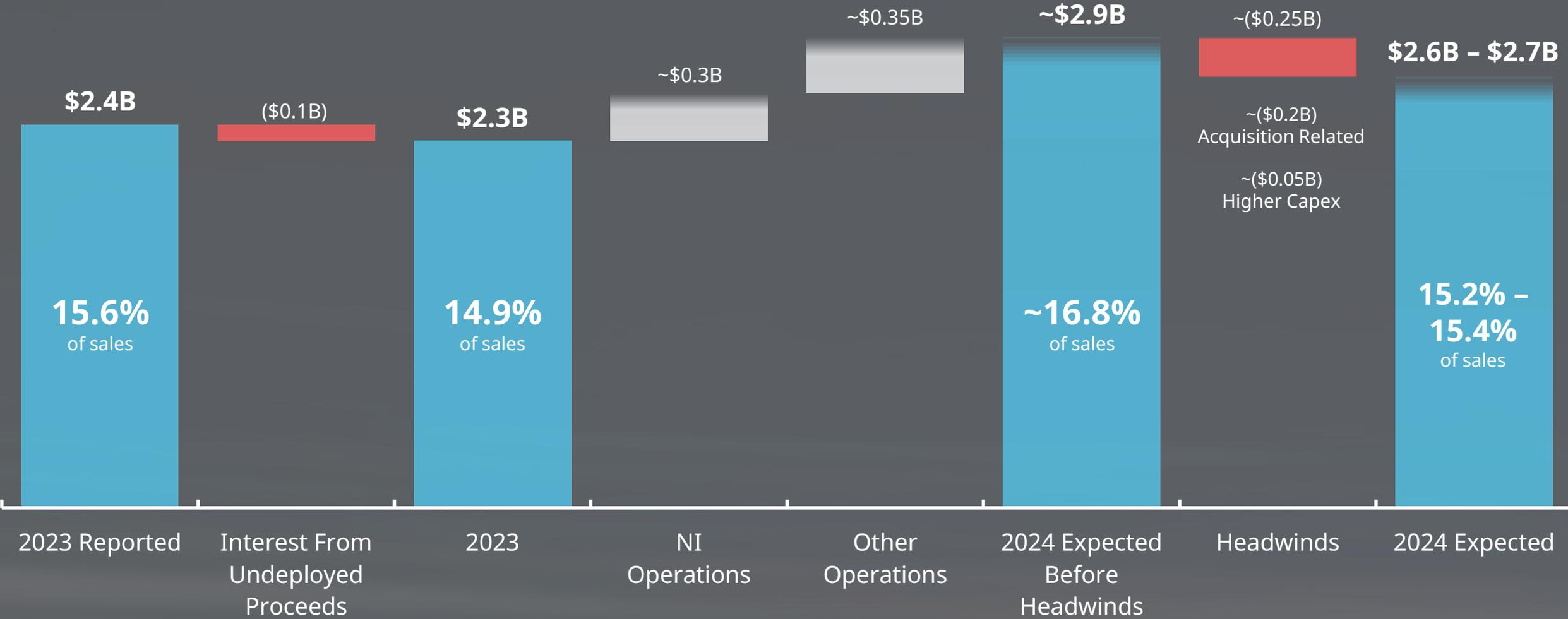
NI will be reported as new Test & Measurement segment within Software and Control group

~\$500M share repurchase;
\$1.2B of dividend payments

Tax rate: ~22%

¹ Excluding Test & Measurement segment

2023 To 2024 Free Cash Flow Guidance Bridge



Committed To Disciplined Capital Allocation



ORGANIC INVESTMENTS

Accelerating innovation through new processes and focus on breakthrough technologies



STRATEGIC ACQUISITIONS

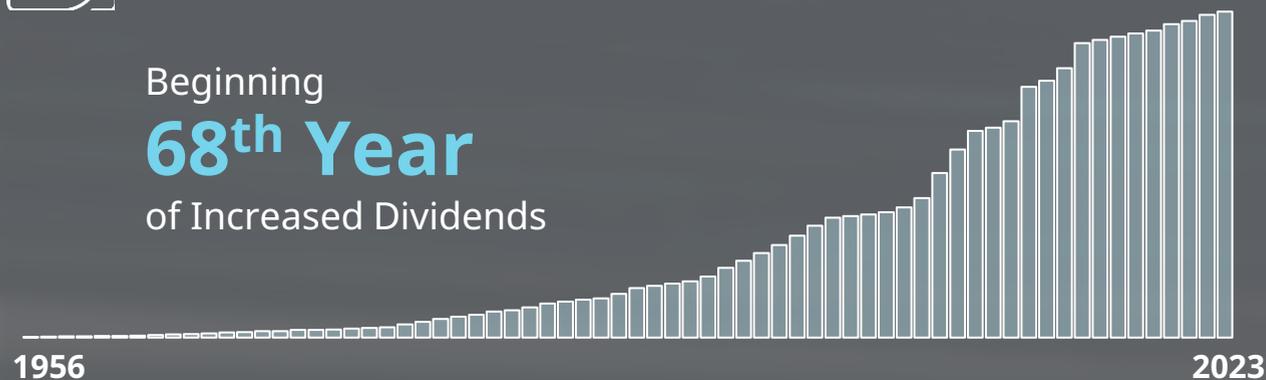
Focused on strategic **bolt-on acquisitions** to strengthen automation portfolio and diversify end markets

Targets provide differentiated technology – prioritizing 4 markets (industrial software, test & measurement, factory automation, smart grid solutions)



DIVIDEND

Beginning
68th Year
of Increased Dividends



SHARE REPURCHASE

Offset dilution / opportunistic

Expect ~\$500M in 2024

Appendix

The background features a dark blue gradient with numerous horizontal light trails in shades of cyan, teal, and white, creating a sense of motion and depth.

Global Automation Leader With Diversified End-Market Exposure

~\$17B

Net Sales

~13%

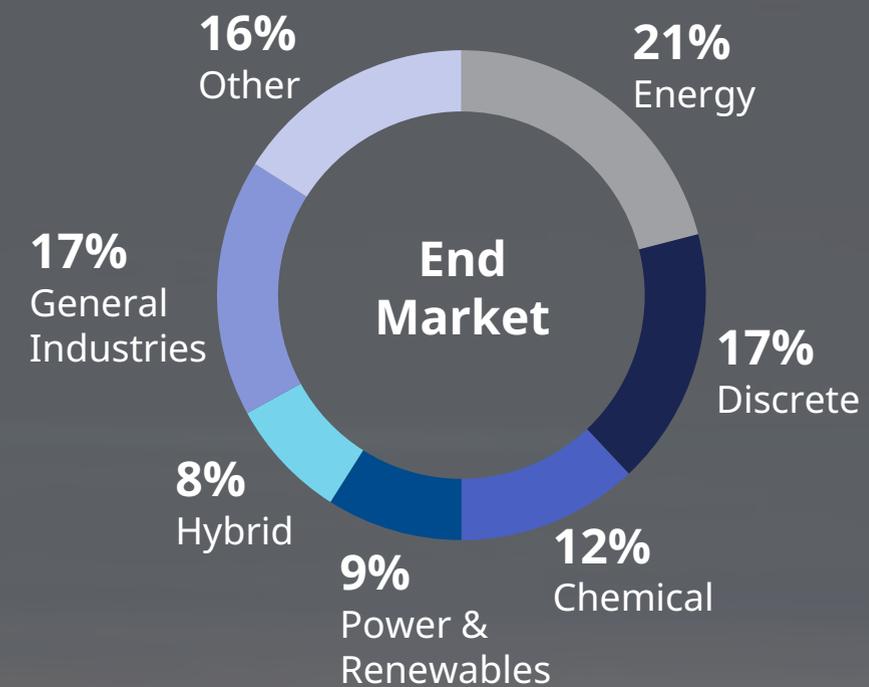
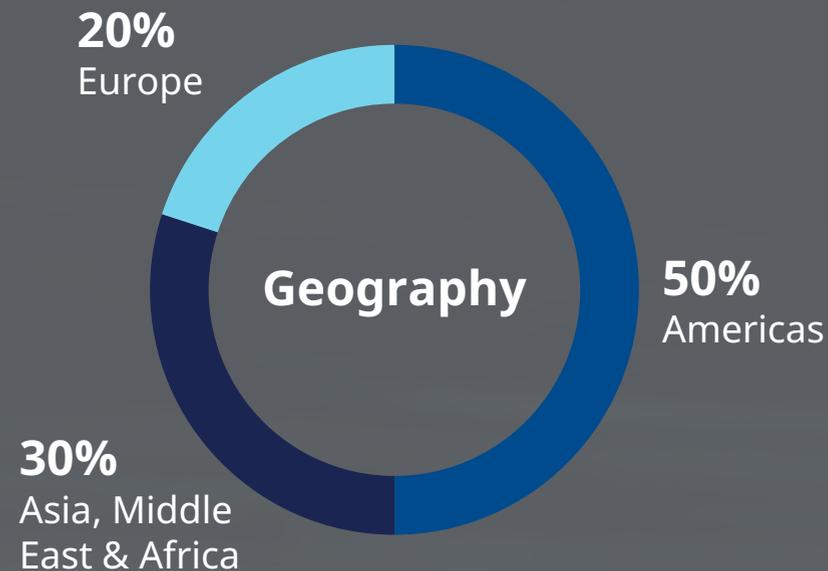
Software % Of Sales

>60%

MRO / Recurring Revenue

~\$150B

Installed Base



Note: all numbers represent post-acquisition 2023 Emerson including NI

Corporate And Other Items

(in millions)

	2023 Q4	2023	2024 Q1 Expectations	2024 Expectations
Stock Compensation	(\$52)	(\$250)	~(\$50)	~(\$215)
Pension	\$38	\$171	~\$30	~\$140
Copeland Equity Loss	(\$116)	(\$177)	~(\$80)	~(\$160)
Corporate & Other – GAAP	\$91	(\$63)	~(\$185)	~(\$330)
Corporate Restructuring and Related Costs	\$2	\$14	---	---
Acquisition / Divestiture Fees and Related Costs	\$36	\$84	~\$140	~\$165
NI Investment Gain	(\$9)	(\$56)	---	---
Russia Business Exit	---	\$47	---	---
AspenTech Micromine Purchase Price Hedge	---	(\$24)	---	---
Vertiv Gain	(\$161)	(\$161)	---	---
Adjusted Corporate & Other – Non-GAAP	(\$41)	(\$159)	~(\$45)	~(\$165)
Interest Income / (Expense) – GAAP	\$108	\$7	~(\$15)	~(\$105)¹
Interest Income on Undeployed Proceeds	(\$106)	(\$141)	N/A	N/A
Adjusted Interest Income / (Expense) – Non-GAAP	\$2	(\$134)	N/A	N/A
Adjusted Non-Controlling Interest	(\$36)	(\$134)		~(\$145)
Average Diluted Share Count	574.7	577.3	~574	~572

¹ Includes ~\$125M of interest income from Copeland note receivable

NI 2023 Results (Emerson Fiscal Year)

(Millions)	Q1	Q2	Q3	Q4	2023
Sales	\$448	\$437	\$417	\$391	\$1,693
Pretax Earnings	\$49	\$54	\$32	\$34	\$169
Net Interest Expense / (Income)	\$7	\$8	\$10	\$9	\$34
Earnings Before Interest and Taxes (EBIT)	\$56	\$62	\$42	\$43	\$203
<i>% of sales</i>	12.6%	14.2%	10.0%	11.1%	12.0%
Stock Based Compensation ¹	\$18	\$15	\$15	\$16	\$64
Acquisition and Related Costs ¹	---	(\$1)	\$16	\$3	\$18
Comparable Segment EBIT	\$74	\$76	\$73	\$62	\$285
<i>% of sales</i>	16.6%	17.4%	17.4%	15.8%	16.8%
Amortization of Intangibles	\$12	\$12	\$13	\$12	\$49
Restructuring and Related Costs	\$9	\$16	\$1	(\$1)	\$25
Comparable Adjusted Segment EBITA	\$95	\$104	\$87	\$73	\$359
<i>% of sales</i>	21.1%	23.8%	20.9%	18.6%	21.2%

¹ To be reported at Emerson corporate

AspenTech Contribution To Emerson 2023 Q4 Adjusted EBITA

AspenTech Reported Financials

(Millions)	2023 Q4
Sales	\$249
Net income	(\$35)
Income taxes (benefit)	(\$17)
Income before income taxes	(\$52)
Interest income	(\$14)
Stock compensation	\$16
Other	(\$3)
Segment EBIT	(\$47)

Emerson Reported AspenTech Segment

(Millions)	2023 Q4
AspenTech sales	\$249
AspenTech segment earnings (EBIT)	(\$47)
Amortization of intangibles	\$122
Restructuring and related costs	\$1
Segment EBITA	\$76
<i>% of sales</i>	30.2%

Emerson Corporate

(Millions)	2023 Q4
Interest income	(\$14)
Stock compensation	\$16
Other	(\$3)

AspenTech Contribution To Emerson 2023 Q4 GAAP EPS And Adjusted EPS

AspenTech Reported Financials

(Millions)	2023 Q4
Sales	\$249
Net income	(\$35)
Other	\$3
Net earnings common stockholders	(\$32)

Emerson EPS Contribution

(Millions, except per share)	2023 Q4	
Sales	\$249	
Net earnings	(\$32)	
Non-controlling interest ¹	(\$14)	
Net earnings common stockholders	(\$18)	
Shares		575
GAAP net earnings common stockholders / EPS	(\$18)	(\$0.03)
Amortization of intangibles	\$54	\$0.09
Restructuring and related costs	---	\$0.00
Adjusted net earnings common stockholders / adjusted EPS	\$36	\$0.06

57%¹ add-back (consistent with common ownership stake) of reconciling items – after-tax

¹ Due to AspenTech share repurchase, Emerson now holds 57% of outstanding shares

AspenTech Contribution To Emerson 2023 Q4

(Millions)	Pre-Tax Earnings	Income Taxes	Earnings From Continuous Operations	Non-Controlling Interest ¹	Net Earnings Common Stockholders	Diluted Earnings Per Share
AspenTech company reported	(\$52)	(\$17)	(\$35)			
Other	\$3	---	\$3			
AspenTech consolidation in Emerson	(\$49)	(\$17)	(\$32)	(\$14)	(\$18)	\$0.03
Amortization of intangibles	\$122	\$27	\$95	\$41	\$54	\$0.09
Restructuring and related costs	\$1	---	\$1	\$1	---	\$0.00
Adjusted	\$74	\$10	\$64	\$28	\$36	\$0.06
Interest income	(\$14)					
Stock compensation	\$16					
Adjusted Segment EBITA	\$76					

¹ Due to AspenTech share repurchase, Emerson now holds 57% of outstanding shares

Endnotes

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.

	2022 Q4		2023 Q4	
	Net Sales	Adjusted Segment EBITA	Net Sales	Adjusted Segment EBITA
Emerson	\$3,892M	\$963M	\$4,090M	\$1,045M
Less: AspenTech	\$251M	\$81M	\$249M	\$76M
Emerson (excluding AspenTech)	\$3,641M A	\$882M B	\$3,841M C	\$969M D

$$\text{Operating Leverage (excluding AspenTech)} = \frac{(D - B)}{(C - A)} = \frac{(\$969M - \$882M)}{(\$3,841M - \$3,641M)} = 45\%$$

	2022		2023	
	Net Sales	Adjusted Segment EBITA	Net Sales	Adjusted Segment EBITA
Emerson	\$13,804M	\$3,147M	\$15,165M	\$3,794M
Less: AspenTech	\$656M	\$249M	\$1,042M	\$380M
Emerson (excluding AspenTech)	\$13,148M A	\$2,898M B	\$14,123M C	\$3,414M D

$$\text{Operating Leverage (excluding AspenTech)} = \frac{(D - B)}{(C - A)} = \frac{(\$3,414M - \$2,898M)}{(\$14,123M - \$13,148M)} = 53\%$$

Reconciliation Of Non-GAAP Measures

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

	FY22	FY23	August Guidance FY23E	November Guidance FY24E	November Guidance Q1 FY24E
Underlying Sales Change					
Reported (GAAP)	7%	10%	~10.5%	13% - 15.5%	14% - 17.5%
(Favorable) / Unfavorable FX (Acquisitions)	3%	2%	~1.5%	~1%	~-0%
Divestitures	(3)%	~(3)%	~(2.5)%	(10) - (10.5)%	(8.5) - (10)%
Underlying (non-GAAP)	-%	~1%	~0.5%	~-%	~1%
	7%	10%	~10%	4% - 6%	6.5% - 8.5%
Underlying Sales Change	Q4 FY23				
Reported (GAAP)	5%				
(Favorable) / Unfavorable FX (Acquisitions)	(1)%				
Divestitures	-%				
Underlying (non-GAAP)	1%				
	5%				
FY23 Underlying Sales Change	Intelligent Devices	Software and Control			
Reported (GAAP)	7%	20%			
(Favorable) / Unfavorable FX (Acquisitions)	2%	1%			
Divestitures	-%	(12)%			
Underlying (non-GAAP)	1%	1%			
	10%	10%			

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation

Reconciliation Of Non-GAAP Measures

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

	FY22	FY23	FY23 vs. FY22		
Total Business Segment Adjusted EBITA					
Pretax earnings (GAAP)	\$2,432	\$2,726			
Corporate items and interest expense, net	186	312			
Total Business Segment EBIT	\$2,618	\$3,038			
Amortization of intangibles and restructuring and related costs	529	756			
Adjusted total business segment EBITA (non-GAAP)	\$3,147	\$3,794			
Total Business Segment Adjusted EBITA Margin					
Pretax earnings margin (GAAP)	13.6%	17.6%	18.0%		40 bps
Corporate items and interest expense, net	3.4%	1.4%	2.0%		60 bps
Total Business Segment EBIT margin	17.0%	19.0%	20.0%		100 bps
Amortization of intangibles and restructuring and related costs	3.5%	3.8%	5.0%		120 bps
Adjusted total business segment EBITA margin (non-GAAP)	20.5%	22.8%	25.0%		220 bps
Total Business Segment Adjusted EBITA / EBITA Margin					
Pretax earnings / margin (GAAP)	\$603	\$904	15.5%	22.1%	660 bps
Corporate items and interest expense, net	147	(69)	3.8%	(1.7)%	(550) bps
Total Business Segment EBIT / margin	750	835	19.3%	20.4%	110 bps
Amortization of intangibles and restructuring and related costs	213	210	5.4%	5.1%	(30) bps
Adjusted total business segment EBITA / margin (non-GAAP)	\$963	\$1,045	24.7%	25.5%	80 bps

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation

Reconciliation Of Non-GAAP Measures

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

Earnings Per Share	FY21	FY22	FY23	FY23 vs. FY22 Change	FY22 vs. FY21 Change
Earnings per share (GAAP)	\$2.35	\$3.16	\$3.72	18%	34%
Amortization of intangibles	0.38	0.45	0.62		
Restructuring and related costs	0.21	0.14	0.14		
Acquisition/divestiture costs and pre-acquisition interest on AspenTech debt	-	0.15	0.13		
Gain on subordinated interest	-	(0.60)	(0.21)		
National Instruments investment gain	-	-	(0.07)		
Other investment-related gains	-	(0.02)	-		
AspenTech Micromine purchase price hedge	-	0.04	(0.02)		
Interest income on undeployed proceeds from Copeland transaction	-	-	(0.19)		
Loss on Copeland equity method investment	-	-	0.24		
Russia business exit charge	-	0.32	0.08		
OSI first year acquisition accounting charges and fees	0.07	-	-		
Adjusted earnings per share (non-GAAP)	\$3.01	\$3.64	\$4.44	22%	21%

Earnings Per Share	Q4 FY22	Q4 FY23	Q4 FY23 vs. Q4 FY22 Change
Earnings per share (GAAP)	\$0.82	\$1.22	49%
Amortization of intangibles	0.14	0.16	
Restructuring and related costs	0.06	0.07	
Acquisition/divestiture and related costs	-	0.06	
Gain on subordinated interest	-	(0.21)	
National Instruments investment gain	-	(0.01)	
Other investment-related gains	(0.02)	-	
AspenTech Micromine purchase price hedge	0.04	-	
Interest income on undeployed proceeds from Copeland transaction	-	(0.14)	
Loss on Copeland equity method investment	-	0.14	
Russia business exit charge	0.03	-	
Adjusted earnings per share (non-GAAP)	\$1.07	\$1.29	21%

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation

Reconciliation Of Non-GAAP Measures

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

	November Guidance FY24E	November Guidance Q1 FY24E		
NI Earnings Per Share Contribution				
Earnings per share (GAAP)	\$0.14 - \$0.19	~\$(0.11)		
Restructuring and related costs	0.08	0.06		
Acquisition / divestiture fees and related costs	0.13	0.10		
NI Adjusted earnings per share (non-GAAP)	\$0.35 - \$0.40	~\$0.05		

	FY23	August Guidance FY23E	November Guidance FY24E	Midpoint Change	November Guidance Q1 FY24E
Earnings Per Share					
Earnings per share (GAAP) ¹	\$3.72	\$3.54 - \$3.59	\$3.82 - \$4.02	~5%	\$0.45 - \$0.50
Amortization of intangibles	0.62	~0.61	~0.67		~0.17
Restructuring and related costs	0.14	~0.16	~0.22		~0.08
Russia business exit	0.08	~0.08	-		-
AspenTech Micromine purchase price hedge	(0.02)	~(0.02)	-		-
Acquisition/divestiture fees and related costs	0.13	~0.10	~0.22		~0.19
Gain on subordinated interest	(0.21)	-	-		-
National Instrument investment gain	(0.07)	~(0.07)	-		-
Interest income on undeployed proceeds from Copeland	(0.19)	~(0.19)	-		-
Loss on Copeland equity method investment	0.24	~0.19	~0.22		~0.11
Adjusted earnings per share (non-GAAP)	\$4.44	\$4.40 - \$4.45	\$5.15 - \$5.35	~18%	\$1.00 - \$1.05

¹ GAAP earnings per share guidance for 2024 does not include the impact of intangibles amortization and other purchase accounting-related costs related to the NI transaction. The initial accounting for the transaction is not yet complete and therefore Emerson is unable to estimate these amounts. Although these items may have a significant impact on GAAP EPS, they will be excluded from adjusted earnings per share and will have no impact on cash flows.

Reconciliation Of Non-GAAP Measures

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

	FY22	FY23	August Guidance FY23E	Q4 FY23
Adjusted Operating EBITA Leverage				
Pretax margin leverage (GAAP)	77%	22%	~15%	152%
Corporate items and interest expense, net / amortization / restructuring / AspenTech	(17)%	31%	~35%	(107)%
Adjusted business segment EBITA leverage, excluding AspenTech (non-GAAP)	60%	53%	~50%	45%
	November Guidance FY24E	November Guidance Q1 FY24E		
Pretax margin leverage (GAAP)	~5%	~(15)%		
Corporate items and interest expense, net / amortization / restructuring / NI	Low - Mid 40s	~50%		
Adjusted business segment EBITA leverage, excluding NI (non-GAAP)	Mid - High 40s	Mid 30s		
	Q4 FY22	Q4 FY23	FY22	FY23
AspenTech Segment EBITA				
AspenTech EBIT (GAAP)	\$(39)	\$(47)	\$12	\$(107)
Amortization of intangibles and restructuring and related costs	120	123	237	487
Adjusted AspenTech EBITA (non-GAAP)	\$81	\$76	\$249	\$380
	Q4 FY23	FY23	November Guidance FY24E	
AspenTech EPS Contribution				
AspenTech EPS (GAAP)	\$(0.03)	\$(0.08)	\$(0.05) - \$(0.03)	
Amortization of intangibles	0.09	0.37	~0.37	
AspenTech Micromine purchase price hedge	-	(0.02)	-	
AspenTech adjusted EPS (non-GAAP)	\$0.06	\$0.27	\$0.32 - \$0.34	

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation

Reconciliation Of Non-GAAP Measures

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

Cash Flow

	Q4 FY22	Q4 FY23	Change
Operating cash flow (GAAP)	\$813	\$1,007	24%
Capital expenditures	(100)	(169)	(7)%
Free cash flow (non-GAAP)	\$713	\$838	17%

Cash Flow

	FY22	FY23	Change	November Guidance FY24E	August Guidance FY23E
Operating cash flow (GAAP)	\$2,048	\$2,726	33%	\$3.0 - \$3.1B	\$2.5 - \$2.6B
Capital expenditures	(299)	(363)	2%	~(0.4)B	~(0.3)B
Free cash flow (non-GAAP)	\$1,749	\$2,363	35%	\$2.6B - \$2.7B	\$2.2B - \$2.3B

Cash Flow Margin

	Q4 FY23	FY23	November Guidance FY24E
Operating cash flow margin	24.6%	18.0%	17.7% - 17.9%
Capital expenditures margin	(4.1)%	(2.4)%	~(2.5)%
Free cash flow margin	20.5%	15.6%	15.2% - 15.4%

AspenTech Cash Flow Contribution

	FY23	November Guidance FY24E
Operating cash flow (GAAP)	\$310	\$365M - \$390M
Capital expenditures	(5)	~(15)
Free cash flow (non-GAAP)	\$305	\$350M - \$375M

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation

Reconciliation Of Non-GAAP Measures

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

	Q4 FY23	FY23	November Guidance FY24E
Adjusted Non-Controlling Interest			
Non-controlling interest reported (GAAP)	\$6	\$25	~\$(20)
Amortization of intangibles	(41)	(166)	~165
Restructuring and related costs	(1)	(1)	-
AspenTech Micromine purchase price hedge	-	8	-
Adjusted non-controlling interest	\$(36)	\$(134)	~\$(145)
	Sept. 30, 2022	Sept. 30, 2023	Change
Backlog			
Backlog (GAAP)	\$7.0B	\$7.8B	11%
AspenTech	1.1B	1.2B	1%
Backlog excluding AspenTech (non-GAAP)	\$5.9B	\$6.6B	12%
	FY23		
Adjusted Free Cash Flow Conversion			
Operating cash flow conversion	128%		
Capital expenditures	(17)%		
Free cash flow conversion	111%		
Adjusted net earnings impact	(23)%		
Free cash flow conversion of adjusted net earnings	88%		

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Reconciliation Of Non-GAAP Measures

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

Post-NI Acquisition Sales

	FY23
FY23 sales (GAAP)	\$15.3B
NI	~1.7B
Post acquisition sales (non-GAAP)	~\$17.0B

Emerson Acquisitions Adjusted Gross Profit Margin

	FY23
Acquired businesses gross profit margin (GAAP)	~70%
Acquired businesses intangibles amortization	~5%
Acquired businesses adjusted gross profit margin (non-GAAP)	~75%

Emerson Acquisitions Adjusted EBITA Margin

	FY23
Acquisitions pretax margin (GAAP)	~5%
Interest income, net / intangibles amortization / restructuring	~25%
Acquired businesses adjusted EBITA margin (non-GAAP)	~30%

Emerson Divestiture Adjusted EBITA Margin

	FY22
Divestitures pretax margin (GAAP)	28%
Restructuring / amortization of intangibles / divestiture gain	(7)%
Divestitures adjusted EBITA margin (non-GAAP)	21%

References to underlying orders and underlying sales in this presentation exclude the impact of significant acquisitions, divestitures and currency translation