

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event
reported): February 7, 2017

Emerson Electric Co.

(Exact Name of Registrant as Specified in Charter)

Missouri

(State or Other Jurisdiction of Incorporation)

1-278

(Commission
File Number)

43-0259330

(I.R.S. Employer Identification Number)

8000 West Florissant Avenue
St. Louis, Missouri

(Address of Principal Executive Offices)

63136

(Zip Code)

Registrant's telephone number, including area code:

(314) 553-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

Quarterly Results Press Release

On Tuesday, February 7, 2017, a press release was issued regarding the first quarter 2017 results of Emerson Electric Co. (the “Company”). A copy of this press release is furnished with this Current Report on Form 8-K as Exhibit 99.1.

References to underlying orders in the press release refer to the Company’s trailing three-month average orders growth versus the prior year, excluding currency, acquisitions and divestitures.

Non-GAAP Financial Measures

The press release contains non-GAAP financial measures as such term is defined in Regulation G under the rules of the Securities and Exchange Commission. While the Company believes these non-GAAP financial measures are useful in evaluating the Company, 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.

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 economic and currency conditions, market demand, pricing, protection of intellectual property, and competitive and technological factors, among others, as set forth in the Company’s most recent Annual Report on Form 10-K and subsequent reports filed with the SEC.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description of Exhibits
99.1	Emerson's February 7, 2017 press release announcing first quarter 2017 results.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMERSON ELECTRIC CO.
(Registrant)

Date: February 7, 2017

By: /s/ John G. Shively
John G. Shively
Vice President and
Assistant Secretary

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
99.1	Emerson's February 7, 2017 press release announcing first quarter 2017 results.



news release

For immediate release
Media Contact: Mark Polzin (314) 982-1758

EMERSON REPORTS FIRST QUARTER 2017 RESULTS

- First quarter sales and profit exceeded expectations
- Net sales were \$3.2 billion, down 4 percent, or 3 percent on an underlying basis
- Earnings per share from continuing operations increased 22 percent to \$0.56
- Operating cash flow from continuing operations increased 6 percent versus the prior year

ST. LOUIS, February 7, 2017 – Emerson (NYSE: EMR) today announced net sales in the first quarter ended December 31, 2016 were down 4 percent, with underlying sales down 3 percent excluding unfavorable currency translation. The first quarter results reflected mixed but generally improving global economic conditions in our key served markets. Growth in the Commercial & Residential Solutions platform resulted from favorable HVAC, refrigeration and U.S. and Asian construction markets, while the Automation Solutions platform remained down due to the low price of oil but witnessed improving order rates, particularly in North America, as we exited the quarter.

Pretax margin of 14.4 percent exceeded the prior year by 140 basis points. EBIT margin of 15.8 percent also increased 140 basis points primarily due to savings from restructuring activities. Earnings per share from continuing operations of \$0.56 increased 22 percent, including an income tax benefit of \$0.07 per share. Operating cash flow from continuing operations of \$410 million increased 6 percent versus the prior year. Including the impact of discontinued operations (Network Power, Leroy-Somer and Control Techniques), earnings per share were \$0.48, down 9 percent, and operating cash flow was \$238 million, down 51 percent.

"Our strong first quarter results, which surpassed expectations, represent a solid start to the fiscal year and reflect an improving overall economic environment," said Chairman and Chief Executive Officer David N. Farr. "The benefits from our restructuring actions during the past two years played a critical role in our ability to deliver higher margins across many of our businesses. Considering the improving demand conditions during the quarter, particularly in the automation markets, we are increasing our 2017 full-year EPS guidance by 12 cents at both the top and bottom end of the range, including the 7 cent income tax benefit in the first quarter."

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Business Platform Results

Automation Solutions net sales decreased 9 percent. Underlying sales were down 8 percent excluding unfavorable currency. Spending in energy related and general industrial markets remained down but the pace of business improved during the quarter. Globally, power, chemical and life sciences markets continue to provide opportunities for growth. Underlying sales in North America were down 11 percent, with the U.S. down 9 percent. Spending by oil and gas customers remained down, but MRO activity levels were more favorable and are expected to be a benefit for at least the next two quarters. Asia was down 2 percent, with China up 4 percent reflecting stabilizing market conditions. In other regions, Europe was down 5 percent, Middle East/Africa was up 3 percent and Latin America was down 29 percent. Margin increased 80 basis points to 16.6 percent, primarily due to savings from prior year restructuring actions. The business will remain under pressure during the second quarter from continued low levels of customer spending, with the expectation that market conditions will continue to improve during the fiscal year.

Commercial & Residential Solutions net sales increased 6 percent reflecting strong demand in global HVAC and refrigeration markets and favorable conditions in professional tools. Underlying sales increased 7 percent excluding unfavorable currency. Underlying sales in North America increased 4 percent, led by strong growth in U.S. residential and commercial air conditioning as well as a recovery in professional tools within the oil and gas sector. Asia increased 26 percent as broad strength in air conditioning and refrigeration markets was evident across most of the region. Growth in Asia was led by China, up 40 percent, where significant demand acceleration has occurred over the last two quarters. Europe was up 7 percent with solid growth in air conditioning and professional construction tools. Margin increased 140 basis points to 19.9 percent, primarily due to leverage on higher volume and savings from restructuring actions across the new platform structure. A favorable outlook for global demand in air conditioning, refrigeration and U.S. construction markets supports the expectation for low to mid-single digit growth in fiscal 2017.

2017 Outlook

Considering the first quarter results and recent order trends, we are raising our outlook for 2017. Full-year net sales are expected to be down 1 to 3 percent, with underlying sales flat to down 2 percent excluding unfavorable currency translation of approximately 1 percent. Earnings per share from continuing operations are now expected to be \$2.47 to \$2.62, including the \$0.07 income tax benefit in the first quarter. Automation Solutions net sales are now expected to be down 5 to 7 percent, with underlying sales down 3 to 5 percent excluding unfavorable currency of approximately 2 percent. Commercial & Residential Solutions net and underlying sales are now expected to be up 3 to 5 percent. This outlook continues to exclude any impact related to the pending acquisition of the Pentair Valves & Controls business.

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"Our first quarter results reflect the positive momentum building within our two platform businesses as we begin the fiscal year, " continued Farr. "While we expect significant challenges to persist throughout 2017, we are optimistic that the improving market conditions and broad-based increase in demand within many of our global served markets will benefit Emerson in the second half of the year. With this in mind, our focus will continue to be on executing our portfolio repositioning strategy and making the necessary adjustments to deliver improved profitability and cash flow to increase shareholder value."

Upcoming Investor Events

Today at 2:00 p.m. ET, Emerson management will discuss the first quarter 2017 results during a conference call. Access to a live webcast of the discussion will be available at www.emerson.com/financial at the time of the call. A replay of the conference call will remain available for approximately three months.

On Thursday, February 16, 2017, Emerson will host its annual investor conference in New York City from 8:30 a.m. to approximately 12:45 p.m. ET. Access to a live webcast of the presentation will be available at www.emerson.com/financial at the time of the event. A replay of the conference will remain available for approximately three months.

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 economic and currency conditions, market demand, pricing, protection of intellectual property, and competitive and technological factors, 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 expectations for its consolidated results from continuing operations, and excludes the results of discontinued operations and any results attributable to the pending acquisition of the Pentair Valves & Controls business.

(tables attached)

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Table 1

EMERSON AND SUBSIDIARIES
CONSOLIDATED OPERATING RESULTS
(AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

	<u>Quarter Ended December 31</u>		<u>Percent Change</u>
	<u>2015</u>	<u>2016</u>	
Net sales	\$3,337	\$3,216	(4)%
Costs and expenses:			
Cost of sales	1,923	1,851	
SG&A expenses	879	822	
Other deductions, net	54	33	
Interest expense, net	47	46	
Earnings from continuing operations before income taxes	<u>434</u>	<u>464</u>	7%
Income taxes	127	94	
Earnings from continuing operations	<u>307</u>	<u>370</u>	21%
Discontinued operations, net of tax	46	(55)	
Net Earnings	<u>353</u>	<u>315</u>	
Less: Noncontrolling interests in earnings of subsidiaries	4	6	
Net earnings common stockholders	<u>\$349</u>	<u>\$309</u>	(12)%
Diluted avg. shares outstanding	652.5	644.3	
Diluted earnings per share common stockholders			
Earnings from continuing operations	\$0.46	\$0.56	22%
Discontinued operations	\$0.07	(\$0.08)	
Diluted earnings per common share	<u>\$0.53</u>	<u>\$0.48</u>	(9)%

	<u>Quarter Ended December 31</u>	
	<u>2015</u>	<u>2016</u>
Other deductions, net		
Amortization of intangibles	\$22	\$22
Restructuring costs	7	11
Other	25	—
Total	<u>\$54</u>	<u>\$33</u>

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Table 2

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

	<u>Quarter Ended December 31</u>	
	<u>2015</u>	<u>2016</u>
Assets		
Cash and equivalents	\$3,109	\$4,151
Receivables, net	2,490	2,426
Inventories	1,320	1,278
Other current assets	706	552
Current assets held-for-sale	2,069	470
Total current assets	9,694	8,877
Property, plant & equipment, net	2,885	2,861
Goodwill	3,825	3,861
Other intangible assets	917	879
Other	220	179
Noncurrent assets held-for-sale	3,998	814
Total assets	\$21,539	\$17,471
Liabilities and equity		
Short-term borrowings and current maturities of long-term debt	\$3,409	\$254
Accounts payable	1,344	1,335
Accrued expenses	1,907	1,872
Income taxes	103	396
Current liabilities held-for-sale	1,439	289
Total current liabilities	8,202	4,146
Long-term debt	4,030	3,815
Other liabilities	1,479	1,667
Noncurrent liabilities held-for-sale	331	89
Total equity	7,497	7,754
Total liabilities and equity	\$21,539	\$17,471

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Table 3

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

	Quarter Ended December 31	
	2015	2016
Operating activities		
Net earnings	\$353	\$315
(Earnings) Loss from discontinued operations, net of tax	(46)	55
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	144	143
Changes in operating working capital	(155)	(138)
Other, net	90	35
Cash from continuing operations	386	410
Cash from discontinued operations	101	(172)
Cash provided by operating activities	487	238
Investing activities		
Capital expenditures	(124)	(100)
Purchases of businesses, net of cash and equivalents acquired	(6)	(16)
Other, net	(13)	(20)
Cash from continuing operations	(143)	(136)
Cash from discontinued operations	(20)	3,894
Cash provided by (used in) investing activities	(163)	3,758
Financing activities		
Net increase (decrease) in short-term borrowings	34	(2,225)
Proceeds from short-term borrowings greater than three months	827	—
Payments of short-term borrowings greater than three months	—	(90)
Payments of long-term debt	(251)	(251)
Dividends paid	(310)	(311)
Purchases of common stock	(507)	—
Other, net	(4)	(43)
Cash used in financing activities	(211)	(2,920)
Effect of exchange rate changes on cash and equivalents	(58)	(107)
Increase (Decrease) in cash and equivalents	55	969
Beginning cash and equivalents	3,054	3,182
Ending cash and equivalents	\$3,109	\$4,151

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Table 4

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

	<u>Quarter Ended December 31</u>	
	<u>2015</u>	<u>2016</u>
Sales		
Automation Solutions	\$2,162	\$1,967
Climate Technologies	786	859
Tools & Home Products	392	393
Commercial & Residential Solutions	1,178	1,252
Eliminations	(3)	(3)
Net sales	<u>\$3,337</u>	<u>\$3,216</u>
Earnings		
Automation Solutions	\$341	\$326
Climate Technologies	133	161
Tools & Home Products	85	88
Commercial & Residential Solutions	218	249
Differences in accounting methods	44	33
Corporate and other	(122)	(98)
Interest expense, net	(47)	(46)
Earnings before income taxes	<u>\$434</u>	<u>\$464</u>
Restructuring costs		
Automation Solutions	\$5	\$6
Climate Technologies	1	4
Tools & Home Products	1	1
Commercial & Residential Solutions	2	5
Total	<u>\$7</u>	<u>\$11</u>

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Reconciliations of Non-GAAP Financial Measures & Other**Table 5**

Reconciliations of Non-GAAP measures (denoted by *) with the most directly comparable GAAP measure (dollars in millions, except per share amounts):

	Auto Solns	Comm & Res Solns	Emerson
Q1 2017 Underlying Sales Change			
Reported (GAAP)	(9)%	6%	(4)%
Unfavorable FX	1 %	1%	1 %
Underlying*	(8)%	7%	(3)%
	Q1 FY17	Q1 FY16	Change
EBIT Margin			
Pretax margin (GAAP)	14.4 %	13%	140 bps
Interest expense, net	1.4	1.4	- bps
EBIT margin*	15.8 %	14.4%	140 bps

The Commercial & Residential Solutions business includes the results of both our Climate Technologies and Tools & Home Products segments.

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