UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2022

OR

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

For the transition period from ____________________ to __________________

Commission file number 1-278

EMERSON ELECTRIC CO.

(Exact name of registrant as specified in its charter)

Missouri	**43-0259330**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8000 W. Florissant Ave. P.O. Box 4100 St. Louis, Missouri	**63136**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(314) 553-2000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock of $0.50 par value per share	EMR	New York Stock Exchange NYSE Chicago
0.375% Notes due 2024	EMR 24	New York Stock Exchange
1.250% Notes due 2025	EMR 25A	New York Stock Exchange
2.000% Notes due 2029	EMR 29	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date. Common stock of $0.50 par value per share outstanding at December 31, 2022: 571.4 million shares.

Consolidated Statements of Earnings
EMERSON ELECTRIC CO. & SUBSIDIARIES

Three months ended December 31, 2021 and 2022
(Dollars in millions, except per share amounts; unaudited)

	Three Months Ended December 31,	
	2021	**2022**
Net sales	$ 3,156	**3,373**
Cost of sales	1,741	**1,753**
Selling, general and administrative expenses	849	**1,030**
Gain on subordinated interest	(453)	**—**
Other deductions, net	38	**120**
Interest expense (net of interest income of $3 and $20, respectively)	39	**48**
Earnings from continuing operations before income taxes	942	**422**
Income taxes	196	**98**
Earnings from continuing operations	746	**324**
Discontinued operations, net of tax: $84 and $966, respectively	149	**2,002**
Net earnings	895	**2,326**
Less: Noncontrolling interests in subsidiaries	(1)	**(5)**
Net earnings common stockholders	$ 896	**2,331**
Earnings common stockholders:		
Earnings from continuing operations	746	**329**
Discontinued operations	150	**2,002**
Net earnings common stockholders	$ 896	**2,331**
Basic earnings per share common stockholders:		
Earnings from continuing operations	$ 1.25	**0.56**
Discontinued operations	0.26	**3.43**
Basic earnings per common share	$ 1.51	**3.99**
Diluted earnings per share common stockholders:		
Earnings from continuing operations	$ 1.25	**0.56**
Discontinued operations	0.25	**3.41**
Diluted earnings per common share	$ 1.50	**3.97**
Weighted average outstanding shares:		
Basic	594.6	**583.6**
Diluted	598.1	**586.7**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income
EMERSON ELECTRIC CO. & SUBSIDIARIES

Three months ended December 31, 2021 and 2022
(Dollars in millions; unaudited)

	Three Months Ended December 31,	
	2021	**2022**
Net earnings	$ 895	**2,326**
Other comprehensive income (loss), net of tax:		
Foreign currency translation	(72)	**241**
Pension and postretirement	18	**(16)**
Cash flow hedges	4	**10**
Total other comprehensive income (loss)	(50)	**235**
Comprehensive income	845	**2,561**
Less: Noncontrolling interests in subsidiaries	(1)	**—**
Comprehensive income common stockholders	$ 846	**2,561**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
EMERSON ELECTRIC CO. & SUBSIDIARIES

(Dollars and shares in millions, except per share amounts; unaudited)

	Sept 30, 2022	Dec 31, 2022
ASSETS		
Current assets		
Cash and equivalents	$ 1,804	2,271
Receivables, less allowances of $100 and $101, respectively	2,261	2,231
Inventories	1,742	1,999
Other current assets	1,301	1,290
Current assets held-for-sale	1,398	1,209
Total current assets	8,506	9,000
Property, plant and equipment, net	2,239	2,263
Other assets		
Goodwill	13,946	14,087
Other intangible assets	6,572	6,460
Other	2,151	2,268
Noncurrent assets held-for-sale	2,258	2,163
Total other assets	24,927	24,978
Total assets	$ 35,672	36,241
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current maturities of long-term debt	$ 2,115	1,792
Accounts payable	1,276	1,219
Accrued expenses	3,038	3,949
Current liabilities held-for-sale	1,348	1,200
Total current liabilities	7,777	8,160
Long-term debt	8,259	8,159
Other liabilities	3,153	3,057
Noncurrent liabilities held-for-sale	167	151
Equity		
Common stock, $0.50 par value; authorized, 1,200.0 shares; issued, 953.4 shares; outstanding, 591.4 shares and 571.4 shares, respectively	477	477
Additional paid-in-capital	57	112
Retained earnings	28,053	30,076
Accumulated other comprehensive income (loss)	(1,485)	(1,255)
Cost of common stock in treasury, 362.0 shares and 382.0 shares, respectively	(16,738)	(18,683)
Common stockholders' equity	10,364	10,727
Noncontrolling interests in subsidiaries	5,952	5,987
Total equity	16,316	16,714
Total liabilities and equity	$ 35,672	36,241

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Equity
EMERSON ELECTRIC CO. & SUBSIDIARIES

Three months ended December 31, 2021 and 2022
(Dollars in millions; unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2022
Common stock	$ 477	477
Additional paid-in-capital		
Beginning balance	522	57
Stock plans	42	55
Ending balance	564	112
Retained earnings		
Beginning balance	26,047	28,053
Net earnings common stockholders	896	2,331
Dividends paid (per share: $0.515 and $0.52, respectively)	(307)	(308)
Ending balance	26,636	30,076
Accumulated other comprehensive income (loss)		
Beginning balance	(872)	(1,485)
Foreign currency translation	(72)	236
Pension and postretirement	18	(16)
Cash flow hedges	4	10
Ending balance	(922)	(1,255)
Treasury stock		
Beginning balance	(16,291)	(16,738)
Purchases	(258)	(2,000)
Issued under stock plans	43	55
Ending balance	(16,506)	(18,683)
Common stockholders' equity	10,249	10,727
Noncontrolling interests in subsidiaries		
Beginning balance	40	5,952
Net earnings	(1)	(5)
Stock plans	—	35
Other comprehensive income	—	5
Ending balance	39	5,987
Total equity	$ 10,288	16,714

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

EMERSON ELECTRIC CO. & SUBSIDIARIES

Three Months Ended December 31, 2021 and 2022

(Dollars in millions; unaudited)

	Three Months Ended December 31,	
	2021	**2022**
Operating activities		
Net earnings	$ 895	2,326
Earnings from discontinued operations, net of tax	(149)	(2,002)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	178	260
Stock compensation	34	102
Changes in operating working capital	(125)	(289)
Gain on subordinated interest	(453)	—
Other, net	(3)	(95)
Cash from continuing operations	377	302
Cash from discontinued operations	146	116
Cash provided by operating activities	523	418
Investing activities		
Capital expenditures	(73)	(59)
Purchases of businesses, net of cash and equivalents acquired	(39)	—
Proceeds from subordinated interest	438	15
Other, net	3	(23)
Cash from continuing operations	329	(67)
Cash from discontinued operations	(44)	2,953
Cash provided by investing activities	285	2,886
Financing activities		
Net increase in short-term borrowings	(335)	(539)
Proceeds from long-term debt	2,975	—
Payments of long-term debt	(501)	(9)
Dividends paid	(307)	(306)
Purchases of common stock	(253)	(2,000)
Other, net	22	(41)
Cash provided by (used in) financing activities	1,601	(2,895)
Effect of exchange rate changes on cash and equivalents	(37)	58
Increase in cash and equivalents	2,372	467
Beginning cash and equivalents	2,354	1,804
Ending cash and equivalents	$ 4,726	2,271
Changes in operating working capital		
Receivables	$ 172	78
Inventories	(177)	(193)
Other current assets	7	14
Accounts payable	(15)	(58)
Accrued expenses	(112)	(130)
Total changes in operating working capital	$ (125)	(289)

See accompanying Notes to Consolidated Financial Statements.

(Dollars and shares in millions, except per share amounts or where noted)

(1) BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments necessary for a fair presentation of operating results for the interim periods presented. Adjustments consist of normal and recurring accruals. The consolidated financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required for annual financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP). For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2022.

Over the past 18 months, Emerson Electric Co. ("Emerson" or the "Company") has taken significant actions to accelerate the transformation of its portfolio through the completion of strategic acquisitions and divestitures of non-core businesses. The Company's recent portfolio actions include the combination of its industrial software businesses with Aspen Technology, Inc., with the Company owning 55 percent of the outstanding shares of the combined entity on a fully diluted basis upon closing of the transaction on May 16, 2022, the sale of its Therm-O-Disc business, which was completed on May 31, 2022, the sale of its InSinkErator business, which was completed on October 31, 2022, and the sale of a majority stake in its Climate Technologies business, which was announced on October 31, 2022, and is expected to close in the first half of calendar year 2023, subject to regulatory approvals and customary closing conditions.

Certain prior year amounts have been reclassified to conform to the current year presentation. This includes reporting financial results for Climate Technologies, InSinkErator and Therm-O-Disc as discontinued operations for all periods presented, and the assets and liabilities of Climate Technologies and InSinkErator (prior to completion of the divestiture) as held-for-sale (see Note 5). In addition, as a result of its portfolio transformation, the Company now reports six segments and two business groups (see Note 13).

(2) REVENUE RECOGNITION

Emerson is a global manufacturer that combines technology and engineering to provide innovative solutions to its customers, largely in the form of tangible products. The vast majority of the Company's revenues relate to a broad offering of manufactured products which are recognized at the point in time when control transfers, while a smaller portion is recognized over time or relates to sales arrangements with multiple performance obligations. See Note 13 for additional information about the Company's revenues.

The following table summarizes the balances of the Company's unbilled receivables (contract assets), which are reported in Other assets (current and noncurrent), and its customer advances (contract liabilities), which are reported in Accrued expenses and Other liabilities.

	Sept 30, 2022	Dec 31, 2022
Unbilled receivables (contract assets)	$ 1,390	1,412
Customer advances (contract liabilities)	(776)	(938)
Net contract assets (liabilities)	$ 614	474

The majority of the Company's contract balances relate to (1) arrangements where revenue is recognized over time and payments from customers are made according to a contractual billing schedule, and (2) revenue from term software license arrangements sold by AspenTech where the license revenue is recognized upfront upon delivery. The decrease in net contract assets was due to customer billings exceeding revenue recognized for performance completed during the period. Revenue recognized for the three months ended December 31, 2022 included $335 that was included in the beginning contract liability balance. Other factors that impacted the change in net contract assets were immaterial. Revenue recognized for the three months ended December 31, 2022 for performance obligations that were satisfied in previous periods, including cumulative catchup adjustments on the Company's long-term contracts, was not material.

As of December 31, 2022, the Company's backlog relating to unsatisfied (or partially unsatisfied) performance obligations in contracts with its customers was approximately $7.8 billion. The Company expects to recognize approximately 80 percent of its remaining performance obligations as revenue over the next 12 months, with the remainder substantially over the following two years.

(3) COMMON SHARES AND SHARE-BASED COMPENSATION

Reconciliations of weighted-average shares for basic and diluted earnings per common share follow. Earnings allocated to participating securities were inconsequential.

	Three Months Ended December 31,	
	2021	2022
Basic shares outstanding	594.6	583.6
Dilutive shares	3.5	3.1
Diluted shares outstanding	598.1	586.7

(4) ACQUISITIONS AND DIVESTITURES

Aspen Technology

On May 16, 2022, the Company completed the transactions contemplated by its definitive agreement with Aspen Technology, Inc. ("Heritage AspenTech") to contribute two of Emerson's stand-alone industrial software businesses, Open Systems International, Inc. and the Geological Simulation Software business (collectively, the “Emerson Industrial Software Business”), along with approximately $6.0 billion in cash to Heritage AspenTech stockholders, to create "New AspenTech", a diversified, high-performance industrial software leader with greater scale, capabilities and technologies (hereinafter referred to as "AspenTech"). Upon closing of the transaction, Emerson owned 55 percent of the outstanding shares of New AspenTech common stock (on a fully diluted basis) and former Heritage AspenTech stockholders owned the remaining outstanding shares of AspenTech common stock. AspenTech and its subsidiaries now operate under Heritage AspenTech’s previous name “Aspen Technology, Inc.” and AspenTech common stock is traded on NASDAQ under AspenTech’s previous stock ticker symbol “AZPN.”

The business combination has been accounted for using the acquisition method of accounting with Emerson considered the accounting acquirer of Heritage AspenTech. The net assets of Heritage AspenTech were recorded at their estimated fair value and for the Emerson Industrial Software Business continue at their historical basis. The Company recorded a noncontrolling interest of $5.9 billion for the 45 percent ownership interest of former Heritage AspenTech stockholders in AspenTech. The noncontrolling interest associated with the Heritage AspenTech acquired net assets was recorded at fair value determined using the closing market price per share of Heritage AspenTech as of May 16, 2022, while the portion attributable to the Emerson Industrial Software business was recorded at its historical carrying amount. The impact of recognizing the noncontrolling interest in the Emerson Industrial Software Business resulted in a decrease to additional paid-in-capital of $550.
The following table summarizes the components of the purchase consideration reflected in the acquisition accounting using Heritage AspenTech's shares outstanding and closing market price per share as of May 16, 2022 (in millions except share and per share data):

Heritage AspenTech shares outstanding		66,662,482
Heritage AspenTech share price	$	166.30
Purchase price	$	11,086
Value of stock-based compensation awards attributable to pre-combination service		102
Total purchase consideration	$	11,188

The total purchase consideration for Heritage AspenTech was allocated to assets and liabilities as follows.

Cash and equivalents	$	274
Receivables		43
Other current assets		280
Property, plant equipment		4
Goodwill ($34 expected to be tax-deductible)		7,225
Other intangible assets		4,390
Other assets		513
Total assets		12,729
Short-term borrowings		27
Accounts payable		8
Accrued expenses		113
Long-term debt		255
Deferred taxes and other liabilities		1,138
Total purchase consideration	$	11,188

Emerson's cash contribution of approximately $6.0 billion was paid out at approximately $87.69 per share (on a fully diluted basis) to holders of issued and outstanding shares of Heritage AspenTech common stock as of the closing of the transactions, with $168 of cash remaining on AspenTech's balance sheet as of the closing which is not included in the allocation of purchase consideration above.

The estimated intangible assets attributable to the transaction are comprised of the following (in millions):

		Amount	Estimated Weighted Average Life (Years)
Developed technology	$	1,350	10
Customer relationships		2,300	15
Trade names		430	Indefinite-lived
Backlog		310	3
Total	$	4,390	

Results of operations for the first quarter of 2023 attributable to the Heritage AspenTech acquisition include sales of $168 while the impact to GAAP net earnings was not material.

Pro Forma Financial Information

The following unaudited proforma consolidated condensed financial results of operations are presented as if the acquisition of Heritage AspenTech occurred on October 1, 2020. The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the acquisition occurred as of that time ($ in millions, except per share amounts).

	Three Months Ended December 31,	
		2021
Net Sales	$	3,327
Net earnings from continuing operations common stockholders	$	734
Diluted earnings per share from continuing operations	$	1.23

The pro forma results for the three months ended December 31, 2021 include $32 of transaction costs which were assumed to be incurred in the first fiscal quarter of 2021. Of these transaction costs, $22 were included in the Company's reported results for the three months ended December 31, 2021, but have been excluded from the fiscal 2022 pro forma results above. In addition, Heritage AspenTech incurred $68 of transaction costs prior to the completion of the acquisition that were not included in Emerson's reported results. The pro forma results for the three months ended December 31, 2021 include estimated interest expense of $37 related to the issuance of $3 billion of term debt and increased commercial paper borrowings to fund the acquisition.

Other Transactions

On July 27, 2022, AspenTech entered into an agreement to acquire Micromine, a global leader in design and operational solutions for the mining industry, for AU$900 (approximately $623 USD based on exchange rates when the transaction was announced). The transaction is expected to close as soon as the remaining regulatory approval is obtained.

On May 4, 2022, Emerson announced its intention to exit business operations in Russia and divest Metran, its Russia-based manufacturing subsidiary, and on September 27, 2022, announced an agreement to sell the business to the local management group. In the first quarter of fiscal 2023, the Company recognized a pretax loss of $47 in Other deductions ($47 after-tax, in total $0.08 per share) related to its exit of business operations in Russia. The transaction will be subject to regulatory and government approvals, and other customary closing conditions. Emerson will work closely with the local Russia management group to help ensure a smooth transition for employees through the sale process.

In the first quarter of fiscal 2022, the Company received a distribution of $438 related to its subordinated interest in Vertiv (in total, a pretax gain of $453 was recognized in the first quarter, $358 after-tax, $0.60 per share). Based on the terms of the agreement and the current calculation, the Company could receive additional distributions of approximately $75 which are expected to be received over the next two-to-three years. However, the distributions are contingent on the timing and price at which Vertiv shares are sold by the equity holders and therefore, there can be no assurance as to the amount or timing of the remaining distributions to the Company.

(5) DISCONTINUED OPERATIONS

In October 2022, the Board of Directors approved the Company's announced agreement to sell a majority stake in its Climate Technologies business (which constitutes the former Climate Technologies segment, excluding Therm-O-Disc which was divested earlier in fiscal 2022) to private equity funds managed by Blackstone in a $14.0 billion transaction. Emerson will receive upfront, pre-tax cash proceeds of approximately $9.5 billion and a note of $2.25 billion at close (which will accrue 5 percent interest payable in kind by capitalizing interest), while retaining a 45 percent non-controlling interest in a new standalone joint venture between Emerson and Blackstone. The Climate Technologies business, which includes the Copeland compressor business and the entire portfolio of products and services across all residential and commercial HVAC and refrigeration end-markets, had fiscal 2022 net sales of approximately $5.0 billion and pretax earnings of $1.0 billion. The transaction is expected to close in the first half of calendar year 2023, subject to regulatory approvals and customary closing conditions.

On October 31, 2022, the Company completed the divestiture of its InSinkErator business, which manufactures food waste disposers, to Whirlpool Corporation for $3.0 billion. This business had net sales of $630 and pretax earnings of $152 in fiscal 2022. The Company recognized a pretax gain of $2.8 billion (approximately $2.1 billion after-tax) in the first quarter of fiscal 2023.

On May 31, 2022 the Company completed the divestiture of its Therm-O-Disc sensing and protection technologies business to an affiliate of One Rock Capital Partners, LLC. The Company recognized a pretax gain of $486 ($429 after-tax) in the third fiscal quarter of 2022.

The financial results of Climate Technologies, InSinkErator ("ISE") and Therm-O-Disc ("TOD") (through the completion of the divestitures), are reported as discontinued operations for the three months ended December 31, 2022 and 2021 and were as follows:

	Climate Technologies		ISE and TOD		Total	
	Three Months Ended December 31,		Three Months Ended December 31,		Three Months Ended December 31,	
	2021	2022	2021	2022	2021	2022
Net sales	$ 1,079	1,064	238	49	1,317	1,113
Cost of sales	762	702	148	29	910	731
SG&A	127	142	35	8	162	150
Gain on sale of business	—	—	—	(2,780)	—	(2,780)
Other deductions, net	6	32	6	12	12	44
Earnings (Loss) before income taxes	184	188	49	2,780	233	2,968
Income taxes	39	313	45	653	84	966
Earnings (Loss), net of tax	$ 145	(125)	4	2,127	149	2,002

Climate Technologies' results for the three months ended December 31, 2022 include lower expense of $27 due to ceasing depreciation and amortization upon the held-for-sale classification. Other deductions, net for Climate Technologies included $27 of transaction-related costs for the three months ended December 31, 2022. Income taxes for the three months ended December 31, 2022 included approximately $275 for Climate Technologies subsidiary restructurings and approximately $660 related to the gain on the InSinkErator divestiture.

The aggregate carrying amounts of the major classes of assets and liabilities classified as held-for-sale as of December 31, 2022 and September 30, 2022 are summarized as follows:

	Climate Technologies		ISE		Total	
	Sept. 30, 2022	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2022
Assets						
Receivables	$ 747	608	68	—	815	608
Inventories	449	541	81	—	530	541
Other current assets	49	60	4	—	53	60
Property, plant & equipment, net	1,122	1,093	141	—	1,263	1,093
Goodwill	716	720	2	—	718	720
Other noncurrent assets	265	350	12	—	277	350
Total assets held-for-sale	$ 3,348	3,372	308	—	3,656	3,372
Liabilities						
Accounts payable	$ 752	733	60	—	812	733
Other current liabilities	475	467	61	—	536	467
Deferred taxes and other noncurrent liabilities	154	151	13	—	167	151
Total liabilities held-for-sale	$ 1,381	1,351	134	—	1,515	1,351

Net cash from operating and investing activities for Climate Technologies, InSinkErator and Therm-O-Disc for the three months ended December 31, 2022 and 2021 were as follows:

	Climate Technologies			ISE and TOD		Total	
	Three Months Ended December 31,			Three Months Ended December 31,		Three Months Ended December 31,	
		2021	2022	2021	2022	2021	2022
Cash from operating activities	$	132	205	14	(89)	146	116
Cash from investing activities	$	(35)	(43)	(9)	2,996	(44)	2,953

Cash from operating activities reflects the payment of ISE transaction fees and unfavorable working capital. Cash from investing activities for the three months ended December 31, 2022 reflects the proceeds of $3.0 billion related to the InSinkErator divestiture.

(6) PENSION & POSTRETIREMENT PLANS

Total periodic pension and postretirement (income) expense is summarized below:

	Three Months Ended December 31,		
		2021	2022
Service cost	$	19	12
Interest cost		34	54
Expected return on plan assets		(78)	(71)
Net amortization		23	(20)
Total	$	(2)	(25)

(7) OTHER DEDUCTIONS, NET

Other deductions, net are summarized below:

	Three Months Ended December 31,		
		2021	2022
Amortization of intangibles (intellectual property and customer relationships)	$	57	118
Restructuring costs		6	10
Acquisition/divestiture costs		23	—
Foreign currency transaction (gains) losses		(7)	(7)
Investment-related gains & gains from sales of capital assets		(15)	(4)
Russia business exit		—	47
Other		(26)	(44)
Total	$	38	120

In the first quarter of fiscal 2023, intangibles amortization for the three months ended December 31, 2022 included $64 related to the Heritage AspenTech acquisition and foreign currency transaction gains included a mark-to-market gain of $35 related to foreign currency forward contracts entered into by AspenTech to mitigate the impact of foreign currency exchange associated with the Micromine purchase price. Other is composed of several items, including pension expense, litigation costs, provision for bad debt and other items, none of which is individually significant.

(8) RESTRUCTURING COSTS

Restructuring expense reflects costs associated with the Company's ongoing efforts to improve operational efficiency and deploy assets globally in order to remain competitive on a worldwide basis. The Company expects fiscal 2023 restructuring expense and related costs to be approximately $90, including costs to complete actions initiated in the first three months of the year.

Restructuring expense by business segment follows:

	Three Months Ended December 31,	
	2021	**2022**
Final Control	$ —	**(1)**
Measurement & Analytical	2	**1**
Discrete Automation	2	**1**
Safety & Productivity	—	**—**
Intelligent Devices	4	**1**
Control Systems & Software	1	**1**
AspenTech	—	**—**
Software and Control	1	**1**
Corporate	1	**8**
Total	$ 6	**10**

Details of the change in the liability for restructuring costs during the three months ended December 31, 2022 follow:

	Sept 30, 2022	Expense	Utilized/Paid	Dec 31, 2022
Severance and benefits	$ 117	**(2)**	**1**	**114**
Other	5	**12**	**11**	**6**
Total	$ 122	**10**	**12**	**120**

The tables above do not include $8 and $5 of costs related to restructuring actions incurred for the three months ended December 31, 2021 and 2022, respectively, that are required to be reported in cost of sales and selling, general and administrative expenses.

(9) TAXES

Income taxes were $98 in the first quarter of fiscal 2023 and $196 in 2022, resulting in effective tax rates of 23 percent and 21 percent, respectively. The current year rate included a 2 percentage point unfavorable impact related to the Russia charge, which had no related tax benefit.
On March 27, 2020, the CARES Act was enacted in response to the COVID-19 pandemic, and among other things, provides tax relief to businesses. Tax provisions of the CARES Act include the deferral of certain payroll taxes, relief for retaining employees, and other provisions. The Company deferred $73 of certain payroll taxes through the end of calendar year 2020, of which approximately $37 was paid in December 2021 and the remainder was paid in December 2022.

(10) OTHER FINANCIAL INFORMATION

	Sept 30, 2022	Dec 31, 2022
Inventories		
Finished products	$ 417	**456**
Raw materials and work in process	1,325	**1,543**
Total	$ 1,742	**1,999**
Property, plant and equipment, net		
Property, plant and equipment, at cost	$ 5,390	**5,373**
Less: Accumulated depreciation	3,151	**3,110**
Total	$ 2,239	**2,263**
Goodwill by business segment		
Final Control	$ 2,605	**2,659**
Measurement & Analytical	1,112	**1,131**
Discrete Automation	807	**839**
Safety & Productivity	364	**389**
Intelligent Devices	4,888	**5,018**
Control Systems & Software	732	**740**
AspenTech	8,326	**8,329**
Software and Control	9,058	**9,069**
Total	$ 13,946	**14,087**
Other intangible assets		
Gross carrying amount	$ 9,671	**9,767**
Less: Accumulated amortization	3,099	**3,307**
Net carrying amount	$ 6,572	**6,460**

Other intangible assets include customer relationships, net, of $3,436 and $3,399 and intellectual property, net, of $2,934 and $2,860 as of September 30, 2022 and December 31, 2022, respectively.

	Three Months Ended December 31,	
	2021	2022
Depreciation and amortization expense include the following:		
Depreciation expense	$ 84	**74**
Amortization of intangibles (includes $14 and $49 reported in Cost of Sales, respectively)	71	**167**
Amortization of capitalized software	23	**19**
Total	$ 178	**260**

Amortization of intangibles included $99 related to the Heritage AspenTech acquisition for the three months ended December 31, 2022.

	Sept 30, 2022	Dec 31, 2022
Other assets include the following:		
Pension assets	$ 865	912
Unbilled receivables (contract assets)	428	516
Operating lease right-of-use assets	439	434
Deferred income taxes	85	73
Asbestos-related insurance receivables	68	68
Accrued expenses include the following:		
Income taxes	$ 125	1,080
Customer advances (contract liabilities)	751	901
Employee compensation	523	372
Operating lease liabilities (current)	128	131
Product warranty	84	89

The increase in Income taxes was due to taxes of approximately $660 related to the gain on divestiture of InSinkErator and approximately $275 related to subsidiary restructurings at Climate Technologies. See Note 5.

	Sept 30, 2022	Dec 31, 2022
Other liabilities include the following:		
Deferred income taxes	$ 1,714	1,694
Pension and postretirement liabilities	427	441
Operating lease liabilities (noncurrent)	312	306
Asbestos litigation	205	200

Debt:

On January 17, 2023, AspenTech paid off the outstanding balance of its existing term loan facility of $264, plus accrued interest, which resulted in the long-term portion being reclassified and reported as short-term borrowings as of December 31, 2022.

(11) FINANCIAL INSTRUMENTS

Hedging Activities – As of December 31, 2022, the notional amount of foreign currency hedge positions was approximately $5.2 billion, and commodity hedge contracts totaled approximately $115 (primarily 33 million pounds of copper and aluminum). All derivatives receiving hedge accounting are cash flow hedges. The majority of hedging gains and losses deferred as of December 31, 2022 are expected to be recognized over the next 12 months as the underlying forecasted transactions occur. Gains and losses on foreign currency derivatives reported in Other deductions, net reflect hedges of balance sheet exposures that do not receive hedge accounting.

Net Investment Hedge – In fiscal 2019, the Company issued euro-denominated debt of €1.5 billion. The euro notes reduce foreign currency risk associated with the Company's international subsidiaries that use the euro as their functional currency and have been designated as a hedge of a portion of the investment in these operations. Foreign currency gains or losses associated with the euro-denominated debt are deferred in accumulated other comprehensive income (loss) and will remain until the hedged investment is sold or substantially liquidated.

The following gains and losses are included in earnings and other comprehensive income (OCI) for the three months ended December 31, 2021 and 2022:

		Into Earnings		Into OCI	
		1st Quarter		1st Quarter	
Gains (Losses)	**Location**	**2021**	**2022**	**2021**	**2022**
Commodity	Cost of sales	$ 7	(8)	13	11
Foreign currency	Sales	1	(1)	—	4
Foreign currency	Cost of sales	2	8	3	(3)
Foreign currency	Other deductions, net	44	5		
Net Investment Hedges					
Euro denominated debt				44	(123)
Total		$ 54	4	60	(111)

Regardless of whether derivatives and non-derivative financial instruments receive hedge accounting, the Company expects hedging gains or losses to be offset by losses or gains on the related underlying exposures. The amounts ultimately recognized will differ from those presented above for open positions, which remain subject to ongoing market price fluctuations until settlement. Derivatives receiving hedge accounting are highly effective and no amounts were excluded from the assessment of hedge effectiveness.

Equity Investment – The Company has an equity investment in National Instruments, valued at $82 as of December 31, 2022, and reported in Other current assets. On January 17, 2023, the Company announced a proposal to acquire National Instruments for $53 per share in cash at an implied enterprise value of $7.6 billion. National Instruments, which had fiscal 2021 sales of approximately $1.5 billion, announced on January 13, 2023 it was undertaking a strategic review which could include the solicitation of interest from other potential acquirors.

Fair Value Measurement – Valuations for all derivatives and the Company's long-term debt fall within Level 2 of the GAAP valuation hierarchy. As of December 31, 2022, the fair value of long-term debt was $7.7 billion, which was lower than the carrying value by $1,169. The fair values of commodity and foreign currency contracts did not materially change since September 30, 2022. Foreign currency contracts were reported in Other current assets and Accrued expenses, while commodity contracts, which primarily relate to discontinued operations, were reported in Current assets and liabilities held-for-sale. The fair value of the Company's equity investment in National Instruments falls within Level 1 and was based on the most recent quoted closing market price from its principal exchange.

Counterparties to derivatives arrangements are companies with investment-grade credit ratings. The Company has bilateral collateral arrangements with counterparties with credit rating-based posting thresholds that vary depending on the arrangement. If credit ratings on the Company's debt fall below pre-established levels, counterparties can require immediate full collateralization of all derivatives in net liability positions. The maximum amount that could potentially have been required was immaterial. The Company also can demand full collateralization of derivatives in net asset positions should any counterparty credit ratings fall below certain thresholds. No collateral was posted with counterparties and none was held by the Company as of December 31, 2022.

(12) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Activity in Accumulated other comprehensive income (loss) for the three months ended December 31, 2021 and 2022 is shown below, net of income taxes:

	Three Months Ended December 31,	
	2021	2022
Foreign currency translation		
Beginning balance	$ (629)	(1,265)
Other comprehensive income (loss), net of tax of $(10) and $28, respectively	(72)	236
Ending balance	(701)	(1,029)
Pension and postretirement		
Beginning balance	(259)	(222)
Amortization of deferred actuarial losses into earnings, net of tax of $(5) and $4, respectively	18	(16)
Ending balance	(241)	(238)
Cash flow hedges		
Beginning balance	16	2
Gains deferred during the period, net of taxes of $(4) and $(3), respectively	12	9
Reclassification of realized (gains) losses to sales and cost of sales, net of tax of $2 and $—, respectively	(8)	1
Ending balance	20	12
Accumulated other comprehensive income (loss)	$ (922)	(1,255)

(13) BUSINESS SEGMENTS

As disclosed in Note 5, the financial results of Climate Technologies, InSinkErator and Therm-O-Disc are reported as discontinued operations for all periods presented. As a result of these portfolio actions, the Company has realigned its business segments and now reports six segments and two business groups, which are highlighted in the table below. The Company also reclassified certain product sales that were previously reported in Control Systems & Software to Discrete Automation.

INTELLIGENT DEVICES	SOFTWARE AND CONTROL
• Final Control	• Control Systems & Software
• Measurement & Analytical	• AspenTech
• Discrete Automation	
• Safety & Productivity	

The new segments were previously described as follows: Final Control was the Valves, Actuators & Regulators product offering; Measurement & Analytical was the Measurement & Analytical instrumentation product offering; Discrete Automation was the Industrial Solutions product offering; Safety & Productivity was the Tools & Home Products segment, excluding the divested InSinkErator business; Control Systems & Software was the Systems & Software product offering; and, AspenTech remains unchanged. The AspenTech segment was identified in the third quarter of fiscal 2022 as a result of the Heritage AspenTech acquisition and reflects the combined results of Heritage AspenTech and the Emerson Industrial Software Business (see Note 4 for further details). The results for this new segment include the historical results of the Emerson Industrial Software Business (which were previously reported in the Control Systems & Software segment), while results related to the Heritage AspenTech business only include periods subsequent to the close of the transaction. Prior year amounts have been reclassified to conform to the current year presentation.

	Three Months Ended December 31,			
	Sales		Earnings	
	2021	2022	2021	2022
Final Control	$ 817	862	122	158
Measurement & Analytical	737	749	170	175
Discrete Automation	617	618	120	121
Safety & Productivity	351	310	65	63
Intelligent Devices	2,522	2,539	477	517
Control Systems & Software	570	606	116	107
AspenTech	82	243	(2)	(33)
Software and Control	652	849	114	74
Stock compensation			(34)	(102)
Unallocated pension and postretirement costs			26	45
Corporate and other			(55)	(64)
Gain on subordinated interest			453	—
Eliminations/Interest	(18)	(15)	(39)	(48)
Total	$ 3,156	3,373	942	422

Corporate and other for the three months ended December 31, 2022 included a loss of $47 related to the Company's exit of business operations in Russia and a mark-to-market gain of $35 related to foreign currency forward contracts entered into by AspenTech to mitigate the impact of foreign currency exchange associated with the Micromine purchase price, while the three months ended December 31, 2021 included acquisition/divestiture costs of $23.

Depreciation and amortization (includes intellectual property, customer relationships and capitalized software) by business segment are summarized below:

	Three Months Ended December 31,	
	2021	2022
Final Control	$ 53	45
Measurement & Analytical	31	30
Discrete Automation	23	21
Safety & Productivity	15	14
Intelligent Devices	122	110
Control Systems & Software	25	21
AspenTech	23	123
Software and Control	48	144
Corporate and other	8	6
Total	$ 178	260

Sales by geographic destination, Americas, Asia, Middle East & Africa ("AMEA") and Europe, are summarized below:

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2022			
	Americas	AMEA	Europe	Total	Americas	AMEA	Europe	Total
Final Control	$ 352	336	129	817	446	308	108	862
Measurement & Analytical	311	296	130	737	396	246	107	749
Discrete Automation	274	183	160	617	291	175	152	618
Safety & Productivity	270	16	65	351	236	17	57	310
Intelligent Devices	1,207	831	484	2,522	1,369	746	424	2,539
Control Systems & Software	268	173	129	570	294	185	127	606
AspenTech	54	16	12	82	112	63	68	243
Software and Control	322	189	141	652	406	248	195	849
Total	$ 1,529	1,020	625	3,174	1,775	994	619	3,388

Items 2 and 3.

Management's Discussion and Analysis of Financial Condition and Results of Operations
(Dollars are in millions, except per share amounts or where noted)

OVERVIEW

As previously disclosed, in October 2022, the Board of Directors approved the Company's announced agreement to sell a majority stake in its Climate Technologies business (which constitutes the historical Climate Technologies segment, excluding Therm-O-Disc which was divested in fiscal 2022) to private equity funds managed by Blackstone in a $14.0 billion transaction. The transaction is expected to close in the first half of calendar year 2023, subject to regulatory approvals and customary closing conditions.

Additionally, on October 31, 2022, the Company completed the divestiture of its InSinkErator business, which manufactures food waste disposers, to Whirlpool Corporation for $3.0 billion, and the Company recognized a pretax gain of $2.8 billion (approximately $2.1 billion after-tax) in the first quarter of fiscal 2023.

Climate Technologies, Therm-O-Disc and InSinkErator are reported within discontinued operations for all periods presented. See Note 5.

On May 16, 2022, the Company completed the transactions contemplated by its definitive agreement with Aspen Technology, Inc. ("Heritage AspenTech") to contribute two of Emerson's stand-alone industrial software businesses, Open Systems International, Inc. and the Geological Simulation Software business, along with approximately $6.0 billion in cash to Heritage AspenTech stockholders, to create "New AspenTech" (hereinafter referred to as "AspenTech"). Upon closing of the transaction, Emerson owned 55 percent of the outstanding shares of New AspenTech common stock (on a fully diluted basis). See Note 4. Due to the timing of the acquisition in the prior year, the results for the first quarter of fiscal 2022 do not include the results of Heritage AspenTech.

For the first quarter of fiscal 2023, net sales from continuing operations were $3.4 billion, up 7 percent compared with the prior year. Underlying sales, which exclude foreign currency translation, acquisitions and divestitures, were up 6 percent. The AspenTech acquisition added 5 percent, while foreign currency translation had a 4 percent unfavorable impact. Sales growth continued to be strong in North America, while Asia, Middle East & Africa was essentially flat and Europe was down modestly due to the negative impact of the business exit from Russia.

Earnings from continuing operations attributable to common stockholders were $329, down 56 percent, and diluted earnings per share from continuing operations were $0.56, down 55 percent compared with $1.25 in the prior year. The prior year included a $0.60 gain related to the Company's subordinated interest in Vertiv. Adjusted diluted earnings per share from continuing operations were $0.78 compared with $0.79 in the prior year, reflecting strong operating results offset by higher stock compensation expense due to an increasing stock price in the current year.

The table below presents the Company's diluted earnings per share from continuing operations on an adjusted basis to facilitate period-to-period comparisons and provide additional insight into the underlying, ongoing operating performance of the Company. Adjusted diluted earnings per share from continuing operations excludes intangibles amortization expense, restructuring expense, first year purchase accounting related items and transaction-related costs, and certain gains, losses or impairments.

Three Months Ended Dec 31	2021	2022
Diluted earnings from continuing operations per share	$ 1.25	0.56
Amortization of intangibles	0.09	0.15
Restructuring and related costs	0.02	0.02
Gain on subordinated interest	(0.60)	—
Acquisition/divestiture costs	0.03	—
Russia business exit	—	0.08
AspenTech Micromine purchase price hedge	—	(0.03)
Adjusted diluted earnings from continuing operations per share	$ 0.79	0.78

The table below summarizes the changes in adjusted diluted earnings per share from continuing operations. The items identified below are discussed throughout MD&A, see further discussion above and in the Business Segments and Financial Position sections below.

	Three Months Ended
Adjusted diluted earnings from continuing operations per share - Dec 31, 2021	$ 0.79
Operations excluding impact of acquisitions	0.10
Heritage AspenTech acquisition	0.05
Stock compensation	(0.09)
Foreign currency	(0.09)
Pensions	0.02
Interest expense, net	(0.01)
Share repurchases	0.01
Adjusted diluted earnings from continuing operations per share - Dec 31, 2022	$ 0.78

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31

Following is an analysis of the Company's operating results for the first quarter ended December 31, 2021, compared with the first quarter ended December 31, 2022.

(dollars in millions, except per share amounts)		2021	2022	Change
Net sales	$	3,156	3,373	7 %
Gross profit	$	1,415	1,620	14 %
Percent of sales		*44.9 %*	*48.0 %*	*3.1 pts*
SG&A	$	849	1,030	21 %
Percent of sales		*27.0 %*	*30.5 %*	*3.5 pts*
Gain on subordinated interest	$	(453)	—	
Other deductions, net	$	38	120	
Amortization of intangibles	*$*	*57*	*118*	
Restructuring costs	*$*	*6*	*10*	
Interest expense, net	$	39	48	
Earnings from continuing operations before income taxes	$	942	422	(55)%
Percent of sales		*29.8 %*	*12.5 %*	*(17.3) pts*
Earnings from continuing operations common stockholders	$	746	329	(56)%
Percent of sales		*23.6 %*	*9.8 %*	*(13.8) pts*
Net earnings common stockholders	$	896	2,331	160 %
Diluted EPS - Earnings from continuing operations	$	1.25	0.56	(55)%
Diluted EPS - Net Earnings	$	1.50	3.97	165 %

Net sales for the first quarter of fiscal 2023 were $3.4 billion, up 7 percent compared with 2022. Intelligent Devices sales were up 1 percent, while Software and Control sales were up 30 percent, which included the impact of the Heritage AspenTech acquisition. Underlying sales were up 6 percent on 2 percent higher volume and 4 percent higher price, while foreign currency translation had a 4 percent negative impact. The Heritage AspenTech acquisition added 5 percent. Underlying sales were up 12 percent in the U.S. and up 2 percent internationally. The Americas was up 13 percent, while Asia, Middle East & Africa was flat (China down 7 percent). Europe decreased 2 percent, but was up 7 percent excluding the negative impact of the business exit from Russia.

Cost of sales for the first quarter of fiscal 2023 were $1,753, an increase of $12 compared with 2022. Gross margin of 48.0 percent increased 3.1 percentage points due to favorable price less net material inflation, the impact of the Heritage AspenTech acquisition which benefited margins by 1.3 percentage points, and favorable mix.

Selling, general and administrative (SG&A) expenses of $1,030 increased $181 and SG&A as a percent of sales increased 3.5 percentage points to 30.5 percent compared with the prior year, reflecting the Heritage AspenTech acquisition and higher stock compensation expense of $68, of which $45 related to Emerson stock plans due to an increasing stock price in the current year and $23 was attributable to AspenTech stock plans.

In the first quarter of fiscal 2022, the Company received a distribution of $438 related to its subordinated interest in Vertiv (in total, a gain of $453 was recognized in the first quarter, $358 after-tax, $0.60 per share). Based on the terms of the agreement and the current calculation, the Company could receive additional distributions of approximately $75 which are expected to be received over the next two-to-three years. However, the distributions are contingent on the timing and price at which Vertiv shares are sold by the equity holders and therefore, there can be no assurance as to the amount or timing of the remaining distributions to the Company.

Other deductions, net were $120 in 2023, an increase of $82 compared with the prior year, reflecting higher intangibles amortization of $61 primarily related to the Heritage AspenTech acquisition and a charge of $47 related to the Company exiting its business in Russia, partially offset by lower acquisition/divestiture costs of $23. The current year also included a mark-to-market gain of $35 related to foreign currency forward contracts entered into by AspenTech to mitigate the impact of foreign currency exchange associated with the Micromine purchase price, which was largely offset by unfavorable foreign currency transaction losses compared to gains in the prior year. See Note 7.

Pretax earnings from continuing operations of $422 decreased $520, down 55 percent compared with the prior year largely due to the Vertiv gain discussed above. Earnings increased $40 in Intelligent Devices and decreased $40 in Software and Control, while costs reported at Corporate increased $58 largely due to higher stock compensation expense of $68 and the $47 Russia business exit loss, partially offset by the $35 gain on the Micromine foreign currency forward contracts. See the Business Segments discussion that follows and Note 13.

Income taxes were $98 in the first quarter of fiscal 2023 and $196 in 2022, resulting in effective tax rates of 23 percent and 21 percent, respectively. The current year rate included a 2 percentage point unfavorable impact related to the Russia charge, which had no related tax benefit.

Earnings from continuing operations attributable to common stockholders were $329, down 56 percent, and diluted earnings per share from continuing operations were $0.56, down 55 percent compared with $1.25 in the prior year. The prior year included a $0.60 gain related to the Company's subordinated interest in Vertiv. Adjusted diluted earnings per share from continuing operations were $0.78 compared with $0.79 in the prior year, reflecting strong operating results offset by higher stock compensation expense due to an increasing stock price in the current year. See the analysis above of adjusted earnings per share for further details.

Earnings from discontinued operations were $2,002 ($3.41 per share) which included the $2.1 billion after-tax gain on the divestiture of InSinkErator, compared to $149 ($0.25 per share) in the prior year. Earnings from discontinued operations were negatively impacted in the current year by approximately $275 of income taxes within Climate Technologies related to subsidiary restructurings and $27 of transaction-related costs. See Note 5.

Net earnings common stockholders in the first quarter of fiscal 2023 were $2,331, up 160 percent, compared with $896 in the prior year, and earnings per share were $3.97, up 165 percent, compared with $1.50 in the prior year.

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

Three Months Ended Dec 31		2021	2022	Change
Earnings from continuing operations before income taxes	$	942	422	(55)%
Percent of sales		*29.8 %*	*12.5 %*	*(17.3) pts*
Interest expense, net		39	48	
Amortization of intangibles		71	167	
Restructuring and related costs		14	15	
Gain on subordinated interest		(453)	—	
Acquisition/divestiture costs		23	—	
Russia business exit		—	47	
AspenTech Micromine purchase price hedge		—	(35)	
Adjusted EBITA from continuing operations	$	636	664	5 %
Percent of sales		*20.1 %*	*19.7 %*	*(0.4) pts*

Other Items

The Company has an equity investment in National Instruments, valued at $82 as of December 31, 2022. On January 17, 2023, the Company announced a proposal to acquire National Instruments for $53 per share in cash at an implied enterprise value of $7.6 billion. National Instruments, which had fiscal 2021 sales of approximately $1.5 billion, announced on January 13, 2023 it was undertaking a strategic review which could include the solicitation of interest from other potential acquirors.

Business Segments

Following is an analysis of operating results for the Company's business segments for the three months ended December 31, 2021, compared with the three months ended December 31, 2022. The Company defines segment earnings as earnings before interest and taxes. As a result of the Company's portfolio transformation, the Company has realigned its business segments and now reports six segments and two business groups. See Note 13.

INTELLIGENT DEVICES

	2021	2022	Change	FX	Acq/Div	U/L
Sales:						
Final Control	$ 817	862	6 %	4 %	— %	10 %
Measurement & Analytical	737	749	2 %	4 %	— %	6 %
Discrete Automation	617	618	— %	6 %	— %	6 %
Safety & Productivity	351	310	(12)%	2 %	— %	(10)%
Total	$ 2,522	2,539	1 %	4 %	— %	5 %
Earnings:						
Final Control	$ 122	158	30 %			
Measurement & Analytical	170	175	3 %			
Discrete Automation	120	121	1 %			
Safety & Productivity	65	63	(3)%			
Total	$ 477	517	9 %			
Margin	*18.9 %*	*20.4 %*	1.5 pts			
Amortization of intangibles:						
Final Control	$ 24	22				
Measurement & Analytical	6	5				
Discrete Automation	8	7				
Safety & Productivity	6	6				
Total	$ 44	40				
Restructuring and related costs:						
Final Control	$ 7	4				
Measurement & Analytical	2	1				
Discrete Automation	2	1				
Safety & Productivity	1	—				
Total	$ 12	6				
Adjusted EBITA	$ 533	563	6 %			
Adjusted EBITA Margin	*21.1 %*	*22.2 %*	1.1 pts			

Intelligent Devices sales were $2.5 billion in the first three months of 2023, an increase of $17, or 1 percent. Underlying sales increased 5 percent on higher price, while volume was flat overall reflecting lagging performance in Safety & Productivity. Underlying sales increased 14 percent in the Americas, while Asia, Middle East & Africa was down 3 percent (China down 12 percent). Europe decreased 5 percent, but was up moderately excluding the negative impact of the business exit from Russia. Final Control sales increased $45, or 6 percent. Underlying sales were up 10 percent, reflecting strength in chemical, energy and power end markets, particularly in the Americas. Europe was up slightly excluding the impact from Russia and Asia was down slightly. Sales for Measurement & Analytical increased $12, or 2 percent. Underlying sales were up 6 percent, reflecting strength in North America and solid growth in Europe excluding the impact from Russia. Sales were down 16 percent in Asia reflecting the negative impact from continued supply chain constraints. Discrete Automation sales were flat while underlying sales increased 6 percent, reflecting broad-based demand across most end markets and all geographies despite continued supply chain constraints. Safety & Productivity sales decreased $41, or 12 percent, reflecting weakness across all end markets, particularly in the Americas. Earnings were $517, an increase of $40, or 9 percent, and margin increased 1.5 percentage points to 20.4 percent, reflecting favorable price less net material inflation and favorable mix, partially offset by higher wage and other inflation and unfavorable foreign currency transactions which negatively impacted margins 0.6 percentage points. Adjusted EBITA margin was 22.2 percent, an increase of 1.1 percentage points.

SOFTWARE AND CONTROL

	2021	2022	Change	FX	Acq/Div	U/L
Sales:						
Control Systems & Software	$ 570	**606**	6 %	**4 %**	**— %**	**10 %**
AspenTech	82	**243**	197 %	**— %**	**(197)%**	**— %**
Total	$ 652	**849**	30 %	**4 %**	**(24)%**	**10 %**
Earnings:						
Control Systems & Software	$ 116	**107**	(8)%			
AspenTech	(2)	**(33)**	(1668)%			
Total	$ 114	**74**	(36)%			
Margin	*17.6 %*	***8.7 %***	(8.9) pts			
Amortization of intangibles:						
Control Systems & Software	$ 5	**6**				
AspenTech	22	**121**				
Total	$ 27	**127**				
Restructuring and related costs:						
Control Systems & Software	$ 1	**1**				
AspenTech	—	**—**				
Total	$ 1	**1**				
Adjusted EBITA	$ 142	**202**	42 %			
Adjusted EBITA Margin	*21.8 %*	***23.8 %***	2.0 pts			

Software and Control sales were $849 in the first three months of 2023, an increase of $197, or 30 percent compared to the prior year, reflecting the impact of the Heritage AspenTech acquisition. Underlying sales were up 10 percent on 8 percent higher volume and 2 percent higher price. Overall, underlying sales increased 11 percent in the Americas, 6 percent in Europe and 15 percent in Asia, Middle East & Africa (China up 26 percent). Control Systems & Software sales increased $36, or 6 percent. Underlying sales increased 10 percent, reflecting strength in process end markets in North America, Europe (excluding the impact of the business exit from Russia) and Asia, which benefited from improved electronic component availability, while power end markets were up modestly. AspenTech sales increased $161, or 197 percent, due to the acquisition of Heritage AspenTech. Earnings decreased $40, down 36 percent, and margin decreased 8.9 percentage points, reflecting the impact from $99 of incremental intangibles amortization ($35 of which was reported in Cost of Sales) related to the Heritage AspenTech acquisition. Adjusted EBITA margin increased 2.0 percentage points, reflecting the impact of the Heritage AspenTech acquisition, partially offset by lower margins within Control Systems & Software due to higher inflation and unfavorable foreign currency transactions.

FINANCIAL CONDITION

Key elements of the Company's financial condition for the three months ended December 31, 2022 as compared to the year ended September 30, 2022 and the three months ended December 31, 2021 follow.

	Dec 31, 2021	Sept 30, 2022	Dec 31, 2022
Operating working capital	$ 780	$ 990	$ 351
Current ratio	2.4	1.1	1.1
Total debt-to-total capital	46.1 %	50.0 %	48.1 %
Net debt-to-net capital	28.2 %	45.3 %	41.7 %
Interest coverage ratio	23.9 X	11.7 X	7.3 X

The Company's operating working capital as of December 31, 2022 includes income taxes payable of approximately $660 related to the gain on the InSinkErator divestiture, which is expected to be paid over the next three quarters, and approximately $275 related to subsidiary restructurings at Climate Technologies, approximately $230 of which was paid in January 2023 with the remainder expected to be paid by the end of fiscal 2023. Excluding these income taxes payable related to discontinued operations, operating working capital increased compared to the same quarter last year and compared to September 30, 2022 due to higher inventory levels to support sales growth and reflecting ongoing supply chain and logistics constraints. As of December 31, 2022, Emerson's cash and equivalents totaled $2,271, which included approximately $450 attributable to AspenTech. Subsequent to the end of the quarter, in January 2023 AspenTech paid off the outstanding balance of its existing term loan facility of $264, plus accrued interest. The cash held by AspenTech is intended to be used for its own purposes and is not a readily available source of liquidity for other Emerson general business purposes or to return to Emerson shareholders.

The current ratio was unchanged compared to September 30, 2022. The interest coverage ratio (earnings before income taxes plus interest expense, divided by interest expense) of 7.3X for the first three months of fiscal 2023 compares to 23.9X for the three months ended December 31, 2021, reflecting lower pretax earnings and higher interest expense. Pretax earnings in the prior year included the Vertiv subordinated interest gain of $453. Excluding the gain, the interest coverage ratio was 12.9X in the prior year.

Operating cash flow from continuing operations for the first three months of fiscal 2023 was $302, a decrease of $75 compared with $377 in the prior year, reflecting higher working capital due to ongoing supply chain constraints. Operating cash flow included approximately $50 generated by AspenTech. Free cash flow from continuing operations of $243 in the first three months of fiscal 2023 (operating cash flow of $302 less capital expenditures of $59) decreased $61 compared to free cash flow of $304 in 2022 (operating cash flow of $377 less capital expenditures of $73), reflecting the decrease in operating cash flow. Cash used in investing activities from continuing operations was $67. Cash used in financing activities from continuing operations was $2,895, reflecting share repurchases of $2.0 billion, net repayments of short-term borrowings of $539, and dividend payments.

Total cash provided by operating activities was $418 including the impact of discontinued operations, and decreased $105 compared with $523 in the prior year. Investing cash flow from discontinued operations was $3.0 billion, reflecting proceeds from the InSinkErator divestiture.

On March 27, 2020, the CARES Act was enacted in response to the COVID-19 pandemic, and among other things, provides tax relief to businesses. Tax provisions of the CARES Act include the deferral of certain payroll taxes, relief for retaining employees, and other provisions. The Company deferred $73 of certain payroll taxes through the end of calendar year 2020, of which approximately $37 was paid in December 2021 and the remainder paid in December 2022.

Emerson maintains a conservative financial structure to provide the strength and flexibility necessary to achieve our strategic objectives and has been successful in efficiently deploying cash where needed worldwide to fund operations, complete acquisitions and sustain long-term growth. Emerson is in a strong financial position, with total assets of $36 billion and common stockholders' equity of $11 billion, and has the resources available for reinvestment in existing businesses, strategic acquisitions and managing its capital structure on a short- and long-term basis.

FISCAL 2023 OUTLOOK

For the full year, consolidated net sales from continuing operations are expected to be up 8 to 10 percent, with underlying sales up 6.5 to 8.5 percent excluding a 2 percent unfavorable impact from foreign currency translation and an approximately 3.5 percent favorable impact from acquisitions net of divestitures.

Earnings per share from continuing operations are expected to be $3.55 to $3.70 (which excludes any potential impact from the 45 percent common equity ownership in Climate Technologies' income or loss post-close), while adjusted earnings per share are expected to be $4.00 to $4.15, excluding a $0.60 per share impact from amortization of intangibles, $0.12 per share from restructuring actions, $0.08 per share from the Russia business exit, a $0.03 per share benefit from the AspenTech Micromine purchase price hedge, $0.09 per share from interest income on the Climate Technologies note receivable, and $0.23 per share of interest income on undeployed proceeds from the Climate Technologies and InSinkErator divestitures. Earnings from discontinued operations are expected to be $10.5 billion to $11.5 billion, or $18 to $20 per share, including the net gains on 2023 divestitures. The fiscal 2023 outlook includes $2 billion returned to shareholders through share repurchases completed in the first quarter and approximately $1.2 billion of dividend payments.

The Company's fiscal 2023 results from continuing operations after the Climate Technologies divestiture (assumed to close March 31, 2023 for the purposes of guidance) will reflect a 45 percent common equity ownership in the income, or loss, of Climate Technologies. Emerson will not control Climate Technologies post-closing and is therefore unable to estimate the amount of its 45 percent share of Climate Technologies' post-close results. The effect of Emerson's 45 percent share of Climate Technologies is expected to be immaterial to post-closing cash flows.

Statements in this report 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 the Company's ability to successfully complete on the terms and conditions contemplated, and the financial impact of, the proposed Climate Technologies transaction, the potential National Instruments transaction, the scope, duration and ultimate impacts of the COVID-19 pandemic and the Russia-Ukraine conflict, as well as economic and currency conditions, market demand, including related to the pandemic and oil and gas price declines and volatility, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, inflation, among others, which are set forth in the “Risk Factors” of Part I, Item 1A, and the "Safe Harbor Statement" of Part II, Item 7, to the Company's Annual Report on Form 10-K for the year ended September 30, 2022 and in subsequent reports filed with the SEC, which are hereby incorporated by reference.

Item 4. Controls and Procedures

The Company maintains a system of disclosure controls and procedures designed to ensure that information required to be disclosed in its reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported in a timely manner. This system also is designed to ensure information is accumulated and communicated to management, including the Company's certifying officers, to allow timely decisions regarding required disclosure. Based on an evaluation performed, the certifying officers have concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to report material information otherwise required to be set forth in the Company's reports.

There was no change in the Company's internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Issuer Purchases of Equity Securities (shares in 000s).

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 2022	—	$—	—	54,540
November 2022	11,957	$92.85	11,957	42,583
December 2022	9,299	$95.69	9,299	33,284
Total	21,256	$94.09	21,256	33,284

In March 2020, the Board of Directors authorized the purchase of an additional 60 million shares and a total of approximately 33.3 shares remain available for purchase under the authorization.

Item 6. Exhibits

(a) Exhibits (Listed by numbers corresponding to the Exhibit Table of Item 601 in Regulation S-K).

2(a)** Transaction Agreement, dated as of October 30, 2022, among Emerson Electric Co., BCP Emerald Aggregator L.P., Emerald Debt Merger Sub L.L.C and Emerald JV Holdings L.P, incorporated by reference to the Company's Form 8-K, filed on October 31, 2022, File No. 1-278, Exhibit 2.1.

10(a) Amended and Restated Deferred Compensation Plan for Non-Employee Directors and Forms of Payment Election Forms

10(b) Amended and Restated Restricted Stock Plan for Non-Management Directors and Form of Restricted Stock Unit Award Letter under the Emerson Electric Co. Restricted Stock Plan for Non-Management Directors

10(c) Emerson Electric Co. Annual Cash Incentive Plan and Form of Acceptance of Award

10(d) Letter Agreement dated November 16, 2022 between Emerson Electric Co. and Mark J. Bulanda, signed November 22, 2022, incorporated by reference to the Company's Form 8-K, filed on November 28, 2022, File No. 1-278, Exhibit 10.1.

31 Certifications pursuant to Exchange Act Rule 13a-14(a).

32 Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350.

101 Attached as Exhibit 101 to this report are the following documents formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Statements of Earnings for the three months ended December 31, 2022 and 2021, (ii) Consolidated Statements of Comprehensive Income for the three months ended December 31, 2022 and 2021, (iii) Consolidated Balance Sheets as of September 30, 2022 and December 31, 2022, (iv) Consolidated Statements of Equity for the three months ended December 31, 2022 and 2021, (v) Consolidated Statements of Cash Flows for the three months ended December 31, 2022 and 2021, and (vi) Notes to Consolidated Financial Statements for the three months ended December 31, 2022 and 2021.

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

** Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Emerson agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request. Portions of these exhibits have been redacted in compliance with Regulation S-K Item 601(b)(10).

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 thereunto duly authorized.

EMERSON ELECTRIC CO.

By /s/ F. J. Dellaquila

Frank J. Dellaquila
Senior Executive Vice President and Chief Financial Officer
(on behalf of the registrant and as Chief Financial Officer)
February 8, 2023

EMERSON ELECTRIC CO.

DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS (as Amended and Restated Effective November 1, 2022)

1. *Eligibility*

Each director of Emerson Electric Co. ("**Emerson**" or the "**Company**") who is not an employee of Emerson or a corporation in which Emerson owns 50% or more of the outstanding stock shall have the right to elect to defer (i) the payment of all or any part of the cash compensation to which such director would otherwise be entitled as retainers or fees, whether for service on the Board of Directors of Emerson (the "**Board**") or on a committee thereof (collectively, "**Fees**") and/or (ii) the delivery of shares of Emerson common stock ("**Shares**") issuable upon the conversion of any award of restricted stock units ("**Restricted Stock Units**") granted to such director under the Emerson Electric Co. Restricted Stock Plan for Non-Management Directors (as may be amended from time to time, the "**Restricted Stock Plan**"), with such deferred compensation payable at the time and in the manner hereinafter stated. All such deferral elections shall be subject to the terms and conditions set forth in this Emerson Electric Co. Deferred Compensation Plan for Non-Employee Directors (as amended and restated effective November 1, 2022) (the "**Plan**").

2. *Election*

Each director who elects to defer Fees hereunder may, at the time of such election, also elect to have some or all of such deferred Fees converted into units notionally equivalent to Shares ("**Units**"), in which case Emerson shall establish an account for such director and shall credit to the account a number of Units equal to the number of full and fractional Shares which could be purchased with such deferred Fees on the date such Fees would have been paid had there been no deferral (such applicable date, the "**Original Payment Date**"). The price per Share for converting the applicable portion of the Fees into Units in accordance with the immediately preceding sentence shall be the mean between the high and the low of the price per Share on the New York Stock Exchange ("**Market Price**") on the applicable Original Payment Date of the corresponding Fees (or portion thereof), or if no Shares have been traded on such date, then the next succeeding date on which such Shares have been traded. Until the applicable distribution date (as determined in accordance with the Plan), a director who elects to have deferred Fees converted into Units shall have his or her account credited with additional Units equal in value to the amount of dividends which he would have received if he or she had been the owner of a number of Shares equal to the number of Units in his account. The price per share for converting dividends into such additional full or fractional Units shall be the Market Price as of the payment dates for such dividends. No director shall be deemed to be the owner of any notional Shares underlying the Units pursuant to this Plan.

With respect to each director who elects to defer the delivery of Shares issuable upon the conversion of Restricted Stock Units, Emerson shall establish and maintain an account for such director (a "**Share Account**") which shall be credited with the number of Shares deferred with respect to such Restricted Stock Units hereunder. Until the applicable distribution date (as determined in accordance with the Plan), if the Company pays a dividend on Shares, a director who elects to defer the delivery of Shares issuable upon the conversion of Restricted Stock Units shall be entitled to receive dividend equivalent payments in cash each year equal to the amount of any dividends which such director would have received if he or she had been the owner of the Shares in his or her Share Account (if any), which such dividend equivalent payment shall be paid on a current basis as of the payment date of the corresponding dividends.

Each director shall have until the date specified by the Company, which shall be no later than the last day of the director's taxable year, to execute and deliver to the Vice President Executive Compensation Programs of the Company (the "**Executive Compensation Executive**") a "**Notice of Election**" by which the director elects to defer up to (i) 100% of the Fees and/or (ii) 100% of the Shares issuable upon the conversion of Restricted Stock Units, as applicable, in each case to be earned (or, in the case of Restricted Stock Units, granted) for services in subsequent taxable years and which, but for such election, would otherwise be payable or issuable to the director.

Each Notice of Election shall be in such form as determined by the Company and must specify (i) the percentage or amount of Fees and/or Restricted Stock Units, as applicable, to be deferred under the Plan, (ii) the manner of distribution of deferred Fees, (iii) the beneficiary designations of the participating director, (iv) the extent to which the deferred Fees are to be credited with interest as provided in Section 4 below or converted into Units as specified in this Section 2 above and (v) such other information as may be required by the Company from time to time.

Notwithstanding any provision contained herein to the contrary, each director who first becomes eligible to participate in the Plan during a plan year may file a Notice of Election within thirty (30) days after the date he or she first becomes eligible to participate in the Plan, but only with respect to the Fees or Shares underlying Restricted Stock Units relating to services to be performed subsequent to such election.

Once a director files his or her initial Notice of Election, the manner of distribution shall be irrevocable, even with respect to future deferrals. With respect to the percentage or amount of Fees or Restricted Stock Units to be deferred, the director's Notice of Election shall remain in effect until changed or revoked by the filing of a new Notice of Election with the Executive Compensation Executive; *provided*, *however*, as of December 31 of each year, such Notice of Election shall become irrevocable with respect to Fees payable or Restricted Stock Units granted in connection with services performed in the immediately following year. An election relating to the conversion of deferred Fees into Units may be changed prospectively but no more frequently than once per calendar year by providing written notice to the Executive Compensation Executive no later than December 31 of each year to be irrevocable with respect to Fees payable in connection with services performed in the immediately following year.

3. *Payment of Deferred Fees and Deferred Restricted Stock Units.*

Deferred Fees

Except as otherwise provided herein, payment of deferred Fees, together with any interest or dividend accruals thereon ("**Fee Account Balance**"), shall be paid to the director in a cash lump sum (with Fees which have been converted into Units, converted into cash equal to the Market Price on the payment date multiplied by the number of Units then being paid) on the date thirty (30) days after such director's "separation from service" as a director of the Company (within the meaning given in Treasury Regulation §1.409A-1(h)) ("**Separation from Service**"), unless the director designated optional installment payments in the Notice of Election. The substantially equal annual installment payments will commence on the date thirty (30) days after such director's Separation from Service over a period not to exceed ten (10) years, *provided however*, that in the event such installment method of distribution will result in any regular installment being less than $400, the director's entire Fee Account Balance shall be distributed in a single lump sum on the date thirty (30) days after such director's Separation from Service, regardless of the manner of distribution designated on his Notice of Election. In the event a director shall elect to receive his or her Fee Account Balance in installments, interest shall continue to be credited on the undistributed sums as provided in Section 4 and/or dividend accruals shall continue to be credited on the undistributed Units in his account as provided in Section 2.

Notwithstanding any provision herein to the contrary, in the event the director's Fee Account Balance includes Fees which have been converted into Units, payment of such converted amounts which otherwise would have been payable prior to the date six (6) months after the director's Separation from Service shall be delayed until the date six (6) months after the later of: (i) the director's Separation from Service or (ii) the conversion of such Fees into Units (and, for the avoidance of doubt, any such conversion into Units shall occur prior to such Separation from Service).

Deferred Restricted Stock Units

Except as otherwise provided herein, the Shares underlying Restricted Stock Units deferred under the Plan, shall be delivered to the director on the date thirty (30) days after such director's Separation from Service. For the avoidance of doubt, on the distribution date applicable to a director's Share Account (as provided in the immediately preceding sentence), such director shall receive a number of Shares equal to the number of Shares credited to his or her applicable Share Account as of such distribution date.

Unforeseeable Emergency

In the event that a director demonstrates to the satisfaction of the Corporate Governance and Nominating Committee of the Board (the "**Committee**") that such director has suffered an "unforeseeable emergency" (within the meaning of Treasury Regulation Section 1.409A-3(i)(3)), the Committee may, if it deems advisable in its sole and absolute discretion, distribute any portion of the director's Fee Account Balance; *provided however* that (i) in no event shall any such distribution be more than the amount necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into consideration the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the director's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under this Plan and (ii) any such distribution shall be subject to compliance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (together with all rules and regulations promulgated thereunder, "**Section 409A**"), including Treasury Regulation Section 1.409A-3(i)(3). However, in no event may Fees which have been converted into Units be payable or distributable on account of an unforeseeable emergency. Any amount which becomes payable on account of an unforeseeable emergency shall be distributed on the date the Committee approves the hardship distribution and the director's Account Balance shall be reduced by the amount so distributed and/or utilized, subject to compliance with Section 409A.

Timing of Distributions

In all cases in which amounts or Shares are distributable upon a fixed date, distribution is deemed to be made upon the fixed date if the distribution is made on such date or a later date within the same taxable year of the director or, if later, by the fifteenth (15^{th}) day of the third calendar month following the specified date, provided the director is not permitted, directly or indirectly, to designate the taxable year of the payment. In addition, a distribution is treated as made upon the date specified under the Plan if the distribution is made no earlier than thirty (30) days before the designated distribution date and the director is not permitted, directly or indirectly, to designate the taxable year of the distribution.

Notwithstanding the foregoing, if the Board considers a director to be one of the Company's "specified employees" under Section 409A at the time of such director's Separation from Service from the Board, any distribution that otherwise would be made to such director as a result of such Separation from Service shall not be made until the date that is six (6) months after such Separation from Service, except to the extent that earlier distribution would not result in such director's incurring interest or additional tax under Section 409A.

4. *Interest Rate*

Deferred Fees which a director has not elected to be converted into Units shall be credited with interest compounded quarterly at the prime rate with any change in interest rate taking effect simultaneously with the change in the prime rate, or such other rate as may be established from time to time by the Committee. Such interest shall accrue from the dates that Fees would otherwise be payable had such Fees not been deferred. For all purposes of this Plan, the term "prime rate" shall mean the prime rate publicly announced by Bank of America, N.A. for ninety (90)-day commercial loans.

5. *Designation of Beneficiary*

Each director may designate one or more beneficiaries to receive all sums due to such director hereunder upon his or her death. Such beneficiary designation may be revoked or amended by such director, from time to time, by appropriate notice in writing delivered to the Executive Compensation Executive. In the absence of any beneficiary designation or in the event that the designated beneficiaries shall not be living at the time of death of the director, the account value on the date of death of the director shall be payable and delivered to the estate of such deceased director.

6. *Death or Incapacity of Director*

Notwithstanding anything else contained in the Plan or any Notice of Election, (a) upon the death of a serving director, (i) the entire Fee Account Balance, including all Fees deferred under the Plan, and all unpaid installments of Fees then being paid and interest and earnings thereon, shall be distributed in one lump sum cash amount to his designated beneficiary or estate, (ii) the entire Share Account, including all Restricted Stock Units deferred under the Plan, shall be distributed in Shares to his designated beneficiary or estate and (iii) with respect to a director who has elected to have his deferred Fees converted into Units, a cash lump sum equal to the Market Price on the date of death multiplied by the number of Units credited to his account on such date shall be paid to his designated beneficiary or estate and (b) on the death of a director who had previously retired and had elected an installment method of distribution, all sums remaining undistributed shall be paid in one lump sum cash amount or Shares, as applicable, to his designated beneficiary or estate. Payments required to be made under this Section shall be made on the date thirty (30)days after the director’s death.

In the event that any person to whom deferred Fees or Restricted Stock Units are distributable under the terms of this Plan shall be unable to properly manage his own affairs by reason of incapacity, all amounts distributable hereunder may be distributed to a duly appointed personal representative, conservator or guardian or to any person, firm or a corporation furnishing or providing support and maintenance to such distributee (which, for the avoidance of doubt, shall otherwise be paid on the existing distribution schedule applicable to such amounts pursuant to the Notice of Election then in effect). The Company and its officers and employees shall be fully and completely exonerated from all liability to any distributee upon making distribution in accordance with the terms of this paragraph.

7. Change of Control

Notwithstanding anything else contained in the Plan or any Notice of Election, in the event of a Change of Control (as hereinafter defined), the entire Fee Account Balance and Share Account Balance, as applicable, of each director, including all Fees (and any related Units) and Restricted Stock Units deferred under the Plan, and all unpaid installments of Fees then being paid, and interest and earnings thereon, shall immediately be paid to the director in a single cash lump sum or in Shares, as applicable, on the date of the Change of Control. For the purpose of this Plan, a "**Change of Control**" shall mean a change in the ownership or effective control of a corporation or a change in the ownership of a substantial portion of the assets of a corporation under Section 409A.

8. *Amendment and Termination*

The Board may at any time amend or terminate this Deferred Compensation Plan; however, no action of the Board may permit anyone other than a director eligible under Section 1 to participate in the Plan. In the event the Plan is terminated, a director's Account Balance or Share Account shall become payable only to the extent permissible under the regulations promulgated by the Secretary of Treasury pursuant to Section 409A and in the manner set forth therein.

9. *Miscellaneous*

The Committee shall have full power and authority to administer, construe and interpret this Plan. The Committee may, from time to time, name a Company employee to administer, construe or interpret the terms of the Plan. The decisions of the Committee concerning the administration, construction and interpretation of this Plan shall be final, conclusive and binding upon all parties involved, including the successors and assigns of Emerson.

No right or payment under this Plan (including, for the avoidance of doubt, any Restricted Stock Units or any Shares with respect thereto) shall be subject to anticipation, alienation, sale, assignment, transfer, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, transfer, pledge, encumber or charge the same shall be null and void. No right or payment hereunder shall be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefit. If any participant or beneficiary hereunder should become bankrupt or attempt to anticipate, alienate, sell, assign, transfer, pledge, encumber or charge any right or payment hereunder, then such right or payment shall, in the discretion of the Committee terminate. In such a case, the Company may hold or apply the same or any part thereof for the benefit of the participant or beneficiary, his spouse, children or other dependents, or any of them, in such manner and in such proportion as the Committee shall determine, and their decision shall be final, conclusive and binding upon all persons involved.

No director or other person shall have any claim to be entitled to make a deferral under the Plan, and there is no obligation for uniformity of treatment of directors or beneficiaries under the Plan. The terms and conditions of deferrals under the Plan need not be the same with respect to each director.

The opportunity to make a deferral under the Plan shall not be construed as giving a director the right to be retained in the service of the Board or the Company. A director's deferral under the Plan is not intended to confer any rights on such director except as set forth in the Plan and the applicable Notice of Election.

In the event of changes in the outstanding Shares of the Company by reason of stock dividends, spin-offs, recapitalization, mergers, consolidations, split-ups, combinations or exchange of shares and the like, the (i) account of a director who has elected to convert his deferred Fees into Units and (ii) the director's Share Account, as applicable, shall be appropriately adjusted to reflect such action if such action consists of distribution of Company stock. For purposes of the foregoing, an appropriate adjustment shall mean, in the case of a stock dividend, stock split, or reverse stock split, an equitable adjustment so as to maintain the same proportionate number of Units or Shares as were allocated to the account prior to such action. If such action consists of any other distribution, the value of such distribution shall be converted to Units or Shares on the date of such distribution.

This Plan is unfunded. The Plan, together with the applicable Notice of Election, shall represent at all times an unfunded and unsecured contractual obligation of the Company. Each director and beneficiary will be an unsecured creditor of the Company with respect to all obligations owed to them under the Plan. Amounts payable under the Plan will be satisfied solely out of the general assets of the Company subject to the claims of its creditors. No director or beneficiary will have any interest in any fund or in any specific asset of the Company of any kind, nor shall such director or beneficiary or any other person have any right to receive any payment or distribution under the Plan except as, and to the extent, expressly provided in the Plan and the applicable Notice of Election. Detailed records of amounts deferred hereunder, including interest credits and payouts, shall be maintained by the Executive Compensation Executive, and made available on reasonable notice for any director's inspection with respect to such director's own deferrals.

If any provision of the Plan or any Notice of Election is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or deferral, or would disqualify the Plan or any deferral under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or such Notice of Election, such provision shall be stricken as to such jurisdiction, person or deferral, and the remainder of the Plan and such Notice of Election shall remain in full force and effect.

To the extent applicable, the Company shall be authorized to withhold from any distribution under the Plan or from any compensation or other amount owing to a director the amount (in cash, Shares, other property, net settlement, or any combination thereof) of applicable withholding taxes due in respect of such distribution and to take such other action (including providing for elective payment of such amounts in cash or Shares by such Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

With respect to deferrals that are subject to Section 409A, the Plan is intended to comply with the requirements of Section 409A, and the provisions of the Plan and any Notice of Election shall be interpreted in a manner that satisfies the requirements of

Section 409A, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Notice of Election would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict.

The Plan shall be construed and administered in accordance with the laws of the State of Missouri, without regard to the principles of conflicts of law which might otherwise apply.

As approved by Emerson's Board of Directors on this 1st day of November, 2022.

Exhibit 10(a)

EMERSON ELECTRIC CO.

DEFERRED COMPENSATION PLAN FOR
NON-EMPLOYEE DIRECTORS

NOTICE OF ELECTION - FEES

1. Name of Director: ____

2. Percentage of Fees to be Deferred: ______%

3. Deferral Options with respect to Fees:
Cash: ______%
Units (Phantom Stock): ____%

4. Manner of Distribution of Fees (irrevocable):
☐ lump sum
☐ annual installments over ____ years (not to exceed 10 years)

5. Beneficiary Designation: Name and Address

____

____

6. Alternative Beneficiary Designation: Name and Address

____

____

The undersigned acknowledges this election as to the manner of distribution is irrevocable, even with respect to Fees that may be earned and deferred in future years; and that the election as to the percentage of Fees to be deferred shall remain in effect until the first day of the calendar year following the date a subsequent Notice of Election is filed with the Executive Compensation Executive of Emerson. Furthermore, the undersigned acknowledges that the deferral options in paragraphs 2 and 3 above may only be modified prospectively and may not be modified more often than annually by filing such change no later than December 31 of each year to be irrevocable with respect to Fees payable in connection with services performed in the immediately following year.

By: ____________________ Date: ____________________

Return completed form to: Vice President Executive Compensation Programs
Emerson Electric Co.
8000 W. Florissant Ave.
St. Louis, MO 63136

EMERSON ELECTRIC CO.

DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

NOTICE OF ELECTION – RESTRICTED STOCK UNITS

1. Name of Director: ____

2. Percentage of Shares Underlying Restricted Stock Units to be Deferred until Separation from Service as a member of the Board: ______%

3. Beneficiary Designation: Name and Address

____

____

4. Alternative Beneficiary Designation: Name and Address

____

____

The undersigned acknowledges that the election as to the percentage of shares underlying Restricted Stock Units to be deferred shall remain in effect until the first day of the calendar year following the date a subsequent Notice of Election is received by the Executive Compensation Executive of Emerson.

By: __________________ Date: __________________

Return completed form to: Vice President Executive Compensation Programs
Emerson Electric Co.
8000 W. Florissant Ave.
St. Louis, MO 63136

EMERSON ELECTRIC CO.
RESTRICTED STOCK PLAN FOR NON-MANAGEMENT DIRECTORS

As amended and restated, effective November 1, 2022.

1. *Purpose*. The purpose of this Plan is to attract and retain the best qualified individuals to serve on the Board and to align their compensation as members of the Board with the interests of stockholders of the Company by compensating them with Shares subject to certain restrictions, as described herein.

2. Definitions. As used in the Plan, the following terms shall have the respective meanings:
   (a) "Annual Meeting" means the annual meeting of stockholders of the Company.

   (b) "Board" means the Board of Directors of the Company.

   (c) Change of Control" means:

      i. The purchase or other acquisition (other than from the Company) by any person, entity or group of persons, within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either the then-outstanding shares of common stock of the Company or the combined voting power of the Company's then-outstanding voting securities entitled to vote generally in the election of directors; or

      ii. Individuals who, as of the date hereof, constitute the Board of the Company (as of the date hereof, the "Incumbent Board") ceasing for any reason to constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the date hereof whose election or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board; or

      iii. Approval by the stockholders of the Company of (A) a reorganization, merger or consolidation, in each case with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of, respectively, the common stock and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated corporation's then-outstanding voting securities in substantially the same proportions as their ownership of the Company's voting securities immediately before such reorganization, merger or consolidation, (B) a liquidation or dissolution of the Company or (C) the sale of all or substantially all of the assets of the Company.

Notwithstanding the foregoing or any provision of any award agreement to the contrary, for any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code, if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets (in either case, as defined in Section 409A of the Internal Revenue Code), such amount shall not be distributed on such Change of Control but instead shall vest as of such Change of Control and shall be distributed on the scheduled payment date specified in the applicable award agreement, except to the extent that earlier distribution would not result in the awardee who holds such award incurring interest or additional tax under Section 409A of the Internal Revenue Code.

(d) "Committee" means the Corporate Governance and Nominating Committee of the Board or any other committee composed entirely of Non-Management Directors as designated by the Board.

(e) "Company" means Emerson Electric Co., a Missouri corporation.

(f) "Deferred Compensation Plan" means the Emerson Electric Co. Deferred Compensation Plan for Non-Employee Directors, as amended and restated as of November 1, 2022, as amended from time to time.

(g) "Fair Market Value" as of any date means the average of the highest and lowest price per Share as reported on the New York Stock Exchange Composite Tape for such date (or, if the Shares are not traded on such date, the next day on which the Shares are traded).

(h) "Material Revision" shall have the meaning ascribed thereto by the corporate governance standards of the New York Stock Exchange.

(i) "Non-Management Director" means a member of the Board who is not an employee or officer of the Company or any subsidiary of the Company.

(j) "Plan" means this Emerson Electric Co. Restricted Stock Plan for Non-Management Directors, as amended from time to time.

(k) "Restricted Share Portion" shall mean that portion of the total annual retainer paid to directors, as approved by the Committee or as recommended by the Committee and approved by the Board. The Restricted Share Portion may range from 0% to 100% of the total annual retainer, in the sole discretion of the Board or the Committee.

(l) “Restricted Share” shall mean a Share which is awarded to a Non-Management Director subject to forfeiture, as more fully defined in Section 5(b) below.

(m)“Restricted Stock Unit” shall mean a bookkeeping entry maintained by the Company that represents the right (subject to forfeiture) of a Non-Management Director to receive one Share, as more fully described in Section 5(c) below.

(n) “Shares” means shares of common stock of the Company, $0.50 par value per share.

3. *Eligibility*. Only Non-Management Directors shall participate in the Plan.

4. *Administration*. The Plan shall be administered by the Committee. The Committee may designate persons other than members of the Committee to carry out its responsibilities, subject to applicable law. A majority of the Committee shall constitute a quorum at any meeting of the Committee and all determinations of the Committee shall be made by a majority of its members. Any determination of the Committee under the Plan may be made without notice of a meeting of the Committee by a written consent signed by all members of the Committee. Subject to the express provisions of the Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the administration of the Plan. All decisions, determinations and interpretations by the Committee or the Board regarding the Plan shall be final and binding on all current or former Directors of the Company and their beneficiaries, heirs, successors and assigns. The Committee or the Board, as applicable, shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations. No member of the Committee shall be personally liable for any action or determination made in good faith with respect to the Plan or to any settlement of any dispute between a Non-Management Director and the Company.

5. *Restricted Share Portion*.

(a) Each Non-Management Director who is elected or re-elected by the stockholders of the Company at, or who continues in office after, each Annual Meeting, shall, on the Annual Meeting date, be awarded Restricted Shares and/or Restricted Stock Units, with the aggregate Fair Market Value of the underlying Shares equal to the Restricted Share Portion as of such date. Notwithstanding the foregoing, when a Non-Management Director joins the Board prior to an Annual Meeting, such Non-Management Director may be awarded Restricted Shares and/or Restricted Stock Units with respect to which the aggregate Fair Market Value of the underlying Shares shall not exceed the amount provided for in the preceding sentence, on a pro rata basis in the discretion of the Committee.
(b) The Restricted Shares shall be restricted and subject to forfeiture as more fully described in the following provisions:

i. The Restricted Shares shall be held for the benefit of the Non-Management Director in book-entry form by the Company’s stock transfer agent until the restrictions lapse, or the Restricted Shares are forfeited, in accordance with this Section 5(b). However, the Non-Management Director (or any trustee referred to in Section 10(b) hereof) shall be entitled to receive all dividends paid on the Restricted Shares and shall possess all voting rights with respect to such Restricted Shares as are possessed by other holders of common stock of the Company in their respective Shares. The Non-Management Director may reinvest the dividends received upon the Restricted Shares upon the same terms available in any dividend reinvestment plan providing for broad-based participation among the Company's shareholders. Any Shares so purchased will not be subject to restrictions hereunder.

ii. No Restricted Shares may be sold, transferred, assigned or otherwise alienated or hypothecated until the restrictions lapse, or the Restricted Shares are forfeited, in accordance with this Section 5(b).

iii. The restrictions in this Section 5(b) will lapse, and the Restricted Shares will vest, on the earliest of: (A) the date of the first Annual Meeting following the applicable date of grant of such Restricted Shares, (B) the date the Non-Management Director dies or becomes disabled or (C) the date of a Change of Control of the Company (such applicable date, the "Restricted Share Award Vesting Date"); but only if the awardee is a Non-Management Director on the applicable Restricted Share Award Vesting Date.

iv. Upon the termination of a Non-Management Director's tenure on the Board, any Restricted Shares which are not vested as of the date of such termination (subject to Section 5(b)(iii)(B) above) shall not vest and shall automatically be forfeited by the Non-Management Director and cancelled by the Company for no value. However, the Committee in its sole discretion may, when it finds that such action would be in the best interests of the Company, waive in whole or in part any remaining vesting restrictions with respect to such Restricted Shares, subject to such terms and conditions as the Committee shall deem appropriate.

v. Upon vesting, the Restricted Shares will be distributed to the Non-Management Director, without tax withholding unless required by law or as otherwise set forth in an applicable written agreement.

(c) The Restricted Stock Units shall be restricted and subject to forfeiture as more fully described in the following provisions:

i. Restricted Stock Units constitute bookkeeping entries maintained by the Company that represent the right to receive one Share to be issued and delivered, in accordance with the terms and conditions set forth herein and any additional terms and conditions that may be set forth in a written instrument evidencing the Restricted Stock Units. A Non-Management Director holding Restricted Stock Units will have no rights as a stockholder of the Company with respect to such Restricted Stock Units prior to the issuance of the Shares in settlement of the Restricted Stock Units. However, the

Non-Management Director shall be entitled to receive an amount equal to any cash, stock or other property paid by the Company as dividends with respect to an equivalent number of Shares. An award of Restricted Stock Units shall specify whether the amount representing the dividend equivalent, if any, shall be paid to the Non-Management Director in cash on the same date the Company pays the dividend to its stockholders or on the same date his or her Restricted Stock Units are settled. In the event the award agreement provides for deferred payment of the dividend equivalent, the amount of accumulated dividend equivalents shall be credited with interest as determined by the Committee but in any event no greater than 120% of the applicable federal long-term rate, compounded quarterly (as prescribed under section 1274(d) of the Internal Revenue Code, (26 U.S.C. 1274(d))). Such interest shall accrue from the date that the dividend equivalent would otherwise be payable had payment of such amount not been deferred. The Non-Management Director shall not possess any voting rights with respect to Restricted Stock Units.

ii. No Restricted Stock Units may be sold, transferred, assigned or otherwise alienated or hypothecated until the restrictions lapse or the Restricted Stock Units are forfeited, in accordance with this Section 5(c).

iii. The restrictions in this Section 5(c) will lapse, and the Restricted Stock Units will vest, on the earliest of: (A) the date of the first Annual Meeting following the applicable date of grant of such Restricted Stock Units, (B) the date the Non-Management Director dies or becomes disabled or (C) the date of a Change of Control of the Company (such applicable date, the “RSU Vesting Date”); but only if the awardee is a Non-Management Director on the applicable RSU Vesting Date.

iv. Upon the termination of the Non-Management Director’s tenure on the Board, any Restricted Stock Units which are not vested as of the date of such termination (subject to Section 5(c)(iii)(B) above) shall not vest and shall automatically be forfeited by the Non-Management Director and cancelled by the Company for no value and without issuance of any Shares. However, the Committee in its sole discretion may, when it finds that such action would be in the best interests of the Company, waive in whole or in part any remaining vesting restrictions with respect to any Restricted Stock Units, subject to such terms and conditions as the Committee shall deem appropriate. An award of Restricted Stock Units shall specify whether or not any dividend equivalents which have been deferred in accordance with Section 5(c)(i) shall be forfeited if the Restricted Stock Units which generated such deferred dividends are forfeited.

v. Subject to Section 5(c)(vi), vested Restricted Stock Units will be settled within 60 days following the applicable Vesting Date, without tax withholding unless required by law or as otherwise set forth in applicable written agreement; provided, however, the Company will not be obligated to settle an award of Restricted Stock Units unless the issuance and delivery of such Shares will comply with all relevant provisions of law and other legal requirements, including any applicable federal or state securities laws and the requirements of any stock exchange or quotation system upon which Shares may then be listed or quoted.

vi. Notwithstanding anything to the contrary in this Section 5(c), the Committee in its discretion may permit a Non-Management Director to defer the settlement of any award of Restricted Stock Units that becomes vested pursuant to, and in accordance with, the terms and conditions of the Deferred Compensation Plan and such other rules and procedures as the Committee or the Board may establish from time to time, subject to the requirements of Section 409A of the Internal Revenue Code.

vii.

6. Section 409A of the Internal Revenue Code. The Plan is intended to comply with the requirements of Section 409A of the Internal Revenue Code, and the provisions of the Plan and any award agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Internal Revenue Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any award hereunder would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in the Plan, if the Committee considers a Non-Management Director to be a “specified employee” under Section 409A of the Internal Revenue Code at the time of such Non-Management Director’s “separation from service” (as defined in Section 409A of the Internal Revenue Code), and the amount hereunder is “deferred compensation” subject to Section 409A of the Internal Revenue Code, any distribution that otherwise would be made to such Non-Management Director with respect to an award as a result of such “separation from service” shall not be made until the date that is six months after such “separation from service”, except to the extent that earlier distribution would not result in such Non-Management Director’s incurring interest or additional tax under Section 409A of the Internal Revenue Code. If an award includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Non-Management Director’s right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment and if an award includes “dividend equivalents” (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Non-Management Director’s right to the dividend equivalents shall be treated separately from the right to other amounts under the award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any award agreement is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Non-Management Director on account of non-compliance with Section 409A of the Internal Revenue Code.

7. *Maximum Number of Shares*. The maximum number of Shares which may be awarded pursuant to this Plan is 500,000. This number shall be appropriately adjusted by the Committee in the event of any stock dividends, stock splits, recapitalizations, mergers, consolidations, spin-offs, split-offs, split-ups, combinations or exchanges of Shares. The determination of the Committee regarding any such adjustment shall be conclusive. Any Shares forfeited as provided in Section 5(b)(iv) or 5(c)(v) shall be re-added to the Shares available for award.

8. *Amendment and Termination*. The Plan may be amended or terminated by the Board at any time, provided, however, that no Material Revision may be made without the approval of the stockholders of the Company.

9. *Effectiveness of the Plan*. The Plan, as amended and restated, is effective as of November 1, 2022.

10. *Miscellaneous*.

(a) Nothing contained herein shall entitle a Non-Management Director to continue in office or limit the authority of the Committee to recommend that any Non-Management Director should no longer serve as a member of the Board.

(b) Notwithstanding Section 5(b)(ii), Restricted Shares may, with the consent of the Company, be registered in the name of a personal, revocable trust established by such Non-Management Director; provided, however, that all of the terms of the Plan including, without limitation, the provisions of Section 5(b), shall be binding upon the trustee of any such trust.

(c) The Shares awarded under the Plan shall be issued out of treasury Shares or authorized but unissued Shares.

(d) The Plan shall be construed and administered in accordance with the laws of the State of Missouri without regard to the principles of conflicts of law which might otherwise apply.

Approved by the Board of Directors on the 1st day of November, 2022.

FORM OF RESTRICTED STOCK UNIT AWARD LETTER

[Date]

[Director Name]
[Director Address]
[Director Address]
[Director Address]

Dear [Director Name],

I am pleased to advise you that your restricted stock unit award under Emerson's Restricted Stock Plan for Non-Management Directors (as amended, the "Plan") will be valued at $[●]. Accordingly, your 20[●] restricted stock unit grant is [______] units, based upon a Fair Market Value of Emerson Electric Co. common stock on [DATE] of $[●] per share. A summary of the Plan and a copy of the complete Plan are attached hereto as Exhibit A for your reference. All capitalized terms used in this award letter but not defined herein have the meanings ascribed to them in the Plan.

Your award of restricted stock units under the Plan will need to be reported to the Securities and Exchange Commission on a Form 4 within two business days after the award. The procedures for reporting your award are described in Exhibit B hereto.

You will receive dividend equivalents on your restricted stock units. [FOR CURRENT DIVIDEND EQUIVALENTS ONLY][The dividend equivalents will be paid to you on the dividend payment date.] [FOR DEFERRED DIVIDEND EQUIVALENTS ONLY][The payment of the dividend equivalents will be deferred and paid to you, with interest, upon the settlement of your award of restricted stock units.]

If you have any questions, don't hesitate to call me at [●].

Personal regards,
[●]

Exhibit A

The principal provisions of the Restricted Stock Plan for Non-Management Directors are as follows. The below summary is qualified in its entirety by the terms of the Plan. In the event of any conflict between the terms of this summary and the Plan, the terms of the Plan will control:

- Only non-management Directors are eligible to participate.

- The Corporate Governance and Nominating Committee will determine the portion of the annual retainer to be paid each year in restricted stock or restricted stock units.

- The number of restricted shares or units will be based upon fair market value of Emerson stock, which is the average of the high and low trading prices for Emerson stock reported by the NYSE, on the date of award.

- The restricted shares or units may not be transferred. Restricted shares will be held by our transfer agent until the restrictions lapse or are waived. Restricted stock units will be maintained as bookkeeping entries by Emerson until settled.

- The restrictions will lapse, and the restricted shares or restricted stock units will vest, upon the earlier of: (1) the date of the first annual meeting of Emerson's shareholders following the applicable date of grant of your shares or units (2) the date of your death or disability, or (3) a change in control of Emerson, but only if you are serving as a non-management Director on such date.

- If your tenure on the Board ends for any reason other than the foregoing, the Corporate Governance and Nominating Committee may determine that it is in the best interests of Emerson to waive the restrictions. If the restrictions are not waived, any unvested shares or units will be forfeited.

- Once vested, an award of restricted stock units (including both the Share-Settled portion and the Cash-Settled Portion) will be paid to you within 60 days following the vesting date. However, you may elect to defer the settlement of your vested restricted stock units pursuant to, and in accordance with, the terms and conditions of the Emerson Electric Co. Deferred Compensation Plan for Non-Employee Directors.

- During the restricted period, you will be entitled to receive all dividends and exercise all voting rights with respect to restricted shares. Cash dividend equivalents will be paid on restricted stock units, either on the dividend payment date or deferred, with interest, at such time as specified in the award letter to which this summary is attached. Restricted stock units do not carry any voting rights.

Exhibit 10(b)

[EMERSON ELECTRIC CO. RESTRICTED STOCK PLAN FOR NON-MANAGEMENT DIRECTORS]

Exhibit B

INSTRUCTIONS FOR 20[●] RESTRICTED STOCK UNIT GRANT – SEC

A. SEC Reporting

Under SEC rules the grant to you of [_____] Emerson restricted stock units on [Date] was an exempt transaction under Section 16(b) but is reportable under Section 16(a) on Form 4. Your Form 4 is due by the close-of-business on [Date]. We will file a Form 4 on your behalf pursuant to the power of attorney granted by you to [●]. You will receive a draft of your Form 4 by e-mail by the end of the day on [Date]. You will need to review the information on the draft Form 4 immediately, paying particular attention to the column indicating your total holdings of Emerson Electric Co. common stock, and notify [●] at [●] or by return e-mail by [Time] CST on [Date] that you agree with the information on the Form 4 or indicating any changes you believe may be required. Upon receipt of your consent to file the Form 4, we will file the Form 4 electronically as required by the Securities and Exchange Commission.

B. SEC Trading Constraints

Under SEC rules this grant is an exempt transaction under SEC Rule 16(b) and will not be matchable against other transactions.

EMERSON ELECTRIC CO.
ANNUAL CASH INCENTIVE PLAN

I. PURPOSE

The purpose of the Emerson Electric Co. Annual Cash Incentive Plan is to provide an annual cash incentive for selected key executives, which is based upon predetermined Performance Targets established for a given Fiscal Year. The Plan is designed to (a) reward key executives for their efforts towards the Performance Targets, (b) incentivize key executives to deliver Corporate performance objectives that are aligned with the Company's stated operating goals for a given Fiscal Year, and (c) attract, motivate and retain key executives on a competitive basis in which total compensation levels are aligned with the accomplishment of the Company's financial, operational and strategic objectives.

II. DEFINITIONS

The following words shall have the following meanings unless the context clearly requires otherwise:

A. "Annual Cash Incentive Payment" or "Payment" means the amount payable to Participant under the Plan.

B. "Board of Directors" means the Board of Directors of Emerson Electric Co.

C. "Bonus Target" means the amount of Annual Cash Incentive Payment to be paid to a Participant under the Plan in the event the Company exactly meets all of its Performance Targets for a Fiscal Year.

D. "Chief Executive Officer" means the Chief Executive Officer of Emerson Electric Co.

E. “Committee” means the Compensation Committee of the Board of Directors of Emerson Electric Co. which is comprised of members who are not eligible to participate in the Plan.

F. “Company” means Emerson Electric Co., a Missouri Corporation.

G. “Chief People Officer” means the Chief People Officer of the Company.

H. “Fiscal Year” means the fiscal year of the Company, which is currently the twelve-month period ending September 30.

I. “Participant” means an employee of the Company or a Subsidiary eligible to receive an Annual Cash Incentive Payment.

J. “Performance Targets” means the financial and operational targets assigned for a Fiscal Year.

K. “Plan” means this Emerson Electric Co. Annual Cash Incentive Plan.

L. “Subsidiary” means any corporation more than 50% of whose stock is owned directly or indirectly by the Company.

III. <u>ELIGIBILITY</u>

Participation in the Plan shall be limited to those executive officers of the Company as the Committee shall determine. Additions or deletions to the Plan during a Fiscal Year shall be made only in the event of a promotion, new hire, resignation, separation, transfer, or an unusual event.

IV. <u>DETERMINATION OF BONUS TARGETS AND PEFORMANCE TARGETS</u>

A. Bonus Targets - The Bonus Target, as assigned to a Participant, shall be determined and communicated as a part of the annual compensation process. Final approval of each Bonus Target shall be made by the Committee.

B. Performance Targets – The Committee shall, for each Fiscal Year, set Performance Targets for such Fiscal Year, against which the performance of the Company will be measured. Performance Targets may be based upon sales, profit, operating profit, earnings before interest and taxes (EBIT), adjusted EBIT, earnings before interest, taxes, and amortization (EBITA), adjusted EBITA, earnings before interest, taxes, depreciation and amortization, pre-tax earnings (EBITDA), adjusted EBITDA, earnings, net earnings, any related margins, earnings per share (EPS), adjusted EPS, asset management, cash flow, operating cash flow, free cash flow, days sales outstanding, days payables outstanding, inventory turnover, return on total capital, return on equity, total stockholder return, share price, acquisition and divestiture performance, development and achievement of strategic business objectives, customer satisfaction, new product introductions and performance, cost reductions, manufacturing efficiency, delivery lead time performance, research and development achievements, market share, working capital, geographic expansion, development and achievement of ESG goals and objectives (including, without limitation, goals regarding enterprise level diversity, equity and inclusion and the reduction in greenhouse gas emissions) and other factors determined by the Committee. Performance Targets may include or exclude specified items of an unusual, non-recurring or extraordinary nature including, without limitation, changes in accounting methods, changes in inventory methods, changes in corporate taxation, unusual accounting gains and losses, changes in financial accounting standards, or other extraordinary events causing dilution of or diminution in the Company's financial results, all as the Committee may deem necessary or desirable to accomplish the purposes of the Plan. The weightings of all Performance Targets may vary from year to year. Final approval of the Performance Targets shall be made by the Committee. Performance Targets need not be the same in respect to all Participants and may be established separately for the Company as a whole or for its various groups, divisions, subsidiaries and affiliates. As soon as practicable after the beginning of each Fiscal Year, each Participant shall be notified of his or her Performance Targets by management of the Company.

V. DETERMINATION OF ANNUAL CASH INCENTIVE PAYMENT

Each Participant shall receive Payment subject to the provisions of Articles VIII and IX hereof, a percentage of his or her Bonus Target according to the percentage of the Performance Targets achieved by the Company during the Fiscal Year according to a formula determined by the Committee, which may include multipliers, modifiers and/or other factors. Performance Target achievement may be adjusted for items of an unusual or non-recurring nature, by the Committee, and in the Committee’s sole judgment, as prudent, based upon its assessment of the Company’s performance during the Fiscal Year.

As soon as practicable after the end of the Fiscal Year, the Payment for each Participant for such Fiscal Year shall be determined by the Committee. The Committee shall certify in writing the Payment to each Participant based on the applicable Bonus and Performance Targets. The Chief

People Officer shall, as determined by the Company, ensure that each Participant is notified of the amount of his or her Payment.

VI. TIME FOR PAYMENTS

Payments will normally be paid in a lump sum by November 30th

following the end of each Fiscal Year, but in no event shall payment occur later than 2 ½ months after the end of the applicable Fiscal Year.

VII. ADMINISTRATION OF THE PLAN

The overall administration and control of the Plan, including final approval of the Payments, as provided for under this Plan, is the responsibility of the Committee. The Chief People Officer shall be responsible for implementing the actions required under the Plan.

VIII. VESTING

In order to receive a Payment from the Plan, a Participant must be in the employ of the Company or a Subsidiary through a) the last day of the Fiscal Year with respect to which a Payment is measured, and b) the date the Payment is payable pursuant to Section VI hereof. Notwithstanding any other provision hereof, and in accordance with this Section, in the event a Participant terminates or is terminated by the Company or a Subsidiary, before or after the end of the Fiscal Year for any reason, including, but not limited to, retirement, disability or death, the Committee shall have sole discretion as to whether any such Payment or pro-rata amount shall be authorized (not to exceed the calculated amount as prescribed under the Plan).

IX. AMENDMENT OR TERMINATION

The Plan may be amended or terminated at any time by action of the Board.

X. <u>MISCELLANEOUS</u>

A. All payments under the Plan shall be made from the general assets of the Company or Subsidiary. To the extent any person acquires a right to receive payments under the Plan, such right shall be no greater than that of an unsecured general creditor of the Company or Subsidiary.

B. Nothing contained in the Plan and no action taken pursuant thereto shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any other person.

C. No amount payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, either voluntary or involuntary, and any attempt to so alienate, anticipate, sell, transfer, assign, pledge, encumber or charge the same shall be null and void. No such amount shall be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person to whom such benefits or funds are or may be payable.

D. Nothing contained in the Plan shall be construed as conferring upon any Participant the right to continue in the employ of the Company nor to limit the right of his or her employer to discharge at any time, with or without cause.

E. The Company shall have the right to recover from any Participant the full amount of any Payment paid by it to such Participant if, during the Fiscal Year for which such Payment was paid, such Participant engaged a violation of the Company's Clawback Policy, as amended from time to time, in the course of his or her employment.

F. The Plan shall be construed and administered in accordance with the laws of the State of Missouri.

Fiscal Year 20[●] Annual Cash Incentive Plan
Award Agreement

DATE:

PARTICIPANT:

As a selected participant in the Fiscal Year 20[●] Corporate Annual Cash Incentive Plan (the "Plan") and in consideration of a subsequent award pursuant to the Plan, you acknowledge and agree that:

1. This Award is conditioned upon your compliance with all practices and policies under Emerson's Ethics and Compliance Program, including our Code of Conduct and Code of Ethics, and that your actions will reflect Emerson's Core Value of Integrity. Any violation of our Ethics and Compliance Program may result in the forfeiture of this Award or the repayment of any amounts paid under this Fiscal 20[●] Annual Cash Incentive Plan.

2. This Award and Agreement are governed by Missouri law, without regard to any conflicts of law principles thereof, and you consent to resolve any disputes exclusively in the courts in the Eastern District of Missouri.

3. I have received a copy of the Plan Terms and Conditions.

4. You acknowledge and agree that you have read and understand the terms of this Agreement and the Plan Terms and Conditions and accept this Award conditioned upon the terms set forth therein.

We ask that you return a signed copy of this acknowledgement to [●] at Emerson headquarters, Station [●], 8000 W. Florissant Ave., St. Louis, MO 63136, no later than [●].

If you have any questions, don't hesitate to call.

Acknowledged and agreed by:

____

Exhibit 31

Certification

I, S. L. Karsanbhai, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Emerson Electric Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ S. L. Karsanbhai

S. L. Karsanbhai
President and
Chief Executive Officer
Emerson Electric Co.
February 8, 2023

Certification

I, F. J. Dellaquila, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Emerson Electric Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ F. J. Dellaquila
F. J. Dellaquila
Senior Executive Vice President and
Chief Financial Officer
Emerson Electric Co.
February 8, 2023

Exhibit 32

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(b) AND
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Emerson Electric Co. (the "Company") on Form 10-Q for the period ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, S. L. Karsanbhai, certify, to the best of my knowledge, pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ S. L. Karsanbhai
S. L. Karsanbhai
President and
Chief Executive Officer
Emerson Electric Co.
February 8, 2023

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(b) AND
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Emerson Electric Co. (the "Company") on Form 10-Q for the period ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, F. J. Dellaquila, certify, to the best of my knowledge, pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ F. J. Dellaquila
F. J. Dellaquila
Senior Executive Vice President and
Chief Financial Officer
Emerson Electric Co.
February 8, 2023