
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 2, 2023

Emerson Electric Co.
(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction
of incorporation)

1-278
(Commission
File Number)

43-0259330
(IRS Employer
Identification No.)

8000 West Florissant Avenue, St. Louis, Missouri 63136
(Address of principal executive offices and zip code)

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

Not Applicable
(Former name or former address, if changed since last report.)

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

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

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, \$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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.**Quarterly Results Press Release**

On Wednesday, May 3, 2023, a press release was issued regarding the second quarter results of Emerson Electric Co. (the “Company”). A copy of this press release is furnished with this Current Report on Form 8-K as Exhibit 99.1.

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

Non-GAAP Financial Measures

The press release contains non-GAAP financial measures as such term is defined in Regulation G under the rules of the Securities and Exchange Commission. While the Company believes these non-GAAP financial measures are useful in evaluating the Company, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Further, these non-GAAP financial measures may differ from similarly titled measures presented by other companies. The reasons management believes that these non-GAAP financial measures provide useful information are set forth in the Company’s most recent Form 10-K filed with the Securities and Exchange Commission and in the press release furnished with this Form 8-K.

Forward-Looking and Cautionary Statements

Statements in the press release that are not strictly historical may be “forward-looking” statements, which involve risks and uncertainties, and Emerson undertakes no obligation to update any such statements to reflect later developments. These risks and uncertainties include the Company’s ability to successfully complete on the terms and conditions contemplated, and the financial impact of, the proposed Climate Technologies transaction and the proposed National Instruments transaction, the scope, duration and ultimate impacts of the COVID-19 pandemic and the Russia-Ukraine conflict, as well as the 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, as set forth in the Company’s most recent Annual Report on Form 10-K and subsequent reports filed with the SEC. The outlook contained herein represents the Company’s expectations for its consolidated results, other than as noted herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 3, 2023, the Company announced that on May 2, 2023 Frank J. Dellaquila, the Company’s Senior Executive Vice President and Chief Financial Officer, indicated that he would be retiring from his role as Chief Financial Officer effective May 10, 2023. Mr. Dellaquila will remain an employee of the Company in the role of Senior Advisor to the CEO until September 30, 2023 (the “Retirement Date”) to assist in the orderly transition of his duties.

Also on May 3, 2023, the Company announced the promotion of Michael J. Baughman to Executive Vice President, Chief Financial Officer and Chief Accounting Officer of the Company, effective May 10, 2023. Mr. Baughman, age 58, joined the Company in October 2017 as Vice President and Controller and was appointed Chief Accounting Officer in February 2018.

In connection with his retirement, on May 2, 2023, the Company and Mr. Dellaquila entered into a letter agreement (the “Letter Agreement”). Under the Letter Agreement, Mr. Dellaquila will continue to receive his base salary and certain other benefits through the Retirement Date. Mr. Dellaquila will remain eligible to receive a payment of his fiscal 2023 annual bonus based on the Company’s financial performance for fiscal 2023 to be paid at the normal time under the program.

As permitted under the Company’s 2015 Incentive Shares Plan, Mr. Dellaquila will remain eligible to receive a full payout of any earned awards under the Fiscal 2021 - 2023 and Fiscal 2022 - 2024 Performance Shares Programs, subject to the Company’s achievement of the applicable performance objectives, to be paid at the normal times provided for under the programs.

Mr. Dellaquila will be eligible to receive distributions from the Company’s nonqualified and qualified pension plans, pursuant to the terms and conditions of and to be paid in the manner and at the time set for in such plans. He will also be eligible to receive distributions under the qualified and non-qualified 401(k) and profit-sharing retirement savings plans, as provided under those plans.

Mr. Dellaquila agrees, among other things: (i) not to compete with, or solicit or hire the employees of, the Company or any of its subsidiaries during a period of four years from the Retirement Date; (ii) not to use or disclose any confidential information of the Company; (iii) to reaffirm all existing non-compete, invention, non-disclosure and non-solicitation obligations he has to the Company; and (iv) to comply with non-disparagement obligations.

Mr. Dellaquila will also release and discharge the Company, its affiliates, and its and their respective directors, officers, employees, agents and other parties from any and all claims or liabilities of whatever nature and will remain subject to the Company's clawback policy.

If Mr. Dellaquila violates any of his obligations to the Company under the Letter Agreement, he will forfeit all payments to be made or benefits provided under the Letter Agreement and will repay to the Company, as liquidated damages, one-half of the economic value of all benefits provided to him under the Letter Agreement prior to the date of breach.

The above description of the Letter Agreement is qualified in its entirety by reference to a copy of the Letter Agreement attached hereto as Exhibit 10.1.

In connection with his promotion, Mr. Baughman's salary has been increased to \$800,000 and his bonus opportunity will increase, consistent with the mix to total compensation for the Company's named executive officers as described in the Company's annual proxy statement. In addition, Mr. Baughman received additional performance shares under the Company's Fiscal 2023 - 2025 Performance Shares Program with a value of \$1,450,000, which are subject to the achievement of the Company's performance goals over the three-year performance period ending on September 30, 2025. For additional information on these compensation arrangements, please see "Executive Compensation" in the Company's annual proxy statement.

Item 7.01. Regulation FD Disclosures.

The following information is furnished pursuant to Regulation FD.

On May 3, 2023, the Company issued a press release announcing Mr. Dellaquila's retirement and Mr. Baughman's appointment. A copy of the press release is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibits
10.1	Letter Agreement dated May 2, 2023 between Emerson Electric Co. and Frank J. Dellaquila.
99.1	Emerson's May 3, 2023 press release announcing second quarter results.
99.2	Press Release issued by Emerson Electric Co. on May 3, 2023
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

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

EMERSON ELECTRIC CO.
(Registrant)

Date: May 3, 2023

By: /s/ John A. Sperino

John A. Sperino
Vice President and
Assistant Secretary



Surendralal L. Karsanbhai
President & Chief Executive Officer

Emerson
8000 W. Florissant Avenue
St. Louis, MO 63136

May 2, 2023

Frank J. Dellaquila
8000 West Florissant Ave.
St. Louis, Missouri 63136

Dear Frank:

This Letter Agreement (the "Letter Agreement") will confirm our understanding regarding your voluntary retirement from your current position as Senior Executive Vice President & Chief Financial Officer with Emerson Electric Co., a Missouri corporation. We thank you for your 31+ years of service and commitment to Emerson!

Throughout this Letter Agreement, the term "Emerson" or the "Company" means Emerson Electric Co. together with any and all other entities owned directly or indirectly, in whole or in part, by Emerson Electric Co. Your retirement and the terms of this Letter Agreement are effective as of September 30, 2023 (the "Retirement Date").

Additionally, you agree to resign from your current position effective May 10, 2023, and will remain a full-time employee through your Retirement Date in the role of "Senior Advisor to the CEO" to assist in the orderly transition of your duties, and other requested projects.

In consideration of good and valuable consideration provided to you pursuant to this Letter Agreement, you agree as follows:

1. NON-DISCLOSURE AGREEMENT

You agree that during your employment you have received and had access to Emerson's trade secrets and confidential and proprietary information ("Confidential Information"), which includes or concerns, but is not limited to, attorney/client communications, global strategic communications, information pertaining to strategic planning or other strategy, mergers and acquisitions, corporate technology, intellectual property, customers, pricing, business methods and operations, business policies, procedures, practices and techniques, legal opinions and legal matters, research or development projects or results, sales, finances, products, suppliers, personnel performance and compensation, plans for future development, marketing practices, market participation, market studies, and financial forecasts and budgeting. You agree that disclosure of such Confidential Information would be detrimental to Emerson and agree that at no time following termination of your employment with Emerson will you directly or indirectly disclose or cause the disclosure of any Confidential Information to any person, firm, corporation, or entity, no matter what the purpose.

The non-disclosure obligations set forth above shall not apply to the extent it is necessary for you to: report income to taxing authorities; communicate with your attorneys or agents to obtain legal and/or financial planning advice after any such attorneys or agents bind themselves in writing to the same non-disclosure obligations as set forth above; or, to respond to any lawfully issued subpoena or order of a court of competent jurisdiction or legitimate discovery request pursuant to state or federal rules of civil procedure. If any such subpoena, order of court or discovery request is received, you agree to send to Emerson's General Counsel no later than two (2) days after receipt via email or hand-delivery.

You agree also to deliver to the office of Emerson's General Counsel within a three (3) day period following the Retirement Date all such Confidential Information, any other property of Emerson, and all copies thereof in your possession or control, whether in handwritten, typed, printed, graphic or electronic form (whether stored on Emerson-owned or personally owned or used devices, including but not limited to personal computers, tablets, smart phones, memory sticks, thumb drives, or on-site or off-site storage locations). If after such three (3) day period you determine that you have any Confidential Information or other property of Emerson in your possession or control, you shall immediately deliver such Confidential Information or property to the office of Emerson's General Counsel. You further agree to deliver your signed certification of compliance with the provisions of this paragraph promptly upon request made to you in writing by Emerson's General Counsel.

2. NON-DISPARAGEMENT AGREEMENT

You will not individually or through third parties make any public or private statement with respect to any aspect of your employment with Emerson. If inquiry is made by anyone regarding your employment, or retirement from, Emerson, you agree to state only, "I personally decided to retire from Emerson effective September 30, 2023, to spend more time with my family, and pursue other interests. I have enjoyed my many years with Emerson, and I wish it all the best. Emerson is a tremendous company and a great place to work."

You also agree that you will not, directly, or indirectly, disparage or make or cause to be made, any comments, statements, or communications of any sort to anyone—whether true or false—that may reasonably be considered to be derogatory or detrimental to Emerson or any Released Parties (as defined in the Release Agreement attached as Exhibit A), their reputations, or their services. You acknowledge that Emerson has a good reputation locally, nationally, and internationally, and you will take no action or engage in any conduct that could injure or diminish that good reputation.

3. NON-COMPETITION AND NON-SOLICITATION AGREEMENTS

You also agree that you will not, without prior written consent from both Emerson's Chief Executive Officer and General Counsel, directly or indirectly for a **period of four (4) years** from your Retirement Date ("Restricted Period"):

A. enter the employ of, provide consulting services to, assist, or have any financial interest in, any person, firm, corporation, or other entity engaged in business activities anywhere in the world that, directly or indirectly competes with the businesses of Emerson as conducted on the date of this Letter Agreement or as contemplated on the date hereof to be developed during the Restricted Period;

B. acquire in any manner any investment in, or provide services to in any capacity, any equity fund, hedge fund, or other investment vehicle, however structured, that either directly or indirectly or through portfolio company investments or otherwise competes with the businesses of Emerson as conducted on the date hereof or as contemplated on the date hereof to be developed during the Restrictive Period;

C. assist any third party in connection with any acquisition of any business of Emerson, whether through an acquisition of stock, assets, or otherwise, or in the sale of any business to Emerson;

D. assist any third party in connection with any attempt to assert control over or influence the management of Emerson, whether through the acquisition of stock by such third party, addition of board members recommended by such third party, a proxy solicitation by such third party or otherwise;

E. accept or solicit business from or attempt to solicit or accept business from any person that is a customer of Emerson;

F. divert, take any action to induce, or encourage a customer of Emerson to reduce or cease doing business with Emerson;

G. solicit, hire, or attempt to solicit or hire any person that currently or during the Restricted Period is an employee, agent, or consultant of Emerson to leave such employment or separate his or her relationship with Emerson or induce any such person to do anything which you are restricted from doing by reason of this Letter Agreement; or

H. engage in any other action that might undermine the business interests of Emerson.

The foregoing shall not restrict you from owning not more than five (5) percent of the securities of any competitor of Emerson that is listed on any national securities exchange, traded over the counter, or that is otherwise available for investment by the general public as long as you have no relationship with the issuer of such securities or any affiliate thereof, except as an investor.

4. REASONABLENESS ENFORCEABILITY AND LIQUIDATED DAMAGES

You agree that the restrictions contained in Paragraph 3, including those on time and scope, are reasonable for the protection of Emerson in light of your in-depth knowledge of Emerson's global business, your present and prior positions with Emerson, and your access to Confidential Information relating to all of Emerson's businesses. You also affirm your agreement to comply with all existing non-competition, invention disclosure and assignment, non-disclosure, and non-solicitation obligations you have with Emerson, including specifically your obligations under the Emerson Incentive Shares plans and related performance shares and restricted stock award agreements, and Emerson stock option plans and related stock option agreements, and Emerson's non-qualified supplemental executive retirement plan. You agree that your obligations set forth in this Letter Agreement are in addition to and do not invalidate or supersede your obligations under other plans, agreements, or contracts unless in direct conflict, in which case the terms of this Letter Agreement shall prevail.

You agree and acknowledge that Emerson would not enter into this Letter Agreement and provide the valuable consideration offered to you herein but for the restrictions in this Letter Agreement. You agree that a violation of this Letter Agreement and the other agreements referenced in this Section 4 would result in irreparable injury to Emerson and that, in the event of a violation or a reasonably perceived threatened violation of any of the restrictions, Emerson shall be entitled to immediate, preliminary, and permanent injunctive relief which is in addition to any other remedies to which Emerson may be entitled. You further agree to reimburse Emerson for all costs, expenses and reasonable attorneys' fees Emerson incurs to seek enforcement of any provision contained herein, whether or not litigation is commenced.

You agree that any breach of this Letter Agreement will result in immediate forfeiture by you of all payments to be made or benefits provided to you under this Letter Agreement. You also agree as liquidated damages for any such breach to repay to Emerson one-half of the economic value of all benefits provided to you under this Letter Agreement prior to the date of breach. You agree that this liquidated damage provision and other remedies are necessary because substantial damage will accrue to Emerson as the result of a breach, and the amount of damages attributable to such breach may be uncertain and difficult to calculate. Payment of liquidated damages shall in no way affect the settlement and release of claims by you, nor shall payment of liquidated damages limit the enforceability of any clause in this Letter Agreement, or any other agreement referenced in this Section 4 or the ability of Emerson to seek damages and any other relief from you as provided under applicable law or any agreement between you and Emerson.

5. RELEASE AND DISCHARGE

You will release and discharge Emerson and its respective directors, officers, employees, and agents from any and all claims or liability of whatever nature and will execute the Release Agreement attached hereto as Exhibit A. If the Release Agreement attached as Exhibit A is not executed by you, this Letter Agreement shall be null and void. You also agree that no benefits or other compensation described in this Letter Agreement (other than the payment of your base salary described in Section 8.A) hereof, shall be paid or provided to you until expiration of the seven (7) day revocation period set forth in Paragraph 3(e) of the Release Agreement.

6. RESIGNATIONS

You agree to execute the Officer Resignation form attached hereto as Exhibit B.

7. CLAWBACK

You agree that you will remain subject to Emerson's Clawback Policy, which provides: "If the Board determines that an executive officer has engaged in intentional misconduct that caused or partially caused a material restatement of the Company's consolidated financial statements, the Board may, to the extent permitted by law and to the extent it determines that it is in the Company's best interests to do so, require reimbursement to the Company of, or reduce or cancel, that portion of annual incentive or any long-term incentive compensation paid or credited to such executive officer on or after February 1, 2015 that would not have been paid or credited had the consolidated financial statements that are the subject of such restatement been correctly stated. For purposes of this policy, the term "executive officer" means any officer of the Company who is required to file reports pursuant to Section 16 of the Securities Exchange Act of 1934."

8. COMPENSATION AND BENEFITS

Subject to and conditioned upon your compliance with your obligations and covenants in this Letter Agreement and any other agreement entered into between you and Emerson, and the professional completion of your duties as a full-time employee through your Retirement Date, you will receive the compensation and benefits outlined below. The compensation and benefits set forth herein are in lieu of and replace any other compensation or benefits to which you may be entitled from Emerson:

A. You will remain on the Emerson payroll and receive your current base salary through your Retirement Date.

B. You will remain eligible to participate in the Fiscal 2023 Annual Cash Incentive Program under the same terms and conditions as other participants in the Program. We will recommend to the Compensation Committee that you receive a payment under the Program for Fiscal 2023, consistent with the normal terms and conditions of the Program.

C. Your executive perquisites, including leased automobile, executive physical and financial tax planning, will end on the Retirement Date, unless noted otherwise below:

- i. You may complete your 2023 calendar year tax return under the executive financial tax planning program, subject to the normal terms and conditions of the program.
- ii. You will be required to return or purchase at its fair market value, your company provided automobile within thirty (30) days following your Retirement Date.

D. The Company will recommend to the Compensation Committee that you remain eligible to receive payment of your outstanding Performance Shares awards following your Retirement Date, as set forth below, subject to the applicable terms of Emerson's Incentive Shares Plans and the applicable Performance Shares Program which apply to all participants (excluding continued employment), including achievement of the performance objectives under each Program, and based on the actual payout percentage applicable to each Program, and at the time provided therefor under the respective programs.

- i. Fiscal 2021 – 2023 Program: You will remain eligible for full payment of the earned award to be paid at the normal time under the program, which is expected to occur in November 2023.
- ii. Fiscal 2022 – 2024 Program: You will remain eligible for full payment of the earned award to be paid at the normal time under the program, which is expected to occur in November 2024.

E. Pursuant to the terms and conditions of the qualified all-employee Emerson Electric Co. Retirement Plan, you are eligible to commence your monthly pension benefits accrued under such plan the month following your Retirement Date.

Pursuant to the terms and conditions of the Emerson Electric Co. Pension Restoration Plan (the "Plan") (the Plan covers the benefits you would have been eligible to receive under the aforesaid all-employee Retirement Plan were it not for the compensation limitations imposed under the Internal Revenue Code ("Code")), participants are normally eligible to commence their monthly pension benefits accrued under the Plan following retirement and attainment of age 65.

However, payment of your accrued benefits under the Plan are subject to Section 409A of the Code and will be deferred to the extent required by Code Section 409A. Any benefits which are deferred under Code Section 409A, will be paid to you in a lump-sum retroactive payment back to the month you would have otherwise been eligible to receive such payment, if not for the deferral requirements of Code Section 409A. We anticipate you will be eligible to commence this benefit six (6) months following your Retirement Date, with a retroactive benefit payment back to the month following your Retirement Date, and monthly thereafter in accordance with your payment elections.

Payments of your pension benefits under each of the aforesaid plans will be paid monthly in the manner and times set forth in such plans, and in accordance with your payment election forms you will be required to submit prior to commencing and such benefit payment.

F. You will be eligible to receive distributions from your Emerson Electric Co. Employee Savings Investment Plan (401(k) plan) to the extent permitted under the terms of the plan and applicable law.

You will be eligible to receive distributions under the Emerson Electric Co. Savings Investment Restoration Plan (the "Plan") (non-qualified 401(k) plan), subject to the provisions of the Plan and your previously filed distribution election form thereunder. Participant distributions under the Plan normally begin in January following the calendar year of their retirement.

However, payment of your distributions under the Plan are subject to Section 409A of the Code and will be deferred to the extent required by Code Section 409A. We anticipate you will be eligible to commence this benefit six (6) months following your Retirement Date. Our records indicate you elected annual installments of your account, and we anticipate this first installment will be made in April 2024 (six-months following your Retirement Date). The remaining installments will be made in January of the succeeding calendar years thereafter.

G. All payments and other benefits provided for under this Letter Agreement, will be subject to income tax and other withholdings as required by law at the time of such payment.

H. After your Retirement Date you will not be permitted to continue participating in any Emerson benefit programs including, but not limited to, medical, dental, vision, or life insurance, unless otherwise required by law.

If you have any questions on your rights and responsibilities regarding any of the aforementioned programs/coverages, please contact your local Human Resources office. **It is your personal responsibility to ensure that you have adequate coverages in place following the Retirement Date.**

This Letter Agreement is deemed to be entered in the State of Missouri and, without regard to conflict of laws and/or principles, shall be interpreted in accordance with and governed by the laws of the State of Missouri. Emerson and you agree that any legal action or proceeding with respect to this Letter Agreement shall be brought and determined in the courts of the County of St. Louis, State of Missouri or of the United States of America for the Eastern District of Missouri and that you submit to the jurisdiction of such courts with respect to any such action or proceeding.

You acknowledge that Emerson has advised you to consult with an attorney if you need assistance in reviewing or understanding this Letter Agreement or any of the documents referenced in this Letter Agreement, including the Release Agreement.

Please confirm that the foregoing represents your understanding of our entire agreement by signing in the space provided below. Once again, I thank you for your many years of dedicated service to Emerson, and I wish you the very best in your retirement.

Sincerely,

/s/ Surendralal Karasanbhai

Surendralal L. Karsanbhai

ACCEPTED AND AGREED TO THIS 2nd DAY OF MAY,
2023

/s/ Frank Dellaquila

Frank J. Dellaquila

EXHIBIT A – RELEASE AGREEMENT

This Release Agreement is Exhibit A to that certain Letter Agreement by and between Emerson Electric Co. (“Employer”) and Frank J. Dellaquila (“Employee”) dated May 2, 2023. In consideration of the mutual promises and covenants contained in the Letter Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Employment. Employee is employed by Employer. The employment of Employee with Employer will end as a result of Employee’s retirement from Employer effective September 30, 2023.

2. Release. For and in consideration of the covenants, terms and conditions set forth in the Letter Agreement and this Release Agreement, Employee, for himself and his heirs, to the fullest extent permitted by law, agrees to and does hereby waive, covenant not to sue, releases, and forever discharges Employer, and each and every one of Employer’s parent, subsidiary and other affiliated entities (the “Emerson Entities”), and their respective agents, employees, officers, directors, stockholders, managers, members, successors, predecessors, contractors, attorneys, external counsel, agents and assigns (collectively referred to as “Released Parties”), from and with respect to all matters, claims, charges, demands, damages, causes of action, debts, liabilities, controversies, judgments, and suits of every kind and nature whatsoever, foreseen or unforeseen, known or unknown, arising prior to the date this Release Agreement becomes effective and including, but not limited to, those in any way related to Employee and/or Employee’s separation from employment. This release by Employee of Released Parties expressly includes, but is not limited to, any claim or cause of action against Released Parties related to or arising out of tort, contract, equity, implied covenant, invasion of privacy, defamation, personal injury, wrongful discharge, emotional distress, discrimination (whether based on race, sex, age, color, national origin, religion, disability, or any other class protected by law), harassment, retaliation, claims for workers’ compensation benefits, claims for unpaid wages, any claim under the Age Discrimination in Employment Act, 29 U.S.C. §621 et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000e et seq., the Civil Rights Act of 1866, 42 U.S.C. §1981, the Americans With Disabilities Act, 42 U.S.C. §12101, et seq., the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001, et seq., the Family Medical Leave Act, 29 U.S.C. §2601 et seq., the Fair Labor Standards Act of 1938, 29 U.S.C. §201 et seq., the Missouri Human Rights Act, Mo. Rev. Stat. §213.010 et seq.; the Missouri Equal Pay for Women Act, Mo. Rev. Stat. §290.400 et seq., the Missouri Service Letter statute Mo. Rev. Stat. §290.14, the Missouri Minimum Wage Law, Mo. Rev. Stat. §290.010 et seq., the Missouri Wage Payment Law, Mo. Rev. Stat. §290.010 et seq., any claim under common law, and any claim under any federal, state or local statute, regulation, constitution, order or executive order. This release also expressly includes, but is not limited to, any claim for attorneys’ fees or costs. Employee affirms and warrants that he has made no charge, claim, complaint, or otherwise initiated action against Employer in any government agency, court, or other forum and that no such matter is pending. Employee further affirms and warrants that Employee has not been retaliated against for reporting, or taking any actions, pertaining to allegations of wrongdoing by Employer or its officers and employees. Employee avers and agrees that he has no personal knowledge of any employee, officer or director of Employer engaging in any act related to the performance of their duties at or for Employer, which Employee knows or believes to be illegal, and Employee acknowledges that he has never complained of any unlawful conduct by Employer. Employee hereby releases and relinquishes any and all rights to employment, reinstatement and any right to future employment with Employer or the Emerson entities. Employee also waives and releases any right or ability to be a class or collective action

representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on a claim in which Employer or any one or more Released Parties is a party. Notwithstanding the foregoing, Employee is not waiving any right to enforce any term or provision of the Letter Agreement, or any claims solely relating to the validity of this Release Agreement under the Age Discrimination in Employment Act.

3. Waiver of ADEA Rights. By execution of this Release Agreement, Employee expressly waives any and all rights or claims arising under the Age Discrimination in Employment Act of 1967 (“ADEA”) and

- (a) Employee has read this Release Agreement, and the Letter Agreement, in their entirety and understands all of their terms; and
- (b) Employee acknowledges and agrees that the waiver of his rights or claims arising under the ADEA is in exchange for the consideration provided in the Letter Agreement which, Employee agrees, is beyond that to which Employee is otherwise entitled; and
- (c) Employee acknowledges that Employer has, and does, hereby expressly advise her to consult with an attorney of her choosing, at her own expense, prior to executing this Release Agreement and the Letter Agreement; and
- (d) Employee agrees that he has been given a period of not less than twenty-one (21) days from receipt of this document within which to consider this Release Agreement and the Letter Agreement, and that if Employee elects to sign this Release Agreement prior to the expiration of the twenty-one (21) day consideration period specified herein, he does so knowingly and voluntarily and with full opportunity to consult with an attorney; and
- (e) Employee acknowledges he has been advised by Employer that he is entitled to revoke this Release Agreement (in the event he executes this Release Agreement) within seven (7) days after executing it and that this Release Agreement will not and does not become effective or enforceable until the seven (7) day revocation period has expired; and
- (f) The parties agree that should Employee exercise his right to revoke the waiver under this paragraph 3, this entire Release Agreement and Letter Agreement, and their obligations, are null and void and of no effect and, notwithstanding any other provision of this Release Agreement or the Letter Agreement to the contrary, no payment or other consideration shall be due, owing, paid or provided until the seven (7) day revocation period has expired without revocation by Employee. Notice of Employee’s decision to revoke the waiver must be sent to Emerson’s General Counsel by fax (at 314-553-3205), email or hand-delivery.

4. Remedies. Without limiting the remedies available to Employer for any breach of this Release Agreement, Employee agrees that any breach of either this Release Agreement or the Letter Agreement will result in immediate forfeiture of any future payments to be made to, or benefits to be provided to, Employee and all other remedies and relief as specifically set forth further in the Letter Agreement shall be available to Employer.

5. Successors and Assigns. This Release Agreement binds, and inures to the benefit of, the parties' respective heirs, administrators, representatives, executors, successors, and assigns.

6. Review by Employee. Employee acknowledges that he has read the provisions of this Release Agreement, that Employee was advised of her right to review this Release Agreement with an attorney at her expense, and that Employee fully understands the meaning and intent of this Release Agreement and agrees to all of its terms.

EMPLOYEE

/s/ Frank Dellaquila_____
Frank J. Dellaquila

Date: May 2, 2023

EXHIBIT B - OFFICER RESIGNATION

I, Frank J. Dellaquila, do hereby submit my position resignation, effective May 10, 2023, from my position as Senior Executive Vice President & Chief Financial Officer of Emerson Electric Co., and any other positions (if any) I may hold with any subsidiaries or affiliates of Emerson, effective September 30, 2023.

/s/ Frank Dellaquila

Frank J. Dellaquila



Emerson Reports Second Quarter 2023 Results; Updates 2023 Outlook

ST. LOUIS (May 3, 2023) - Emerson (NYSE: EMR) today reported results for its second quarter ended March 31, 2023 and updated its full year outlook for fiscal 2023, which are presented on a continuing operations basis. Emerson also declared a quarterly cash dividend of \$0.52 per share of common stock payable June 9, 2023 to stockholders of record May 12, 2023.

<i>(dollars in millions, except per share)</i>	2022 Q2	2023 Q2	Change
Underlying Orders ¹			7%
Net Sales	\$3,291	\$3,756	14%
Underlying Sales ²			14%
Pretax Earnings	\$ 509	\$ 639	
Margin	15.5%	17.0%	150 bps
Adjusted Segment EBITA ³	\$ 703	\$ 924	
Margin	21.4%	24.6%	320 bps
GAAP Earnings Per Share	\$ 0.72	\$ 0.92	28%
Adjusted Earnings Per Share ⁴	\$ 0.87	\$ 1.09	25%
Operating Cash Flow	\$ 379	\$ 575	51%
Free Cash Flow	\$ 312	\$ 513	64%

Management Commentary

“Emerson’s outstanding second quarter results were driven by strong end market demand and excellent operational execution from our global teams,” said Emerson President and Chief Executive Officer Lal Karsanbhai. “Underlying sales growth, operational leverage and earnings exceeded our expectations, a testament to the strength of our people, technology, and the Emerson Management System.”

“As we accelerate our growth as a leading automation company, we continue to execute on our strategic vision, including our recent definitive agreement to purchase NI, a leader in test and measurement automation,” Karsanbhai continued. “NI’s best-in-class technology and software will accelerate Emerson’s progress toward a cohesive, higher growth and higher margin automation portfolio, diversifying Emerson into attractive discrete markets.”

2023 Outlook

The following tables summarize the fiscal year 2023 guidance framework for continuing operations⁵. The 2023 outlook includes \$2 billion returned to shareholders through share repurchases completed in the first quarter and approximately \$1.2 billion of dividend payments. Guidance figures are approximate.

	2023 Q3	2023
Net Sales Growth	10.5% - 12.5%	9% - 10.5%
Underlying Sales Growth	10% - 12%	8.5% - 10%
Earnings Per Share	\$0.92 - \$0.96	\$3.58 - \$3.68
Amortization of Intangibles	~\$0.15	~\$0.61
Restructuring / Related Costs	~\$0.03	~\$0.12
Russia Exit Costs	—	\$0.08
AspenTech Micromine Purchase Price Hedge	—	~(\$0.02)
Acquisition / Divestiture Fees	~\$0.03	~\$0.06
NI Investment Gain	—	(\$0.05)
Interest on Note Receivable From Climate Technologies	~(\$0.02)	~(\$0.06)
Interest Income on Climate Technologies Undeployed Proceeds	~(\$0.04)	~(\$0.17)
Adjusted Earnings Per Share	\$1.07 - \$1.11	\$4.15 - \$4.25
Operating Cash Flow		~\$2.5B
Free Cash Flow		~\$2.2B

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- 1 Underlying orders does not include AspenTech.
- 2 Underlying sales excludes the impact of currency translation, and acquisitions and divestitures including heritage AspenTech and Emerson's businesses contributed to AspenTech.
- 3 Adjusted segment EBITA represents segment earnings less restructuring and intangibles amortization expense.
- 4 Adjusted EPS excludes restructuring, NI investment gains, acquisition/divestiture costs, write-offs associated with Emerson's announced Russia exit, an AspenTech Micromine purchase price hedge and intangibles amortization expense.
- 5 The Company's 2023 continuing operations after the Climate Technologies divestiture (assumed to close May 31, 2023 for the purposes of guidance) will include interest income from the \$2.25 billion note receivable from Climate Technologies and reflect the 45% 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% share of Climate Technologies' post-close results and this has been excluded from guidance. The effect of Emerson's 45% share of Climate Technologies is expected to be immaterial to post-closing cash flows. On a discontinued operations GAAP basis, Emerson expects third quarter EPS of \$14 - \$16 and fiscal 2023 EPS of \$18 - \$20.

Conference Call

Today, beginning at 7:00 a.m. Central Time / 8:00 a.m. Eastern Time, Emerson management will discuss the second quarter results during an investor conference call. Participants can access a live webcast available at www.emerson.com/investors at the time of the call. A replay of the call will be available for 90 days. Conference call slides will be posted in advance of the call on the company website.

About Emerson

Emerson (NYSE: EMR) is a global technology and software company providing innovative solutions for the world's essential industries. Through its leading automation portfolio, including its majority stake in AspenTech, Emerson helps hybrid, process and discrete manufacturers optimize operations, protect personnel, reduce emissions and achieve their sustainability goals. For more information, visit Emerson.com.

Forward-Looking and Cautionary Statements

Statements in this press release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties, and Emerson undertakes no obligation to update any such statements to reflect later developments. These risks and uncertainties include the Company's ability to successfully complete on the terms and conditions contemplated, and the financial impact of, the proposed Climate Technologies transaction and the proposed 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, as set forth in the Company's most recent Annual Report on Form 10-K and subsequent reports filed with the SEC. The outlook contained herein represents the Company's expectation for its consolidated results, other than as noted herein.

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(tables attached)

Table 1

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

	Quarter Ended March 31		Percent
	2022	2023	Change
Net sales	\$ 3,291	\$ 3,756	14%
Cost of sales	1,815	1,955	
SG&A expenses	888	1,000	
Other deductions, net	28	109	
Interest expense, net	51	53	
Earnings from continuing operations before income taxes	509	639	26%
Income taxes	80	134	
Earnings from continuing operations	429	505	18%
Discontinued operations, net of tax	246	265	
Net earnings	675	770	
Less: Noncontrolling interests in subsidiaries	1	(22)	
Net earnings common stockholders	\$ 674	\$ 792	18%
Earnings common stockholders			
Earnings from continuing operations	\$ 428	\$ 530	24%
Discontinued operations	246	262	
Net earnings common stockholders	\$ 674	\$ 792	18%
Diluted avg. shares outstanding	596.5	573.6	
Diluted earnings per share common stockholders			
Earnings from continuing operations	\$ 0.72	\$ 0.92	28%
Discontinued operations	0.41	0.46	
Diluted earnings per common share	\$ 1.13	\$ 1.38	22%

	Quarter Ended March 31	
	2022	2023
Other deductions, net		
Amortization of intangibles	\$ 57	\$ 119
Restructuring costs	9	19
Other	(38)	(29)
Total	\$ 28	\$ 109

Table 2

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

	Six Months Ended March 31		Percent
	2022	2023	Change
Net sales	\$ 6,447	\$ 7,129	11%
Cost of sales	3,556	3,708	
SG&A expenses	1,737	2,030	
Gain on subordinated interest	(453)	—	
Other deductions, net	66	229	
Interest expense, net	90	101	
Earnings from continuing operations before income taxes	1,451	1,061	(27)%
Income taxes	276	232	
Earnings from continuing operations	1,175	829	(29)%
Discontinued operations, net of tax	395	2,267	
Net earnings	1,570	3,096	
Less: Noncontrolling interests in subsidiaries	—	(27)	
Net earnings common stockholders	\$ 1,570	\$ 3,123	99%
Earnings common stockholders			
Earnings from continuing operations	\$ 1,174	\$ 859	(27)%
Discontinued operations	396	2,264	
Net earnings common stockholders	\$ 1,570	\$ 3,123	99%
Diluted avg. shares outstanding	597.3	580.1	
Diluted earnings per share common share			
Earnings from continuing operations	\$ 1.96	\$ 1.48	(24)%
Discontinued operations	0.67	3.90	
Diluted earnings per common share	\$ 2.63	\$ 5.38	105%

	Six Months Ended March 31	
	2022	2023
Other deductions, net		
Amortization of intangibles	\$ 114	\$ 237
Restructuring costs	15	29
Other	(63)	(37)
Total	\$ 66	\$ 229

Table 3

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

	Quarter Ended March 31	
	2022	2023
Assets		
Cash and equivalents	\$ 6,929	\$ 2,046
Receivables, net	2,081	2,330
Inventories	1,819	2,034
Other current assets	1,079	1,228
Current assets held-for-sale	1,631	1,347
Total current assets	13,539	8,985
Property, plant & equipment, net	2,350	2,263
Goodwill	6,906	14,097
Other intangible assets	2,533	6,299
Other	1,809	2,265
Noncurrent assets held-for-sale	2,360	2,238
Total assets	\$ 29,497	\$ 36,147
Liabilities and equity		
Short-term borrowings and current maturities of long-term debt	\$ 2,762	\$ 1,959
Accounts payable	1,176	1,207
Accrued expenses	2,759	3,245
Current liabilities held-for-sale	1,375	1,138
Total current liabilities	8,072	7,549
Long-term debt	8,203	8,174
Other liabilities	2,400	2,928
Noncurrent liabilities held-for-sale	208	149
Equity		
Common stockholders' equity	10,575	11,360
Noncontrolling interests in subsidiaries	39	5,987
Total equity	10,614	17,347
Total liabilities and equity	\$ 29,497	\$ 36,147

Table 4

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

	Six Months Ended March 31	
	2022	2023
Operating activities		
Net earnings	\$ 1,570	\$ 3,096
Earnings from discontinued operations, net of tax	(395)	(2,267)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	349	523
Stock compensation	77	142
Changes in operating working capital	(298)	(390)
Gain on subordinated interest	(453)	—
Other, net	(94)	(227)
Cash from continuing operations	756	877
Cash from discontinued operations	209	(391)
Cash provided by operating activities	965	486
Investing activities		
Capital expenditures	(140)	(121)
Purchases of businesses, net of cash and equivalents acquired	(35)	—
Proceeds from subordinated interest	438	15
Other, net	(16)	(76)
Cash from continuing operations	247	(182)
Cash from discontinued operations	(88)	2,916
Cash provided by investing activities	159	2,734
Financing activities		
Net increase (decrease) in short-term borrowings	871	(31)
Proceeds from long-term debt	2,975	—
Payments of long-term debt	(504)	(742)
Dividends paid	(613)	(603)
Purchases of common stock	(285)	(2,000)
Other, net	15	(55)
Cash provided by (used in) financing activities	3,499	(3,036)
Effect of exchange rate changes on cash and equivalents	(48)	58
Increase in cash and equivalents	4,575	242
Beginning cash and equivalents	2,354	1,804
Ending cash and equivalents	<u>\$ 6,929</u>	<u>\$ 2,046</u>

Table 5

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

The following tables show results for the Company's segments on an adjusted segment EBITA basis and are intended to supplement the Company's results of operations, including its segment earnings which are defined as earnings before interest and taxes. The Company defines adjusted segment and total segment EBITA as segment earnings excluding intangibles amortization expense, and restructuring and related expense. Adjusted segment and total segment EBITA, and adjusted segment and total segment EBITA margin are measures used by management and may be useful for investors to evaluate the Company's segments' operational performance.

	Quarter Ended March 31			
	2022	2023	Reported	Underlying
Sales				
Final Control	\$ 884	\$ 992	12%	16%
Measurement & Analytical	769	888	15%	20%
Discrete Automation	644	683	6%	9%
Safety & Productivity	355	361	2%	3%
Intelligent Devices	\$2,652	\$2,924	10%	14%
Control Systems & Software	573	623	9%	13%
AspenTech	84	230	172%	—%
Software and Control	\$ 657	\$ 853	30%	13%
Eliminations	(18)	(21)		
Total	\$3,291	\$3,756	14%	14%

Sales Growth by Geography

	Quarter Ended March 31
Americas	15%
Europe	14%
Asia, Middle East & Africa	11%

Table 5 cont.

	Six Months Ended March 31			
	2022	2023	Reported	Underlying
Sales				
Final Control	\$ 1,701	\$ 1,854	9%	14%
Measurement & Analytical	1,506	1,637	9%	15%
Discrete Automation	1,261	1,301	3%	8%
Safety & Productivity	706	671	(5)%	(3)%
Intelligent Devices	\$5,174	\$5,463	6%	10%
Control Systems & Software	1,143	1,229	8%	13%
AspenTech	166	473	184%	—%
Software and Control	\$ 1,309	\$ 1,702	30%	13%
Eliminations	(36)	(36)		
Total	\$ 6,447	\$ 7,129	11%	11%

Sales Growth by Geography

	Six Months Ended March 31
Americas	14%
Europe	9%
Asia, Middle East & Africa	6%

Table 5 cont.

	Quarter Ended March 31 2022		Quarter Ended March 31 2023	
	As Reported (GAAP)	Adjusted EBITA (Non- GAAP)	As Reported (GAAP)	Adjusted EBITA (Non- GAAP)
Earnings				
Final Control	\$ 152	\$ 184	\$ 215	\$ 246
<i>Margins</i>	17.2%	20.8%	21.6%	24.7%
Measurement & Analytical	176	184	229	234
<i>Margins</i>	23.0%	24.0%	25.8%	26.5%
Discrete Automation	130	138	133	147
<i>Margins</i>	20.3%	21.6%	19.5%	21.5%
Safety & Productivity	65	72	83	92
<i>Margins</i>	18.1%	20.0%	22.9%	25.2%
Intelligent Devices	\$ 523	\$ 578	\$ 660	\$ 719
<i>Margins</i>	19.7%	21.8%	22.6%	24.6%
Control Systems & Software	101	106	127	137
<i>Margins</i>	17.7%	18.7%	20.4%	22.1%
AspenTech	(4)	19	(54)	68
<i>Margins</i>	(5.0)%	21.5%	(23.4)%	29.5%
Software and Control	\$ 97	\$ 125	\$ 73	\$ 205
<i>Margins</i>	14.7%	19.1%	8.6%	24.1%
<u>Corporate items and interest expense, net:</u>				
Stock compensation	(43)	(43)	(40)	(40)
Unallocated pension and postretirement costs	25	25	46	46
Corporate and other	(42)	(33)	(47)	(55)
Interest expense, net	(51)		(53)	
Pretax Earnings / Adjusted EBITA	\$ 509	\$ 652	\$ 639	\$ 875
<i>Margins</i>	15.5%	19.8%	17.0%	23.3%
<u>Supplemental Total Segment Earnings:</u>				
Adjusted Total Segment EBITA		\$ 703		\$ 924
<i>Margins</i>		21.4%		24.6%

Table 5 cont.

	Quarter Ended March 31		Quarter Ended March 31	
	2022		2023	
	Amortization of Intangibles ¹	Restructuring and Related Costs ²	Amortization of Intangibles ¹	Restructuring and Related Costs ²
Final Control	\$ 24	\$ 8	\$ 22	\$ 9
Measurement & Analytical	5	3	5	—
Discrete Automation	7	1	7	7
Safety & Productivity	7	—	7	2
Intelligent Devices	\$ 43	\$ 12	\$ 41	\$ 18
Control Systems & Software	5	—	5	5
AspenTech	23	—	122	—
Software and Control	\$ 28	\$ 0	\$ 127	\$ 5
Corporate	—	2	—	3
Total	\$ 71	\$ 14	\$ 168	\$ 26

¹ Amortization of intangibles includes \$14 and \$49 reported in cost of sales for the three months ended March 31, 2022 and 2023, respectively.

² Restructuring and related costs includes \$5 and \$7 reported in cost of sales for the three months ended March 31, 2022 and 2023, respectively.

	Quarter Ended March 31	
	2022	2023
Depreciation and Amortization		
Final Control	\$ 50	\$ 45
Measurement & Analytical	30	28
Discrete Automation	22	22
Safety & Productivity	14	15
Intelligent Devices	116	110
Control Systems & Software	22	24
AspenTech	24	123
Software and Control	46	147
Corporate	9	6
Total	\$ 171	\$ 263

EMERSON AND SUBSIDIARIES
ADJUSTED CORPORATE AND OTHER SUPPLEMENTAL
(AMOUNTS IN MILLIONS, UNAUDITED)

The following table shows the Company's corporate and other expenses on an adjusted basis. The Company's definition of adjusted corporate and other excludes corporate restructuring and related costs, first year purchase accounting related items and transaction fees, and certain gains, losses or impairments. This metric is useful for reconciling from total adjusted segment EBITA to the Company's consolidated adjusted EBITA.

Corporate and Other	Quarter Ended March 31	
	2022	2023
Corporate and other (GAAP)	\$ (42)	\$ (47)
Corporate restructuring and related costs	2	3
National Instruments investment gain	—	(35)
Acquisition / divestiture costs	7	10
Russia business exit	—	—
AspenTech Micromine purchase price hedge	—	14
Adjusted corporate and other (Non-GAAP)	\$ (33)	\$ (55)

Table 7

EMERSON AND SUBSIDIARIES
ADJUSTED EBITA & EPS SUPPLEMENTAL
(AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

The following tables, which show results on an adjusted EBITA basis and diluted earnings per share on an adjusted basis, are intended to supplement the Company's discussion of its results of operations herein. The Company defines adjusted EBITA as earnings excluding interest expense, net, income taxes, intangibles amortization expense, restructuring expense, first year purchase accounting related items and transaction fees, and certain gains, losses or impairments. Adjusted earnings per share excludes intangibles amortization expense, restructuring expense, first year purchase accounting related items and transaction fees, interest on note receivable and interest on undeployed assets, and certain gains, losses or impairments. Adjusted EBITA, adjusted EBITA margin, and adjusted earnings per share are measures used by management and may be useful for investors to evaluate the Company's operational performance.

	Quarter Ended March 31	
	2022	2023
Pretax earnings	\$ 509	\$ 639
<i>Percent of sales</i>	<i>15.5%</i>	<i>17.0%</i>
Interest expense, net	51	53
Amortization of intangibles	71	168
Restructuring and related costs	14	26
National Instruments investment gain	—	(35)
Acquisition/divestiture costs	7	10
Russia business exit	—	—
AspenTech Micromine purchase price hedge	—	14
Adjusted EBITA	\$ 652	\$ 875
<i>Percent of sales</i>	<i>19.8%</i>	<i>23.3%</i>

	Quarter Ended March 31	
	2022	2023
GAAP earnings from continuing operations per share	\$ 0.72	\$ 0.92
Amortization of intangibles	0.09	0.16
Restructuring and related costs	0.02	0.04
National Instruments investment gain	—	(0.05)
Acquisition/divestiture costs	0.04	0.01
Russia business exit	—	—
AspenTech Micromine purchase price hedge	—	0.01
Adjusted earnings from continuing operations per share	\$ 0.87	\$ 1.09
Less: AspenTech contribution to adjusted earnings per share		(0.04)
Adjusted earnings per share excluding AspenTech contribution		\$ 1.05

Table 7 cont.

Quarter Ended March 31, 2023						
	Pretax Earnings	Income Taxes	Earnings from Cont. Ops.	Non-Controlling Interests ³	Net Earnings Common Stockholders	Diluted Earnings Per Share
As reported (GAAP)	\$ 639	\$ 134	\$ 505	\$ (25)	\$ 530	\$ 0.92
Amortization of intangibles	168 ¹	38	130	42	88	0.16
Restructuring and related costs	26 ²	6	20	—	20	0.04
National Instruments investment gain	(35)	(8)	(27)	—	(27)	(0.05)
Acquisition/divestiture costs	10	3	7	—	7	0.01
AspenTech Micromine purchase price hedge	14	3	11	5	6	0.01
Adjusted (Non-GAAP)	\$ 822	\$ 176	\$ 646	\$ 22	\$ 624	\$ 1.09
Interest expense	53					
Adjusted EBITA (Non-GAAP)	\$ 875					

¹ Amortization of intangibles includes \$49 reported in cost of sales.

² Restructuring and related costs includes \$7 reported in cost of sales and SG&A.

³ Represents the 45 percent non-controlling interest in AspenTech applied to AspenTech's share of each adjustment presented herein and eliminated from Emerson's consolidated results.

EMERSON AND SUBSIDIARIES
 ASPENTECH CONTRIBUTION TO EMERSON RESULTS SUPPLEMENTAL
 (AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

The following tables reconcile the financial results of AspenTech reported to its shareholders with the amounts included in Emerson's consolidated financial results. Emerson owns 55 percent of AspenTech, a separately traded public company (NASDAQ: AZPN), and consolidates AspenTech in its financial results. The 45 percent non-controlling interest in AspenTech is removed from Emerson's net earnings common stockholders through the non-controlling interest line item. AspenTech is also one of Emerson's segments and its GAAP segment earnings is reconciled below to its consolidated impact to clarify that certain items are reported outside of its segment earnings within Emerson corporate, including interest income, stock compensation and the Micromine purchase price hedge.

Quarter Ended March 31, 2023						
	Pretax Earnings	Income Taxes (Benefit)	Earnings from Cont. Ops.	Non-Controlling Interests ⁵	Net Earnings Common Stockholders	Diluted Earnings Per Share
Standalone reporting (GAAP)	\$ (82)¹	\$ (24)	\$ (58)			
Interim tax reporting/Other	1	2 ²	(1)			
Reported in Emerson consolidation (GAAP)	(81)	(22)	(59)	(26)	(33)	\$ (0.06)
<u>Adjustments:</u>						
Amortization of intangibles	122 ³	28	94	42	52	0.09
AspenTech Micromine purchase price hedge	14 ⁴	3	11	5	6	0.01
Adjusted (Non-GAAP)	\$ 55	\$ 9	\$ 46	\$ 21	\$ 25	\$ 0.04
Interest income	(10) ⁴					
Stock compensation	23 ⁴					
Adjusted Segment EBITA (Non-GAAP)	\$ 68					
Reconciliation to Segment EBIT						
Pre-tax earnings	\$ (81)					
Interest income	(10) ⁴					
Stock compensation	23 ⁴					
Micromine purchase price hedge	14 ⁴					
Segment EBIT (GAAP)	\$ (54)					
Amortization of intangibles	122 ³					
Adjusted Segment EBITA (Non-GAAP)	\$ 68					

¹ Amount reflects AspenTech's pretax earnings for the three months ended March 31, 2023, reported in its standalone quarterly report on Form 10-Q.

² GAAP income taxes reported by AspenTech differ from the amount reflected in Emerson's consolidated financial statements due to the application of the ASC 740 interim tax rules at the AspenTech entity level in their stand-alone publicly reported financial statements as compared to the amount computed at the Emerson consolidated level.

³ Amortization of intangibles includes \$48 reported in cost of sales.

⁴ Reported in Emerson corporate line items.

⁵ Represents the 45 percent non-controlling interest in AspenTech applied to each adjustment presented herein and eliminated from Emerson's consolidated results.

Reconciliations of Non-GAAP measures with the most directly comparable GAAP measure (dollars in millions, except per share amounts). See tables 5 through 8 for additional non-GAAP reconciliations.

Q2 FY23	Final	Measurement &	Discrete	Safety &	Intelligent
Underlying Sales Change	Control	Analytical	Automation	Productivity	Devices
Reported (GAAP)	12%	15%	6%	2%	10%
(Favorable) / Unfavorable FX	3%	3%	3%	1%	3%
(Acquisitions)	—%	—%	—%	—%	—%
Divestitures	1%	2%	—%	—%	1%
Underlying (Non-GAAP)	16%	20%	9%	3%	14%

Q2 FY23 Underlying Sales Change	Control	AspenTech	Software	Emerson
Underlying Sales Change	Systems & Software		and Control	
Reported (GAAP)	9%	172%	30%	14%
(Favorable) / Unfavorable FX	3%	—%	3%	3%
(Acquisitions)	—%	(172)%	(21)%	(4)%
Divestitures	1%	—%	1%	1%
Underlying (Non-GAAP)	13%	—%	13%	14%

Six Months Ended March 31, 2023	Final	Measurement &	Discrete	Safety &	Intelligent
Underlying Sales Change	Control	Analytical	Automation	Productivity	Devices
Reported (GAAP)	9%	9%	3%	(5)%	6%
(Favorable) / Unfavorable FX	4%	4%	5%	2%	4%
(Acquisitions)	—%	—%	—%	—%	—%
Divestitures	1%	2%	—%	—%	—%
Underlying (Non-GAAP)	14%	15%	8%	(3)%	10%

Six Months Ended March 31, 2023	Control	AspenTech	Software	Emerson
Underlying Sales Change	Systems & Software		and Control	
Reported (GAAP)	8%	184%	30%	11%
(Favorable) / Unfavorable FX	4%	—%	4%	4%
(Acquisitions)	—%	(184)%	(22)%	(5)%
Divestitures	1%	—%	1%	1%
Underlying (Non-GAAP)	13%	—%	13%	11%

2023E April Guidance Underlying Sales Change	Q3 FY23E	FY23E
Reported (GAAP)	10.5 - 12.5%	9% - 10.5%
(Favorable) / Unfavorable FX	~ 0.5%	~ 1.5%
(Acquisitions)	~ (1.5)%	~ (2.5)%
Divestitures	~ 0.5%	~ 0.5%
Underlying (Non-GAAP)	10% - 12%	8.5% - 10%

Final Control Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 152	\$ 215	17.2%	21.6%
Amortization of intangibles and restructuring and related costs	32	31	3.6%	3.1%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 184	\$ 246	20.8%	24.7%
Measurement & Analytical Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 176	\$ 229	23.0%	25.8%
Amortization of intangibles and restructuring and related costs	8	5	1.0%	0.7%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 184	\$ 234	24.0%	26.5%
Discrete Automation Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 130	\$ 133	20.3%	19.5%
Amortization of intangibles and restructuring and related costs	8	14	1.3%	2.0%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 138	\$ 147	21.6%	21.5%
Safety & Productivity Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 65	\$ 83	18.1%	22.9%
Amortization of intangibles and restructuring and related costs	7	9	1.9%	2.3%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 72	\$ 92	20.0%	25.2%
Intelligent Devices Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 523	\$ 660	19.7%	22.6%
Amortization of intangibles and restructuring and related costs	55	59	2.1%	2.0%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 578	\$ 719	21.8%	24.6%
Control Systems & Software Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 101	\$ 127	17.7%	20.4%
Amortization of intangibles and restructuring and related costs	5	10	1.0%	1.7%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 106	\$ 137	18.7%	22.1%

AspenTech Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ (4)	\$ (54)	(5.0)%	(23.4)%
Amortization of intangibles and restructuring and related costs	23	122	26.5%	52.9%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 19	\$ 68	21.5%	29.5%

Software and Control Adjusted EBITA	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Business Segment EBIT / EBIT margin (GAAP)	\$ 97	\$ 73	14.7%	8.6%
Amortization of intangibles and restructuring and related costs	28	132	4.4%	15.5%
Adjusted Business Segment EBITA / EBITA margin (Non-GAAP)	\$ 125	\$ 205	19.1%	24.1%

Total Business Segment Adjusted EBITA Margin	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Change
Pretax earnings / margin (GAAP)	\$ 509	\$ 639	15.5%	17.0%	150 bps
Corporate items and interest expense, net	111	94	3.4%	2.5%	(90) bps
Total Business Segment EBIT / margin	\$ 620	\$ 733	18.9%	19.5%	60 bps
Amortization of intangibles and restructuring and related costs	\$ 83	\$ 191	2.5%	5.1%	260 bps
Adjusted Total Business Segment EBITA / margin (Non-GAAP)	\$ 703	\$ 924	21.4%	24.6%	320 bps

Q2 Earnings Per Share	Q2 FY22	Q2 FY23	Change
Earnings per share (GAAP)	\$ 0.72	\$ 0.92	28%
Amortization of intangibles	0.09	0.16	6%
Restructuring and related costs	0.02	0.04	2%
National Instrument investment gain	—	(0.05)	(7)%
Acquisition/divestiture costs	0.04	0.01	(5)%
AspenTech Micromine purchase price hedge	—	0.01	1%
Adjusted earnings per share (Non-GAAP)	\$ 0.87	\$ 1.09	25%

2023E April Guidance Earnings Per Share	Q3 FY23E	FY23E
Earnings per share (GAAP)	\$0.92 - \$0.96	\$3.58 - \$3.68
Amortization of intangibles	~ 0.15	~ 0.61
Restructuring and related costs	~ 0.03	~ 0.12
Russia business exit	—	~ 0.08
AspenTech Micromine purchase price hedge	—	(0.02)
Acquisition/divestiture fees	~ 0.03	~ 0.06
National Instrument investment gain	—	~ (0.05)
Interest on note receivable from Climate Technologies	~ (0.02)	~ (0.06)
Interest income on undeployed proceeds	~ (0.04)	~ (0.17)
Adjusted earnings per share (Non-GAAP)	\$1.07 - \$1.11	\$4.15 - \$4.25

Cash Flow	Q2 FY22	Q2 FY23	Change	FY23E (\$ in billions)
Operating cash flow (GAAP)	\$ 379	\$ 575	51%	\$ 2.5
Capital expenditures	(67)	(62)	13%	(0.3)
Free cash flow (Non-GAAP)	\$ 312	\$ 513	64%	\$ 2.2

Note 1: Underlying sales and orders exclude the impact of acquisitions, divestitures and currency translation.

Note 2: All fiscal year 2023E figures are approximate, except where range is given.



Emerson Appoints Mike Baughman as Chief Financial Officer

Frank Dellaquila to retire after 32-year tenure at Emerson

Baughman brings more than 35 years of financial and operational experience to CFO role

ST. LOUIS (May 3, 2023) – Emerson (NYSE: EMR) today announced that Mike Baughman, vice president, controller and chief accounting officer, has been promoted to executive vice president and chief financial officer, effective May 10. He succeeds Frank Dellaquila, who will be retiring after 32 years with the company. To ensure a seamless transition, Dellaquila will serve as senior advisor to the CEO through Emerson’s fiscal year end. Baughman will continue to serve as chief accounting officer for the company.

Since joining Emerson in October 2017, Baughman has been a key member of Emerson’s finance organization and has worked closely with the leadership team on the company’s recent portfolio transformation. He brings more than 35 years of financial and operational experience to the role, including a 14-year tenure at Baxter International Inc., where he held roles of increasing responsibility including controller, vice president of finance – Medical Products, and vice president of finance – Operations, Quality and R&D. Baughman began his career in public accounting as a CPA and spent 16 years at PwC, including five years as a partner, where he assisted corporate and private equity clients with buy-side and sell-side diligence, as well as acquisition integration. Baughman earned a bachelor’s degree in business administration from the University of Michigan.

“We are excited to continue to benefit from Mike’s financial and operational expertise as our next CFO,” said Lal Karsanbhai, president and chief executive officer of Emerson. “Mike has played a key role in our recent transactions and has extensive knowledge of our business and strategy. I look forward to working closely with Mike as we focus on execution and integration following our recent acquisitions and realize the benefits of our cohesive, high-growth and high-margin automation portfolio.”

“I am honored to have the opportunity to lead Emerson’s finance team. I have worked closely with Lal, Frank and the leadership team over the past several years and am excited to step into this role as we build on Emerson’s strong execution capabilities to deliver the synergies from our recent transactions,” Baughman said. “I look forward to leveraging my experience and knowledge of the Emerson businesses as we execute our strategy to deliver profitable growth and value creation for Emerson shareholders.”

“On behalf of the Board and management team, I want to thank Frank for his many contributions over his 32-year tenure with Emerson,” continued Karsanbhai. “Since becoming CFO in 2009, Frank has been an integral member of our team, helping Emerson successfully navigate the global financial crisis and COVID-19, driving financial performance across our businesses and positioning Emerson to leverage its strong balance sheet to deliver on our portfolio transformation over the last 18 months. Frank has been a trusted advisor to me and the broader leadership team, and we appreciate all that he has done to build Emerson into the great company that it is today. Frank’s planned retirement caps a remarkable career at Emerson and we wish him the best.”

“It has been a privilege to work alongside the most dedicated and talented team in the business, and I am proud of all that we have achieved,” Dellaquila said. “We have largely completed the strategic transformation we set out to accomplish, and I believe now is the right time for this transition as the team directs its focus to execution. I have worked closely with Mike over the past five years, and I am confident that he will be a great leader for our finance organization. I look forward to Emerson’s continued success with this exceptional management team at the helm.”

About Emerson

Emerson (NYSE: EMR) is a global technology and software company providing innovative solutions for the world’s essential industries. Through its leading automation portfolio, including its majority stake in AspenTech, Emerson helps hybrid, process and discrete manufacturers optimize operations, protect personnel, reduce emissions and achieve their sustainability goals. For more information, visit [Emerson.com](https://www.emerson.com).

Forward-Looking and Cautionary Statements

Statements in this press release that are not strictly historical may be “forward-looking” statements, which involve risks and uncertainties, and Emerson undertakes no obligation to update any such statements to reflect later developments. These risks and uncertainties include the Company’s ability to successfully complete on the terms and conditions contemplated, and the financial impact of, the proposed Climate Technologies transaction and the proposed 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, as set forth in the Company’s most recent Annual Report on Form 10-K and subsequent reports filed with the SEC. The outlook contained herein represents the Company’s expectation for its consolidated results, other than as noted herein.

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