

REFINITIV

DELTA REPORT

10-Q

EMR - EMERSON ELECTRIC CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 763

█ CHANGES 237

█ DELETIONS 225

█ ADDITIONS 301

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, 2023** **March 31, 2024**

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.

63136

P.O. Box 4100

(Zip Code)

St. Louis, Missouri

(Address of principal executive offices)

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, 2023** March 31, 2024: **571.7 572.1** million shares.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Consolidated Statements of Earnings
EMERSON ELECTRIC CO. & SUBSIDIARIES

Three and six months ended **December 31, 2022** March 31, 2023 and **2023** 2024

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

	Three Months Ended December 31,	Three Months Ended March 31,	Six Months Ended March 31,
Net sales			
Cost of sales			
Cost of sales			
Cost of sales			
Selling, general and administrative expenses			
Gain on subordinated interest			
Other deductions, net			
Interest expense (net of interest income of \$20 and \$40, respectively)			
Interest expense (net of interest income of \$18, \$33, \$38 and \$73, respectively)			
Interest income from related party			
Earnings from continuing operations before income taxes			
Earnings from continuing operations before income taxes			
Earnings from continuing operations before income taxes			
Income taxes			
Income taxes			
Income taxes			
Earnings from continuing operations			
Earnings from continuing operations			
Earnings from continuing operations			
Discontinued operations, net of tax of \$966 and \$—, respectively			
Discontinued operations, net of tax of \$966 and \$—, respectively			

Discontinued operations, net of tax of \$966 and \$—, respectively
Discontinued operations, net of tax of \$39, \$—, \$1,005 and \$—, respectively
Discontinued operations, net of tax of \$39, \$—, \$1,005 and \$—, respectively
Discontinued operations, net of tax of \$39, \$—, \$1,005 and \$—, respectively

Net earnings

Net earnings

Net earnings

Less: Noncontrolling interests in subsidiaries

Less: Noncontrolling interests in subsidiaries

Less: Noncontrolling interests in subsidiaries

Net earnings common stockholders

Net earnings common stockholders

Net earnings common stockholders

Earnings common stockholders:

Earnings common stockholders:

Earnings common stockholders:

Earnings from continuing operations

Earnings from continuing operations

Earnings from continuing operations

Discontinued operations

Net earnings common stockholders

Basic earnings per share common stockholders:

Basic earnings per share common stockholders:

Basic earnings per share common stockholders:

Earnings from continuing operations

Earnings from continuing operations

Earnings from continuing operations

Discontinued operations

Basic earnings per common share

Diluted earnings per share common stockholders:

Diluted earnings per share common stockholders:

Diluted earnings per share common stockholders:

Earnings from continuing operations

Earnings from continuing operations

Earnings from continuing operations

Discontinued operations

Diluted earnings per common share

Weighted average outstanding shares:

Weighted average outstanding shares:

Weighted average outstanding shares:

Basic

Basic

Basic

Diluted

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

EMERSON ELECTRIC CO. & SUBSIDIARIES

Three and six months ended December 31, 2022 March 31, 2023 and 2023 2024
(Dollars in millions; unaudited)

	Three Months Ended March 31,	Six Months Ended March 31,
Net earnings		
Net earnings		
Net earnings		
Other comprehensive income (loss), net of tax:		
Other comprehensive income (loss), net of tax:		
Other comprehensive income (loss), net of tax:		
Foreign currency translation		
Foreign currency translation		
Foreign currency translation		
Pension and postretirement		
Pension and postretirement		
Pension and postretirement		
Cash flow hedges		
Cash flow hedges		
Cash flow hedges		
Total other comprehensive income (loss)		
Total other comprehensive income (loss)		
Total other comprehensive income (loss)		
Comprehensive income		
Comprehensive income		
Comprehensive income		
Less: Noncontrolling interests in subsidiaries		
Less: Noncontrolling interests in subsidiaries		
Less: Noncontrolling interests in subsidiaries		
Comprehensive income common stockholders		
Comprehensive income common stockholders		
Comprehensive income common stockholders		

See accompanying Notes to Consolidated Financial Statements.

2

Consolidated Balance Sheets

EMERSON ELECTRIC CO. & SUBSIDIARIES

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

ASSETS

Current assets

Cash and equivalents

Receivables, less allowances of \$100 and \$112, respectively

Receivables, less allowances of \$100 and \$117, respectively

	Sept 30, 2023	Dec 31, 2023	Sept 30, 2023	Mar 31, 2024
ASSETS				
Current assets				

Inventories	
Other current assets	
Total current assets	
Property, plant and equipment, net	
Property, plant and equipment, net	
Property, plant and equipment, net	
Other assets	
Goodwill	
Goodwill	
Goodwill	
Other intangible assets	
Copeland note receivable and equity investment	
Other	
Total other assets	
Total assets	
<u>LIABILITIES AND EQUITY</u>	
<u>LIABILITIES AND EQUITY</u>	
<u>LIABILITIES AND EQUITY</u>	
Current liabilities	
Short-term borrowings and current maturities of long-term debt	
Accounts payable	
Accrued expenses	
Total current liabilities	
Long-term debt	
Long-term debt	
Long-term debt	
Other liabilities	
Other liabilities	
Other liabilities	
Equity	
Equity	
Equity	
Common stock, \$0.50 par value; authorized, 1,200.0 shares; issued, 953.4 shares; outstanding, 572.0 shares and 571.7 shares, respectively	
Common stock, \$0.50 par value; authorized, 1,200.0 shares; issued, 953.4 shares; outstanding, 572.0 shares and 572.1 shares, respectively	
Additional paid-in-capital	
Retained earnings	
Accumulated other comprehensive income (loss)	
Cost of common stock in treasury, 381.4 shares and 381.7 shares, respectively	
Cost of common stock in treasury, 381.4 shares and 381.3 shares, respectively	
Common stockholders' equity	
Noncontrolling interests in subsidiaries	
Total equity	
Total liabilities and equity	

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Equity
EMERSON ELECTRIC CO. & SUBSIDIARIES

Three and six months ended **December 31, 2022** **March 31, 2023** and **2023** **2024**
(Dollars in millions; unaudited)

	Three Months Ended December 31, 2022	Three Months Ended December 31, 2022	Three Months Ended December 31, 2022	Three Months Ended March 31, 2023	Six Months Ended March 31,
Common stock					
Common stock					
Common stock					
Additional paid-in-capital					
Additional paid-in-capital					
Additional paid-in-capital					
Beginning balance					
Beginning balance					
Beginning balance					
Stock plans					
Stock plans					
Stock plans					
AspenTech purchases of common stock					
AspenTech purchases of common stock					
AspenTech purchases of common stock					
Ending balance					
Ending balance					
Ending balance					
Retained earnings					
Retained earnings					
Retained earnings					
Beginning balance					
Beginning balance					
Beginning balance					
Net earnings common stockholders					
Net earnings common stockholders					
Net earnings common stockholders					
Dividends paid (per share: \$0.52 and \$0.525, respectively)					
Dividends paid (per share: \$0.52 and \$0.525, respectively)					
Dividends paid (per share: \$0.52 and \$0.525, respectively)					
Ending balance					
Ending balance					
Dividends paid (per share: \$0.520, \$0.525, \$1.040 and \$1.050, respectively)					
Ending balance					
Accumulated other comprehensive income (loss)					
Accumulated other comprehensive income (loss)					
Accumulated other comprehensive income (loss)					
Beginning balance					
Beginning balance					

Beginning balance	
Foreign currency translation	
Foreign currency translation	
Foreign currency translation	
Pension and postretirement	
Pension and postretirement	
Pension and postretirement	
Cash flow hedges	
Cash flow hedges	
Cash flow hedges	
Ending balance	
Ending balance	
Ending balance	
Treasury stock	
Treasury stock	
Treasury stock	
Purchases	
Purchases	
Purchases	
Issued under stock plans	
Issued under stock plans	
Issued under stock plans	
Ending balance	
Ending balance	
Ending balance	
Common stockholders' equity	
Common stockholders' equity	
Common stockholders' equity	
Noncontrolling interests in subsidiaries	
Noncontrolling interests in subsidiaries	
Noncontrolling interests in subsidiaries	
Beginning balance	
Beginning balance	
Beginning balance	
Net earnings (loss)	
Net earnings (loss)	
Net earnings (loss)	
Stock plans	
Stock plans	
Stock plans	
AspenTech purchases of common stock	
AspenTech purchases of common stock	
AspenTech purchases of common stock	
Other comprehensive income	
Other comprehensive income	
Other comprehensive income	
Ending balance	
Ending balance	

Ending balance

Total equity

Total equity

Total equity

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

EMERSON ELECTRIC CO. & SUBSIDIARIES

Three Six Months Ended December 31, 2022 March 31, 2023 and 2023 2024

(Dollars in millions; unaudited)

	Three Months Ended	December 31,	Six Months Ended	March 31,
Operating activities	Operating activities	Operating activities		
Net earnings				
Earnings from discontinued operations, net of tax				
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Stock compensation				
Amortization of acquisition-related inventory step-up				
Gain on subordinated interest				
Changes in operating working capital				
Other, net				
Cash from continuing operations				
Cash from discontinued operations				
Cash provided by operating activities				
Investing activities				
Investing activities				
Investing activities				
Capital expenditures				
Capital expenditures				
Capital expenditures				
Purchases of businesses, net of cash and equivalents acquired				
Proceeds from subordinated interest				
Other, net				
Cash from continuing operations				
Cash from discontinued operations				
Cash provided by (used in) investing activities				
Financing activities				
Financing activities				
Financing activities				
Net increase (decrease) in short-term borrowings				
Net increase (decrease) in short-term borrowings				

Net increase (decrease) in short-term borrowings	
Proceeds from short-term borrowings greater than three months	
Payments of long-term debt	
Dividends paid	
Purchases of common stock	
AspenTech purchases of common stock	
Other, net	
Cash provided by (used in) financing activities	
Effect of exchange rate changes on cash and equivalents	
Effect of exchange rate changes on cash and equivalents	
Effect of exchange rate changes on cash and equivalents	
Increase (decrease) in cash and equivalents	
Beginning cash and equivalents	
Ending cash and equivalents	
Changes in operating working capital	
Changes in operating working capital	
Changes in operating working capital	
Receivables	
Receivables	
Receivables	
Inventories	
Other current assets	
Accounts payable	
Accrued expenses	
Total changes in operating working capital	

See accompanying Notes to Consolidated Financial Statements.

5

Notes to Consolidated Financial Statements

EMERSON ELECTRIC CO. & SUBSIDIARIES

(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, 2023.

(2) REVENUErecognition

Emerson is a global manufacturer that designs and manufactures products and delivers services that bring technology and engineering together to provide innovative solutions for its customers. The majority of the Company's revenues relate to a broad offering of manufactured products and software 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 14 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, 2023	Sept 30, 2023	Dec 31, 2023	Sept 30, 2023	Mar 31, 2024
Unbilled receivables (contract assets)					
Customer advances (contract liabilities)					

Net contract assets (liabilities)

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 where the license revenue is recognized upfront upon delivery. The decrease in net contract assets was primarily due to the acquisition of National Instruments, which increased contract liabilities by approximately \$200, \$190, while customer billings slightly exceeded revenue recognized for performance completed during the period. Revenue recognized for the three and six months ended December 31, 2023 March 31, 2024 included \$368 \$154 and \$522, respectively, 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 and six months ended December 31, 2023 March 31, 2024 for performance obligations that were satisfied in previous periods, including cumulative catchup adjustments on the Company's long-term contracts, was immaterial.

As of December 31, 2023 March 31, 2024, the Company's backlog relating to unsatisfied (or partially unsatisfied) performance obligations in contracts with its customers was approximately \$8.8 billion (of which \$1.2 billion approximately \$1.25 billion was attributable to AspenTech and approximately \$500 was attributable to the National Instruments acquisition) Instruments). The Company expects to recognize approximately 75 percent of its remaining performance obligations as revenue over the next 12 months, with the remainder substantially over the following two years.

6

(3) COMMON SHARES

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,	Three Months Ended December 31,	Three Months Ended December 31,	Three Months Ended March 31,	Six Months Ended March 31,
Basic shares outstanding					
Basic shares outstanding					
Basic shares outstanding					
Dilutive shares					
Dilutive shares					
Dilutive shares					
Diluted shares outstanding					
Diluted shares outstanding					
Diluted shares outstanding					

(4) ACQUISITIONS AND DIVESTITURES

National Instruments

On October 11, 2023, the Company completed the acquisition of National Instruments Corporation ("NI"). NI, which provides software-connected automated test and measurement systems that enable enterprises to bring products to market faster and at a lower cost, had revenues of approximately \$1.7 billion and pretax earnings of approximately \$170 for the 12 months ended September 30, 2023. NI is now referred to as Test & Measurement and reported as a new segment in the Software and Control business group, see Note 14.

The following table summarizes the components of the purchase consideration reflected in the acquisition accounting for NI.

Cash paid to acquire remaining NI shares not already owned by Emerson	\$ 7,833
Payoff of NI debt at closing	634
Total consideration paid in cash at closing	8,467
Fair value of NI shares already owned by Emerson prior to acquisition	137
Value of stock-based compensation awards attributable to pre-combination service	49
Total purchase consideration	\$ 8,653

The total purchase consideration for NI was allocated to assets and liabilities as follows. Valuations of acquired assets and liabilities are in-process and subject to refinement.

Cash and equivalents	\$ 135
Receivables	310
Inventory	524 514
Other current assets	140 139
Property, plant and equipment	336 328
Goodwill (\$130 expected to be tax-deductible)	3,418 3,407
Other intangible assets	5,275
Other assets	116 120
Total assets	\$ 10,254 10,228
Accounts payable	54 52
Accrued expenses	325 326
Deferred taxes and other liabilities	1,222 1,197
Total purchase consideration	\$ 8,653

7

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

	Amount	Estimated Weighted Average Life (Years)
Developed technology	\$ 1,570	9
Customer relationships	3,360	15
Trade names	210	9
Backlog	135	1
Total	\$ 5,275	

Results of operations for the three and six months ended December 31, 2023, March 31, 2024 attributable to the NI acquisition include sales of \$382 \$367 and \$749, respectively, and a net loss of \$326, \$80 and \$406, respectively. The net loss included the impact of inventory step-up amortization recorded in the first quarter, intangibles amortization, retention bonuses, stock compensation expense and restructuring.

Pro Forma Financial Information

The following unaudited proforma consolidated condensed financial results of operations are presented as if the acquisition of NI occurred on October 1, 2022. 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,

Net Sales
Net Sales

Net Sales
Net earnings from continuing operations common stockholders
Net earnings from continuing operations common stockholders
Net earnings from continuing operations common stockholders
Diluted earnings per share from continuing operations
Diluted earnings per share from continuing operations
Diluted earnings per share from continuing operations

Pro forma Net sales for the three and six months ended March 31, 2023 include \$437 and \$885, respectively, attributable to NI.

The pro forma results for the three months ended December 31, 2022 March 31, 2023 include total ongoing intangibles amortization of \$107 and backlog amortization of \$34, and exclude the mark-to-market gain of \$35 recognized in the prior year on the Company's equity investment in National Instruments Corporation (see Note 7).

The pro forma results for the six months ended March 31, 2023 include transaction costs of \$198 which were assumed to be incurred in the first quarter of fiscal 2023. These transaction costs include \$88 incurred by NI prior to the completion of the transaction and \$110 incurred by Emerson in periods subsequent to the first quarter of fiscal 2023. The pro forma results for the three six months ended December 31, 2022 March 31, 2023 also include \$105 \$212 of ongoing intangibles amortization, as well as backlog amortization of \$34, \$68, inventory step-up amortization of \$213, and retention bonuses of \$43 which were all assumed to be incurred \$47, and exclude the mark-to-market gain of \$35 recognized in the first quarter of fiscal 2023, prior year on the equity investment in National Instruments Corporation.

Other Transactions

In the second quarter of fiscal 2024, the Company received its final distribution of \$79 related to its subordinated interest in Vertiv. In addition, the Company divested a small business in the Final Control segment and recognized a non-cash loss of \$39.

In the fourth quarter of fiscal 2023, the Company acquired two businesses, Flexim, which is reported in the Measurement & Analytical segment, and Afag, which is reported in the Discrete Automation segment, for \$712, \$715, net of cash acquired. The Company recognized goodwill of \$428 \$423 (none of which is expected to be tax deductible) and other

8

identifiable intangible assets of \$323, primarily customer relationships and intellectual property with a weighted-average useful life of approximately 9 years.

On March 31, 2023, Emerson completed the divestiture of Metran, its Russia-based manufacturing subsidiary. 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 \$0.08 per share) related to its exit of business operations in Russia.

(5) DISCONTINUED OPERATIONS

On May 31, 2023, the Company completed the sale of 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 received upfront, pre-tax cash proceeds of approximately \$9.7 billion and a note receivable with a face value of \$2.25 billion (which accrues 5 percent interest payable in kind by capitalizing interest), while retaining a 40 percent non-controlling common equity interest in a new standalone joint venture between Emerson and Blackstone. The Climate Technologies business,

8

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 Company recognized a pretax gain of approximately \$10.6 billion in the third quarter of fiscal 2023 (approximately \$8.4 billion after-tax including tax expense recognized prior to the completion of the transaction related to subsidiary restructurings). The new standalone business is named Copeland. See Note 10 for further details.

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 approximately \$2.8 billion (approximately \$2.1 billion after-tax) in the first quarter of fiscal 2023.

The financial results of Climate Technologies and InSinkErator ("ISE") are reported as discontinued operations for the three and six months ended December 31, 2022 March 31, 2023 and were as follows:

	Three Months Ended December 31, 2022		
	Climate Technologies	ISE	Total
Net sales	\$ 1,064	49	1,113
Cost of sales	702	29	731
SG&A	142	8	150
Gain on sale of business		(2,780)	(2,780)
Other deductions, net			
Earnings before income taxes	32	12	44
Net sales	\$ 1,245	2,780	2,968
Income taxes	313	653	966
Cost of sales	782		782
Earnings, net of tax	\$ (125)	2,127	2,002
SG&A	\$ (127)		2,127
Gain on sale of business	—	(3)	(3)
Other deductions, net	9	35	35
Earnings before income taxes		301	304
Income taxes		39	39
Earnings, net of tax	\$ 262	3	265
	Six Months Ended March 31, 2023		
	Climate Technologies	ISE	Total
Net sales	\$ 2,309	49	2,358
Cost of sales	1,484	29	1,513
SG&A	269	8	277
Gain on sale of business	—	(2,783)	(2,783)
Other deductions, net	67	12	79
Earnings before income taxes		489	2,783
Income taxes		352	653
Earnings, net of tax	\$ 137	2,130	2,267

Climate Technologies' results for the three and six months ended December 31, 2022 March 31, 2023 included lower expense of \$27 \$43 and \$70, respectively, due to ceasing depreciation and amortization upon the held-for-sale classification. Other deductions, net for Climate Technologies included \$27 \$28 and \$55 of transaction-related costs for the three and six months ended December 31, 2022, March 31, 2023, respectively. Income taxes for the three six months ended December 31, 2022 March 31, 2023 included approximately \$275 \$245 for Climate Technologies subsidiary restructurings and approximately \$660 related to the gain on the InSinkErator divestiture.

Net cash from operating and investing activities for Climate Technologies, InSinkErator and Therm-O-Disc for the three six months ended December 31, 2023 March 31, 2024 and 2022 2023 were as follows:

	Climate Technologies	Climate Technologies	ISE and TOD	Total	Climate Technologies	ISE and TOD	Total
Cash from operating activities							
Cash from operating activities							
Cash from operating activities							
Cash from investing activities							
Cash from investing activities							
Cash from investing activities							

For the three months ended December 31, 2022, net cash Cash from operating activities for the six months ended March 31, 2023 reflects approximately \$575 of income taxes paid related to the payment of ISE gain on the InSinkErator divestiture and the Climate Technologies subsidiary restructurings, transaction fees and unfavorable working capital. Cash from investing activities for the six months ended March 31, 2023 reflects the proceeds of approximately \$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 March 31,	Six Months Ended March 31,
Service cost		
Service cost		
Service cost		
Interest cost		
Interest cost		
Interest cost		
Expected return on plan assets		
Expected return on plan assets		
Expected return on plan assets		
Net amortization		
Net amortization		
Net amortization		
Total		
Total		
Total		

(7) OTHER DEDUCTIONS, NET

Other deductions, net are summarized below:

	Three Months Ended March 31,	Six Months Ended March 31,
Amortization of intangibles (intellectual property and customer relationships)		
Amortization of intangibles (intellectual property and customer relationships)		
Amortization of intangibles (intellectual property and customer relationships)		
Restructuring costs		
Restructuring costs		
Restructuring costs		
Acquisition/divestiture costs		
Acquisition/divestiture costs		
Acquisition/divestiture costs		
Foreign currency transaction (gains) losses		
Foreign currency transaction (gains) losses		
Foreign currency transaction (gains) losses		
Investment-related gains & gains from sales of capital assets		
Investment-related gains & gains from sales of capital assets		
Investment-related gains & gains from sales of capital assets		
Loss on Copeland equity method investment		
Loss on Copeland equity method investment		
Loss on Copeland equity method investment		
Russia business exit		
Russia business exit		
Loss on divestiture of business		
Russia business exit		
Other		
Other		
Other		

Total
Total
Total

Intangibles amortization for the three and six months ended December 31, 2023 March 31, 2024 included \$139 \$141 and \$280, respectively, related to the NI acquisition. Foreign currency transaction gains losses for the three and six months ended December 31, 2022 March 31, 2023 included a mark-to-market loss of \$14 and a gain of \$35 \$21, respectively, related to foreign currency forward contracts that were terminated in June 2023. The Company recognized a mark-to-market gain of \$35 for the three months ended March 31, 2023 related to its equity investment in National Instruments Corporation. Other is composed of several items, including a portion of pension expense, litigation costs, provision for bad debt and other items, none of which is individually significant.

1011

(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 2024 restructuring expense and related costs to be approximately \$250, \$230, including costs to complete actions initiated in the first three six months of the year.

Restructuring expense by business segment follows:

Final Control
 Final Control
 Final Control
 Measurement & Analytical
 Measurement & Analytical
 Measurement & Analytical
 Discrete Automation
 Discrete Automation
 Discrete Automation
 Safety & Productivity
 Safety & Productivity
 Safety & Productivity
Intelligent Devices
Intelligent Devices
Intelligent Devices
 Control Systems & Software
 Control Systems & Software
 Control Systems & Software
 Test & Measurement
 Test & Measurement
 Test & Measurement
 AspenTech
 AspenTech
 AspenTech
Software and Control
Software and Control
Software and Control
 Corporate

Corporate

Corporate

Total

Total

Total

Corporate restructuring of \$26 \$11 and \$37 for the three and six months ended December 31, 2023 March 31, 2024, respectively, is comprised almost entirely of integration-related stock compensation expense attributable to NI.

Details of the change in the liability for restructuring costs during the three six months ended December 31, 2023 March 31, 2024 follow:

	Sept 30, 2023	Expense	Utilized/Paid	Dec 31, 2023	Sept 30, 2023	Expense	Utilized/Paid	Mar 31, 2024
Severance and benefits								
Severance and benefits								
Severance and benefits								
Other								
Other								
Other								
Total								

The tables above do not include \$5 \$7 and \$4 \$3 of costs related to restructuring actions incurred for the three months ended December 31, 2022 March 31, 2023 and 2023 2024, respectively, that are required to be reported in cost of sales. sales and selling, general and administrative expenses; year-to-date amounts are \$12 and \$7, respectively.

(9) TAXES

Income taxes were \$7 \$149 in the first second quarter of fiscal 2024 and \$98 \$134 in 2023, resulting in effective tax rates of 5 23 percent and 23 21 percent, respectively. The current year rate included was negatively impacted by approximately 2 percentage points due to the loss on divestiture (see Note 4), which was nondeductible for tax purposes.

Income taxes were \$156 in the first six of months of fiscal 2024 and \$232 in 2023, resulting in effective tax rates of 20 percent and 22 percent, respectively. The current year rate included a \$57 (\$0.10 per share) benefit related to discrete tax items, and the impact of partially offset by unfavorable impacts from inventory step-up amortization which in and the loss on divestiture noted above. In total, had a 16 the net impact of these items benefited the rate by approximately 1 percentage point impact on the rate. point. The prior year rate included a 2 percentage point unfavorable impact related to the Russia charge, which had no related tax benefit.

11 12

(10) EQUITY METHOD INVESTMENT AND NOTE RECEIVABLE

As discussed in Note 5, the Company completed the divestiture of a majority stake in Copeland on May 31, 2023, and received upfront, pre-tax cash proceeds of approximately \$9.7 billion and a note receivable with a face value of \$2.25 billion, while retaining a 40 percent non-controlling common equity interest in Copeland.

The Company records its share of Copeland's income or loss using the equity method of accounting. For the three and six months ended December 31, 2023 March 31, 2024 the Company recorded a loss of \$36 \$59 and \$95, respectively, in Other deductions to reflect its share of Copeland's losses and a tax benefit of \$9 \$13 and \$22, respectively, in Income taxes related to Copeland's U.S. business, which is taxed as a partnership (in total, a loss of \$0.04 \$0.08 and \$0.12 per share share, respectively). The Company recognized non-cash interest income on the note receivable of \$31 and \$62 for the three and six months ended March 31, 2024, respectively, which is reported in Interest income from related party and capitalized to the carrying value of the note.

As of December 31, 2023 March 31, 2024, the carrying values of the retained equity investment and note receivable were \$1,129 \$1,036 and \$2,124 \$2,155, respectively.

Summarized financial information for Copeland for the three and six months ended December 31, 2023 March 31, 2024 is as follows.

	Three Months Ended	
	December 31,	
	2023	2024
Net sales	\$ 1,024	
Gross profit	\$ 345	
Income (loss) from continuing operations	\$ (93)	
Net income (loss)	\$ (93)	
Net income (loss) attributable to shareholders	\$ (90)	

	Three Months Ended March		Six Months Ended March	
	31,		31,	
		2024		2024
Net sales	\$	1,175	\$	2,199
Gross profit	\$	412	\$	757
Income (loss) from continuing operations	\$	(147)	\$	(240)
Net income (loss)	\$	(147)	\$	(240)
Net income (loss) attributable to shareholders	\$	(148)	\$	(238)

(11) OTHER FINANCIAL INFORMATION

	Sept 30, 2023	Dec 31, 2023	Sept 30, 2023	Mar 31, 2024
--	---------------	--------------	---------------	--------------

Inventories

Finished products
Finished products
Finished products
Raw materials and work in process
Total

Property, plant and equipment, net
Property, plant and equipment, net
Property, plant and equipment, net
Property, plant and equipment, at cost
Property, plant and equipment, at cost
Property, plant and equipment, at cost

Less: Accumulated depreciation
Less: Accumulated depreciation
Less: Accumulated depreciation
Total
Total
Total

Goodwill by business segment
Goodwill by business segment
Goodwill by business segment

Final Control
Final Control
Final Control

Measurement & Analytical
Measurement & Analytical

Measurement & Analytical

Discrete Automation

Discrete Automation
Discrete Automation

Safety & Productivity

Safety & Productivity

Safety & Productivity

Intelligent Devices

Intelligent Devices

Intelligent Devices

Control Systems & Software

Control Systems & Software

Control Systems & Software

Test & Measurement

Test & Measurement
Test & Measurement
AspenTech
AspenTech
AspenTech
Software and Control
Software and Control
Software and Control
Total
Total
Total

12 13

	Sept 30, 2023	Sept 30, 2023	Dec 31, 2023	Sept 30, 2023	Mar 31, 2024
<u>Other intangible assets</u>				<u>Other intangible assets</u>	

Gross carrying amount
Less: Accumulated amortization
Net carrying amount

Other intangible assets include customer relationships, net, of \$3,353 and ~~\$6,612~~ \$6,501 and intellectual property, net, of \$2,707 and ~~\$4,445~~ \$4,247 as of September 30, 2023 and December 31, 2023 March 31, 2024, respectively.

The increase in goodwill and intangibles was primarily due to the NI acquisition. See Note 4.

Three Months Ended December 31,
Three Months Ended December 31,
Three Months Ended December 31,
2022
2022
2022

Depreciation and amortization expense include the following:

Depreciation and amortization expense include the following:

Three Months Ended March 31, Six Months Ended March 31,
2023

Depreciation and amortization expense include the following:

Depreciation expense

Depreciation expense

Depreciation expense

Amortization of intangibles (includes \$49 and \$49 reported in Cost of Sales, respectively)

Amortization of intangibles (includes \$49 and \$49 reported in Cost of Sales, respectively)

Amortization of intangibles (includes \$49 and \$49 reported in Cost of Sales, respectively)

Amortization of capitalized software

Amortization of capitalized software

Amortization of intangibles (includes \$49, \$49, \$98 and \$98 reported in Cost of Sales, respectively)

Amortization of capitalized software

Total

Total

Total

Amortization of intangibles included ~~\$139~~ \$141 and \$280 related to the NI acquisition for the three and six months ended December 31, 2023 March 31, 2024.

Sept 30, 2023	Sept 30, 2023	Dec 31, 2023	Sept 30, 2023	Mar 31, 2024
---------------	---------------	--------------	---------------	--------------

Other assets include the following:

Pension assets
Operating lease right-of-use assets
Unbilled receivables (contract assets)
Deferred income taxes
Asbestos-related insurance receivables

As of December 31, 2023, the Company had one operating lease that had not yet commenced with a lease term of approximately 15 years and total undiscounted future minimum payments of approximately \$80. This lease is expected to commence in the second quarter of fiscal 2024 and will be recorded as a right-of-use asset and lease liability.

Accrued expenses include the following:

Customer advances (contract liabilities)	\$	861	1,100
Employee compensation		618	531
Income taxes		207	220
Operating lease liabilities (current)		144	155
Product warranty		84	74

Accrued expenses include the following:

Customer advances (contract liabilities)	\$	861	1,133
Employee compensation		618	499
Income taxes		207	274
Operating lease liabilities (current)		144	157
Product warranty		84	73

Other liabilities include the following:

Other liabilities include the following:

Other liabilities include the following:

Deferred income taxes
Operating lease liabilities (noncurrent)
Pension and postretirement liabilities
Asbestos litigation

The increase in deferred income tax liabilities reflects the impact of the NI acquisition. See Note 4.

1314

(12) FINANCIAL INSTRUMENTS

Hedging Activities – As of December 31, 2023 March 31, 2024, the notional amount of foreign currency hedge positions was approximately \$2.8 billion \$3.2 billion. All derivatives receiving hedge accounting are cash flow hedges. The majority of hedging gains and losses deferred as of December 31, 2023 March 31, 2024 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 and six months ended December 31, 2022 March 31, 2023 and 2023: 2024:

	Into Earnings		Into Earnings		Into OCI
	Into Earnings		Into Earnings		Into OCI
	Into Earnings		Into OCI		
	1st Quarter				
Gains (Losses)					
Gains (Losses)					
			2nd Quarter	Six Months	2nd Quarter
					Six Months
Gains (Losses)					
Commodity					
Commodity					
Commodity					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Foreign currency					
Net Investment Hedges					
Net Investment Hedges					
Net Investment Hedges					
Euro denominated debt					
Euro denominated debt					
Euro denominated debt					
Total					
Total					
Total					

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.

Fair Value Measurement – Valuations for all derivatives, the Company's note receivable from Copeland, and the Company's long-term debt fall within Level 2 of the GAAP valuation hierarchy. The fair value of the note receivable as of December 31, 2023 March 31, 2024 was approximately \$2.0 billion, which was lower than the carrying value by approximately \$100. See Note 10 for further details. As of December 31, 2023 March 31, 2024, the fair value of long-term debt was approximately \$7.4 billion \$7.2 billion, which was lower than the carrying value by \$847. \$963. The fair value of foreign currency contracts, which are reported in Other current assets and Accrued expenses, did not materially change since September 30, 2023. Commodity contracts related to discontinued operations and were novated to Copeland upon the completion of the transaction.

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, 2023 March 31, 2024.

14.15

(13) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Activity in Accumulated other comprehensive income (loss) for the three months ended December 31, 2022 and 2023 is shown below, net of income taxes:

Activity in Accumulated other comprehensive income (loss) for the three months ended December 31, 2022 and 2023 is shown below, net of income taxes:

Activity in Accumulated other comprehensive income (loss) for the three months ended December 31, 2022 and 2023 is shown below, net of income taxes:

Three Months Ended December 31,
2022
2022
2022

Foreign currency translation

Foreign currency translation

Activity in Accumulated other comprehensive income (loss) for the three and six months ended March 31, 2023 and 2024 is shown below, net of income taxes:

Three Months Ended March 31,	Six Months Ended March 31,
2023	

Foreign currency translation

Beginning balance

Beginning balance

Beginning balance

Other comprehensive income (loss), net of tax of \$28 and \$13, respectively

Other comprehensive income (loss), net of tax of \$28 and \$13, respectively

Other comprehensive income (loss), net of tax of \$28 and \$13, respectively

Other comprehensive income (loss), net of tax of \$4, \$(1), \$32 and \$12, respectively

Reclassification to loss on divestiture of business

Ending balance

Pension and postretirement

Pension and postretirement

Pension and postretirement

Beginning balance

Beginning balance

Beginning balance

Amortization of deferred actuarial losses into earnings, net of tax of \$3, \$2, \$7 and \$4, respectively

Ending balance

Cash flow hedges

Cash flow hedges

Cash flow hedges

Beginning balance

Beginning balance

Beginning balance

Gains deferred during the period, net of taxes of \$(6), \$0, \$(9) and \$(2), respectively

Reclassification of realized (gains) losses to sales and cost of sales, net of tax of \$2, \$1, \$2 and \$1, respectively

Ending balance

Ending balance

Ending balance

Pension and postretirement

Pension and postretirement

Pension and postretirement

Beginning balance

Beginning balance

Beginning balance

Amortization of deferred actuarial losses into earnings, net of tax of \$4 and \$2, respectively

Amortization of deferred actuarial losses into earnings, net of tax of \$4 and \$2, respectively

Amortization of deferred actuarial losses into earnings, net of tax of \$4 and \$2, respectively

Ending balance	
Ending balance	
Ending balance	
<u>Cash flow hedges</u>	
<u>Cash flow hedges</u>	
<u>Cash flow hedges</u>	
Beginning balance	
Beginning balance	
Beginning balance	
Gains deferred during the period, net of taxes of \$(3) and \$(2), respectively	
Gains deferred during the period, net of taxes of \$(3) and \$(2), respectively	
Gains deferred during the period, net of taxes of \$(3) and \$(2), respectively	
Reclassification of realized (gains) losses to sales and cost of sales, net of tax of \$— and \$—, respectively	
Reclassification of realized (gains) losses to sales and cost of sales, net of tax of \$— and \$—, respectively	
Reclassification of realized (gains) losses to sales and cost of sales, net of tax of \$— and \$—, respectively	
Ending balance	
Ending balance	
Ending balance	
Accumulated other comprehensive income (loss)	

15 16

(14) BUSINESS SEGMENTS

As disclosed in Note 4, the Company completed the acquisition of NI on October 11, 2023. NI is now referred to as Test & Measurement and reported as a new segment in the Software and Control business group.

Summarized information about the Company's results of operations by business segment follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	Sales	Earnings (Loss)	Sales	Earnings (Loss)
Final Control				
Final Control				
Final Control				
Measurement & Analytical				
Measurement & Analytical				
Measurement & Analytical				
Discrete Automation				
Discrete Automation				
Discrete Automation				
Safety & Productivity				
Safety & Productivity				
Safety & Productivity				
Intelligent Devices				

Intelligent Devices
Control Systems & Software
Control Systems & Software
Control Systems & Software
Test & Measurement
Test & Measurement
Test & Measurement
AspenTech
AspenTech
AspenTech
Software and Control
Software and Control
Software and Control
Stock compensation
Stock compensation
Stock compensation
Unallocated pension and postretirement costs
Unallocated pension and postretirement costs
Unallocated pension and postretirement costs
Corporate and other
Corporate and other
Corporate and other
Loss on Copeland equity method investment
Loss on Copeland equity method investment
Loss on Copeland equity method investment
Eliminations/Interest
Eliminations/Interest
Gain on subordinated interest
Eliminations/Interest
Interest income from related party
Interest income from related party
Interest income from related party
Total
Total
Total

Stock compensation for the three months and six months ended December 31, 2023 March 31, 2024 included \$30 \$14 and \$44 of integration-related stock compensation expense attributable to NI (\$26 of (of which \$10 and \$36, respectively, was reported as restructuring costs). Corporate and other for the three and six months ended December 31, 2023 March 31, 2024 included acquisition-related inventory step-up amortization of \$231 and acquisition/divestiture fees and related costs of \$130, \$16 and \$146, respectively, and a divestiture loss of \$39, while 2022 year-to-date also includes acquisition-related inventory step-up amortization of \$231. Corporate and other for the six months ended March 31, 2023 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 that were terminated its equity investment in June 2023. National Instruments Corporation.

16 17

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

Three Months Ended December 31,
Three Months Ended December 31,
Three Months Ended December 31,

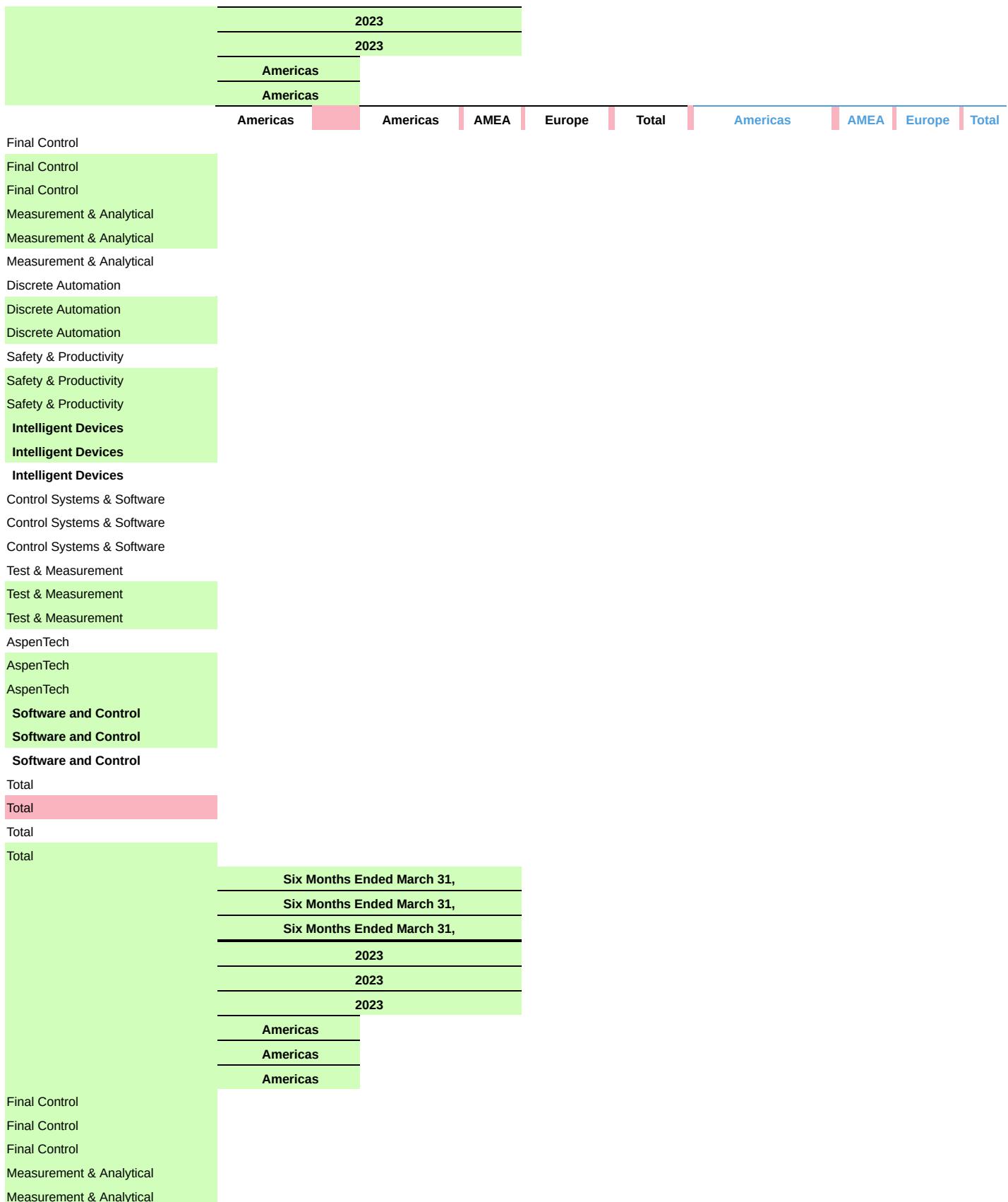
	2022	2022	2022
Final Control			
Final Control			
	Three Months Ended March 31,		Six Months Ended March 31,
	2023		
Final Control			
Measurement & Analytical			
Measurement & Analytical			
Measurement & Analytical			
Discrete Automation			
Discrete Automation			
Discrete Automation			
Safety & Productivity			
Safety & Productivity			
Safety & Productivity			
Intelligent Devices			
Intelligent Devices			
Intelligent Devices			
Control Systems & Software			
Control Systems & Software			
Control Systems & Software			
Test & Measurement			
Test & Measurement			
Test & Measurement			
AspenTech			
AspenTech			
AspenTech			
Software and Control			
Corporate and other			
Corporate and other			
Corporate and other			
Total			
Total			
Total			

18

Test & Measurement depreciation and amortization for the three and six months ended December 31, 2023 March 31, 2024 included intangibles amortization of \$139 \$141 and \$280 due to the acquisition.

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

	Three Months Ended December 31,	Three Months Ended December 31,
	2022	2023
	Three Months Ended March 31,	
	2023	



Measurement & Analytical
Discrete Automation
Discrete Automation
Discrete Automation
Safety & Productivity
Safety & Productivity
Safety & Productivity
Intelligent Devices
Intelligent Devices
Intelligent Devices
Control Systems & Software
Control Systems & Software
Control Systems & Software
Test & Measurement
Test & Measurement
Test & Measurement
AspenTech
AspenTech
AspenTech
Software and Control
Software and Control
Software and Control
Corporate and other
Corporate and other
Corporate and other
Total
Total
Total

17 19

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

On October 11, 2023, the Company completed the acquisition of National Instruments Corporation ("NI"), which is now referred to as Test & Measurement and reported as a new segment in the Software and Control business group. NI provides software-connected automated test and measurement systems that enable enterprises to bring products to market faster and at a lower cost, and had revenues of approximately \$1.7 billion for the 12 months ended September 30, 2023. See Note 4.

For the **first** **second** quarter of fiscal 2024, net sales were **\$4.1** **billion** **\$4.4** **billion**, up **22** **17** percent compared with the prior year. Underlying sales, which exclude foreign currency translation, acquisitions and divestitures, were up **10** **8** percent. Foreign currency translation had a 1 percent **favorable** **unfavorable** impact and the Test & Measurement acquisition added **12** percent and the divestiture of Metran, Emerson's Russia-based manufacturing subsidiary, deducted **1** **10** percent.

Earnings from continuing operations attributable to common stockholders were **\$142**, **\$501**, down **57** **6** percent, and diluted earnings per share from continuing operations were **\$0.25**, **\$0.87**, down **55** **5** percent compared with **\$0.56** **\$0.92** in the prior year. Adjusted diluted earnings per share from continuing operations were **\$1.22**, **\$1.36**, up **56** **25** percent compared with **\$0.78** **\$1.09** in the prior year, reflecting the strong sales growth and operating performance, as well as a **\$0.13** **\$0.11** contribution from Test & Measurement.

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	2022	2023
Three Months Ended March 31,	2023	2024
Diluted earnings from continuing operations per share		
Diluted earnings from continuing operations per share		
Diluted earnings from continuing operations per share		
Amortization of intangibles		
Amortization of intangibles		
Amortization of intangibles		
Restructuring and related costs		
Acquisition/divestiture fees and related costs		
Amortization of acquisition-related inventory step-up		
Loss on divestiture of business		
Gain on subordinated interest		
Gain on subordinated interest		
Gain on subordinated interest		
National Instruments investment gain		
AspenTech Micromine purchase price hedge		
Loss on Copeland equity method investment		
Discrete tax benefits		
Russia business exit		
AspenTech Micromine purchase price hedge		
Adjusted diluted earnings from continuing operations per share		
Adjusted diluted earnings from continuing operations per share		
Adjusted diluted earnings from continuing operations per share		

18.20

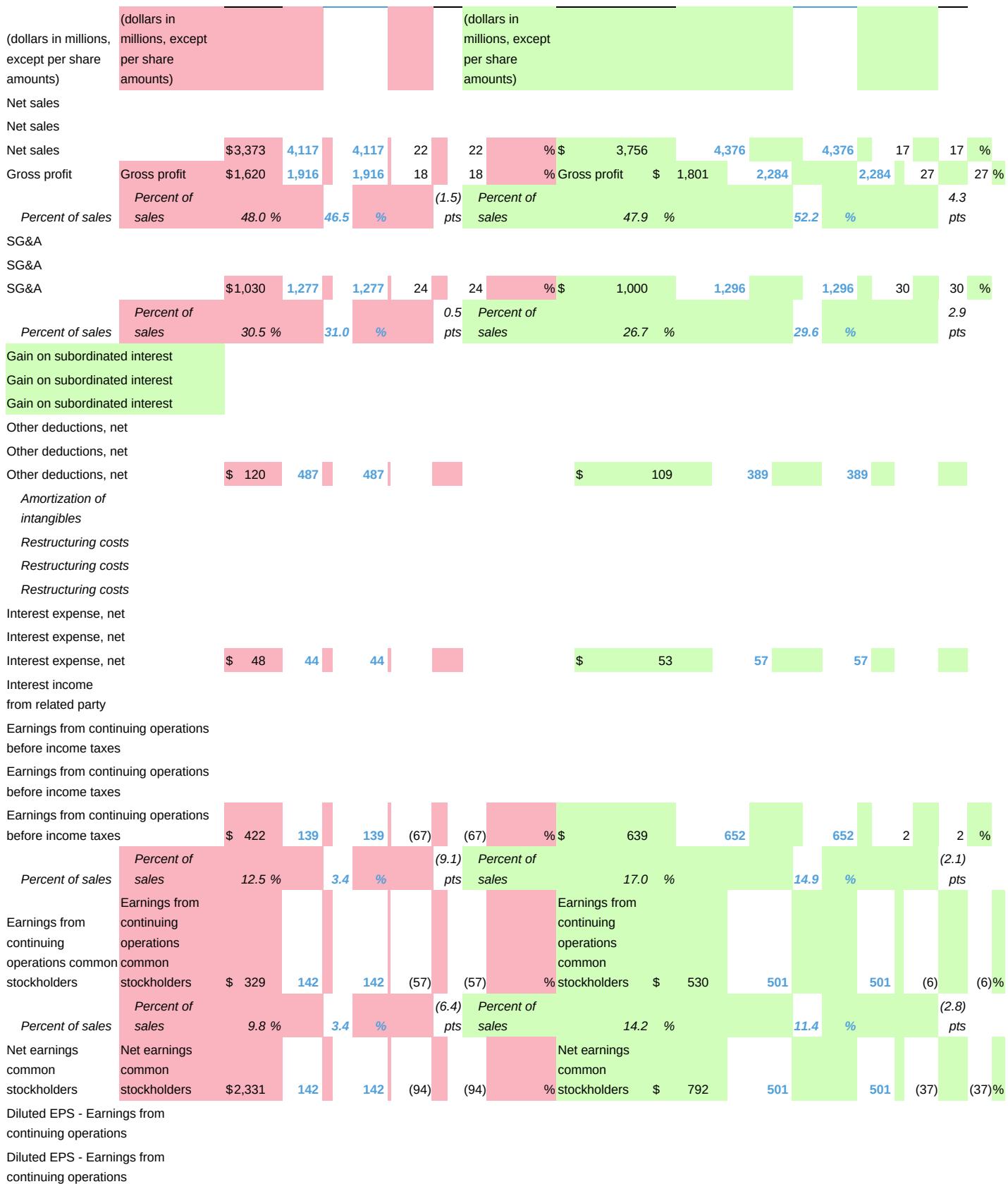
The table below summarizes the changes in adjusted diluted earnings per share from continuing operations. The items identified below are discussed throughout MD&A, see further discussion above and in the Business Segments and Financial Position sections below.

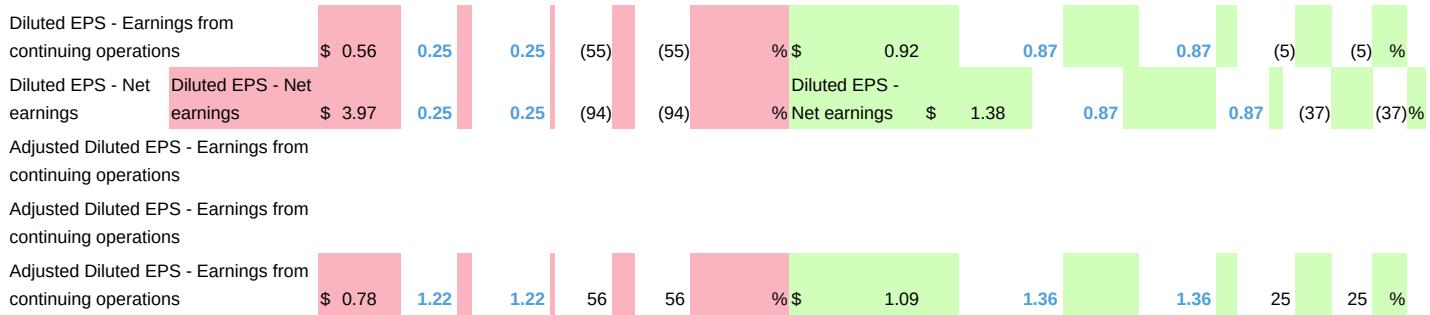
	Three Months Ended
Adjusted diluted earnings from continuing operations per share - Dec 31, 2022	\$ 0.78
March 31, 2023	1.09
Operations	0.33
Corporate and other	0.27
Stock compensation	0.02
Foreign currency	(0.08)
Pensions	(0.04)
Effective tax rate	(0.02)
Interest income from related party	(0.01)
	0.04
Effective tax rate	0.02
	(0.03)
Adjusted diluted earnings from continuing operations per share - Dec 31, 2023	\$ 1.22
March 31, 2024	1.36

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER MARCH 31

Following is an analysis of the Company's operating results for the **first** **second** quarter ended **December 31, 2022** **March 31, 2023**, compared with the **first** **second** quarter ended **December 31, 2023** **March 31, 2024**.

2022	2023	Change
2023	2024	Change





Net sales for the **first** **second** quarter of fiscal 2024 were **\$4.1** **billion** **\$4.4** **billion**, up **22** **17** percent compared with 2023. Intelligent Devices sales were up **11** **5** percent, while Software and Control sales were up **55** **56** percent, which included the impact of the Test & Measurement acquisition. Underlying sales were up **10** **8** percent on **8** **5** percent higher volume and **2** **3** percent higher price. Foreign currency translation had a 1 percent favorable **unfavorable** impact and the Test & Measurement acquisition added **12** percent and the divestiture of Metran, Emerson's Russia-based manufacturing subsidiary, deducted **1** **10** percent. Underlying sales were up **9** **2** percent in the U.S. and up **11** **12** percent internationally. The Americas

21

was up **8** **4** percent, Europe was up **10** **12** percent, and Asia, Middle East & Africa was up **15** **11** percent (China up **9** down **3** percent).

19

Cost of sales for the **first** **second** quarter of fiscal 2024 were **\$2,201**, **\$2,092**, an increase of **\$448** **\$137** compared with 2023, reflecting the impact of higher volume and the Test & Measurement acquisition. Gross margin of 46.5% decreased **1.5** **5.2** percent increased **4.3** percentage points, reflecting the impact from acquisition-related inventory step-up amortization of \$231, which negatively impacted margins by 5.6 percentage points. Excluding this impact, gross margin improved due to the Test & Measurement acquisition, higher price and leverage on higher price sales.

Selling, general and administrative (SG&A) expenses of **\$1,277** **\$1,296** increased **\$247** **\$296** and SG&A as a percent of sales increased **0.5** **2.9** percentage points to **31.0** **29.6** percent compared with the prior year, reflecting the impact of the Test & Measurement acquisition partially offset by lower and higher stock compensation expense, and partially offset by strong operating leverage on higher sales.

In the second quarter of fiscal 2024, the Company received its final distribution of \$79 related to its subordinated interest in Vertiv.

Other deductions, net were **\$487** **\$389** for the **first** **second** quarter of fiscal 2024, an increase of **\$367** **\$280** compared with the prior year. The current year included intangibles amortization related to the Test & Measurement acquisition of **\$139**, **141**, restructuring costs of **\$83**, acquisition/divestiture costs of **\$80** and **\$30**, a loss of **\$36** **\$59** on the Company's equity method investment in Copeland, Copeland and a divestiture loss of **\$39**. The prior year included a charge of \$47 related to the Company exiting its business in Russia and a mark-to-market gain of \$35 related to its equity investment in National Instruments Corporation and a mark-to-market loss of \$14 related to foreign currency forward contracts that were terminated in June 2023. See Note 7 and Note 10.

Pretax earnings from continuing operations of **\$139** decreased **\$283**, down **67** **\$652** increased **\$13**, up **2** percent compared with the prior year. Earnings increased **\$77** **\$72** in Intelligent Devices and decreased **\$38** **\$9** in Software and Control, see the Business Segments discussion that follows and Note 14.

Income taxes were **\$7** **\$149** in the **first** **second** quarter of fiscal 2024 and **\$98** **\$134** in 2023, resulting in effective tax rates of **5** **23** percent and **23** **21** percent, respectively. The current year rate included a \$57 (\$0.10 per share) benefit related to discrete tax items and the impact of inventory step-up amortization, which in total had a **16** was negatively impacted by approximately 2 percentage point impact on the rate. The prior year rate included a 2 percentage point unfavorable impact related points due to the Russia charge, loss on divestiture (see Note 4), which had no related was nondeductible for tax benefit purposes.

Earnings from continuing operations attributable to common stockholders were **\$142**, **\$501**, down **57** **6** percent, and diluted earnings per share from continuing operations were **\$0.25**, **\$0.87**, down **55** **5** percent compared with **\$0.56** **\$0.92** in the prior year. Adjusted diluted earnings per share from continuing operations were **\$1.22** **\$1.36** compared with **\$0.78** **\$1.09** in the prior year, reflecting strong operating results. See the analysis above of adjusted earnings per share for further details.

Earnings from discontinued operations were **\$2,002** **\$262** (**\$3.41** **0.46** per share) in the prior year, reflecting the \$2.1 billion after-tax gain on the InSinkErator divestiture. See Note 5.

Net earnings common stockholders in the **first** **second** quarter of fiscal 2024 were **\$142** **\$501** compared with **\$2,331** **\$792** in the prior year, and earnings per share were **\$0.25** **\$0.87** compared with **\$3.97** **\$1.38** 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, gains or losses on the Copeland equity method investment, 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.

2022

<u>Three Months Ended Dec 31</u>	2022	2023	Change
<u>Three Months Ended March 31,</u>	2023	2024	Change
Earnings from continuing operations before income taxes			
Earnings from continuing operations before income taxes			
Earnings from continuing operations before income taxes	\$ 422	139	139
Percent of sales	Percent of sales	12.5 %	3.4 %
			(9.1) pts
Interest expense, net			
Interest income from related party			
Interest income from related party			
Interest income from related party			
Amortization of intangibles			
Amortization of intangibles			
Amortization of intangibles			
Restructuring and related costs			
Restructuring and related costs			
Restructuring and related costs			
Acquisition/divestiture fees and related costs			
Acquisition/divestiture fees and related costs			
Acquisition/divestiture fees and related costs			
Amortization of acquisition-related inventory step-up			
Amortization of acquisition-related inventory step-up			
Amortization of acquisition-related inventory step-up			
Loss on divestiture of business			
Loss on divestiture of business			
Loss on divestiture of business			
Gain on subordinated interest			
Gain on subordinated interest			
Gain on subordinated interest			
National Instruments investment gain			
National Instruments investment gain			
National Instruments investment gain			
AspenTech Micromine purchase price hedge			
AspenTech Micromine purchase price hedge			
AspenTech Micromine purchase price hedge			
Loss on Copeland equity method investment			
Loss on Copeland equity method investment			

Loss on Copeland equity method investment

Russia business exit
Russia business exit
Russia business exit
AspenTech Micromine purchase price hedge gain
AspenTech Micromine purchase price hedge gain
AspenTech Micromine purchase price hedge gain

Adjusted EBITA from continuing operations

Adjusted EBITA from continuing operations

Adjusted EBITA from continuing operations

Percent of sales

Percent of sales

\$ 664	963	963	45	45	\$ 875	1,072	1,072	23
19.7 %	23.4 %	3.7 pts	Percent of sales	23.3 %	24.5 %	1.2 pts		

21 23

Business Segments

Following is an analysis of operating results for the Company's business segments for the **first** **second** quarter ended **December 31, 2022** **March 31, 2023**, compared with the **first** **second** quarter ended **December 31, 2023** **March 31, 2024**. The Company defines segment earnings as earnings before interest and taxes. See Note 14 for a discussion of the Company's business segments.

INTELLIGENT DEVICES

	2022	2023	Change	FX	Acq/Div	U/L		2022	2023	Change	FX	Acq/Div	U/L		
	2023	2024	Change	FX	Acq/Div	U/L		2023	2024	Change	FX	Acq/Div	U/L		
Sales:															
Sales:															
Sales:															
Final Control															
Final Control	\$ 862	940	940	9	9	% (1)%	1	% 9 %	\$ 992	1,051	1,051	6	6 %	1 %	
Measurement & Analytical	749	947	947	26	26	% — %	2	% 28 %	Measurement & Analytical	888	1,013	1,013	14	14 %	1 %
Discrete Automation	618	613	613	(1)	(1)	% (1)%	—	% (2)%	Discrete Automation	683	632	632	(8)	(8)%	1 %
Safety & Productivity	310	322	322	4	4	% (1)%	—	% 3 %	Safety & Productivity	361	365	365	1	1 %	— %
Total	Total	\$2,539	2,822	2,822	11	11 % (1)%	1	% 11 %	Total	\$2,924	3,061	3,061	5	5 %	1 %

Earnings:

Earnings:

Earnings:

Final Control

Final Control

Final Control

Measurement & Analytical

Measurement & Analytical

Measurement & Analytical

Discrete Automation

Discrete Automation

Discrete Automation

Safety & Productivity

Safety & Productivity
Safety & Productivity
Total
Total
Total
Margin
Margin
Margin
Amortization of intangibles:
Amortization of intangibles:
Amortization of intangibles:
Final Control
Final Control
Final Control
Measurement & Analytical
Measurement & Analytical
Measurement & Analytical
Discrete Automation
Discrete Automation
Discrete Automation
Safety & Productivity
Safety & Productivity
Safety & Productivity
Total
Total
Total
Restructuring and related
costs:
Restructuring and related
costs:
Restructuring and related
costs:
Final Control
Final Control
Final Control
Measurement & Analytical
Measurement & Analytical
Measurement & Analytical
Discrete Automation
Discrete Automation
Discrete Automation
Safety & Productivity
Safety & Productivity
Safety & Productivity
Total
Total
Total
Adjusted EBITA
Adjusted EBITA
Adjusted EBITA
Adjusted EBITA Margin

Adjusted EBITA Margin

Adjusted EBITA Margin

Intelligent Devices sales were \$2.8 billion \$3.1 billion in the first second quarter of 2024, an increase of \$283, \$137, or 11.5 percent. Underlying sales increased 11.6 percent on 9.3 percent higher volume and 2.3 percent higher price. Underlying sales increased 6.4 percent in the Americas, Europe increased 14.6 percent and Asia, Middle East & Africa was up 18.9 percent (China up 10 down 5 percent). Final Control sales increased \$7859, or 9.6 percent, reflecting strength in energy and power end markets, particularly in Asia, Middle East & Africa. Sales for Measurement & Analytical increased \$198125, or 26.14 percent, reflecting robust growth in all geographies and strong backlog conversion. Discrete Automation sales decreased \$5, \$51, or 1.8 percent, reflecting softness in the Americas and Asia, Middle East & Africa. all geographies driven in part by lower factory automation demand. Safety & Productivity sales increased \$12, \$4, or 4.1 percent, reflecting solid demand as modest growth in Europe and strength in Asia, Middle East & Africa was largely offset by softness in the Americas and Europe. Americas. Earnings for Intelligent Devices were \$594732, an increase of \$7772, or 1.511 percent, and margin increased 0.61.3 percentage points to 21.0 23.9 percent. Adjusted EBITA margin was 23.8 25.6 percent, an increase of 1.61.0 percentage points, reflecting leverage on higher sales, favorable mix and favorable price less net material inflation, partially offset by higher headcount and increases in other costs.

22 24

SOFTWARE AND CONTROL

	2022	2023	Change	FX	Acq/Div	U/L		2022	2023	Change	FX	Acq/Div	U/L	
	2023	2024	Change	FX	Acq/Div	U/L		2023	2024	Change	FX	Acq/Div	U/L	
Sales:														
Sales:														
Sales:														
Control Systems & Software														
Control Systems & Software														
Control Systems & Software	\$606	675	675	11	11	(1)%	1	623	687	687	11	11	1%	
Test & Measurement														
AspenTech														
AspenTech														
AspenTech	243	257	257	6	6	%	—	230	278	278	21	21	%	
Total	Total	\$849	1,314	1,314	55	55	(1)%	(45)	9	Total	\$853	1,332	1,332	56
Earnings:														
Earnings:														
Earnings:														
Control Systems & Software														
Control Systems & Software														
Control Systems & Software														
Test & Measurement														
Test & Measurement														
Test & Measurement														
AspenTech														
AspenTech														
AspenTech														
Total	Total													
Total	Total													
Total	Total													
Margin														
Margin														
Margin														
Amortization of intangibles:														
Amortization of intangibles:														
Amortization of intangibles:														

Control Systems & Software

Control Systems & Software

Control Systems & Software

Test & Measurement

Test & Measurement

Test & Measurement

AspenTech

AspenTech

AspenTech

Total

Total

Total

Restructuring and related costs:

Restructuring and related costs:

Restructuring and related costs:

Control Systems & Software

Control Systems & Software

Control Systems & Software

Test & Measurement

Test & Measurement

Test & Measurement

AspenTech

AspenTech

AspenTech

Total

Total

Total

Adjusted EBITA

Adjusted EBITA

Adjusted EBITA

Adjusted EBITA Margin

Adjusted EBITA Margin

Adjusted EBITA Margin

Software and Control sales were \$1,314 \$1,332 in the first second quarter of 2024, an increase of \$465, \$479, or 55.56 percent compared to the prior year, reflecting the impact of the Test & Measurement acquisition and strong growth in Control Systems & Software. Underlying sales were up 9.14 percent on 7.11 percent higher volume and 2.3 percent higher price. Underlying sales increased 14.4 percent in the Americas, 2.31 percent in Europe and 9.20 percent in Asia, Middle East & Africa (China up 4.9 percent). Control Systems & Software sales increased \$69, \$64, or 11 percent, reflecting robust global strong international demand in process end markets and strong demand in power end markets in the Americas and Asia, Middle East & Africa. Americas. Test & Measurement sales were \$382 \$367 in the first second quarter, reflecting the impact of the acquisition. AspenTech sales increased \$14, \$48, or 6.21 percent, primarily due to higher maintenance license and services maintenance revenue. Earnings for Software and Control decreased \$38, \$9, down 51.14 percent, and margin decreased 5.9 3.9 percentage points due to the Test & Measurement loss which reflected significant intangibles amortization and restructuring. Adjusted EBITA margin increased 2.3 2.6 percentage points, reflecting leverage on higher sales and higher price and favorable mix. price.

23 25

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED MARCH 31

Following is an analysis of the Company's operating results for the six months ended March 31, 2023, compared with the six months ended March 31, 2024.

	2023	2024	Change
--	------	------	--------

(dollars in millions, except per share amounts)				
Net sales	\$ 7,129	8,493	19 %	
Gross profit	\$ 3,421	4,200	23 %	
Percent of sales	48.0 %	49.5 %	1.5 pts	
SG&A	\$ 2,030	2,573	27 %	
Percent of sales	28.5 %	30.3 %	1.8 pts	
Gain on subordinated interest	\$ —	(79)		
Other deductions, net	\$ 229	876		
Amortization of intangibles	\$ 237	547		
Restructuring costs	\$ 29	113		
Interest expense, net	\$ 101	101		
Interest income from related party	\$ —	(62)		
Earnings from continuing operations before income taxes	\$ 1,061	791	(25)%	
Percent of sales	14.9 %	9.3 %	(5.6) pts	
Earnings from continuing operations common stockholders	\$ 859	643	(25)%	
Percent of sales	12.0 %	7.6 %	(4.4) pts	
Net earnings common stockholders	\$ 3,123	643	(79)%	
Diluted EPS - Earnings from continuing operations	\$ 1.48	1.12	(24)%	
Diluted EPS - Net earnings	\$ 5.38	1.12	(79)%	
Adjusted Diluted EPS - Earnings from continuing operations	\$ 1.86	2.58	39 %	

Net sales for the first six months of 2024 were \$8.5 billion, up 19 percent compared with 2023. Intelligent Devices sales were up 8 percent, while Software and Control sales were up 56 percent, which included the impact of the Test & Measurement acquisition. Underlying sales were up 9 percent on 6.5 percent higher volume and 2.5 percent higher price. Foreign currency translation had a negligible impact, the Test & Measurement acquisition added 11 percent and the divestiture of Metran deducted 1 percent. Underlying sales increased 6 percent in the U.S. and increased 12 percent internationally. The Americas was up 6 percent, Europe was up 11 percent and Asia, Middle East & Africa was up 13 percent (China was up 3 percent).

Cost of sales for 2024 were \$4,293, an increase of \$585 versus \$3,708 in 2023, reflecting the impact of higher volume and the Test & Measurement acquisition. Gross margin of 49.5 percent increased 1.5 percentage points, reflecting the Test & Measurement acquisition, higher price and leverage on higher sales, partially offset by the impact from acquisition-related inventory step-up amortization of \$231, which negatively impacted margins by approximately 2.7 percentage points.

SG&A expenses of \$2,573 increased \$543 and SG&A as a percent of sales increased 1.8 percentage points to 30.3 percent, reflecting the impact of the Test & Measurement acquisition, partially offset by strong operating leverage on higher sales.

In the second quarter of fiscal 2024, the Company received its final distribution of \$79 related to its subordinated interest in Vertiv.

Other deductions, net were \$876 in 2024, an increase of \$647 compared with the prior year. The current year included intangibles amortization related to the Test & Measurement acquisition of \$280, restructuring costs of \$113, acquisition/divestiture costs of \$85, a loss of \$95 on the Company's equity method investment in Copeland and a divestiture loss of \$39. The prior year included a charge of \$47 related to the Company exiting its business in Russia, a mark-to-market gain of \$35 related to its equity investment in National Instruments Corporation and a mark-to-market gain of \$21 related to foreign currency forward contracts that were terminated in June 2023. See Note 7 and Note 10.

Pretax earnings from continuing operations of \$791 decreased \$270 compared with prior year. Earnings increased \$149 in Intelligent Devices and decreased \$47 in Software and Control, see the Business Segments discussion that follows and Note 14.

Income taxes were \$156 in the first six months of fiscal 2024 and \$232 in 2023, resulting in effective tax rates of 20 percent and 22 percent, respectively. The current year rate included a \$57 (\$0.10 per share) benefit related to discrete tax items, partially offset by unfavorable impacts from inventory step-up amortization and the loss on divestiture noted above. In total, the net impact of these items benefited the rate by approximately 1 percentage point.

Earnings from continuing operations attributable to common stockholders were \$643, down 25 percent compared with the prior year, and diluted earnings per share from continuing operations were \$1.12, down 24 percent compared with \$1.48 in 2023. See the analysis above of adjusted earnings per share for further details.

Earnings from discontinued operations were \$2,264 (\$3.90 per share) in the prior year, reflecting the \$2.1 billion after-tax gain on the InSinkErator divestiture. See Note 5.

Net earnings common stockholders were \$643 (\$1.12 per share) compared with \$3,123 (\$5.38 per share) in the prior year.

The table below presents the Company's diluted earnings per share on an adjusted basis to facilitate period-to-period comparisons and provide additional insight into the underlying, ongoing operating performance of the Company.

Six Months Ended March 31,	2023	2024
Diluted earnings from continuing operations per share	\$ 1.48	1.12
Amortization of intangibles	0.30	0.73
Restructuring and related costs	0.06	0.17
Discrete taxes	—	(0.10)
Amortization of acquisition-related inventory step-up	—	0.38
Acquisition/divestiture fees and related costs	0.01	0.19
Loss on divestiture of business	—	0.07
Gain on subordinated interest	—	(0.10)
National Instruments investment gain	(0.05)	—
AspenTech Micromine purchase price hedge	(0.02)	—
Loss on Copeland equity method investment	—	0.12
Russia business exit charge	0.08	—
Adjusted diluted earnings from continuing operations per share	\$ 1.86	2.58

27

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

	Six Months Ended
Adjusted diluted earnings from continuing operations per share - March 31, 2023	\$ 1.86
Operations	0.59
Corporate and other	0.03
Stock compensation	0.05
Foreign currency	(0.02)
Pensions	(0.02)
Effective tax rate	(0.01)
Interest income from related party	0.08
Share count	0.02
Adjusted diluted earnings from continuing operations per share - March 31, 2024	\$ 2.58

The table below, which shows results on an adjusted EBITA basis, is intended to supplement the Company's discussion of its results of operations herein.

Six Months Ended March 31,	2023	2024	Change
Earnings from continuing operations before income taxes	\$ 1,061	791	(25)%
Percent of sales	14.9 %	9.3 %	(5.6) pts
Interest expense, net	101	101	—
Interest income from related party	—	(62)	—
Amortization of intangibles	335	645	—

Restructuring and related costs	41	120		
Acquisition/divestiture fees and related costs	10	154		
Loss on divestiture of business	—	39		
Amortization of acquisition-related inventory step-up	—	231		
Gain on subordinated interest	—	(79)		
National Instruments investment gain	(35)	—		
AspenTech Micromine purchase price hedge	(21)	—		
Loss on Copeland equity method investment	—	95		
Russia business exit charge	47	—		
Adjusted EBITA from continuing operations	\$ 1,539	2,035	32 %	
<i>Percent of sales</i>	21.6 %	24.0 %	2.4 pts	

Business Segments

Following is an analysis of operating results for the Company's business segments for the six months ended March 31, 2023, compared with the six months ended March 31, 2024. 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 14.

28

INTELLIGENT DEVICES

	2023	2024	Change	FX	Acq/Div	U/L
Sales:						
Final Control	\$ 1,854	1,991	7 %	— %	1 %	8 %
Measurement & Analytical	1,637	1,960	20 %	— %	2 %	22 %
Discrete Automation	1,301	1,245	(4)%	(1)%	— %	(5)%
Safety & Productivity	671	687	2 %	— %	— %	2 %
Total	\$ 5,463	5,883	8 %	— %	— %	8 %
Earnings:						
Final Control	\$ 373	453	22 %			
Measurement & Analytical	404	509	26 %			
Discrete Automation	254	213	(16)%			
Safety & Productivity	146	151	3 %			
Total	\$ 1,177	1,326	13 %			
Margin		21.5 %	22.5 %	1.0 pts		
Amortization of intangibles:						
Final Control	\$ 44	44				
Measurement & Analytical	10	32				
Discrete Automation	14	17				
Safety & Productivity	13	13				
Total	\$ 81	106				
Restructuring and related costs:						
Final Control	\$ 13	—				
Measurement & Analytical	1	4				
Discrete Automation	8	17				
Safety & Productivity	2	1				
Total	\$ 24	22				
Adjusted EBITA	\$ 1,282	1,454	13 %			

Adjusted EBITA Margin	23.5 %	24.7 %	1.2 pts
-----------------------	--------	--------	---------

Intelligent Devices sales were \$5.9 billion in the first six months of 2024, an increase of \$420, or 8 percent. Underlying sales increased 8 percent on 6 percent higher volume and 2 percent higher price. Underlying sales increased 5 percent in the Americas, Europe increased 10 percent, and Asia, Middle East & Africa was up 13 percent (China up 2 percent). Final Control sales increased \$137, or 7 percent, reflecting strength in energy and power end markets. Sales for Measurement & Analytical increased \$323, or 20 percent, reflecting robust growth in all geographies and strong backlog conversion. Discrete Automation sales decreased \$56, or 4 percent, reflecting softness in all geographies. Safety & Productivity sales increased \$16, or 2 percent, reflecting slight growth in the Americas, moderate growth in Europe and strength in Asia, Middle East & Africa. Earnings for Intelligent Devices were \$1,326, an increase of \$149, or 13 percent, and margin increased 1.0 percentage points to 22.5 percent. Adjusted EBITA margin was 24.7 percent, an increase of 1.2 percentage points, reflecting leverage on higher sales, favorable mix and favorable price less net material inflation, partially offset by increases in other costs.

29

SOFTWARE AND CONTROL

	2023	2024	Change	FX	Acq/Div	U/L
Sales:						
Control Systems & Software	\$ 1,229	1,362	11 %	— %	— %	11 %
Test & Measurement	—	749	— %			
AspenTech	473	535	13 %	— %	— %	13 %
Total	\$ 1,702	2,646	56 %	— %	(44)%	12 %
Earnings:						
Control Systems & Software	\$ 234	300	29 %			
Test & Measurement	—	(157)	— %			
AspenTech	(87)	(43)	50 %			
Total	\$ 147	100	(32)%			
Margin	8.6 %	3.8 %	(4.8) pts			
Amortization of intangibles:						
Control Systems & Software	\$ 11	16				
Test & Measurement	—	280				
AspenTech	243	243				
Total	\$ 254	539				
Restructuring and related costs:						
Control Systems & Software	\$ 6	4				
Test & Measurement	—	56				
AspenTech	—	—				
Total	\$ 6	60				
Adjusted EBITA	\$ 407	699	72 %			
Adjusted EBITA Margin	23.9 %	26.4 %	2.5 pts			

Software and Control sales were \$2,646 in the first six months of 2024, an increase of \$944, or 56 percent compared to the prior year, reflecting the impact of the Test & Measurement acquisition. Underlying sales were up 12 percent on 9 percent higher volume and 3 percent higher price. Underlying sales increased 9 percent in the Americas, 16 percent in Europe and 14 percent in Asia, Middle East & Africa (China up 7 percent). Control Systems & Software sales increased \$133, or 11 percent, reflecting global strength in process end markets while power end markets were up strong in the Americas and Europe. Test & Measurement sales were \$749 in the first six months of 2024, reflecting the acquisition. AspenTech sales increased \$62, or 13 percent, reflecting higher license, maintenance and services revenue. Earnings for Software and Control decreased \$47, down 32 percent, and margin decreased 4.8 percentage points, reflecting the impact from \$280 of incremental intangibles amortization related to the Test & Measurement acquisition. Adjusted EBITA margin increased 2.5 percentage points, reflecting leverage on higher sales and higher price.

30

FINANCIAL CONDITION

Key elements of the Company's financial condition as of and for the three six months ended December 31, 2023 March 31, 2024 as compared to the year ended September 30, 2023 and the three six months ended December 31, 2022 March 31, 2023 follow.

	Dec 31, 2022	Sept 30, 2023	Dec 31, 2023	Mar 31, 2023	Sept 30, 2023	Mar 31, 2024
Operating working capital						
Current ratio						
Total debt-to-total capital	Total debt-to-total capital 48.1 %	28.3 %	34.4 %	Total debt-to-total capital 47.1 %	28.3 %	34.0 %
Net debt-to-net capital	Net debt-to-net capital 41.7 %	0.5 %	29.8 %	Net debt-to-net capital 41.6 %	0.5 %	28.8 %
Interest coverage ratio	Interest coverage ratio 7.3 X	11.5 X	2.6 X	Interest coverage ratio 8.6 X	11.5 X	5.5 X

Operating working capital increased due to the acquisition of NI and changes in accrued expenses and higher inventory levels to support sales growth. As of December March 31, 2024, Emerson's cash and equivalents totaled \$2,076, \$2,318, which included approximately \$180 attributable to AspenTech. The cash held by AspenTech is intended to be used for its own purposes and is not available to return to Emerson shareholders.

The current ratio decreased compared to September 30, 2023, reflecting the decrease in cash and increase in short-term borrowings used to support the NI acquisition. The interest coverage ratio (earnings before income taxes plus interest expense, divided by interest expense) of 2.6X 5.5X for the first three six months of fiscal 2024 compares to 7.3X 8.6X for the three six months ended December 31, 2022 March 31, 2023, reflecting lower GAAP pretax earnings largely due to the NI acquisition. Excluding the impact from acquisition-related inventory step-up amortization of \$231, higher intangibles amortization of \$156, \$310, acquisition/divestiture fees and related costs of \$134, \$154, higher restructuring and related costs of \$72, and \$79, the loss of \$36 \$95 on the Copeland equity method investment and the gain on subordinated interest of \$79, the interest coverage ratio was 10.1X.

Operating cash flow from continuing operations for the first three six months of fiscal 2024 was \$444, \$1,201, an increase of \$142 \$324 compared with \$302 \$877 in the prior year, reflecting higher earnings (excluding the impact of items related to the NI acquisition). Acquisition-related costs and integration activities negatively impacted operating cash flow in the current year by approximately \$100, \$170. AspenTech generated operating cash flow of approximately \$30 \$170 compared to \$50 approximately \$180 in the prior year. Free cash flow from continuing operations of \$367 \$1,042 in the first three six months of fiscal 2024 (operating cash flow of \$444 \$1,201 less capital expenditures of \$77 \$159) increased \$124 \$286 compared to free cash flow of \$243 \$756 in 2023 (operating cash flow of \$302 \$877 less capital expenditures of \$59 \$121), reflecting the increase in operating cash flow, partially offset by higher capital expenditures. Cash used in investing activities from continuing operations was \$8,453, \$8,490, reflecting the acquisition of NI. Cash provided by financing activities from continuing operations was \$2,055, \$1,613, reflecting an increase in short-term borrowings of \$2,647, \$2,464, partially offset by share repurchases and dividends.

Total cash provided by operating activities was \$415 \$1,158 including the impact of discontinued operations, and decreased \$3 increased \$672 compared with \$418 \$486 in the prior year.

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 \$47 billion \$46 billion and common stockholders' equity of \$21 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.

2431

FISCAL 2024 OUTLOOK

For the full year, consolidated net sales from continuing operations are expected to be up 14.5 15 percent to 17 16 percent, with underlying sales up 4.5 5.5 percent to 6.5 percent excluding a 10 to 10.5 percent impact from the NI acquisition, acquisition and a 0.5 percent unfavorable impact from foreign currency. Earnings per share from continuing operations are expected to be \$2.80 \$2.98 to \$2.95 \$3.08, while adjusted earnings per share from continuing operations are expected to be \$5.30 \$5.40 to \$5.45 \$5.50 (see the following reconciliation).

Outlook for Fiscal 2024 Earnings Per Share

	2024
Diluted earnings from continuing operations per share	\$2.80 2.98 - \$2.95 \$3.08
Amortization of intangibles	- 1.42 1.43
Restructuring and related costs	- 0.34 0.32
Loss on Copeland equity method investment	- 0.20 0.19
Amortization of acquisition-related inventory step-up	- 0.38
Acquisition/divestiture fees and related costs	- 0.26 0.23
Divestiture loss / (gain), net	(0.03)
Discrete tax benefits	(0.10)
Adjusted diluted earnings from continuing operations per share	\$5.30 - \$5.45 \$5.40 - \$5.50

Operating cash flow from continuing operations is expected to be \$3.0 to approximately \$3.1 billion and free cash flow from continuing operations, which excludes projected capital spending of approximately \$0.4 billion, is expected to be \$2.6 to approximately \$2.7 billion. The fiscal 2024 outlook assumes approximately \$500 million returned to shareholders through share repurchases and approximately \$1.2 billion of dividend payments.

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 scope, duration and ultimate impacts of the Russia-Ukraine and other global conflicts, as well as economic and currency conditions, market demand, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, and 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, 2023 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.

2532

PART II. OTHER INFORMATION

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

(c) Issuer Purchases Neither the Company nor any "affiliated purchaser" repurchased any shares of Equity Securities (shares in 000s) Company common stock during the three-month period ended March 31, 2024.

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
	Purchased			
October 2023	1,869	\$93.63	1,869	31,415
November 2023	—	\$0.00	—	31,415
December 2023	—	\$0.00	—	31,415
Total	1,869	\$93.63	1,869	31,415

In March 2020, the Board of Directors authorized the purchase of 60 million shares and a total of approximately 31.4 shares remain available for purchase under the authorization.

Item 5. Other Information

During the three-month period ended **December 31, 2023** **March 31, 2024**, none of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

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

10.1 [Letter Agreement dated November 28, 2023 between Emerson Electric Co. and Sara Y. Bosco](#), 2024 Equity Incentive Plan, incorporated by reference to the Company's Form 8-K filed on November 30, 2023 Emerson Electric Co. 2024 Proxy Statement dated December 8, 2023, File No. 1-278, [Exhibit 10.1](#)

10.2 [Second Amendment to the Emerson Electric Co. 2006 Incentive Shares Plan](#).

10.3 [First Amendment to the Emerson Electric Co. 2015 Incentive Shares Plan Appendix C](#).

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 and six months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, (ii) Consolidated Statements of Comprehensive Income for the three and six months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, (iii) Consolidated Balance Sheets as of September 30, 2023 and **December 31, 2023** **March 31, 2024**, (iv) Consolidated Statements of Equity for the three and six months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, (v) Consolidated Statements of Cash Flows for the three six months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, and (vi) Notes to Consolidated Financial Statements for the three and six months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**.

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

26 33

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/ M. J. Baughman

M. J. Baughman

Executive Vice President, Chief Financial Officer

and Chief Accounting Officer

(on behalf of the registrant and as Chief Financial Officer)

February 7, 2024

27 34

Exhibit 10.2

SECOND AMENDMENT TO THE EMERSON ELECTRIC CO. 2006 INCENTIVE SHARES PLAN

WHEREAS, Emerson Electric Co. ("Company") previously adopted the Emerson Electric Co. 2006 Incentive Shares Plan (as amended, the "Plan"); and

WHEREAS, the Compensation Committee of the Board of Directors of the Company has authority to amend the Plan pursuant to Section 13 therein; and

WHEREAS, the Company desires to amend the Plan to reduce the minimum performance period and Restriction Period from three years to one year.

NOW, THEREFORE, effective as of the date hereof, the Plan is amended as follows:

1. Section 4 of the Plan is deleted in its entirety and replaced with the following:

4. PERFORMANCE SHARES; PERFORMANCE PERIOD. The Committee, in its discretion, may award all or any part of the Shares covered by the Plan as units representing Performance Shares. The maximum number of Performance Shares which may be awarded to any individual for any performance period shall be 800,000 shares (subject to the anti-dilution provisions in Section 3). Any award of Performance Shares to a Participant for a specified performance period under the Plan which is cancelled as provided in Section 3 shall continue to be counted against the maximum number of Performance Shares which may be granted to such Participant for such period. Performance Shares shall not be issued at the time of award, but the award of units shall represent the right to receive payment (as determined by the Committee pursuant to Section 6 hereof) if specified performance objectives are achieved. The performance objectives may be established from time to time by the Committee. Performance objectives need not be the same in respect of all Participants and may be established separately for the Company as a whole or for its various groups, divisions, subsidiaries and affiliates, all as the Committee may determine, in its discretion. The performance objectives shall be established at the beginning of the applicable performance period and shall be based upon one or more of the following criteria: sales, earnings, earnings per share, net earnings, pre-tax earnings, earnings before interest and taxes, return on equity, return on total capital and asset management. The performance criteria 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 earnings, all as the Committee may deem necessary or desirable to accomplish the purposes of the performance program. Except as provided in Section 12 hereof, the performance period for which achievement of any performance objective shall be determined shall not be less than one year. Awards of Performance Shares may be conditioned on the Participant's continued employment by the Company or a subsidiary or affiliate over the performance period or in any other manner the Committee may determine.

2. Section 9 of the Plan is deleted in its entirety and replaced with the following:

9. RESTRICTED SHARES. In addition to Performance Shares the Committee may grant to eligible Participants shares covered by the Plan which are not subject to performance programs or performance objectives. Such other share grants shall be Restricted Shares.

Unless otherwise approved by the Committee, Restricted Shares shall be forfeitable if the holder resigns or is discharged from the employ of the Company (or a subsidiary or affiliate, or a subsidiary of a subsidiary or affiliate, as the case may be) during a Restriction Period specified by the Committee, which shall be not less than one year from the date of the award. Such shares shall be forfeitable on such other terms and conditions as may be specified by the Committee in an award agreement which shall be signed by the Participant at the time of the award. After the grant of any such award the Committee, in its discretion, may waive any of the terms and conditions thereof and may reduce the Restriction Period applicable thereto; provided, however, that the Committee shall not reduce such period to less than one year; and provided further, however, that in the event any Change of Control (as hereinafter defined) shall occur the Restriction Period applicable to all Restricted Shares then outstanding shall be accelerated and be deemed to be satisfied so that the holders of such Restricted Shares

Exhibit 10.2

shall immediately, and without any action by the Committee, hold said Shares fully vested and without any continuing restrictions thereon, excepting, however, such restrictions, if any, as may then be applicable under state or federal securities laws.

Approved by the Compensation Committee of the Board of Directors on October 17, 2023.

Exhibit 10.3

**AMENDMENT TO THE
EMERSON ELECTRIC CO.
2015 INCENTIVE SHARES PLAN**

WHEREAS, Emerson Electric Co. ("Company") previously adopted the Emerson Electric Co. 2015 Incentive Shares Plan (as amended, the "Plan"); and

WHEREAS, the Compensation Committee of the Board of Directors of the Company has authority to amend the Plan pursuant to Section 13 therein; and

WHEREAS, the Company desires to amend the Plan to reduce the minimum performance period and Restriction Period from three years to one year.

NOW, THEREFORE, effective as of the date hereof, the Plan is amended as follows:

1. Section 4 of the Plan is deleted in its entirety and replaced with the following:

4. PERFORMANCE SHARES; PERFORMANCE PERIOD; PERFORMANCE OBJECTIVES. The Committee, in its discretion, may award all or any part of the Shares covered by the Plan as units representing Performance Shares. The maximum number of Performance Shares which may be awarded to any individual for any fiscal year shall be 2,000,000 shares (subject to the anti-dilution provisions in Section 3). Any award of Performance Shares to a Participant for a specified performance period under the Plan which is cancelled as provided in Section 3 shall continue to be counted against the maximum number of Performance Shares which may be granted to such Participant for such period. Performance Shares shall not be issued at the time of award, but the award of units shall represent the right to receive payment (as determined by the Committee pursuant to Section 6 hereof) if one or more specified performance objectives are achieved. The performance objectives may be established from time to time by the Committee. Performance objectives need not be the same in respect of all Participants and may be established separately for the Company as a whole or for its various groups, divisions, subsidiaries and affiliates, all as the Committee may determine, in its discretion. The performance objectives shall be established at the beginning of the applicable performance period and shall be based upon one or more of the following criteria: sales, profit, operating profit, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, pre-tax earnings, earnings, net earnings, any related margins, earnings per share, 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 and geographic expansion.

The performance criteria 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 performance program. Except in the case of Acquisition Awards or as provided in Section 12 hereof, the performance period for which achievement of any performance objective shall be determined shall not be less than one year. Performance periods may overlap. Awards of Performance Shares may be conditioned on the Participant's continued employment by the Company or a subsidiary or affiliate over the performance period or in any other manner the Committee may determine.

2. Section 9 of the Plan is deleted in its entirety and replaced with the following:

9. RESTRICTED SHARES AND RESTRICTED STOCK UNITS. In addition to Performance Shares, the Committee may grant to eligible Participants shares covered by the Plan which are not subject to performance programs or performance objectives. Such other share grants shall be Restricted Shares, provided that the Committee may, in its discretion, award Restricted Stock Units in lieu of Restricted Shares. An award of Restricted

Exhibit 10.3

Shares is an award of actual shares of Common Stock subject to restrictions and forfeiture. A Restricted Stock Unit represents the right to receive one share of Common Stock on the terms and conditions set forth herein.

Except as provided for in Section 12, or as otherwise approved by the Committee, Restricted Shares and Restricted Stock Units shall be forfeitable if the holder resigns or is discharged from the employ of the Company (or a subsidiary or affiliate, or a subsidiary of a subsidiary or affiliate, as the case may be) during a Restriction Period specified by the Committee, which Restriction Period shall be, except in the case of an Acquisition Award, not less than one year from the date of the award. Such Restricted Shares and Restricted Stock Units (including any dividend equivalents thereon) shall be issued and delivered in accordance with, forfeitable based upon, and otherwise subject to such other terms and conditions as may be specified by the Committee in an award agreement, which shall be signed by the Participant at the time of the award, or in any other written instrument delivered to the Participant therewith or referenced therein. After the grant of any such award, the Committee, in its discretion, may waive any of the terms and conditions thereof and may reduce the Restriction Period applicable thereto; provided, however, that the Committee shall not reduce such period to less than one year (other than for an Acquisition Award or as provided for in Section 12). The Committee may, in its discretion, require or permit Participants to elect to defer the settlement of Restricted Stock

Units, and any dividend equivalents associated therewith, under such rules and procedures as it may establish under this Plan, an award agreement, or such other program as it may establish for such purpose.

Approved by the Compensation Committee of the Board of Directors on October 17, 2023.

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 7, May 8, 2024

Certification

I, M. J. Baughman, 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:

- 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;
- 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;
- 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
- 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:

- 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
- 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/ M. J. Baughman

M. J. Baughman
Executive Vice President,
Chief Financial Officer and
Chief Accounting Officer
Emerson Electric Co.

February 7, May 8, 2024

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, 2023 March 31, 2024, 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:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 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 7, May 8, 2024

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, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M.J. Baughman, 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/ M. J. Baughman

M. J. Baughman
Executive Vice President,
Chief Financial Officer and
Chief Accounting Officer
Emerson Electric Co.
February 7, May 8, 2024

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.