

2026 Q2 Earnings

May 5, 2026



Safe Harbor Statement

Statements in this presentation and our commentary and responses to questions that are not strictly historical may be “forward-looking” statements, which represent management’s expectations, based on currently available information. Actual results, performance or achievements could differ materially from those expressed in any forward-looking statement. Any forward-looking statements in this presentation speak only as of the date of this presentation. Emerson undertakes no obligation to update any such statements to reflect new information or later developments. Examples of risks and uncertainties that may cause our actual results or performance to be materially different from those expressed or implied by forward-looking statements include the scope, duration and ultimate impacts of the Russia-Ukraine, Middle East and other global conflicts, as well as economic and currency conditions, market demand, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, inflation, among others, as set forth in the Company’s most recent Annual Report on Form 10-K and subsequent reports filed with the SEC. The outlook contained herein represents the Company’s expectation for its consolidated results, other than as noted herein.

Non-GAAP Measures

In this presentation we will discuss certain non-GAAP measures in talking about our company’s performance, and the reconciliation of those measures to the most comparable GAAP measures is contained within this presentation or available at our website, www.Emerson.com, under Investors. While we believe these non-GAAP financial measures are useful in evaluating our company’s performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Further, these non-GAAP financial measures may differ from similarly titled measures presented by other companies. The reasons management believes that these non-GAAP financial measures provide useful information are set forth in the Company’s most recent Form 10-K filed with the Securities and Exchange Commission and in the press release furnished on Form 8-K on the date of this presentation.

Continuing Operations

All financial metrics in this presentation are on a continuing operations basis, unless otherwise noted.

Jennifer Newstead to Join Emerson's Board of Directors

Effective August 3, 2026 | Board will expand to 11 members



Senior Vice President
and General Counsel

Apple

Committee Participation

Compensation Committee &
Corporate Governance and Nominating Committee

Key Skills and Experience



Corporate
Governance



Global
Business



Technology, Innovation
and Cybersecurity

Key Messages



End-Market Demand

Q2 underlying orders growth of 5%

Sustained robust demand in Software & Systems, led by our growth verticals

Strength in North America and India



Full Year 2026 Guidance

Updating sales growth to ~4.5%, ~3% underlying, due to the Middle East conflict

Adjusted segment EBITA margin of ~28%

Adjusted EPS of \$6.45 – \$6.55

Reiterating plan to return ~\$2.2B to shareholders through ~\$1B share repurchase and 5% dividend per share increase



Q2 Performance

Underlying sales growth of 0.5%, below expectations due to a 1-pt impact from the Middle East conflict

Growth verticals exceptionally strong, +22%

Adjusted segment EBITA margin of 27.6%

Adjusted EPS of \$1.54

ACV¹ of \$1.64B, up 9% yoy



Software & Innovation

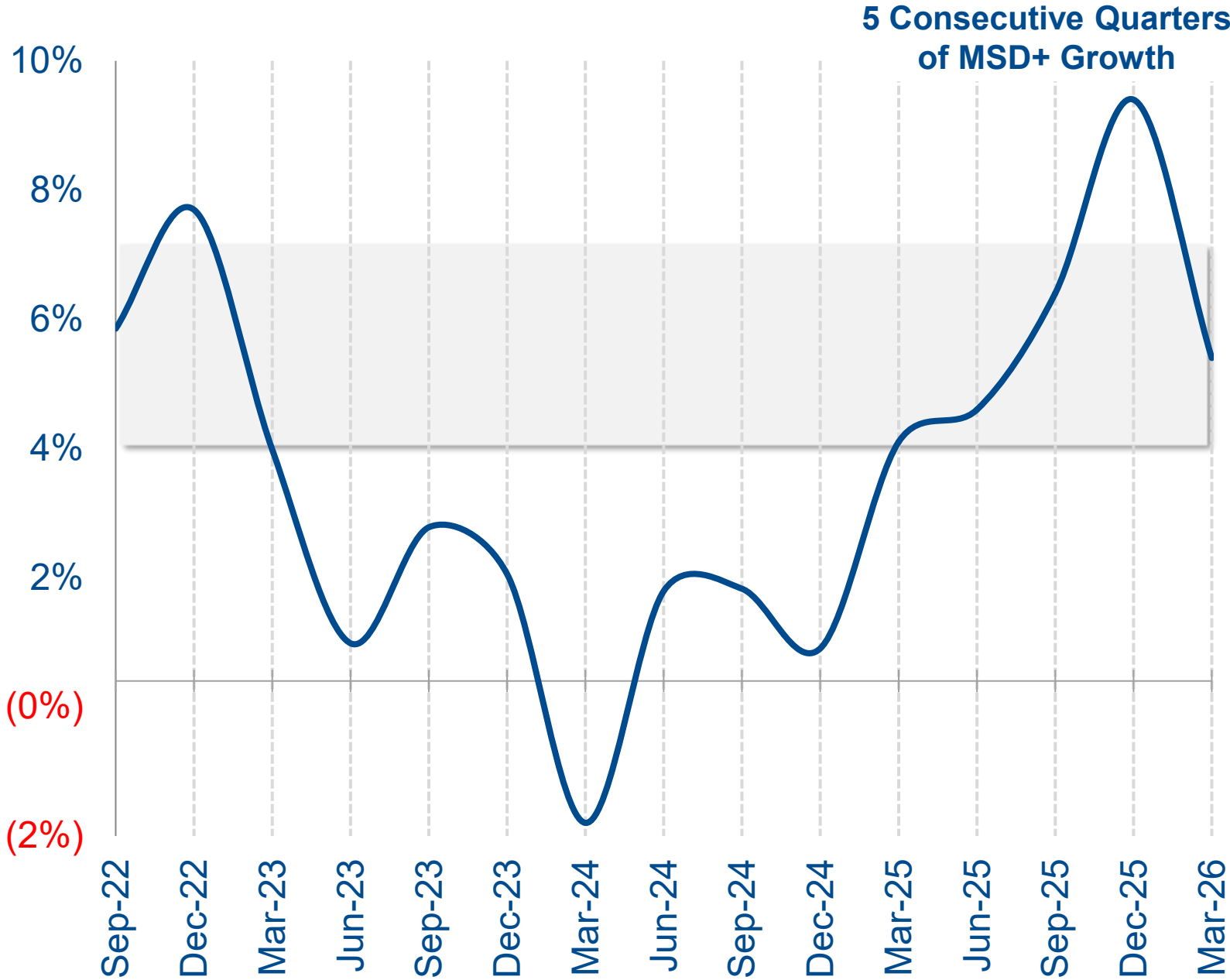
Emerson's leading software has strong defensive moats and is well positioned to benefit from AI; expect to grow ACV 10%+ in 2026

AspenTech and NI to display innovative technologies to improve operational performance and productivity at upcoming user conferences

¹ Annual contract value. See end notes for definition.

Resilient Demand Led by Growth Verticals

Trailing Three-Month Underlying Orders¹



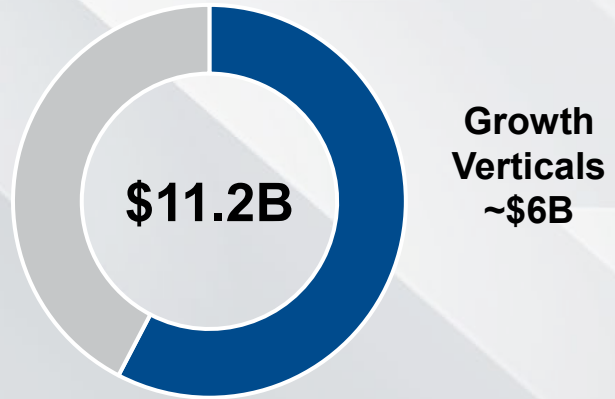
Note: Lines represent smoothed trailing three-month on quarter end points.
¹ Excludes AspenTech. Orders data includes Test & Measurement results on a pro forma basis for fiscal year 2023.

Q2 DRIVERS

Continued strength in North America and India, offset by ongoing softness in Europe and China

Broad-based momentum in longer-cycle project bookings, led by Power, Life Sciences and LNG

Q2 ENDING PROJECT FUNNEL



~\$450M Q2 project wins
 ~85% from growth verticals

EMERSON IN THE MIDDLE EAST

\$1.2B 2025 Sales

\$8.5B Installed Base

1,400 Employees

Includes manufacturing, field service and sales & administration

Middle East Conflict Update

Q2 Impact

1-pt

Impact to Q2 Underlying Sales

47

Customer Sites Impacted

Safety of our people while continuing to serve customers is our top priority
Manufacturing disruptions in March
Field service engineers operated at <50% of pre-conflict levels in March
Strait of Hormuz closed; significant disruptions in air and ground logistics
Slowdown of MRO and project activity while facilities had personnel restrictions

Status & Outlook

1-pt

Impact to 2026 Underlying Sales

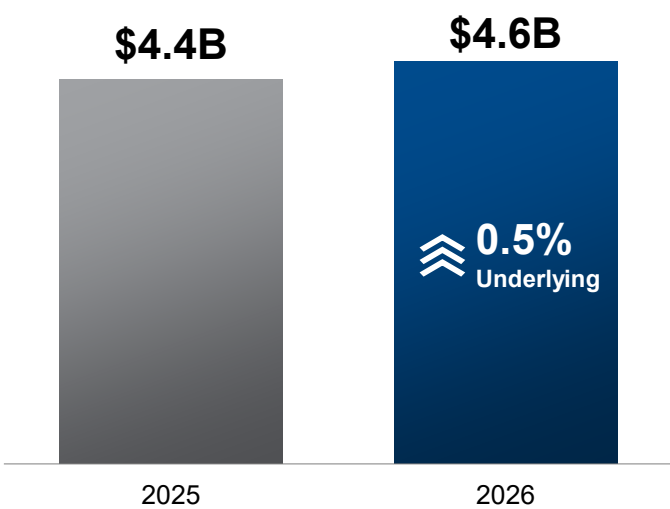
~\$100M

Estimated Rebuild and Restart Opportunity

Customer sites running ~75% capacity
Emerson manufacturing plants operational
Field service engineers now operating at ~80% of pre-conflict levels
Emerson currently supporting customers in rehabilitation
Strait of Hormuz effectively closed; implementing alternate solutions, but supply chain remains challenging
Strong outlook for capital investment

2026 Q2 Performance Summary

Sales



Underlying Sales Growth:

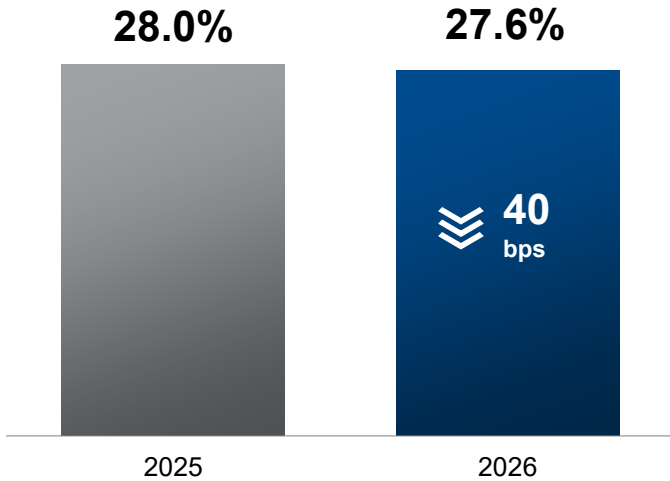
- Software & Systems 1%
- Intelligent Devices (1%)
- Safety & Productivity 2%

1-pt headwind from Middle East conflict and 2-pt headwind from software contract renewal dynamic

Price contributed 3.5 pts

Backlog¹: \$8.2B; up 9% yoy

Adjusted Segment EBITA

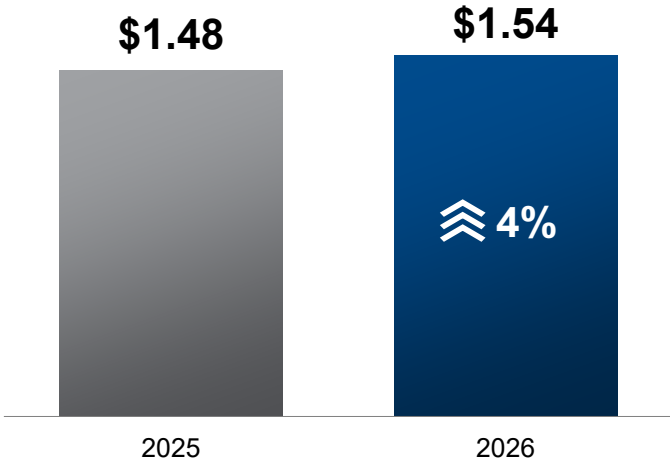


Exceeded expectations due to segment and geographic mix

Price-cost and cost reductions outpaced inflation

Software contract renewal dynamic was a 90-bps headwind

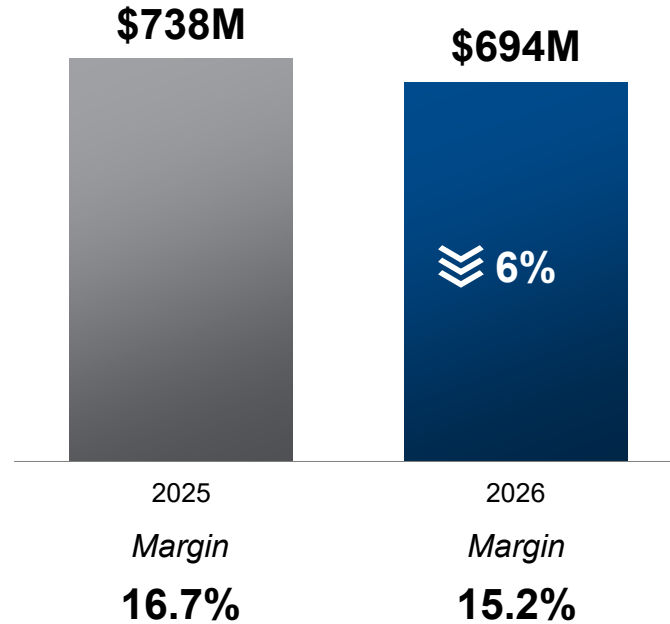
Adjusted EPS



Good operational performance offset by (\$0.09) impact from software contract renewal dynamic

Non-operating items contributed \$0.07 yoy

Free Cash Flow

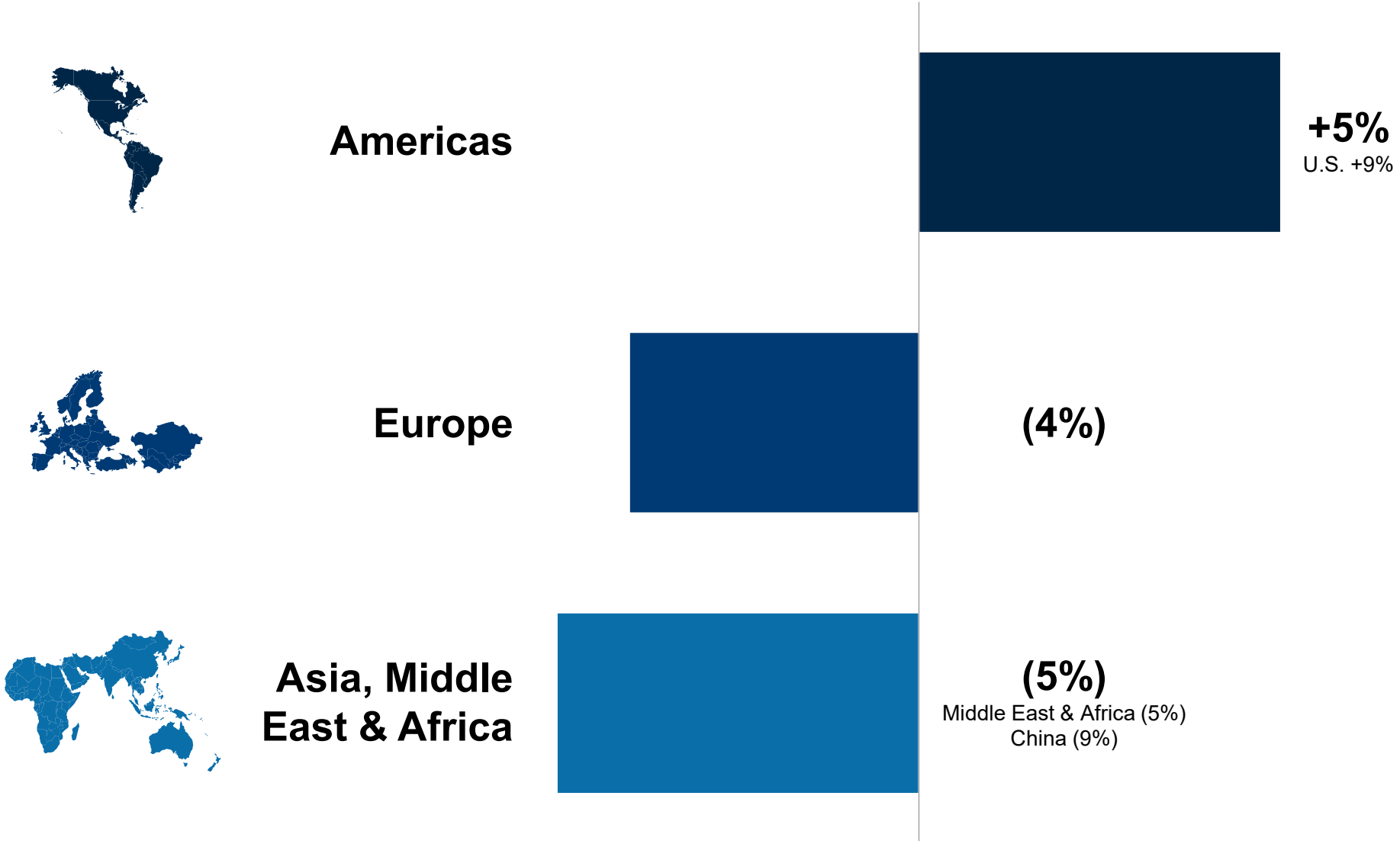


On-track for full year growth of ~10% with >18% margin

Higher interest expense and timing of working capital weighed on Q2 yoy comparison

¹ Excludes AspenTech

2026 Q2 Underlying Sales by Region



2026 OUTLOOK

U.S. strength offsets incremental weakness in China

Raising U.S. expectations to +HSD

Lowering China expectations to (MSD)

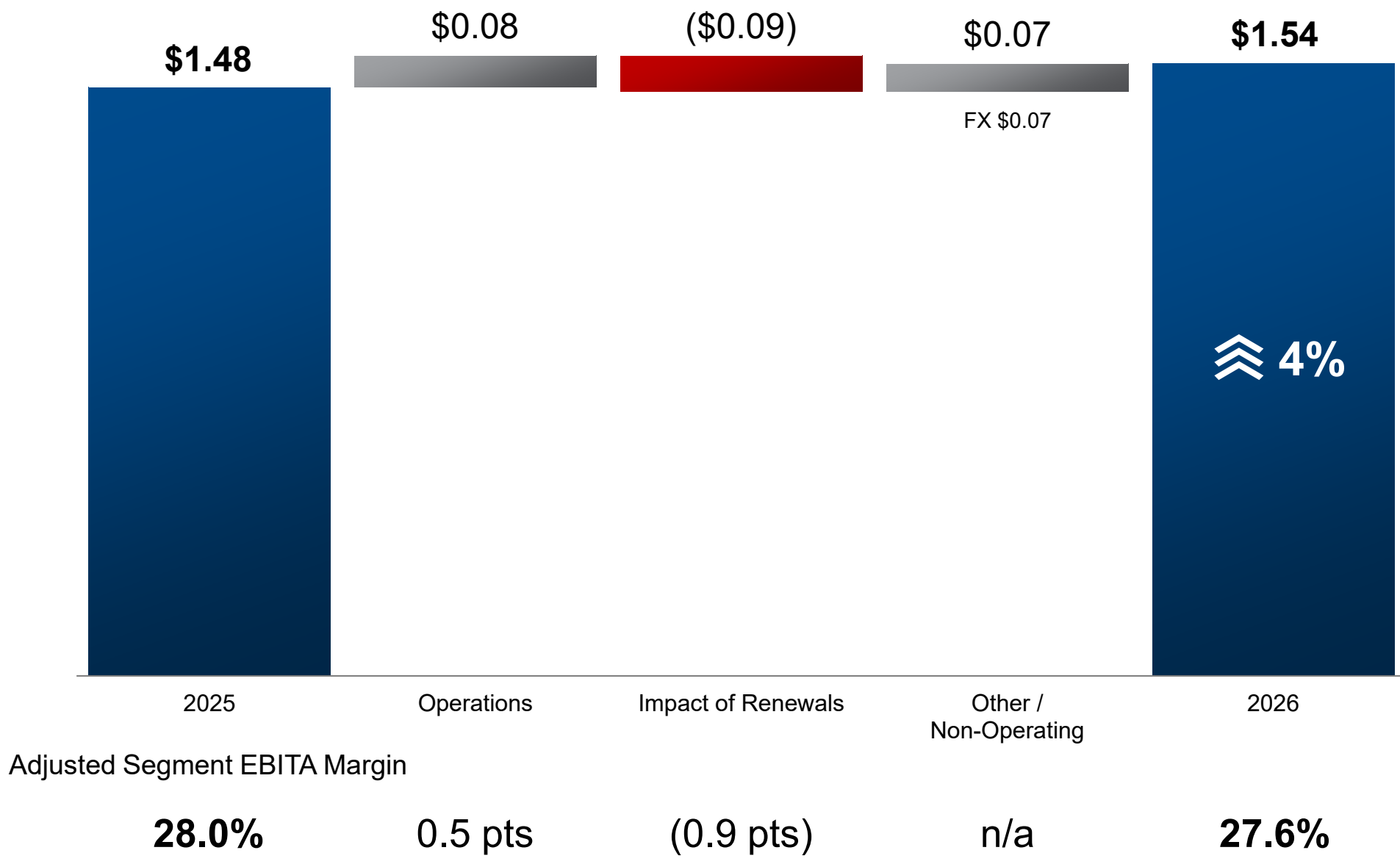
Europe remains stable but soft

Expect ~1 pt impact from the conflict in the Middle East

2026 Q2 Group Results

	Sales (\$M)	Underlying Growth	Feb. Guide Underlying Growth	Adjusted EBITA Margin	Commentary
Software & Systems	\$1,503	1%	~flat	29.2%	<p>Strong underlying growth in Test & Measurement, +12%</p> <p>Strength in growth verticals led by Power, Life Sciences, Aerospace & Defense and Semiconductor</p> <p>Lower available software renewals impacted underlying growth by 4.5 pts and adjusted EBITA margin expansion by 3 pts</p> <p>ACV grew 9% yoy</p>
Intelligent Devices	\$2,512	(1%)	2% – 3%	27.9%	<p>Sustained growth in North America, offset by weakness in Europe and China</p> <p>Strong performance in Power and LNG</p> <p>Conflict in the Middle East impacted underlying growth by 2 pts</p>
Safety & Productivity	\$547	2%	1% – 2%	21.7%	<p>Momentum in electrical products and project activity in North America</p> <p>Persistent softness in Europe with stabilizing activity in Automotive</p>

Q2 Adjusted Segment EBITA and EPS Bridges



⌵ 4%

2026 Group Underlying Sales Guidance

	Q3	Full Year	Prior Full Year Guide	Assumptions
Software & Systems <i>T&M: Mid-teens CS&S: MSD</i>	~8% <i>T&M: Mid-teens CS&S: MSD</i>	~5% <i>T&M: Low-teens CS&S: LSD</i>	~4% <i>T&M: HSD CS&S: LSD</i>	Broad-based strength in Test & Measurement and Control Systems & Software in the U.S. and growth verticals ACV expected to grow 10%+ for the full year
Intelligent Devices	~4%	~2%	~4%	Stable MRO with paced resumption of activities in the Middle East Backlog phasing and timing of project shipments support H2 growth Strength in U.S. and growth verticals offsets slower than expected start to the year in China
Safety & Productivity	~1%	~2%	2% – 3%	Recovering North America market and electric utility strength Automotive markets and Europe remain weak
Emerson <i>excluding impact of renewals</i>	~5%	~3% ~4%	~4% ~5%	Growth driven by the United States and India Outlook assumes paced resumption of activities in the Middle East and no further site closures Sustained momentum in Power, LNG, Life Sciences, Semiconductor and Aerospace & Defense

2026 Guidance

OTHER 2026 GUIDANCE DETAILS

Full Year	GAAP Sales Growth	~4.5%
	Underlying Sales Growth	~3%
	<hr/>	
	Adjusted Segment EBITA	~28%
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	Adjusted EPS	\$6.45 – \$6.55

Q3	GAAP Sales Growth	~5.5%
	Underlying Sales Growth	~5%
	<hr/>	
	Adjusted Segment EBITA	~28%
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	Adjusted EPS	\$1.65 – \$1.70

Free Cash Flow \$3.5B – \$3.6B

Price expected to contribute ~2.5 pts

Assumes impact of Middle East conflict is contained within the region

Expect inflation / cost inputs to hold approximately at current levels

Tax rate: ~21.5%

~\$2.2B returned to shareholders through ~\$1.2B dividend and ~\$1B share repurchase

Appendix

Corporate and Other Items

<i>(in millions)</i>	2026 Q2 Results	2026 Q3 Expectations	2026 Expectations
Stock Compensation – GAAP	(\$57)	~(\$60)	~(\$230)
Integration-Related Stock Compensation Expense	\$4	~\$5	~\$15
Adjusted Stock Compensation – Non-GAAP	(\$53)	~(\$55)	~(\$215)
Pension Income / (Expense)	\$28	~\$30	~\$110
Corporate & Other – GAAP	(\$51)	~(\$52)	~(\$200)
Restructuring and Related Costs	\$5	~\$2	~\$10
Acquisition/Divestiture Fees and Related Costs	\$7	~\$5	~\$25
Adjusted Corporate & Other – Non-GAAP	(\$39)	~(\$45)	~(\$165)
Interest Expense, Net	(\$84)	~(\$80)	~(\$330)
Average Diluted Share Count	563.0	~561	~562

Reconciliation of Non-GAAP Measures

Underlying Sales Growth

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

Underlying Sales Growth	2026 Q2	2026 Q3 Guidance	2026 Guidance
Reported (GAAP)	3%	~5.5%	~4.5%
(Favorable) / Unfavorable FX	(2.5%)	~(0.5%)	~(1.5%)
(Acquisitions) / Divestitures	-	-	-
Underlying (non-GAAP)	0.5%	~5%	~3%
Impact of Software Contract Renewals	2%	-	1%
Underlying Sales Excluding Impact of Software Contract Renewals (non-GAAP)	2.5%	~5%	~4%

2026 Q2 Underlying Sales Change	Reported (GAAP)	(Favorable) / Unfavorable FX	(Acquisitions) / Divestitures	Underlying (Non-GAAP)
Software & Systems	4%	(3%)	-	1%
<i>Test & Measurement</i>	16%	(4%)	-	12%
Intelligent Devices	2%	(3%)	-	(1%)
Safety & Productivity	5%	(3%)	-	2%

Reconciliation of Non-GAAP Measures

Underlying Sales Growth

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

Underlying Sales Growth	2026 Q2
Reported (GAAP)	3%
(Favorable) / Unfavorable FX	(2.5%)
(Acquisitions) / Divestitures	-
Underlying (non-GAAP)	0.5%
Impact of Software Contract Renewals and Middle East conflict	~3%
Underlying Sales Excluding Impact of Software Contract Renewals and Middle East conflict (non-GAAP)	~3%

Control Systems & Software Underlying Sales Growth	2026 Q2
Reported (GAAP)	-
(Favorable) / Unfavorable FX	(2%)
(Acquisitions) / Divestitures	-
Underlying (non-GAAP)	(2%)
Impact of Software Contract Renewals	6%
Underlying Sales Excluding Impact of Software Contract Renewals (non-GAAP)	4%

Reconciliation of Non-GAAP Measures

Underlying Sales Growth

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

2026E Q3 Underlying Sales Change	Reported (GAAP)	(Favorable) / Unfavorable FX	(Acquisitions) / Divestitures	Underlying (Non-GAAP)
Software & Systems	~8.5%	(0.5%)	-	~8%
Intelligent Devices	~4.5%	(0.5%)	-	~4%
Safety & Productivity	~1.5%	(0.5%)	-	~1%

2026E Underlying Sales Change	Reported (GAAP)	(Favorable) / Unfavorable FX	(Acquisitions) / Divestitures	Underlying (Non-GAAP)
Software & Systems	~6.5%	~(1.5%)	-	~5%
Intelligent Devices	~3.5%	~(1.5%)	-	~2%
Safety & Productivity	~3.5%	~(1.5%)	-	~2%

Reconciliation of Non-GAAP Measures

Adjusted Segment EBITA

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

Adjusted Segment EBITA	2025 Q2	2026 Q2
Net sales	\$4,432	\$4,562
Pretax earnings (GAAP)	\$629	\$793
<i>Pretax earnings margin (GAAP)</i>	14.2%	17.4%
Corporate items and interest expense, net	311	164
Amortization of intangibles	278	254
Restructuring and related costs	22	47
Adjusted segment EBITA (non-GAAP)	\$1,240	\$1,258
<i>Adjusted segment EBITA margin (non-GAAP)</i>	28.0%	27.6%

2026 Q2 Adjusted Segment EBITA Margin	Software & Systems	Intelligent Devices	Safety & Productivity
EBIT margin (GAAP)	14.6%	25.0%	19.8%
Amortization of intangibles & restructuring and related costs	14.6%	2.9%	1.9%
Adjusted segment EBITA margin (non-GAAP)	29.2%	27.9%	21.7%

Adjusted Segment EBITA Margin	2026 Q3 Guidance	2026 Guidance
Pretax earnings margin (GAAP)	~18%	~19%
Corporate items and interest expense, net / amortization of intangibles / restructuring and related costs	~10%	~9%
Adjusted segment EBITA margin (non-GAAP)	~28%	~28%

Reconciliation of Non-GAAP Measures

Adjusted EPS

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

	2025 Q2	2026 Q2	2026 Q3 Guidance	2026 Guidance
Earnings per share (GAAP)	\$0.86	\$1.10	\$1.22 - \$1.27	\$4.79 - \$4.89
Amortization of intangibles	0.32	0.35	~0.34	~1.38
Restructuring and related costs	0.04	0.07	~0.06	~0.18
Acquisition/divestitures fees and related costs	0.17	0.01	~0.02	~0.06
Discrete taxes	0.09	0.01	~0.01	~0.04
Adjusted earnings per share (non-GAAP)	\$1.48	\$1.54	\$1.65 - \$1.70	\$6.45 - \$6.55

Reconciliation of Non-GAAP Measures

Free Cash Flow

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

	<u>\$ in billions</u>		
	2025 Q2	2026 Q2	2026 Guidance
Net Sales	\$4,432	\$4,562	~\$18.8
Operating cash flow (GAAP)	\$825	\$779	\$4.0 - \$4.1
Capital expenditures	(87)	(85)	~(0.45)
Free cash flow (non-GAAP)	\$738	\$694	\$3.5 - \$3.6
<i>Free cash flow margin (non-GAAP)</i>	<i>16.7%</i>	<i>15.2%</i>	<i>>18%</i>

Reconciliation of Non-GAAP Measures

Other

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

	December 31, 2025	March 31, 2026
Backlog (GAAP)	\$9.2	\$9.5
AspenTech	(1.3)	(1.3)
Backlog excluding AspenTech (non-GAAP)	\$7.9	\$8.2

Endnotes

Annual Contract Value (ACV):

ACV is an estimate of the annual value of our portfolio of term license and software maintenance and support (SMS) contracts, the annual value of SMS agreements purchased with perpetual licenses and the annual value of standalone SMS agreements purchased with certain legacy AspenTech term license agreements. Because software revenue recognition rules require upfront recognition of a significant portion of agreements, comparisons of revenue across periods is primarily impacted by the timing of term license renewals. ACV approximates the estimated annual billings associated with our recurring term license and SMS agreements at a point in time, and management finds this business metric useful in evaluating the growth and performance of our industrial software business.

For agreements denominated in other currencies, a fixed historical rate is used to calculate ACV in U.S. dollars in order to eliminate the impact of currency fluctuations.