

# First Quarter 2025 Earnings Release

Craig Arnold, Paulo Ruiz & Olivier Leonetti | May 2, 2025

# Forward-looking statements and non-GAAP financial information

This presentation or the comments we make on our call today contain forward-looking statements concerning, among other matters, full year and second quarter 2025 adjusted earnings per share, organic revenue growth and segment operating margins; full year 2025 cash flow, capital expenditures, end markets, and anticipated share repurchases; and assumptions about the impact on the foregoing of sales attributed to the Fibrebond acquisition, currency translation, tax rate and corporate expenses. These statements should be used with caution and are subject to various risks and uncertainties, many of which are outside the company's control. The following factors could cause actual results to differ materially from those in the forward-looking statements: potential global pandemics, unanticipated changes in the markets for the company's business segments; unanticipated downturns in business relationships with customers or their purchases from us; competitive pressures on sales and pricing; continued supply chain disruptions, unanticipated changes in the cost of material, labor and other production costs, or unexpected costs that cannot be recouped in product pricing; the introduction of disruptive or competing technologies; unexpected technical or marketing difficulties; unexpected claims, charges, litigation or dispute resolutions; strikes or other labor unrest at Eaton or at our customers or suppliers; the performance of recent acquisitions; unanticipated difficulties closing or integrating acquisitions; unexpected difficulties completing divestitures, new laws, tariffs and governmental regulations; interest rate changes; stock market and currency fluctuations; geo-political tensions, war, civil or political unrest or terrorism; and unanticipated deterioration of economic and financial conditions in the United States and around the world. We do not assume any obligation to update these forward-looking statements.

This presentation includes certain non-GAAP measures as defined by SEC rules, including the following: adjusted earnings, adjusted earnings per share, adjusted earnings per share guidance for the second quarter and full year 2025, and free cash flow guidance for full year 2025. These non-GAAP measures are reconciled to their nearest GAAP equivalent in the Appendix to this presentation.

# Highlights

Adjusted earnings per share of \$2.72 in Q1, up 13% versus 1Q24, a Q1 record.

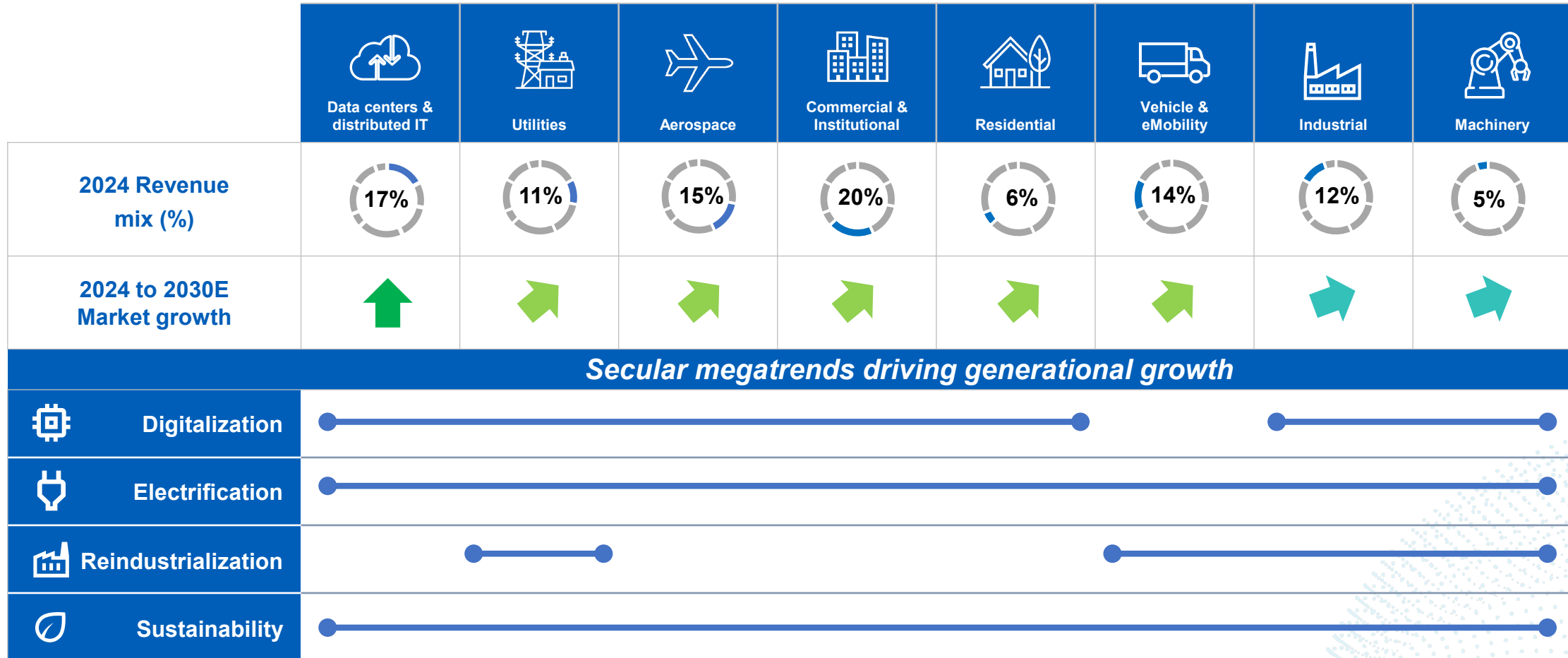
Organic growth acceleration to 9%, driven by 13% growth in Electrical Americas and Aerospace and 9% in Electrical Global.

Segment margins of 23.9%, up 80 bps versus 1Q24, a Q1 record.

Total book-to-bill for the combined segments of 1.1 with Electrical Americas and Aerospace above 1.0 on a rolling 12-month basis, and backlog up 6% and 16% in 1Q25, respectively.

Raising 2025 guidance for organic growth, and reaffirming guidance for adjusted EPS, cash flow and share repurchases.

# We have a generational end market opportunity



Strong/double-digit growth



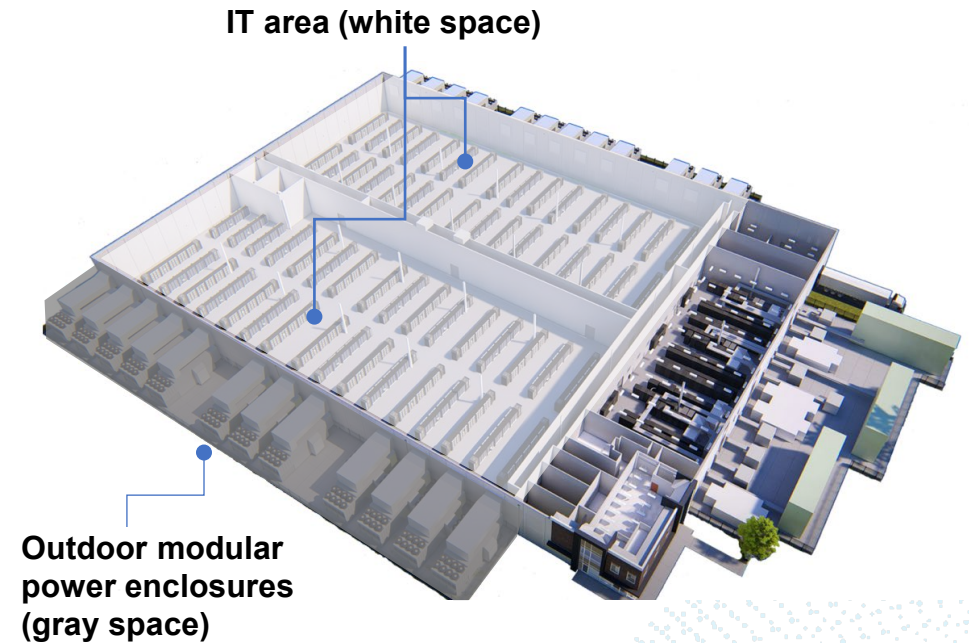
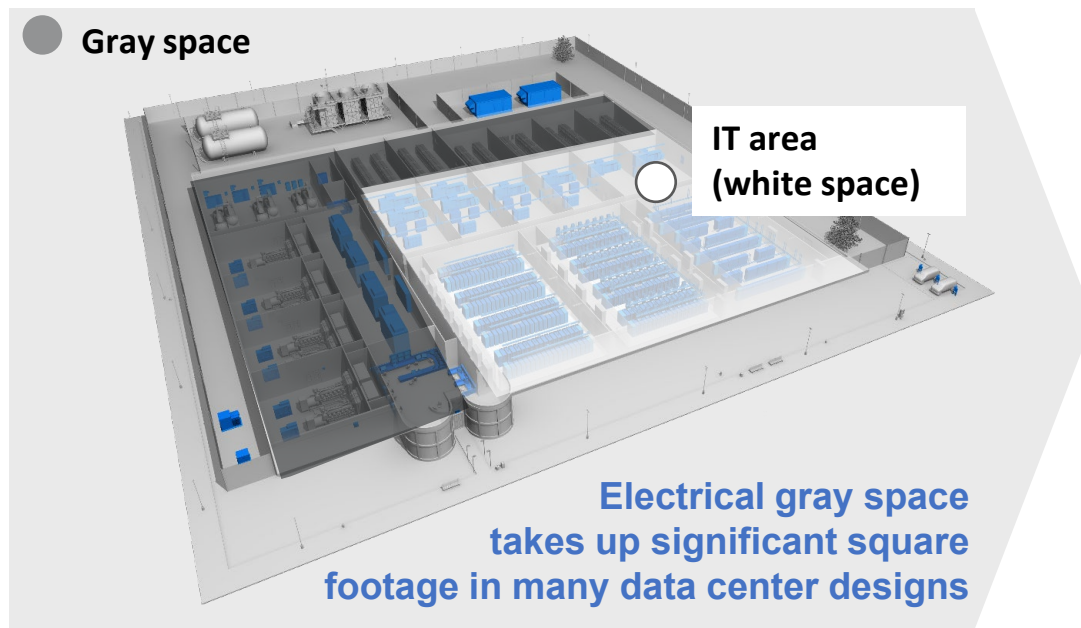
Solid growth



Modest growth

# Completed acquisition of Fibrebond, enhancing our ability to serve data center, industrial, utility and communications customers

Fibrebond's outdoor modular power enclosures allow data center operators to maximize the amount of indoor space for revenue-generating IT equipment and decreases the time for construction and capacity expansion



- \$1.2B of backlog provides over three years of coverage based on revenues for the trailing twelve months ending February 28, 2025
- Deal will be neutral from an earnings per share standpoint in 2025

# Financial Summary

(M)	1Q '25	1Q '24	V '24
Sales	\$6,377	\$5,943	↑ 7%
Segment Operating Profit	1,522	1,371	↑ 11%
Segment Operating Margin	23.9%	23.1%	↑ 80 bps
Adjusted Earnings	1,070	966	↑ 11%
Adjusted EPS	\$2.72	\$2.40	↑ 13%

<b>\$6,377M</b>	Record Quarterly Sales
<b>\$1,522M</b>	Q1 Record Segment operating profit
<b>23.9%</b>	Q1 Record Segment operating margin

Sales Growth:	
Organic	9%
Acquisition	--
Forex	(2%)
<b>Total</b>	<b>7%</b>

# Electrical Americas Segment

(M)	1Q '25	1Q '24	V '24
Sales	\$3,010	\$2,690	↑ 12%
Operating Profit	904	785	↑ 15%
Operating Margin	30.0%	29.2%	↑ 80 bps

- **Record** sales and Q1 record segment profit & margin.
- Orders up **4%** on rolling 12-month basis, excluding one large multi-year data center order in 1Q24.
- Book-to-bill ratio above **1.0** on rolling 12-month basis and backlog up **6%** year-over-year
- Closed acquisition of **Fibrebond**

## Sales Growth:

Organic	13%
Acquisition	--
Forex	(1)%
<b>Total</b>	<b>12%</b>

# Electrical Global Segment

(M)	1Q '25	1Q '24	V '24
Sales	\$1,610	\$1,500	↑ 7%
Operating Profit	300	274	↑ 9%
Operating Margin	18.6%	18.3%	↑ 30bps

- **Record** sales and Q1 record segment profit.
- Backlog **up 5%** year-over-year.
- Book-to-bill ratio above **1.0** on a rolling 12-month basis.

## Sales Growth:

Organic	9%
Forex	(2)%
<b>Total</b>	<b>7%</b>

# Aerospace Segment

(M)	1Q '25	1Q '24	V '24
Sales	\$979	\$871	↑ 12%
Operating Profit	226	201	↑ 12%
Operating Margin	23.1%	23.1%	--

- Record sales and Q1 record operating profit & margin
- Orders up **14%** on a rolling 12-month basis.
- Backlog up **16%** year-over-year.
- Book-to-bill ratio of **1.1** on a rolling 12-month basis.

Sales Growth:	
Organic	13%
Forex	(1)%
<b>Total</b>	<b>12%</b>

# Vehicle Segment


(M)	1Q '25	1Q '24	V '24
Sales	\$617	\$724	▼ (15)%
Operating Profit	96	116	▼ (17)%
Operating Margin	15.5%	16.0%	▼ (50) bps


○ **Solid operational performance** despite market headwinds.

## Sales Growth:

Organic	(11)%
Forex	(4)%
Total	(15)%

# eMobility Segment

(M)	1Q '25	1Q '24	V '24
Sales	\$162	\$158	 2%
Operating Profit / (Loss)	(4)	(4)	--
Operating Margin	(2.7)%	(2.7)%	--

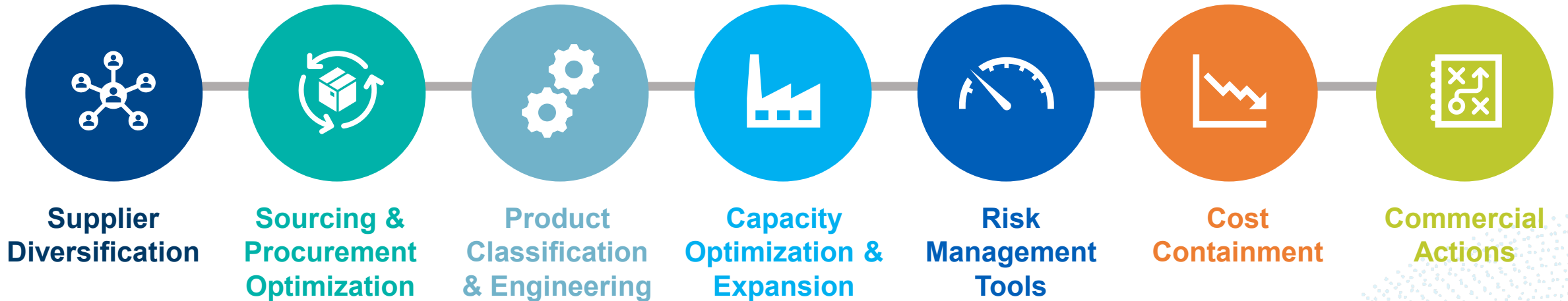
 **New program launches** in North America partially offset by lower European customer production

### Sales Growth:

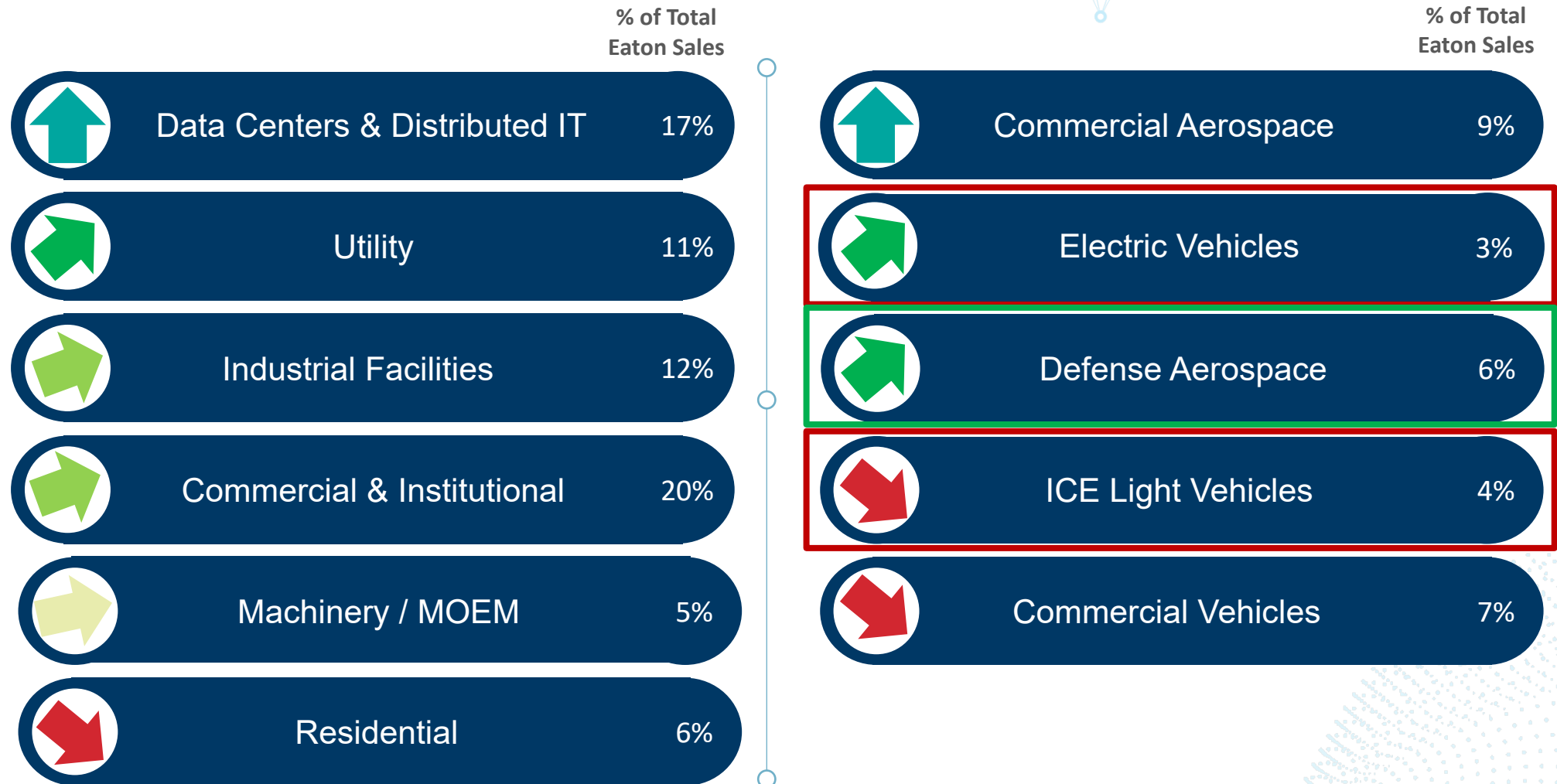
Organic	3%
Forex	(1)%
<b>Total</b>	<b>2%</b>

# Expect to offset the impact of tariffs

## Long-standing in-region-for-region strategy paired with commercial actions



# Eaton's end market growth – 2025 Assumptions



# 2025 Guidance

## 2<sup>nd</sup> Quarter Outlook

## 2025 FY Outlook

Adjusted Earnings Per Share	\$2.85 – \$2.95		\$11.80 – \$12.20
Organic Growth	6 – 8%	▲	7.5 – 9.5%
Segment Operating Margins	23.5 – 23.9%	▼	24.0 – 24.4%
Operating Cash Flow	N/A		\$4.6B – \$5.0B
Free Cash Flow	N/A		\$3.7B – \$4.1B
Share Repurchases	N/A		\$2.0B – \$2.4B

# 2025 Organic Growth and Operating Margin Guidance

Segment	Organic Growth Guidance		Operating Margin Guidance	
Electrical Americas	▲	12 – 14%	▼	29.3 – 29.7%
Electrical Global		4.5 – 6.5%		19.2 – 19.6%
Aerospace	▲	8 – 10%		23.4 – 23.8%
Vehicle	▼	(5.5) – (3.5)%	▼	15.8 – 16.2%
eMobility		8 – 12%		2 – 3%
<b>Eaton</b>	▲	<b>7.5 – 9.5%</b>	▼	<b>24.0 – 24.4%</b>

# Summary

Eaton has a strong and transformed portfolio that is positioned for growth.

Strong start to the year with organic growth acceleration in the quarter, achieving all-time record quarterly revenue and Q1 record segment margins.

Record backlogs result in extended visibility and reaffirms Eaton remains well positioned to capitalize on the megatrends, including reindustrialization.

Prepared to navigate through dynamic macro environment to deliver financial commitments with differentiated performance.

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# Appendix

# 2025 Guidance – Additional Modeling Assumptions

	2 <sup>nd</sup> Quarter Outlook	2025 FY Outlook
Currency Translation Sales Impact – ETN	~\$0M	~(\$85M)
Fibrebond Sales – Electrical Americas	~\$100M	~\$400M
Corporate Expenses	~\$85M more than 2Q24	\$875M
Tax Rate on Adjusted Earnings	16.5 – 17.5%	17.5 – 18.5%
Capex	N/A	~\$900M

## Eaton Corporation plc

### Reconciliation of Non-GAAP Financial Information

All amounts are in millions except per share amounts, unless otherwise noted. Columns may not add due to rounding.

Reconciliation of net income attributable to Eaton ordinary shareholders to adjusted earnings and net income attributable to Eaton ordinary shareholders per share to adjusted earnings per ordinary share

	1Q 2024	2024	1Q 2025	Q2 2025 Guidance		2025 Guidance	
				Low	High	Low	High
Net income attributable to Eaton ordinary shareholders	\$ 821	\$ 3,794	\$ 964				
Acquisition and divestiture charges, after-tax	13	26	8				
Restructuring program charges, after-tax	49	160	14				
Intangible asset amortization expense, after-tax	84	335	84				
Adjusted earnings	\$ 966	\$ 4,314	\$ 1,070				
Net income attributable to Eaton ordinary shareholders per share - diluted	\$ 2.04	\$ 9.50	\$ 2.45	\$ 2.35	\$ 2.45	\$ 10.29	\$ 10.69
Per share impact of acquisition and divestiture charges, after-tax	0.03	0.06	0.02	0.13	0.13	0.24	0.24
Per share impact of restructuring program charges, after-tax	0.12	0.40	0.04	0.11	0.11	0.29	0.29
Per share impact of intangible asset amortization expense, after-tax	0.21	0.84	0.21	0.26	0.26	0.98	0.98
Adjusted earnings per ordinary share	\$ 2.40	\$ 10.80	\$ 2.72	\$ 2.85	\$ 2.95	\$ 11.80	\$ 12.20

#### Acquisition and divestiture charges:

	1Q 2024	2024	1Q 2025
Acquisition integration, divestiture charges and transaction costs	\$ 17	\$ 36	\$ 10
Income tax benefit	4	10	2
Total after income taxes	\$ 13	\$ 26	\$ 8
Per ordinary share - diluted	\$ 0.03	\$ 0.06	\$ 0.02

#### Restructuring program charges:

	1Q 2024	2024	1Q 2025
Restructuring program charges	\$ 63	\$ 202	\$ 18
Income tax benefit	14	43	4
Total after income taxes	\$ 49	\$ 160	\$ 14
Per ordinary share - diluted	\$ 0.12	\$ 0.40	\$ 0.04

#### Intangible asset amortization expense:

	1Q 2024	2024	1Q 2025
Intangible asset amortization expense	\$ 106	\$ 425	\$ 106
Income tax benefit	23	91	22
Total after income taxes	\$ 84	\$ 335	\$ 84
Per ordinary share - diluted	\$ 0.21	\$ 0.84	\$ 0.21

#### Reconciliation of operating cash flow to free cash flow

Operating cash flow	
Capital expenditures for property, plant and equipment	
Free cash flow	

2025 Guidance (\$ Billions)	
Low	High
\$ 4.6	\$ 5.0
(0.9)	(0.9)
\$ 3.7	\$ 4.1