Second Quarter 2025 Earnings Release

Paulo Ruiz & Olivier Leonetti | August 5, 2025



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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 third quarter 2025 adjusted earnings per share, organic revenue growth and segment operating margins; full year 2025 cash flow, end markets, and anticipated share repurchases; and assumptions about the impact on the foregoing of sales attributed to the Fibrebond acquisition, currency translation sales impact, tax rate, capital expenditures 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 third 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.

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Highlights

- Record adjusted earnings per share of $2.95 in Q2, up 8% versus 2Q24, with segment margins of 23.9%, up 20 bps versus 2Q24, a Q2 record.
- Organic growth of 8%, driven by 12% growth in Electrical Americas, 11% in Aerospace and 7% in Electrical Global.
- On a rolling 12-month basis, order acceleration in Electrical Americas up 2% and strong Aerospace growth up 10%, resulting in book-to-bill for the combined segments at 1.1, and backlog growth of 17% in Electrical Americas and 16% in Aerospace.
- In Q2, Electrical Sector and Electrical Americas data center orders are each up approximately 55% and revenue up approximately 50% versus 2Q24 demonstrating continued strong momentum in this rapid growth market.
- Raising 2025 guidance for organic growth, segment margin and adjusted EPS at the midpoint.

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Our **bold strategy** is underway and anchored by three pillars

Each pillar will accelerate growth and create sustained value for shareholders

Lead for Growth

Drive a customer-centric and fast organization

Invest for Growth

Double down in high-growth and high-margin markets

Execute for Growth

Transform from good to best-in-class and expand profitability

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Ultra PCS acquisition strengthens our position in fast-growing aerospace and defense markets



Ultra PCS's innovative solutions for safety and mission critical aerospace systems will augment Eaton's portfolio in both military and civilian aircraft

Strong pedigree on attractive aerospace platforms

Well positioned for next-generation aerospace solutions

Expecting double-digit growth and accretive margins to Aerospace

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Acquisition of Resilient Power Systems will strengthen our power distribution offering for Data Centers and other direct current (DC) applications

Resilient's solid-state transformer technology replaces traditional copper windings with power electronics for medium voltage to low voltage power conversion

Critical building block in future high-power AI data center designs





Technology also supports other direct current applications like EV charging and battery storage





Resilient's solution offers high-density electrical power in a smaller footprint than comparable solutions

Simplifies system installation, reducing customer costs and speeding time to revenue

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Partnerships expand our capabilities and support our customers in new ways



NVIDIA

NVIDIA Partner Network

Accelerating the transformation of data center infrastructure across the entire power ecosystem, from grid to chip.

High-Voltage Direct Current Power

Facilitates shift to HVDC infrastructure to support 1 megawatt racks and beyond

Strategic Advancement

Meets demanding power, cooling, and operational needs of next-gen AI data centers.



Siemens Energy

Removing Roadblocks

Delivers integrated on-site power generation with modular data center construction.

Critical Solution for Flexible Power

No external power dependency, shorter project timeline and operational flexibility.

Advanced Grid Design

Modular, expandable, and supports renewable energy sources.



ChargePoint

Industry-First Global Partnership

Jointly brand, market, and develop integrated EV charging, power distribution and software solutions.

Unique Solution

Enables the electrification of transportation, from vehicles to chargers to the grid.

Leverages Strengths

Utilizes distribution channels, power products, and specification capabilities.

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Financial Summary

(M)	2Q '25	2Q '24	V '24
Sales	$7,028	$6,350	11%
Segment Operating Profit	1,682	1,502	12%
Segment Operating Margin	23.9%	23.7%	20 bps
Adjusted Earnings	1,155	1,096	5%
Adjusted EPS	$2.95	$2.73	8%

$7,028M	Record Quarterly Sales
$1,682M	Record Quarterly Segment operating profit
23.9%	Q2 Record Segment operating margin

Sales Growth:

Organic	8%
Acquisition	2%
Forex	1%
Total	11%

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Electrical Americas Segment

(M)	2Q '25	2Q '24	V '24
Sales	$3,350	$2,877	▲ 16%
Operating Profit	987	859	▲ 15%
Operating Margin	29.5%	29.9%	▼ (40) bps

- **Record** sales and segment profit
- Orders up **2%** on rolling 12-month basis, including data centers, up **~55%** in the quarter
- Book-to-bill ratio of **1.1** on rolling 12-month basis and backlog up **17%** year-over-year
- Closed acquisition of **Fibrebond** and signed agreement to acquire **Resilient Power Systems**

Sales Growth:

Organic	12%
Acquisition	5%
Forex	(1)%
Total	16%

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Electrical Global Segment

(M)	2Q '25	2Q '24	V '24
Sales	$1,753	$1,606	▲ 9%
Operating Profit	353	305	▲ 16%
Operating Margin	20.1%	19.0%	▲ 110bps

- **Record** sales and segment profit
- **Q2 record** segment margin
- Book-to-bill ratio of **1.0** on a rolling 12-month basis

Sales Growth:

Organic	7%
Forex	2%
Total	9%

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Aerospace Segment

(M)	2Q ‘25	2Q ‘24	V ‘24
Sales	$1,080	$955	13%
Operating Profit	240	206	17%
Operating Margin	22.2%	21.5%	70bps

- **Record** sales and operating profit
- Orders up **10%** 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
- Signed agreement to acquire **Ultra PCS**

Sales Growth:

Organic	11%
Forex	2%
Total	13%

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Vehicle Segment

(M)	2Q ‘25	2Q ‘24	V ‘24
Sales	$663	$723	(8%)
Operating Profit	113	130	(13%)
Operating Margin	17.0%	18.0%	(100) bps

- **Solid operational performance** despite market headwinds

Sales Growth:

Organic	(8)%
Forex	--
Total	(8)%

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eMobility Segment

(M)	2Q ‘25	2Q ‘24	V ‘24
Sales	$182	$189	(4)%
Operating Profit / (Loss)	(10)	2	--
Operating Margin	(5.8)%	1.3%	--

Sales Growth:

Organic	(7)%
Forex	3%
Total	(4)%

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Eaton's end market growth – 2025 Assumptions

	% of Total Eaton Sales
Data Centers & Distributed IT	17%
Utility	11%
Industrial Facilities	12%
Commercial & Institutional	20%
Machinery / MOEM	5%
Residential	6%

	% of Total Eaton Sales
Commercial Aerospace	9%
Defense Aerospace	6%
Electric Vehicles	3%
ICE Light Vehicles	4%
Commercial Vehicles	7%



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2025 Organic Growth and Operating Margin Guidance

Segment	Organic Growth Guidance	Operating Margin Guidance
Electrical Americas	▲ 12.5 – 14.5%	▲ 29.5 – 29.9%
Electrical Global	▲ 5.5 – 7.5%	19.2 – 19.6%
Aerospace	▲ 10 – 12%	23.4 – 23.8%
Vehicle	▼ (9) – (7)%	▲ 16.0 – 16.4%
eMobility	▼ 3.5 – 5.5%	▼ (1) – 1%
Eaton	▲ **8.5 – 9.5%**	▲ **24.1 – 24.5%**

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2025 Guidance

	3rd Quarter Outlook	2025 FY Outlook
Adjusted Earnings Per Share	**$3.01 – $3.07**	▲ **$11.97 – $12.17**
Organic Growth	8 – 9%	▲ 8.5 – 9.5%
Segment Operating Margins	24.1 – 24.5%	▲ 24.1 – 24.5%
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

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Summary

Record quarterly revenue and segment profit, along with Q2 record segment margins, reflect strong execution and commitment to our growth strategy.

Order acceleration and growing backlogs, especially in data center markets, provide extended visibility and support Eaton's positioning to capitalize on megatrends.

We are investing for growth – doubling down in high-growth, high-margin markets – to execute on organic and inorganic opportunities.

Well positioned to deliver on 2030 financial commitments with differentiated performance.

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Appendix

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2025 Guidance – Additional Modeling Assumptions

	3rd Quarter Outlook	2025 FY Outlook
Currency Translation Sales Impact – ETN	~$55M	~$80M
Fibrebond Sales – Electrical Americas	~$140M	~$420M
Corporate Expenses	~$35M more than 3Q24	~$940M
Tax Rate on Adjusted Earnings	20.5 – 21.5%	17.5 – 18.5%
Capex	N/A	~$900M

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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

				Q3 2025 Guidance		2025 Guidance	
	2Q 2024	2024	2Q 2025	Low	High	Low	High
Net income attributable to Eaton ordinary shareholders	$ 993	$ 3,794	$ 982				
Acquisition and divestiture charges, after-tax	8	26	54				
Restructuring program charges, after-tax	12	160	18				
Intangible asset amortization expense, after-tax	83	335	101				
Adjusted earnings	$ 1,096	$ 4,314	$ 1,155				
Net income attributable to Eaton ordinary shareholders per share - diluted	$ 2.48	$ 9.50	$ 2.51	$ 2.58	$ 2.64	$ 10.41	$ 10.61
Per share impact of acquisition and divestiture charges, after-tax	0.02	0.06	0.14	0.06	0.06	0.26	0.26
Per share impact of restructuring program charges, after-tax	0.03	0.40	0.05	0.11	0.11	0.31	0.31
Per share impact of intangible asset amortization expense, after-tax	0.20	0.84	0.25	0.26	0.26	0.99	0.99
Adjusted earnings per ordinary share	$ 2.73	$ 10.80	$ 2.95	$ 3.01	$ 3.07	$ 11.97	$ 12.17

Acquisition and divestiture charges:

	2Q 2024	2024	2Q 2025
Acquisition integration, divesture charges and transaction costs	$ 10	$ 36	$ 70
Income tax benefit	3	10	16
Total after income taxes	$ 8	$ 26	$ 54
Per ordinary share - diluted	$ 0.02	$ 0.06	$ 0.14

Restructuring program charges:

	2Q 2024	2024	2Q 2025
Restructuring program charges	$ 15	$ 202	$ 24
Income tax benefit	3	43	5
Total after income taxes	$ 12	$ 160	$ 18
Per ordinary share - diluted	$ 0.03	$ 0.40	$ 0.05

Intangible asset amortization expense:

	2Q 2024	2024	2Q 2025
Intangible asset amortization expense	$ 106	$ 425	$ 129
Income tax benefit	23	91	28
Total after income taxes	$ 83	$ 335	$ 101
Per ordinary share - diluted	$ 0.20	$ 0.84	$ 0.25

Reconciliation of operating cash flow to free cash flow

	2025 Guidance ($ Billions)	
	Low	High
Operating cash flow	$ 4.6	$ 5.0
Capital expenditures for property, plant and equipment	(0.9)	(0.9)
Free cash flow	$ 3.7	$ 4.1

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