

**EATON CORPORATION plc**  
**CONSOLIDATED STATEMENTS OF INCOME**

(In millions except for per share data)

|  | Three months ended<br>December 31 |                 | Year ended<br>December 31 |                 |
|--|-----------------------------------|-----------------|---------------------------|-----------------|
|  | 2024                              | 2023            | 2024                      | 2023            |
| <b>Net sales</b>   | \$ 6,240                          | \$ 5,967        | \$ 24,878                 | \$ 23,196       |
| Cost of products sold  | 3,811                             | 3,732           | 15,375                    | 14,762          |
| Selling and administrative expense   | 1,003                             | 956             | 4,077                     | 3,795           |
| Research and development expense   | 201                               | 201             | 794                       | 754             |
| Interest expense - net   | 42                                | 27              | 130                       | 151             |
| Other expense (income) - net   | 16                                | (37)            | (64)                      | (93)            |
| <b>Income before income taxes</b>  | 1,167                             | 1,088           | 4,566                     | 3,827           |
| Income tax expense   | 195                               | 141             | 768                       | 604             |
| <b>Net income</b>  | 972                               | 947             | 3,798                     | 3,223           |
| Less net income for noncontrolling interests   | (1)                               | (1)             | (4)                       | (5)             |
| <b>Net income attributable to Eaton ordinary shareholders</b>  | <u>\$ 971</u>                     | <u>\$ 946</u>   | <u>\$ 3,794</u>           | <u>\$ 3,218</u> |
| <b>Net income per share attributable to Eaton ordinary shareholders</b>                              |                                   |                 |                           |                 |
| Diluted  | \$ 2.45                           | \$ 2.35         | \$ 9.50                   | \$ 8.02         |
| Basic  | 2.46                              | 2.37            | 9.54                      | 8.06            |
| <b>Weighted-average number of ordinary shares outstanding</b>  |                                   |                 |                           |                 |
| Diluted  | 396.0                             | 401.8           | 399.4                     | 401.1           |
| Basic  | 394.1                             | 399.6           | 397.6                     | 399.1           |
| <b>Reconciliation of net income attributable to Eaton ordinary shareholders to adjusted earnings</b> |                                   |                 |                           |                 |
| Net income attributable to Eaton ordinary shareholders   | \$ 971                            | \$ 946          | \$ 3,794                  | \$ 3,218        |
| Excluding acquisition and divestiture charges (income), after-tax                                    | 9                                 | (15)            | 26                        | 39              |
| Excluding restructuring program charges, after-tax   | 56                                | 9               | 160                       | 46              |
| Excluding intangible asset amortization expense, after-tax   | 84                                | 83              | 335                       | 353             |
| <b>Adjusted earnings</b>   | <u>\$ 1,120</u>                   | <u>\$ 1,024</u> | <u>\$ 4,314</u>           | <u>\$ 3,657</u> |
| Net income per share attributable to Eaton ordinary shareholders - diluted                           | \$ 2.45                           | \$ 2.35         | \$ 9.50                   | \$ 8.02         |
| Excluding per share impact of acquisition and divestiture charges (income), after-tax                | 0.02                              | (0.04)          | 0.06                      | 0.10            |
| Excluding per share impact of restructuring program charges, after-tax                               | 0.14                              | 0.02            | 0.40                      | 0.11            |
| Excluding per share impact of intangible asset amortization expense, after-tax                       | 0.22                              | 0.22            | 0.84                      | 0.89            |
| <b>Adjusted earnings per ordinary share</b>  | <u>\$ 2.83</u>                    | <u>\$ 2.55</u>  | <u>\$ 10.80</u>           | <u>\$ 9.12</u>  |

See accompanying notes.

**EATON CORPORATION plc**  
**BUSINESS SEGMENT INFORMATION**

| (In millions)   | Three months ended<br>December 31 |                 | Year ended<br>December 31 |                  |
|---|-----------------------------------|-----------------|---------------------------|------------------|
|   | 2024                              | 2023            | 2024                      | 2023             |
| <b>Net sales</b>  |                                   |                 |                           |                  |
| Electrical Americas   | \$ 2,905                          | \$ 2,672        | \$ 11,436                 | \$ 10,098        |
| Electrical Global   | 1,569                             | 1,512           | 6,248                     | 6,084            |
| Aerospace   | 971                               | 895             | 3,744                     | 3,413            |
| Vehicle   | 647                               | 723             | 2,790                     | 2,965            |
| eMobility   | 147                               | 165             | 662                       | 636              |
| <b>Total net sales</b>  | <b>\$ 6,240</b>                   | <b>\$ 5,967</b> | <b>\$ 24,878</b>          | <b>\$ 23,196</b> |
| <b>Segment operating profit (loss)</b>                        |                                   |                 |                           |                  |
| Electrical Americas   | \$ 918                            | \$ 763          | \$ 3,455                  | \$ 2,675         |
| Electrical Global   | 277                               | 284             | 1,149                     | 1,176            |
| Aerospace   | 222                               | 200             | 859                       | 780              |
| Vehicle   | 122                               | 129             | 502                       | 482              |
| eMobility   | 3                                 | (16)            | (7)                       | (21)             |
| <b>Total segment operating profit</b>                         | <b>1,542</b>                      | <b>1,360</b>    | <b>5,959</b>              | <b>5,093</b>     |
| <b>Corporate</b>  |                                   |                 |                           |                  |
| Intangible asset amortization expense                         | (107)                             | (107)           | (425)                     | (450)            |
| Interest expense - net  | (42)                              | (27)            | (130)                     | (151)            |
| Pension and other postretirement benefits income              | 10                                | 13              | 40                        | 46               |
| Restructuring program charges                                 | (70)                              | (11)            | (202)                     | (57)             |
| Other expense - net   | (166)                             | (141)           | (675)                     | (654)            |
| <b>Income before income taxes</b>                             | <b>1,167</b>                      | <b>1,088</b>    | <b>4,566</b>              | <b>3,827</b>     |
| Income tax expense  | 195                               | 141             | 768                       | 604              |
| <b>Net income</b>   | <b>972</b>                        | <b>947</b>      | <b>3,798</b>              | <b>3,223</b>     |
| Less net income for noncontrolling interests                  | (1)                               | (1)             | (4)                       | (5)              |
| <b>Net income attributable to Eaton ordinary shareholders</b> | <b>\$ 971</b>                     | <b>\$ 946</b>   | <b>\$ 3,794</b>           | <b>\$ 3,218</b>  |

See accompanying notes.

**EATON CORPORATION plc**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In millions)

|   | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| <b>Assets</b>                               |                          |                          |
| Current assets                              |                          |                          |
| Cash  | \$ 555                   | \$ 488                   |
| Short-term investments                      | 1,525                    | 2,121                    |
| Accounts receivable - net                   | 4,619                    | 4,475                    |
| Inventory                                   | 4,227                    | 3,739                    |
| Prepaid expenses and other current assets   | 874                      | 851                      |
| Total current assets                        | <u>11,801</u>            | <u>11,675</u>            |
| Property, plant and equipment - net         | 3,729                    | 3,530                    |
| Other noncurrent assets                     |                          |                          |
| Goodwill                                    | 14,713                   | 14,977                   |
| Other intangible assets                     | 4,658                    | 5,091                    |
| Operating lease assets                      | 806                      | 648                      |
| Deferred income taxes                       | 609                      | 458                      |
| Other assets                                | 2,066                    | 2,052                    |
| Total assets                                | <u>\$ 38,381</u>         | <u>\$ 38,432</u>         |
| <b>Liabilities and shareholders' equity</b> |                          |                          |
| Current liabilities                         |                          |                          |
| Short-term debt                             | \$ —                     | \$ 8                     |
| Current portion of long-term debt           | 674                      | 1,017                    |
| Accounts payable                            | 3,678                    | 3,365                    |
| Accrued compensation                        | 670                      | 676                      |
| Other current liabilities                   | 2,835                    | 2,680                    |
| Total current liabilities                   | <u>7,857</u>             | <u>7,747</u>             |
| Noncurrent liabilities                      |                          |                          |
| Long-term debt                              | 8,478                    | 8,244                    |
| Pension liabilities                         | 741                      | 768                      |
| Other postretirement benefits liabilities   | 164                      | 180                      |
| Operating lease liabilities                 | 669                      | 533                      |
| Deferred income taxes                       | 275                      | 402                      |
| Other noncurrent liabilities                | 1,667                    | 1,489                    |
| Total noncurrent liabilities                | <u>11,994</u>            | <u>11,616</u>            |
| Shareholders' equity                        |                          |                          |
| Eaton shareholders' equity                  | 18,488                   | 19,036                   |
| Noncontrolling interests                    | 43                       | 33                       |
| Total equity                                | <u>18,531</u>            | <u>19,069</u>            |
| Total liabilities and equity                | <u>\$ 38,381</u>         | <u>\$ 38,432</u>         |

See accompanying notes.

**EATON CORPORATION plc**  
**NOTES TO THE FOURTH QUARTER 2024 EARNINGS RELEASE**

Amounts are in millions of dollars unless indicated otherwise (per share data assume dilution). Columns and rows may not add and the sum of components may not equal total amounts reported due to rounding.

**Note 1. NON-GAAP FINANCIAL INFORMATION**

This earnings release includes certain non-GAAP financial measures. These financial measures include adjusted earnings, adjusted earnings per ordinary share, and free cash flow, each of which differs from the most directly comparable measure calculated in accordance with generally accepted accounting principles (GAAP). A reconciliation of each of these financial measures to the most directly comparable GAAP measure is included in this earnings release. Management believes that these financial measures are useful to investors because they provide additional meaningful financial information that should be considered when assessing our business performance and trends, and they allow investors to more easily compare Eaton Corporation plc's (Eaton or the Company) financial performance period to period. Management uses this information in monitoring and evaluating the on-going performance of Eaton and each business segment.

The Company's first quarter and full year net income per ordinary share and adjusted earnings per ordinary share guidance for 2025 is as follows:

|  | Three months ended<br>March 31, 2025 | Year ended<br>December 31, 2025 |
|--|--------------------------------------|---------------------------------|
| Net income per share attributable to Eaton ordinary shareholders - diluted     | \$2.30 - \$2.40                      | \$10.60 - \$11.00               |
| Excluding per share impact of acquisition and divestiture charges, after tax   | 0.01                                 | 0.04                            |
| Excluding per share impact of restructuring program charges, after tax         | 0.13                                 | 0.32                            |
| Excluding per share impact of intangible asset amortization expense, after tax | 0.21                                 | 0.84                            |
| Adjusted earnings per ordinary share   | <u>\$2.65 - \$2.75</u>               | <u>\$11.80 - \$12.20</u>        |

Reconciliations of operating cash flow to free cash flow are as follows:

|  | Three months ended<br>December 31 |                 |
|--|-----------------------------------|-----------------|
|  | 2024                              | 2023            |
| (In millions)  |                                   |                 |
| Operating cash flow                                    | \$ 1,597                          | \$ 1,298        |
| Capital expenditures for property, plant and equipment | (255)                             | (243)           |
| Free cash flow   | <u>\$ 1,342</u>                   | <u>\$ 1,055</u> |

  

|  | Year ended<br>December 31 |                 |
|--|---------------------------|-----------------|
|  | 2024                      | 2023            |
| (In millions)  |                           |                 |
| Operating cash flow                                    | \$ 4,327                  | \$ 3,624        |
| Capital expenditures for property, plant and equipment | (808)                     | (757)           |
| Free cash flow   | <u>\$ 3,518</u>           | <u>\$ 2,867</u> |

## Note 2. ACQUISITIONS AND DIVESTITURE OF BUSINESSES

### *Acquisition of a 49% stake in NordicEPOD AS*

On May 31, 2024, Eaton acquired a 49 percent stake in NordicEPOD AS, which designs and assembles standardized power modules for data centers in the Nordic region. Eaton accounts for this investment on the equity method of accounting and it is reported within the Electrical Global business segment.

### *Acquisition of Exertherm*

On May 20, 2024, Eaton acquired Exertherm, a U.K.-based provider of thermal monitoring solutions for electrical equipment. Exertherm is reported within the Electrical Americas business segment.

### *Acquisition of a 49% stake in Jiangsu Ryan Electrical Co. Ltd.*

On April 23, 2023, Eaton acquired a 49 percent stake in Jiangsu Ryan Electrical Co. Ltd., a manufacturer of power distribution and sub-transmission transformers in China. Eaton accounts for this investment on the equity method of accounting and it is reported within the Electrical Global business segment.

### *Acquisition of Green Motion SA*

On March 22, 2021, Eaton acquired Green Motion SA, a leading designer and manufacturer of electric vehicle charging hardware and related software based in Switzerland. Green Motion SA was acquired for \$106 million, including \$49 million of cash paid at closing and an initial estimate of \$57 million for the fair value of contingent future consideration based on 2023 and 2024 revenue performance. The fair value of contingent consideration liabilities is estimated by discounting contingent payments expected to be made, and may increase or decrease based on changes in revenue estimates and discount rates, with a maximum possible undiscounted value of \$113 million. As of December 31, 2024, the fair value of the contingent future payments has been reduced to \$6 million based primarily on lower revenue in 2023 and 2024 compared to the initial estimates at closing. This reduction is presented in Other expense (income) - net on the Consolidated Statements of Income.

## Note 3. ACQUISITION AND DIVESTITURE CHARGES

Eaton incurs integration charges and transaction costs to acquire and integrate businesses, and transaction, separation and other costs to divest and exit businesses. Eaton also recognizes gains and losses on the sale of businesses. A summary of these Corporate items is as follows:

|   | Three months ended<br>December 31 |                  | Year ended<br>December 31 |                |
|---|-----------------------------------|------------------|---------------------------|----------------|
|   | 2024                              | 2023             | 2024                      | 2023           |
| (In millions except for per share data)                                     |                                   |                  |                           |                |
| Acquisition integration, divestiture charges and transaction costs (income) | \$ 13                             | \$ (14)          | \$ 36                     | \$ 54          |
| Income tax benefit  | 4                                 | 1                | 10                        | 15             |
| Total after income taxes  | <u>\$ 9</u>                       | <u>\$ (15)</u>   | <u>\$ 26</u>              | <u>\$ 39</u>   |
| Per ordinary share - diluted  | <u>\$ 0.02</u>                    | <u>\$ (0.04)</u> | <u>\$ 0.06</u>            | <u>\$ 0.10</u> |

Acquisition integration, divestiture charges and transaction costs are primarily related to acquisitions completed prior to 2023, including other charges and income to acquire and exit businesses, and the reduction in fair value of contingent future consideration from the Green Motion SA acquisition. Costs in 2023 also included certain indemnity claims associated with the sale of 50% interest in the commercial vehicle automated transmission business in 2017. These charges were included in Cost of products sold, Selling and administrative expense, Research and development expense, or Other expense (income) - net. In Business Segment Information, the charges were included in Other expense - net.

#### Note 4. RESTRUCTURING CHARGES

In the second quarter of 2020, Eaton initiated a multi-year restructuring program to reduce its cost structure and gain efficiencies in its business segments and at corporate in order to initially respond to declining market conditions brought on by the COVID-19 pandemic. Since the inception of the program, the Company incurred expenses of \$199 million for workforce reductions and \$184 million for plant closing and other costs, resulting in total charges of \$382 million through December 31, 2023. This restructuring program was substantially complete at the end of 2023 and mature year benefits from the program of approximately \$265 million were realized in 2024.

During the first quarter of 2024, Eaton implemented a new multi-year restructuring program to accelerate opportunities to optimize its operations and global support structure. These actions will better align the Company's functions to support anticipated growth and drive greater effectiveness throughout the Company. Restructuring charges incurred under this program were \$202 million in 2024. This restructuring program is expected to be completed in 2026 and is expected to incur additional expenses related to workforce reductions of \$183 million and plant closing and other costs of \$90 million, resulting in total estimated charges of \$475 million for the entire program. The Company expects mature year benefits of \$375 million when the multi-year program is fully implemented.

A summary of restructuring program charges is as follows:

|   | Three months ended<br>December 31 |         | Year ended<br>December 31 |         |
|---|-----------------------------------|---------|---------------------------|---------|
|   | 2024                              | 2023    | 2024                      | 2023    |
| (In millions except for per share data) |                                   |         |                           |         |
| Workforce reductions                    | \$ 42                             | \$ 2    | \$ 120                    | \$ 19   |
| Plant closing and other                 | 28                                | 9       | 83                        | 38      |
| Total before income taxes               | 70                                | 11      | 202                       | 57      |
| Income tax benefit                      | 14                                | 2       | 43                        | 11      |
| Total after income taxes                | \$ 56                             | \$ 9    | \$ 160                    | \$ 46   |
| Per ordinary share - diluted            | \$ 0.14                           | \$ 0.02 | \$ 0.40                   | \$ 0.11 |

Restructuring program charges related to the following segments:

|                     | Three months ended<br>December 31 |       | Year ended<br>December 31 |       |
|---------------------|-----------------------------------|-------|---------------------------|-------|
|                     | 2024                              | 2023  | 2024                      | 2023  |
| (In millions)       |                                   |       |                           |       |
| Electrical Americas | \$ 4                              | \$ 2  | \$ 12                     | \$ 5  |
| Electrical Global   | 18                                | 4     | 88                        | 26    |
| Aerospace           | 2                                 | 2     | 9                         | 5     |
| Vehicle             | 8                                 | 2     | 40                        | 6     |
| eMobility           | 22                                | —     | 25                        | 7     |
| Corporate           | 16                                | 2     | 29                        | 8     |
| Total charges       | \$ 70                             | \$ 11 | \$ 202                    | \$ 57 |

These restructuring program charges were included in Cost of products sold, Selling and administrative expense, Research and development expense, or Other expense (income) – net, as appropriate. In Business Segment Information, these restructuring program charges are treated as Corporate items.

**Note 5. INTANGIBLE ASSET AMORTIZATION EXPENSE**

Intangible asset amortization expense is as follows:

(In millions except for per share data)

Intangible asset amortization expense

Income tax benefit

Total after income taxes

Per ordinary share - diluted

| Three months ended<br>December 31 |              | Year ended<br>December 31 |               |
|-----------------------------------|--------------|---------------------------|---------------|
| 2024                              | 2023         | 2024                      | 2023          |
| \$ 107                            | \$ 107       | \$ 425                    | \$ 450        |
| 23                                | 23           | 91                        | 98            |
| <u>\$ 84</u>                      | <u>\$ 83</u> | <u>\$ 335</u>             | <u>\$ 353</u> |
| \$ 0.22                           | \$ 0.22      | \$ 0.84                   | \$ 0.89       |

## **Contacts**

Eaton Corporation plc  
Jennifer Tolhurst  
Media Relations  
+1 (440) 523-4006  
[jennifertolhurst@eaton.com](mailto:jennifertolhurst@eaton.com)

Yan Jin  
Investor Relations  
+1 (440) 523-7558