UNLEASHING NEW POSSIBILITIES
# Emerson Attendees

## Company Leadership

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Farr</td>
<td>Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>Mike Train</td>
<td>President</td>
</tr>
<tr>
<td>Frank Dellaquila</td>
<td>Senior Executive Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Steve Pelch</td>
<td>Executive Vice President and Chief Operating Officer</td>
</tr>
<tr>
<td>Bob Sharp</td>
<td>Executive President, Commercial &amp; Residential Solutions</td>
</tr>
<tr>
<td>Lal Karsanbhai</td>
<td>Executive President, Automation Solutions</td>
</tr>
<tr>
<td>Sara Bosco</td>
<td>Senior Vice President, Secretary and General Counsel</td>
</tr>
<tr>
<td>Mark Bulanda</td>
<td>Senior Vice President, Planning and Development</td>
</tr>
<tr>
<td>Kathy Button Bell</td>
<td>Senior Vice President and Chief Marketing Officer</td>
</tr>
<tr>
<td>Brent Schroeder</td>
<td>Group President, Heating and Air Conditioning</td>
</tr>
<tr>
<td>John Rhodes</td>
<td>Group President, Cold Chain</td>
</tr>
<tr>
<td>Jim Nyquist</td>
<td>Group President, Systems and Solutions</td>
</tr>
<tr>
<td>Ram Krishnan</td>
<td>Group President, Final Control</td>
</tr>
<tr>
<td>Tim Reeves</td>
<td>Director, Investor Relations</td>
</tr>
<tr>
<td>Judson Duncan</td>
<td>Vice President, Planning</td>
</tr>
</tbody>
</table>
## Emerson Attendees
Some of the Next Generation of Leaders

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Chin</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Dan Douglass</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Susan Hughes</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Pete Lilly</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Melissa Ruths</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Rob Sedlak</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>Amy Goldschmidt</td>
<td>Commercial &amp; Residential Solutions</td>
</tr>
<tr>
<td>Jenny Lenhard</td>
<td>Commercial &amp; Residential Solutions</td>
</tr>
<tr>
<td>Craig Sumner</td>
<td>Commercial &amp; Residential Solutions</td>
</tr>
<tr>
<td>Brett Balasky</td>
<td>Corporate Strategic Planning</td>
</tr>
<tr>
<td>Emily Thomas</td>
<td>Corporate Strategic Planning</td>
</tr>
<tr>
<td>Time</td>
<td>Session</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>8:00 – 8:45</td>
<td>Business Overview / Strategic Update</td>
</tr>
<tr>
<td>8:45 – 9:30</td>
<td>Commercial &amp; Residential Solutions</td>
</tr>
<tr>
<td>9:30 – 10:00</td>
<td>Heating and Cooling</td>
</tr>
<tr>
<td>10:00 – 10:30</td>
<td>Global Cold Chain</td>
</tr>
<tr>
<td>10:30 – 10:45</td>
<td>Break</td>
</tr>
<tr>
<td>10:45 – 11:30</td>
<td>Automation Solutions</td>
</tr>
<tr>
<td>11:30 – 12:00</td>
<td>Systems and Solutions</td>
</tr>
<tr>
<td>12:00 – 12:30</td>
<td>Machine Automation Solutions</td>
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<tr>
<td>12:30 – 1:00</td>
<td>Final Control</td>
</tr>
<tr>
<td>1:00 – 1:15</td>
<td>Break</td>
</tr>
<tr>
<td>1:15 – 2:00</td>
<td>Questions &amp; Answers</td>
</tr>
</tbody>
</table>
2019 Investor Conference
Business Overview / Strategic Update

David N. Farr
Chairman and Chief Executive Officer
February 14, 2019

Safe Harbor Statement
Our commentary and responses to your questions may contain “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 economic and currency conditions, market demand, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, and the impact of the Tax Cuts and Jobs Act, among others, as set forth in the company’s most recent Annual Report on Form 10-K and subsequent reports filed with the SEC.

Non-GAAP Measures
In this presentation we will discuss some non-GAAP measures (denoted with an *) 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 is available at our website www.emerson.com under the investors tab.

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2018 February Investor Conference -- Scorecard
Versus 2018 Actual Performance

Key 2018 Targets Were
✓ Achieve premium underlying sales* growth for all of Emerson: 5% - 7%
✓ Drive strong earnings momentum within GAAP EPS by reaching $3.05 - $3.15 EPS in 2018 -- ~20% GAAP EPS growth
✓ Deliver another strong year of operating cash flow -- $2.9+B -- 17% of sales
✓ Dividend per share increase of 2¢

1. Grew Underlying Sales* in Both Platforms
   - 8%
   - 10%
   - 4%
   ✓ Deliver positive underlying sales* growth within both platforms: 5 - 7% EMR growth
   ✓ Return Automation Solutions to above market underlying* growth: 6 - 8% in 2018
   ✓ Continue strong, above market underlying* growth within Commercial & Residential Solutions -- 3rd year. Targeting another premium underlying *sales growth year: 4 - 6% in 2018

2. Continued Margin Expansion and Drove V&C Operating Margins* to 10%+ by 2nd half of 2018
   ✓ Strong profit margin performance within both platforms is important to return to Emerson consolidated margin improvement -- Especially within Automation Solutions -- Must leverage profitability at ~ 30% as sales growth returns and absorbs V&C lower margins
   ✓ Successfully integrated V&C acquisition and expanded margins to deliver Automation Solutions leverage goals – fiscal 2018 earnings / cash flow accretive

3. Grew Operating and Free Cash Flow to Fund Growth and Shareholder Returns
   ✓ Continued focus on cash flow management as Emerson returns to growth by generating ~$2.9B in operating cash flow
   ✓ Invest $575M of capital, enhanced by new Tax Reform -- $617M
   Maintain FCF / Net Income Conversion* ~120% -- 114%

We Successfully Hit Our Growth Targets in Both Platforms and Continue to Grow While Maintaining a Strong Focus on Margins and Cash Conversion
Emerson’s 2018 Financial Performance -- Compared to Guidance at Last Year’s Investor Conference

<table>
<thead>
<tr>
<th></th>
<th>2018 Guidance</th>
<th>2018 Actual as Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$17.0 - $17.3B</td>
<td>$17.4B</td>
</tr>
<tr>
<td><strong>Underlying Sales Growth</strong></td>
<td>5% - 7%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>~43.1%</td>
<td>42.9%</td>
</tr>
<tr>
<td><strong>EBIT Margin</strong></td>
<td>~16.7%</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>~$2.9B</td>
<td>$2.9B</td>
</tr>
<tr>
<td><strong>GAAP EPS Continuing Ops</strong></td>
<td>$3.05 - $3.15</td>
<td>$3.46</td>
</tr>
<tr>
<td><strong>Dividends per share</strong></td>
<td>$1.94</td>
<td>$1.94</td>
</tr>
<tr>
<td><strong>Dividend to FCF Ratio</strong></td>
<td>53%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Cash Returned to Shareholders</strong></td>
<td>~$2.0B</td>
<td>$2.2B</td>
</tr>
</tbody>
</table>

* At the February 2018 Investor Conference, guidance did not account for results of the Tools & Test and Aventics acquisitions which were completed July 2 and July 17, 2018

We Are Making Great Progress On Our Transformational Journey Goals, as Outlined in 2016

Phase 1
Repositioning Emerson around two key platforms
• Executed divestitures
• Acquired V&C

Phase 2
Building the new Emerson core and returning to profitable sales, earnings, and cash flow growth
• Orders have turned
• Foundation for growth in place

Phase 3
Regaining the critical global scale of >$20B in sales
Accelerating core growth:
• Strong end market growth
• Technological innovation
• Strategic bolt-on acquisitions
Continue to build the synergies between our two world class platforms

The Path Is Clear and We Are Aggressively Moving Forward -- The Total Core Company Is Strong and Has Many Value Creation Opportunities Through Organic and Acquisitive Growth
### Automation Solutions

**$214B Market**  
~$11.4B 2018 Sales  
~58,000 Employees

- 20+% Reported, 10% Underlying* Sales Growth – **over double the served market**
- Strengthened fluid motion and control position with Aventics
- Bolstered software offerings with three unique acquisitions
- Acquired GE Intelligent Platforms 1/31/2019
- Engaging customers like never before through the Plantweb Digital Ecosystem

### Commercial & Residential Solutions

**$43B Market**  
~$6.0B 2018 Sales  
~27,500 Employees

- 2% Reported, 4% Underlying* Sales Growth – **market premium**
- Added unique Cold Chain technology with Cooper-Atkins acquisition
- Acquired Tools & Test and combined with Ridge Tool to create #1 Professional Tools business
- Grew the mix of systems and solutions
- Continuing momentum at our Helix Innovation Center

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We Concentrate on the Most Complex and Important Challenges Facing the World in the Process, Industrial, Commercial, and Residential Markets and Deliver Unique Customer Solutions
Emerson’s Two Platform Strategy: Continue to Move Up the Technology Pyramid Utilizing Our Strong Position in the Devices / Instruments / Sensors and Control Levels

Emerson Has Tremendous Credibility With Our Customers and We Are Uniquely Positioned to Provide Optimized Solutions for Our Customers Up and Down the Technology Pyramid -- in Both Platforms
Recent Investments and Acquisitions Set Foundation for the Success of the Next Emerson Generation Solutions

Emerson’s Unique Offering of Intelligent Devices, Controls, and Software, Combined with an Unmatched Project Execution Framework, Domain Expertise, and Service Network Create the Strongest Industrial Position to Win
Emerson is placing a strong focus on developing software enabled and software driven solutions. Emerson’s unmatched expertise in control systems and services in automation industries and stewardship of user comfort in commercial & residential markets are a direct result of a unique embedded and standalone software focus.

### Automation Solutions

- **$2.1B Process Control Systems & Solutions**
  - Control Product Software
  - Hardware / Services
  - Standalone Software

- **40+% Software Business**
- **59%**
- **32%**
- **9%**

### Commercial & Residential Solutions

- **ProAct**
  - Innovative and homegrown
  - Monitoring Solutions in the Cold Chain

- **Sensi Thermostat Manager**
  - Emerson Software Development
  - Centralized Control
  - 1st of its kind

- **Sensi Predict**
  - High Quality Installs and Repairs
  - Digital Transformation for HVAC Contractors

- **With Paradigm and Roxar, total Automation Solutions Standalone Software = ~$400M**

Emerson’s unmatched expertise in control systems and services in automation industries and stewardship of user comfort in commercial & residential markets are a direct result of a unique embedded and standalone software focus.
Software Expertise Across Several Industries via Internal Development, Acquisitions, and Alliances

- Acquisitions of **Paradigm, GeoFields, and Energy Solutions** expand Emerson’s Software and Solutions role in the Oil & Gas value chain

- **AspenTech Alliance** creates unique Level 3 software provider and complete solution for Refining customers

- **Syncade** product portfolio creates deeper relationships in Life Sciences
  - **TempTrax** Monitoring Solution for Healthcare Providers

- IBM **Food Trust Blockchain** Participation
  - Food Service Temperature Monitoring

- **Ovation Digital Twin** Embedded Simulation is truly unique in Power & Water Solutions

- **Plantweb App Development** and Acquisitions of **Mynah, Prosys, and iSolutions** bolster Operator Training, Alarm Management, and Advanced Control

Unique Investments and Innovations in Standalone Software, Simulation, the Plantweb Digital Ecosystem, and Cybersecurity Add Significantly to Emerson’s Industry Expertise -- We Will Continue To Invest in this Critical Strategy: Internal / Acquisition
Emerson’s Two Platform Strategy
A Well-Structured and Proven Value Creation Process

We Leverage a Common Foundational Process to Deliver Value for Our Shareholders and Drive Progress in the Automation and Commercial & Residential Markets.

Talent Management
- Hire, develop, and retain top talent to lead in an ever changing world using our talent management process.
- Developing proven leaders through career experiences.
- Deliver exactly what our customers need when they need it as industry stewards.
- Serve local customers through Perfect Execution across optimized value chains.

Technology and Innovation
- Design industry leading products and solutions to solve the world’s most complex problems.
- Serve common customers in hybrid markets.
- Ensure the most efficient deployment of capital through acquisitions, cost management, and sales optimization.
- Utilize corporate and world area structure for local growth.

Customer Focus
- We innovate to create unique solutions and serve customers in our chosen end markets.
- Serve local customers through Perfect Execution across optimized value chains.

Financial Rigor
- We deliver exactly what our customers need when they need it as industry stewards.

Emerson Management Process

Emerson Values
Emerson’s Two Platform Strategy
Leverage Our Enterprise Infrastructure

Centralized, Scalable & Leveraged
- Infrastructure
- Cybersecurity
- “Plumbing”

Distributed & Specialized
- Customer Experience
- Applications
- Subject Matter Expertise

Data from Devices
Information to Customers
# 2019 February Investor Conference -- Fiscal 2019 Key Focus Areas

## Key Fiscal 2019 Targets

- Achieve premium underlying sales* growth for both Emerson platforms: 4% – 7%
- Continue to provide strong earnings with GAAP EPS reaching $3.60 – $3.75 EPS in 2019 -- 4% – 8% GAAP EPS growth
- Deliver another strong year of operating cash flow -- $3.2B -- 17% of sales
- Dividend per share increase of 2¢ -- targeting larger increases in 2020 and 2021

### 1. Grow Underlying Sales* in Both Platforms: 4% – 7%

- Deliver positive underlying sales* growth within both platforms -- 4 – 7% EMR growth
- Provide above market underlying* growth for Automation Solutions: 5% – 8% in 2019
- Continue strong, above market underlying* growth within Commercial & Residential Solutions – 4th year. Targeting another premium underlying* sales growth year: 3% – 5% in 2019

### 2. Continue Margin Expansion Through the Cycle

- Strong profit margin performance within both platforms is important to return to Emerson consolidated margin improvement -- Must leverage base company profitability at ~ 30% as sales growth continues and absorbs lower margins from acquisitions
- Continue to make strategic growth and technology investments while delivering 30% incremental margins
- Successfully integrate Intelligent Platforms, Tools & Test, Aventics -- and expand margins to deliver acquisition leverage goals

### 3. Grow Operating and Free Cash Flow to Fund Growth and Shareholder Returns

- Focus on cash flow management as Emerson continues to grow by generating $3.2B in operating cash flow
- Invest ~$650M of capital expenditures
- Maintain Free Cash Flow Conversion* >100%

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In 2019, Our Organization Will be Aligned Towards Executing on These Strategic Priorities as We Benefit From Steady Growth in a Number of Our Core Markets Very Strong Focus on last 2 Years of Acquisitions and Delivering Value for Emerson
## Emerson’s 2019 Forecast --
**Stronger Sales, Earnings, and Cash Flow Growth**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E Forecast</th>
<th>% Change 2018 – 19E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (GAAP)</td>
<td>$17.4B</td>
<td>~$19.0B</td>
<td>7% – 10%</td>
</tr>
<tr>
<td>Underlying Growth*</td>
<td>8%</td>
<td>4% – 7%</td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>42.9%</td>
<td>~43%</td>
<td>~10 bps</td>
</tr>
<tr>
<td>EBIT Margin*</td>
<td>16.2%</td>
<td>~17%</td>
<td>~80 bps</td>
</tr>
<tr>
<td>GAAP EPS</td>
<td>$3.46</td>
<td>$3.60 – $3.75</td>
<td>4% – 8%</td>
</tr>
<tr>
<td>Dividends Per Share</td>
<td>$1.94</td>
<td>$1.96</td>
<td>+1%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$2.9B</td>
<td>~$3.2B</td>
<td>~10%</td>
</tr>
<tr>
<td>Cash Returned to Shareholders</td>
<td>$2.2B</td>
<td>$2.2B</td>
<td></td>
</tr>
</tbody>
</table>

### Other 2019 key assumptions:
- Currency Headwinds ~$0.3B
- Tax Rate: 24%–25%
- 2019 Share Repurchase: $1B (Done)
- Closed acquisitions to date: ~$230M – full year ~$500M
- Capital Expenditures: ~$650M, ~3.4% of sales
- Oil price range: $45–$70
Orders Expected to Remain in 5 – 10% Range

Trailing Three-month Underlying Orders Increased 7% in January, Marking Twenty-Three Consecutive Months of Positive Orders
Quarterly Underlying Sales Growth* -- Maintaining Positive Momentum

Quarterly Sales vs. Prior Year

2018 Was a Strong Year with Improving Business Investment -- Established Significant Momentum to Drive 4% - 7% Underlying Sales Growth* in 2019

February Inv. Conf. Forecast

(2 – 1%) 0 – 1% 0 – 2% ~7% ~6% ~6%

2019E: 4% - 7%

Note: All data shows Emerson continuing operations
Global Macro Economics 2019 – 2021

Mature Markets: Gross Fixed Investment (GFI) Trends

Canada

- Nonresidential investment continues to trend higher as business confidence remains high
- Trade uncertainty and housing imbalances remain
- Oil & Gas differential prices drive need for additional investment in pipelines and terminals. LNG projects already moving forward

2018: 4.5%
2019E: 4.0%
2019 - 2021F: 3.0%

United States

- Forecast still strong and broad business spending and investment still happening
- Incentives in the Tax Cuts and Jobs Act continue to boost equipment spending
- Continued Midstream and Downstream buildout based on shale resource availability

2018: 5.0%
2019E: 4.0%
2019 - 2021F: 3.0%

Western Europe

- Weak political leadership contributing to uncertainty and delays in investments -- no consistent direction
- Germany expected to grow at ~1%; automotive and discrete manufacturing slowdown
- Uncertainty putting specific pressure on U.K. investment -- Brexit!
- US trade concerns remain a risk, but strong diversity in trading partners is helping to mitigate

2018: 3.4%
2019E: 2.0%
2019 - 2021F: 2.0%

World

2018: 4.3%
2019E: 4.1%
2019 - 2021F: 3.6%

Source: IHS Economics and Emerson Management Assessment

Mature Markets GFI Expected to Grow 3.0% in 2019, Down From 3.9% in 2018 due to Western Europe Weakening -- We Expect ~4-6% Mature Market Underlying Sales Growth in 2019 Driven by Solid USA Growth
Emerging Markets: Gross Fixed Investment (GFI) Trends

**Middle East & Africa**
- Saudi Arabia’s economy expected to strengthen from rising oil production quotas and oil prices.
- Capital expenditures across region expected to improve, especially around energy and downstream.
- Vertical integration investments continuing to create optionality and mitigate energy price volatility.

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019E</th>
<th>2019 - 2021F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East &amp; Africa</td>
<td>2.6%</td>
<td>4.5%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

**Latin America**
- Mexico’s spending is coming back as they sort out future government/investment policies.
- Brazil, Chile, Peru mining investments providing solid growth opportunities.
- USMCA ratification will solidify strength and confidence in Mexico -- need final approval in US Congress.

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<tr>
<th>Region</th>
<th>2018</th>
<th>2019E</th>
<th>2019 - 2021F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>2.4%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Eastern Europe**
- Western Europe slowdown.
- Russia’s growth slowed to ~1% from ~3.5% in 2018, but fixed investment in energy continued.
- GFI has suffered owing to reduced capacity utilization, availability of financing, high interest rates.

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019E</th>
<th>2019 - 2021F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe</td>
<td>4.6%</td>
<td>2.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**China**
- Tensions with US impacting overall export economy.
- Steady investments continue in process/hybrid markets, residential and commercial expected to rebound in 2nd half.

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019E</th>
<th>2019 - 2021F</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>4.9%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

**Asia Pacific (Excluding China)**
- India’s GFI growth accelerating to ~7% with solid industrial / environmental investments.
- Southeast Asia’s GFI growth will finally exceed ~4.0%.
- Australia mining showing decent investments.

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019E</th>
<th>2019 - 2021F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>4.2%</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Emerging Markets GFI Expected to Grow at ~5.0% in 2019, Outgrowing Mature Markets
We Expect to Deliver ~5-7% Underlying Sales Growth in Emerging Markets in 2019
Emerson Continues to Participate in Large Vertical Markets That **Will Grow Faster Than** Total $23T Gross Fixed Investment (GFI)

We Still Expect Growth to be Strong in Our Core Vertical Markets in 2019 Despite the Current Negative Global Headlines

**United States GFI Spend**

- **2017:** $640B (10.2% EMR Served, 80% Non-Served)
- **2018:** $710B (10.2% EMR Served, 85% Non-Served)
- **2019:** $750B (10.2% EMR Served, 85% Non-Served)

**World GFI Spend**

- **2017:** $3.4T (6.0% EMR Served, 94% Non-Served)
- **2018:** $3.6T (6.0% EMR Served, 94% Non-Served)
- **2019:** $3.8T (6.0% EMR Served, 94% Non-Served)

**Source:** IHS Economics
Regionalization Initiatives Are Key to Emerson’s Best Cost and Premium Growth Strategy

Emerson’s Regionalized Footprint Supported by Localized Supply Chains, Sourcing Efforts, Manufacturing Locations, and Salesforces Requires Some Rebalancing After 3 Years of Significant Acquisitions
Automation Solutions
Emerson’s Top 25 Global Project Pursuit Competition

Emerson Has the Strongest Complete Solutions Offering for Our Automation Customers Across All Process and Hybrid Industries -- a Unique Competitive Advantage
Emerson Has the Strongest and Broadest *Total* Final Control Automation Solution Across All Process and Hybrid Industries
Commercial & Residential Solutions
Uniquely Meeting Customer Needs

Cold Chain

Emerson Provides:
✓ Compression
✓ Controls
✓ Monitoring
++ ✓ Industry Expertise
++ ✓ Project Management
++ ✓ Project Delivery

Residential Comfort in China

Emerson Provides:
✓ Compression
✓ Control Electronics
++ ✓ Systems Integration
++ ✓ Focused End User Channel
++ ✓ Local Application and Expertise

Equipment working seamlessly together

Movement Into a Unique Solutions Approach Has Created Greater Differentiation Between Emerson and Competition
Commercial & Residential Solutions
Unique Expertise in This Broad Global Market

Emerson’s Ability to Provide all Relevant Technologies, Subject Matter Expertise, and Innovative Solutions Creates a Complete Industry Steward Position
Organization Update -- Changes Will Continue to Unfold Through 2021

The New Organizational Structure Will Help Drive Our Transformation to a More Focused and Growth-Oriented Company… Facilitating an Orderly Transition to the Next Chairman and CEO
The New Organizational Structure Will Help Drive Our Transformation to a More Focused and Growth-Oriented Company… Facilitating an Orderly Transition to the Next Chairman and CEO
Emerson’s 2018 - 2021 Shareholder Value Creation Model
Should be a Strong Outperformance Growth Period

- **Share Repurchase**: ~$1B per year
- **Acquisitions**: ~$1+B per year
- **EBIT Margin**: 16% – 19%
- **Underlying Sales Growth**: 4% – 7%
- **Drive EPS**: 10-12% CAGR
- **ROTC**: 20+%%

**Operating Capital Efficiency**
- Working Capital – ~15% - 16% of Sales
- Capital Spending – 3.3% - 3.5% of Sales

**Free Cash Flow Target**
- 13% – 15% of Sales

**2021T**
- Sales: ~$22+B
- EBIT Margin*: ~18%
- Operating Cash Flow: ~$4B
- EPS: ~4.50
## Emerson’s 2018-2021 Financial Plan Key Messages

| Economic Conditions | • Strong underlying markets -- key / critical global economies aligned for growth  
| |   – Automation Solutions maintaining strong momentum in the growth cycle  
| |   – Commercial & Residential Solutions sustaining above market growth  
| Margins | • Underlying platform margin targets consistent through 2021 -- **integrated acquisitions with much lower margins**  
| |   – Automation Solutions: 17 - 19%  
| |   – Commercial & Residential Solutions: 23 - 24%  
| Operating Cash Flow and EPS | • Continued strong cash conversion at ~110%+  
| | • On path to 2021 $4.50 EPS  
| Capital Expenditures | • Average of ~3.3% - 3.5% of sales through 2021  
| Acquisitions | • Significant capacity for more in our focus areas if strategic assets become available -- **ample flexibility for additional spend**  
| | • We will continue to evaluate portfolio for divestiture opportunities to maximize value for **all shareholders**  
| Share Repurchases | • $1B / year through 2021 -- **highly flexible balance sheet**  
| Dividends | • Plan to increase dividend greater than current pace in 2020, evaluating timing throughout 2019  

---

We Are Firmly on Our Path to $4.50 EPS in 2021 with Strong Cash Flow Conversion and Cash Returned to Shareholders
2018 Bridge to 2021T Sales

Upside Sales Case Presented at February 2018 Investor Conference
Is Now Our Base 2018-2021 Financial Case
2018 Bridge to 2021T **GAAP EPS**

**Reported EPS 2016 – 2021 CAGR ~13%**

**Reported EPS 2018 – 2021 CAGR ~9%**

**Adjusted EPS* 2018 – 2021 CAGR ~12%**

---

**Balance Sheet Leverage Ratios**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow</th>
<th>Operating Cash Flow / Total Debt (&gt;45%)</th>
<th>Total Debt / EBITDA* (&lt;1.75X)</th>
<th>Dividend / Free Cash Flow* (40-50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2.9B</td>
<td>61%</td>
<td>1.3x</td>
<td>54%</td>
</tr>
<tr>
<td>2021T</td>
<td>~$4B</td>
<td>~51%</td>
<td>~1.6X</td>
<td>~42%</td>
</tr>
</tbody>
</table>

---

**2018A**

- **Tax Rate**: $(0.34)$
- **2019 EPS Headwind**: $(0.20)$
- **Acq Acct, 401k Contr**: $0.12
- **Base Company**: ~$1.00
- **Paradigm Cooper-Atkins Tools & Test Aventics**
- **Intelligent Platforms**
- **Future Opportunities**: Including ~($0.05) FX Headwind, U/L Growth ~5%, Margin Expansion ~2 pts
- **2018 1-Time Charges**: ~$0.15
- **Share Repurchase**: ~$0.15
- **2021T**: ~$4.50
Capital Allocation Decisions Are Critical to Increase Long-Term Shareholder Value -- We Have Continuously Targeted to Return ~50-60% of Cash Flow to Shareholders
Operating Capital Efficiency Drives Significantly Higher Cash Flow and Returns for Shareholders

Strong Cash Flow and Balance Sheet Supports Continued Dividend/Share Growth and Capital Allocation Flexibility

1Cash flows exclude impact of repositioning items in 2015 and 2016, divestiture gains in 2015, and impairments in 2013 and 2014
2Div/FCF excludes tax and separation costs on divestitures
3Excluding one-time non-cash tax benefits

Total Debt / EBITDA*
2013 1.3x
2014 1.4x
2015 1.3x
2016 2.2x
2017 1.5x
2018
2019E ~1.3x
2020T ~1.4x
2021T ~1.6x

FCF / Net Earnings*
2013 116%
2014 110%
2015 105%
2016 131%
2017 135%
2018 114%
2019E >100%
2020E ~110% - 120%
2021E ~110%

Dividend / Share
2013 $1.64
2014 $1.72
2015 $1.88
2016 $1.90
2017 $1.92
2018 $1.94
2019E $1.96
2020T $2.04
2021T $2.14

Planned Dividend / Share

OCF – Target 16-18% of Sales
FCF – Target 13-15% of Sales
Automation Solutions Will Continue Its Strategy to Become a Complete Automation Player

$3.5B of Future Acquisition Spend For Emerson Will Expand Our Offerings As Strategic Assets Become Available
$3.5B of Future Acquisition Spend For Emerson Will Expand Our Offerings As Strategic Assets Become Available
### Key Fiscal 2019 Targets

- Achieve premium underlying sales* growth for both Emerson platforms: 4% – 7%
- Continue to provide strong earnings with GAAP EPS reaching $3.60 – $3.75 EPS in 2019 -- 4% – 8% GAAP EPS growth
- Deliver another strong year of operating cash flow -- $3.2B -- 17% of sales
- Dividend per share increase of 2¢ -- targeting larger increases in 2020 and 2021

#### 1. Grow Underlying Sales* in Both Platforms: 4% – 7%
- Deliver positive underlying sales* growth within both platforms -- 4 – 7% EMR growth
- Provide above market underlying* growth for Automation Solutions: 5% – 8% in 2019
- Continue strong, above market underlying* growth within Commercial & Residential Solutions – 4th year. Targeting another premium underlying* sales growth year: 3% – 5% in 2019

#### 2. Continue Margin Expansion Through the Cycle
- Strong profit margin performance within both platforms is important to return to Emerson consolidated margin improvement -- Must leverage base company profitability at ~ 30% as sales growth continues and absorbs lower margins from acquisitions
- Continue to make strategic growth and technology investments while delivering 30% incremental margins
- Successfully integrate Intelligent Platforms, Tools & Test, Aventics -- and expand margins to deliver acquisition leverage goals

#### 3. Grow Operating and Free Cash Flow to Fund Growth and Shareholder Returns
- Focus on cash flow management as Emerson continues to grow by generating $3.2B in operating cash flow
- Invest ~$650M of capital expenditures
- Maintain Free Cash Flow Conversion* >100%
Emerson’s 2018 – 2021 Financial Forecast

<table>
<thead>
<tr>
<th>GAAP</th>
<th>2018</th>
<th>2019E</th>
<th>2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$17.4B</td>
<td>~$19.0B</td>
<td>~$22+B</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>42.9%</td>
<td>~43%</td>
<td>~43+%</td>
</tr>
<tr>
<td>EBIT Margin*</td>
<td>16.2%</td>
<td>~17%</td>
<td>~18%</td>
</tr>
<tr>
<td>EPS Reported</td>
<td>$3.46</td>
<td>$3.60 - $3.75</td>
<td>~$4.50</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$2.9B</td>
<td>~$3.2B</td>
<td>~$4B</td>
</tr>
<tr>
<td>CapEx</td>
<td>$617M</td>
<td>~$650M</td>
<td>~$750M</td>
</tr>
<tr>
<td>% of Sales</td>
<td>3.5%</td>
<td>~3.4%</td>
<td>~3.3%</td>
</tr>
</tbody>
</table>

**Balance Sheet Leverage Ratios**

- Operating Cash Flow / Total Debt: 61% ~61% ~51%
- Total Debt / EBITDA*: 1.3x ~1.3x ~1.6x

By 2021, Our Target is to Reach ~43% GP Margin, ~18% EBIT Margin*, and ~$4B Operating Cash Flow for Increased Internal / Acquisition Investment and to Drive Sales to ~$22+B and EPS to ~$4.50
Commercial & Residential Solutions Business Overview

Bob Sharp
Executive President
Commercial & Residential Solutions Business Overview

Bob Sharp
Executive President
Commercial & Residential Solutions
Key Messages

- **Another strong year of sales in 2018**, with 4% underlying growth* after 6% in 2017

- Commercial & Residential Solutions has a **unique industry position and a key role as Industry Steward**. This provides an important competitive advantage and is fundamental to us delivering sustained above market growth

- We have **successfully defended our market leading position** for decades. In addition, **several major new programs provide the foundation for incremental above market growth and value creation**.

- Across our businesses, we are **moving up the value chain** – adding capabilities and partnering in new ways to bring integrated solutions to market

- **We continue to develop and acquire a breadth of new technologies to expand solutions and engagement with end users across three key verticals** – Residential Home Comfort, Commercial Building Efficiency & Cold Chain

- Our Tools & Home Products business is world class and centered around our customer-centric product innovations and our best-in-class professional channel. **The 2018 Tools & Test acquisition is a great fit and integration is running well ahead of plan.**
## Commercial & Residential Solutions
### 2018 Summary

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2017 – 2018 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$5.6B</td>
<td>$6.0B</td>
<td>8%</td>
</tr>
<tr>
<td>Underlying*</td>
<td>$1.3B</td>
<td>$1.4B</td>
<td>1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>$1.3B</td>
<td>$1.4B</td>
<td></td>
</tr>
<tr>
<td>% of Sales</td>
<td>24.2%</td>
<td>22.6%</td>
<td>(1.6) pts</td>
</tr>
<tr>
<td>ROTC</td>
<td>52%</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td><strong>Change</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2018 Sales by Market
- **Heating & Cooling**: 53%
- **Cold Chain**: 22%
- **Tools & Home Products**: 25%

### 2018 Sales by Geography
- **Americas**: 66%
- **Asia, Middle East & Africa**: 23%
- **Europe**: 11%

^ All Figures are Excluding Closetmaid
Leading Presence in a $43B Global Served Market Participation by Product Type

Content Intentionally Omitted
Our Domain Knowledge, Product Strength & Solutions Capability Enable Us to Serve As an **Industry Steward**

**PRODUCT**

Core component and application specific solutions

**OEM / CHANNEL**

Providing technical training for installation and ongoing service

**CONTRACTOR**

Understanding needs and supporting ease of use

**END USER**

Increased Engagement

We Are Leveraging Expertise, Relationships, and Capabilities for Solutions, Even in the Most Competitive Global Markets
Commercial & Residential Solutions Global Footprint

**United States & Canada**
- Sales: $3.7B
- Employees: 9,200
- Manufacturing Locations: 30
- Sales & Service Locations: 24

**Asia**
- Sales: $1.2B
- Employees: 7,200
- Manufacturing Locations: 12
- Sales & Service Locations: 26

**Europe**
- Sales: $0.6B
- Employees: 3,300
- Manufacturing Locations: 12
- Sales & Service Locations: 23

**Latin America**
- Sales: $0.3B
- Employees: 7,700
- Manufacturing Locations: 10
- Sales & Service Locations: 7

**Middle East & Africa**
- Sales: $0.2B
- Employees: 100
- Manufacturing Locations: 1
- Sales & Service Locations: 6

**Global**
- 2018 Sales: $6.0B
- Employees: 27,500
- Manufacturing Locations: 65
- Sales & Service Locations: 86

Leveraging Our Global Footprint to Drive Efficiencies in Manufacturing, Channel, and Organization
Favorable Business Dynamics and Local Scale Enable Premium Market Growth in all Regions

**North America**

- **Maintaining strong positions** across all core franchise product categories
- Leveraging food safety, new regulations and other trends
- Commercializing new sources of growth in several areas
- **Continuing to scale solutions capability**

**Europe**

- Solutions selling continues to drive separation from market
  - **Helping customers** respond to strict EU regulations with revamped product offerings
  - Driving the adoption of sustainable and flexible system architectures

**Asia / Middle East & Africa**

- **Growing core products** in the region with focus on refrigerants and variable speed
- Systems & Solutions selling approach is a differentiator in the marketplace
- Developing relationships with **fast growing food retail and foodservice customers**
- Well-positioned in district and industrial **heating for China** blue sky policies

**Latin America**

- **Leveraging core products** and diversifying offerings to expand served market
- Using solutions success cases to expand customer base and sales opportunity
- Driving geographic expansion of expanded cold chain portfolio
## Served Market Verticals Showing Steady Growth with Attractive Business Dynamics

<table>
<thead>
<tr>
<th>Cold Chain</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>DOE &amp; EPA regulations drive redesigns &amp; food monitoring, Cold Chain expansion</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Solid fundamentals, weather conditions key</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>New efficiency standards</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Res. AC</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>New construction &amp; private spending</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Res. Improvements</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Consumer confidence, equipment investment, improvement &amp; repair projects</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Heating</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>China coal to heat pump conversion</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Residential Construction</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Non residential fixed investment &amp; growth in strategic building segments</td>
</tr>
<tr>
<td>2018-2021</td>
<td></td>
</tr>
</tbody>
</table>
### Key Programs Aligned to Global Market Trends Drive Incremental Growth Above Market

<table>
<thead>
<tr>
<th>Global Trends</th>
<th>Residential</th>
<th>Commercial</th>
<th>Cold Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency</td>
<td>Modulation &amp; Controls</td>
<td>Modulation &amp; Controls, Centrifugal</td>
<td>New Designs</td>
</tr>
<tr>
<td>Comfort &amp; Air Quality</td>
<td>Indoor Air Quality, Heat Pump</td>
<td>Dehumidification, Sensing &amp; Mitigation</td>
<td>Controls &amp; ProAct, Cargo Solutions</td>
</tr>
<tr>
<td>Food Quality &amp; Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refrigerant Regulations</td>
<td></td>
<td></td>
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<tr>
<td>Connectivity</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Food Waste Management</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>e-Commerce</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Emerging Market Middle Class</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Low Global Warming Potential Refrigerants and New Compressor Designs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sensi WiFi Thermostat, Sensi Predict, Simple Building Management</td>
<td>Electronic Controls Remote Monitoring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food Disposer Adoption</td>
<td></td>
<td>Grind2Energy</td>
</tr>
<tr>
<td></td>
<td>OneEmerson, Amazon, HomeDepot.com, Other Online Channels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>China Residential Heating</td>
<td>China District and Industrial Heating</td>
<td>Food Safety Focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
We Increasingly Combine Our Portfolio to Provide an Optimized, Application-Specific Offering

Content Intentionally Omitted
Integrated Solutions Are Optimized to Deliver the Highest Value to Our Customers

**Cold Chain**

Integrated Display Cases

- Propane Walk-In Packaged Systems
- Integral Display Cases

**Residential Home**

Residential Heating Solutions

- Variable speed compressor/drive, flow controls & sensors, tailored control electronics

**Commercial**

Heat Pump Systems

- Multiple Heat Pump Systems – Commercial Building / Hotel

**Industrial**

Modular Industrial Solutions

- Industrial Systems
The Helix’s Real World Laboratories Allow Us to Support Our End Users’ Needs at the Ecosystem Level

<table>
<thead>
<tr>
<th>Residential Connected Home</th>
<th>Light Commercial Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully functional two story 2,000 ft² home</td>
<td>Multi zone 50 ton rooftop HVAC module</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Food Service Operations</th>
<th>Supermarket Refrigeration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully functional licensed commercial kitchen</td>
<td>2,500 ft² supermarket and convenient store</td>
</tr>
</tbody>
</table>

- **18K** IndividualVisitors
- **550** Visits by Schools, Community, and Press
- **995** Group Sessions
- **200+** Customer Discovery Sessions
- **60+** Industry Trade Discovery
- **20+** Govt. Labs Discovery
The Helix Is Part of a Global Innovation Infrastructure Focused on Integrated Solutions

This Network Allows Us to Continually Advance Technologies and Solve Customers’ Problems, In-Region
Bringing Comfort and Convenience to Homes through Critical Infrastructure

- Smart Thermostats
- Air Quality Sensors
- Compressors, Drives & Controls
- Gas Valves & Heating Controls
- Sensi Predict
- Disposers & Hot Water Dispensers

58% HOME ENERGY CONSUMED BY HVACR & WATER HEATER

$21 BILLION HOME AUTOMATION MARKET BY 2020

CHINA 1st
US 2nd
FOOD WASTE 3rd
GREENHOUSE GAS PRODUCER
Enabling High Performance Commercial Buildings

- Compressors & Controls
- Dehumidification
- Rooftop Unit Drives
- HVAC Monitoring & Diagnostics
- Sensi Thermostat & Multi-Thermostat Management

CONSTRUCTION OF ZERO ENERGY BUILDINGS DOUBLED SINCE 2012

$4 BILLION PRIVATE SECTOR INVESTMENT IN CLEAN ENERGY INNOVATION

36% ENERGY CONSUMPTION HVAC SYSTEMS & 25% FROM LIGHTING
Helping Keep Food Fresh Throughout the Cold Chain

Food Quality and Safety Solutions Across the Cold Chain

- 40% Energy to 60% supermarket energy devoted to HVAC
- India 2nd largest dairy & produce market
- 30% Food wasted during processing, transport & storage
- 28 million refrigerated truck loads per year

- Dollar stores
- Internet retailers
- Click and collect
- Supermarkets
- Convenience stores
- Drug stores
- Restaurants
- Institutions and other
**Broad Portfolio Allows us to Serve Stakeholders at Each Node of the Cold Chain**

<table>
<thead>
<tr>
<th></th>
<th>Harvest</th>
<th>Processing</th>
<th>Transport</th>
<th>Distribution</th>
<th>Food Retail &amp; Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recent Addition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refrigeration Systems</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Refrigeration</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Loggers &amp; Trackers</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Temperature Management</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>ProAct Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Project Management</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Recent Acquisitions and New Offerings Have Greatly Expanded our Presence Across the Cold Chain and Have Elevated our Underlying Growth Performance
# Tools & Home Products
## 2018 Summary & 2021 Target

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2018 – 2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$1.3B</td>
<td>$1.5B</td>
<td>10 – 12% CAGR</td>
</tr>
<tr>
<td><strong>Underlying</strong>*</td>
<td></td>
<td>5%</td>
<td>4 – 5% CAGR</td>
</tr>
<tr>
<td><strong>Market Growth</strong></td>
<td></td>
<td></td>
<td>3 – 4% CAGR</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>$0.4B</td>
<td>$0.4B</td>
<td></td>
</tr>
<tr>
<td><strong>% of Sales</strong></td>
<td>27%</td>
<td>25%</td>
<td>22 – 24% 2021T</td>
</tr>
</tbody>
</table>

## 2018 Sales by Market
- Commercial: 49%
- Residential: 51%

## 2018 Sales by Geography
- Americas: 83%
- Asia, Middle East & Africa: 11%
- Europe: 6%

^ All Figures are Excluding Closetmaid
Expanded Served Market With Strong Positions Across All Major Categories and Emphasis on Pros

Content Intentionally Omitted
Tools & Test Overview

Company Profile

Headquarters: Rockford, IL
2017 Sales: $470M
Employees: 2,260
Global Footprint: 11 mfg. facilities across four countries
Description: Designs and manufactures tools and equipment for professionals in the electrical, construction, plumbing, utility, telecommunications, data communications, and maintenance industries

Sales Mix

By Geography:
- United States: 56%
- Europe: 31%
- All Others: 13%

By Product:
- Joining: 38%
- Electrical: 33%
- Other: 29%
Tools & Test Acquisition Rationale

Highly Respected Portfolio Complements Emerson’s
- Iconic professional trade brands: Greenlee & Klauke
- Leading portfolio of Joining and Diagnostic technologies
- Consistent performance and cash flow generation, with room to improve

Complements Emerson’s Leadership in Professional Tools Market
- Expands Emerson’s addressable market ~$2B
- Creates broadest tools offering for professional tradespeople
- Scales channel presence and customer footprint
- Improves geographic mix

Bolt-On Acquisition with Potential for Meaningful Value Creation
- Significant margin expansion – reach ~20% EBIT excl. amortization costs
- Trade working capital and cash flow improvement
  - Original TWC guidance of $25-50M now raised to >$50M
  - Now expect $>100M OPCF Contribution + proceeds from non-core asset sales
- 3 to 5% market growth with channel leverage and cross-selling synergies

Acquisition Combines Iconic Professional Tools Brands – Greenlee, Klauke, and RIDGID – to Create the Industry’s Broadest Portfolio for Pros and Leading Positions Globally in Joining, Diagnostic, and Mapping Technologies
Several Business Integration Teams are Active – Numerous Immediate and Early Stage Synergy Actions Have Been Completed
Integration Key Value Creation Opportunities

Content Intentionally Omitted
Tools & Home Products Continues to Innovate and Expand Portfolio to Serve Key Verticals
New Programs Further Expand Market Position

Content Intentionally Omitted
Emerson Will Continue to Expand Our Leadership in Residential, Commercial & Cold Chain Spaces

Content Intentionally Omitted
Key New Programs Throughout The Technology Pyramid Deliver Incremental Sales
### Commercial & Residential Solutions

**2018 Summary, 2019 Guidance, and 2021 Target**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E</th>
<th>2018 – 2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$6.0B</td>
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**2018 Sales by Market**

- Tools & Home Products: 25%
- Heating & Cooling: 53%
- Cold Chain: 22%

**2018 Sales by Geography**

- Americas: 66%
- Asia, Middle East & Africa: 23%
- Europe: 11%
Positioned to Sustain Competitive Advantage and Deliver Premium Market Growth

Content Intentionally Omitted
Orders Started to Pick Up in January Driven Mainly by China -- We Expect Platform Orders to Continue Improvement Into the Second Half
January Orders ‘Nose Up’ and Easing Comps Support Return to Growth in the Second Half of 2019
China Growth Has Remained Strong Outside of Heating & Cooling Correction

Content Intentionally Omitted
China Cold Chain Business Continues To Expand With Broader Solutions

Emerson Continues to Gain Ground With Contractors And Retailers
With a Local, High Quality, and Reliable Solution
Global Heating & Cooling
Business Overview

Brent Schroeder
Group President
Global Heating & Cooling
Business Overview

Brent Schroeder
Group President
Global Heating & Cooling
Key Messages

• Emerson continues to hold strong position in North American & European markets by leveraging our unique position

• New product developments underway to win customer transitions with low Global Warming Potential (GWP) and modulation solutions in Europe, Asia and North America

• Drive mid to high single digit growth in Asia, leveraging scroll technology for heat pump and commercial segments

• Sensi platform & electronics allow for growth via connected products and expanded channels

• Several attractive segments for growth outside of our traditional compressor markets, including air quality, centrifugal compressors, liquid desiccant technology, electronics and monitoring solutions
# Global Heating & Cooling

## 2018 Summary & 2021 Target

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<td>Market Growth</td>
<td></td>
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<td>2 – 3% CAGR</td>
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</table>

*Content Intentionally Omitted*
Global Heating & Cooling Growth Drivers and Business Dynamics

North America

- Industry preparing for next round of efficiency standards and refrigerant regulations
- Efficiency standards driving modulation technology growth
- Integrated systems and connectivity
- Thermostat market shifting to Wi-Fi and B2C channel
- Increasing focus on ventilation and air quality

Europe

- OEMs redesigning systems to meet 2021 EcoDesign efficiency & fluorinated gas (F-gas) targets
- Regulations creating opportunities for sensing technology & electronics
- Variable Speed becoming leading technology in residential heating markets

Asia

- Economic slow down in China driven by trade uncertainty, tightening credit and slowdown in real estate sector
- China government push for clean air anticipated to continue, but investment deferred due to economic conditions
- Variable speed adoption and next gen refrigerants are driving upcoming wave of growth
Emerson is Well Positioned to Benefit from Macro Trends

<table>
<thead>
<tr>
<th>Market Driver</th>
<th>Key Regulations &amp; Enablers</th>
<th>Notable Statistics</th>
</tr>
</thead>
</table>
| Efficiency & Refrigerants  | • Efficiency and refrigerant regulations  
• Rising energy costs  
• Utility rebates and incentives | 8% AMOUNT OF TOTAL US ENERGY USED BY AC SYSTEMS                                                                                                              |
| Comfort & Health            | • Ventilation standards  
• Health conscious customers  
• Asia’s growing middle class | 90% AMOUNT OF TIME SPENT INDOORS                                                                                                                                   |
| Urbanization                | • Commercial construction  
• LEED building trends | 58% AMOUNT OF PEOPLE LIVING IN URBAN AREAS BY 2025                                                                                                               |
| Advancements in Technology  | • Increased equipment connectivity  
• Improved sensor technology & cost  
• Energy optimization | 5X INCREASE IN NUMBER OF CONNECTED DEVICES BY 2025                                                                                                              |
# 2023 Regulations in North America
Create Opportunities for Emerson

## Energy Efficiency

- 2023 Department of Energy (DOE) efficiency regulations
- Minimum residential efficiency levels increase 1 SEER
- Commercial systems moving to EL3
- More stringent system testing required
- System variability now critical attribute
- Record demand for lab testing capacity

## Refrigerant Regulations

- US lacks federal mandate due to Kigali Amendment uncertainty
- Significant state-by-state activity led by CARB
- Low-GWP refrigerants are slightly flammable and require new technologies
- Potential for multiple refrigerants
- Timing aligns with 2023 Efficiency Regulations
- Emerson is well positioned to lead through this transition
Unprecedented Amount of Product Development To Support OEM’s Efficiency and Refrigerant Requirements

Content Intentionally Omitted

Significant Sampling and Prototype Activity Underway at Emerson to Support OEM’s Resource Shift to Meet Future Regulations
Emerson Is Well Positioned To Support The Industry Through The Next Regulation Cycle
Emerson Will Win Through The Cycle By Being The Best Applied Cost Solution

Content Intentionally Omitted
2023 Department of Energy Rooftop Minimums and Low-GWP Regulations Driving Commercial Redesigns

Content Intentionally Omitted
Emerson Will Win Through The Cycle By Being The Best Applied Cost Solution

Content Intentionally Omitted
We Are Strengthening Our Core and Moving Up The Pyramid To Reach Adjacent Spaces

Data Management
- Sensi Predict
- Sensi Manager
- Simple BMS
- Catalyst T-Wave

Focus Area
- Leveraging domain knowledge to provide enhanced solutions to end users
- Developing internally and evaluating external partnership opportunities

Controls and Electronics
- Indoor Air Quality
- Compressor Controls
- Dedicated Outdoor Air System
- 1ø Drives
- Thermostats
- System Controls
- 3ø Drives

- Developing next generation controls and electronics
- Delivering additional value through integrated solutions

Devices
- Scroll Compressors
- Multiples
- Scroll Compressors
- Fixed & Modulation
- A2L Capable
- Fixed & Modulation
- A2L Optimized
- Centrifugal

- Continuing optimization of scroll technology
- Expanding the compression portfolio
- Adding liquid desiccant

Residential
Commercial
Expanding Emerson’s HVAC Addressable Market is a Key Strategic Priority

Content Intentionally Omitted
Sensi Is Well Positioned in Connected Home HVAC and Expanding Into Commercial Adjacencies

**Sensi Thermostats**

- **Well Positioned** with leading retailers
- **Energy Star** approved for **Utility Rebates**
- Garnering **Top Ratings and Reviews**
- **Integrated** With Amazon Alexa, Google Assistant, Apple Homekit & Wink

**Sensi Multiple Thermostat Manager**

- **Centralized Monitoring & Control** multiple thermostat dashboard
- **Smart Schedule** scheduling special events
- **Multi-User Controls** with keypad lockout functionality
- **Solution Value** includes Sensi thermostats and software subscription

---

[Image of Sensi Thermostats]

- **Best Overall Smart Thermostat** 2018
- **Best Value Smart Thermostat** 2018

- **4.1 stars**
- **4.3 stars**
Sensi Platform Extends To Contractor Productivity and Indoor Air Quality
Oil-Free Centrifugal Technology Expands Commercial AC Offering and Opportunity

Content Intentionally Omitted
Expanding into Fast Growing Air Management Space With Foundational Investment in Liquid Desiccants

Content Intentionally Omitted
# Global Heating & Cooling
## 2018 Summary & 2021 Target

<table>
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<td></td>
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</tbody>
</table>

Content Intentionally Omitted
Projecting Solid and Balanced Growth Across the Global HVAC Segments

Content Intentionally Omitted
Global Cold Chain Business Overview

John Rhodes
Group President
Global Cold Chain
Key Messages

• **Multiple trends** are supporting growth in the ~$8B cold chain solutions and services market over the coming decade

• We have realigned our ~$1.3B **Global Cold Chain business** and investment priorities to serve targeted end markets and are **poised to grow to ~$1.6B by 2021** driving **1+pts. premium growth** for Commercial & Residential Solutions

• Our vision of the cold chain is to **leverage our installed base**, domain knowledge and global footprint to provide our customers **solutions to optimize their assets and operations** – we are **uniquely positioned to lead** this journey to higher value solutions

• Across the cold chain, we are targeting key market verticals where we see industry dynamics driving adoption of integrated solutions, and where **our complete offering meets customer needs**
## Global Cold Chain
### 2018 Summary & 2021 Target

<table>
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<tbody>
<tr>
<td>Sales</td>
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<tr>
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<td></td>
<td></td>
<td>3 – 5% CAGR</td>
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</table>

Content Intentionally Omitted
Global Cold Chain Growth Drivers and Business Dynamics

North America
- Online and small format stores growing with focus on fresh food
- Food safety regulations driving increased attention on monitoring
- Efficiency and refrigerant regulations drive significant change
- Walmart reducing builds, online retailer growth (Amazon) & store architecture shifts (Lidl & Dollar stores)

Europe
- Sustainability main driver in equipment selection and architecture
- Continued architecture change from centralized to de-centralized in retail refrigeration
- CO2 centralized systems will continue as technology option in the mid-term for large retail applications
- Increasing need for R290 solutions for display case applications

Asia
- Food safety continues to be a growth driver across Asia & Middle East
- Continued build out of refrigeration supply chain infrastructure
- Rapid expansion of retail across Asia
- Economic slow down in China
## Multiple Trends Are Supporting Growth of the Cold Chain Market Segments

<table>
<thead>
<tr>
<th>Growth Driver</th>
<th>Key Regulations &amp; Enablers</th>
<th>Notable Statistics</th>
</tr>
</thead>
</table>
| Consumer Preferences               | • Consumer demand for fresh food, ready-made food & convenient shopping  
• Health conscious consumers                                                                                                                                     | **48M** CONTRACT FOOD BORNE ILLNESS                                                                                                                                                                                |
| Macro-trends                        | • Disruptive food safety, energy & environmental regulations  
• Globalization of supply chains                                                                                                                                     | **84%** BLAME FOOD RETAILERS                                                                                                                                                                                     |
| Brand Equity                       | • Food quality & sustainability as a differentiator  
• Brand risks due to food borne illness                                                                                                                                                                                            | **$1.9M** RESTAURANT COST FOR ONE OUTBREAK                                                                                                                                                                        |
| Advancements in Technology         | • Increased equipment connectivity  
• Improved sensor technology & cost  
• Data availability via the cloud                                                                                                                                                                                                  | **$1T/Year** SPENT AT SMALL FORMAT STORES                                                                                                                                                                         |
Across the Cold Chain, We Are Supporting Customers to Improve Operations, Performance, and Food Safety

Customer Pain Points

- Many steps
- Multiple players
- Intermediaries
- Consistent temperature control
- Handling
- Regulatory requirements
- Complexity
- Single view into my operations

Connected Solutions Drive Value in:

<table>
<thead>
<tr>
<th>Assets &amp; Operations</th>
<th>Food Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>• More energy efficient operations</td>
<td>• Shelf life strategies</td>
</tr>
<tr>
<td>• Lower maintenance costs</td>
<td>• More robust supply</td>
</tr>
<tr>
<td>• Predictive equipment alerts / uptime</td>
<td>• End-to-end food quality</td>
</tr>
<tr>
<td>• Manpower optimization</td>
<td>• Shrink reduction</td>
</tr>
<tr>
<td>• Regulatory compliance</td>
<td>• Regulation compliance</td>
</tr>
</tbody>
</table>

Cold Chain Customers Require a Trusted Partner that Understands Industry Complexities and the Technology Required to Deliver Food Quality
**Broad Portfolio Allows us to Serve Stakeholders at Each Node of the Cold Chain**

<table>
<thead>
<tr>
<th></th>
<th>Harvest</th>
<th>Processing</th>
<th>Transport</th>
<th>Distribution</th>
<th>Food Retail &amp; Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Refrigeration Systems</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Industrial Refrigeration</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Controls</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<td>Loggers &amp; Trackers</td>
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<td>●</td>
</tr>
<tr>
<td>Temperature Management</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>ProAct Services</td>
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<td>●</td>
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<td></td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td><strong>Recent Addition</strong></td>
<td></td>
<td>●</td>
<td>●</td>
<td>●</td>
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Recent Acquisitions and New Offerings Have Greatly Expanded our Presence Across the Cold Chain and Have Elevated our Underlying Growth Performance
We Have Built an End-to-End Monitoring Presence Across the Cold Chain Monitoring Industry

Content Intentionally Omitted
Data Driven Solutions Drive Customer Value

Content Intentionally Omitted
We Have World Class Product Capabilities at Each Level of the Technology Pyramid

- Leveraging domain knowledge to provide enhanced solutions to end users
- Developing internally and evaluating external partnership opportunities
- Developing next generation controls and electronics
- Delivering additional value through integrated solutions
- Expanding the compression portfolio
- Enabling Systems & Solutions for asset optimization
Strong Representation in Each Segment Across the Cold Chain

Content Intentionally Omitted
We Are Expanding Our Presence Across Foodservice with Integrated Business Solutions
Food Quality, Energy Efficiency, and Regulations Driving Foodservice Growth

Content Intentionally Omitted
Expanding Our Presence Across Food Retail with Integrated Business Solutions
We Are Well Positioned to Address Changing Customer Needs in Food Retail

Content Intentionally Omitted
Changing Consumer Habits Drive New Refrigeration Architectures

**Traditional Supermarket**
- Large Central Compressor Rack and Extensive Piping
- Med temp cases
- Low temp freezers
- Long piping to all cases
- High leakage rate

**Small-Format Stores**
- Refrigeration Circuits Integrated in Each Case
- Integrated compressors
- Heat removal water loop
- External unit heat removal
- Plug-in cases

**E-Commerce**
- Fresh & Frozen Food
- New Cold Storage Space in Traditional Distribution Centers

**Click & Collect**
- Supermarket
- Fresh & Frozen Food
- New Staging Infrastructure
Our Scalable Cold Chain Platform Helping Both OEMs and End Users Navigate New Regulations and Changes
Expertise Areas Provide a Competitive Advantage to Address Transport Across the Cold Chain

Emerson Provides Transport Solutions to Reefer Manufacturers, Shipping Companies, and Transport OEMs
We Are Leveraging Our Reefer Installed Base to Bring Integrated Solutions to the Transport Space

Content Intentionally Omitted
We Are Expanding Our Presence Across Processing & Distribution with Integrated Business Solutions
## Global Cold Chain

### 2018 Summary & 2021 Target

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*Content Intentionally Omitted*
Cold Chain Global Plan Delivers Above Market Growth Through Product and Service Solutions

Recent Acquisitions and Increased Solutions Selling Approach Provide Strong Catalysts

Content Intentionally Omitted
Commercial & Residential Solutions
Key Messages

- Another strong year of sales in 2018, with 4% underlying growth* after 6% in 2017

- Commercial & Residential Solutions has a unique industry position and a key role as Industry Steward. This provides an important competitive advantage and is fundamental to us delivering sustained above market growth

- We have successfully defended our market leading position for decades. In addition, several major new programs provide the foundation for incremental above market growth and value creation.

- Across our businesses, we are moving up the value chain – adding capabilities and partnering in new ways to bring integrated solutions to market

- We continue to develop and acquire a breadth of new technologies to expand solutions and engagement with end users across three key verticals – Residential Home Comfort, Commercial Building Efficiency & Cold Chain

- Our Tools & Home Products business is world class and centered around our customer-centric product innovations and our best-in-class professional channel. The 2018 Tools & Test acquisition is a great fit and integration is running well ahead of plan.
# Commercial & Residential Solutions

## 2018 Summary, 2019 Guidance, and 2021 Target

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- Cold Chain: 22%
- Tools & Home Products: 25%

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- Americas: 66%
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- Europe: 11%
Automation Solutions

Lal Karsanbhai
Executive President
Automation Solutions

Lal Karsanbhai
Executive President
Automation Solutions
Key Messages

• Automation Solutions performed very well in 2018 with strong margin growth in the base business and strategic portfolio expansion

• Large capital investment wave is here and Automation Solutions will gain participation in greenfield projects

• Lifecycle Management programs drive KOB3 to >50% sales through the cycle and penetrate competitors’ installed base

• Systems and Software advancements create new levels of value for customers, grow our served market, and diversify industry mix

• Final Control strategy and execution is key to our growth plan and one of our most significant value creation levers

• Emerson is delivering on the promise of digital transformation with expertise and proven solutions to improve safety, efficiency, and uptime
Automation Solutions
2018 Summary

<table>
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<th>2017</th>
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<td>10%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>$1.5B</td>
<td>$1.9B</td>
<td>24%</td>
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<tr>
<td>% of Sales</td>
<td>16.2%</td>
<td>16.5%</td>
<td>30 bps</td>
</tr>
<tr>
<td>ROTC</td>
<td>14%</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

**2018 Sales by Market**

- **Discrete**: 14%
- **Hybrid**: 10%
- **Power**: 14%
- **Refining & Chemical**: 24%
- **Upstream Oil & Gas**: 20%
- **Midstream Oil & Gas**: 11%
- **Other**: 7%

**2018 Sales by Geography**

- **Americas**: 49%
- **Europe**: 21%
- **Asia, Middle East & Africa**: 30%

**2018 Sales by KOB**

- **KOB1 (Greenfield)**: 55%
- **KOB2 (Upgrades & Modernizations)**: 25%
- **KOB3 (MRO)**: 20%

^ Sales Mixes Reflect Pro Forma Full Year of Aventics
We Provide the Most Complete Portfolio of Products and Software in the $214B Automation Market

<table>
<thead>
<tr>
<th>Data Management</th>
<th>Control</th>
<th>Field Devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGINEERING &amp; DESIGN</td>
<td>CONTROL SOFTWARE</td>
<td>PRODUCTION MANAGEMENT</td>
</tr>
<tr>
<td>Reservoir Modeling</td>
<td>Operations &amp; Alarm Management</td>
<td>Advanced Process Control</td>
</tr>
<tr>
<td>Control Engineering</td>
<td>Training &amp; Simulation</td>
<td>Real-time Optimization</td>
</tr>
<tr>
<td>PROCESS CONTROL &amp; SAFETY SYSTEMS</td>
<td>WELLHEAD CONTROL</td>
<td>MODULAR AND MACHINE CONTROL</td>
</tr>
<tr>
<td>MEASUREMENT &amp; FLOW</td>
<td>ANALYTICAL</td>
<td>SOLENOIDS &amp; PNEUMATICS</td>
</tr>
</tbody>
</table>
Our World-class People Deliver the Solutions that Drive Value Creation for Customers and Emerson

<table>
<thead>
<tr>
<th>Pursuit Expertise</th>
<th>Differentiated Portfolio</th>
<th>Proven Execution</th>
<th>Lifecycle Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,250+ Salespeople</td>
<td>3,250+ Engineering &amp; Development Resources</td>
<td>5,150+ Project Engineering Resources</td>
<td>5,100+ Lifecycle Services Resources</td>
</tr>
<tr>
<td>100+ Industry Consultants</td>
<td></td>
<td></td>
<td>390+ Service Centers</td>
</tr>
</tbody>
</table>

58,000 Automation Solutions Employees

Enabling Top Quartile Performance

Project Certainty

Operational Certainty

Note: includes full Automation Solutions company, Aventics, North America Impact Partners, and Asia Local Business Partners
Emerson Is a Leader Across the Full Process Automation Spectrum

Content Intentionally Omitted
Emerson is the Only Company That Can Deliver and Support Complete Process Control Loop Automation
Driving KOB3 to >50% of Mix Through the Cycle and Penetrating Competitors’ Installed Base

Content Intentionally Omitted
Each Kind of Business Plays a Vital Role in Growth and Margin Expansion

Continuing to Grow and Capitalize On $112B Installed Base
**Process Market** Conditions Are Strong, Connected by Globalization of Natural Gas

<table>
<thead>
<tr>
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<th>Conditions Are Strong, Connected by Globalization of Natural Gas</th>
</tr>
</thead>
</table>

**Upstream Oil & Gas**
- 4-6%
- Supply / price management
- North America shale

**Refining**
- 4-6%
- Global capacity additions
- Increasing fuel standards

**Chemical**
- 4-6%
- Integrated petrochemical facilities in NA and China

**LNG**
- 10%+
- Clean energy demand in AP
- Project scale and complexity

**Pipelines & Terminals**
- 5-7%
- Globalization of natural gas
- Pipeline buildout

**Power**
- 2-4%
- Clean coal and nuclear
- Renewables investment

Note: all percentages are estimated ’18-21 served market CAGRs
**Hybrid Industries** Continue to be Attractive for Growth and Diversification

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
<th>Key Trends</th>
</tr>
</thead>
</table>
| Life Science            | 6-8%        | • Personalized medicine  
|                         |             | • Biosimilars and generics                                                 |
| Food & Beverage         | 4-6%        | • Product customization  
|                         |             | • Food safety and quality                                                  |
| Metals & Mining         | 2-4%        | • Greenfield lithium production  
|                         |             | • Remote, unmanned operations                                              |
| Packaging               | 5-7%        | • Demand in emerging markets                                              |
|                         |             | • Co-bots, advanced automation                                            |
| Industrial Machinery    | 4-6%        | • Industry 4.0  
|                         |             | • Increasing automation spend                                              |
| Automotive              | 0-2%        | • Electric vehicle manufacturing                                          |
|                         |             | • Demand in emerging markets                                              |

Note: all percentages are estimated '18-21 served market CAGRs
Industry Mix of Current Investment Wave is Distinct From the Last Cycle

This Cycle is Balanced With More LNG and Downstream Projects Creating A Favorable Opportunity For Our Complete Portfolio
Large Project Funnel Continues to Grow -- Orders and Commitments to Emerson Are Significant

Content Intentionally Omitted

February 2018
148 Projects
$5.9B

August 2018
191 Projects
$6.8B

February 2019
195 Projects
$7.6B

~$350M Booked
Global Project Services Infrastructure, Expertise, and Innovative Execution Capabilities Are Key Differentiators

Global Project Resources
• 5,150+ project engineering
• 100+ locations
• Project manager certification
• Virtual collaboration

Execution Best Practices
• Main Automation Contractor
• Industry Centers of Excellence
• Reusable engineering libraries
• Standardized processes

Project Innovation
• 70+ Project Certainty enablers
• Virtual engineering and acceptance testing
• Automated data management
• Smart commissioning

Leveraging Our Capabilities and Credibility to Win Next Wave of Capital Projects
Technology and Service Innovations Bring Confidence to Even the Most Complex Projects

<table>
<thead>
<tr>
<th>Design</th>
<th>Engineering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Junction Boxes</td>
<td>Emerson</td>
</tr>
<tr>
<td>Wireless</td>
<td>Cloud Engineering</td>
</tr>
<tr>
<td>Main Valve Partner</td>
<td>End User</td>
</tr>
<tr>
<td>Modular Control</td>
<td>EPC</td>
</tr>
<tr>
<td></td>
<td>Subject Matter Expert</td>
</tr>
<tr>
<td></td>
<td>Process Licensor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Training &amp; Digital Twin</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Unmatched Ability to Capture Capacity Additions Across the **Liquified Natural Gas** Value Chain

Content Intentionally Omitted
Systems **Refining** Project Experience Builds on Our Device and Final Control Leadership

Content Intentionally Omitted
Project Execution Innovations Supporting Growth in China & US Gulf Coast Petrochemicals

Content Intentionally Omitted
Unique Technology and Expertise Enabling Advances in **Life Sciences** Manufacturing

Content Intentionally Omitted
KOB1 Success Drives Higher Margin KOB3 Annuities at Customer Plants Across Served Industries

Content Intentionally Omitted
Industry-leading Global Service Coverage Is the Foundation of Serving and Expanding Our Installed Base

$112B Global Installed Base

<table>
<thead>
<tr>
<th>World Area</th>
<th>Service Engineers</th>
<th>Service Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Today</td>
<td>Planned</td>
</tr>
<tr>
<td>North America</td>
<td>1,500</td>
<td>+700</td>
</tr>
<tr>
<td>Europe</td>
<td>1,300</td>
<td>+250</td>
</tr>
<tr>
<td>Asia</td>
<td>880</td>
<td>+500</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>215</td>
<td>+70</td>
</tr>
<tr>
<td>Latin America</td>
<td>175</td>
<td>+80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,070</td>
<td>+1,600</td>
</tr>
</tbody>
</table>

Strategic Programs

- Site Walkdowns
- Shutdowns, Turnarounds, & Outages
- Long-term Service Agreements
- Connected Services

+$250M growth in 2018
Digital Transformation Builds on Emerson’s Installed Base of Field Devices and Control Systems

*PLANTWEB*

**Expertise**

- 100+ consultants combining industry, automation, operational, and digital expertise
- Top Quartile benchmarks
- Facilitated workshops

**Roadmap**

- to start in focused high-impact areas, prove value, scale quickly

Workstreams for:
- Functional **collaboration**
- Technology **selection**
- Information **architectures**
- Execution **plans**
- ROI **calculations**

**Scalable Platform**

- 140+ proven solutions to known challenges
- 50+ Wireless sensors
- Embedded **cybersecurity**
- 120+ software and **analytics** applications
- **Services** to ensure results

Will Leverage 42K Wireless Networks, 26K AMS Systems, and 10M+ Connected Devices to Grow Plantweb
# Digital Transformation is Significant Part of the Automation Solutions Business

## Pervasive Sensing

- More insight to inform safe, reliable operations

**Corrosion**

**Equipment Monitoring**

**Location Awareness**

## Reliability

- Increase uptime and reduce maintenance cost

**Plantweb Optics**

**Equipment Analytics**

**Machine Prediction**

## Consulting

- Industry expertise with actionable solution architectures

**Project Strategy**

**IT / OT Collaboration**

**Operational Strategy**

## Integrated Operations

- Streamline processes to focus on exceptions and opportunities

**Digital Twins**

**Connected Services**

**Reservoir Optimization**

---

**Plantweb Is Delivering on the Promise of Digital Transformation -- Today**
**Automation Solutions**

**Key Messages**

- **Automation Solutions performed very well in 2018** with strong margin growth in the base business and strategic portfolio expansion.

- Large capital investment wave is here and Automation Solutions will **gain participation in greenfield projects**.

- Lifecycle Management programs **drive KOB3 to >50% sales through the cycle** and penetrate competitors’ installed base.

- **Systems and Software advancements** create new levels of value for customers, grow our served market, and diversify industry mix.

- **Final Control strategy and execution** is key to our growth plan and one of our most significant value creation levers.

- Emerson is **delivering on the promise of digital transformation** with expertise and proven solutions to improve safety, efficiency, and uptime.
### Automation Solutions
2018 Summary, 2019 Guidance & 2021 Target

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019E</th>
<th>2018 – 2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$11.4B</td>
<td>7 – 10%</td>
<td>~$15B 2021T w/ acquisitions</td>
</tr>
<tr>
<td>Underlying*</td>
<td></td>
<td>5 – 8%</td>
<td>5 – 8% CAGR</td>
</tr>
<tr>
<td>EBIT</td>
<td>$1.9B</td>
<td>16 – 17%</td>
<td></td>
</tr>
<tr>
<td>% of Sales</td>
<td>16.5%</td>
<td>17 – 19% 2021T</td>
<td></td>
</tr>
<tr>
<td>ROTC</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2021 Sales by Market

- **Discrete**: 13%
- **Hybrid**: 11%
- **Power**: 13%
- **Refining & Chemical**: 24%
- **Upstream Oil & Gas**: 20%
- **Midstream Oil & Gas**: 12%
- **Other**: 7%

### 2021 Sales by Geography

- **Europe**: 19%
- **Americas**: 50%
- **Asia, Middle East & Africa**: 31%

### 2021 Sales by KOB

- **KOB1 (Greenfield)**: 25%
- **KOB2 (Upgrades & Modernizations)**: 23%
- **KOB3 (MRO)**: 52%
Systems & Solutions

Jim Nyquist
Group President, Systems and Solutions
We Provide a Broad Portfolio of Products and Software in the Control and Software Market
Investments in Systems & Solutions will continue to deliver participation gains this cycle and further diversify our industry mix.

Emerson is winning large greenfield control systems projects by deploying unmatched technology with integrated Main Automation Contractor (MAC) Services -- creating new value for customers.

Systems & Solutions pulls the full scope of Automation Solutions’ Instrumentation and Final Control products.

We consistently win modernization projects in competitors’ installed base.

Innovative aftermarket services offerings provide decades of continued customer engagement.

Continuing to grow our served market in consulting, data management software and machine control with new offerings and acquisitions.
## Systems & Solutions
### 2018 Summary & 2021 Target

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<th>2018 – 2021T</th>
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<td>$2.1B</td>
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<tr>
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<tr>
<td>Market Growth</td>
<td></td>
<td></td>
<td>4% CAGR</td>
</tr>
</tbody>
</table>

Content Intentionally Omitted
Systems & Solutions Served Market Participation Has Grown Steadily Since the Mid ‘90s

Sales and Served Market Growth 1992 to 2018

+18 Acquisitions since 1998

Emerson’s Systems & Solutions Sales

$2.1B

Leverage Control Systems into a Solutions Provider

Control Systems Leadership

Served Market


Served Market Participation

1992 2018

5% 13%

#1 in Power
#1 in Life Sciences
#1 in North America
#1 in China

Control Readers Choice Awards Ranks – Continuous & Batch Control Category

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<tbody>
<tr>
<td>#1</td>
<td>HON</td>
<td>HON</td>
<td>EMR</td>
<td>EMR</td>
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<tr>
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<td>EMR</td>
<td>HON</td>
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<td>HON</td>
<td>ROK</td>
<td>ROK</td>
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</tbody>
</table>

Continued Investment and Growth Have Expanded Our Market and Propelled Emerson to a Global Leadership Position
We Are Expanding Our Systems & Solutions Served Market by $8B

Content Intentionally Omitted
Top 120 Projects By Order Timing

Content Intentionally Omitted
We See Improving Project Win Rates In Industries Leading the Investment Waves

Content Intentionally Omitted
Emerson’s Digital Technologies Have Transformed How Capital Projects Are Executed

**Electronic Marshalling**
- **Traditional Marshalling**: 32 Cabinets
- **Emerson Electronic Marshalling (EM)**: 20 Cabinets
- **EM w/ Smart JBs**: 1 Cabinet
  - 95% ADDITIONAL REDUCTION

**Cloud Engineering**
- Emerson
- EPC
- Subject Matter Expert
- Process Licensor
- End User

**Smart Commissioning**
- **140 MINUTES**
- **25 MINUTES**
- **5 MINUTES**

**Results Achieved At Major Energy Company**
- **33% Decrease**
  - In Total Installed Cost
- **3 to 6 Months**
  - Schedule Flexibility

Petrochemical Customer: For Every $2 Spent on Emerson Control System and Software, $1 Was Saved in Non-Automation Costs
DeltaV’s New Breakthrough Design Expands Served Market and Enables Customer’s Digital Transformation

**DeltaV PK Controller**
- Eliminates Islands of Automation

**IloT**
- OPC UA Communications

**DeltaV Live**
- First Native HTML5 DCS Operator Interface

**Cybersecurity**
- ISASecure SSA Level 1 Certification

**DeltaV Mobile**
- Know the Health of Operations Anywhere

**Digital Twin**
- Simulate Control System

**Distributed Input / Output**
- Saves Millions in Cabling Costs

**Smart Commissioning**
- From 140 min. to 5 min. of Commission Time per device

**DeltaV Discovery**
- Common Platform Linking Research to Production

Latest DeltaV Release Was 2x Larger Than Previous Releases
80%+ of the Spend Invested in Software
Emerson’s Premier Main Automation Contractor (MAC) Capabilities Changed Industry Practices

<table>
<thead>
<tr>
<th>Project Involvement</th>
<th>Integrated Main Automation Contractor Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-FEED &amp; FEED</td>
<td>Build in Optimized Solutions at FEED</td>
</tr>
<tr>
<td></td>
<td>Applications and Expertise</td>
</tr>
<tr>
<td></td>
<td>Optimized Design Philosophy</td>
</tr>
<tr>
<td></td>
<td>Value Improvement Programs</td>
</tr>
<tr>
<td>Detailed Design</td>
<td>Best Matched Technology</td>
</tr>
<tr>
<td></td>
<td>Portfolio Breadth and Depth</td>
</tr>
<tr>
<td></td>
<td>Smart Standardization</td>
</tr>
<tr>
<td></td>
<td>Modern Digital Technologies</td>
</tr>
<tr>
<td>Execute</td>
<td>Project Execution Expertise</td>
</tr>
<tr>
<td></td>
<td>Dedicated Project Team</td>
</tr>
<tr>
<td></td>
<td>Formal Execution Processes</td>
</tr>
<tr>
<td></td>
<td>Effective Document &amp; Data Management</td>
</tr>
<tr>
<td>Install &amp; Commission</td>
<td>Bridge to Operational Excellence</td>
</tr>
<tr>
<td></td>
<td>Smart Commissioning</td>
</tr>
<tr>
<td></td>
<td>Digital Asset Management</td>
</tr>
<tr>
<td></td>
<td>Digital Twin</td>
</tr>
</tbody>
</table>

These Broad and Proven Project Execution Capabilities Uniquely Position Emerson for the Upcoming Project Wave
Emerson Has a Strong Track Record of Converting Competitive Control Systems to Our Installed Base

7:1 Ratio of DeltaV & Ovation Migration Wins vs. Systems Lost to Competitors
Global Installed Base Generates Significant Sales from Focused and Innovative Lifecycle Management Programs

Installed Base

DeltaV & Ovation Installed Control Systems
Systems Service Engineers

Service Programs

CORE
Service Agreements
Evergreen Programs
HW / SW Spares
Upgrades / Expansions
Guardian Support

EXPANSION
Cybersecurity
Digital Twin
Outcome Based Services
Alert Management
System Health Monitoring

Guardian Support

Guardian Subscription Contracts

2018 Sales
10%
’13 - ’18 Sales CAGR

A Thousand DeltaV Scans Per Month
Complex Data Analytics
Simple System Health Score

Control System Project Value Creates Revenue Opportunity Over the Life of the System
Large Installed Base Creates Opportunities for Our Expanding Software and Consulting Portfolio

<table>
<thead>
<tr>
<th>Consulting</th>
<th>Reliability</th>
<th>Production Optimization</th>
<th>IT/OT</th>
<th>Energy / Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRG</td>
<td>APC &amp; Loop Checks</td>
<td>iSolutions</td>
<td></td>
<td>Energy Management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Twins</th>
<th>Dynamic Simulation</th>
<th>Dynamic Simulation / Power</th>
<th>Pipeline Leak Detection</th>
<th>Pipeline Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mynah &amp; HYSYS**</td>
<td>Ovation Simulation</td>
<td>Energy Solutions</td>
<td>Energy Solutions</td>
<td>GeoFields</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Management</th>
<th>Field Communicator</th>
<th>Field Device Analytics</th>
<th>Rotating Machine Analytics</th>
<th>Asset Performance Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMS Trex</td>
<td>AMS Device Mngr.</td>
<td>AMS Machinery Mngr.</td>
<td></td>
<td>Plantweb Optics</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Control &amp; Operations</th>
<th>MES*</th>
<th>Alarm Management</th>
<th>Advanced Process Control</th>
<th>Pipeline Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syncade</td>
<td>ProSys</td>
<td>DMC**</td>
<td>Energy Solutions</td>
<td>Energy Solutions</td>
</tr>
</tbody>
</table>

Acquisitions / Alliances

* Manufacturing Execution Systems
** AspenTech Alliance Product
# Systems & Solutions
## 2018 Summary & 2021 Target

<table>
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<tr>
<td>Market Growth</td>
<td></td>
<td>4% CAGR</td>
</tr>
</tbody>
</table>

- Deliver served market participation gains this cycle -- leading with our technology and MAC service offerings
- Win in competitors’ installed base
- Lifecycle offerings and expanding software portfolio enhances our customer engagement
We Provide a Broad Portfolio of Products and Software in the Control and Software Market
Machine Automation Solutions

Mike Train
President
We Have A Strong Foundation in Hybrid and Discrete Industries From Which to Grow Our Relevance
Machine Automation Solutions
Key Messages

- We continue to build our technology portfolio through **organic innovations and acquisitions** broadening our solutions capabilities.

- **Intelligent Platforms** is an important building block that **expands our served market by $13B** and enhances our leading control capability.

- We are committed to invest in the core Intelligent Platforms technology to enable Emerson to become a **Tier 1 machine control provider**.

- Our comprehensive control portfolio extends the **Plantweb digital ecosystem** to all manufacturing sectors.
We Continue to Expand Our Automation Solutions Capabilities

Content Intentionally Omitted
Process, Hybrid and Discrete Industries Have Diverse Control System Requirements

Sources: ARC, Frost & Sullivan, IHS, internal estimates
Emerson Has the Most Comprehensive Control Portfolio

PROCESS CONTROL & SAFETY SYSTEMS

DeltaV
Process and Hybrid Applications

Ovation
Power and Water Applications

DeltaV SIS
Ovation SIS
Integrated Applications

WELLHEAD CONTROL

Remote Automation Solutions
Low Power Control for Distributed Assets

MODULAR CONTROL

DeltaV PK
Skid Applications That Integrate to DCS

Ovation OCC
Renewable Power Applications

MACHINE CONTROL

Intelligent Platforms
High Speed and Discrete Applications

MACHINERY HEALTH

Asset Management Systems
Rotating Machinery Applications
Eliminating Islands of Automation is a Major Value Creation Opportunity

**DeltaV PK Controller**
- Process and Hybrid Applications

**Ovation Compact Controller**
- Power and Water Applications

**Intelligent Platforms PLC**
- Discrete and Hybrid Applications

---

**Application Examples**
- Small Standalone Systems
- OEM Skids, Well Pads
- Edge Controller incl. Embedded Analytics
- Ethernet Device Control

**Application Examples**
- Renewables
- Microgrid
- Coal Handling
- Hydro Power
- Water / Wastewater Pump Stations

**Application Examples**
- OEM Machinery
- Assembly Lines
- Filling & Packaging
- High-speed Control
- Electrical Load Shedding
- Edge Applications

Expanding Addressable Market by Leveraging Domain Expertise, Customer Base, and Global Channel
Extending Emerson’s Leadership in Process and Hybrid Control Markets

Control System Target Markets by Platform

Oil & Gas, Refining, Chemical

Machine Control

Modular Control

DCS

2%

18%

80%

Power Generation

DCS

20%

11%

69%

Life Sciences, Food & Beverage

DCS

21%

6%

73%

DCS and Modular Control Expands Served Process and Hybrid Market by ~$8B

Source: ARC and Internal Estimates
Intelligent Platforms Profile

Key Facts & Background:

Founded: 1981
Headquarters: Charlottesville, Virginia
Key Locations: Augsburg (Germany), Bangalore (India), Shanghai (China)
Employees: 650
Installed Base: $2B+

Sales by Geography:

- Europe: 20%
- Americas: 53%
- Asia, Middle East & Africa: 27%

Sales by Industry:

- Metro & Rail: 3%
- Oil & Gas and Process: 9%
- Renewables: 10%
- Water & Wastewater: 6%
- Manufacturing & OEM: 10%
- Projects & Services: 15%
- Industrial PC: 15%
- Edge & Software: 7%
- Control Systems: 63%

Sales by Product:

- Control Systems: 63%
- Edge & Software: 7%
- Projects & Services: 15%
- Industrial PC: 15%

Technology Differentiators:

- Ruggedness
- Reliability
- Cybersecurity
- Optimization & Analytics

2017 Sales ($M): ~210
Intelligent Platforms is a Strategic Investment That Will Enhance Our Solutions Capability in All End Markets

Current Outlook

- Expected 2019 impact to **EMR Sales: $125M**
- One time transaction costs will impact 2019 **EPS ($0.03)**
- Immediate value creation opportunities through technology and channel synergies

Years 2 Through 5

- Technology investment of **$10 – 15M per year** in first 3 years focused on integration with Emerson DCS platforms and core PLC functionality
- Establish lifecycle programs to support and expand **$2B+ installed base**
Emerson’s Control Layer Is In One Organization Focused On Technology Development and Operational Synergies

Integration Into Our Systems & Solutions Business Enables A Singular View and Strategy Across All End Markets

10 Value-Acceleration and Functional Teams

Pre-Closing Focus Areas
• Complex carveout from GE into a standalone business
• Significant number of transfer services provided by GE shared services

Current Integration Priorities
• Accelerate portfolio investments
• Leverage broadened portfolio to expand within key accounts
• Capture supply chain opportunities
Machine Automation Solutions Fills Key Gaps in Our Control System Market and Channel Coverage

Multiple Channels to Customers

- Emerson Systems Channel
- Emerson Distribution Partners
- Machine Automation Solutions Distribution Partners
- Machine Automation Solutions Direct

End Customers / Original Equipment Manufacturers

- Leverage and strengthen existing channel relationships
- Extend market coverage across process, hybrid and discrete
- Close geographic gaps in all world areas and regions
- Invest in channel development resources, and promotion

Enables Emerson To Offer The Broadest Range of Control Solutions Across Multiple Channels
Machine Automation Solutions Technology Portfolio Is Positioned to Support Digital Transformation

Emerson Will Become a Tier 1 Machine Control Supplier
Strategic Investments in Products and Channel Support Growth to $500M Business by Year 10

Machine Automation Solutions

- Plantweb Digital Ecosystem & Software
- Portfolio Investment
- Channels

Emerson Growth Acceleration

$500M

~10% Sales CAGR

~4% Market CAGR

2019 2021 2023 2025 2027 2029

Market

Accelerate near term product development programs to fill critical gaps:

- Integration with DeltaV and Ovation
- Integration with Plantweb
- Machine Safety
- Motion Control
- Small/Micro PLCs
- Ethernet / IP
- Remote I/O

Emerson Will Bring A Solutions Approach to the PLC Market and Drive Penetration Across Process, Hybrid, and Discrete Industries
Our Broad Control Portfolio Enables Integrated Solutions Throughout Our Customers’ Manufacturing Value Chains

<table>
<thead>
<tr>
<th>Process</th>
<th>Hybrid</th>
<th>Discrete</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eliminate islands of automation</strong></td>
<td><strong>Be a complete solutions provider</strong></td>
<td><strong>Expand into adjacent discrete spaces</strong></td>
</tr>
<tr>
<td><strong>Key opportunities</strong></td>
<td><strong>Key opportunities</strong></td>
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</tr>
<tr>
<td>Refining &amp; Chemical</td>
<td>Food &amp; Beverage</td>
<td>Packaging</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Metals &amp; Mining</td>
<td>Electronics</td>
</tr>
</tbody>
</table>

- Close existing gaps in plant control offering
- Leverage PLCs in KOB1 and KOB2 projects
- Offer complete end-to-end plant solutions
- Drive penetration in common strategic accounts
- Leverage and connect Emerson device portfolio in target verticals
- Develop new offerings for Machine Automation Solutions installed base
Our Control Portfolio Enables Plantweb Digital Ecosystem Across Many High-value Applications

Emerson Is Leading Digital Transformation With Scalable and Proven Solutions

Creating a broad ecosystem of applications and services to transform operations

Connecting the industry’s broadest portfolio of intelligent devices

DCS + Modular + PLC

2017 & 2018 Industrial IoT Company of the Year
Final Control

Ram Krishnan
Group President, Final Control
Final Control
Key Messages

• Acquisition of Valves & Controls transforms Final Control into the biggest/broadest solutions provider and strengthens Automation Solutions

• Integration activities progressing to plan; we remain on track to deliver on our synergy programs

• Seeing continued momentum in our served markets; we are strategically positioned to capture large investment waves in 2019-2021

• Enabling customers to achieve Top Quartile Performance in both project and operational environments as their Main Valve Partner

• Investments to create a world-class Final Control franchise continue at an aggressive pace – global service infrastructure, regional manufacturing capacity and technology programs
## Final Control
### 2018 Summary & 2021 Target

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<td></td>
<td></td>
<td>4% CAGR</td>
</tr>
</tbody>
</table>

Content Intentionally Omitted
New Final Control Business Group Management Structure

Business Group

Final Control Leadership Team
Group President: Ram Krishnan

Business Units

Flow Controls

Pressure Management

Pressure Relief Valves

Industrial Regulators

Natural Gas Regulators

Isolation Valves

Ball

Butterfly

Triple Offset

Gate/Globe/Check

Knife-Gate Valves

Actuation Technologies

Pneumatic

Hydraulic

Electrics/Manual Gears

Strategic Product Business Units

Sliding Stem

Rotary

Engineered Products

Nuclear

Instrumentation

Digital Isolation

2018 Sales - $1.7B

2018 Sales - $0.8B

2018 Sales - $1.0B

2018 Sales - $0.3B

Impacted by Valves & Controls
Final Control Competitive Landscape
2018 Served Market by Product

Content Intentionally Omitted
Valves & Controls Integration Accomplishments

- New organization structure and leadership team established
- Single integrated channel in place in all world areas
- Main Valve Partner strategy launched; resulting in many ‘combined portfolio’ wins
- Operating Model Transformation (OMT) unwind successfully completed
- Brand rationalization complete
- $18+M of supply chain synergy savings negotiated
- 10 manufacturing facilities closed
- Significant improvements in service levels and reduction in overdue backlog

Acquisition Announced August 18, 2016
Acquisition Closed April 28, 2017
1 Year Anniversary April 28, 2018
Synergy Programs on Track to Deliver on the Year 5 Commitment

Content Intentionally Omitted
Relentless Focus on Decreasing Overdue Backlog While Improving Our Service Levels

Content Intentionally Omitted
Trade Working Capital Productivity Programs Will Deliver Significant Cash by 2021

Content Intentionally Omitted
Top 120 Projects by Order Timing

Content Intentionally Omitted
Main Valve Partner
Proven Driver of Global Project Execution Success

<table>
<thead>
<tr>
<th>How We Partner</th>
<th>Project Involvement</th>
<th>Project Certainty Enablers</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reliably</strong></td>
<td><strong>Pre-FEED &amp; FEED</strong></td>
<td>Build in Optimized Solutions at FEED</td>
<td><strong>Improved ROI</strong></td>
</tr>
<tr>
<td>Building it into the Design</td>
<td>Applications and Safety Expertise</td>
<td>Optimized Design Specifications</td>
<td><strong>On or Under Budget</strong></td>
</tr>
<tr>
<td><strong>As an Owner</strong></td>
<td><strong>Detailed Design</strong></td>
<td>Best Matched Technology</td>
<td><strong>On-Time Completion</strong></td>
</tr>
<tr>
<td>Optimizing Cost &amp; Alleviating Risk</td>
<td>Portfolio Breadth and Depth</td>
<td>Judicious Standardization</td>
<td><strong>Comprehensive Handover</strong></td>
</tr>
<tr>
<td><strong>Efficiently</strong></td>
<td><strong>Execute</strong></td>
<td>Project Execution Expertise</td>
<td></td>
</tr>
<tr>
<td>Digitizing Workflows</td>
<td>Dedicated Project Team</td>
<td>Formal Execution Processes</td>
<td></td>
</tr>
<tr>
<td><strong>Locally</strong></td>
<td><strong>Install &amp; Commission</strong></td>
<td>Single Partner Accountability</td>
<td></td>
</tr>
<tr>
<td>To Support the Lifecycle</td>
<td>Compliance Management</td>
<td>Digital Asset Tagging &amp; Tracking</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Certified Expert Technicians</td>
<td></td>
</tr>
</tbody>
</table>
Scope, Strength and Experience in Mega LNG Projects Positions Us Well For the Growth Wave

Content Intentionally Omitted
We Will Leverage Our Leading Position in **Refining & Chemical** to Capture the Investment Wave

Content Intentionally Omitted
## How We Partner

<table>
<thead>
<tr>
<th>How We Partner</th>
<th>Operational Involvement</th>
<th>Operational Certainty Enablers</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consistently</strong></td>
<td>Maintenance Services</td>
<td><strong>Expertise to Optimize Safety and Minimize Costs</strong></td>
<td><strong>Reduced Maintenance</strong></td>
</tr>
<tr>
<td>On-going Care of Every</td>
<td></td>
<td>Installed Base and Spares Planning</td>
<td></td>
</tr>
<tr>
<td>Valve Asset</td>
<td></td>
<td><strong>Eliminate the Unknowns with Prognostics and Planning</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Proactively</strong></td>
<td>Reliability Services</td>
<td><strong>Outcome-Based Long-term Service Agreements</strong></td>
<td><strong>Increased Asset Uptime</strong></td>
</tr>
<tr>
<td>Prioritizing What Matters Most</td>
<td></td>
<td><strong>Total Asset Management</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Responsibly</strong></td>
<td>Performance Services</td>
<td><strong>Resident Asset Manager</strong></td>
<td><strong>Improved ROI</strong></td>
</tr>
<tr>
<td>Ensuring Safety and Peace of Mind</td>
<td></td>
<td><strong>Preventive and Predictive Agreements</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **SureService™ Agreements**
- **Main Valve Partner Delivering Lifecycle Success for All Critical Valves**
Global Service Footprint Investments Will Further Protect and Grow our Installed Base

Content Intentionally Omitted
Investments in **Next Generation Products** Will Drive Continued Technology Leadership and Market Separation

~$1B in Year 5 Sales From These Next Generation Products
Investments in **Manufacturing Regionalization** Are Critical to Serve Our Customers Locally

Content Intentionally Omitted
Final Control
2018 Summary & 2021 Target

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2018 – 2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$3.8B</td>
<td>~$5B 2021T w/ acquisitions</td>
</tr>
<tr>
<td>Underlying*</td>
<td>13%</td>
<td>7 – 9% CAGR</td>
</tr>
<tr>
<td>Market Growth</td>
<td></td>
<td>4% CAGR</td>
</tr>
</tbody>
</table>

- Integration of Valves & Controls progressing to plan; **synergy programs on track**
- Well positioned to capture **large project investment waves**
- Continued **investments to lead and separate**

Content Intentionally Omitted
New Final Control Business Group Management Structure

**Business Group**

- **Flow Controls**
  - Sliding Stem
  - Rotary
  - Engineered Products
  - Nuclear
  - Instrumentation
- **Pressure Management**
  - Pressure Relief Valves
  - Industrial Regulators
  - Natural Gas Regulators
- **Isolation Valves**
  - Ball
  - Butterfly
  - Triple Offset
  - Gate/Globe/Check
  - Knife-Gate Valves
- **Actuation Technologies**
  - Pneumatic
  - Hydraulic
  - Electrics / Manual Gears

**Final Control Leadership Team**
Group President: Ram Krishnan

**Business Units**

- **Strategic Product Business Units**
  - 2018 Sales - $1.7B
  - 2018 Sales - $0.8B
  - 2018 Sales - $1.0B
  - 2018 Sales - $0.3B

Impacted by Valves & Controls
UNLEASHING NEW POSSIBILITIES
UNLEASHING NEW POSSIBILITIES
Reconciliation of Non-GAAP Measures

In this presentation non-GAAP measures (denoted with an *) are used when talking about the Company’s performance, and a reconciliation of those measures to the most comparable GAAP measures is contained below. ($ in billions, except per share amounts or where noted)

<table>
<thead>
<tr>
<th>Sales % chg. vs. PY</th>
<th>2018</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales change (GAAP)</td>
<td>14%</td>
<td>11 - 13%</td>
</tr>
<tr>
<td>FX</td>
<td>(1)%</td>
<td>~(2)%</td>
</tr>
<tr>
<td>Acq/Div</td>
<td>(5)%</td>
<td>~(4)%</td>
</tr>
<tr>
<td>Underlying*</td>
<td>8%</td>
<td>5 - 7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales % chg. vs. PY</th>
<th>2019</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales change (GAAP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>9%</td>
<td>~10%</td>
</tr>
<tr>
<td>Acq/Div</td>
<td>~3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Acq</td>
<td>4%</td>
<td>~(6)%</td>
</tr>
<tr>
<td>Underlying*</td>
<td>4.5%</td>
<td>~6.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales % chg. vs. PY</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales change (GAAP)</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td></td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>~8+%</td>
</tr>
<tr>
<td>Sales underlying CAGR*</td>
<td>~5+%</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Measures

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**EPS Growth**
- EPS growth (GAAP)
- 2019 EPS headwinds
- Adjusted EPS growth*

**EBIT Margin**
- Pretax margin (GAAP)
- Interest expense, net
- EBIT margin*
- Acquisitions impact
- EBIT margin excluding acquisitions*

**Gross Profit Margin**
- Gross profit margin (GAAP)
- Acquisitions impact
- Gross profit margin excluding acquisitions*

**Earnings Per Share**
- Diluted earnings per share (GAAP)
- Repositioning items and divestiture gains
- Adjusted diluted earnings per share*

**Earnings Per Share**
- Earnings per share from continuing operations (GAAP)
- Valves & Controls first year acquisition accounting charges
- Earnings per share from continuing operations, excluding Valves & Controls first year acquisition accounting charges*
Reconciliation of Non-GAAP Measures

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow (GAAP)</td>
<td>$3.6</td>
<td>3.7</td>
<td>2.5</td>
<td>2.9</td>
<td>2.7</td>
<td>2.9</td>
<td>-3.2</td>
<td>-4.0</td>
</tr>
<tr>
<td>Impact of taxes on divestiture gains and repositioning items</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flow adjusted*</td>
<td>3.6</td>
<td>3.7</td>
<td>3.0</td>
<td>3.1</td>
<td>2.7</td>
<td>2.9</td>
<td>-3.2</td>
<td>-4.0</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(0.6)</td>
<td>(0.8)</td>
<td>(0.7)</td>
<td>(0.6)</td>
<td>(0.5)</td>
<td>(0.6)</td>
<td>- (0.7)</td>
<td>- (0.7)</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>$3.0</td>
<td>2.9</td>
<td>2.3</td>
<td>2.5</td>
<td>2.2</td>
<td>2.3</td>
<td>-2.5</td>
<td>-3.3</td>
</tr>
</tbody>
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</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow to net earnings (GAAP)</td>
<td>182%</td>
<td>172%</td>
<td>93%</td>
<td>176%</td>
<td>164%</td>
<td>-150%</td>
<td>131%</td>
<td>-140%</td>
<td>-130% - 140%</td>
</tr>
<tr>
<td>Capital expenditures &amp; impact of divestiture gains</td>
<td>(66)%</td>
<td>(62)%</td>
<td>12%</td>
<td>(45)%</td>
<td>(29)%</td>
<td>- (30)%</td>
<td>(17)%</td>
<td>~ (40)%</td>
<td>~ (20)%</td>
</tr>
<tr>
<td>(taxes paid), repositioning items, impairments &amp; tax reform</td>
<td>116%</td>
<td>110%</td>
<td>105%</td>
<td>131%</td>
<td>135%</td>
<td>~120%</td>
<td>114%</td>
<td>~ &gt;100%</td>
<td>~110 - 120%</td>
</tr>
<tr>
<td>Free cash flow to net earnings adjusted*</td>
<td>$3.0</td>
<td>2.9</td>
<td>2.3</td>
<td>2.5</td>
<td>2.2</td>
<td>2.3</td>
<td>-2.5</td>
<td>-3.3</td>
<td></td>
</tr>
</tbody>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends to operating cash flow (GAAP)</td>
<td>32%</td>
<td>33%</td>
<td>50%</td>
<td>43%</td>
<td>46%</td>
<td>42%</td>
<td>43%</td>
<td>-38%</td>
<td>-37% - 34%</td>
</tr>
<tr>
<td>Capital expenditures &amp; impact of taxes on divestiture gains &amp; repositioning items</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
<td>5%</td>
<td>10%</td>
<td>11%</td>
<td>11%</td>
<td>~ 9%</td>
<td>~9% - 8%</td>
</tr>
<tr>
<td>Dividends to free cash flow*</td>
<td>40%</td>
<td>41%</td>
<td>56%</td>
<td>48%</td>
<td>56%</td>
<td>53%</td>
<td>54%</td>
<td>~47%</td>
<td>~46% - 42%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt / pretax earnings (GAAP)</td>
<td>1.8x</td>
<td>1.8x</td>
<td>1.6x</td>
<td>2.9x</td>
<td>2.0x</td>
<td>1.8x</td>
<td>1.7x</td>
<td>1.8x</td>
<td>2.0x</td>
</tr>
<tr>
<td>Interest, taxes, depreciation, amortization</td>
<td>(0.5)</td>
<td>(0.4)</td>
<td>(0.3)</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Total debt / EBITDA*</td>
<td>1.3x</td>
<td>1.4X</td>
<td>1.3x</td>
<td>2.2x</td>
<td>1.5x</td>
<td>1.3x</td>
<td>1.3x</td>
<td>1.4x</td>
<td>1.6x</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Measures

In this presentation non-GAAP measures (denoted with an *) are used when talking about the Company's performance, and a reconciliation of those measures to the most comparable GAAP measures is contained below.

($ in billions, except per share amounts or where noted)

**Automation Solutions Underlying Sales Growth**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation Solutions sales growth reported (GAAP)</td>
<td>18 - 20%</td>
<td>21%</td>
<td>7 - 10%</td>
<td>8 - 11%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>~(12) %</td>
<td>(11)%</td>
<td>~(-2) %</td>
<td>~(-3) %</td>
</tr>
<tr>
<td>Automation Solutions underlying sales growth*</td>
<td>6 - 8%</td>
<td>10%</td>
<td>5 - 8%</td>
<td>5 - 8%</td>
</tr>
</tbody>
</table>

**Automation Solutions 2018 Sales By Geography**

<table>
<thead>
<tr>
<th></th>
<th>Americas</th>
<th>Europe</th>
<th>Asia, Middle East &amp; Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation Solutions sales by geography (GAAP)</td>
<td>48%</td>
<td>20%</td>
<td>32%</td>
</tr>
<tr>
<td>Aventics proforma impact</td>
<td>1%</td>
<td>1%</td>
<td>(2)%</td>
</tr>
<tr>
<td>Automation Solutions sales by geography including Aventics*</td>
<td>49%</td>
<td>21%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Systems & Solutions Underlying Sales Growth**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2018-2021T CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems &amp; Solutions sales growth reported (GAAP)</td>
<td>2%</td>
<td>9 - 11%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>2%</td>
<td>~(-3)%</td>
</tr>
<tr>
<td>Systems &amp; Solutions underlying sales growth*</td>
<td>4%</td>
<td>6 - 8%</td>
</tr>
</tbody>
</table>

**Final Control Underlying Sales Growth**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2018-2021T CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Control sales growth reported (GAAP)</td>
<td>41%</td>
<td>9 - 11%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>(28)%</td>
<td>~(-2)%</td>
</tr>
<tr>
<td>Final Control underlying sales growth*</td>
<td>13%</td>
<td>7 - 9%</td>
</tr>
</tbody>
</table>

**Valves & Controls EBIT Margin**

<table>
<thead>
<tr>
<th></th>
<th>2H 2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT (GAAP)</td>
<td>-*</td>
<td>-*</td>
</tr>
<tr>
<td>Other income (deductions)</td>
<td>~10%</td>
<td>~6%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>~10%</td>
<td>~8%</td>
</tr>
</tbody>
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Reconciliation of Non-GAAP Measures

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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; Residential sales growth reported (GAAP)</td>
<td>5%</td>
<td>1-3%</td>
<td>2%</td>
<td>8 - 10%</td>
<td>5 - 7%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>1%</td>
<td>-3%</td>
<td>2%</td>
<td>-(5)%</td>
<td>-(2)%</td>
</tr>
<tr>
<td>Commercial &amp; Residential underlying sales growth*</td>
<td>6%</td>
<td>4 - 6%</td>
<td>4%</td>
<td>3 - 5%</td>
<td>3 - 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial &amp; Residential Sales</th>
<th>2017</th>
<th>2018</th>
<th>2017 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (GAAP)</td>
<td>$5.9</td>
<td>$6.0</td>
<td>2%</td>
</tr>
<tr>
<td>ClosetMaid impact</td>
<td>(0.3)</td>
<td>-</td>
<td>6%</td>
</tr>
<tr>
<td>Sales excluding ClosetMaid*</td>
<td>$5.6</td>
<td>$6.0</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial &amp; Residential EBIT</th>
<th>2017</th>
<th>2018</th>
<th>2017 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; Residential EBIT (GAAP)</td>
<td>$1.4</td>
<td>$1.4</td>
<td>0%</td>
</tr>
<tr>
<td>ClosetMaid impact</td>
<td>(0.1)</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Commercial &amp; Residential EBIT excluding ClosetMaid*</td>
<td>$1.3</td>
<td>$1.4</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comm &amp; Res Sols Excluding ClosetMaid Sales CAGRs</th>
<th>2005-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales CAGR (GAAP)</td>
<td>~2.0%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>~1.6%</td>
</tr>
<tr>
<td>Underlying sales excluding ClosetMaid CAGR*</td>
<td>~3.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial &amp; Residential EBIT Margin</th>
<th>2017</th>
<th>2018</th>
<th>2017 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; Residential EBIT margin (GAAP)</td>
<td>23.2%</td>
<td>22.6%</td>
<td>(60) bps</td>
</tr>
<tr>
<td>ClosetMaid impact</td>
<td>1.0%</td>
<td>0.0%</td>
<td>(100) bps</td>
</tr>
<tr>
<td>Commercial &amp; Residential EBIT margin excluding ClosetMaid*</td>
<td>24.2%</td>
<td>22.6%</td>
<td>(160) bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial &amp; Residential Return on Total Capital (ROTC)</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; Residential ROTC (GAAP)</td>
<td>48.0%</td>
</tr>
<tr>
<td>ClosetMaid impact</td>
<td>4.0%</td>
</tr>
<tr>
<td>Commercial &amp; Residential ROTC excluding ClosetMaid*</td>
<td>52.0%</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Measures

In this presentation non-GAAP measures (denoted with an *) are used when talking about the Company’s performance, and a reconciliation of those measures to the most comparable GAAP measures is contained below.

($ in billions, except per share amounts or where noted)

<table>
<thead>
<tr>
<th>Tools &amp; Home Products Underlying Sales Growth</th>
<th>2018</th>
<th>2018-2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools &amp; Home Products Sales Growth Reported (GAAP)</td>
<td>(7)%</td>
<td>10 - 12%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>12%</td>
<td>(6) - (7)%</td>
</tr>
<tr>
<td>Tools &amp; Home Products underlying sales growth*</td>
<td>5%</td>
<td>4 - 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tools &amp; Home Products Sales Excluding ClosetMaid</th>
<th>2017</th>
<th>2018-2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools &amp; Home Products sales reported (GAAP)</td>
<td>$ 1.6</td>
<td></td>
</tr>
<tr>
<td>ClosetMaid sales</td>
<td>(0.3)</td>
<td></td>
</tr>
<tr>
<td>Tools &amp; Home Products sales excluding ClosetMaid*</td>
<td>$ 1.3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Heating &amp; Cooling Underlying Sales Growth</th>
<th>2018</th>
<th>2018-2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Heating &amp; Cooling sales growth reported (GAAP)</td>
<td>4%</td>
<td>2 - 4%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>(1)%</td>
<td>-%</td>
</tr>
<tr>
<td>Global Heating &amp; Cooling underlying sales growth*</td>
<td>3%</td>
<td>2 - 4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Cold Chain Underlying Sales Growth</th>
<th>2018</th>
<th>2018-2021T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Cold Chain sales growth reported (GAAP)</td>
<td>10%</td>
<td>5 - 7%</td>
</tr>
<tr>
<td>Acq/Div/FX</td>
<td>(5)%</td>
<td>-%</td>
</tr>
<tr>
<td>Global Cold Chain underlying sales growth*</td>
<td>5%</td>
<td>5 - 7%</td>
</tr>
</tbody>
</table>
Trademark Ownership Statement

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