Emerson’s Acquisition of Pentair Valves & Controls

David N. Farr
Chairman and Chief Executive Officer
August 18, 2016

Safe Harbor Statement
Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the remainder of the year, and Emerson undertakes no obligation to update any such statement to reflect later developments. Factors that could cause actual results to vary materially from those discussed today include our ability to successfully complete on the terms and conditions contemplated, and the financial impact of, the proposed acquisition of Valves & Controls and Emerson’s other strategic portfolio repositioning actions, as well as those provided in our most recent Annual Report on Form 10-K and subsequent reports as filed with the SEC.

Pro Forma Results
The financial measures contained in this presentation for the rebased Emerson and the Automation Solutions and Commercial & Residential Solutions businesses represent the businesses that are expected to remain a part of Emerson and to comprise these business groups after completion of the proposed acquisition of Valves & Controls and Emerson’s other strategic portfolio repositioning actions.
# The February 2016 Investor’s Conference Game Plan to Drive Premium Valuation

| Step 1: Restructure | • Continue restructuring and cost reductions in line with a challenging global economy, and a smaller, more focused Emerson  
|                       | • Global economies are struggling to generate any growth acceleration. Therefore, low growth expectations persist through fiscal 2017  
|                       | • Maintain year-to-date profitability, cash flow  
| **Action:**          | Started February 2015 and ongoing through 2016 – 2017, until global growth returns  
|                       | Restructuring Costs 2016E: $90 – 100M; 2017F Total Restructuring $50 – 60M |

| Step 2: Reposition | • Complete sale of the Network Power, and Motors & Drives / Power Generation businesses  
| **Action:**          | Initiated June 2015 -- Targeted to be completed by September 2016  
|                       | ✓ Both Signed in July 2016, Combined Value of $5.2B |

| Step 3: Acquire | • Aggressively pursue acquisitions to rebuild the new core, focused Emerson to ~$20B -- Intent is to reinvest repositioning cash proceeds within two businesses  
| **Action:**          | ✓ Purchased ~$1.6B Pentair Valves & Controls business |
Portfolio Repositioning Strategy to Drive Shareholder Value

Emerson 2016E¹

- Climate Technologies: $3.9
- Network Power: $4.4
- Industrial Automation: $3.5
- Process Management: $1.6

Total: $20.3B

Emerson 2016E Pro Forma²

- Automation Solutions: $10.6
- Commercial & Residential Solutions: $5.2
- Commercial & Residential Solutions: $15.8B

1. Stronger Underlying Sales Growth Opportunities
2. Higher Margins
3. Higher Cash Flow Conversion
4. Higher ROTC
5. Excellent Market Expansion Opportunities

¹ Segment sales are shown before intercompany eliminations.
² Pro Forma assumes all strategic actions have been completed (excludes Network Power, Control Techniques, Leroy-Somer, and remaining storage business) and includes Pentair Valves & Controls

Emerson Will Emerge From the Repositioning Leaner, Stronger, More Focused, and Poised for Future Growth. This Transition Has Not Been Easy, But Our Core Values, Expertise, Technology, and Work Ethic Will Facilitate Success in This New Chapter
Pentair Valves & Controls Acquisition Rationale

- Establishes Emerson presence globally in control, isolation, pressure relief valves and actuation
  - Grows Emerson Automation Solutions’ business
  - Pentair Valves & Controls’ Sales peaked at $2.4B in 2014; with a 17% Operating Margin
  - Increases ‘served’ market and provides future acquisition opportunities

- Valves & Controls’ portfolio is highly respected market leader
  - World-class brands include Crosby, Anderson-Greenwood, Vanessa, and Keystone
  - Notable presence in Chemical, Mining, and Power markets
  - Significant Isolation Valve Aftermarket and Service organization
  - Critical addition of Pressure Relief Valves

- Strong fit with Emerson, Automation Solutions, Final Control
  - Management principles match the ‘Emerson Playbook’:
    - Perfect Execution
    - Best Cost Sourcing
    - Best Cost Manufacturing
    - Focus on Working Capital

- Strong value creation opportunities using Automation Solutions infrastructure
  - Strategic Accounts
  - Global Project Pursuit
  - Industry Solutions
  - Best Cost Back Office
  - Lifecycle Services
  - Additive Manufacturing (3D)
Deal Economics

Valuation

- Price: $3,150M
- Funding: 100% Cash

Multiples

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016E</td>
<td>1.9x</td>
<td>14.1x</td>
</tr>
<tr>
<td>3-Year Average</td>
<td>1.6x</td>
<td>10.1x</td>
</tr>
</tbody>
</table>

TTM 2016E EBITDA reflective of trough in market

Cost and Sales Synergies Represent 10%+ of Target Sales. Synergies Will Drive the Business to Historic Sales Peak of ~$2.4B+. Cash Accretive in 2018
Global Automation Marketplace
Process, Hybrid, and Discrete Automation - $206B

Sources: ARC, Freedonia, EIF, Other 3rd Party Reports, RSR Marketing, IHS Global Insights, Internal Estimates
$29B Global Final Control Market

With Pentair Valves & Controls We Will Have Similar Market Participation Across All Automation Solutions Business Groups
Historically, the Emerson Business Has Outgrown the Market Through the Cycles

Emerson Has Consistently Outperformed the Market’s Growth -- Constantly Strengthening Our Market Position Through Upturns and Downturns

<table>
<thead>
<tr>
<th>Annual Growth Rates</th>
<th>2008-2014</th>
<th>2010-2016E</th>
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</thead>
<tbody>
<tr>
<td>Emerson Process Management</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Served Market</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: IHS Economics and Emerson Management Assessment
Emerson Final Control and Pentair Valves & Controls Business Overview

<table>
<thead>
<tr>
<th>Valves &amp; Controls</th>
<th>Final Control</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geography</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America MEA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>US &amp; Canada</td>
<td>29%</td>
<td>38%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Refining</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Power</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Chemical</td>
<td>42%</td>
<td>26%</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td>Actuation and Other</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Pressure Management</td>
<td>29%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isolation Valves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control Valves</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Control Valves</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Combined Operating Margin</td>
<td>14-18+% Through-the-Cycle</td>
<td></td>
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</table>
Pentair Valves & Controls Portfolio is Complementary to Emerson and Creates the Premier Global Valve and Actuation Player

<table>
<thead>
<tr>
<th>Final Control Capabilities</th>
<th>Emerson Final Control</th>
<th>Pentair Valves &amp; Controls</th>
<th>Combined Final Control Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Valves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isolation Valves</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Triple Offset BV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Butterfly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ball</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gate/Globe/Check</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other On/Off Technologies</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Actuation &amp; Controls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Pneumatic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pressure Relief</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Brands</td>
<td>Fisher Bettis</td>
<td>Crosby Vanessa</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anderson Greenwood</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Keystone</td>
<td></td>
</tr>
</tbody>
</table>
Emerson Final Control Business Group

Automation Solutions

Systems & Solutions
- Measurement & Analytical
- Flow
- Final Control
  - 2015 Sales
    - Combined
      - Fisher Flow Controls
        - Control Valves: Engineered Products, Instrumentation, and Automated Isolation
      - Combined $1.6B
      - Pressure Relief
        - Pressure Relief Valves
      - Combined $0.5B
      - Isolation Valves
        - Ball, Butterfly, Gate/Globe/Check, and Triple Offset Valves
      - Combined $1.3B
      - Actuation
        - Pneumatic and Hydraulic Actuation, Electric Actuation, and Gears
      - Combined $0.6B

Discrete & Industrial
Pentair Valves & Controls Strengthens our Isolation Valve Portfolio for Project Pursuit and Execution

Global Chemical Project
Total EMR Sales: ~$200M

<table>
<thead>
<tr>
<th>Product Line</th>
<th>EMR Sales ($M)</th>
<th>Full Project Scope ($M)</th>
<th>% of Project Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control and Safety Systems</td>
<td>$135M</td>
<td>$180M</td>
<td>60%</td>
</tr>
<tr>
<td>Control Valves &amp; Regulators</td>
<td>$25M</td>
<td>$30M</td>
<td>10%</td>
</tr>
<tr>
<td>Isolation Valves</td>
<td>$3M</td>
<td>$29M</td>
<td>8%</td>
</tr>
<tr>
<td>Isolation Valve Actuation</td>
<td>$10M</td>
<td>$11M</td>
<td>5%</td>
</tr>
<tr>
<td>Pressure, Temperature, Level</td>
<td>$10M</td>
<td>$15M</td>
<td>5%</td>
</tr>
<tr>
<td>Flow and Fiscal Metering</td>
<td>$7M</td>
<td>$10</td>
<td>3%</td>
</tr>
<tr>
<td>Flame and Gas</td>
<td>$3M</td>
<td>$5M</td>
<td>2%</td>
</tr>
<tr>
<td>Liquid and Gas Analytical Systems</td>
<td>$10M</td>
<td>$20M</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$203M</strong></td>
<td><strong>$300M</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

$’s not in Current EMR Scope:
- $45M
- $5M
- $26M
- $1M
- $5M
- $3M
- $2M
- $10M
- $97

Isolation Valves are an Important Component of Large Global Projects and Emerson’s Current Presence is Limited
Pentair Valves & Controls is Underpenetrated in Emerson’s Key Global Accounts

Of Our $1.3B Sales in Key Strategic Accounts, ~40% are in Accounts in Which Pentair Valves & Controls has Zero Sales -- Leading to Significant Sales Synergy Opportunities Over Time
Synergies and Integration Planning

The New Final Control Business Will Be ~$4.5B Sales and 18+% OP Margin within 5 Years, as the Global Process Automation Markets Recover.

Anticipate 10%+ Synergies of Valves & Controls Sales

- Administrative Costs
- Facility Rationalization
- Best Cost Sourcing
- Best Cost Back Office

Integration Team Led By Ed Monser

Steering Committee

Integration Executive

Integration Lead

Value Creation Teams
- Operations
- Supply Chain
- Enterprise Service
- Enterprise Sales
- Back Office
- Technology

Functional Teams
- HR
- Legal
- Finance
- Communications
- IT
- Business Systems

Sales
- Emerson Strategic Accounts
- World Area Sales Pull Through
Pentair Valves & Controls Acquisition Rationale

- **Strengthen Market Position**
  - Establishes Emerson presence globally in control, isolation, pressure relief valves and actuation
  - Grows Emerson *Automation Solutions’* business
  - Pentair Valves & Controls’ Sales peaked at $2.4B in 2014; with a 17% Operating Margin
  - Increases ‘served’ market and provides future acquisition opportunities

- **Desirable Target**
  - Valves & Controls’ portfolio is highly respected market leader
  - World-class brands include Crosby, Anderson-Greenwood, Vanessa, and Keystone
  - Notable presence in Chemical, Mining, and Power markets
  - Significant Isolation Valve Aftermarket and Service organization
  - Critical addition of Pressure Relief Valves

- **Reduced Risk of Entry**
  - Strong fit with Emerson, *Automation Solutions, Final Control*
  - Management principles match the ‘Emerson Playbook’:
    - Perfect Execution
    - Best Cost Sourcing
    - Best Cost Manufacturing
    - Focus on Working Capital

- **Value Creation**
  - Strong value creation opportunities using *Automation Solutions* infrastructure
    - Strategic Accounts
    - Global Project Pursuit
    - Industry Solutions
    - Best Cost Back Office
    - Lifecycle Services
    - Additive Manufacturing (3D)