

UNLEASHING NEW POSSIBILITIES



UNLEASHING NEW POSSIBILITIES



Emerson Attendees

Company Leadership

David Farr	Chairman and Chief Executive Officer
Mike Train	President
Frank Dellaquila	Senior Executive Vice President and Chief Financial Officer
Steve Pelch	Executive Vice President and Chief Operating Officer
Bob Sharp	Executive President, Commercial & Residential Solutions
Lal Karsanbhai	Executive President, Automation Solutions
Sara Bosco	Senior Vice President, Secretary and General Counsel
Mark Bulanda	Senior Vice President, Planning and Development
Kathy Button Bell	Senior Vice President and Chief Marketing Officer
Brent Schroeder	Group President, Heating and Air Conditioning
John Rhodes	Group President, Cold Chain
Jim Nyquist	Group President, Systems and Solutions
Ram Krishnan	Group President, Final Control
Tim Reeves	Director, Investor Relations
Judson Duncan	Vice President, Planning

Emerson Attendees

Some of the Next Generation of Leaders

Peter Chin	Automation Solutions
Dan Douglass	Automation Solutions
Susan Hughes	Automation Solutions
Pete Lilly	Automation Solutions
Melissa Ruths	Automation Solutions
Rob Sedlak	Automation Solutions
Amy Goldschmidt	Commercial & Residential Solutions
Jenny Lenhard	Commercial & Residential Solutions
Craig Sumner	Commercial & Residential Solutions
Brett Balasky	Corporate Strategic Planning
Emily Thomas	Corporate Strategic Planning

2019 Emerson Investor Conference

New York City, NY

Thursday, February 14th, 2019

8:00 – 8:45

Business Overview / Strategic Update

David Farr

8:45 – 9:30

Commercial & Residential Solutions

Bob Sharp

9:30 – 10:00

Heating and Cooling

Brent Schroeder

10:00 – 10:30

Global Cold Chain

John Rhodes

10:30 – 10:45

Break

10:45 – 11:30

Automation Solutions

Lal Karsanbhai

11:30 – 12:00

Systems and Solutions

Jim Nyquist

12:00 – 12:30

Machine Automation Solutions

Mike Train

12:30 – 1:00

Final Control

Ram Krishnan

1:00 – 1:15

Break

1:15 – 2:00

Questions & Answers

Farr, Dellaquila, Train,
Sharp, Karsanbhai

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.

Trademark Ownership Statement

All non-Emerson marks and logos used in this presentation are the property of their respective owners, and Emerson is not endorsed by or affiliated with the owners.



2019 Investor Conference

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.

Trademark Ownership Statement

All non-Emerson marks and logos used in this presentation are the property of their respective owners, and Emerson is not endorsed by or affiliated with the owners.



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

	<u>2018 Guidance</u> <i>Feb. 2018 Investor Conference¹</i>	<u>2018 Actual</u> <i>as Reported</i>
Sales	\$17.0 - \$17.3B	\$17.4B
Underlying Sales Growth*	5% - 7%	8%
Gross Margin	~43.1%	42.9% 43.1% ¹
EBIT Margin*	~16.7%	16.2% 16.6% ¹
Operating Cash Flow	~\$2.9B	\$2.9B
GAAP EPS Continuing Ops	\$3.05 - \$3.15	\$3.46
Dividends per share	\$1.94	\$1.94
Dividend to FCF Ratio*	53%	54%
Cash Returned to Shareholders	~\$2.0B	\$2.2B

¹ 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

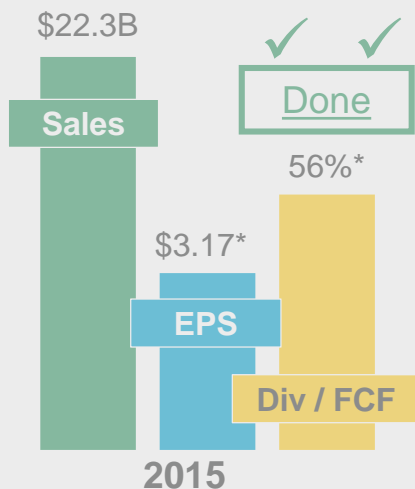
The Emerson Global Team Delivered On February 2018 Guidance in Sales, Profits and Cash Flow, and Successfully Closed Several Acquisitions.
Performance in 2018 Led to Strong Orders Momentum Going Into Fiscal 2019

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

Phase 1

Repositioning Emerson around two key platforms

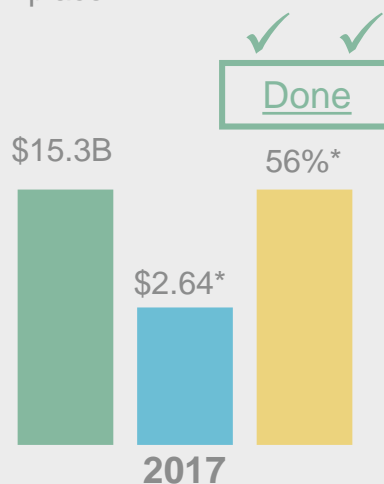
- Executed divestitures
- Acquired V&C



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



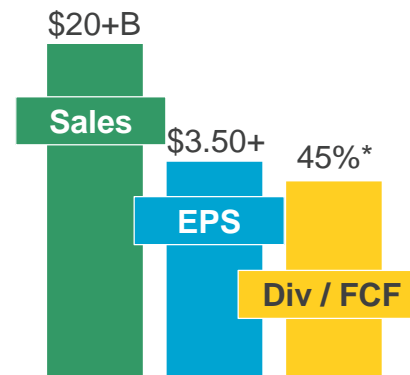
Phase 3

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



30-Jun-15

30-Sep-16

30-Sep-17

30-Sep-20

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

2018 Built a Strong Foundation for the New Emerson

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

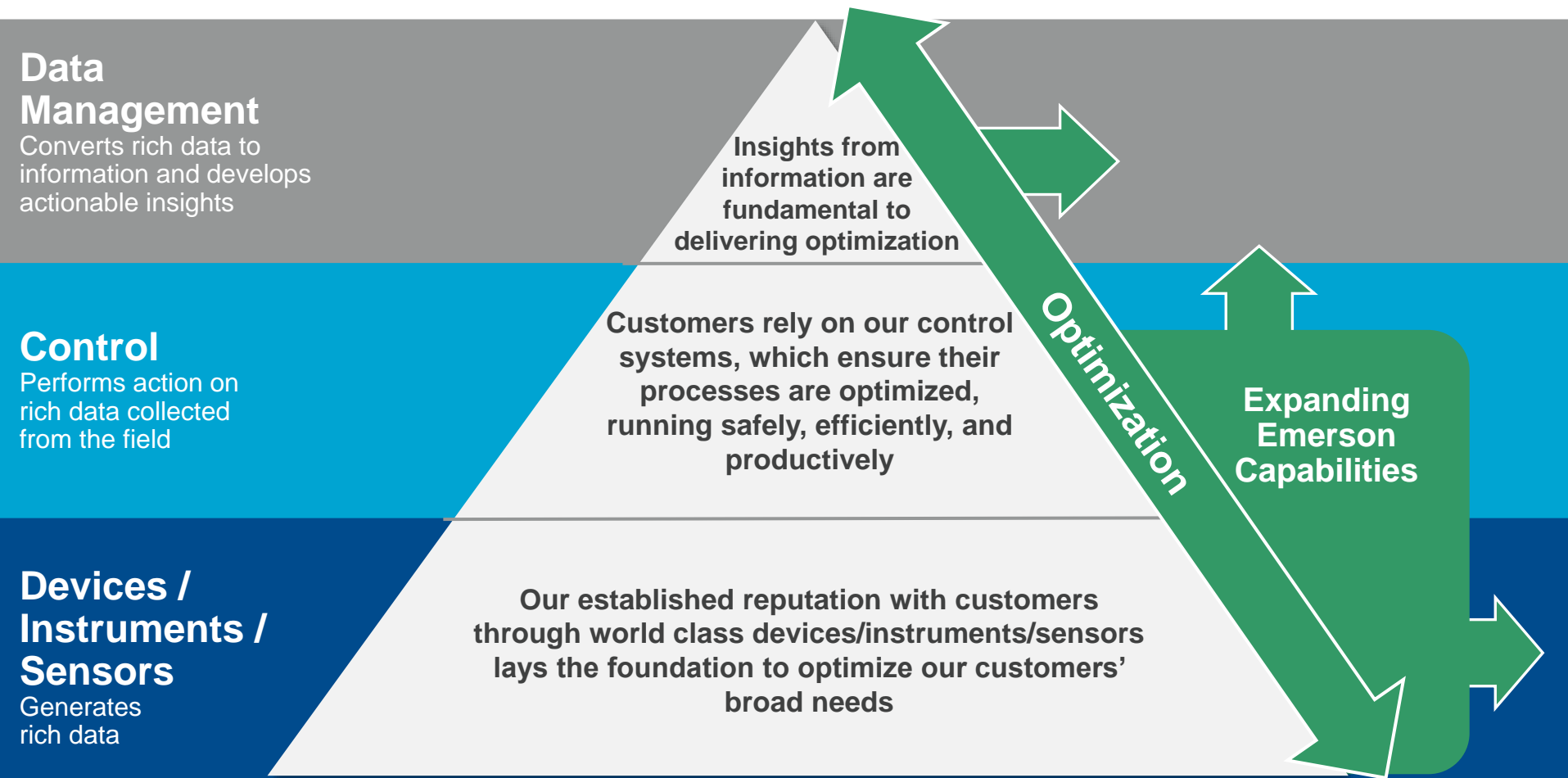


\$43B Market
~\$6.0B 2018 Sales
~27,500 Employees

- 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

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

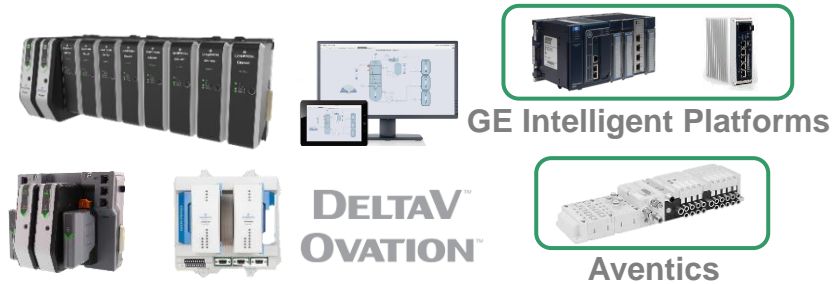


Emerson Has Tremendous Credibility With Our Customers and We Are Uniquely Positioned to Provide Optimized Solutions for Our Customers Up and Down the Technology Pyramid -- in Both Platforms

Recent Investments and Acquisitions Set Foundation for the Success of the Next Emerson Generation Solutions

Automation Solutions

Commercial & Residential Solutions

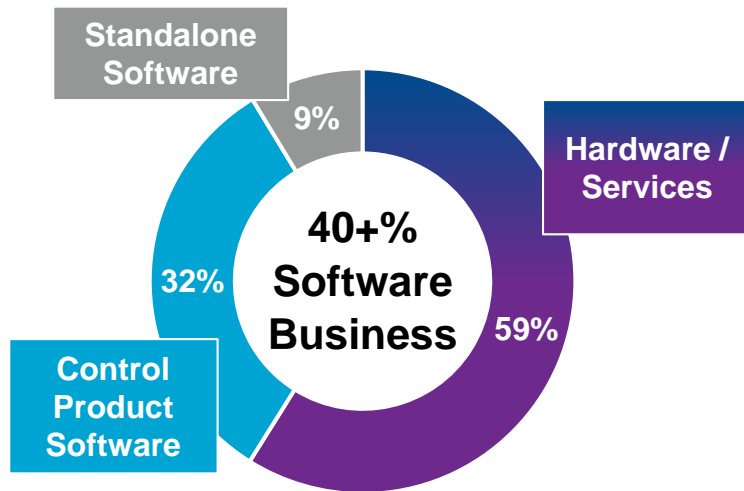


Emerson's Unique Offering of Intelligent Devices, Controls, and Software, Combined with an Unmatched Project Execution Framework, Domain Expertise, and Service Network Create the Strongest Industrial Position to Win

Emerson is Placing a Strong Focus on Developing Software Enabled and Software Driven Solutions

Automation Solutions

\$2.1B Process Control Systems & Solutions



- Strong DeltaV and Ovation Brands
- Lifecycle Services / Guardian Support
- Intelligent Platforms adds Machine Control

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

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

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



UPSTREAM

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



REFINING

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



LIFE SCIENCE

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



FOOD &
BEVERAGE

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



POWER

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



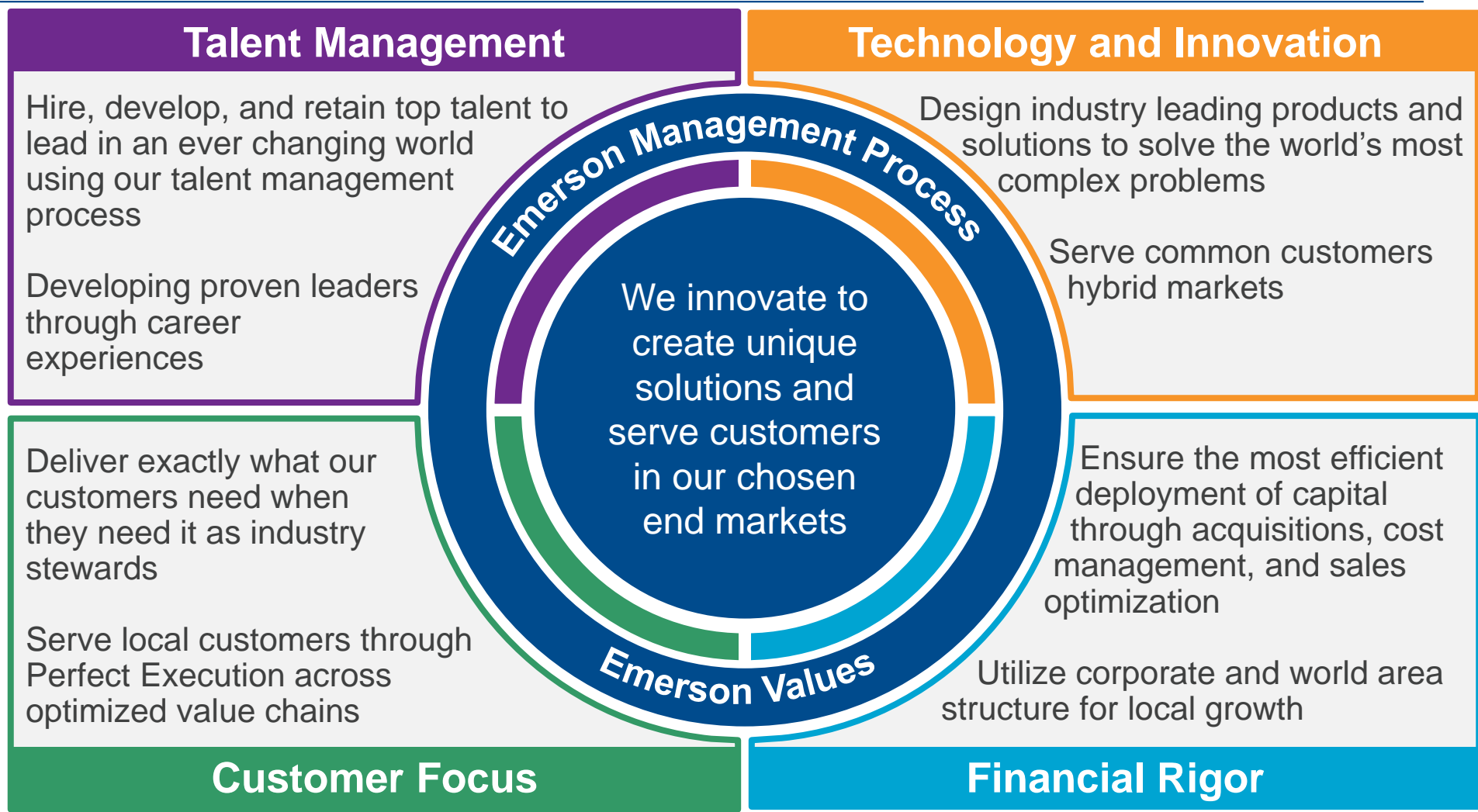
PLANT CONNECTIVITY
AND CONSULTING

- **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

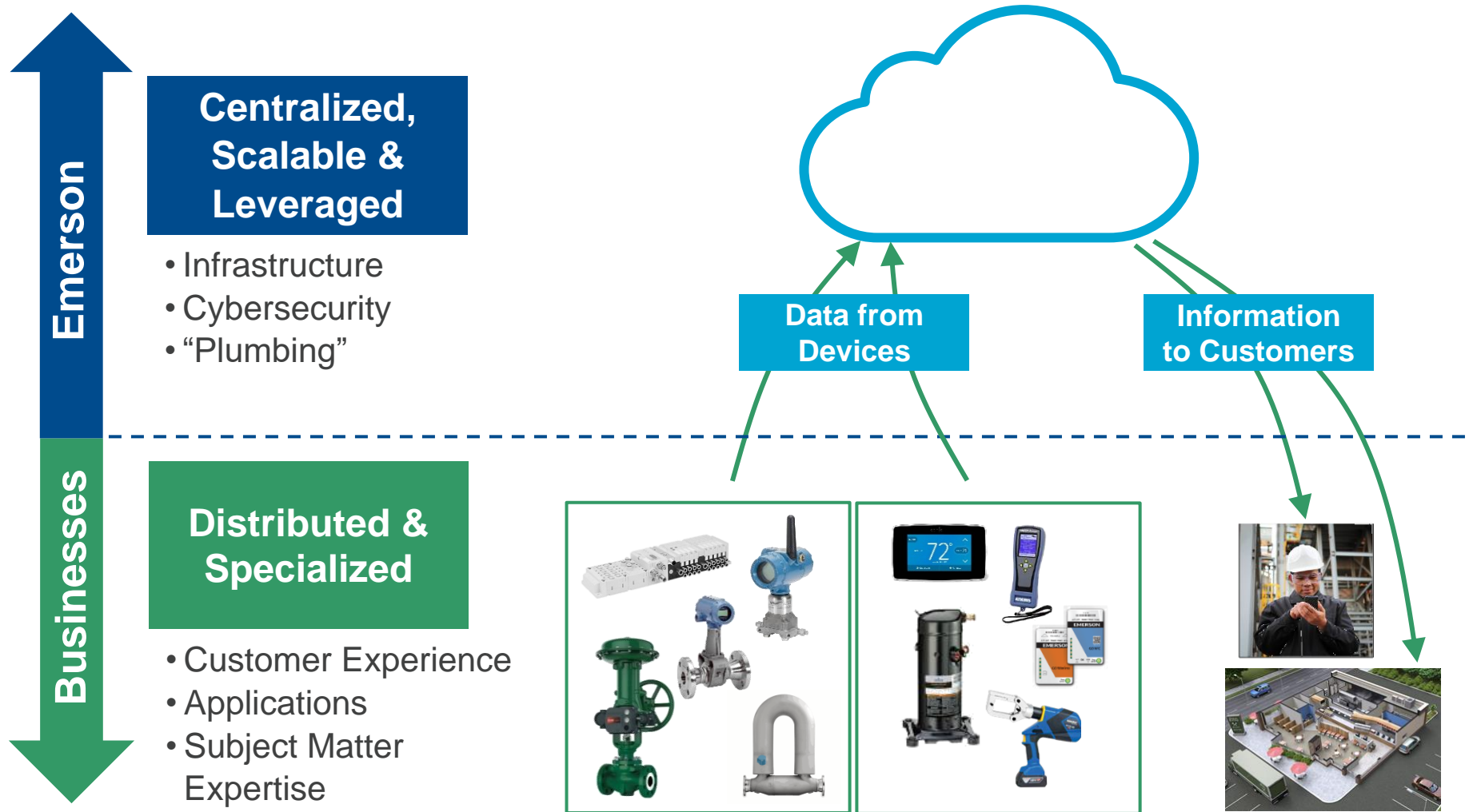
A Well-Structured and Proven Value Creation Process



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

Emerson's Two Platform Strategy

Leverage Our Enterprise Infrastructure



Business Units and Specialized Capabilities Focused on Customer --
Central Functions Provide Infrastructure

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%

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

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

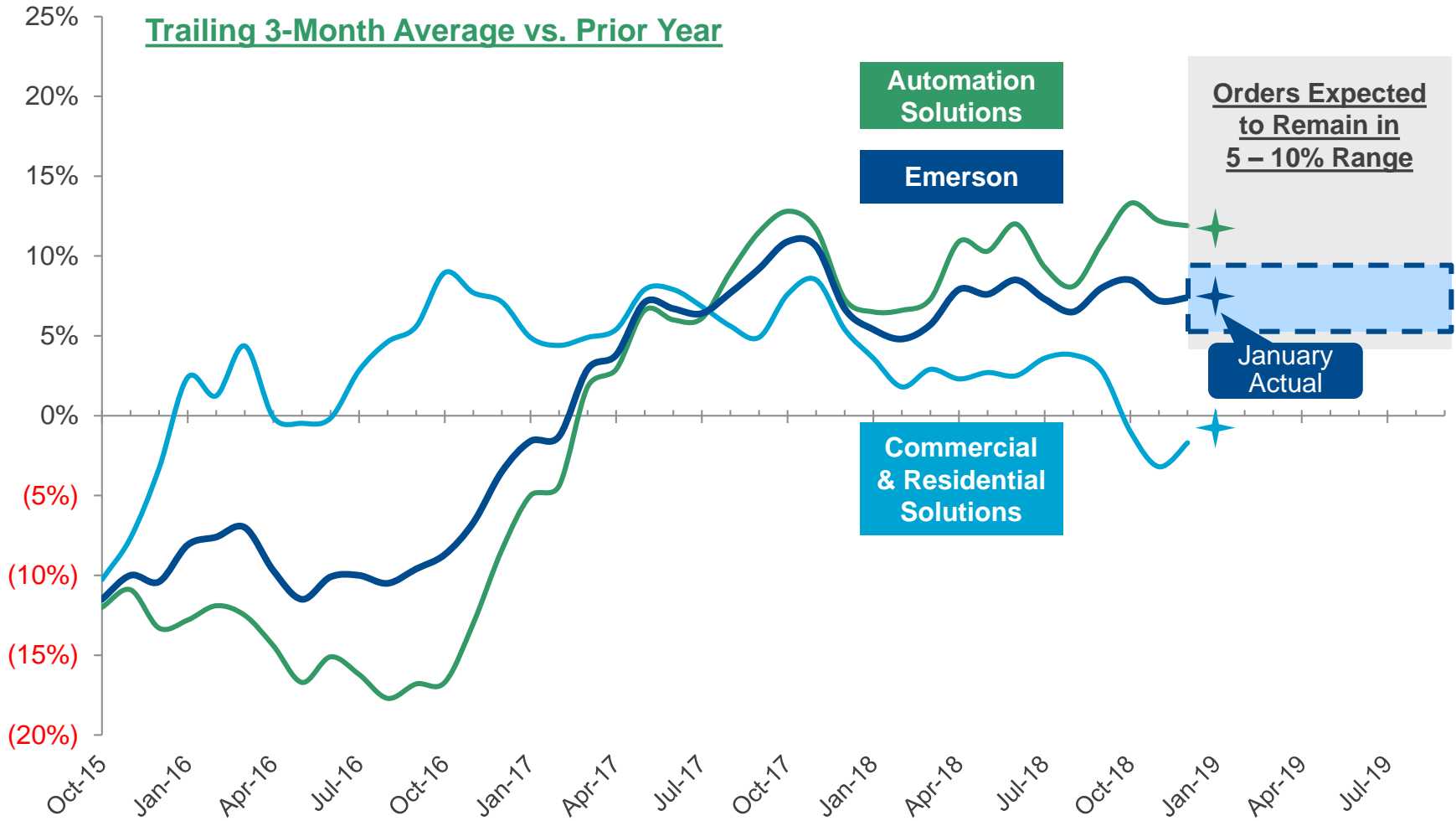
<u>Global GFI: FY 2019</u>	<u>2018–19E</u>
<u>Assumptions</u>	<u>% Change</u>
U.S.	3.5% – 4.5%
Canada	3.5% – 4.5%
Europe	1.5% – 2.5%
Middle East & Africa	4.0% – 5.0%
China	4.5% – 5.5%
Asia Pacific Excl. China	3.5% – 4.5%
Latin America	1.5% – 2.5%

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

Underlying Order Trends

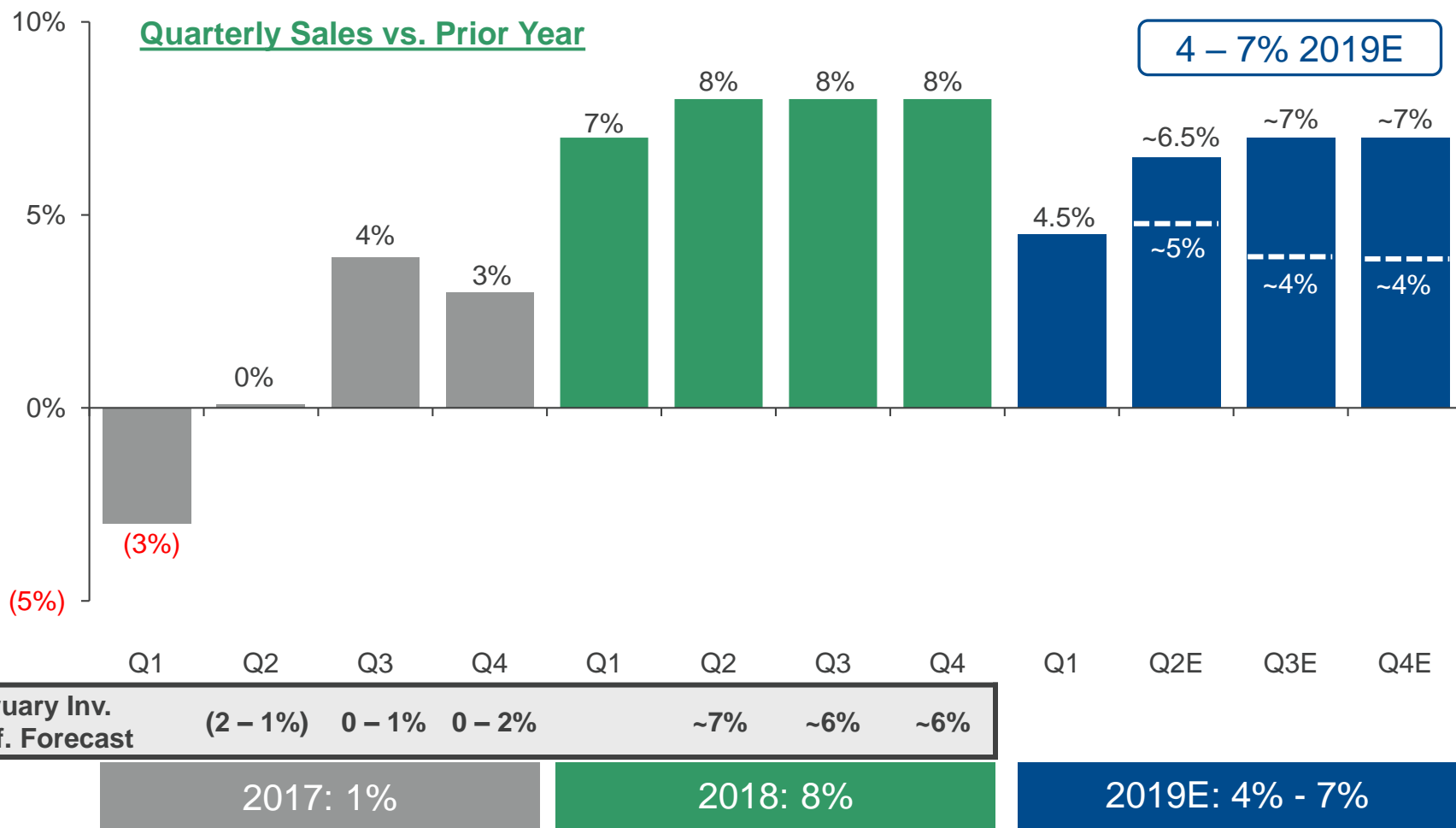
Solid 2019 Underlying Sales Growth Expected, Driven by Automation Solutions



Orders data includes the Valves & Controls acquisition results on a pro forma basis for all periods. The acquisition closed April 28, 2017.

Trailing Three-month Underlying Orders Increased 7% in January, Marking Twenty-Three Consecutive Months of Positive Orders

Quarterly Underlying Sales Growth* -- Maintaining Positive Momentum



Note: All data shows Emerson continuing operations

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

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

A concern

- 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

Global Macro Economics 2019 – 2021

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

2018: 2.6%

2019E: 4.5%

2019 - 2021F: 3.9%

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

2018: 2.4%

2019E: 2.0%

2019 - 2021F: 2.0%

Eastern Europe

A concern

- 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

2018: 4.6%

2019E: 2.0%

2019 - 2021F: 2.5%

China

should be lower but okay

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

2018: 4.9%

2019E: 5.0%

2019 - 2021F: 5.0%

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

2018: 4.2%

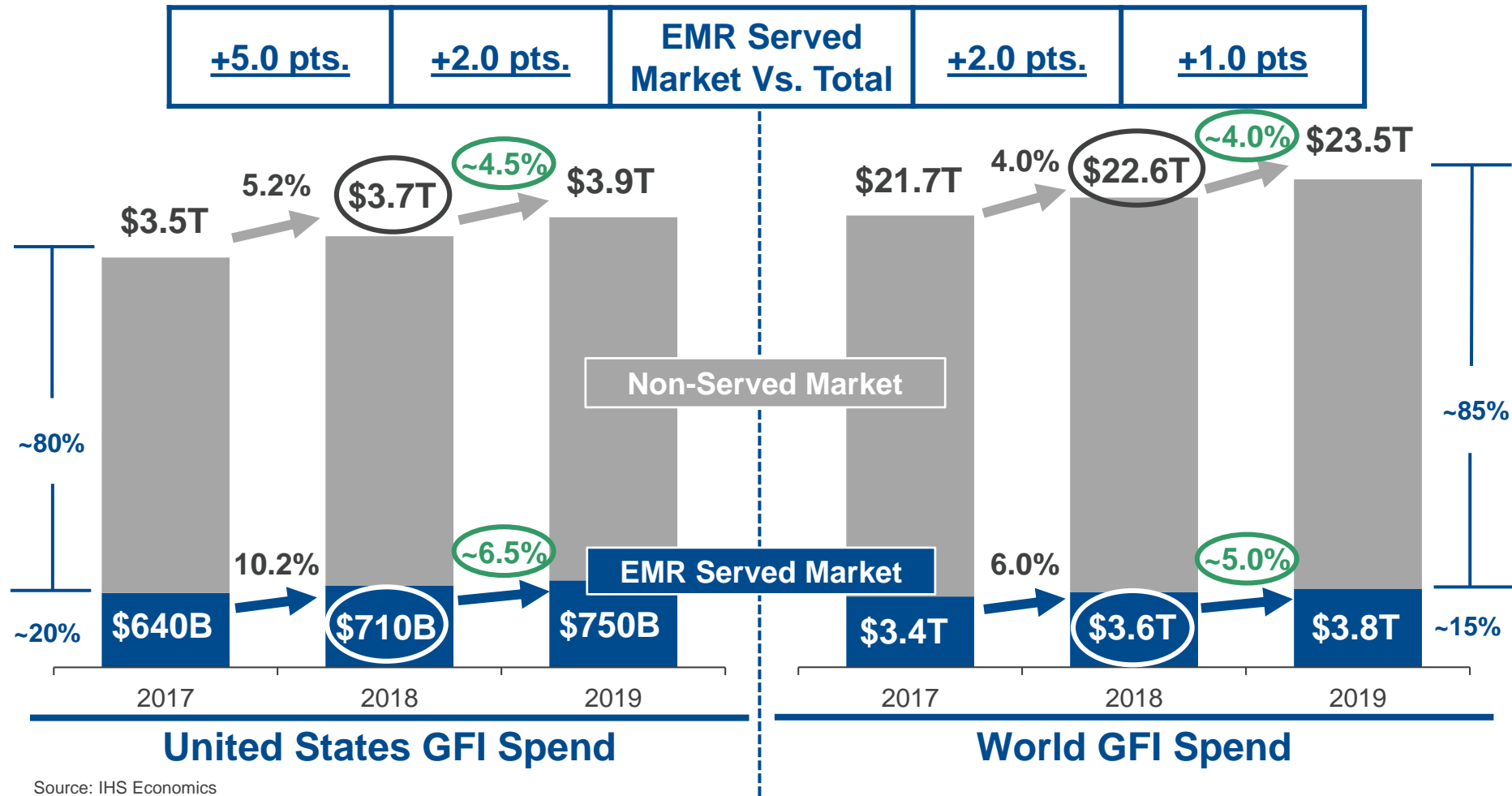
2019E: 4.0%

2019 - 2021F: 4.0%

Source: IHS Economics and Emerson Management Assessment

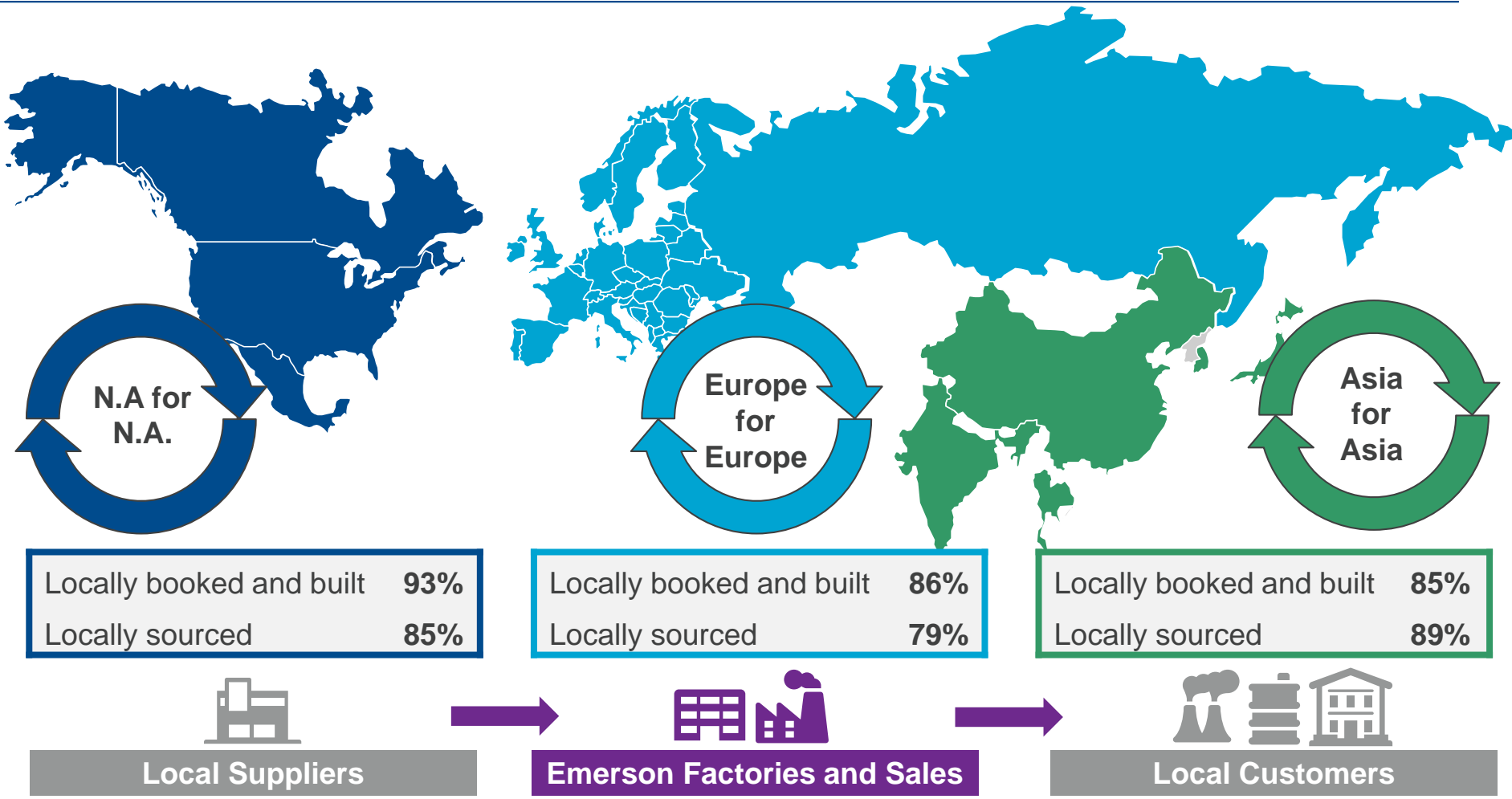
Emerging Markets GFI Expected to Grow at ~5.0% in 2019, Outgrowing Mature Markets
We Expect to Deliver ~5-7% Underlying Sales Growth in Emerging Markets in 2019

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

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

Content Intentionally Omitted

Automation Solutions

Emerson's Top 25 Global Project Pursuit Competition

Content Intentionally Omitted

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

Equipment working seamlessly together

- ++ ✓ Industry Expertise
- ++ ✓ Project Management
- ++ ✓ Project Delivery

Residential Comfort in China



Emerson Provides:

- ✓ Compression
- ✓ Control Electronics

Optimized System Performance

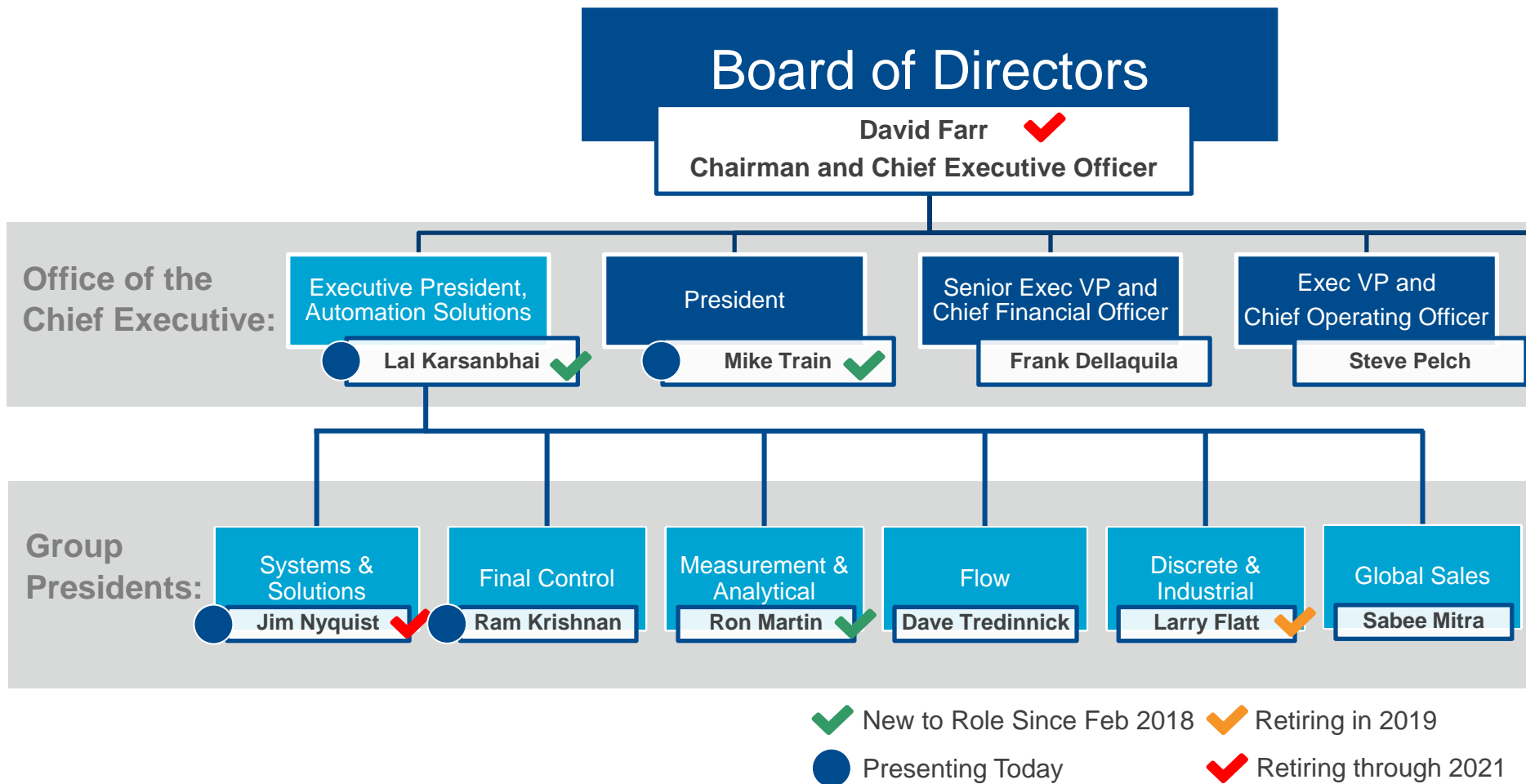
- ++ ✓ Systems Integration
- ++ ✓ Focused End User Channel
- ++ ✓ Local Application and Expertise

Movement Into a Unique Solutions Approach Has Created Greater Differentiation Between Emerson and Competition

Commercial & Residential Solutions Unique Expertise in This Broad Global Market

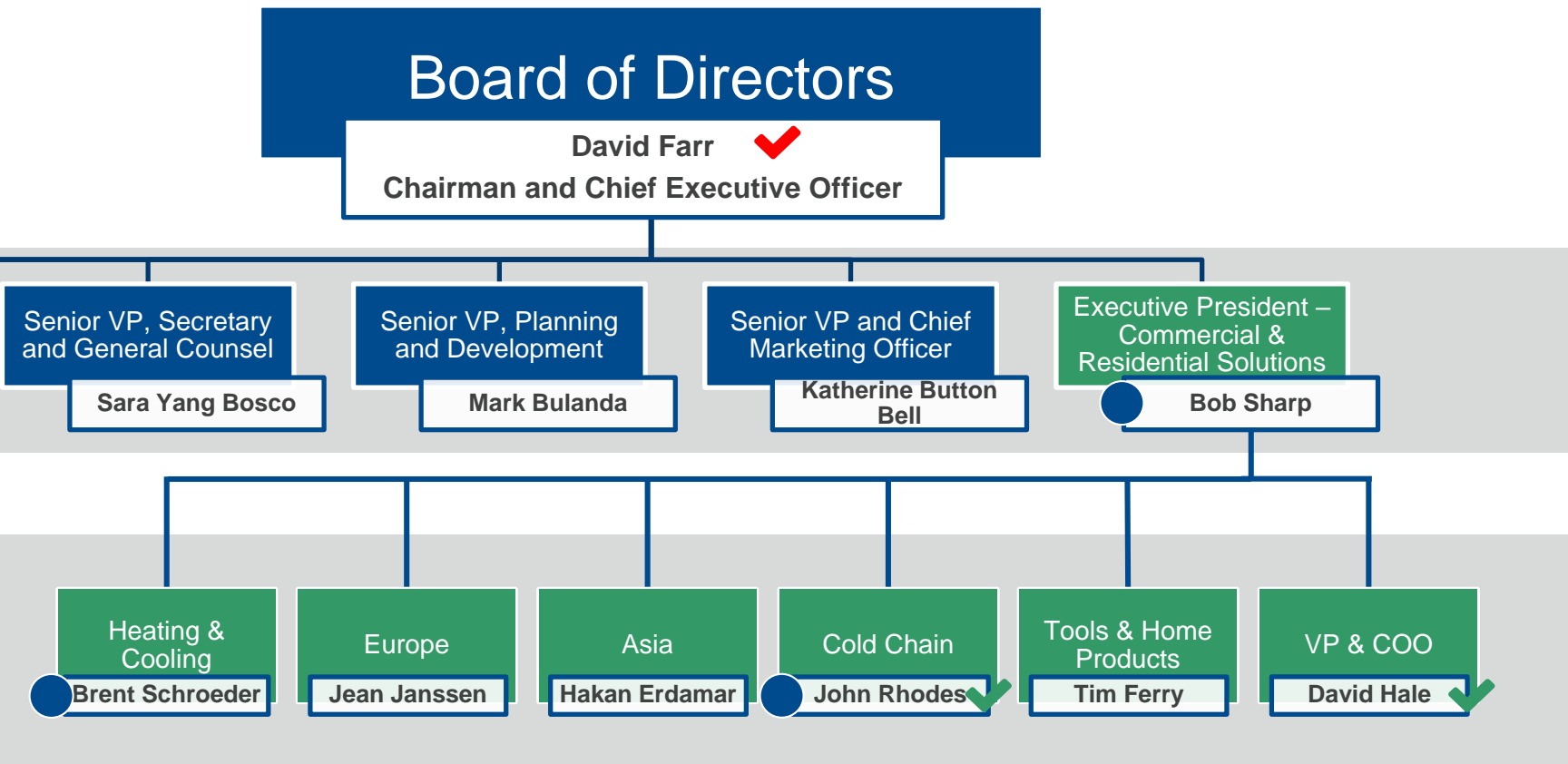
Content Intentionally Omitted

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

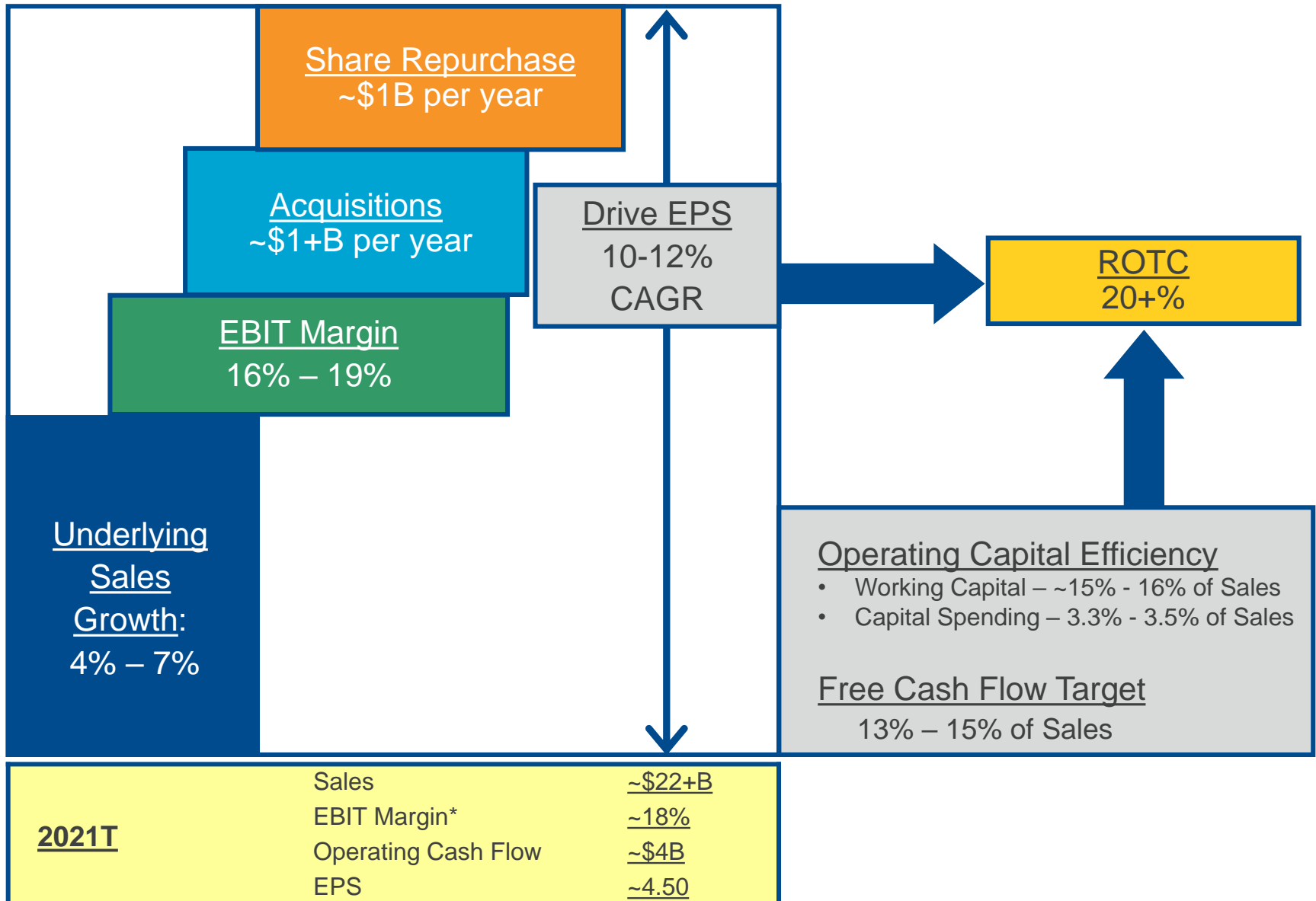
Organization Update -- Changes Will Continue to Unfold Through 2021



- ✓ New to Role Since Feb 2018
- ✗ Retiring in 2019
- Presenting Today
- ✓ Retiring 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

Emerson's 2018 - 2021 Shareholder Value Creation Model Should be a Strong Outperformance Growth Period



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**

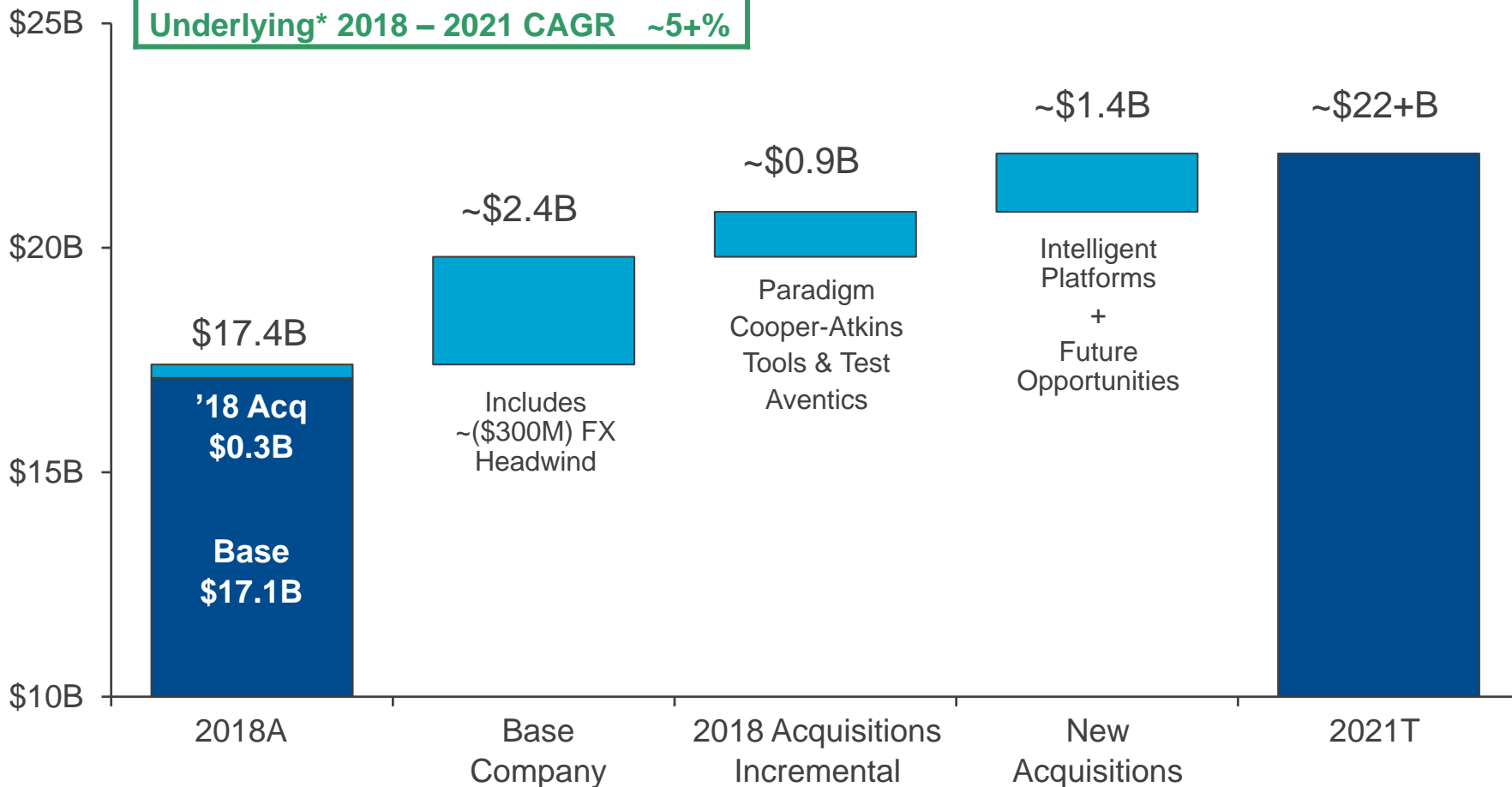
Dividends

- 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

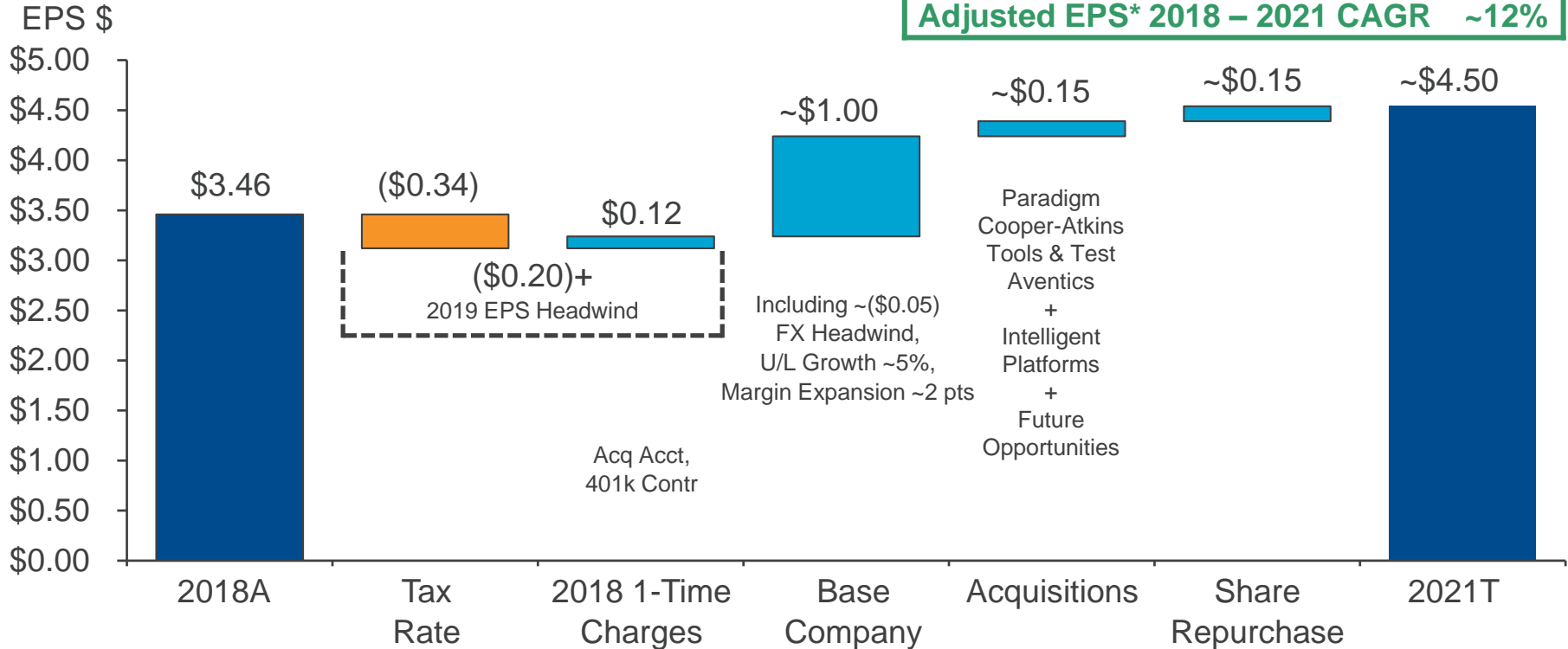
Reported	2016 – 2021 CAGR	~8.5+%
Reported	2018 – 2021 CAGR	~8+%
Underlying*	2018 – 2021 CAGR	~5+%



Upside Sales Case Presented at February 2018 Investor Conference
Is Now Our Base 2018-2021 Financial Case

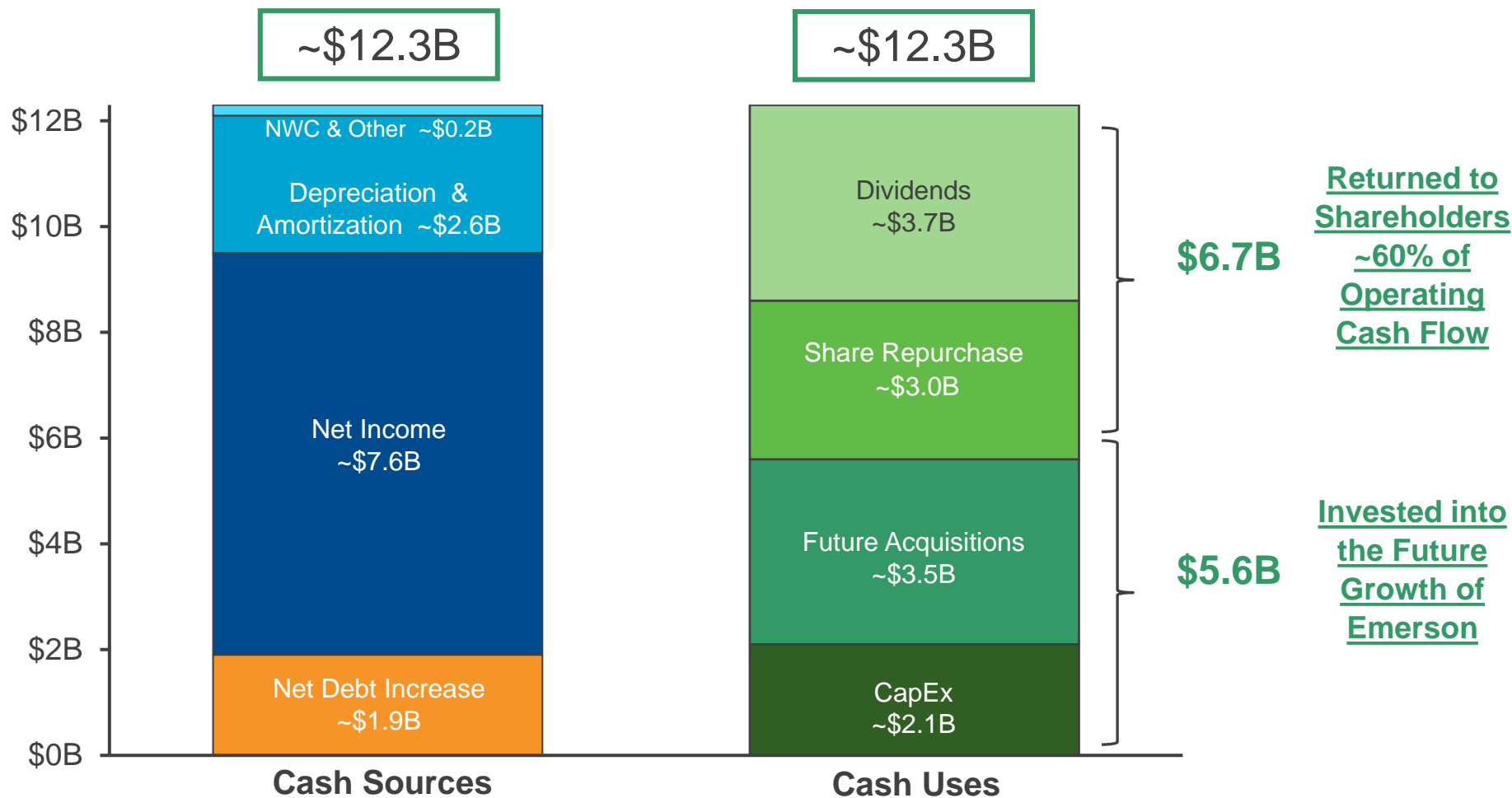
2018 Bridge to 2021T GAAP EPS

Reported EPS 2016 – 2021 CAGR ~13%
 Reported EPS 2018 – 2021 CAGR ~9%
 Adjusted EPS* 2018 – 2021 CAGR ~12%



<u>2018</u>	<u>Balance Sheet Leverage Ratios</u>	<u>2021T</u>
\$2.9B	Operating Cash Flow	~\$4B
61%	Operating Cash Flow / Total Debt (>45%)	~51%
1.3x	Total Debt / EBITDA* (<1.75X)	~1.6X
54%	Dividend / Free Cash Flow* (40-50%)	~42%

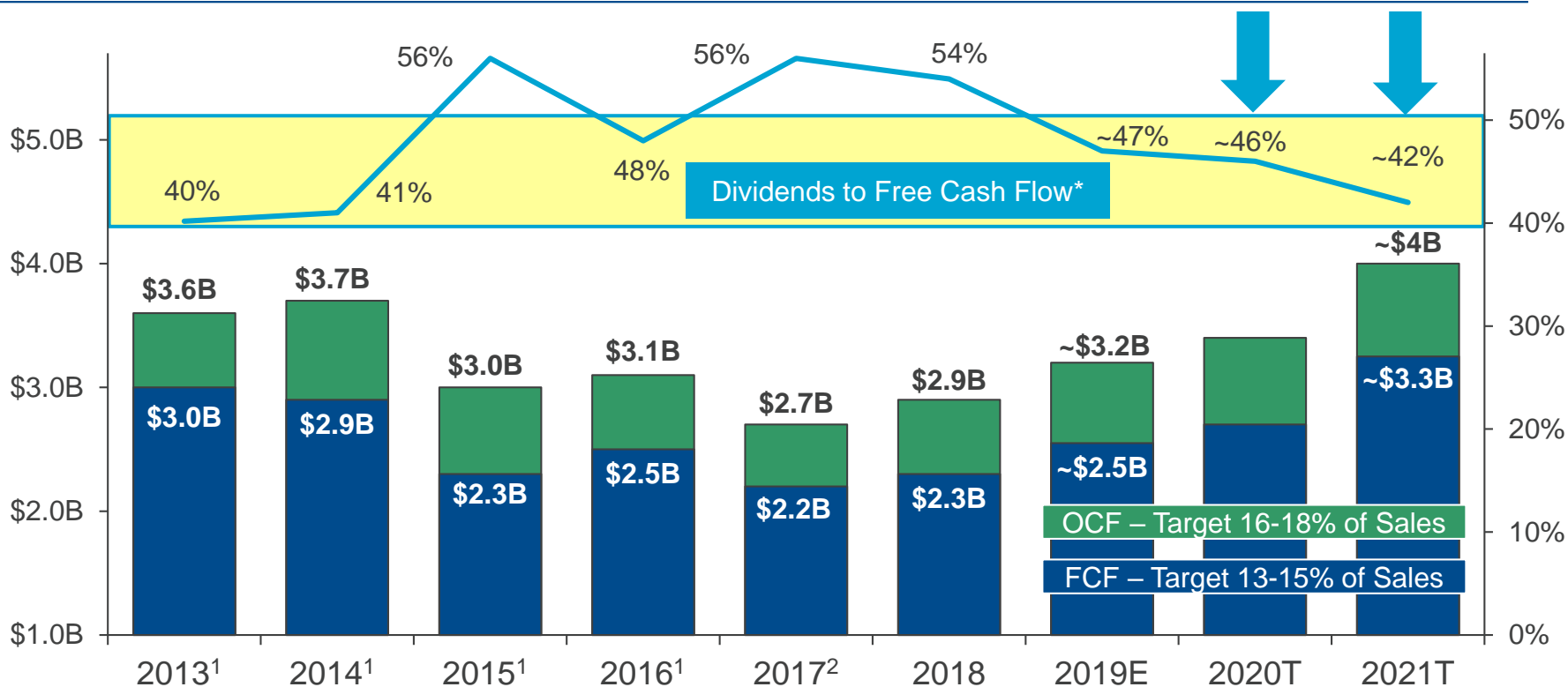
Cash Sources and Uses -- 2018 – 2021T



Inclusive of Cash Sources and Uses from '19E, '20T, & '21T

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



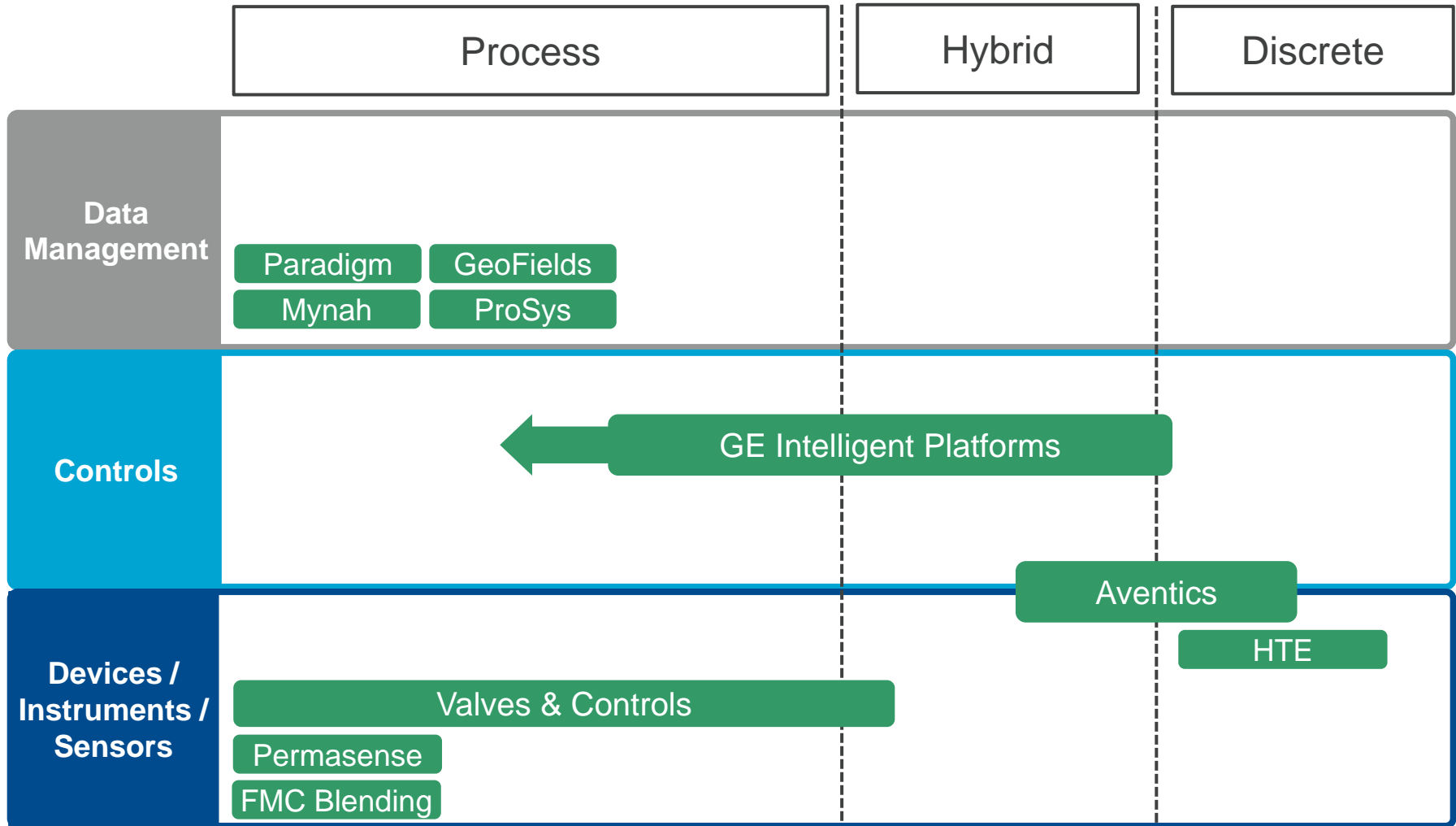
Total Debt / EBITDA*	1.3x	1.4x	1.3x	2.2x ²	1.5x	1.3x	~1.3x	~1.4x	~1.6x
FCF / Net Earnings*	116%	110%	105%	131%	135%	114% ³	>100%	~110% - 120%	
Dividend / Share	\$1.64	\$1.72	\$1.88	\$1.90	\$1.92	\$1.94	\$1.96	\$2.04	\$2.14

Planned Dividend / Share

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

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

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

Commercial & Residential Solutions Will Continue to Expand Its Solutions Portfolio

	Residential	Commercial	Cold Chain	Professional Tools
Data Management		Transformative Wave	Locus Traxx PakSense Cooper-Atkins	
Controls				
Devices / Instruments / Sensors		7AC	Locus Traxx PakSense Cooper-Atkins	Tools & Test

\$3.5B of Future Acquisition Spend For Emerson Will Expand Our Offerings As Strategic Assets Become Available

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%

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

Premium Growth / Strong Cash Flow / Premium Returns

Emerson's 2018 – 2021 Financial Forecast

GAAP	2018	2019E	2021T
Sales	\$17.4B	~\$19.0B	~\$22+B ✓
Gross Margin	42.9%	~43%	~43+%
EBIT Margin*	16.2%	~17%	~18% ✓
EPS Reported	\$3.46	\$3.60 - \$3.75	~\$4.50 ✓
Operating Cash Flow	\$2.9B	~\$3.2B	~\$4B ✓
CapEx	\$617M	~\$650M	~\$750M
<i>% of Sales</i>	3.5%	~3.4%	~3.3%
<u>Balance Sheet Leverage Ratios</u>			
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

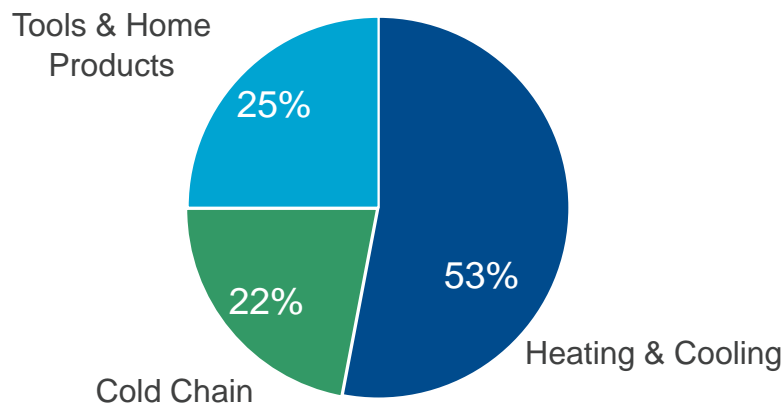
- **Another strong year of sales in 2018**, with **4% underlying growth*** after **6% in 2017**
- Commercial & Residential Solutions has a **unique industry position and a key role as Industry Steward**. This provides an important competitive advantage and is fundamental to us delivering sustained above 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.**

We Are Committed to Delivering Sustained Above Market Sales Growth
While Maintaining Leading Profit Margins and Asset Management

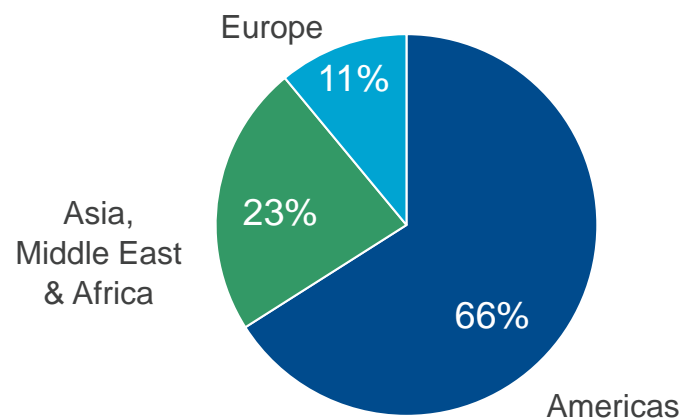
Commercial & Residential Solutions 2018 Summary

	<u>2017</u>	<u>2018</u>	<u>2017 – 2018 Change</u>
Sales	\$5.6B	\$6.0B	8%
Underlying*		4%	
EBIT	\$1.3B	\$1.4B	1%
% of Sales	24.2%	22.6%	(1.6) pts
ROTC	52%	44%	

2018 Sales by Market



2018 Sales by Geography



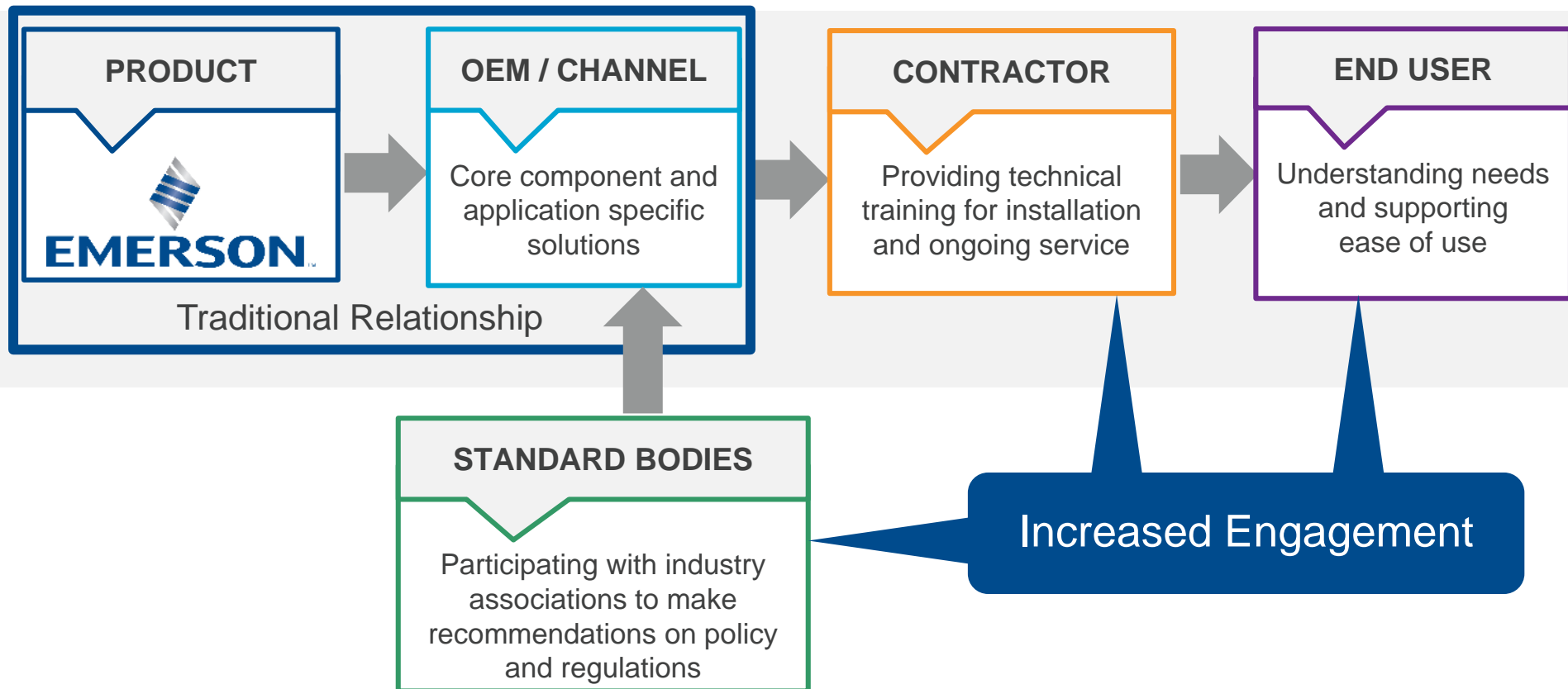
Leading Presence in a \$43B Global Served Market

Participation by Product Type

Content Intentionally Omitted

New Programs & Acquisitions Over the Past 24 Months
Have Expanded Our Served Market From \$31B to \$43B

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



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**

Europe

Sales **\$0.6B**

Employees **3,300**

Manufacturing Locations **12**

Sales & Service Locations **23**

Asia

Sales **\$1.2B**

Employees **7,200**

Manufacturing Locations **12**

Sales & Service Locations **26**

Middle East & Africa

Sales **\$0.2B**

Employees **100**

Manufacturing Locations **1**

Sales & Service Locations **6**

Latin America

Sales **\$0.3B**

Employees **7,700**

Manufacturing Locations **10**

Sales & Service Locations **7**

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

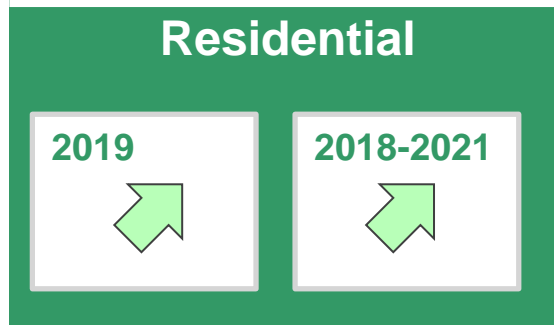
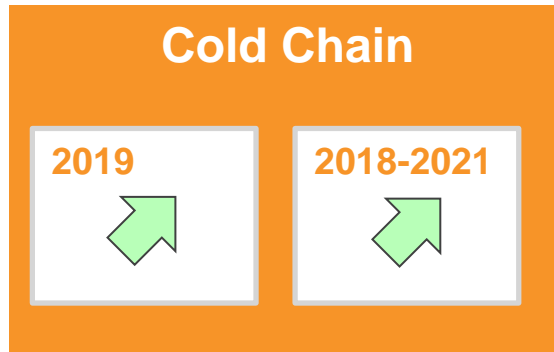
Asia / Middle East & Africa

- **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



Growth Drivers

Commercial Refrigeration

DOE & EPA regulations drive redesigns & food monitoring, Cold Chain expansion

Food Retail

Energy reduction, food quality, new formats

Transport

Truck & trailer, container recovery, Asia rail

Residential AC

Solid fundamentals, weather conditions key

Home Improvements

Consumer confidence, equipment investment, improvement & repair projects

Residential Construction

New construction & private spending

Commercial AC

New efficiency standards

Global Heating

China coal to heat pump conversion

Non-Residential Construction

Non residential fixed investment & growth in strategic building segments

Key Programs Aligned to Global Market Trends Drive Incremental Growth Above Market

Global Trends	Residential	Commercial	Cold Chain
Energy Efficiency	Modulation & Controls	Modulation & Controls, Centrifugal	New Designs
Comfort & Air Quality	Indoor Air Quality, Heat Pump	Dehumidification, Sensing & Mitigation	
Food Quality & Safety			Controls & ProAct, Cargo Solutions
Refrigerant Regulations	Low Global Warming Potential Refrigerants and New Compressor Designs		
Connectivity	Sensi WiFi Thermostat, Sensi Predict, Simple Building Management		Electronic Controls Remote Monitoring
Food Waste Management	Food Disposer Adoption		Grind2Energy
e-Commerce	OneEmerson, Amazon, HomeDepot.com, Other Online Channels		
Emerging Market Middle Class	China Residential Heating	China District and Industrial Heating	Food Safety Focus

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



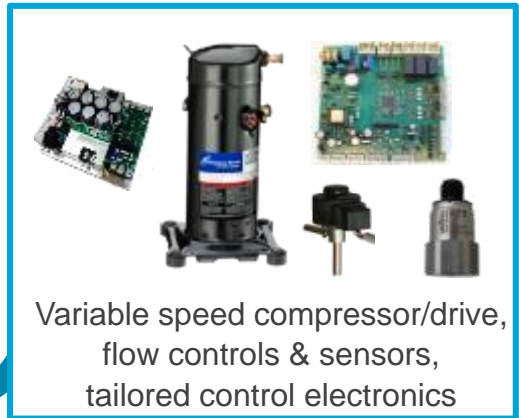
Propane Walk-In Packaged Systems



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



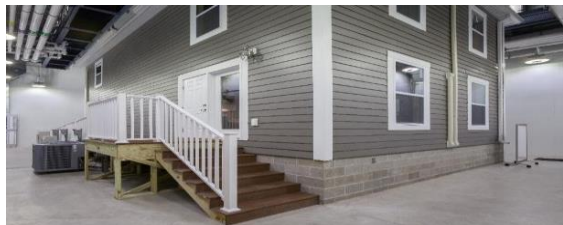
Industrial Systems

The Helix's Real World Laboratories Allow Us to Support Our End Users' Needs at the Ecosystem Level



Residential Connected Home

Fully functional two story 2,000 ft² home



Light Commercial Building

Multi zone 50 ton rooftop HVAC module



Food Service Operations

Fully functional licensed commercial kitchen



Supermarket Refrigeration

2,500 ft² supermarket and convenient store



18K
Individual
Visitors



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



- Ontario, Canada **2011**
- Sao Paulo, Brazil **2016**
- Mexico City, Mexico **2018**

- Rayong, Thailand **2016**
- Pune, India **2017**
- Dubai, UAE **2018**
- Busan, S. Korea **2018**



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



Disposers & Hot Water Dispensers



Compressors,
Drives & Controls



Gas Valves &
Heating Controls



Sensi
Predict

58%
HOME ENERGY
CONSUMED BY HVACR
& WATER HEATER

\$21
BILLION
HOME AUTOMATION
MARKET BY 2020

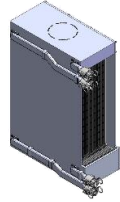
CHINA 1st
US 2nd
FOOD WASTE 3rd
**GREENHOUSE GAS
PRODUCER**

Enabling High Performance Commercial Buildings

Compressors & Controls



Dehumidification



Rooftop Unit Drives



Sensi
Thermostat &
Multi-Thermostat
Management




HVAC
Monitoring &
Diagnostics




CONSTRUCTION
OF ZERO ENERGY BUILDINGS
DOUBLED
SINCE 2012

\$4 
BILLION
PRIVATE SECTOR
INVESTMENT IN CLEAN
ENERGY INNOVATION

36% 
ENERGY CONSUMPTION
HVACR SYSTEMS &
25% FROM LIGHTING

Helping Keep Food Fresh Throughout the Cold Chain

Food Quality and Safety Solutions Across the Cold Chain



DOLLAR STORES



INTERNET RETAILERS



CLICK AND COLLECT



SUPERMARKETS



CONVENIENCE STORES



DRUG STORES



RESTAURANTS



INSTITUTIONS AND OTHER

40% 
ENERGY TO 60%
SUPERMARKET ENERGY
DEVOTED TO HVACR

**INDIA 2ND
LARGEST**
DAIRY &
PRODUCE
MARKET 

30% 
FOOD WASTED
DURING PROCESSING
TRANSPORT & STORAGE


28
MILLION
REFRIGERATED
TRUCK LOADS PER YEAR

Broad Portfolio Allows us to Serve Stakeholders at Each Node of the Cold Chain



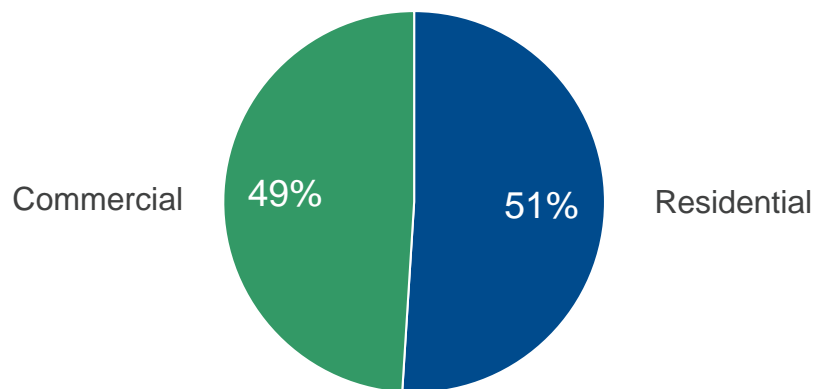
	Harvest	Processing	Transport	Distribution	Food Retail & Foodservice
Core					
Recent Addition					
Refrigeration Systems	●	●	●	●	●
Industrial Refrigeration	●	●		●	
Controls	●	●	●	●	●
Loggers & Trackers	●	●	●	●	●
Temperature Management	●	●	●	●	●
ProAct Services			●	●	●
Project Management				●	●

Recent Acquisitions and New Offerings Have Greatly Expanded our Presence Across the Cold Chain and Have Elevated our Underlying Growth Performance

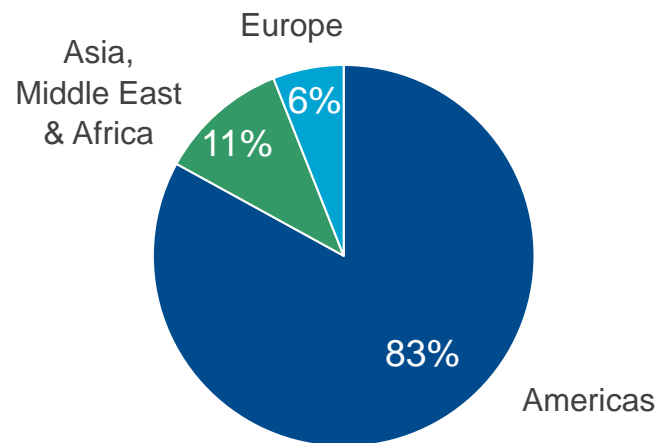
Tools & Home Products 2018 Summary & 2021 Target

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	\$1.3B	\$1.5B	10 – 12% CAGR
Underlying*		5%	4 – 5% CAGR
Market Growth			3 – 4% CAGR
EBIT	\$0.4B	\$0.4B	
% of Sales	27%	25%	22 – 24% 2021T

2018 Sales by Market



2018 Sales by Geography



^ 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

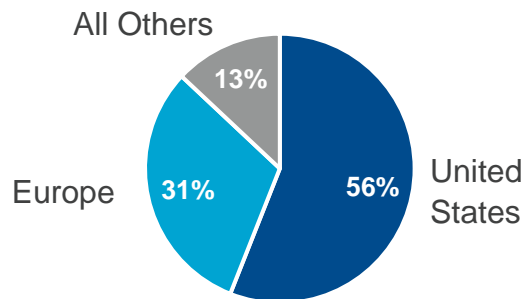
Employees: 2,260

Global Footprint: 11 mfg. facilities across four countries

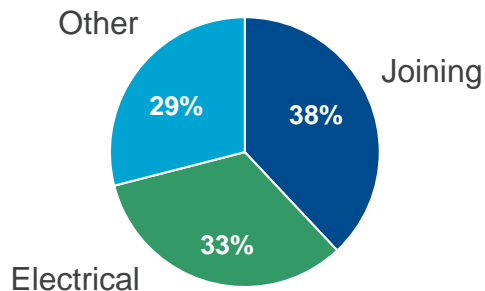
Description: Designs and manufactures tools and equipment for professionals in the electrical, construction, plumbing, utility, telecommunications, data communications, and maintenance industries

Sales Mix

By Geography:



By Product:



Products

Klauke[®]

GREENLEE

Joining



Crimp Tools



Press Tools



Lugs

Electrical



Bending



Cable Tools



Knockouts, Pullers

Other



Utility Tools



Test & Measurement

Tools & Test Acquisition Rationale

Desirable Target

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

Strengthen Market Position

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

Value Creation

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

Tools & Test Integration

New Professional Tools Organizational Structure

Content Intentionally Omitted

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

Content Intentionally Omitted

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

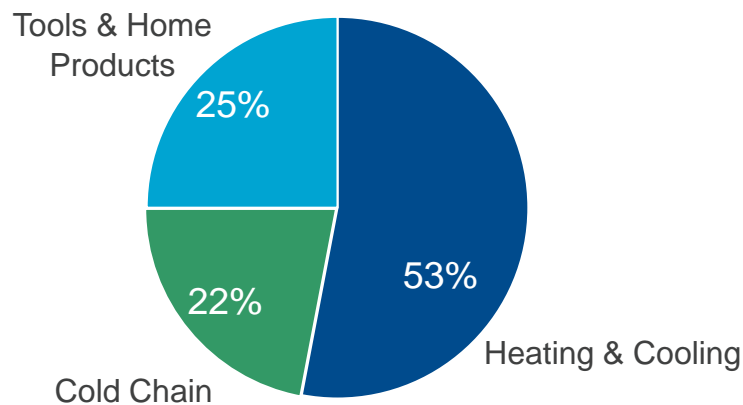
Content Intentionally Omitted

Commercial & Residential Solutions

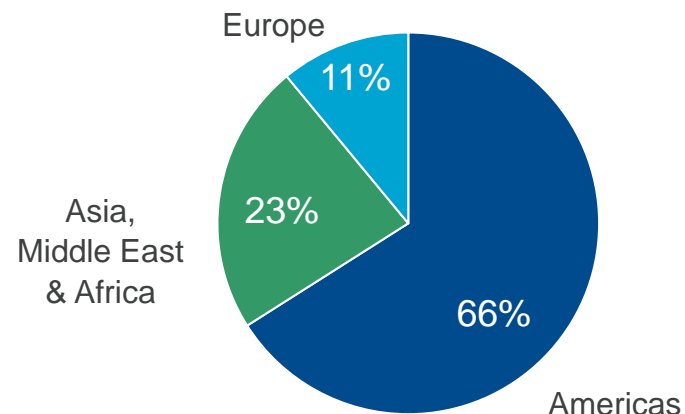
2018 Summary, 2019 Guidance, and 2021 Target

	<u>2018</u>	<u>2019E</u>	<u>2018 – 2021T</u>
Sales	\$6.0B	8 – 10%	6 – 8% CAGR
Underlying*		3 – 5%	3 – 5% CAGR
EBIT	\$1.4B		
% of Sales	22.6%	22 – 23%	23 – 24% 2021T
ROTC	44%		

2018 Sales by Market



2018 Sales by Geography

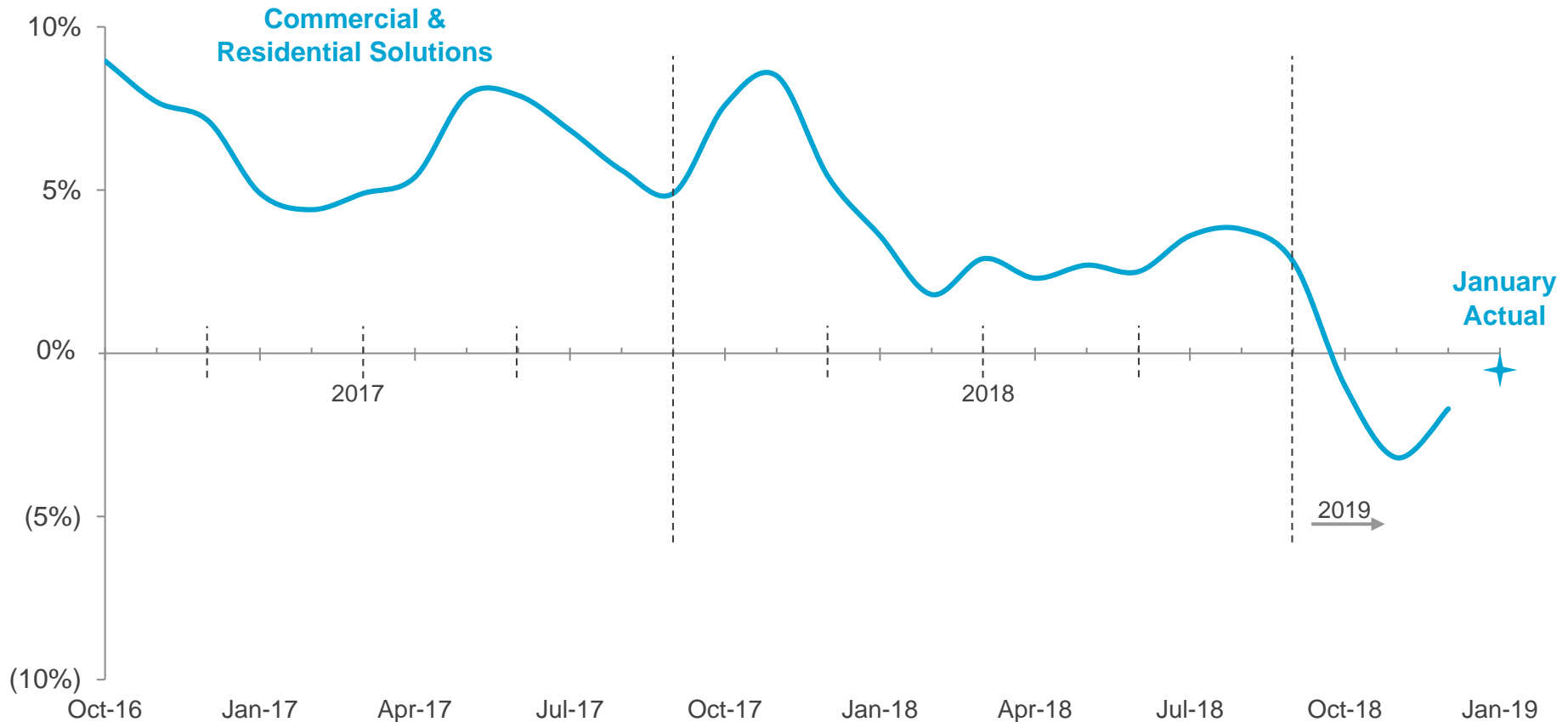


Positioned to Sustain Competitive Advantage and Deliver Premium Market Growth

Content Intentionally Omitted

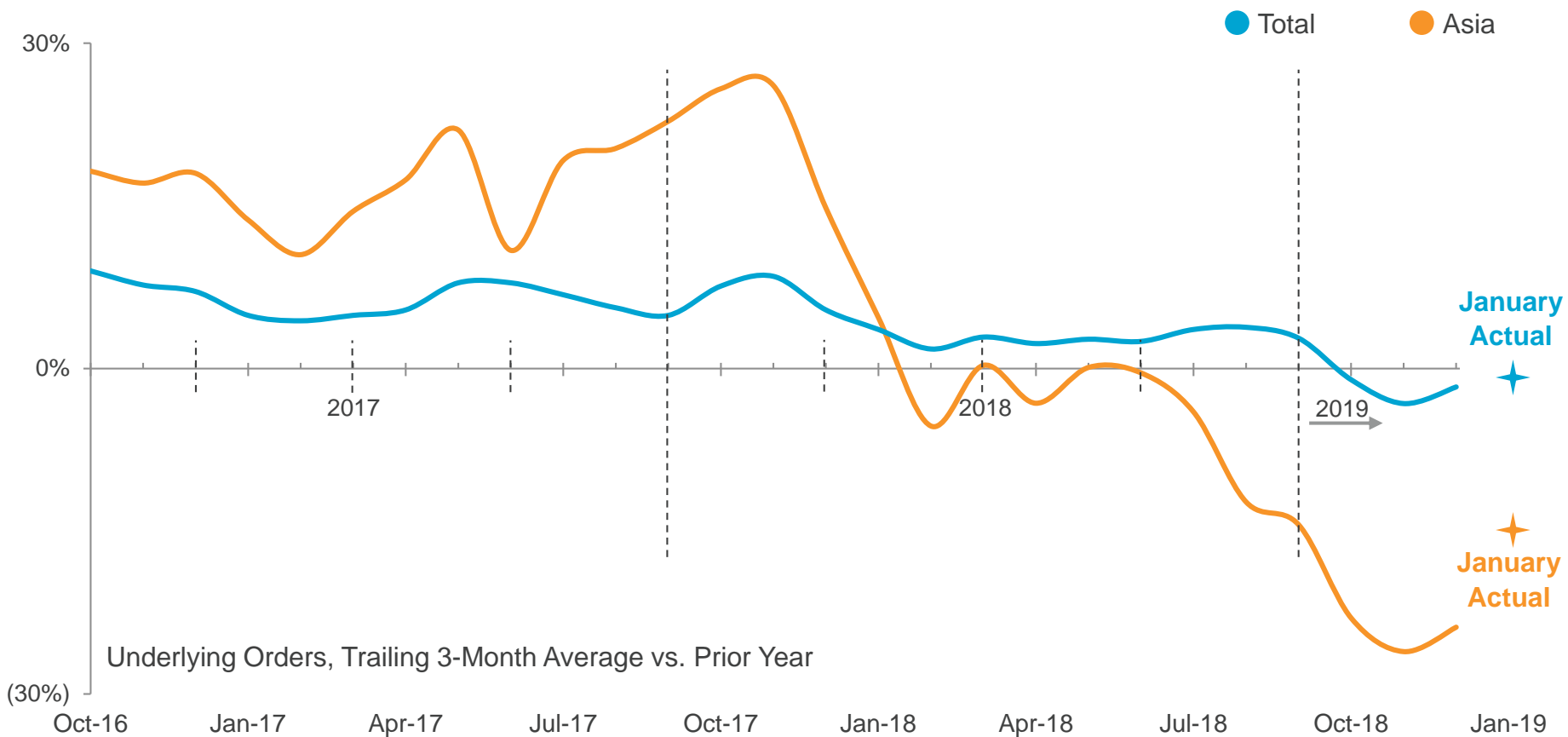
Underlying Order Trends

Trailing 3-Month Average vs. Prior Year



Orders Started to Pick Up in January Driven Mainly by China --
We Expect Platform Orders to Continue Improvement Into the Second Half

Commercial & Residential Solutions Asia Underlying Orders Coming off the Bottom



Underlying Orders, Trailing 3-Month Average vs. Prior Year

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

Content Intentionally Omitted

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**

Emerson's Heating & Cooling Business Is Well Positioned Across the
Globe for Continued Strong Performance

Global Heating & Cooling 2018 Summary & 2021 Target

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	~\$3.1B	~\$3.2B	2 – 4% CAGR
Underlying*		3%	2 – 4% CAGR
Market Growth			2 – 3% CAGR

Content Intentionally Omitted

Global Heating & Cooling Growth Drivers and Business Dynamics

North America

2019



2018-2021



- 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

2019



2018-2021



- 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

2019



2018-2021



- 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

Market Driver

Key Regulations & Enablers

Notable Statistics



Efficiency &
Refrigerants



- Efficiency and refrigerant regulations
- Rising energy costs
- Utility rebates and incentives



Comfort &
Health



- Ventilation standards
- Health conscious customers
- Asia's growing middle class



Urbanization



- Commercial construction
- LEED building trends



Advancements
in Technology



- Increased equipment connectivity
- Improved sensor technology & cost
- Energy optimization

8%

AMOUNT OF TOTAL
US ENERGY USED BY
AC SYSTEMS

90%

AMOUNT OF TIME
SPENT INDOORS

58%

AMOUNT OF PEOPLE
LIVING IN URBAN
AREAS BY 2025

5X

INCREASE IN NUMBER
OF CONNECTED
DEVICES BY 2025

2023 Regulations in North America Create Opportunities for Emerson

Energy Efficiency

Content Intentionally Omitted

- 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

Content Intentionally Omitted

- 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

Content Intentionally Omitted

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

Content Intentionally Omitted

Next Generation Products Offer More Benefits, Lower Applied Cost, and Higher Revenue Per System

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

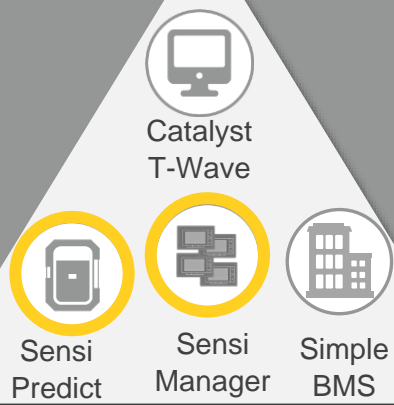
Content Intentionally Omitted

Next Generation Two-Stage Offers Comfort Benefits and Lower Applied Cost for Commercial Applications

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

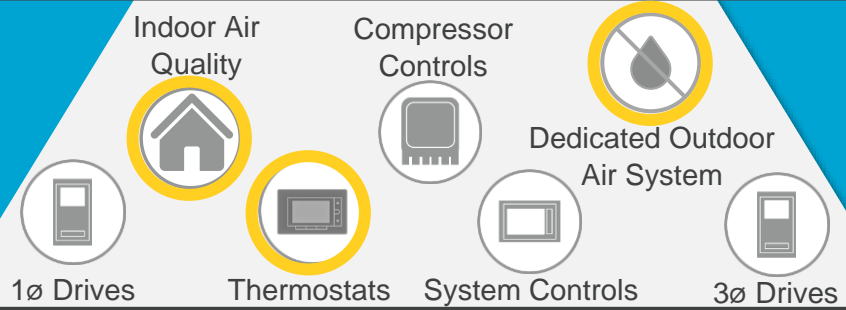


Data Management



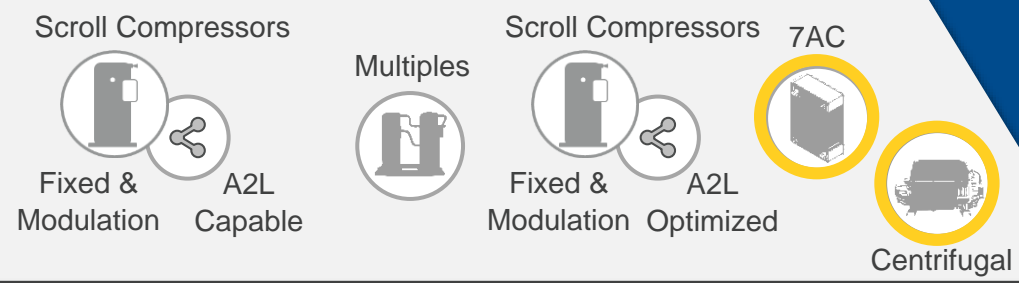
- Leveraging domain knowledge to provide enhanced solutions to end users
- Developing internally and evaluating external partnership opportunities

Controls and Electronics



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

Devices



- 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



Best Overall Smart
Thermostat 2018



amazon
4.1 stars



Best Value Smart
Thermostat 2018



amazon
4.3 stars

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

Sensi Platform Extends To Contractor Productivity and Indoor Air Quality

Content Intentionally Omitted

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

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	~\$3.1B	~\$3.2B	2 – 4% CAGR
Underlying*		3%	2 – 4% CAGR
Market Growth			2 – 3% CAGR

Content Intentionally Omitted

Projecting Solid and Balanced Growth Across the Global HVAC Segments

Content Intentionally Omitted

Increased Solutions Selling Approach and Expanded Served Markets Provide Strong Catalysts for Above Market Growth

Global Cold Chain Business Overview

John Rhodes
Group President

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

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	~\$1.2B	~\$1.3B	5 – 7% CAGR
Underlying*		5%	5 – 7% CAGR
Market Growth			3 – 5% CAGR

Content Intentionally Omitted

Global Cold Chain Growth Drivers and Business Dynamics

North America



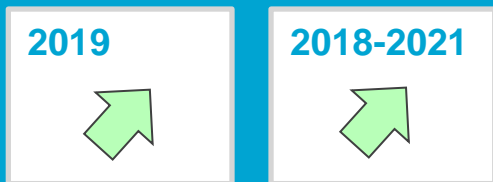
- Online and small format stores growing with focus on fresh food
- Food safety regulations driving increased attention on monitoring
- Efficiency and refrigerant regulations drive significant change
- Walmart reducing builds, online retailer growth (Amazon) & store architecture shifts (Lidl & Dollar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

Growth Driver

Key Regulations & Enablers

Notable Statistics



Consumer Preferences



- Consumer demand for fresh food, ready-made food & convenient shopping
- Health conscious consumers



Macro-trends



- Disruptive food safety, energy & environmental regulations
- Globalization of supply chains



Brand Equity



- Food quality & sustainability as a differentiator
- Brand risks due to food borne illness



Advancements in Technology



- Increased equipment connectivity
- Improved sensor technology & cost
- Data availability via the cloud

48M

CONTRACT FOOD BORNE ILLNESS

84%

BLAME FOOD RETAILERS

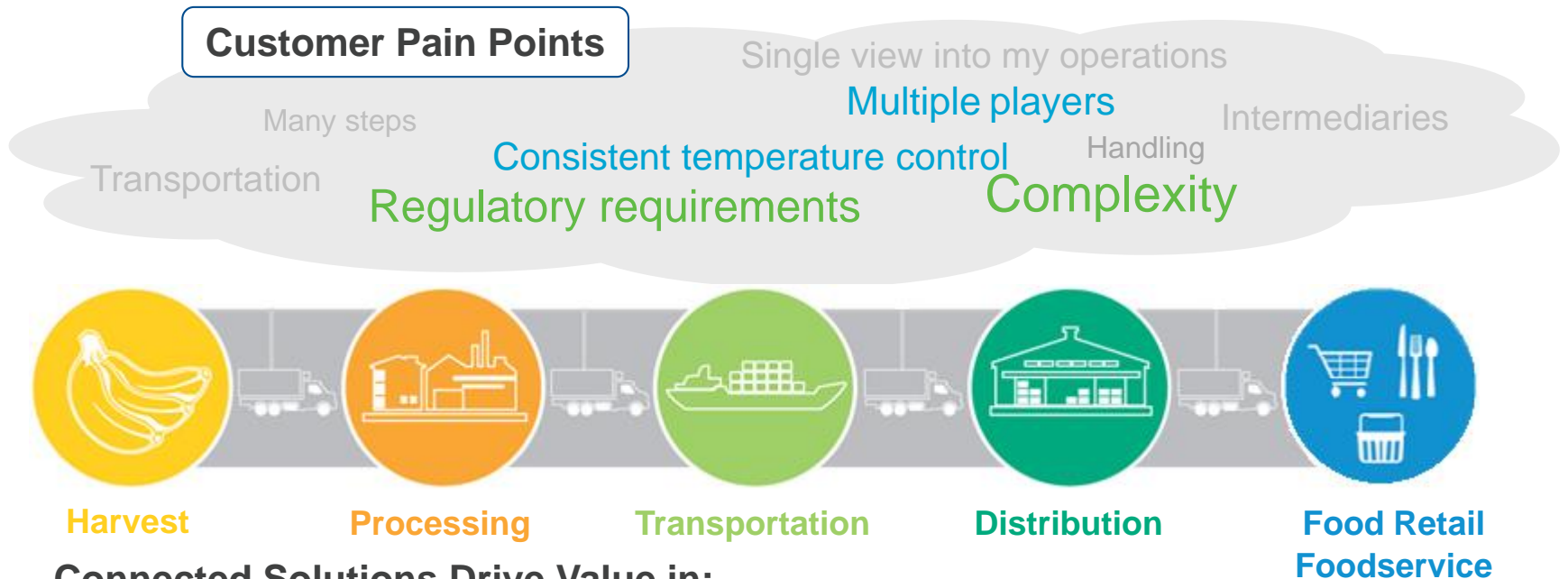
\$1.9M

RESTAURANT COST FOR ONE OUTBREAK

\$1T/Year

SPENT AT SMALL FORMAT STORES

Across the Cold Chain, We Are Supporting Customers to Improve Operations, Performance, and Food Safety



Connected Solutions Drive Value in:

Assets & Operations

- More energy efficient operations
- Lower maintenance costs
- Predictive equipment alerts / uptime
- Manpower optimization
- Regulatory compliance

Food Quality

- Shelf life strategies
- More robust supply
- End-to-end food quality
- Shrink reduction
- Regulation compliance

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



	Harvest	Processing	Transport	Distribution	Food Retail & Foodservice
Core					
Recent Addition					
Refrigeration Systems	●	●	●	●	●
Industrial Refrigeration	●	●		●	
Controls	●	●	●	●	●
Loggers & Trackers	●	●	●	●	●
Temperature Management	●	●	●	●	●
ProAct Services			●	●	●
Project Management				●	●

Recent Acquisitions and New Offerings Have Greatly Expanded our Presence Across the Cold Chain and Have Elevated our Underlying Growth Performance

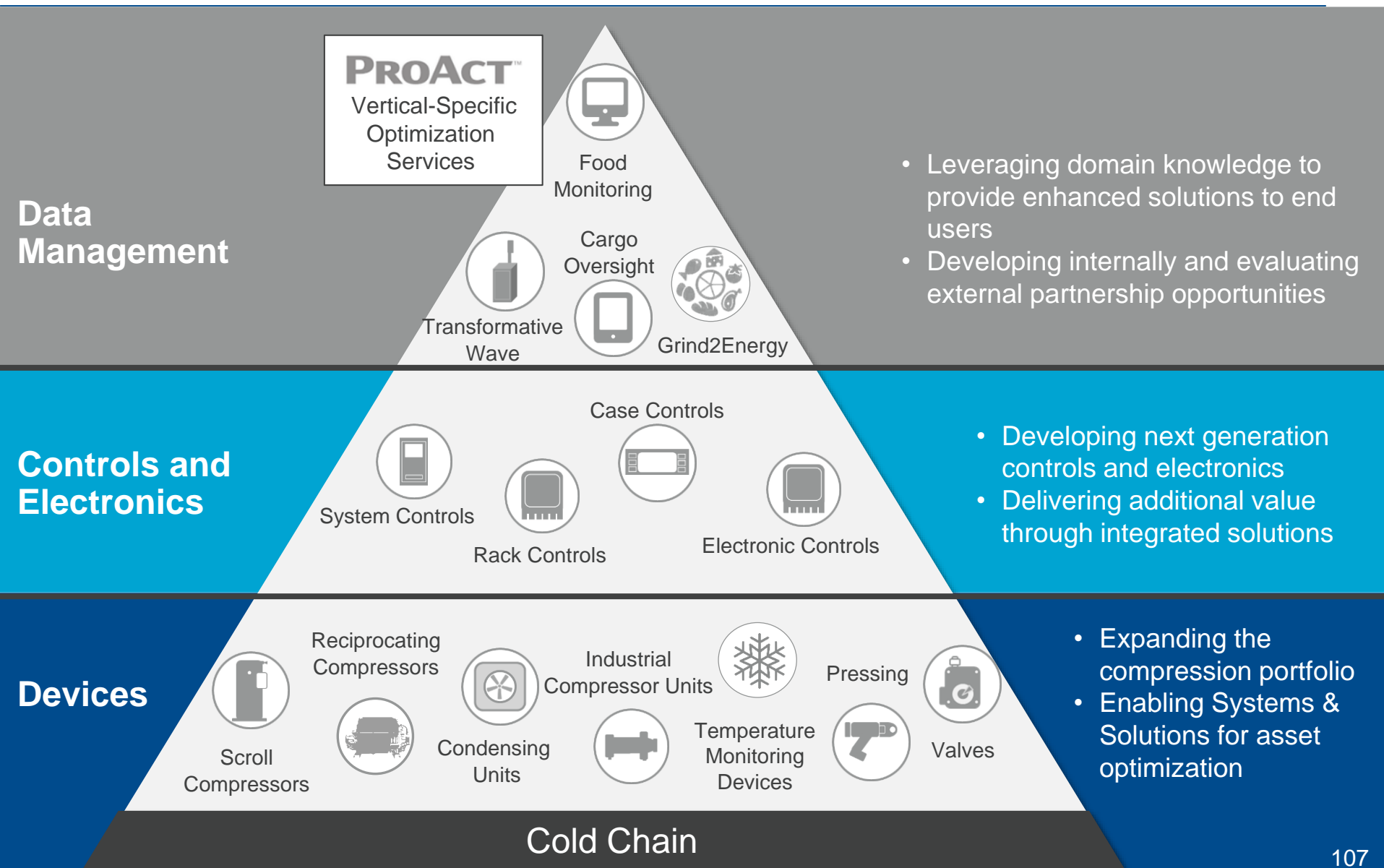
We Have Built an End-to-End Monitoring Presence Across the Cold Chain Monitoring Industry

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

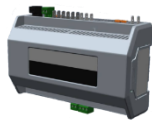


Strong Representation in Each Segment Across the Cold Chain

Content Intentionally Omitted

Key Adjacent Spaces Provide Additional Growth Opportunities as
We Advance Cold Chain Technologies

We Are Expanding Our Presence Across Foodservice with Integrated Business Solutions



PROACT™



HVAC/R

Controls & Temperature Monitoring

Building Management Systems

Cargo Monitoring

Food Quality, Energy Efficiency, and Regulations Driving Foodservice Growth

Content Intentionally Omitted

Expanding Our Presence Across Food Retail with Integrated Business Solutions



Temperature Management



Controls



Refrigeration Systems



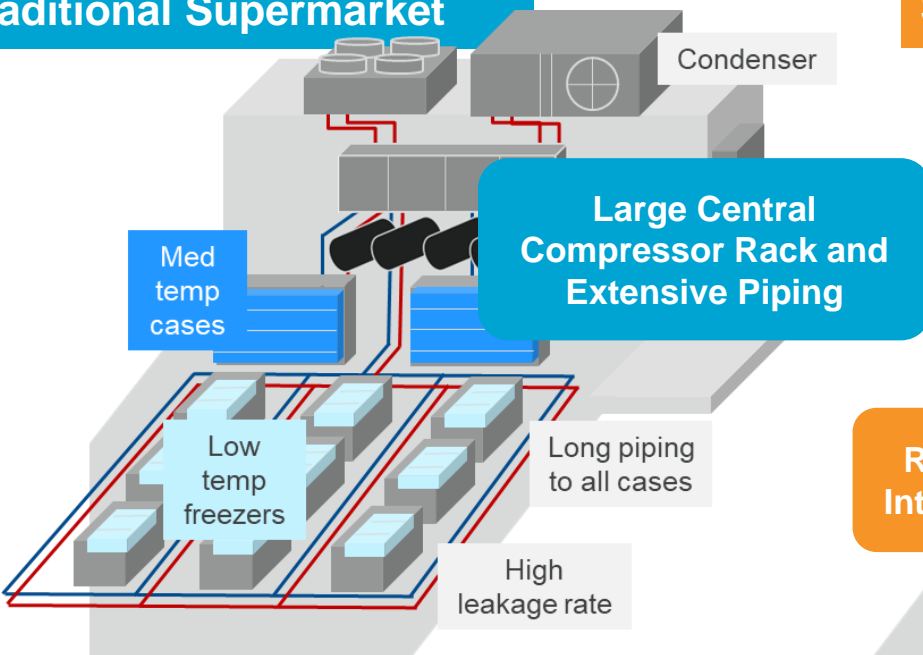
Building Management

We Are Well Positioned to Address Changing Customer Needs in Food Retail

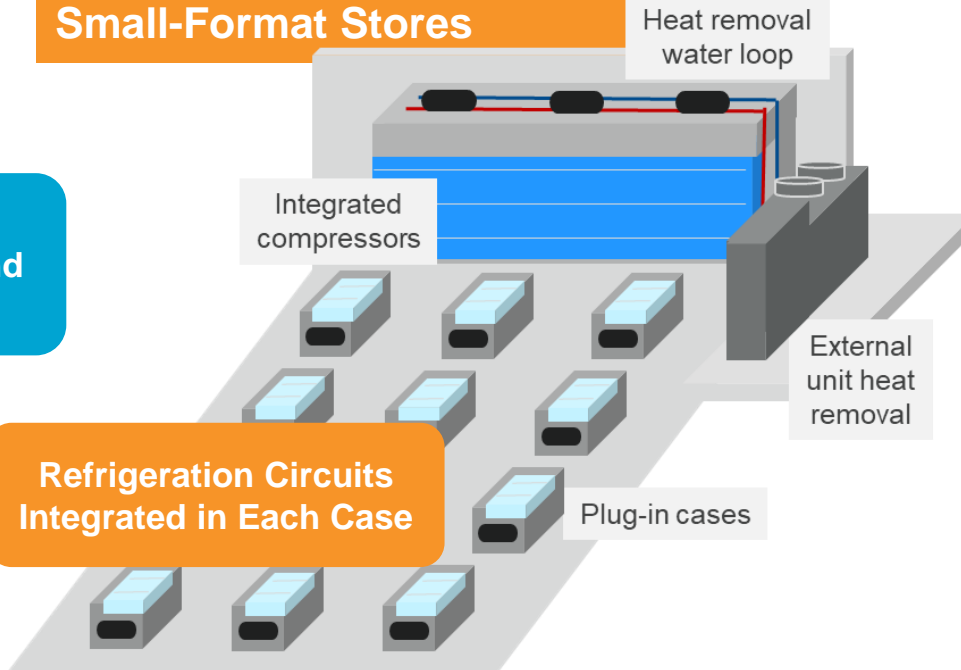
Content Intentionally Omitted

Changing Consumer Habits Drive New Refrigeration Architectures

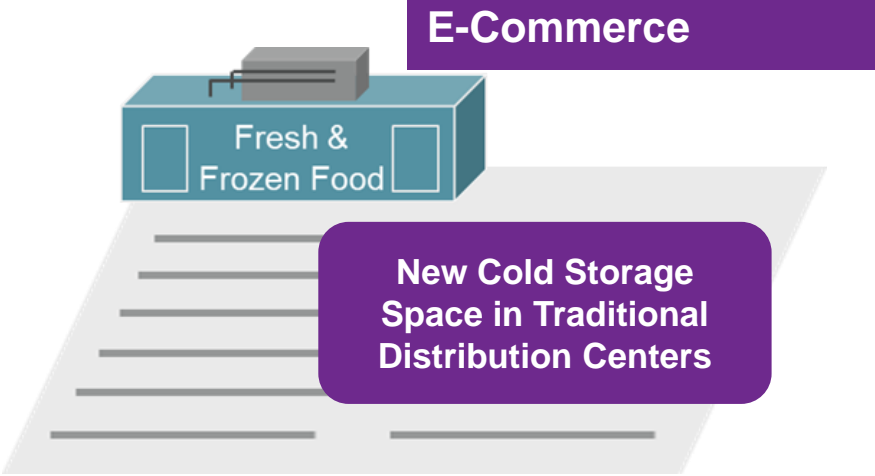
Traditional Supermarket



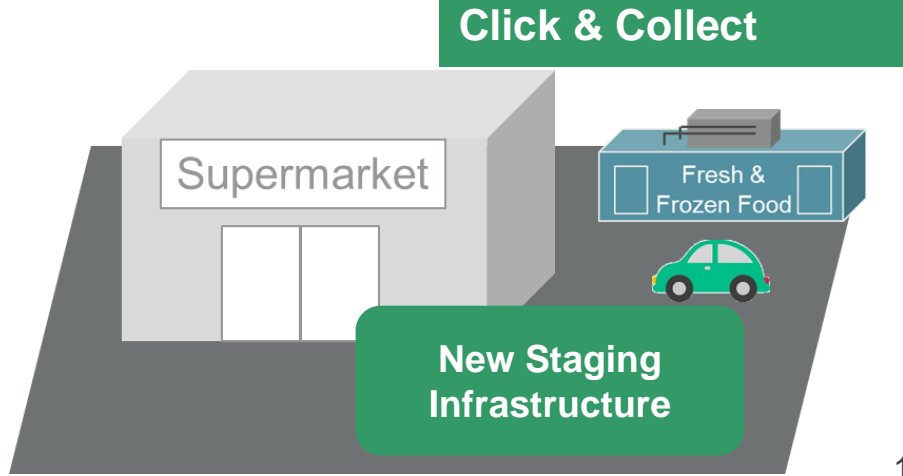
Small-Format Stores



E-Commerce



Click & Collect



Our Scalable Cold Chain Platform Helping Both OEMs and End Users Navigate New Regulations and Changes

Content Intentionally Omitted

Expertise Areas Provide a Competitive Advantage to Address Transport Across the Cold Chain



Monitoring Devices

Controls

Compression

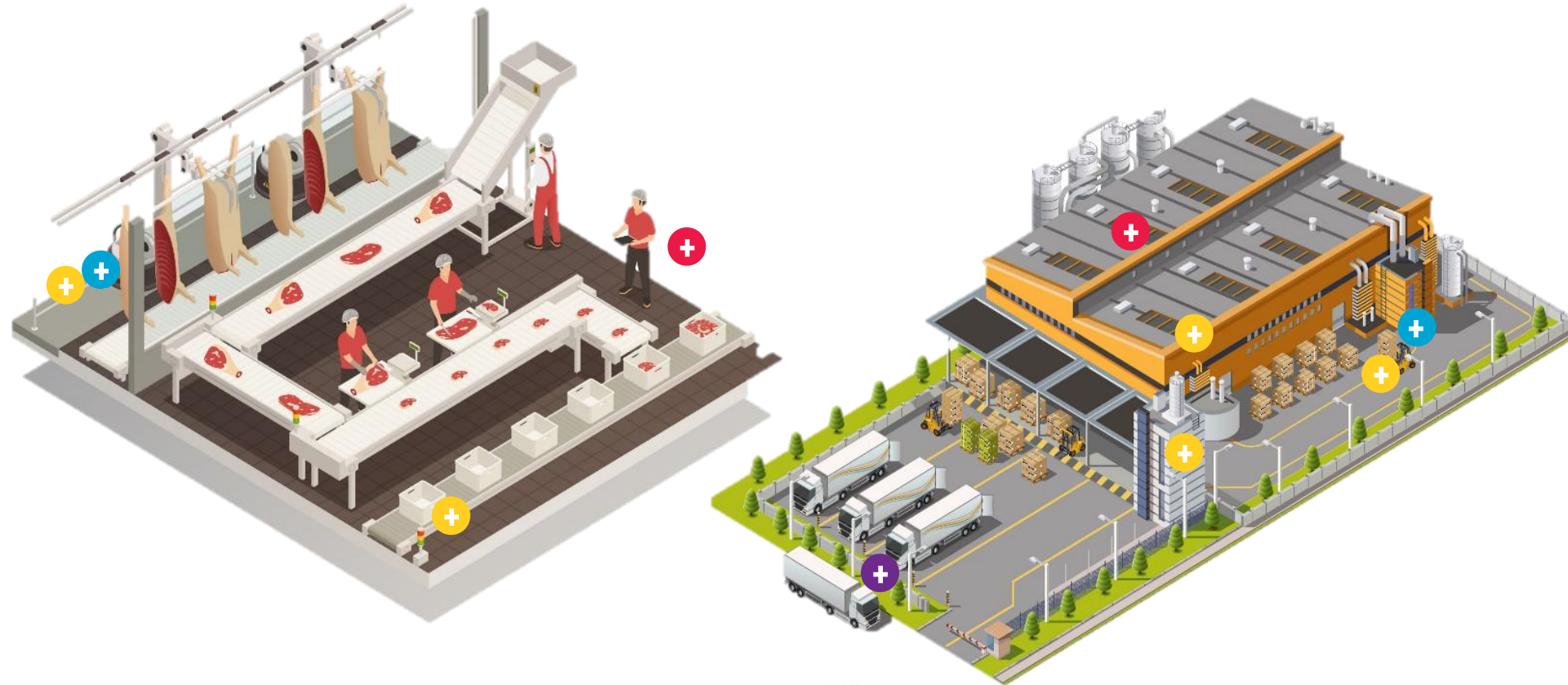
Software

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



PROACT



Monitoring Devices

Controls

Compression

Facility Management

New Product Introductions Driving Above Market Growth in Process & Distribution Industries

Content Intentionally Omitted

Global Cold Chain 2018 Summary & 2021 Target

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	~\$1.2B	~\$1.3B	5 – 7% CAGR
Underlying*		5%	5 – 7% CAGR
Market Growth			3 – 5% CAGR

Content Intentionally Omitted

Cold Chain Global Plan Delivers Above Market Growth Through Product and Service Solutions

Content Intentionally Omitted

Recent Acquisitions and Increased Solutions Selling Approach
Provide Strong Catalysts

Commercial & Residential Solutions

Key Messages

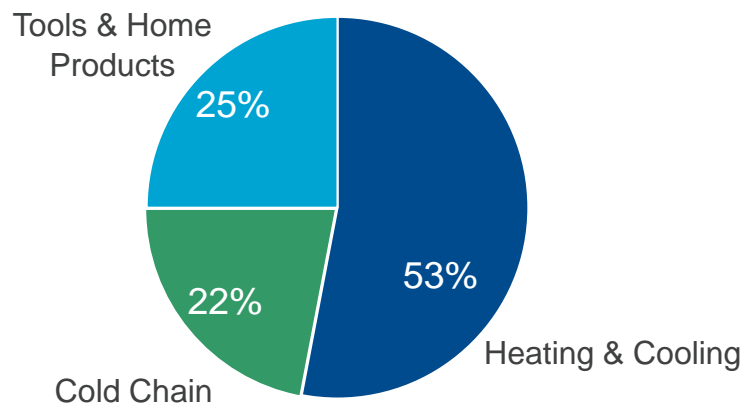
- **Another strong year of sales in 2018**, with **4% underlying growth*** after **6% in 2017**
- Commercial & Residential Solutions has a **unique industry position and a key role as Industry Steward**. This provides an important competitive advantage and is fundamental to us delivering sustained above 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.**

We Are Committed to Delivering Sustained Above Market Sales Growth
While Maintaining Leading Profit Margins and Asset Management

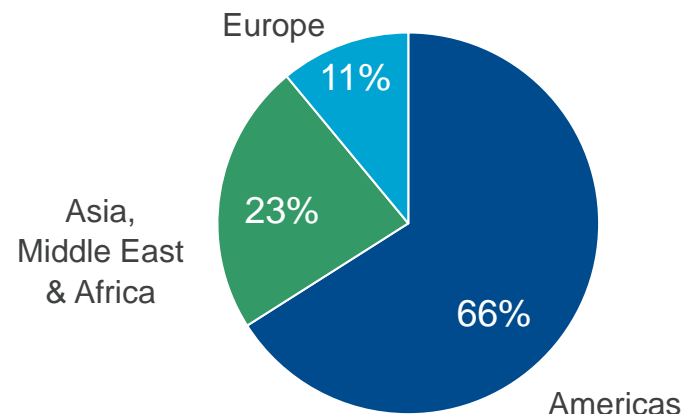
Commercial & Residential Solutions 2018 Summary, 2019 Guidance, and 2021 Target

	<u>2018</u>	<u>2019E</u>	<u>2018 – 2021T</u>
Sales	\$6.0B	8 – 10%	6 – 8% CAGR
Underlying*		3 – 5%	3 – 5% CAGR
EBIT	\$1.4B		
% of Sales	22.6%	22 – 23%	23 – 24% 2021T
ROTC	44%		

2018 Sales by Market



2018 Sales by Geography



Automation Solutions

Lal Karsanbhai
Executive President

Automation Solutions

Lal Karsanbhai
Executive President

Automation Solutions

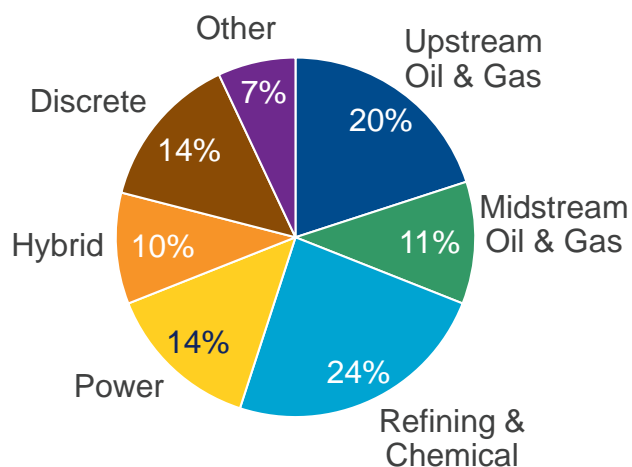
Key Messages

- **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

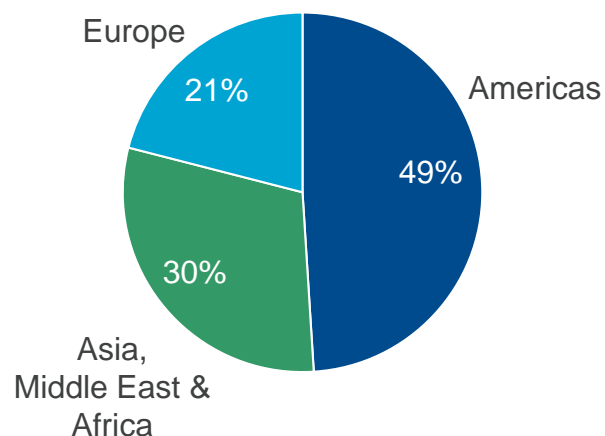
Automation Solutions 2018 Summary

	<u>2017</u>	<u>2018</u>	<u>2017 – 2018 Change</u>
Sales	\$9.4B	\$11.4B	21%
Underlying*		10%	
EBIT	\$1.5B	\$1.9B	24%
% of Sales	16.2%	16.5%	30 bps
ROTC	14%	18%	

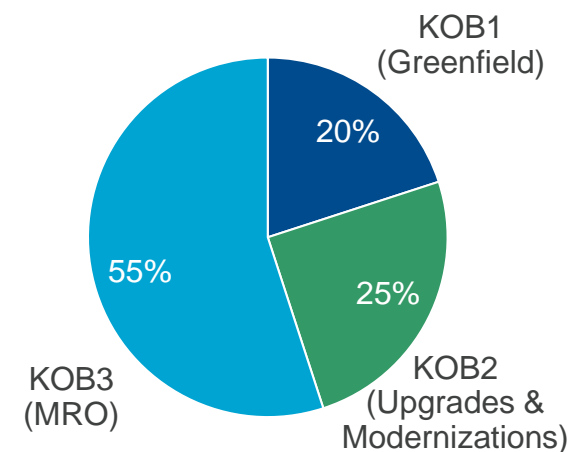
2018 Sales by Market



2018 Sales by Geography



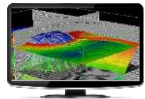
2018 Sales by KOB



^ Sales Mixes Reflect Pro Forma Full Year of Aventics

We Provide the Most Complete Portfolio of Products and Software in the \$214B Automation Market

Data Management



Reservoir Modeling



Operations & Alarm Management



Advanced Process Control



Planning & Scheduling



Plant Asset Management



Control Engineering



Training & Simulation



Real-time Optimization



Energy Management



Asset Integrity Management

ENGINEERING & DESIGN

CONTROL SOFTWARE

PRODUCTION MANAGEMENT

ASSET RELIABILITY & PERFORMANCE

Control



PROCESS CONTROL & SAFETY SYSTEMS



WELLHEAD CONTROL



MODULAR AND MACHINE CONTROL



MACHINERY HEALTH

Field Devices



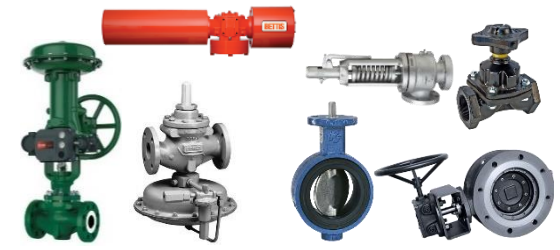
MEASUREMENT & FLOW



ANALYTICAL



SOLENOIDS & PNEUMATICS



FINAL CONTROL

Our World-class People Deliver the Solutions that Drive Value Creation for Customers and Emerson

58,000 Automation Solutions Employees

Pursuit Expertise	Differentiated Portfolio	Proven Execution	Lifecycle Support
12,250+ Salespeople	3,250+ Engineering & Development Resources	5,150+ Project Engineering Resources	5,100+ Lifecycle Services Resources
100+ Industry Consultants			390+ Service Centers

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

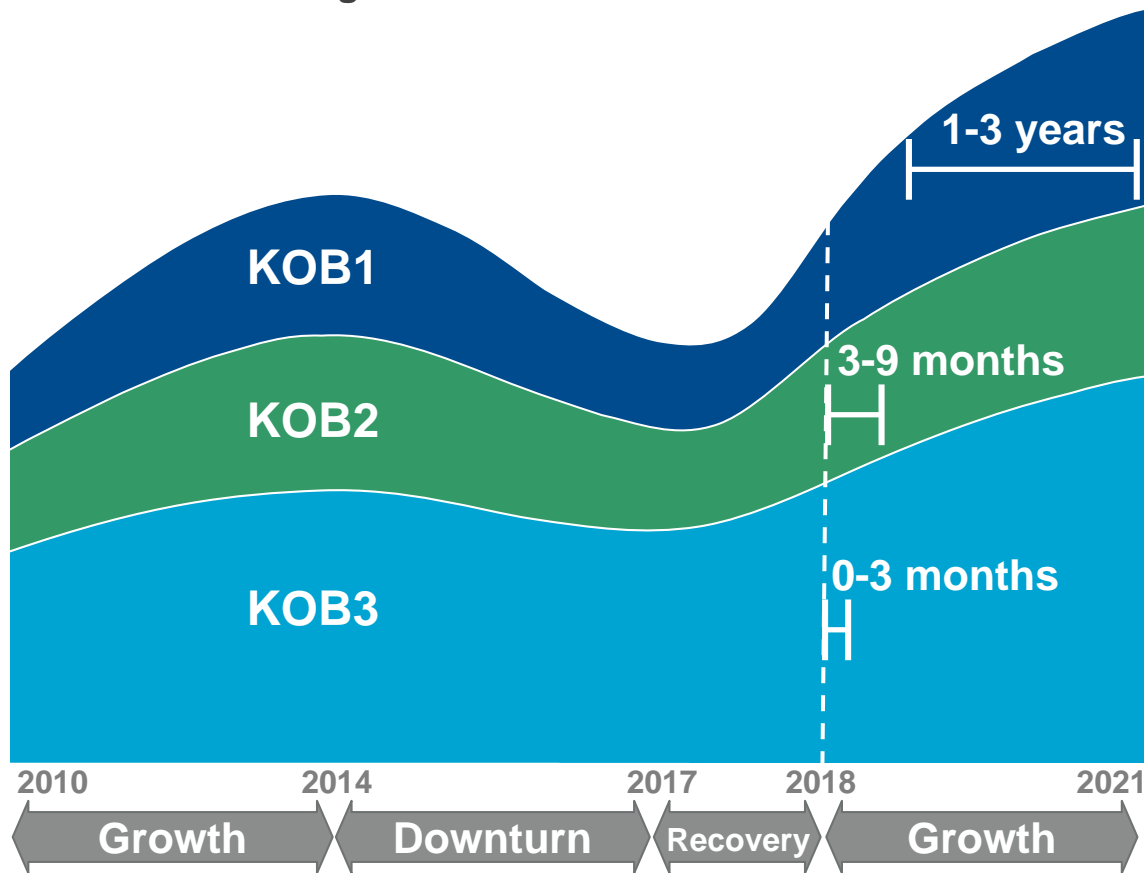
Content Intentionally Omitted

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

Typical Booking to Sales Timing



Approach: differentiate on risk, schedule, total cost
Objective: win projects, create installed base

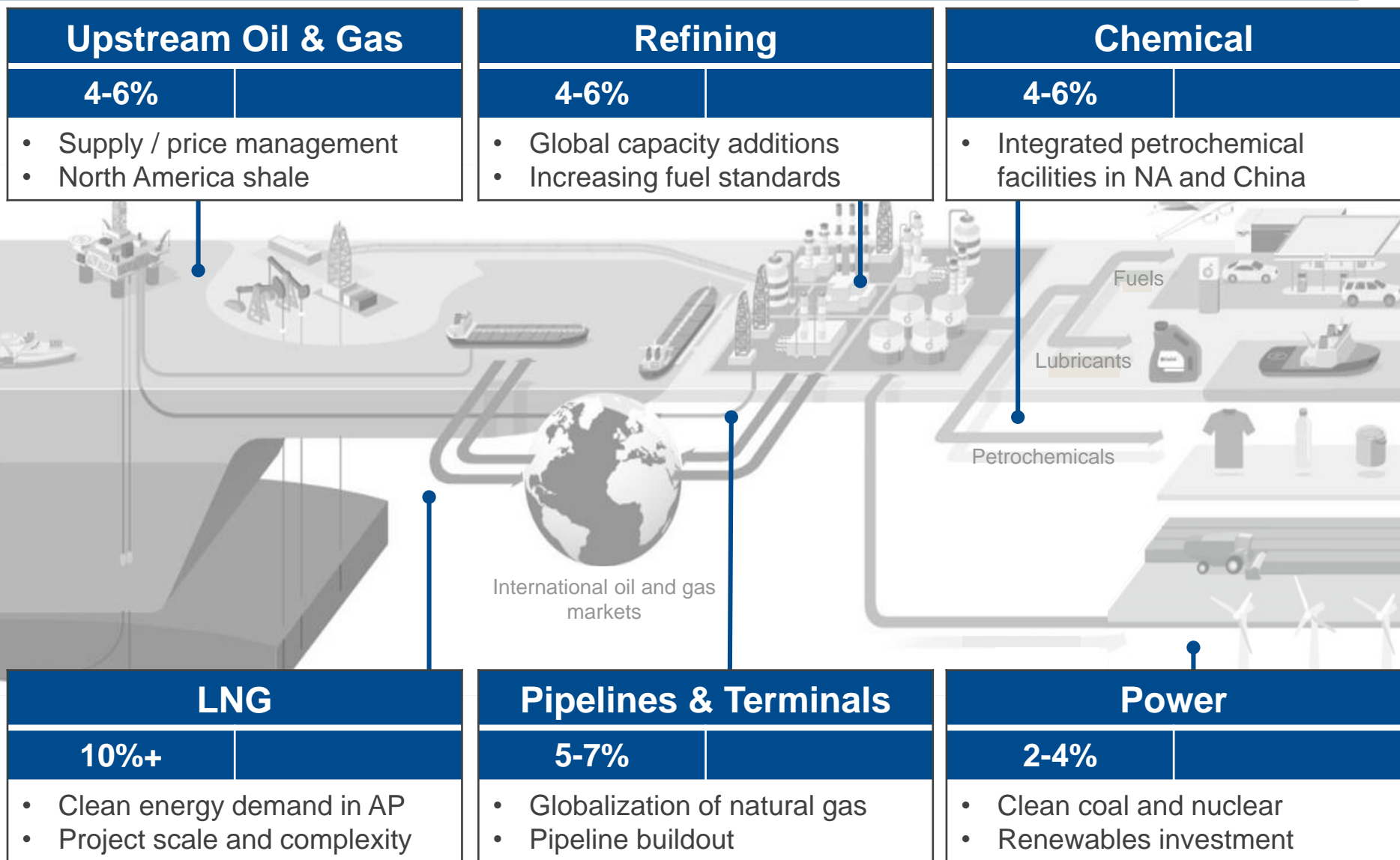
Approach: differentiate on expertise and technology, build on KOB1&3 track record
Objective: upgrade technology, displace competitors

Approach: local presence, differentiated services
Objective: expand installed base, displace competitors

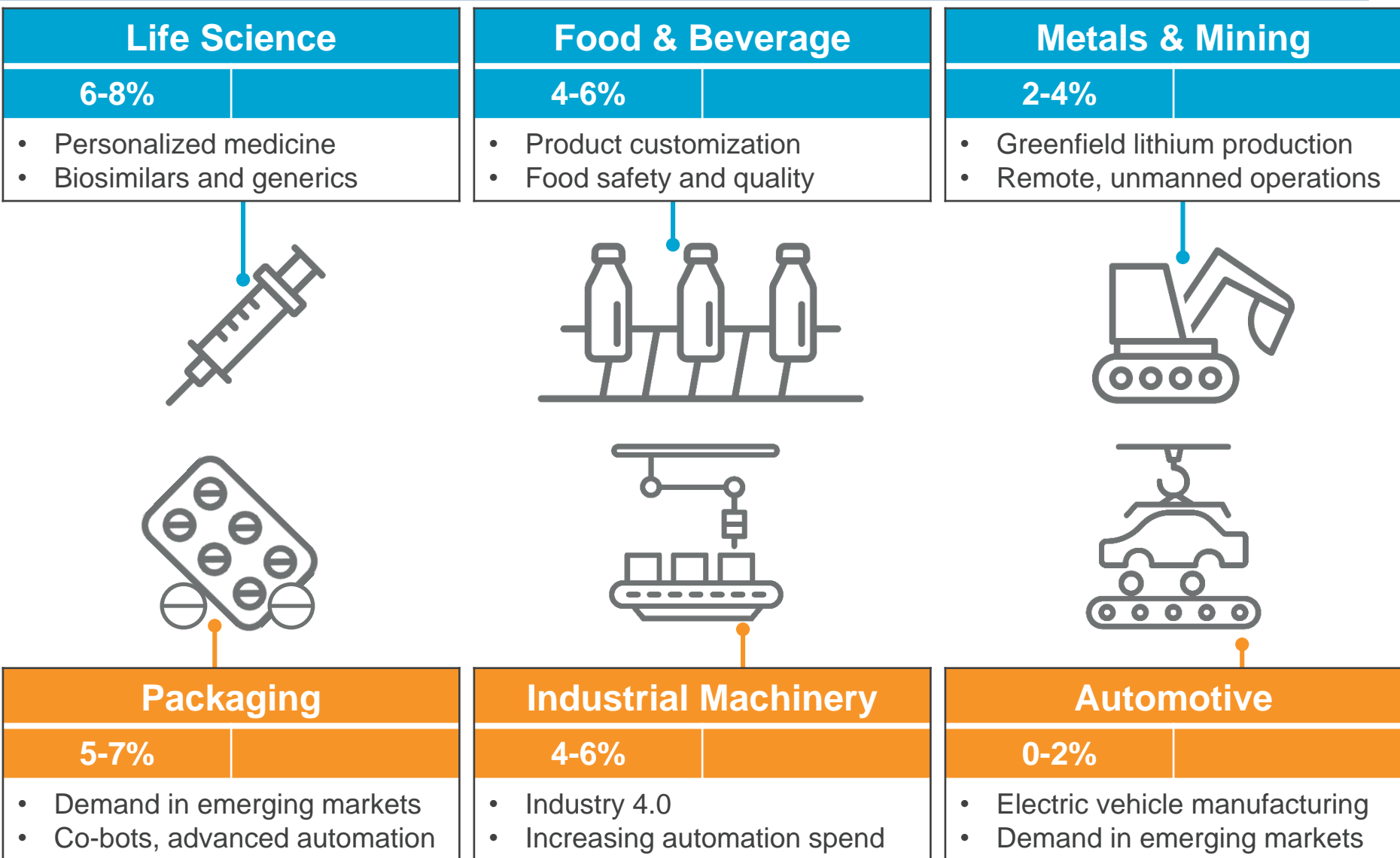
Note: Chart is illustrative

Continuing to Grow and Capitalize On \$112B Installed Base

Process Market Conditions Are Strong, Connected by Globalization of Natural Gas



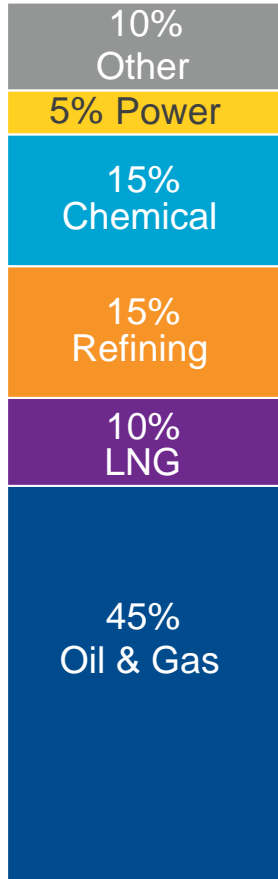
Hybrid Industries Continue to be Attractive for Growth and Diversification



Note: all percentages are estimated '18-21 served market CAGRs

Industry Mix of Current Investment Wave is Distinct From the Last Cycle

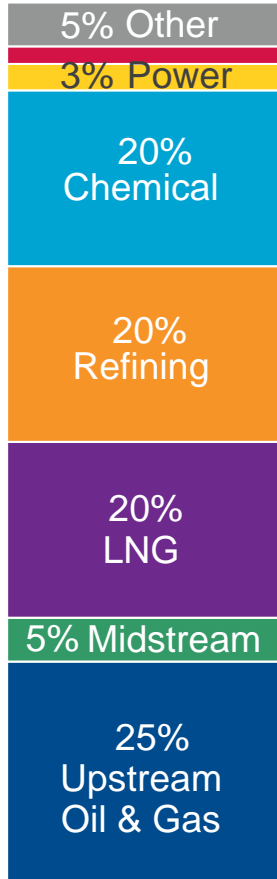
~125 projects
~\$4B value



2010 - 2014

2010 - 2014 represents major project awards; 2017 - 2021 represents current view of major project activity

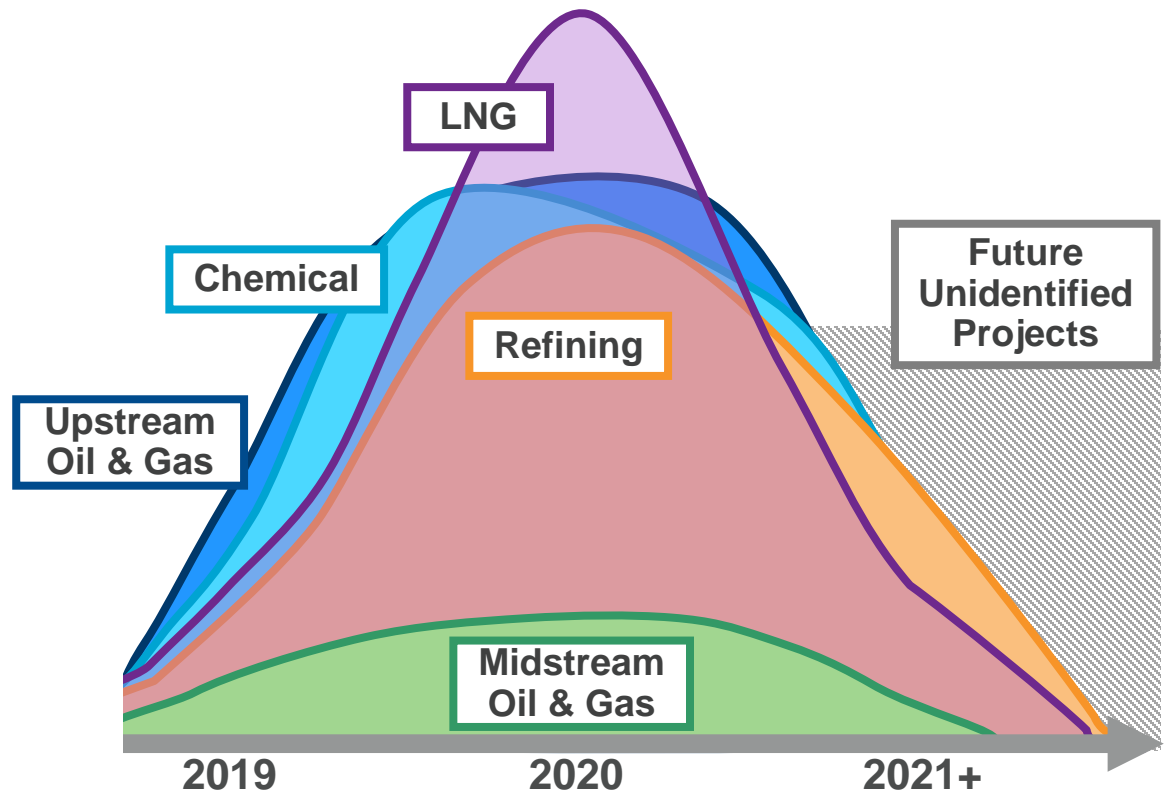
~195 projects
~\$7.6B value



2017 - 2021

2% Life Sciences

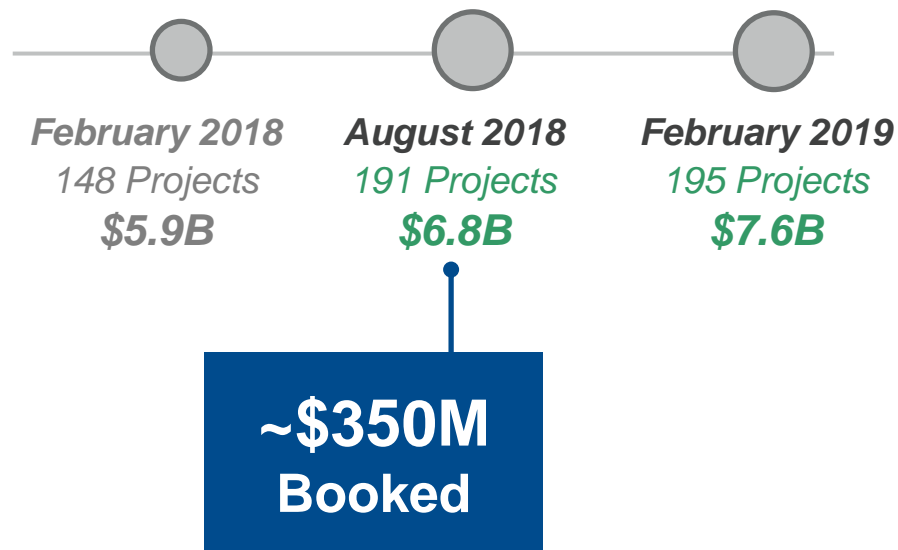
Project Funnel Value By Investment Decision Date



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

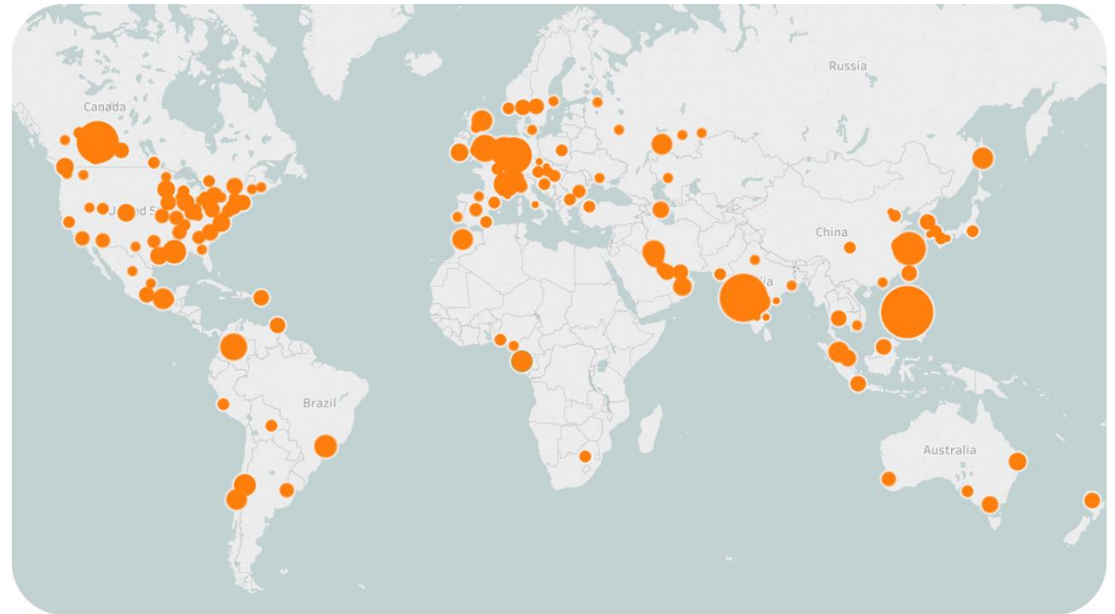
Content Intentionally Omitted



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

Design



Smart Junction Boxes



Main Valve Partner



Wireless



Modular Control

Engineering



Cloud Engineering



Project Datalink

Execution



Operator Training & Digital Twin

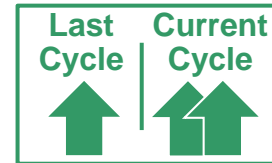


Auto Commissioning



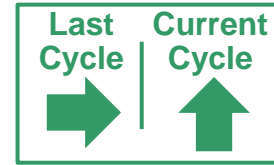
Video Inspection

Unmatched Ability to Capture Capacity Additions Across the Liquefied Natural Gas Value Chain



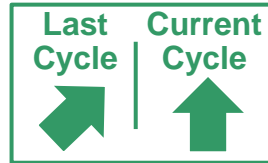
Content Intentionally Omitted

Systems Refining Project Experience Builds on Our Device and Final Control Leadership



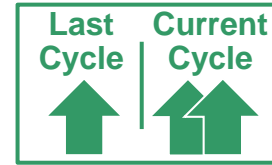
Content Intentionally Omitted

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



Content Intentionally Omitted

Unique Technology and Expertise Enabling Advances in Life Sciences Manufacturing



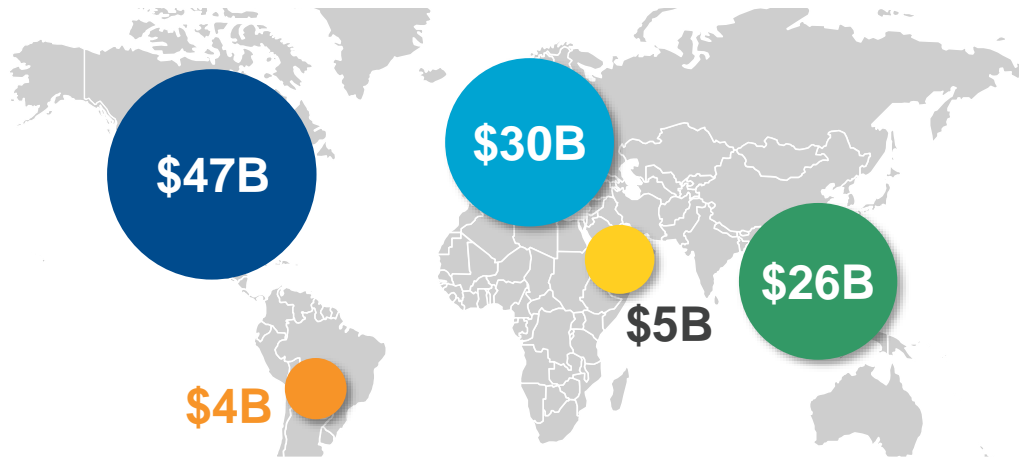
Content Intentionally Omitted

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



Strategic Programs

Site Walkdowns



Shutdowns, Turnarounds, & Outages



Long-term Service Agreements



Connected Services



+\$250M growth in 2018

World Area	Service Engineers		Service Centers	
	Today	Planned	Today	Planned
North America	1,500	+700	54	+10
Europe	1,300	+250	99	+1
Asia	880	+500	32	+20
Middle East & Africa	215	+70	10	+5
Latin America	175	+80	17	+8
Total	4,070	+1,600	212	+44

Digital Transformation Builds on Emerson's Installed Base of Field Devices and Control Systems



P L A N T W E B

Expertise

to define the business case

- **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

of sensors, analytics, and services

- **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

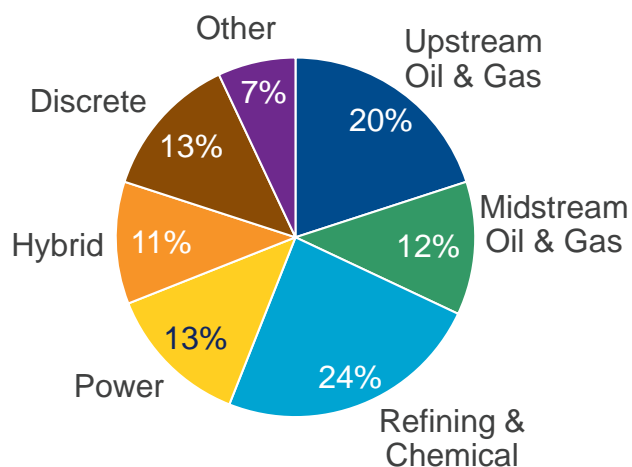
- **Automation Solutions performed very well in 2018** with strong margin growth in the base business and strategic portfolio expansion
- Large capital investment wave is here and Automation Solutions will **gain participation in greenfield projects**
- Lifecycle Management programs **drive KOB3 to >50% 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

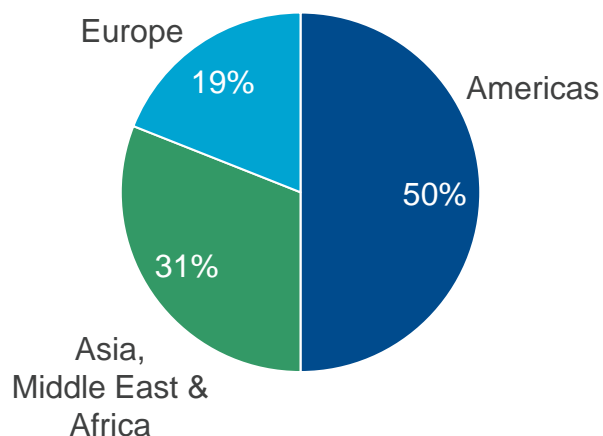
2018 Summary, 2019 Guidance & 2021 Target

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

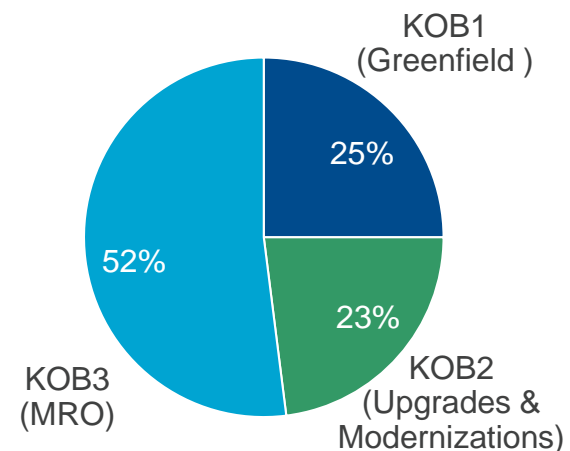
2021 Sales by Market



2021 Sales by Geography



2021 Sales by KOB



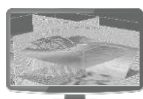
Systems & Solutions

Jim Nyquist

Group President, Systems and Solutions

We Provide a Broad Portfolio of Products and Software in the Control and Software Market

Data Management



Reservoir Modeling



Operations & Alarm Management



Advanced Process Control



Planning & Scheduling



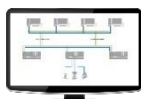
Plant Asset Management



Control Engineering



Training & Simulation



Real-time Optimization



Energy Management



Asset Integrity Management

ENGINEERING & DESIGN

CONTROL SOFTWARE

PRODUCTION MANAGEMENT

ASSET RELIABILITY & PERFORMANCE

Control



PROCESS CONTROL & SAFETY SYSTEMS



WELLHEAD CONTROL



MODULAR AND MACHINE CONTROL

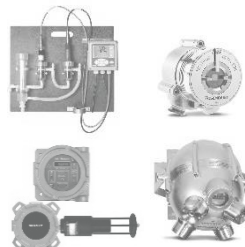


MACHINERY HEALTH

Field Devices



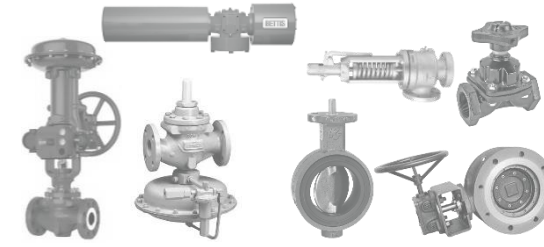
MEASUREMENT & FLOW



ANALYTICAL



SOLENOIDS & PNEUMATICS



FINAL CONTROL

Systems & Solutions

Key Messages

- 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

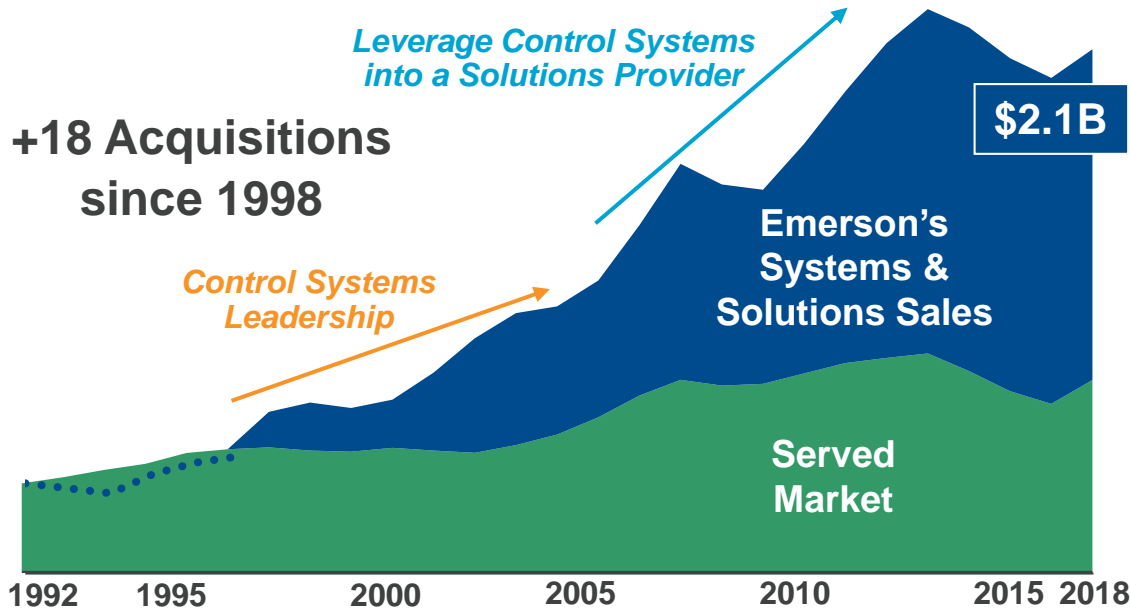
Systems & Solutions 2018 Summary & 2021 Target

	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	\$2.0B	\$2.1B	~\$3.0B 2021T w/ acquisitions
Underlying*		4%	6 – 8% CAGR
Market Growth			4% CAGR

Content Intentionally Omitted

Systems & Solutions Served Market Participation Has Grown Steadily Since the Mid '90s

Sales and Served Market Growth 1992 to 2018



Served Market Participation



1992

2018

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



Control Readers Choice Awards Ranks – Continuous & Batch Control Category

	1992	2001	2002	2004	2006	2008	2015	2016	2017	2018	2019
#1	HON	HON	EMR	EMR	EMR	EMR	EMR	EMR	EMR	EMR	EMR
#2	ElsagBailey	EMR	HON	ROK	ROK	ROK	ROK	ROK	ROK	HON	HON
#3	Foxboro	ROK	ABB	HON	HON	HON	HON	HON	HON	ROK	ROK

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

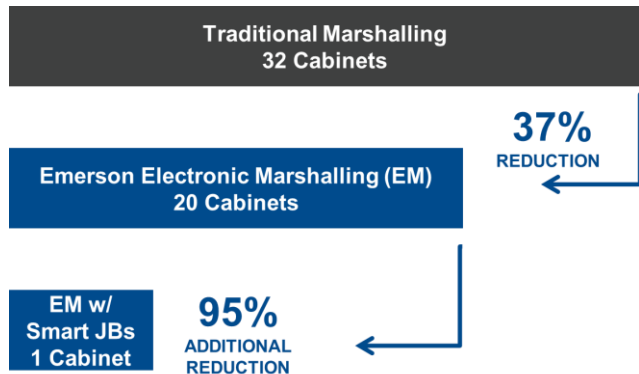
Content Intentionally Omitted

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

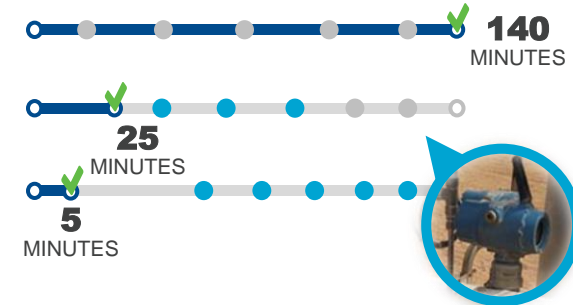
Electronic Marshalling



Cloud Engineering



Smart Commissioning



Reduce Hardware and Wiring by up to 60%

Eliminate Factory Acceptance Hours by up to 80%

Reduce Commission Time by 90%+

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



1st

Eliminates Islands of Automation

DeltaV Live



1st

First Native HTML5 DCS Operator Interface


DeltaV Mobile



1st

Know the Health of Operations Anywhere

IIoT



OPC UA Communications

Cybersecurity



1st

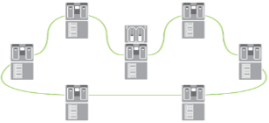
ISASecure SSA Level 1 Certification

Digital Twin



Simulate Control System

Distributed Input / Output



1st

Saves Millions in Cabling Costs

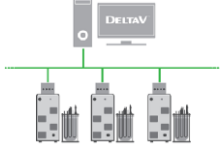
Smart Commissioning



1st

From 140 min. to 5 min. of Commission Time per device

DeltaV Discovery

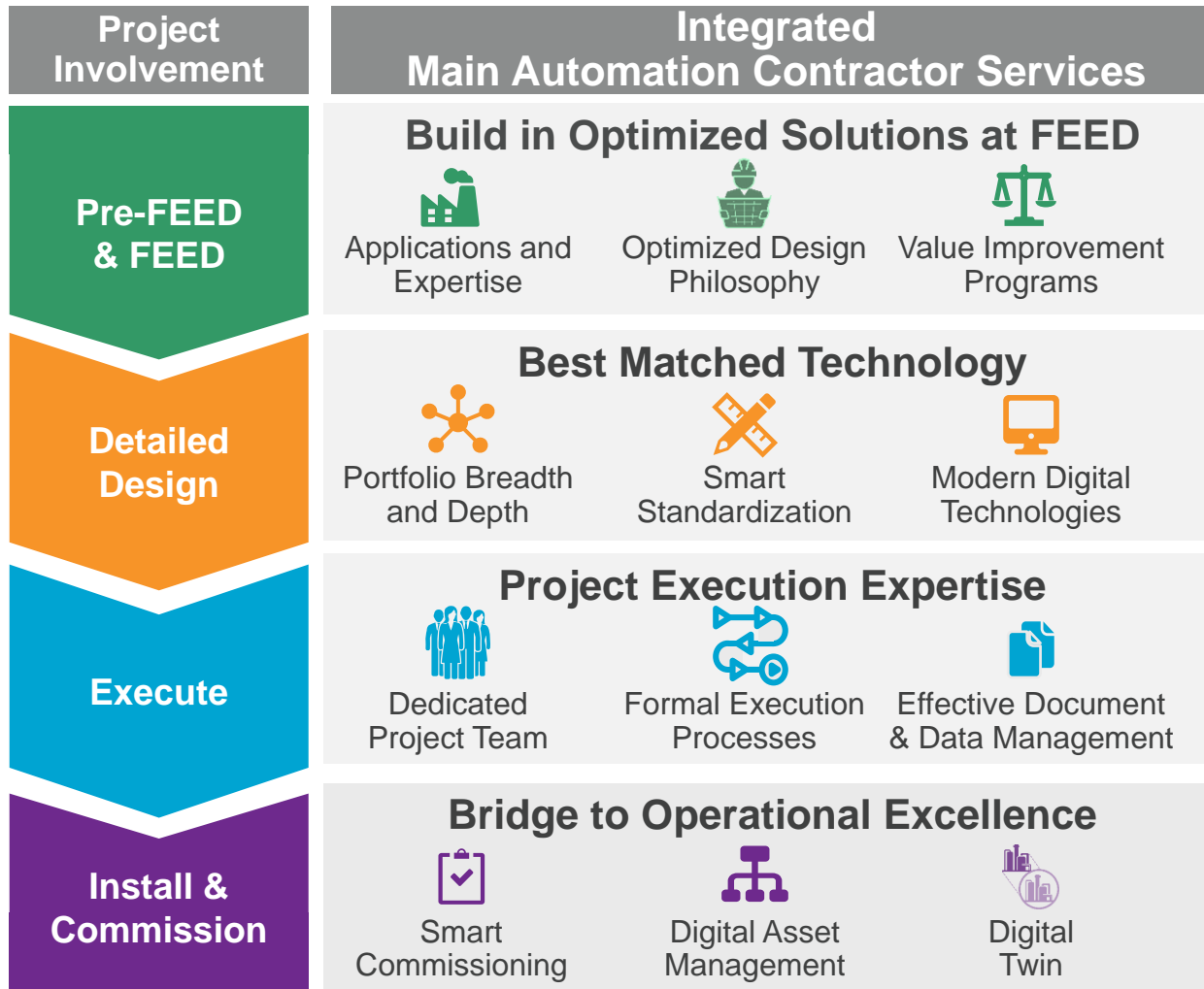


1st

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



Content Intentionally Omitted

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

Content Intentionally Omitted

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

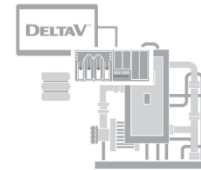
Cybersecurity
Digital Twin
Outcome Based Services
Alarm Management
System Health Monitoring

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

Data Management

Consulting	Reliability	Production Optimization	IT/OT	Energy / Emissions	
	MRG	APC & Loop Checks	iSolutions	Energy Management	
	Digital Twins	Dynamic Simulation	Dynamic Simulation / Power	Pipeline Leak Detection	Pipeline Integrity
		Mynah & HYSYS**	Ovation Simulation	Energy Solutions	GeoFields
Asset Management	Field Communicator	Field Device Analytics	Rotating Machine Analytics	Asset Performance Management	
	AMS Trex	AMS Device Mngr.	AMS Machinery Mngr.	Plantweb Optics	
Control & Operations	MES*	Alarm Management	Advanced Process Control	Pipeline Operations	
	Syncade	ProSys	DMC**	Energy Solutions	

Acquisitions / Alliances

* Manufacturing Execution Systems
 ** AspenTech Alliance Product

Control



Systems & Solutions 2018 Summary & 2021 Target

	<u>2018</u>	<u>2018 – 2021T</u>
Sales	\$2.1B	~\$3.0B 2021T w/ acquisitions
Underlying*	4%	6 – 8% CAGR
Market Growth		4% CAGR

- 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

Content Intentionally Omitted

We Provide a Broad Portfolio of Products and Software in the Control and Software Market

Data Management



Reservoir Modeling



Operations & Alarm Management



Advanced Process Control



Planning & Scheduling



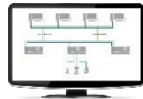
Plant Asset Management



Control Engineering



Training & Simulation



Real-time Optimization



Energy Management



Asset Integrity Management

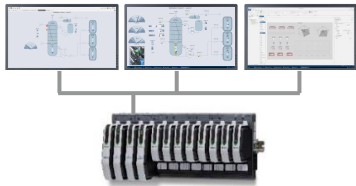
ENGINEERING & DESIGN

CONTROL SOFTWARE

PRODUCTION MANAGEMENT

ASSET RELIABILITY & PERFORMANCE

Control



PROCESS CONTROL & SAFETY SYSTEMS



WELLHEAD CONTROL



MODULAR AND MACHINE CONTROL

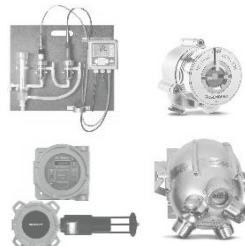


MACHINERY HEALTH

Field Devices



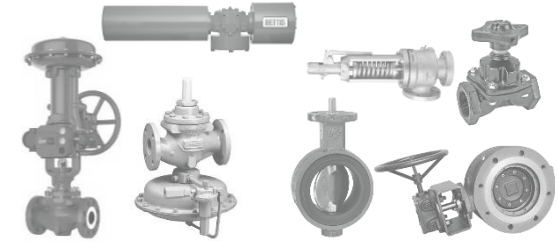
MEASUREMENT & FLOW



ANALYTICAL



SOLENOIDS & PNEUMATICS



FINAL CONTROL

Machine Automation Solutions

Mike Train
President

We Have A Strong Foundation in Hybrid and Discrete Industries From Which to Grow Our Relevance

Content Intentionally Omitted

Machine Control Is A Critical Element to Accelerate
Our Penetration into Hybrid and Discrete Industries

Machine Automation Solutions

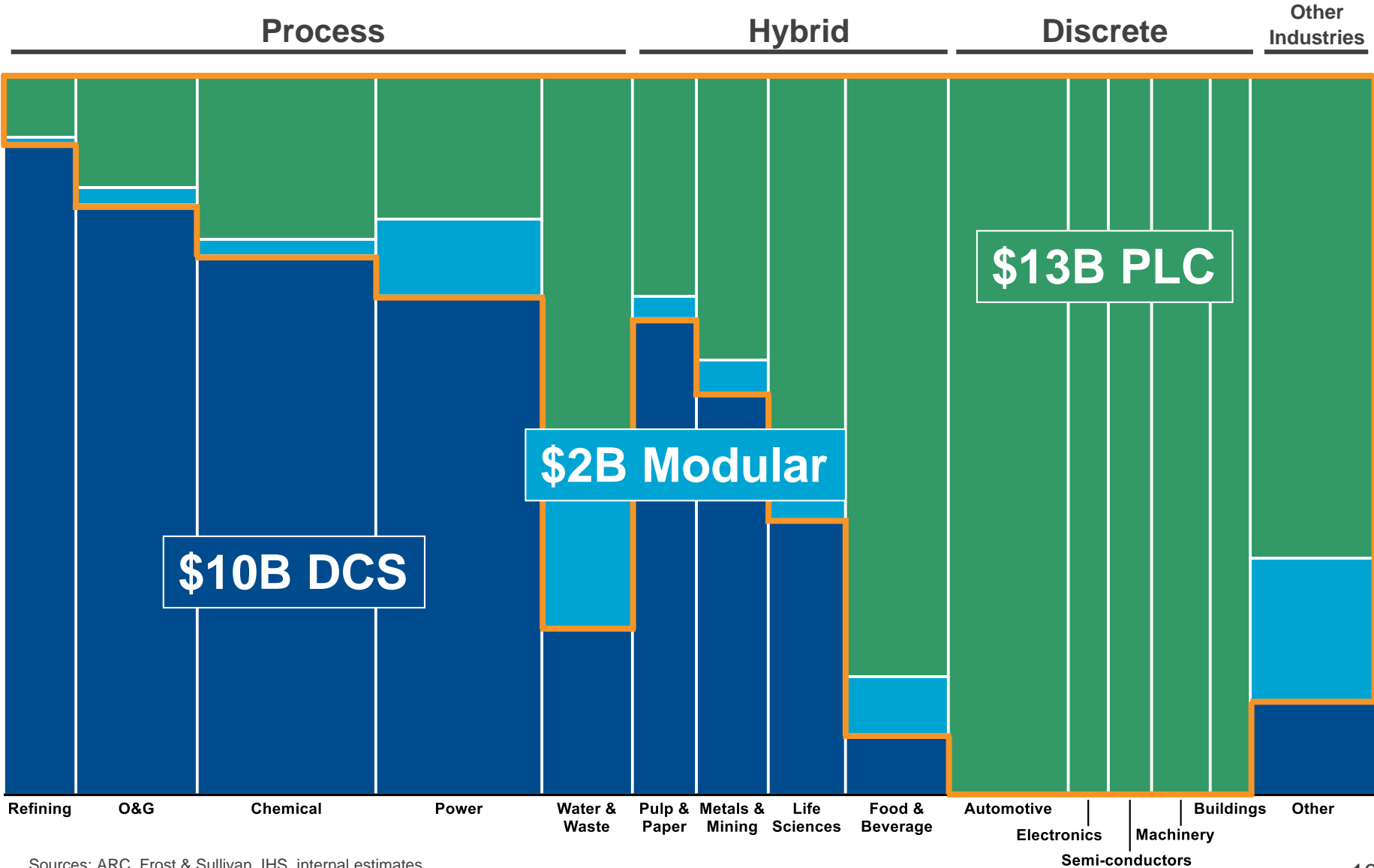
Key Messages

- 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



Standalone and native on DeltaV Control System

Ovation Compact Controller

→ Power and Water Applications



Standalone and native on Ovation Control System

Intelligent Platforms PLC

→ Discrete and Hybrid Applications



Standalone and will interface with other Emerson Control Systems

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

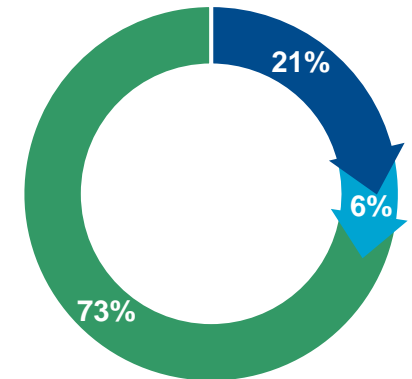
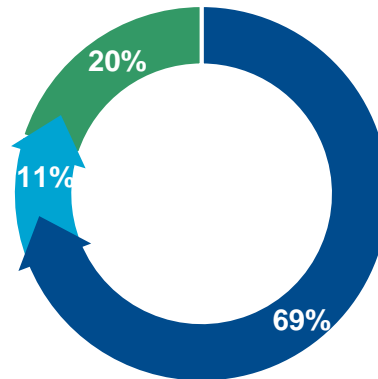
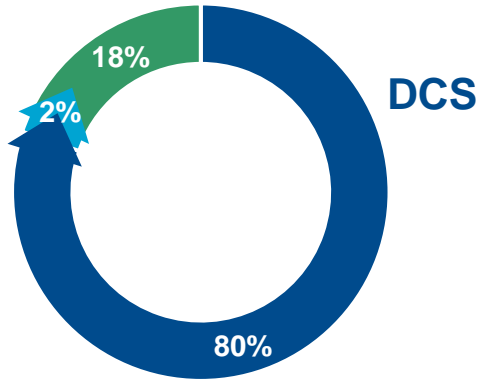
Oil & Gas, Refining,
Chemical

Power
Generation

Life Sciences,
Food & Beverage

Machine
Control

Modular
Control



DCS

Enhanced DCS
in 2018



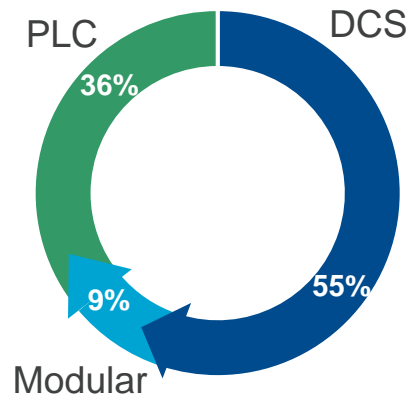
Modular
Control

New Modular
Control in 2018



Machine
Control

PLC Acquisition
in 2019



**PLC and Modular
Control Expands
Served
Process and Hybrid
Market by ~\$8B**

Intelligent Platforms Profile

Key Facts & Background:

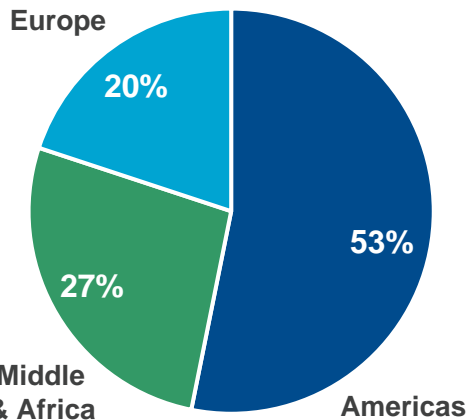
Founded	1981
Headquarters	Charlottesville, Virginia
Key Locations	Augsburg (Germany), Bangalore (India), Shanghai (China)
Employees	650
Installed Base:	\$2B+

	2017
Sales (\$M)	~210

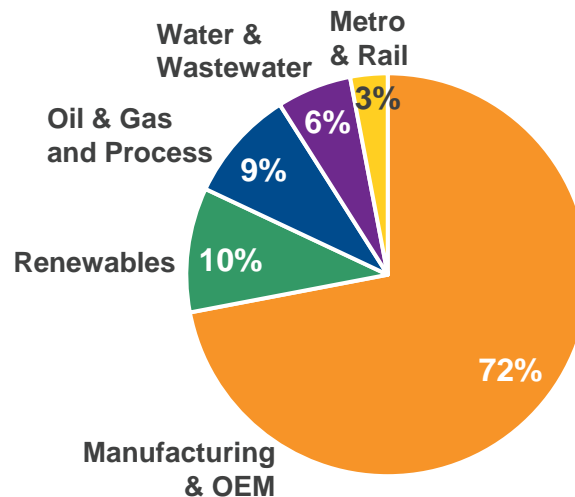
Technology Differentiators



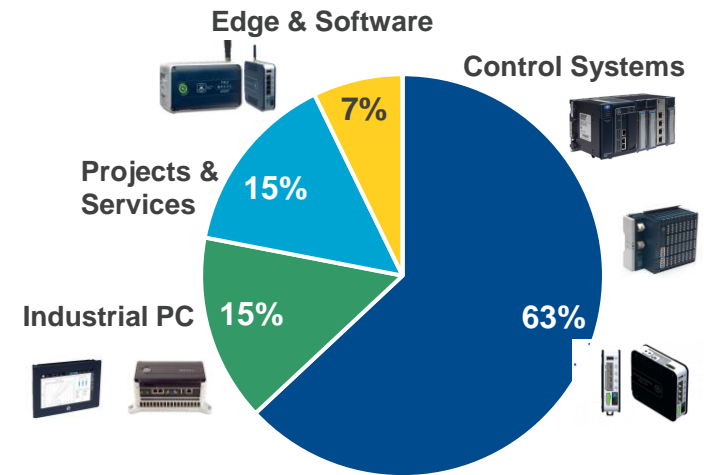
Sales by Geography



Sales by Industry



Sales by Product



Intelligent Platforms is a Strategic Investment That Will Enhance Our Solutions Capability in All End Markets

Current Outlook

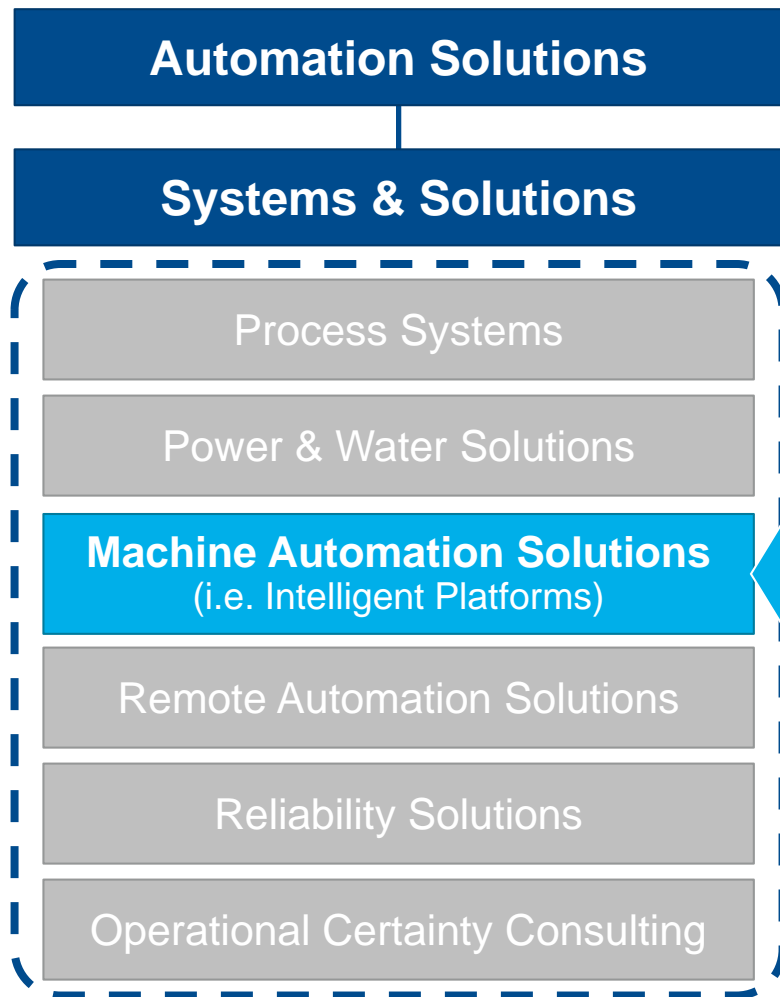
- Expected 2019 impact to **EMR Sales: \$125M**
- One time transaction costs will impact 2019 **EPS (\$0.03)**
- Immediate value creation opportunities through technology and channel synergies

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**

We Will Bring Our Proven Track Record of DCS Innovation
to Penetrate the PLC Market

Emerson's Control Layer Is In One Organization Focused On Technology Development and Operational Synergies



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

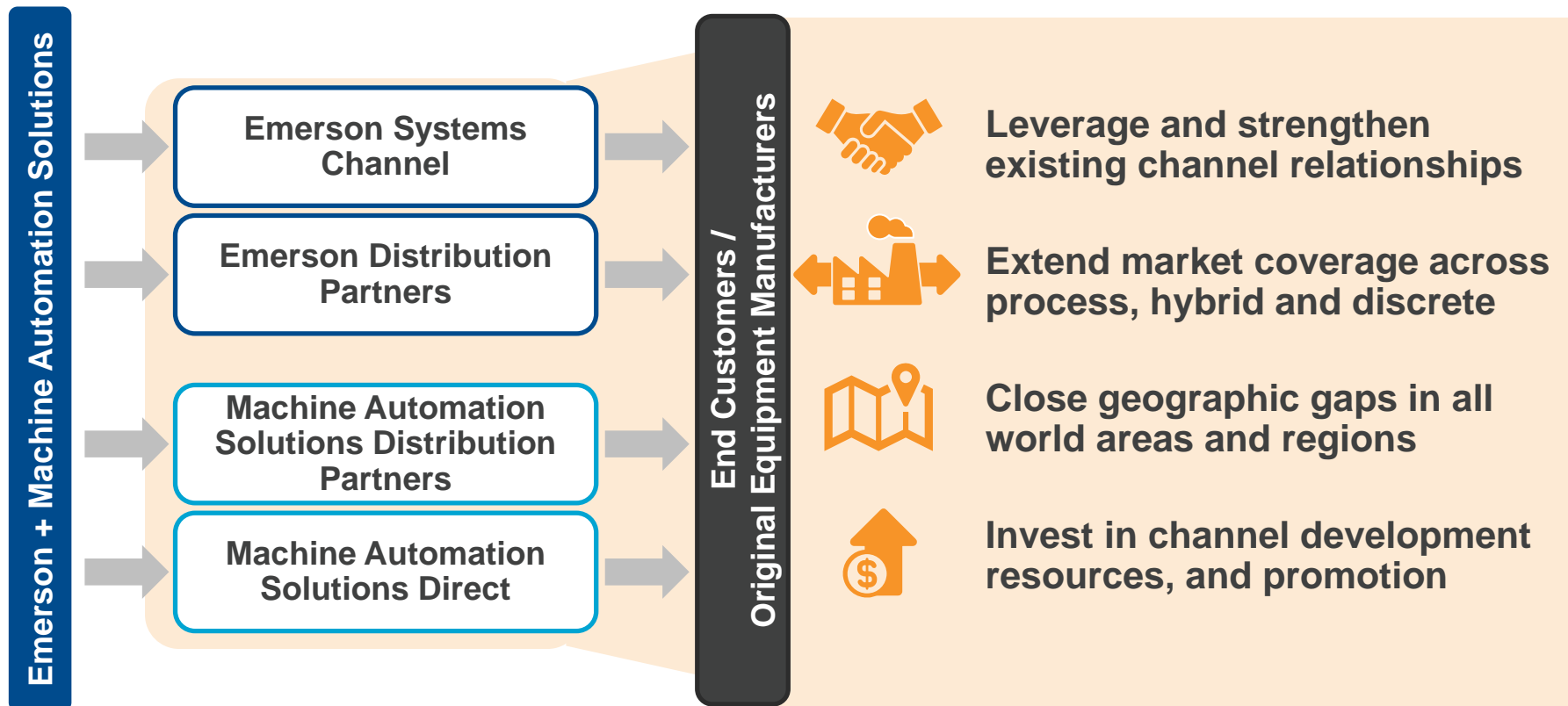
Current Integration Priorities

- Accelerate portfolio investments
- Leverage broadened portfolio to expand within key accounts
- Capture supply chain opportunities

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

Machine Automation Solutions Fills Key Gaps in Our Control System Market and Channel Coverage

Multiple Channels to Customers



Enables Emerson To Offer The Broadest Range of Control Solutions Across Multiple Channels

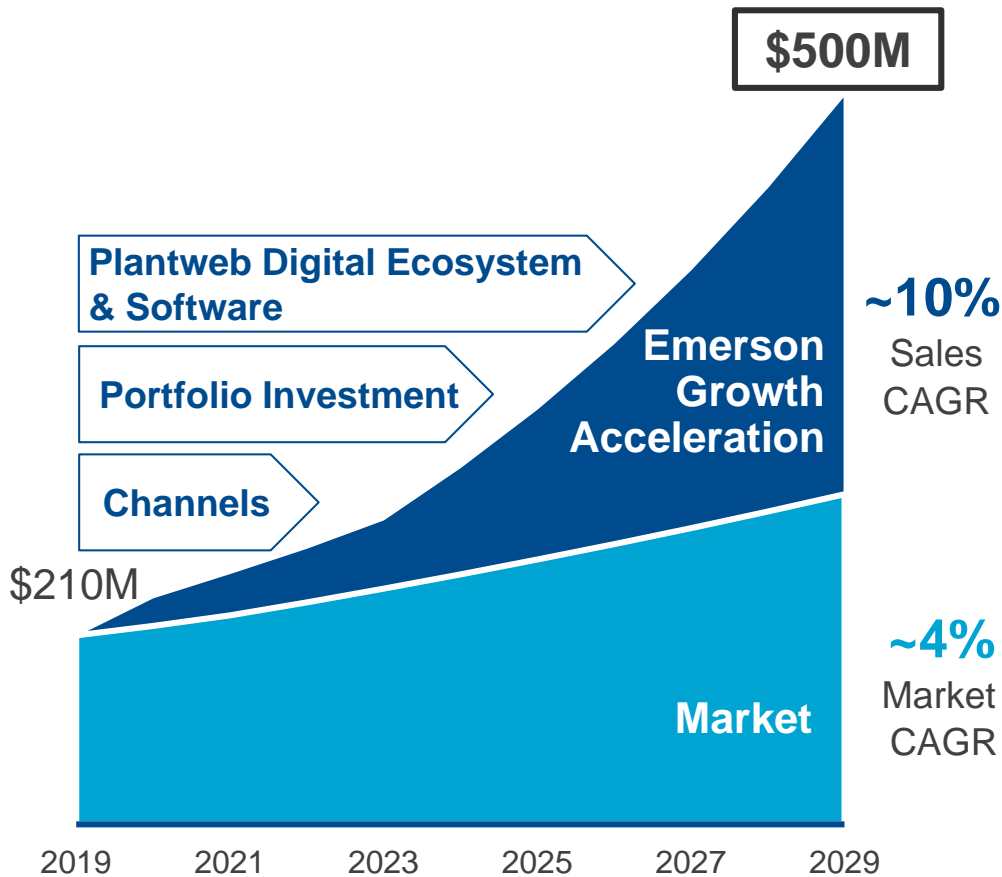
Machine Automation Solutions Technology Portfolio Is Positioned to Support Digital Transformation

Content Intentionally Omitted

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



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



RSTi 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

Process

Eliminate **islands of automation**

Key opportunities

Refining & Chemical



Renewable Energy



- Close existing gaps in plant control offering
- Leverage PLCs in KOB1 and KOB2 projects

Hybrid

Be a **complete solutions provider**

Key opportunities

Food & Beverage



Metals & Mining



- Offer complete end-to-end plant solutions
- Drive penetration in common strategic accounts

Discrete

Expand into **adjacent** discrete spaces

Key opportunities

Packaging



Electronics

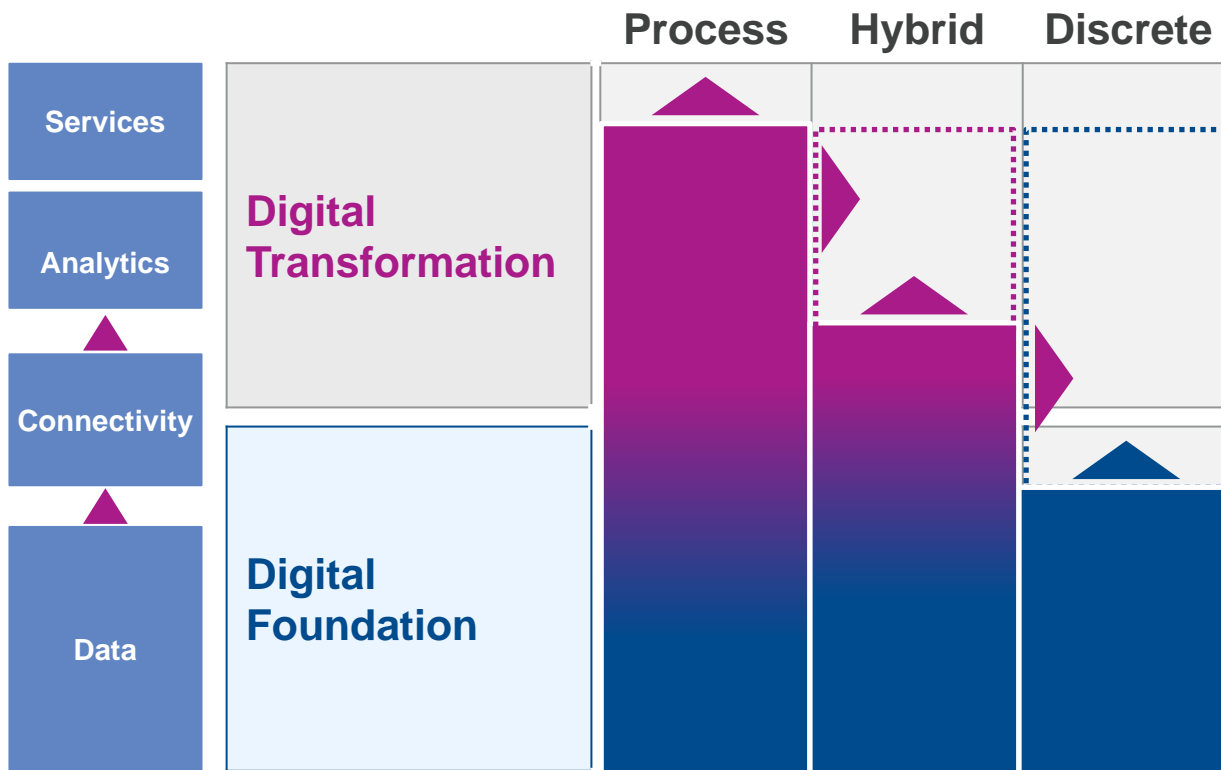


- Leverage and connect Emerson device portfolio in target verticals
- Develop new offerings for Machine Automation Solutions installed base

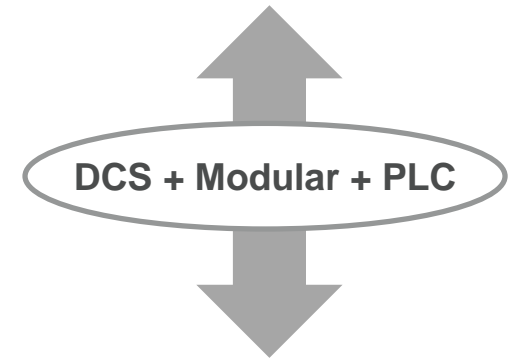
Our Control Portfolio Enables Plantweb Digital Ecosystem Across Many High-value Applications



2017 & 2018
Industrial IoT
Company of the Year



Creating a broad ecosystem of applications and services to transform operations



Connecting the industry's broadest portfolio of intelligent devices

Emerson Is Leading Digital Transformation With Scalable and Proven Solutions

Final Control

Ram Krishnan

Group President, Final Control

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

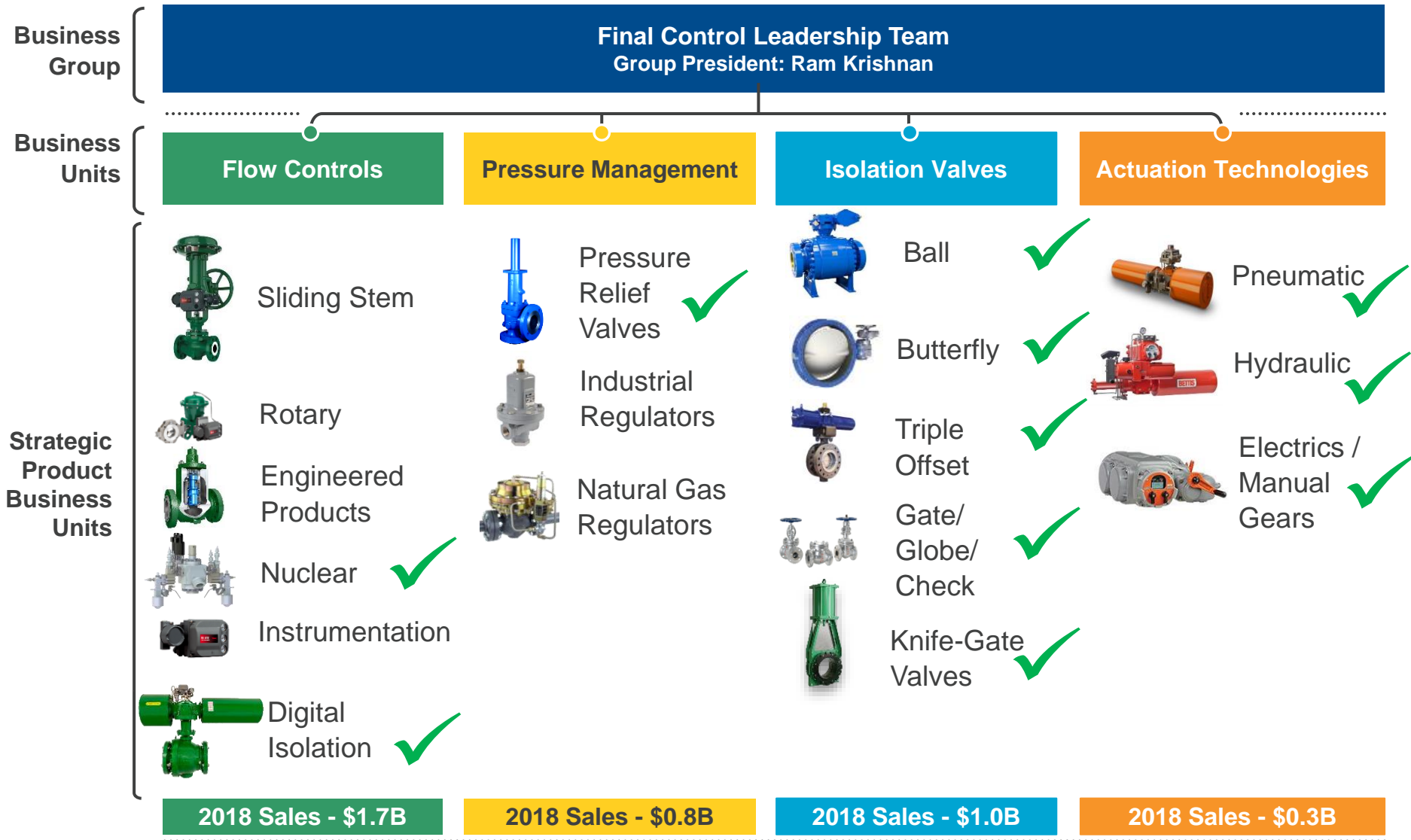
	<u>2017</u>	<u>2018</u>	<u>2018 – 2021T</u>
Sales	\$2.7B	\$3.8B	~\$5B 2021T w/ acquisitions
Underlying*		13%	7 – 9% CAGR
Market Growth			4% CAGR

Content Intentionally Omitted

New Final Control Business Group Management Structure



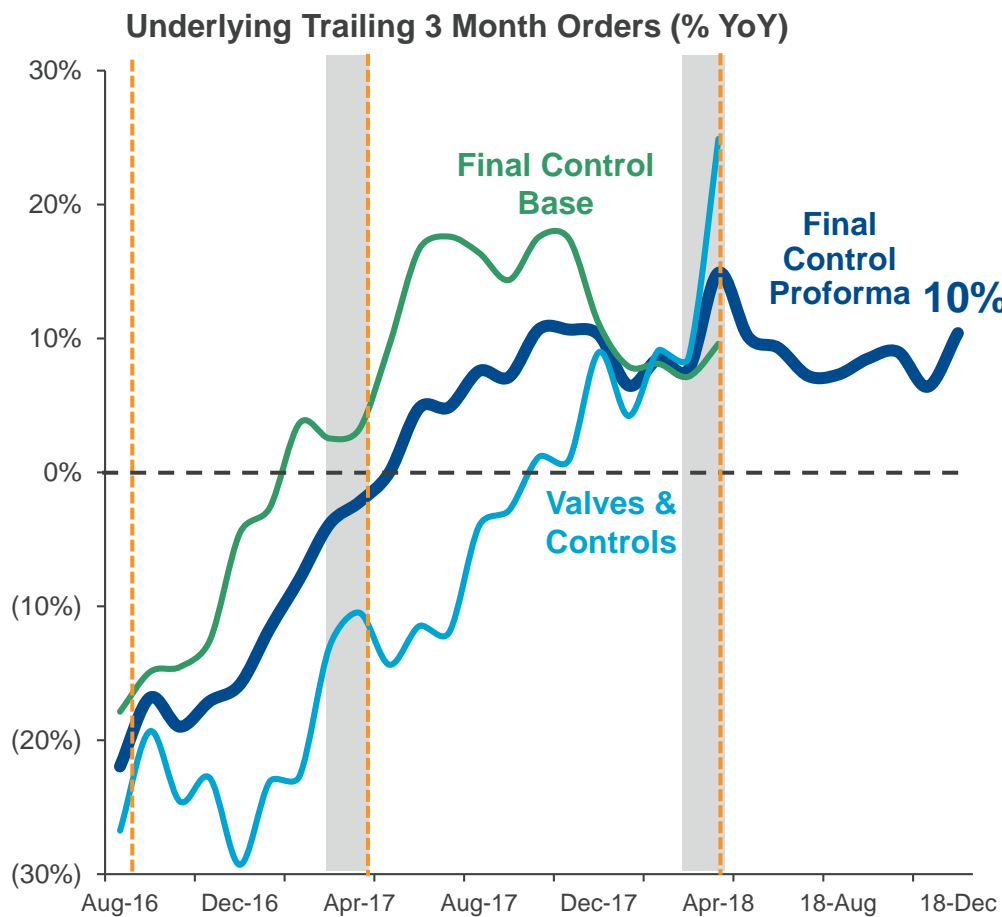
Impacted by Valves & Controls



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

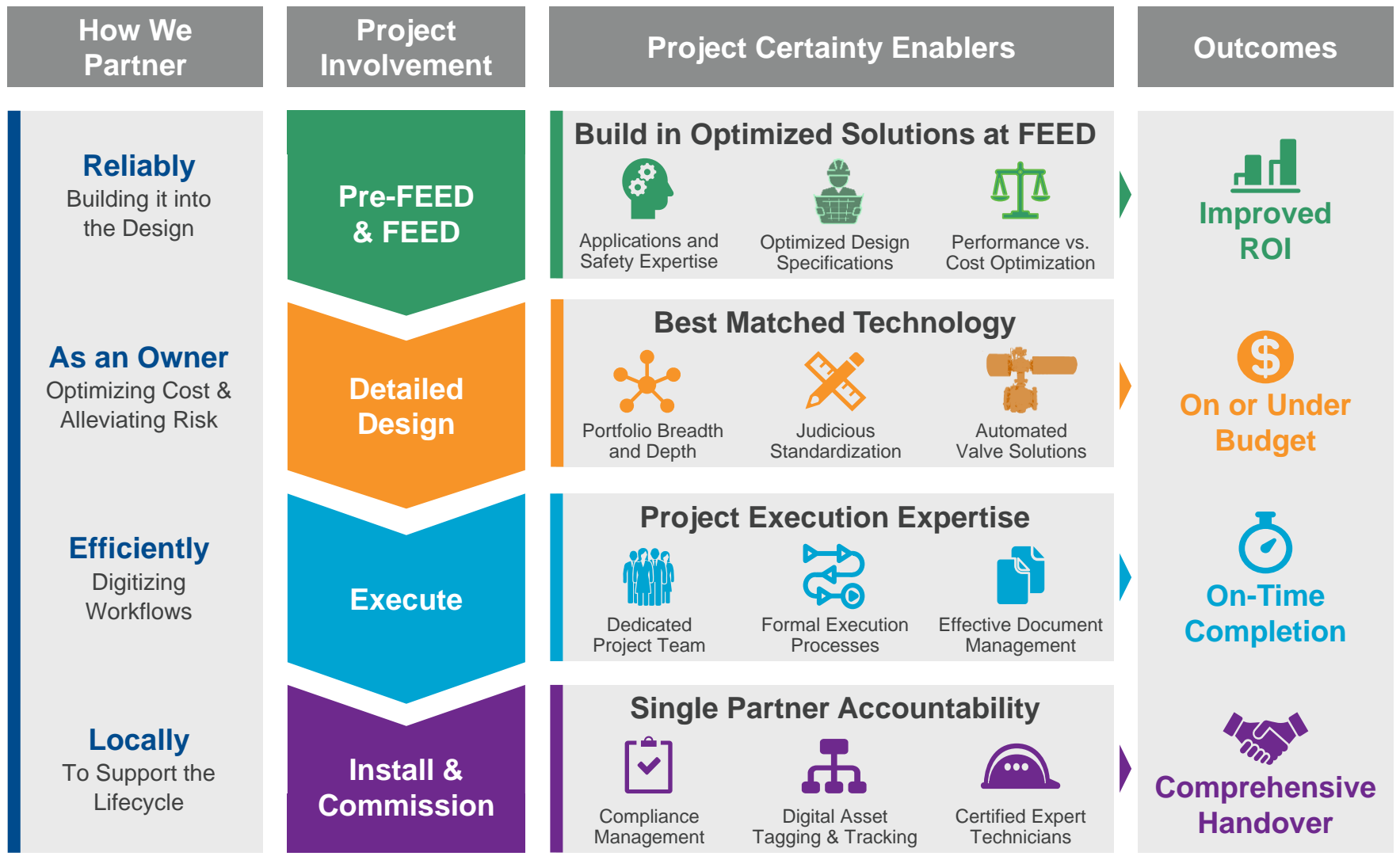
Trade Working Capital Productivity Programs Will Deliver Significant Cash by 2021

Content Intentionally Omitted

Top 120 Projects by Order Timing

Content Intentionally Omitted

Main Valve Partner Proven Driver of Global Project Execution Success



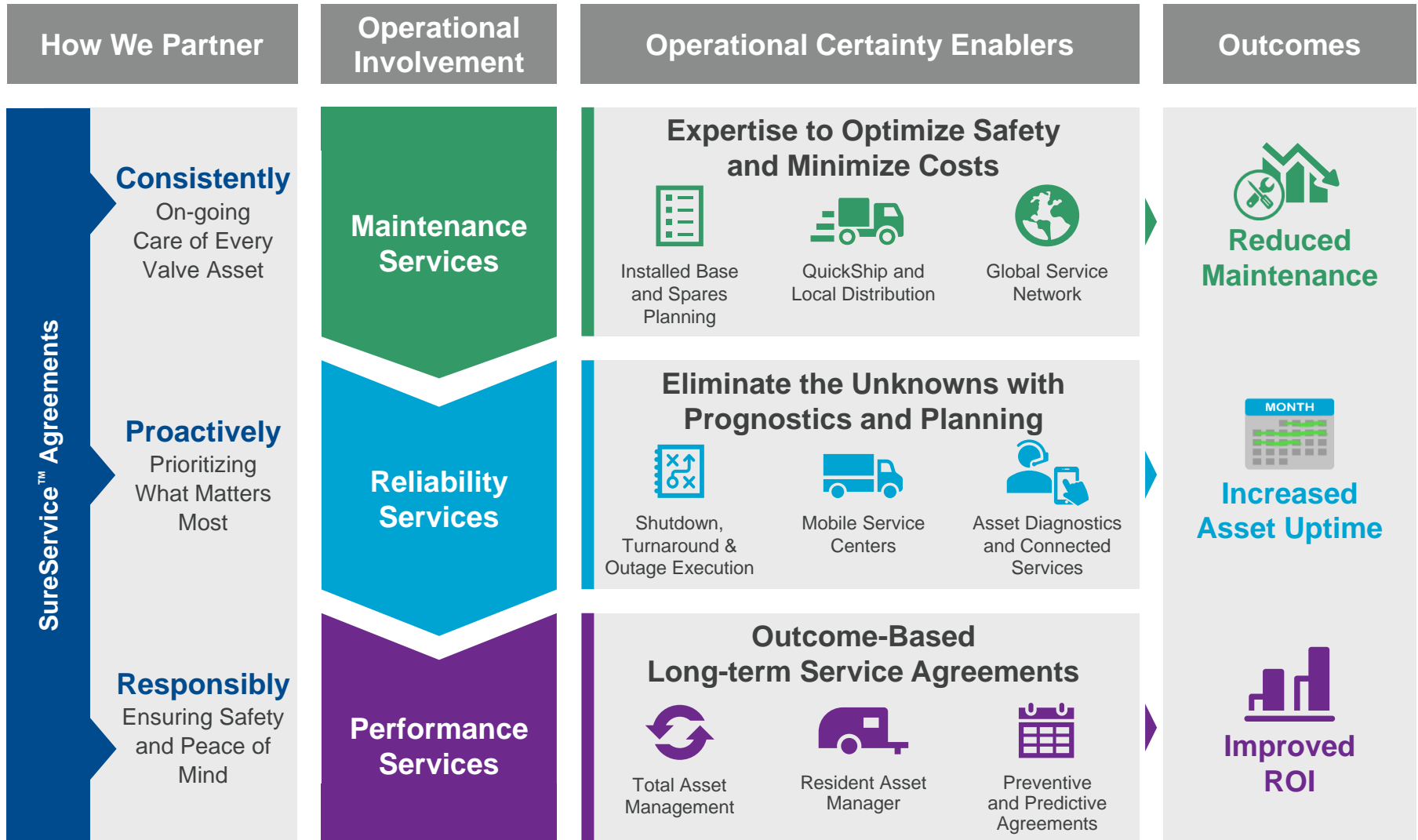
Scope, Strength and Experience in Mega LNG Projects Positions Us Well For the Growth Wave

Content Intentionally Omitted

We Will Leverage Our Leading Position in Refining & Chemical to Capture the Investment Wave

Content Intentionally Omitted

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

Content Intentionally Omitted

~\$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

	<u>2018</u>	<u>2018 – 2021T</u>
Sales	\$3.8B	~\$5B 2021T w/ acquisitions
Underlying*	13%	7 – 9% CAGR
Market Growth		4% CAGR

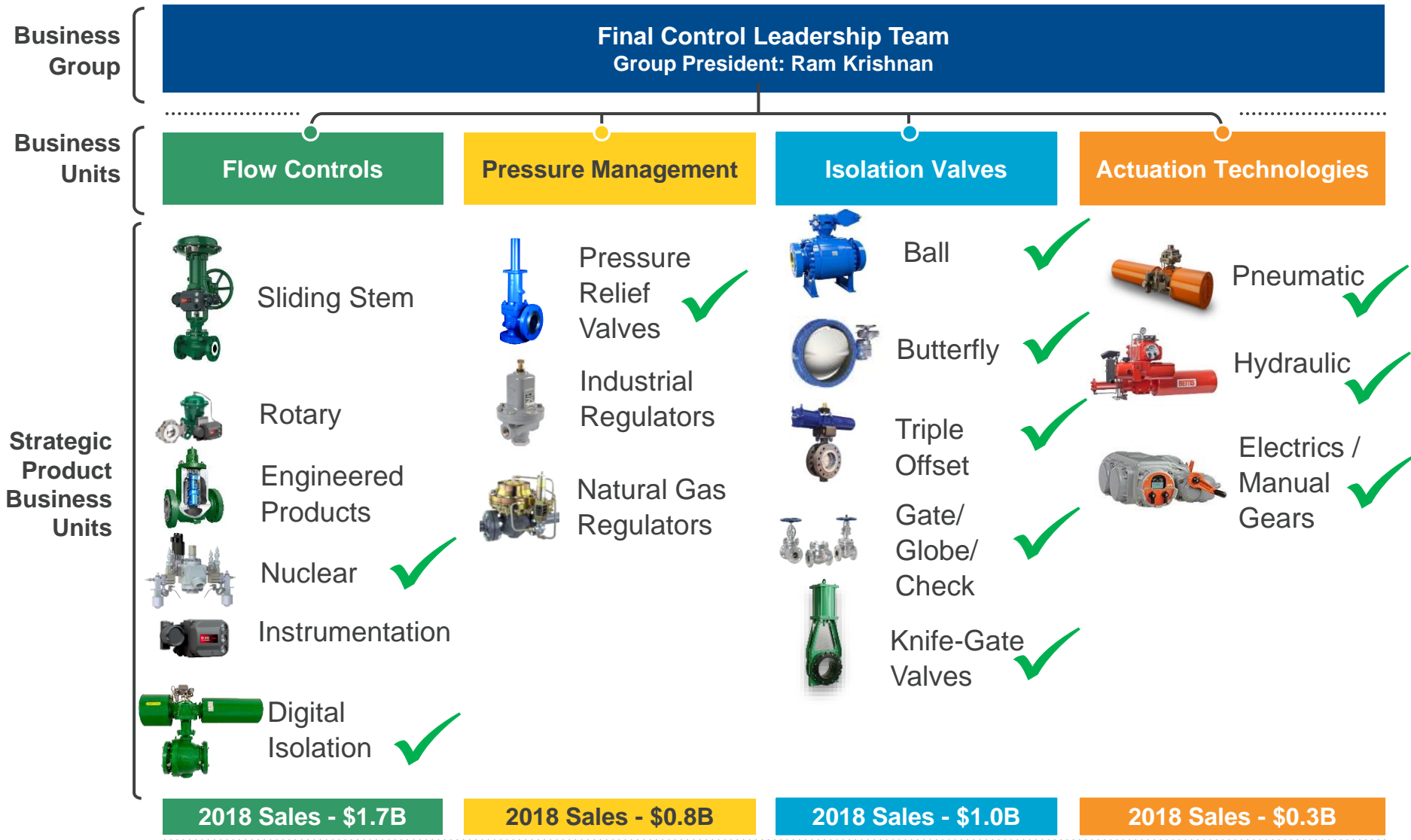
- Integration of Valves & Controls progressing to plan;
synergy programs on track
- Well positioned to capture **large project investment waves**
- Continued **investments to lead and separate**

Content Intentionally Omitted

New Final Control Business Group Management Structure



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)

Sales % chg. vs. PY

Sales change (GAAP)
FX
Acq/Div
Underlying*

2018
14%
(1)%
(5)%
8%

Sales % chg. vs. PY

Sales change (GAAP)
FX
Acq/Div
Underlying*

2018E
11 - 13%
~(2)%
~(4)%
5 - 7%

Sales % chg. vs. PY

Sales change (GAAP)
FX
Acq
Underlying*

2019	2019E			
	Q1	Q2	Q3	Q4
9%	~10%	7 - 10%	4 - 7%	7 - 10%
1.5%	~ 3%	~ 2%	~ 1%	~ 2%
(6)%	~ (6.5)%	~(5)%	~ (1)%	~ (5)%
4.5%	~6.5%	4 - 7%	4 - 7%	4 - 7%

Sales CAGR

Sales CAGR (GAAP)
Acq/Div/FX
Sales underlying CAGR*

2018-2021T
~8+%
~(3)%
~5+%

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)

EPS Growth

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

2018-2021T
~9%
~3%
~12%

EBIT Margin

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

2018E	2018	2019E	2018 vs 2019E	2021T
~15.8%	15.3%	~16.1%	~80 bps	~17%
~0.9%	0.9%	~0.9%	~0 bps	~1%
~16.7%	16.2%	~17.0%	~80 bps	~18%
	0.4%			
	16.6%			

Gross Profit Margin

Gross profit margin (GAAP)
Acquisitions impact
Gross profit margin excluding acquisitions*

2018
42.9%
0.2%
43.1%

Earnings Per Share

Diluted earnings per share (GAAP)
Repositioning items and divestiture gains
Adjusted diluted earnings per share*

2015
\$ 3.99
(0.82)
\$ 3.17

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*

2017
\$ 2.54
0.10
\$ 2.64

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)

Free Cash Flow

	2013	2014	2015	2016	2017	2018	2019E	2021T
Operating cash flow (GAAP)	\$ 3.6	3.7	2.5	2.9	2.7	2.9	~3.2	~4.0
Impact of taxes on divestiture gains and repositioning items	-	-	0.5	0.2	-	-	-	-
Operating cash flow adjusted*	3.6	3.7	3.0	3.1	2.7	2.9	~3.2	~4.0
Capital expenditures	(0.6)	(0.8)	(0.7)	(0.6)	(0.5)	(0.6)	~(0.7)	~(0.7)
Free cash flow*	\$ 3.0	2.9	2.3	2.5	2.2	2.3	~2.5	~3.3

Free Cash Flow to Net Earnings Common Stockholders

	2013	2014	2015	2016	2017	2018E	2018	2019E	2020T - 2021T
Operating cash flow to net earnings (GAAP)	182%	172%	93%	176%	164%	~150%	131%	~140%	~130% - 140%
Capital expenditures & impact of divestiture gains (& taxes paid), repositioning items, impairments & tax reform	(66)%	(62)%	12%	(45)%	(29)%	~(30)%	(17)%	~(40)%	~(20)%
Free cash flow to net earnings adjusted*	116%	110%	105%	131%	135%	~120%	114%	~ >100%	~110 - 120%

Dividend To Free Cash Flow

	2013	2014	2015	2016	2017	2018E	2018	2019E	2020T	2021T
Dividends to operating cash flow (GAAP)	32%	33%	50%	43%	46%	~42%	43%	~38%	~37%	~34%
Capital expenditures & impact of taxes on divestiture gains & repositioning items	8%	8%	6%	5%	10%	~11%	11%	~9%	~9%	~8%
Dividends to free cash flow*	40%	41%	56%	48%	56%	~53%	54%	~47%	~46%	~42%

Total Debt / EBITDA

	2013	2014	2015	2016	2017	2018	2019E	2020T	2021T
Total debt / pretax earnings (GAAP)	1.8x	1.8x	1.6x	2.9x	2.0x	1.8x	1.7x	1.8x	2.0x
Interest, taxes, depreciation, amortization	(0.5)	(0.4)	(0.3)	(0.7)	(.5)	(0.5)	(0.4)	(0.4)	(0.4)
Total debt / EBITDA*	1.3x	1.4x	1.3x	2.2x	1.5x	1.3x	1.3x	1.4x	1.6x

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

Automation Solutions sales growth reported (GAAP)
Acq/Div/FX
Automation Solutions underlying sales growth*

2018E	2018	2019E	2018-2021T CAGR
18 - 20%	21%	7 - 10%	8 - 11%
~(12)%	(11)%	~(2)%	~(3)%
6 - 8%	10%	5 - 8%	5 - 8%

Automation Solutions 2018 Sales By Geograhpy

Automation Solutions sales by geography (GAAP)
Aventics proforma impact
Automation Solutions sales by geography including Aventics*

Americas	Europe	Asia, Middle East & Africa
48%	20%	32%
1%	1%	(2)%
49%	21%	30%

Systems & Solutions Underlying Sales Growth

Systems & Solutions sales growth reported (GAAP)
Acq/Div/FX
Systems & Solutions underlying sales growth*

2018	2018-2021T CAGR
2%	9 - 11%
2%	~(3)%
4%	6 - 8%

Final Control Underlying Sales Growth

Final Control sales growth reported (GAAP)
Acq/Div/FX
Final Control underlying sales growth*

2018	2018-2021T CAGR
41%	9 - 11%
(28)%	~(2)%
13%	7 - 9%

Valves & Controls EBIT Margin

EBIT (GAAP)
Other income (deductions)
Operating margin*

2H 2018	2018
-%	~2%
~10%	~6%
~10%	~8%

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)

Commercial & Residential Underlying Sales Growth

Commercial & Residential sales growth reported (GAAP)
Acq/Div/FX
Commercial & Residential underlying sales growth*

2017	2018E	2018	2019E	2018-2021T CAGR
5%	1-3%	2%	8 - 10%	5 - 7%
1%	~3%	2%	~(5)%	~(2)%
6%	4 - 6%	4%	3 - 5%	3 - 5%

Commercial & Residential Sales

Sales (GAAP)
ClosetMaid impact
Sales excluding ClosetMaid*

2017	2018	2017 vs 2018
\$ 5.9	\$ 6.0	2%
(0.3)	-	6%
\$ 5.6	\$ 6.0	8%

Commercial & Residential EBIT

Commercial & Residential EBIT (GAAP)
ClosetMaid impact
Commercial & Residential EBIT excluding ClosetMaid*

2017	2018	2017 vs 2018
\$ 1.4	\$ 1.4	0%
(0.1)	-	1%
\$ 1.3	\$ 1.4	1%

Comm & Res Sols Excluding ClosetMaid Sales CAGRs

Sales CAGR (GAAP)
Acq/Div/FX
Underlying sales excluding ClosetMaid CAGR*

2005-2018
~ 2.0%
~1.6%
~3.2%

Commercial & Residential EBIT Margin

Commercial & Residential EBIT margin (GAAP)
ClosetMaid impact
Commercial & Residential EBIT margin excluding ClosetMaid*

2017	2018	2017 vs 2018
23.2%	22.6%	(6) bps
1.0%	0.0%	(100) bps
24.2%	22.6%	(160) bps

Commercial & Residential Return on Total Capital (ROTC)

Commercial & Residential ROTC (GAAP)
ClosetMaid impact
Commercial & Residential ROTC excluding ClosetMaid*

2017
48.0%
4.0%
52.0%

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)

Tools & Home Products Underlying Sales Growth

Tools & Home Products Sales Growth Reported (GAAP)
Acq/Div/FX
Tools & Home Products underlying sales growth*

2018	2018-2021T CAGR
(7)%	10 - 12%
12%	(6) - (7)%
5%	4 - 5%

Tools & Home Products Sales Excluding ClosetMaid

Tools & Home Products sales reported (GAAP)
ClosetMaid sales
Tools & Home Products sales excluding ClosetMaid*

2017
\$ 1.6
(0.3)
\$ 1.3

Global Heating & Cooling Underlying Sales Growth

Global Heating & Cooling sales growth reported (GAAP)
Acq/Div/FX
Global Heating & Cooling underlying sales growth*

2018	2018-2021T CAGR
4%	2 - 4%
(1)%	-%
3%	2 - 4%

Global Cold Chain Underlying Sales Growth

Global Cold Chain sales growth reported (GAAP)
Acq/Div/FX
Global Cold Chain underlying sales growth*

2018	2018-2021T CAGR
10%	5 - 7%
(5)%	-%
5%	5 - 7%

Trademark Ownership Statement

Amazon, Walmart, Whole Foods, Target, Aldi, Lidl, Hussmann, Kysor Warren, Bohn, Zero Zone, BP, Sasol, Novo Nordisk, Shell, Northwest Redwater Partnership, Qatargas, and their related designs and logotypes used within this presentation are the trademarks, service marks and/or trade names of their respective owners, and are not owned by or affiliated with Emerson.