

Electrical Products Group Conference

David N. Farr

Emerson Chairman and Chief Executive Officer

May 22, 2019

Safe Harbor Statement

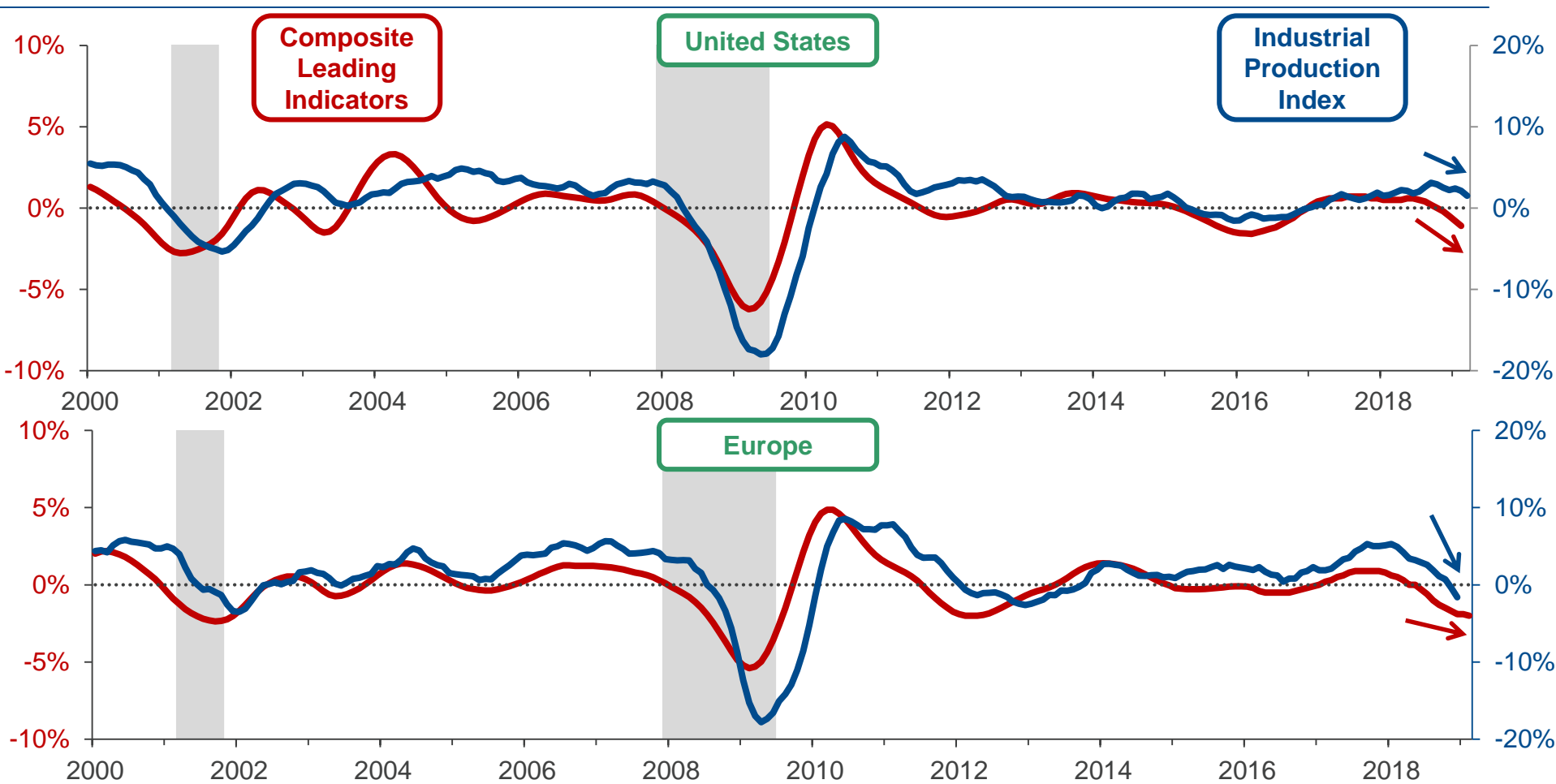
Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the remainder of the fiscal year, and Emerson undertakes no obligation to update any such statements to reflect later developments. Factors that could cause actual results to vary materially from those discussed today are provided in our 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 *) 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 available at our website www.Emerson.com under Investors.*



Composite Leading Indicators & Industrial Production Index Depict the Inventory Correction

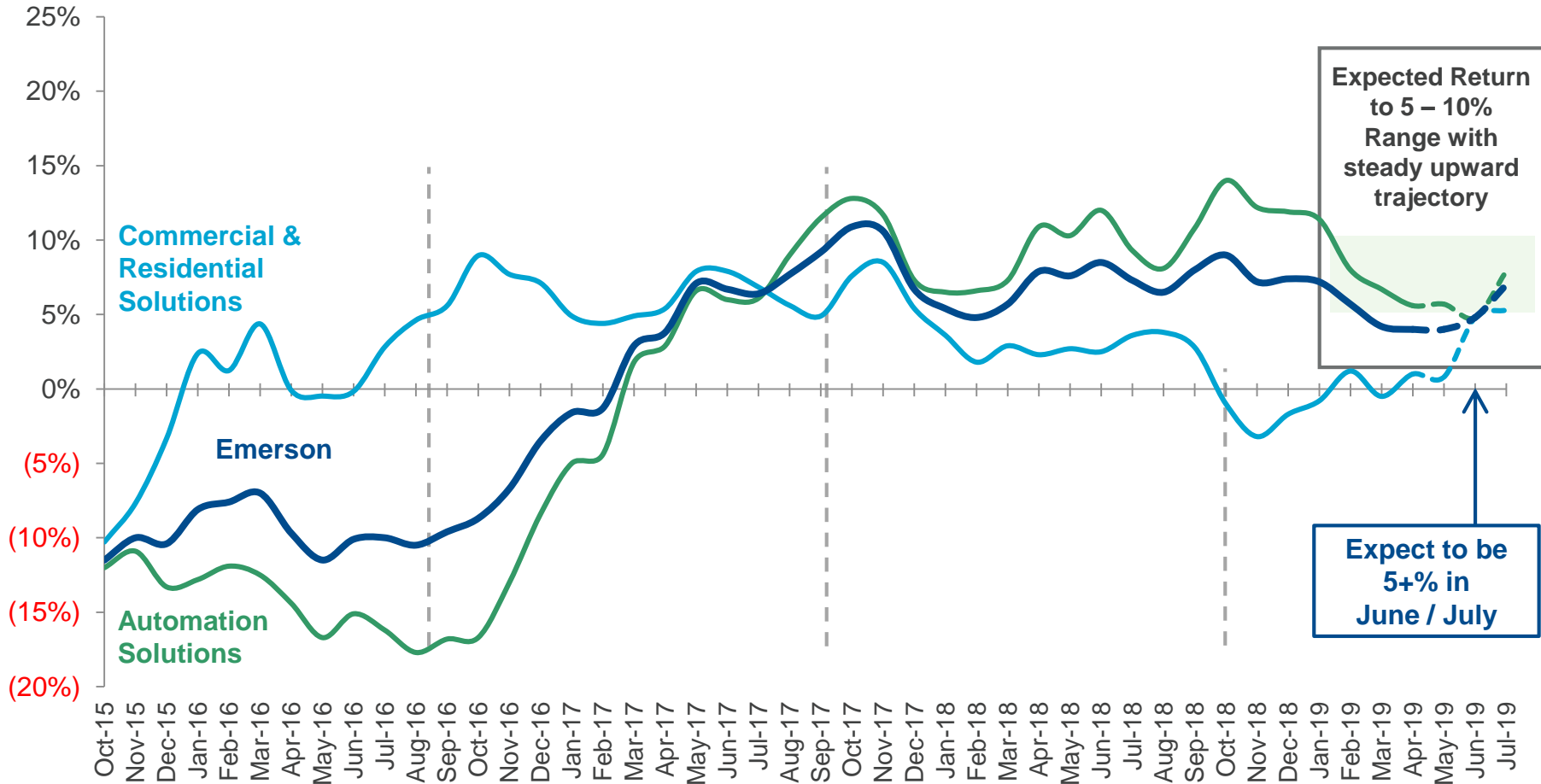


Source: CLI and IPI from OECD/EMI

Inventory Correction Has Begun In Europe -- Already Seeing Improvements
 Gap Has Yet to Tighten In the United States --
 Distribution Related Business Rebound Will Take Several Months

Total Emerson Underlying Order Trends

Trailing 3-Month Average vs. Prior Year

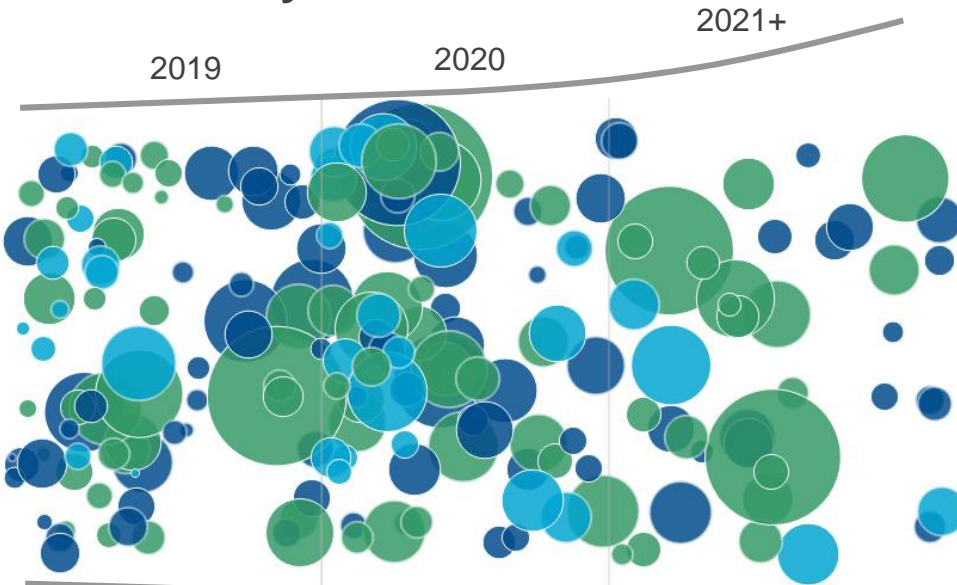


Orders data includes the Valves & Controls acquisition results on a pro forma basis for all periods.
The acquisition closed April 28, 2017.

Trailing Three-month Underlying Orders Increased 4% in April, Marking Twenty-Six Consecutive Months of Positive Orders

Long-term Outlook Remains Intact -- Large Project Funnel Robust With Additional Commitments to Emerson

Investment Decision Dates By Destination

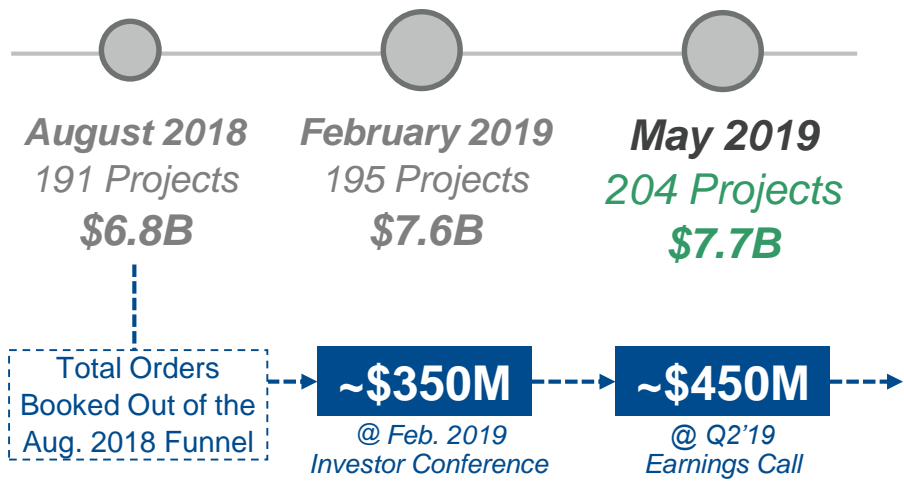


WORLD AREA	VS. FEB EXPECTATION
Americas	✓
Asia Pacific, Middle East & Africa	✓
Europe	✓

\$4.5B
Aug 2018

Total Automation Solutions Backlog

\$4.9B
Mar 2019



Growth of Long-cycle Backlog and Healthy Project Funnel Supports Visibility and Sales Growth into 2020 -- Still Committed to Investments

Systems & Solutions Top 120 Projects

UPDATES SINCE FEB INVESTOR CONFERENCE

+\$110M

of Additional
Projects

+\$75M

in Commitments
to Emerson
+3 new checks

~\$250M

Shifted out of
2019 into 1H20

Content Intentionally Omitted

Final Control Top 120 Projects

UPDATES SINCE FEB INVESTOR CONFERENCE

+\$170M

of Additional
Projects

+\$40M

in Commitments
to Emerson
+5 new checks

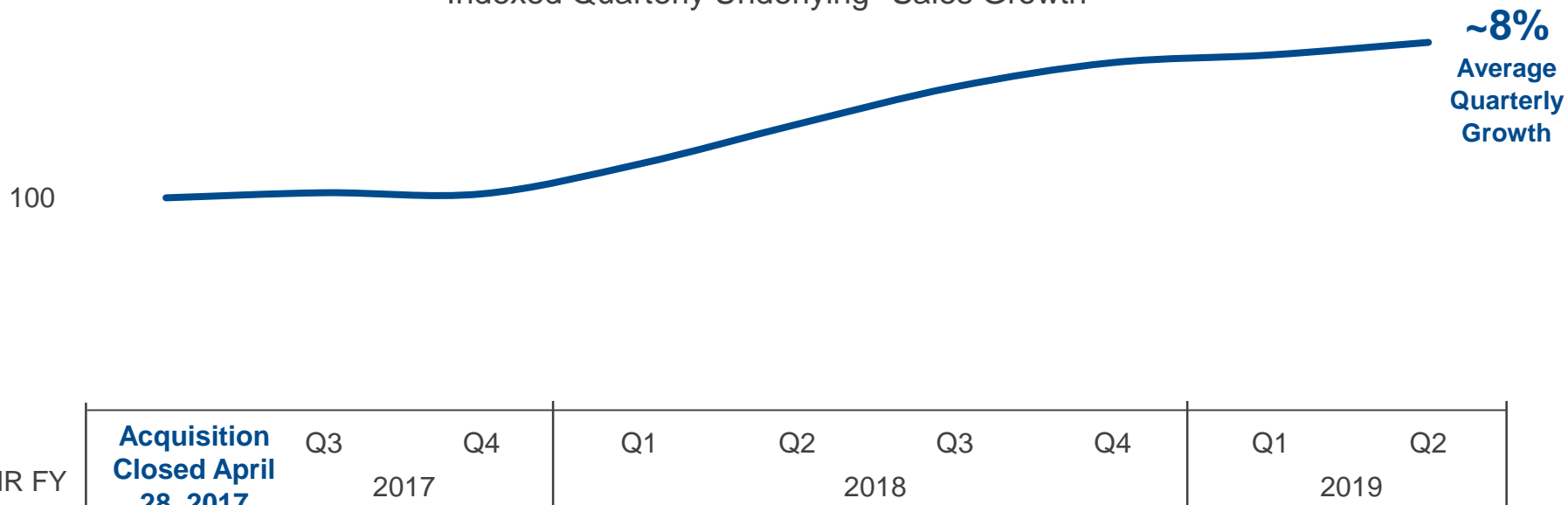
~\$50M

Shifted out of
2019 into 1H20

Content Intentionally Omitted

Final Control is Delivering Ahead of Synergy Plan and Continues to Outperform Competitors

Indexed Quarterly Underlying* Sales Growth



Valves & Controls Integration

- **Synergy programs on track** to deliver on \$200M Year 5 commitment
- **Total Final Control** significant improvements (May'17 to Mar'19):
 - **Service level**
 - **Trade working capital**
 - **Overdue backlog**

Strong Project Wave Continues

- **~50% win rate** in the first half of 2019
- **Significant orders opportunity** in the next 18 months, 60% are in LNG and chemical/petrochemical markets

2019 Outlook

	Earnings Call Feb 5, 2019	Updated Guidance May 7, 2019
Net Sales Growth	7% to 10%	7% to 8.5%
Automation Solutions	7% to 10%	7% to 9%
Commercial & Residential Solutions	8% to 10%	~7%
Underlying Sales* Growth	4% to 7%	4% to 5.5%
Automation Solutions	5% to 8%	5% to 7%
Commercial & Residential Solutions	3% to 5%	~2%
GAAP EPS	\$3.60 to \$3.75	\$3.60 to \$3.70
Tax Rate	24 to 25%	~23%
Operating Cash Flow	\$3.2B	\$3.2B
Capex	\$650M	\$650M
Free Cash Flow Conversion*	>100%	>100%
Q3 Sales Growth Net / Underlying*		~9% / ~4.5%
Q3 GAAP EPS		~\$0.94
% change vs. PY		(16%)
Q4 Sales Growth Net / Underlying*		~6.5% / ~5.5%
Q4 GAAP EPS		~\$1.13
% change vs. PY		+16%

+7%
excl. PY tax
benefit*

Stronger USD continues to weigh on sales and profits – also closed 2 smaller software deals and 1 more likely in Q4

No Change to the Second Half Outlook from the May Conference Call --
We Still Expect A Very Strong Growth Year in Sales, Profits, and Cash Flows

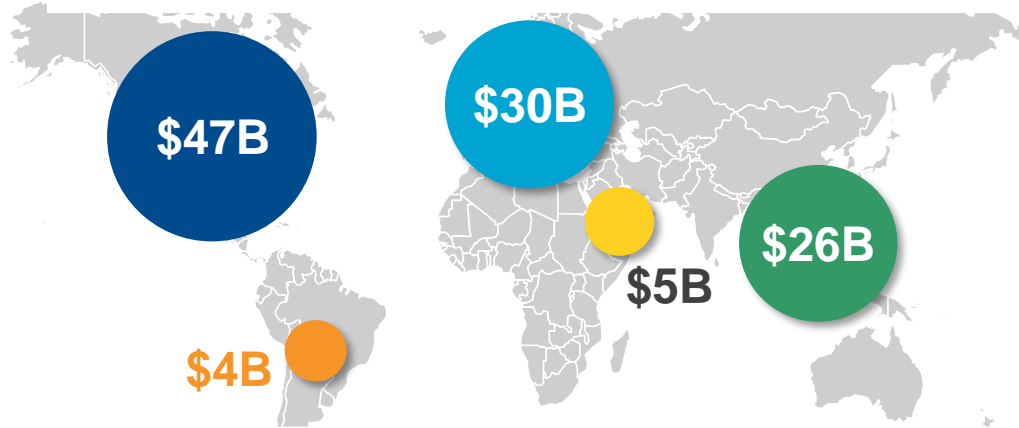
Tailwinds and Volume Leverage Drive Strong Second Half Segment Margin Performance

Content Intentionally Omitted

The Second Half of 2019 Sets Up Strong Profitability and
Operating Cost Position Heading into 2020

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

We Will Continue Our Investment Plans Unless Market Demand Shifts Out

We Are Responding to a Slower First Half Underlying Sales Growth with Accelerated Restructuring Actions

AUTOMATION SOLUTIONS

Added \$8M of restructuring actions to Q3 and full year

Accelerate Aventics integration – driving synergy plans

Additional Paradigm integration actions

Adjusted investment spending trajectory matched to slower short-term growth expectations – but end market investment cycle still intact

COMMERCIAL & RESIDENTIAL SOLUTIONS

~\$2M of actions in Asia

Move aggressively to mitigate volume losses

Tools & Test integration progress – synergy plan on-track

Actions taken since closing drive over \$15M of annualized savings

Reconciliation of Non-GAAP Measures

Reconciliations of Non-GAAP measures (denoted by *) with the most directly comparable GAAP measure (dollars in millions, except per share amounts):

	H2'17- H1'19			
Final Control Average Quarterly Sales Growth Rate				
Final Control average quarterly sales growth rate (GAAP)	40%			
V&C acquisition & FX impact	(32)%			
Underlying average quarterly sales growth rate*	8%			
		Auto Solns	Comm & Res Solns	Emerson
FY 2019E Underlying Sales Change				
Reported (GAAP)		7 - 9%	~ 7%	7 - 8.5%
(Favorable) / Unfavorable FX		~ 2%	~ 1%	~ 2%
Acquisitions		~ (4)%	~ (6)%	~ (5)%
Underlying*		5 - 7%	~ 2%	4 - 5.5%
		Auto Solns	Comm & Res Solns	Emerson
FY 2019E <u>February Prior Guidance</u> Underlying Sales Change				
Reported (GAAP)		7 - 10%	8 - 10%	7 - 10%
(Favorable) / Unfavorable FX		~ 2%	~ 1%	~ 2%
Acquisitions		~ (4)%	~ (6)%	~ (5)%
Underlying*		5 - 8%	3 - 5%	4 - 7%

Reconciliation of Non-GAAP Measures

Reconciliations of Non-GAAP measures (denoted by *) with the most directly comparable GAAP measure (dollars in millions, except per share amounts):

Earnings Per Share

	<u>Q3 FY18</u>	<u>Q3 FY19E</u>	<u>Change</u>
Earnings per share (GAAP)	\$ 1.12	\$ 0.94	(16)%
Benefit from the Tax Cuts and Jobs Act	(0.24)	-	23%
Earnings per share excluding tax benefit related to the Tax Cuts and Jobs Act*	<u>\$ 0.88</u>	<u>\$ 0.94</u>	<u>7%</u>

Cash Flow to Net Earnings Conversion

	<u>FY19E</u>
Operating cash flow conversion (GAAP)	~ 140%
Capital expenditures	~ (40)
Free cash flow conversion*	<u>> ~ 100%</u>

Quarterly Guidance Underlying Sales Change

	<u>Q3 FY19E</u>	<u>Q4 FY19E</u>
Reported (GAAP)	~ 9%	~ 6.5%
(Favorable) / Unfavorable FX	~ 1.5%	~ 0%
Acquisitions	~ (6)%	~ (1)%
Underlying	<u>~ 4.5%</u>	<u>~ 5.5%</u>