

Emerson's Acquisition of Pentair Valves & Controls

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Chairman and Chief Executive Officer

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Safe Harbor Statement

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

Pro Forma Results

The financial measures contained in this presentation for the rebased Emerson and the Automation Solutions and Commercial & Residential Solutions businesses represent the businesses that are expected to remain a part of Emerson and to comprise these business groups after completion of the proposed acquisition of Valves & Controls and Emerson's other strategic portfolio repositioning actions.



The February 2016 Investor's Conference Game Plan to Drive Premium Valuation

Step 1: Restructure

- Continue restructuring and cost reductions in line with a challenging global economy, and a smaller, more focused Emerson
- Global economies are struggling to generate any growth acceleration. Therefore, low growth expectations persist through fiscal 2017
- Maintain year-to-date profitability, cash flow

Action:

Started February 2015 and ongoing through 2016 – 2017, until global growth returns

Restructuring Costs 2016E: \$90 – 100M ; 2017F Total Restructuring \$50 – 60M

Step 2: Reposition



- Complete sale of the Network Power, and Motors & Drives / Power Generation businesses

Action:

Initiated June 2015 -- Targeted to be completed by September 2016

✓ Both Signed in July 2016, Combined Value of \$5.2B

Step 3: Acquire

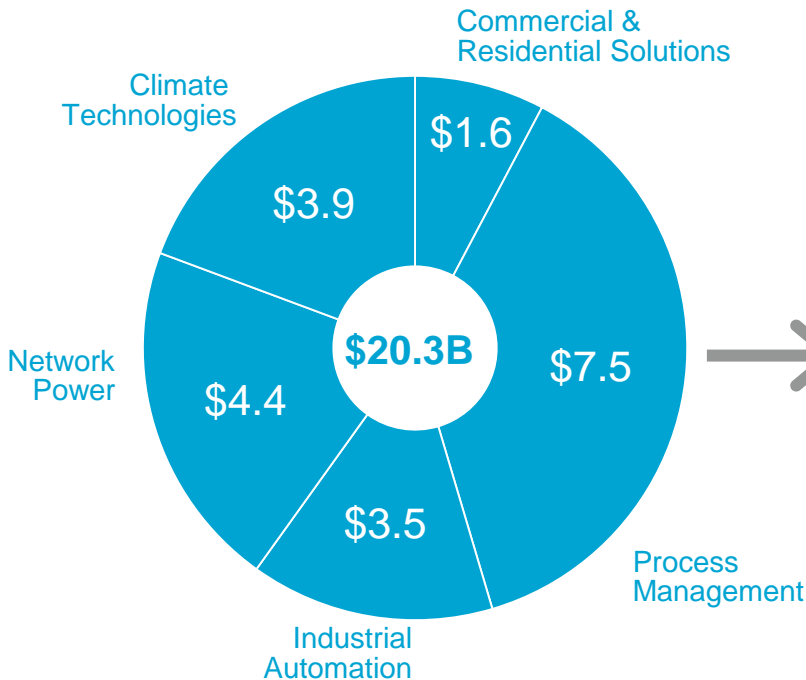


- Aggressively pursue acquisitions to rebuild the new core, focused Emerson to ~\$20B -- Intent is to reinvest repositioning cash proceeds within two businesses

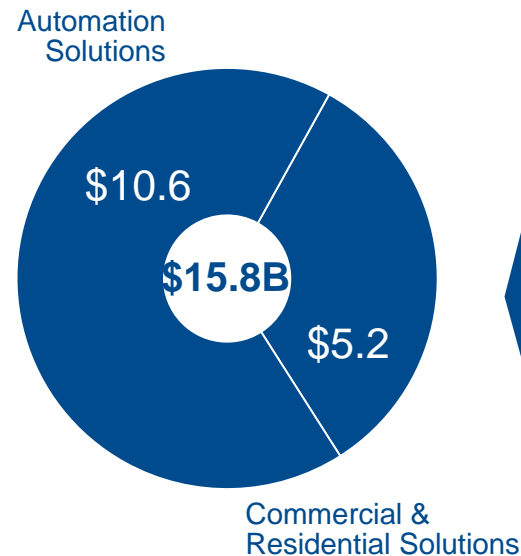
✓ Purchased ~\$1.6B Pentair Valves & Controls business

Portfolio Repositioning Strategy to Drive Shareholder Value

Emerson 2016E¹



Emerson 2016E Pro Forma²



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

¹ Segment sales are shown before intercompany eliminations.

² Pro Forma assumes all strategic actions have been completed (excludes Network Power, Control Techniques, Leroy-Somer, and remaining storage business) and includes Pentair Valves & Controls

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

Pentair Valves & Controls Acquisition Rationale

Strengthen Market Position

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

Desirable Target

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

Reduced Risk of Entry

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

Value Creation

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

Deal Economics

Valuation

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

Multiples

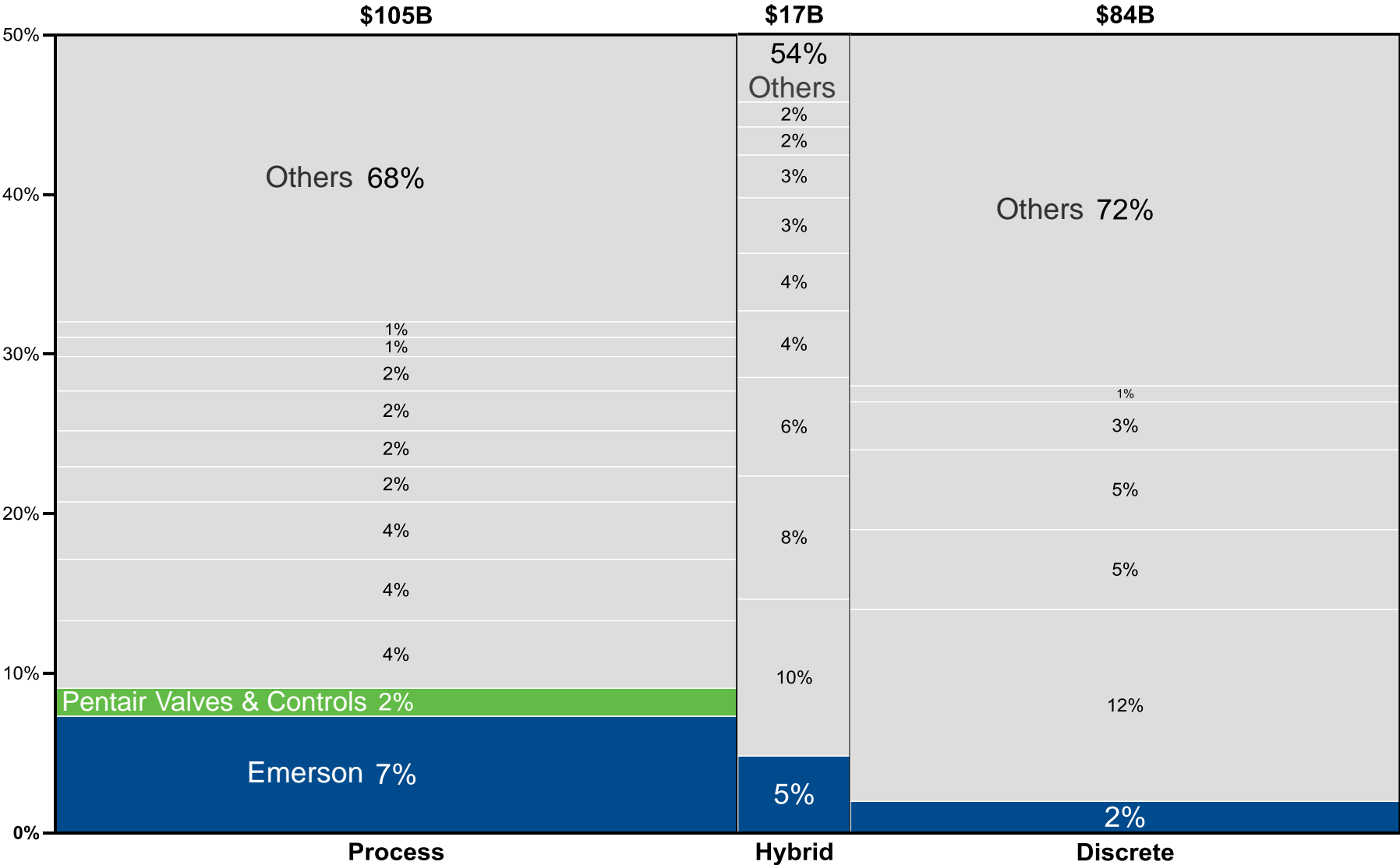
	Sales	EBITDA
2016E	1.9x	14.1x
3-Year Average	1.6x	10.1x

TTM 2016E EBITDA
reflective of trough in market

Cost and Sales Synergies Represent 10%+ of Target Sales. Synergies Will Drive the Business to Historic Sales Peak of ~\$2.4B+. Cash Accretive in 2018

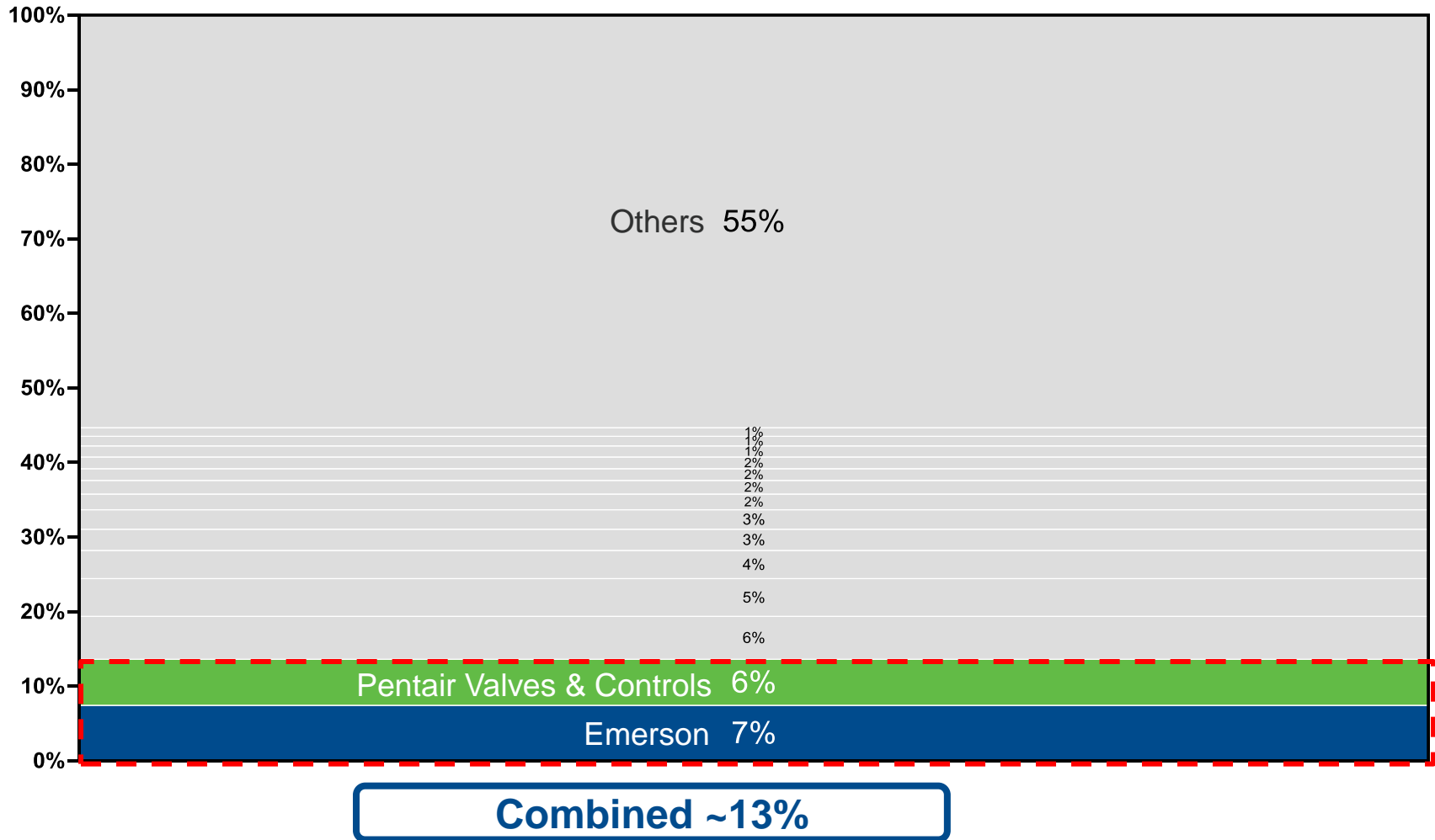
Global Automation Marketplace

Process, Hybrid, and Discrete Automation - \$206B



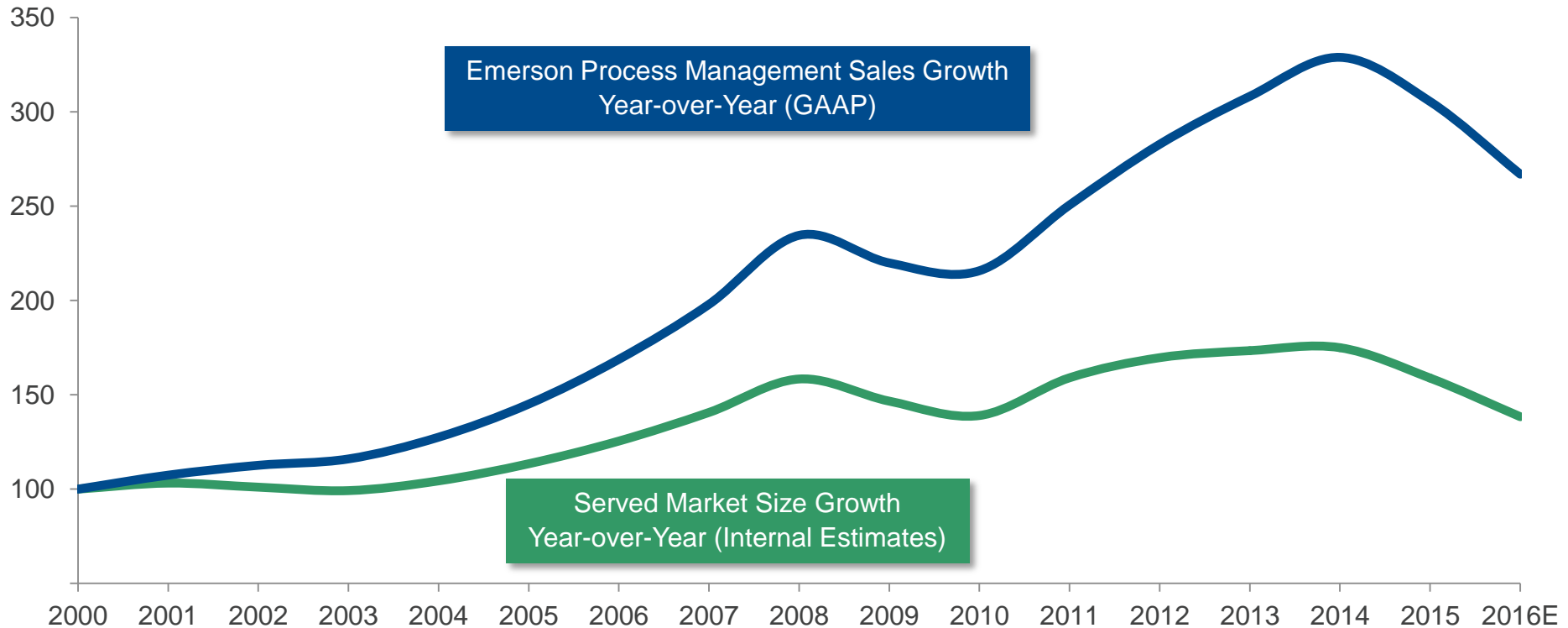
Sources: ARC, Freedonia, EIF, Other 3rd Party Reports, RSR Marketing, IHS Global Insights, Internal Estimates

\$29B Global Final Control Market



With Pentair Valves & Controls We Will Have Similar Market Participation Across All Automation Solutions Business Groups

Historically, the Emerson Business Has Outgrown the Market Through the Cycles

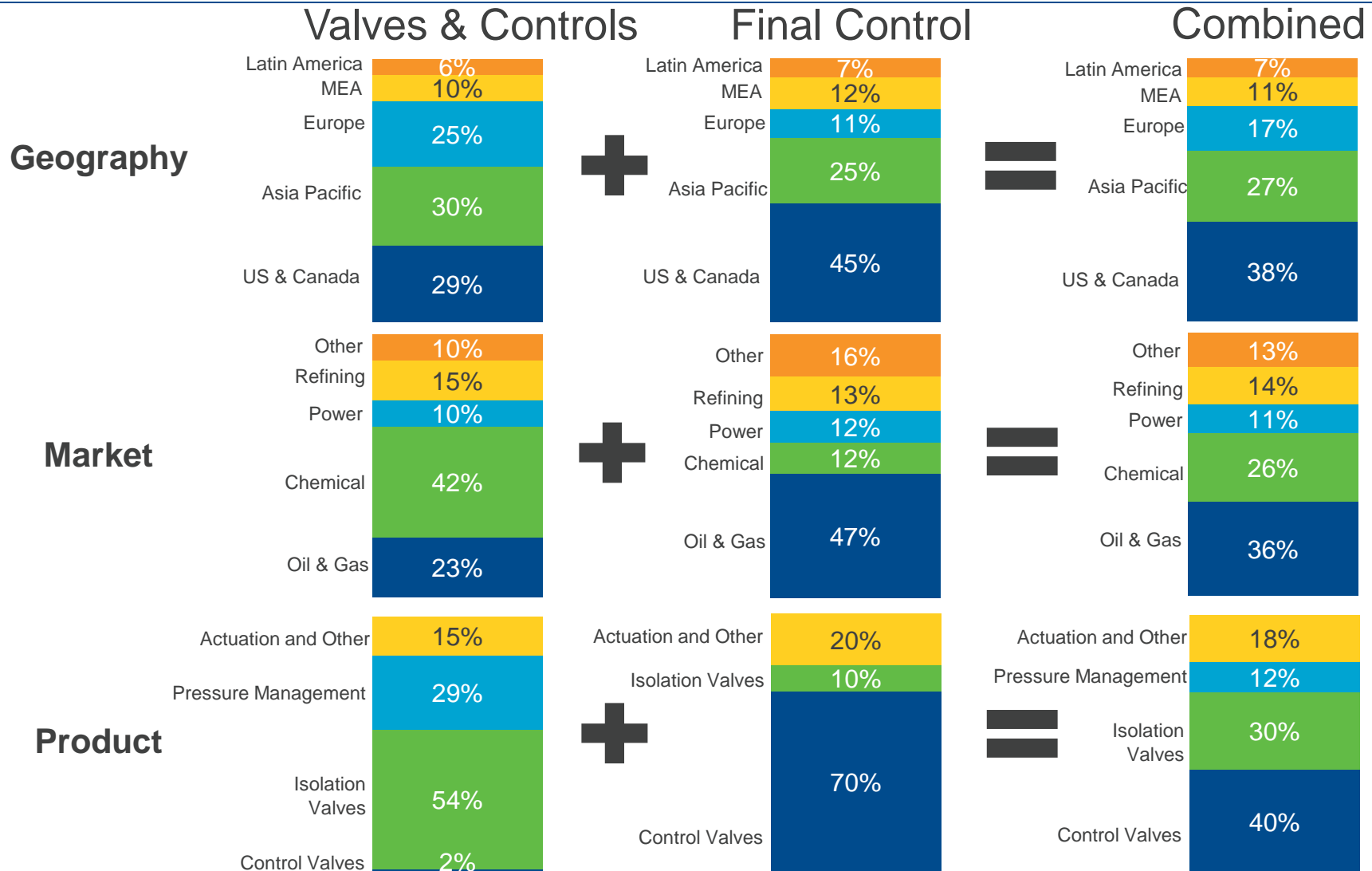


Annual Growth Rates	2008-2014	2010-2016E
Emerson Process Management	6%	4%
Served Market	2%	0%

Source: IHS Economics and Emerson Management Assessment

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

Emerson Final Control and Pentair Valves & Controls Business Overview



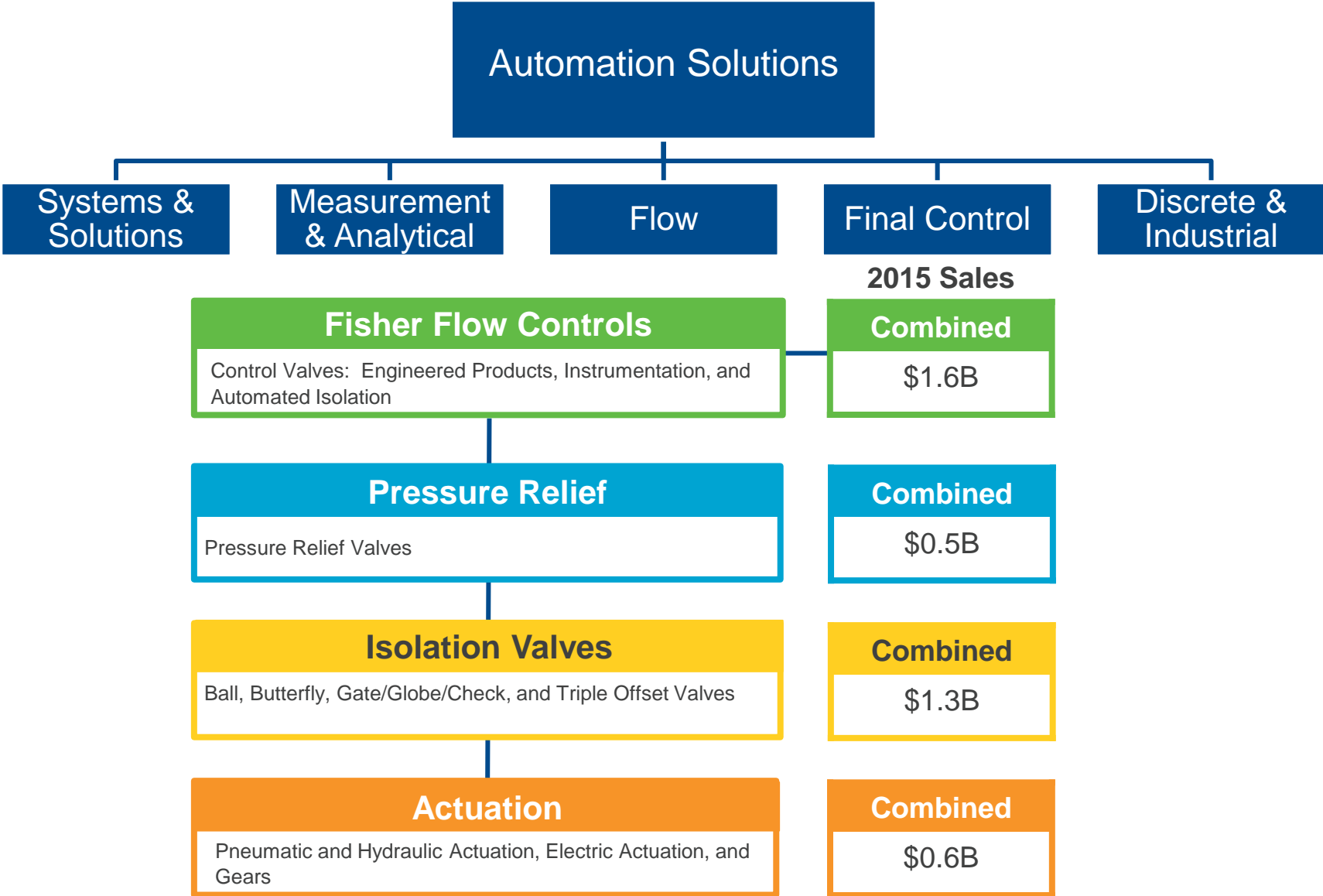
Combined Operating Margin 14-18+% Through-the-Cycle

Pentair Valves & Controls Portfolio is Complementary to Emerson and Creates the Premier Global Valve and Actuation Player

Final Control Capabilities	Emerson Final Control	Pentair Valves & Controls	Combined Final Control Entity
Control Valves	Green	Red	Green
Isolation Valves	Yellow	Green	Green
Triple Offset BV	Yellow	Green	Green
Butterfly	Red	Green	Green
Ball	Yellow	Yellow	Green
Gate/Globe/Check	Red	Green	Green
Other On/Off Technologies	Red	Yellow	Yellow
Actuation & Controls	Green	Yellow	Green
Electric	Yellow	Red	Yellow
Pneumatic	Green	Yellow	Green
Manual	Yellow	Yellow	Yellow
Pressure Relief	Red	Green	Green
Key Brands	Fisher Bettis	Crosby Vanessa Anderson Greenwood Keystone	

Establishes Global Leadership in Control, Isolation, Pressure Relief Valves and Actuation & Controls

Emerson Final Control Business Group



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

Global Chemical Project

Total EMR Sales: ~\$200M



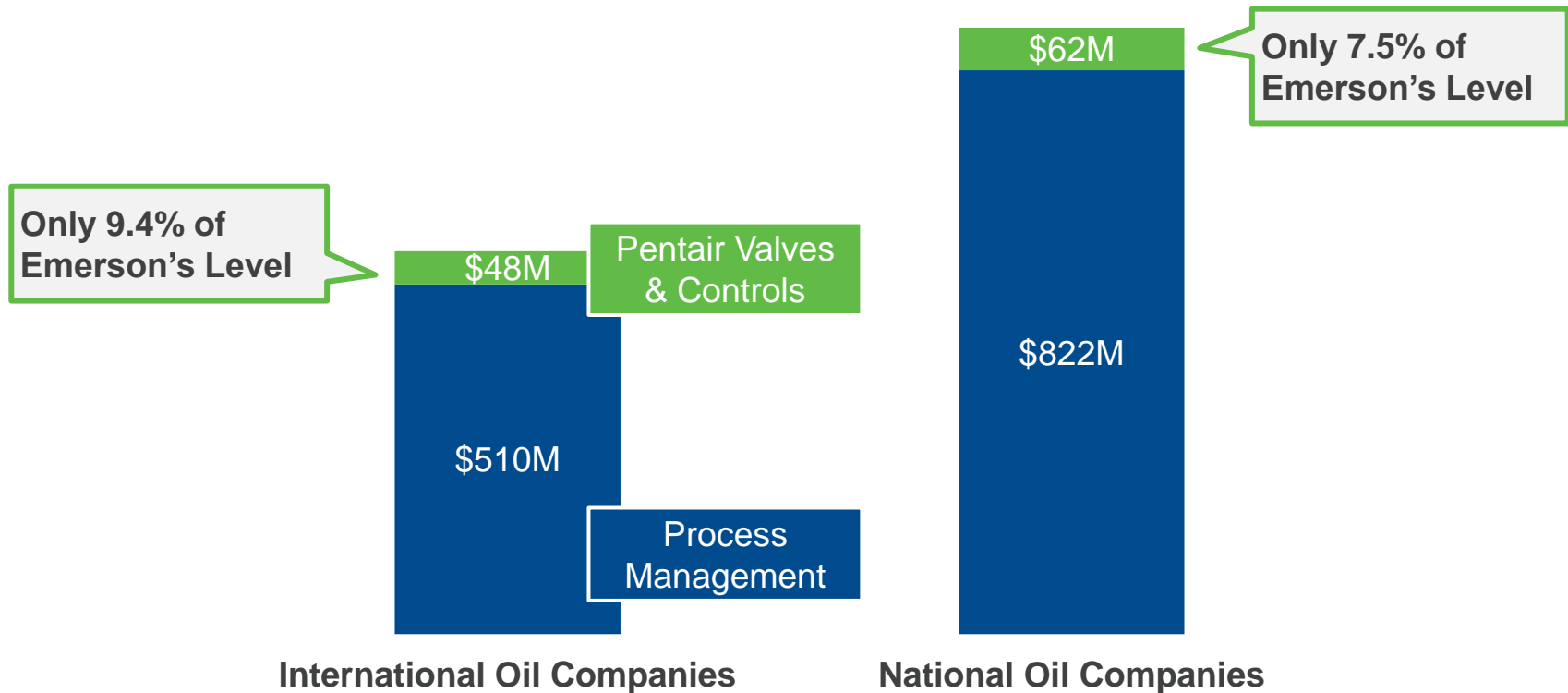
Product Line	EMR Sales (\$M)	Full Project Scope (\$M)	% of Project Scope
Control and Safety Systems	\$135M	\$180M	60%
Control Valves & Regulators	\$25M	\$30M	10%
Isolation Valves	\$3M	\$29M	8%
Isolation Valve Actuation	\$10M	\$11M	5%
Pressure, Temperature, Level	\$10M	\$15M	5%
Flow and Fiscal Metering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

\$'s not in Current EMR Scope
\$45M
\$5M
\$26M
\$1M
\$5M
\$3M
\$2M
\$10M
\$97

Isolation Valves are an Important Component of Large Global Projects and Emerson's Current Presence is Limited

Pentair Valves & Controls is Underpenetrated in Emerson's Key Global Accounts

2015 Select Key Account Sales



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

Synergies and Integration Planning

Anticipate 10%+ Synergies of Valves & Controls Sales

Costs

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

Sales

- Emerson Strategic Accounts
- World Area Sales Pull Through

Integration Team Led By Ed Monser

Steering Committee

Integration Executive

Integration Lead

Value Creation Teams

- Operations
- Supply Chain
- Enterprise Service
- Enterprise Sales
- Back Office
- Technology

Functional Teams

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

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

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