

Emerson to Acquire Aventics

May 17, 2018

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, including, among others, the impact of the Tax Cuts and Jobs Act, are provided in our most recent Annual Report on Form 10-K and subsequent reports filed with the SEC.

Non-GAAP Measures

*In this call 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.*



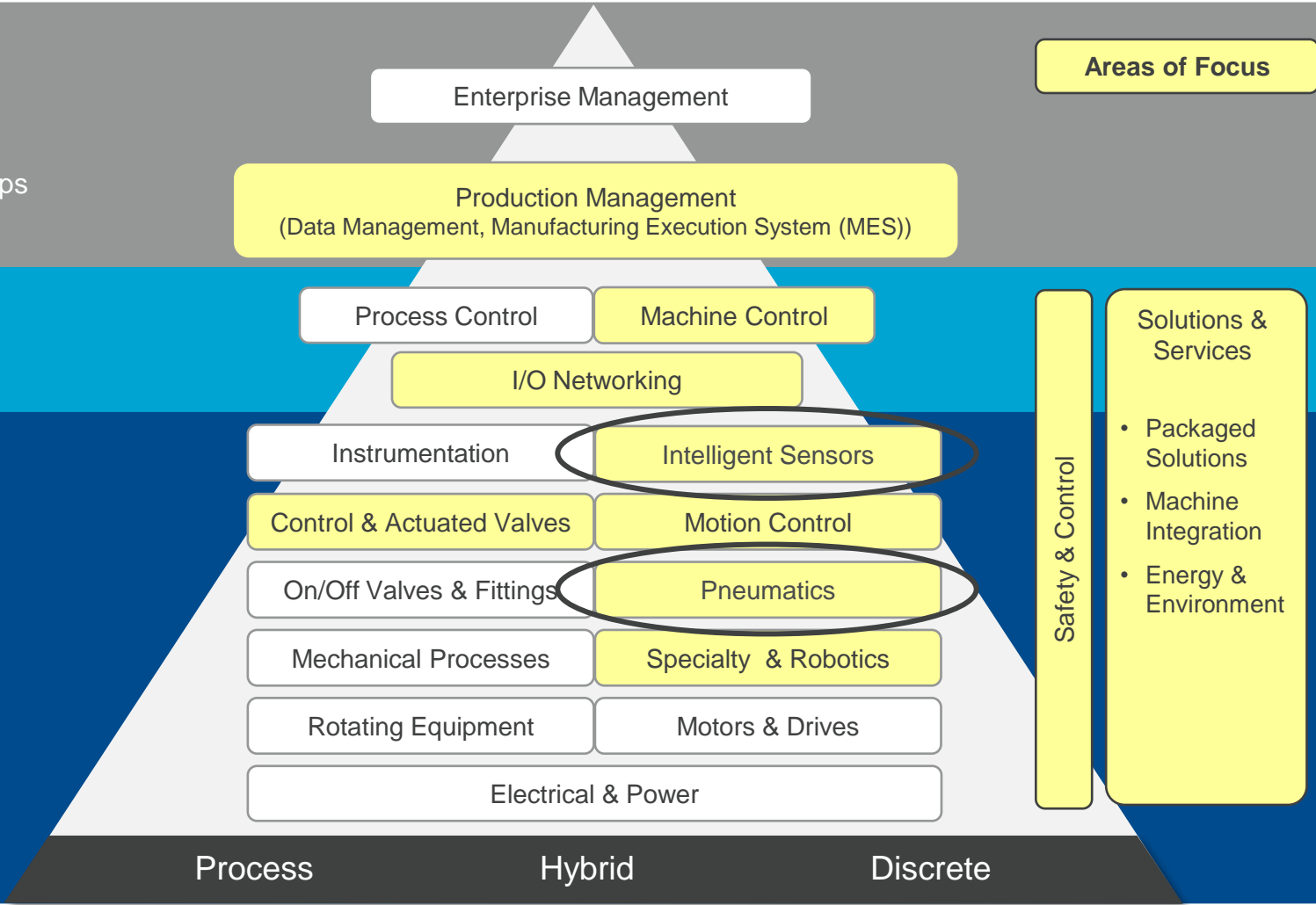
Emerson Will Continue to Expand Our Automation Solutions' Capabilities

Data Management
Converts rich data to information and develops actionable insights

Control
Performs action on rich data collected from the field

Devices / Instruments / Sensors
Generates rich data

Areas of Focus



We Will Continue Our Focus on Building Out Solutions Capabilities in Targeted Hybrid and Discrete End Markets

Aventics Overview



Company Profile

Headquarters: Luxembourg; Central office in Laatzen, Germany





2017 Sales: \$425M

Employees: ~2,100

Global Footprint: 5 mfg. facilities across five countries

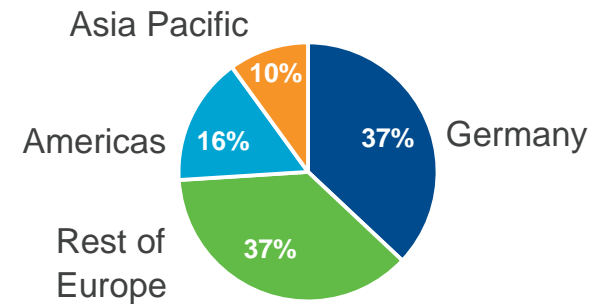
Description: Designs and manufactures pneumatic devices and systems, including diagnostic and monitoring capabilities, for machine builders and OEMs in hybrid and discrete manufacturing

Products

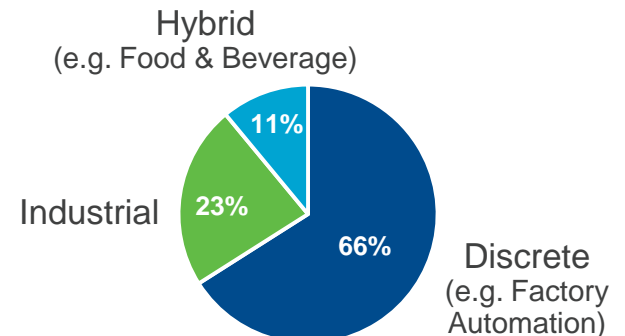
Pneumatic Valve 	Cylinders & Actuators 
Air Preparation & Sensors 	Hygienic & Washdown 

Sales Mix

By Geography



By End Market



Aventics Is a Strong Complementary Fit with Emerson's Fluid & Motion Control Business

Desirable Target

Complementary Fit with Emerson that Creates ~\$1.5B Business

- Provides valuable footprint in key automation market - Germany
- Strengthens Emerson's portfolio of factory automation technologies
- Adds 2-3 pts. to Automation Solutions' hybrid and discrete end market mix

Strengthen Market Position

Bolsters Emerson's Leadership in \$13B Fluid Automation Market

- Creates the broadest fluid automation offering in the market
- Brings complementary products with North American and European standards
- Provides access to key customers in targeted hybrid and discrete end markets
- Adds diagnostic and monitoring capability that enables smart factories

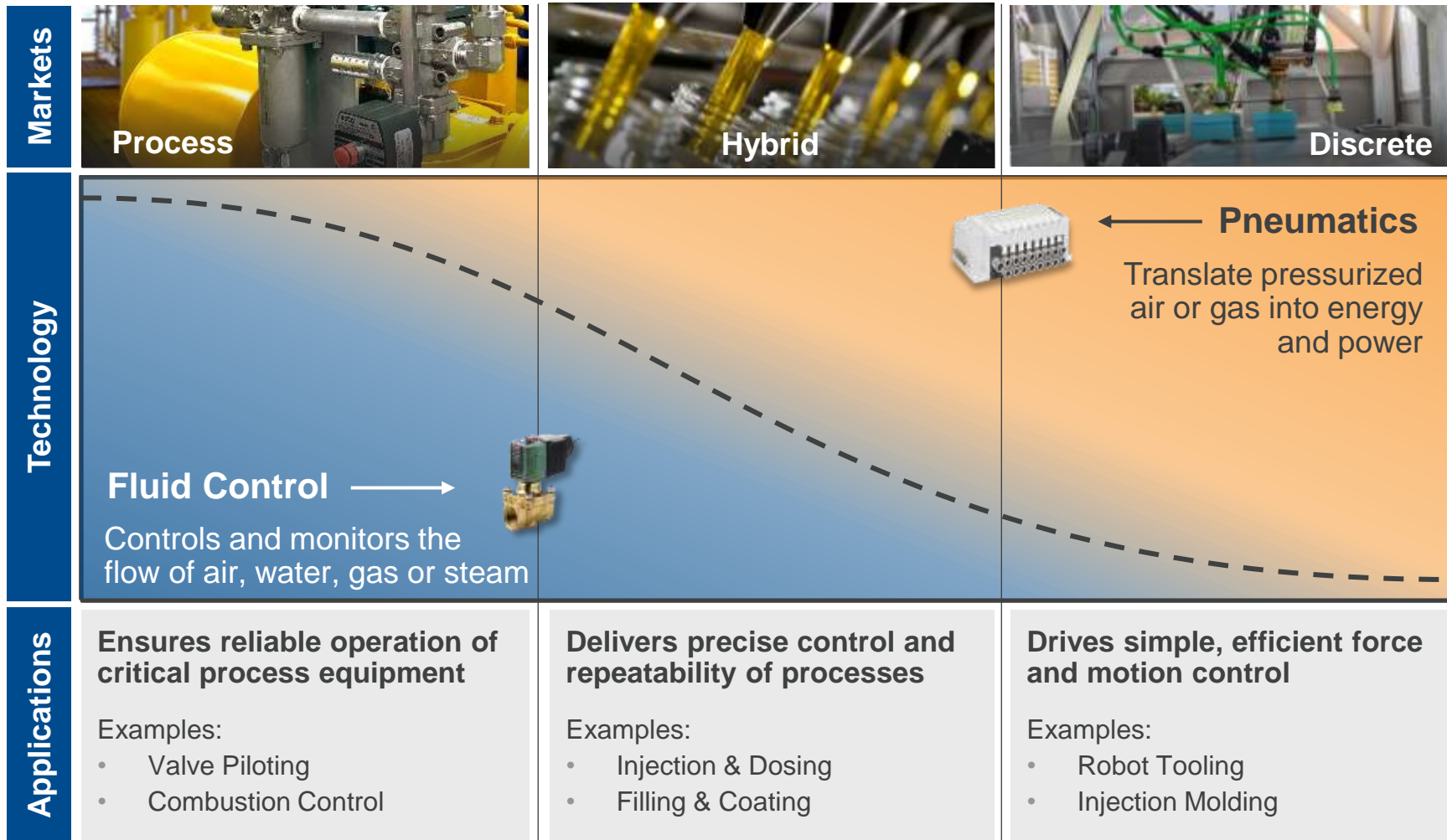
Value Creation

Bolt-On Acquisition with Meaningful Value Creation Opportunity

- Combined global footprint creates greater reach for customer engagement
- Emerson-wide pull through in key markets like F&B, Packaging and Life Science
- Margin improvement opportunity with leverage across the combined businesses

Aventics Adds Complementary Factory Automation Technology and Expands Our Participation in Targeted Hybrid and Discrete End Markets

Automation Investment Is Driving Technology Convergence Between Fluid Control and Pneumatics



Aventics Strengthens Our Pneumatics Offering – Giving Emerson the Broadest Fluid Automation Portfolio to Support Customers Across All End Markets

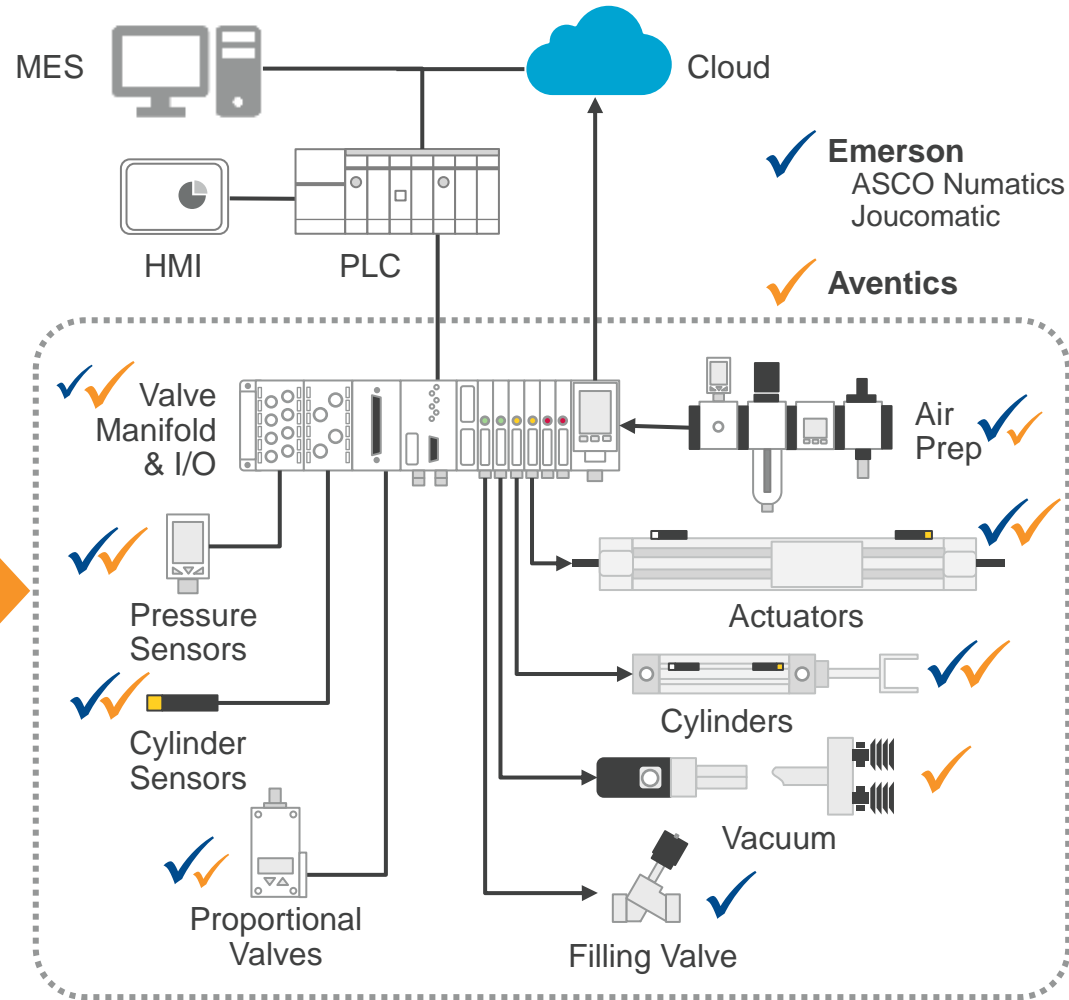
Fluid Automation Is a Key Focus Area for Enabling Improved Factory Automation

Factory Automation



Pneumatics offer an **efficient, reliable solution** to automate machine functions such as:

- Driving Motion
- Gripping Products
- Applying Force



Our Combined Portfolios Create a
Comprehensive / Intelligent Motion & Handling Solution

Aventics Synergies and Transaction Summary

	Emerson Fluid & Motion Control	Aventics	Combination
Geographic Mix	<p>Asia Pacific 20% Americas 50% Rest of Europe 24% Germany 6%</p>	<p>Rest of Europe 37% Americas 16% Germany 37% Asia Pacific 10%</p>	<p>Americas 39% Rest of Europe 28% Germany 16% Asia Pacific 17%</p>
End Market Mix	<p>Discrete 24% Process / Hybrid 34% Industrial 35% Other 7%</p>	<p>Discrete 66% Industrial 23% Hybrid 11%</p>	<p>Discrete 37% Industrial 31% Process / Hybrid 27% Other 5%</p>
Sales	1% growth above 3-5% market, driven by cross-selling and solutions offering		
Margins	>5 points margin expansion, closer to Fluid & Motion Control margins		
Transaction Summary	<ul style="list-style-type: none"> • Cash purchase price €527M, ~12x 2018E EBITDA • Slightly EPS accretive in 2019, excluding restructuring and acquisition accounting charges • Preliminary amortization and acquisition accounting charges communicated after close • Expected closing in fiscal Q4 2018 		

Strategic Bolt-on Acquisition Brings Strong European Presence and Position In Targeted Hybrid and Discrete End Markets