



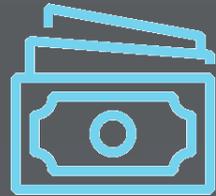
**EMERSON**<sup>TM</sup>

# **Emerson to Advance Global Automation Leadership Through Acquisition of NI**

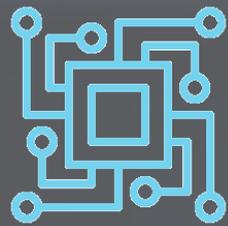
---

**April 12, 2023**

# Highly Strategic Acquisition Accelerates Emerson's Portfolio Transformation And Will Create Value For Shareholders



Emerson is acquiring **NI, a global test & measurement leader** in an all-cash transaction for **\$60 per share** with **total equity value of \$8.2B**. Including the ~2.3 million NI shares Emerson already owns, the effective purchase price is **\$59.61 per share**



Key step in portfolio evolution, advancing Emerson's position as a **global automation leader** and diversifying technology into test & measurement automation



NI's portfolio of intelligent devices, control and software aligned to **capture secular growth trends** in diversified discrete end markets like semiconductor, electric vehicles, electronics, aerospace and defense, accelerating Emerson revenue growth through the cycle



**Creates substantial value for Emerson shareholders:**

- Significant **cost synergies of \$165M by the end of year 5** identified with detailed execution plans
- Accelerates underlying revenue growth, expands gross margins, **accretive to year one adjusted EPS** and **meets Emerson's stated return criteria**

# Transaction Highlights

## Valuation

\$60 per share all-cash transaction; Emerson's effective price is \$59.61, including the ~2.3 million shares Emerson already owns, acquired at \$36.84

Total equity value of \$8.2B

~15x fiscal 2023 consensus EBITDA including \$165M of cost synergies

## Financing

Transaction not subject to any financing conditions

Plan to use ~\$8B of post-tax proceeds from majority sale of Climate Technologies to Blackstone

Net leverage of <2x expected at closing

## Financial Impact

Immediately accretive to adjusted EPS, gross margins and underlying growth profile

\$165M of cost synergies to be realized by the end of year 5

Meets acquisition return criteria

## Pathway to Completion

Subject to the completion of customary closing conditions, including regulatory approvals and approval by NI shareholders

Transaction expected to close in the first half of Emerson's fiscal 2024

**Highly Strategic  
and Attractive  
Transaction Aligned  
With Emerson's  
Automation  
Strategy**

# Test & Measurement Is An Attractive Automation Adjacency Complementary To Emerson's Leading Portfolio



# Test & Measurement Will Be Accretive To Emerson's Growth Through Exposure To Secular Trends In Diversified End Markets

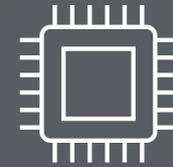
**\$35B**

M&A Priority TAM

**MSD**

Market Growth

## Market Verticals



Semiconductor



Aerospace / Defense



Transportation

## Focus Segments

Discrete and Modular Devices

Data Acquisition

Humidity and Gas Detection

Automated Test Equipment

## Growth Drivers



Ubiquity Of Semiconductor Chips



Autonomous / Electric Vehicles



Sustainability

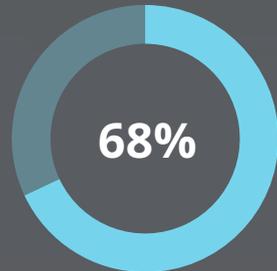


Battery Growth

# NI Has An Attractive Customer Base, Diverse End-Market Mix And Exposure To Compelling Growth Opportunities



Revenue



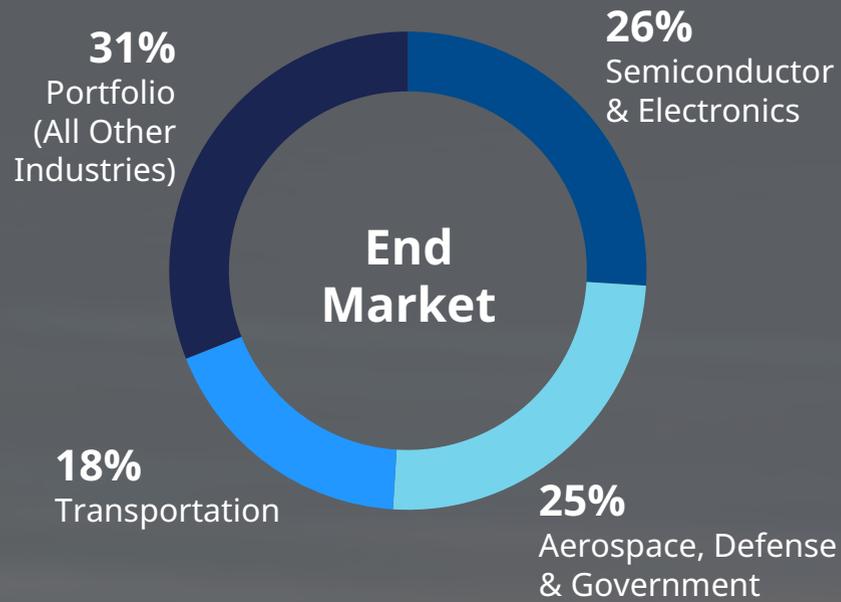
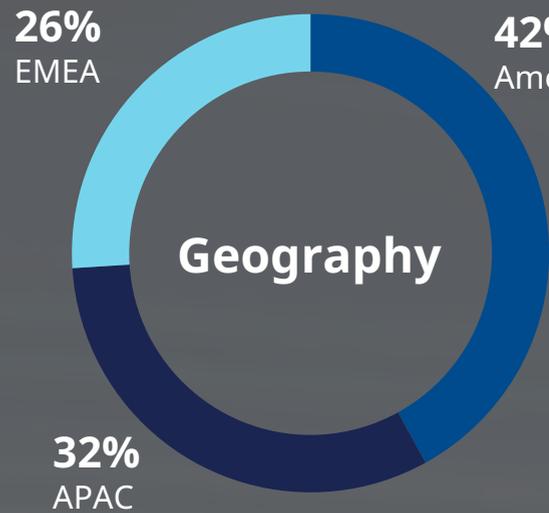
Gross Profit



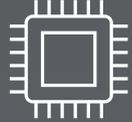
Customers



Employees



## Compelling Growth Vectors

Market	Technology Inflection	NI Solution
 Semiconductor	> 5G, Wi-Fi, UWB	> Semiconductor Test Systems
 Transportation	> ADAS / Autonomous Vehicles, Electric Vehicles	> EV Battery Test Systems, ADAS Record and Playback
 Aerospace / Defense	> Cognitive Systems, Digital Transformation, Sensor Fusion	> Open and Modular Platforms

Note: Numbers represent NI fiscal 2022

# Emerson Has Experience Effectively Managing Industry-Leading Intelligent Devices, Controls And Software Businesses



**Software**

AspenTech

**Control**

DeltaV  
Ovation  
PACSystems

**Intelligent Devices**

Micro Motion  
Rosemount  
ASCO  
Fisher



**Software**

LabVIEW  
Optimal +  
TestStand  
FlexLogger

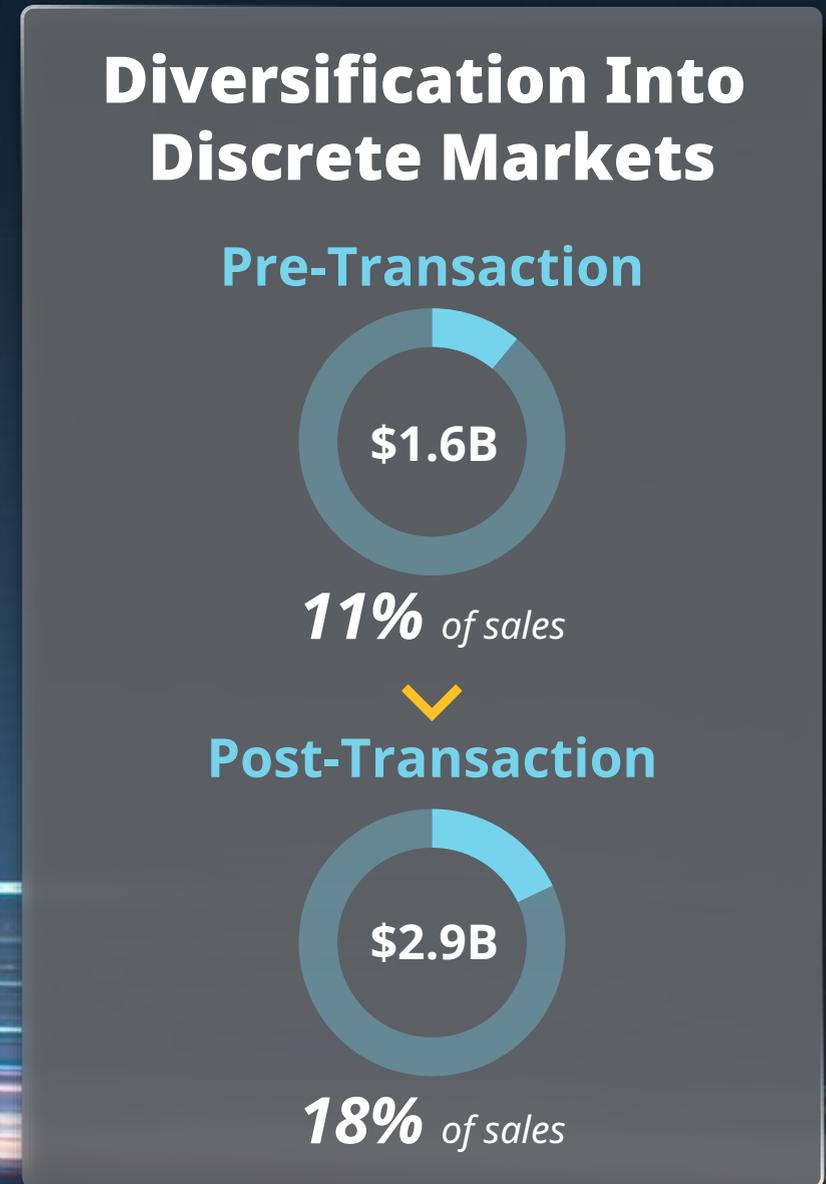
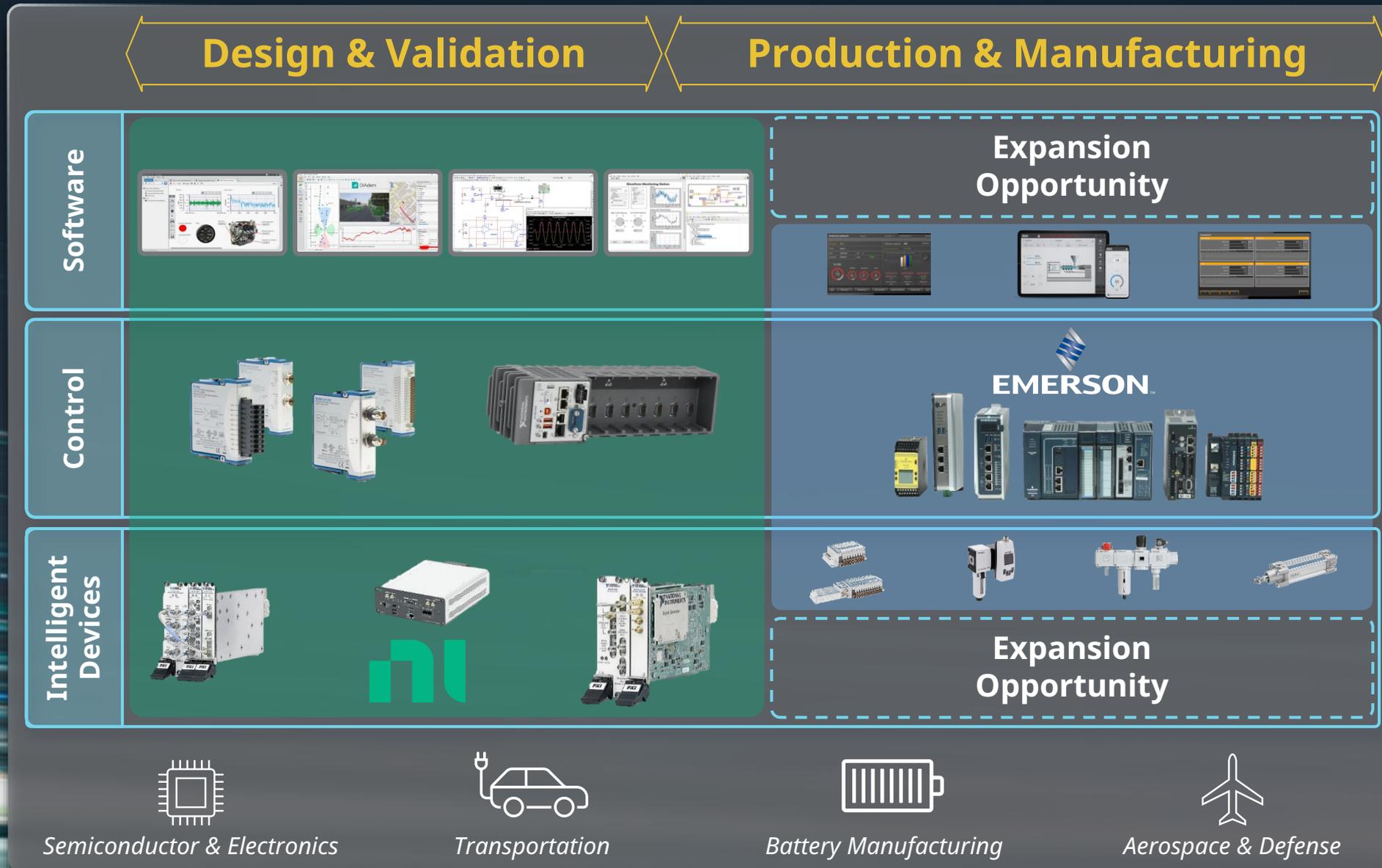
**Control**

PXI Controllers  
CompactRIO  
CompactDAQ

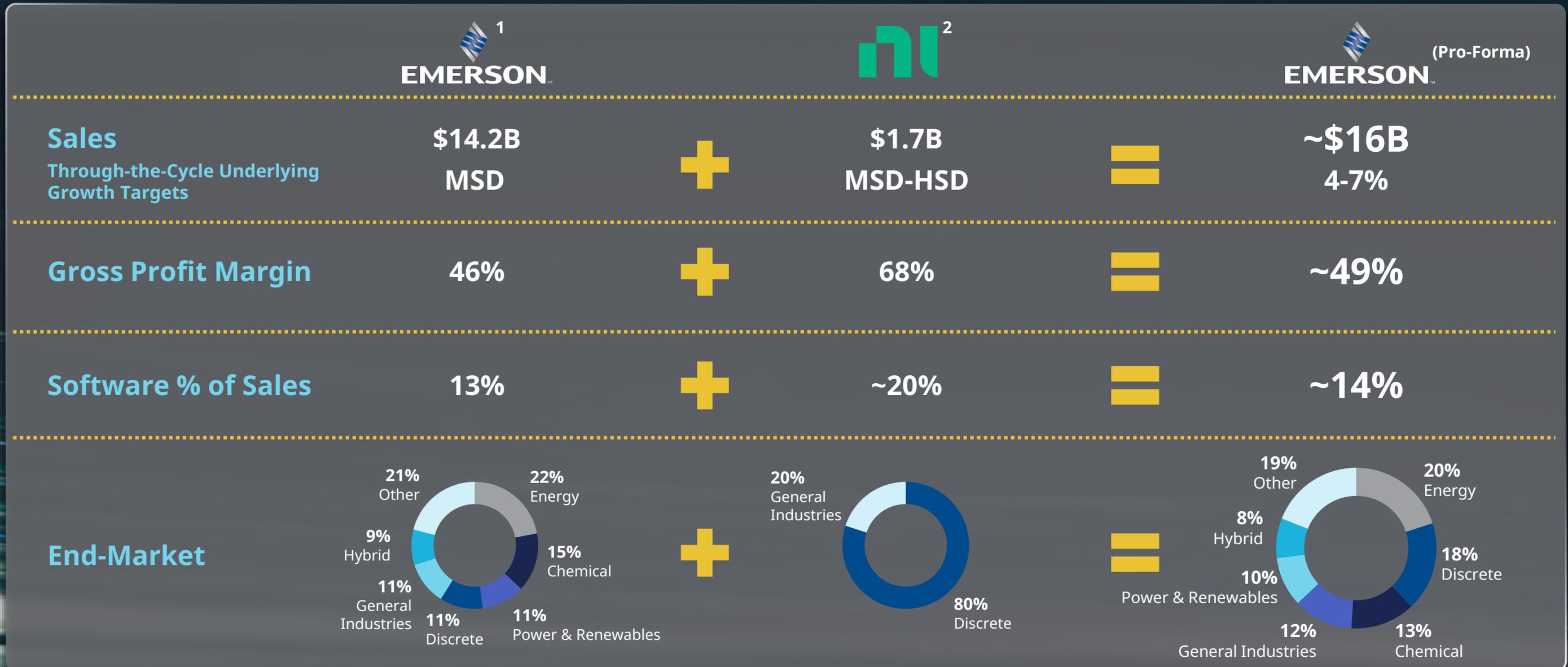
**Intelligent Devices**

Oscilloscopes  
RF Generators  
Spectrum Analyzers  
Multimeters

# NI Provides Key Automation Entry Point Into Discrete Markets



# Pro-Forma Emerson Is Expected To Have Higher Growth, Leading Software Mix And Diversified End-Market Exposure



1 Represents pro-forma 2022 Emerson including full-year heritage AspenTech, and excluding Micromine and any announced or completed divestitures; 2 Represents NI fiscal year 2022

# \$165M Of Year Five Synergies Drive Significant Value Creation Opportunity For Emerson Shareholders

## Research & Development

- Improved engineering productivity
- Faster NPD speed to market using Emerson innovation process
- Leverage Emerson's engineering centers of excellence

## Sales & Marketing

- Improve channel effectiveness with customer segmentation tools
- Utilize Emerson's in-region scale to drive efficiency
- Apply commercial excellence tools to improve channel and price management

## Corporate, General & Administrative

- Eliminate standalone corporate costs
- Streamline duplicative functions
- Leverage Emerson's shared service centers

## Trade Working Capital

- Utilize Emerson's best practices to improve balance sheet productivity
- Focus on inventory with additional opportunities on receivables

## Synergy Outlook

**\$165M**

Cost Synergies Realized by End of Year 5

**\$155M**

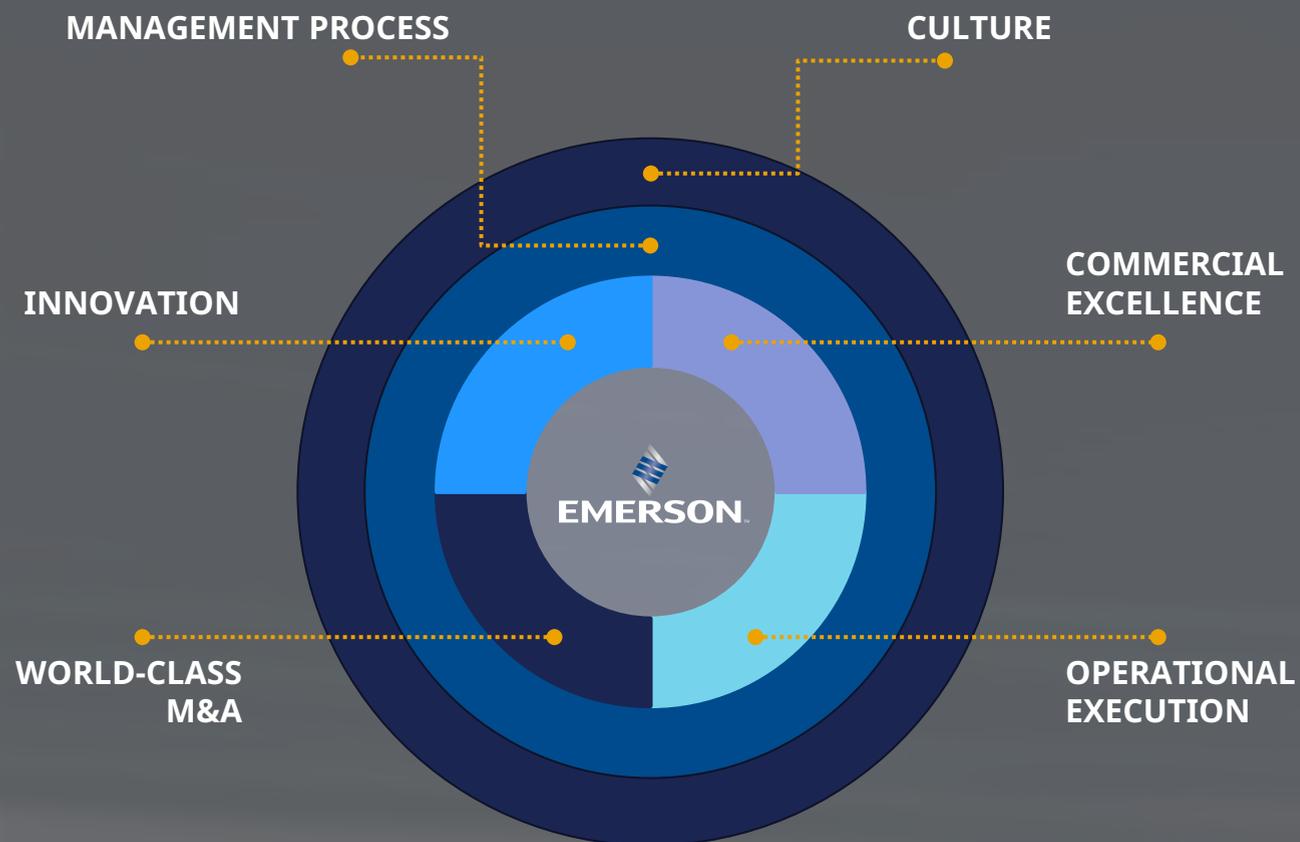
Cumulative Cost to Realize Synergies

**~28%**

Year 5 Target Adjusted EBITA Percentage

# The Emerson Management System Provides Confidence In Synergies

## Emerson Management System



## Valves & Controls

(Acquired 2017)



### Operational Execution

- Rationalization of administrative costs and centralization in best cost locations
- Balance sheet productivity improvement
- Improved facility and sourcing performance



### Commercial Excellence

- Optimized go-to-market model
- World-class distribution management
- Enhanced pricing model maturity



### Innovation

- Improved engineering productivity
- Faster NPD speed to market
- Leverage of best cost resources

**\$300M**

Year Five Synergies Realization  
(Original Commitment: \$200M)

**790 bps**

2018-2022 Final Control Adjusted EBITA Margin Expansion

# Transaction Meets Acquisition Criteria And Value Creation Objectives

## Strategic Discipline

Aligned with core automation business  
Within 4 targeted adjacent markets  
Diversified end-market exposure



NI strengthens cohesive automation portfolio serving diverse end markets

## Financial Discipline

Accretive future growth profile  
Accretive to gross margins with runway for adjusted EBITA accretion  
Cash-on-cash returns > risk adjusted cost of capital by year 5



NI is expected to be additive to core business financials

## Integration Discipline

Corporate-led integration management office  
\$165M of defined synergies to be tracked  
Operational excellence to be applied through Emerson Management System



Transaction delivers shareholder value through multiple levers

**Accelerates Underlying Revenue Growth, Expands Gross Margins, Accretive to Adjusted EPS in Year 1**

# NI Acquisition Advances Emerson's Global Automation Focus

## Leading Automation Platform

Expands Emerson's portfolio to include automation of test & measurement processes

## Diversified End Market Exposure

Exposure to discrete markets: semiconductor & electronics, aerospace & defense, and transportation & electric vehicles

## Attractive Financial Profile

68% gross margins with clear opportunities to streamline R&D and G&A costs through Emerson's operational excellence

## Complementary Technology Capabilities

NI's technology stack is highly regarded across intelligent devices, controls and software



# Additional Information And Where To Find It

This communication relates to a proposed business combination transaction between Emerson and NI (the “Proposed Transaction”). This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. In connection with the Proposed Transaction, NI may file one or more proxy statement(s) or other documents with the SEC. This communication is not a substitute for any proxy statement NI may file with the SEC in connection with the Proposed Transaction.

BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROXY STATEMENT(S) AND/OR OTHER DOCUMENTS IF AND WHEN THEY ARE FILED, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, IN CONNECTION WITH THE PROPOSED TRANSACTION, BECAUSE THESE DOCUMENTS CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. **Any definitive proxy statement (if and when available) will be mailed or otherwise made available to stockholders of NI.** Investors and security holders will be able to obtain free copies of these documents filed with the SEC if and when available without charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or, in the case of documents filed by Emerson, by contacting the investor relations department of Emerson:

Emerson  
8000 West Florissant Avenue, P.O. Box 4100  
St. Louis, MO  
[www.emerson.com/en-us/investors](http://www.emerson.com/en-us/investors)

Investor Relations:

Colleen Mettler, Vice President  
(314) 553-2197  
[investor.relations@emerson.com](mailto:investor.relations@emerson.com)

## Participants in the Solicitation

Emerson and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the Proposed Transaction.

Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the Proposed Transaction, including a description of their direct or indirect interests in the transaction, by security holdings or otherwise, will be set forth in any proxy statement(s) and other relevant materials related to the Proposed Transaction if and when they are filed with the SEC. Information regarding the directors and executive officers of Emerson is contained in Emerson’s proxy statement for its 2023 annual meeting of stockholders, filed with the SEC on December 9, 2022 and its Annual Report on Form 10-K for the year ended September 30, 2022, which was filed with the SEC on November 14, 2022. To the extent holdings of Emerson securities by the directors and executive officers of Emerson have changed from the amounts of securities of Emerson held by such persons as reflected therein, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. These documents can be obtained free of charge from the sources indicated above.

# Additional Information And Where To Find It

## Caution Concerning Forward-Looking Statements

This communication contains "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. All statements, other than historical facts, are forward-looking statements, including: statements regarding the expected timing and structure of the Proposed Transaction; the ability of the parties to complete the Proposed Transaction; the expected benefits of the Proposed Transaction, such as improved operations, enhanced revenues and cash flow, synergies, growth potential, market profile, business plans, expanded portfolio and financial strength; the competitive ability and position of Emerson following completion of the Proposed Transaction; legal, economic and regulatory conditions; and any assumptions underlying any of the foregoing. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "plan," "could," "would," "project," "predict," "continue," "target" or other similar words or expressions or negatives of these words, but not all forward-looking statements include such identifying words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. We can give no assurance that such plans, estimates or expectations will be achieved and therefore, actual results may differ materially from any plans, estimates or expectations in such forward-looking statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others: (1) that one or more closing conditions to the Proposed Transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the Proposed Transaction, may require conditions, limitations or restrictions in connection with such approvals or that any required approval by the stockholders of NI may not be obtained; (2) the risk that the Proposed Transaction may not be completed in the time frame expected, or at all; (3) unexpected costs, charges or expenses resulting from the Proposed Transaction; (4) uncertainty of the expected financial performance of NI following completion of the Proposed Transaction; (5) failure to realize the anticipated benefits of the Proposed Transaction, including as a result of delay in completing the Proposed Transaction or integrating the business of NI with the business of Emerson; (6) the ability of Emerson to implement its business strategy; (7) difficulties and delays in achieving revenue and cost synergies; (8) inability to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the Proposed Transaction; (10) potential litigation in connection with the Proposed Transaction or other settlements or investigations that may affect the timing or occurrence of the contemplated transaction or result in significant costs of defense, indemnification and liability; (11) evolving legal, regulatory and tax regimes; (12) changes in economic, financial, political and regulatory conditions, in the United States and elsewhere, and other factors that contribute to uncertainty and volatility, natural and man-made disasters, civil unrest, pandemics (e.g., the coronavirus (COVID-19) pandemic (the "COVID-19 pandemic")), geopolitical uncertainty, and conditions that may result from legislative, regulatory, trade and policy changes associated with the current or subsequent U.S. administration; (13) the ability of Emerson and NI to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during longterm disruptions such as the COVID-19 pandemic; (14) the impact of public health crises, such as pandemics (including the COVID-19 pandemic) and epidemics and any related company or governmental policies and actions to protect the health and safety of individuals or governmental policies or actions to maintain the functioning of national or global economies and markets, including any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down or similar actions and policies; (15) actions by third parties, including government agencies; (16) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (17) the risk that disruptions from the Proposed Transaction will harm Emerson's and NI's business, including current plans and operations; (18) certain restrictions during the pendency of the acquisition that may impact Emerson's or NI's ability to pursue certain business opportunities or strategic transactions; (19) the ability to meet expectations regarding the accounting and tax treatments of the Proposed Transaction; and (20) other risk factors as detailed from time to time in Emerson's and NI's reports filed with the SEC, including Emerson's and NI's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, periodic current reports on Form 8-K and other documents filed with the SEC. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Any forward-looking statements speak only as of the date of this communication. Emerson undertakes no obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.