October 11, 2023

Emerson Completes Acquisition of NI, Advancing Global Automation Leadership

NI to Become New Test & Measurement Segment within Emerson

ST. LOUIS, Oct. 11, 2023 /PRNewswire/ -- Emerson (NYSE: EMR) today announced it has closed its acquisition of NI (Nasdaq: NATI), a leading provider of software-connected automated test and measurement systems, at an equity value of $8.2 billion.

The acquisition of NI advances Emerson's position as a global automation leader and expands its opportunity to capitalize on key secular trends like nearshoring, digital transformation, and sustainability and decarbonization. NI brings a portfolio of software, control and intelligent devices that is expected to accelerate Emerson's revenue growth aligned to its 4-7% through the cycle organic growth target. NI increases Emerson's end market exposure in discrete markets, which will be Emerson's second largest industry segment, and with approximately 20% of sales in software, NI also increases Emerson's exposure to high-growth industrial software markets. NI increases Emerson's gross profit, with further adjusted EBITA margin expansion opportunities as Emerson delivers an expected $165 million of cost synergy opportunities by the end of year 5 through application of best practices from the Emerson Management System.

"Our acquisition of NI is a significant milestone in our efforts to transform Emerson and realize our vision of increasing growth, cohesiveness and end market diversification across Emerson's portfolio," said Emerson President and Chief Executive Officer Lal Karsanbhai. "We are pleased to welcome NI employees to Emerson and benefit from our shared visions and cultures, including our mutual commitment to innovation, operational excellence and sustainability. Together, we look forward to providing our customers more innovative and differentiated products, executing on our synergy targets and delivering increased shareholder value."

NI will become a new reported segment within Emerson called Test & Measurement and will be consolidated into the Software and Control group. The Test & Measurement business will continue to be headquartered in Austin, Texas. NI reported $1.66 billion in 2022 revenue and operates in more than 40 countries, serving approximately 35,000 customers across high-growth semiconductor and electronics, transportation and aerospace and defense markets.

Ritu Favre has been appointed to lead the Test & Measurement segment as Business Group President. Ms. Favre joined NI in 2019 as Senior Vice President and General Manager of the semiconductor business and was promoted to Executive Vice President of Business Units in 2022, where she was responsible for driving growth across the semiconductor and electronics; aerospace, defense and government; transportation; and portfolio business

units. She brings more than 30 years of technology experience to Emerson, with deep customer relationships and expertise on the emerging innovations and technologies driving electronic test and measurement forward.

"I am excited to lead Emerson's newly formed Test & Measurement business group and build on NI's strong foundation as we drive synergies, continue to enhance growth and profitability, and help to execute on Emerson's strategy as an automation leader," said Ms. Favre. "With a deep bench of talent, an impressive roster of customers and our strong combined innovation engine, we are well positioned to work closely with Emerson's broader business to enhance our ability to solve our customers' toughest test and measurement challenges."

As a result of the transaction's closing, NI's common stock has ceased trading on the Nasdaq.

Advisors
Goldman Sachs & Co. LLC and Centerview Partners LLC served as financial advisors to Emerson and Davis Polk & Wardwell LLP served as legal advisor. BofA Securities served as exclusive financial advisor to NI and Wachtell, Lipton, Rosen & Katz served as legal advisor.

About Emerson
Emerson (NYSE: EMR) is a global technology and software company providing innovative solutions for the world's essential industries. Through its leading automation portfolio, including its majority stake in AspenTech, Emerson helps hybrid, process and discrete manufacturers optimize operations, protect personnel, reduce emissions and achieve their sustainability goals. For more information, visit Emerson.com.

Forward-Looking and Cautionary Statements
Statements in this press release that are not strictly historical may be "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 the financial impact of the transactions referenced herein, the scope, duration and ultimate impacts of the COVID-19 pandemic and the Russia-Ukraine conflict, as well as economic and currency conditions, market demand, including related to the pandemic and oil and gas price declines and volatility, pricing, protection of intellectual property, cybersecurity, tariffs, competitive and technological factors, inflation, among others, as set forth in the Company's most recent Annual Report on Form 10-K and subsequent reports filed with the SEC.

Emerson uses our Investor Relations website, www.Emerson.com/investors, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, webcasts and social media.

Contacts

Investors
Colleen Mettler
(314) 553-2197

Media
Joseph Sala / Tanner Kaufman / Greg Klassen

Joele Frank, Wilkinson Brimmer Katcher
(212) 355-4449

View original content to download multimedia:https://www.prnewswire.com/news-releases/emerson-completes-acquisition-of-ni-advancing-global-automation-leadership-301953618.html

SOURCE Emerson