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Emerson Announces Sale of Remaining Interests in Copeland to Blackstone

Transaction Represents Important Simplification Milestone in Emerson's Portfolio Transformation

ST. LOUIS and NEW YORK, June 6, 2024 /PRNewswire/ -- Emerson (NYSE: EMR) announced today that it has entered into a definitive agreement to sell its remaining interests in the Copeland joint venture (formerly Emerson Climate Technologies) for a transaction value of approximately \$3.5 billion, with pre-tax cash proceeds of \$3.4 billion, net of the release of \$0.1 billion of future indemnity obligations. Private equity funds managed by Blackstone ("Blackstone") will purchase Emerson's 40% common equity ownership in the joint venture, while Copeland will repurchase the seller's note.

"This transaction is a key step to simplify our portfolio and enhance Emerson's focus as a global leader in automation," said Lal Karsanbhai, President and Chief Executive Officer of Emerson. "We believe now is the right time to execute our plans to fully exit the Copeland business. This agreement with Blackstone provides certainty and portfolio simplification to Emerson shareholders, while enhancing our focus on executing in our attractive, high growth automation markets."

"We appreciate Emerson's partnership and are pleased to reach this agreement to acquire full ownership of Copeland," commented Joe Baratta, Global Head of Blackstone Private Equity. "Copeland has a world-class team that is helping lead the transition to more energy efficient heating and cooling solutions – and we are excited to continue supporting its accelerated growth in the years ahead."

The transactions have been unanimously approved by Emerson's Board of Directors and are expected to close in the second half of calendar year 2024, subject to regulatory approvals and customary closing conditions. The transactions are expected to result in a net pretax gain of approximately \$0.2 billion. Emerson intends to use the approximate \$2.9 billion after-tax cash proceeds to pay down its existing debt obligations.

A wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) and GIC will invest alongside Blackstone as part of the transaction.

Advisors

Davis Polk & Wardwell LLP served as legal advisor and Goldman Sachs & Co. LLC served as exclusive financial advisor to Emerson. Joele Frank, Wilkinson Brimmer Katcher served as investor relations advisor to Emerson. Barclays served as lead financial advisor and Simpson Thacher & Bartlett LLP acted as legal counsel to Blackstone and Copeland. RBC

Capital Markets, LLC also provided financial advisory services to Blackstone and Copeland. Debt financing related to the transaction is being led by RBC Capital Markets, LLC, Barclays, Goldman Sachs Bank USA, Sumitomo Mitsui Banking Corporation, and Wells Fargo.

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](https://www.emerson.com).

About Blackstone

Blackstone is the world's largest alternative asset manager. We seek to deliver compelling returns for institutional and individual investors by strengthening the companies in which we invest. Our more than \$1 trillion in assets under management include global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds. Further information is available at www.blackstone.com. Follow @blackstone on [LinkedIn](#), [X \(Twitter\)](#), and [Instagram](#).

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 scope, duration and ultimate impacts of the Russia-Ukraine and other global conflicts, as well as economic and currency conditions, market demand, 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. The outlook contained herein represents the Company's expectation for its consolidated results, other than as noted herein.

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. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

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