



*Cascade Investment Advisors, Inc.*

### **Get to Know Your Stock: Emerson Electric Co.**

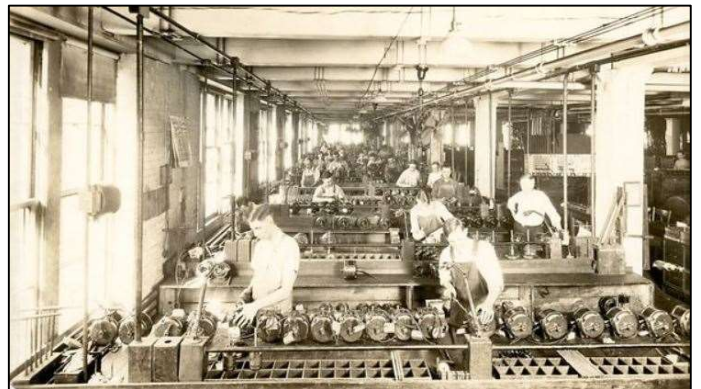
An argument could be made that John Wesley Emerson was a very busy person. The practicing lawyer from Massachusetts became a Union Army volunteer and was swiftly commissioned as a Major. He survived the Battle of Fort Davidson and was awarded two Purple Hearts during his military service. Three decades after the war and shortly after his time as an appointed United States Marshal, John Emerson met two Scotland-born orphans, Charles and Alexander Meston, who had plans to develop a reliable electric motor in 1890.

The previous ten years had seen the electrical equipment industry quadruple in size and it was expected to double again in the following decade. As a result of their fortunate meeting, Emerson backed the Meston brothers with \$50,000 (nearly \$1.6 million today!) and established The Emerson Electric Manufacturing Company in St. Louis, Missouri. The company would soon be the first to sell electric fans in North America. John Emerson would only enjoy the position of president for two years before stepping down, passing the helm to Herbert L. Parker, a former railroad executive. By 1897, Emerson unveiled the Emerson ceiling fan, not only breathing life into high-rise buildings but also soon representing half of the company's business.

Emerson continued to grow and adapt over the years under new leadership, expanding its offerings from small motors found in sewing machines and dental drills, to equipment like arc welders. During World War II, the US government called on Emerson to support the war effort. The company helped produce over 10 million brass shell casings and mounted weapons for the U.S. Air Force.

Since the war, Emerson has had ten CEOs contribute to the growth and direction of the company. Today, the company owns dozens of brands but has kept its focus in HVAC, tools, automation, and vacuums under brands you might recognize like Copeland, RIDGID, and until 2022, In-Sink-Erator. One CEO, Charles Knight, who took the helm in 1973, would be the first to see Emerson reach over \$15 billion in sales before retiring in 2000, growing the company by nearly 16 times in those years. Over the last 20 years, the company has focused on acquisitions and expanding in foreign markets, having purchased Avansys, China's leading network provider, and forming Emerson Network Power India.

For over a decade, Emerson has held a "Pneumobile Competition" in Eger, Hungary, promoting STEM amongst European engineering students. The competitors design and build pneumatically powered boxcars that are judged on endurance, maneuverability, and speed. Over the years, more than 1,600 engineering students have taken part in the event, and in 2020, 48 teams from 9 different countries participated. Although the format changed due to the pandemic in 2020, Emerson continues to nurture the love of science in the next generation of engineers.



Today, Emerson Electric operates in 150 countries with more than 60,000 employees and boasts 65 years of consecutive dividend increases. John Wesley Emerson could barely imagine the legacy and reach his original \$50,000 investment has achieved thus far, with more to come, no doubt. From humble beginnings as a fan manufacturer in St. Louis to the giant it has become today, Emerson's 130-year history is a testament to the company's ability to persevere.