Honeywell Buys EMS Technologies For $506 Million

MORRIS TOWNSHIP, N.J. (AP) — Honeywell International Inc. said Monday that it had agreed to buy EMS Technologies Inc., which supplies communications equipment to the aerospace, defense and trucking industries, for about $506 million.

Honeywell, the industrial conglomerate, is paying $33 per share in cash, a 33 percent premium to EMS's Friday closing price. EMS Technologies has about 15.3 million shares outstanding.

In pre-market trading Monday, the shares were up $8.05, or 32.5 percent, to $32.85.

EMS is based in Atlanta, and has more than 1,200 employees there and in Moorestown, N.J., and Ottawa, Canada, according to its website. It announced in April that it was pursuing "strategic options," which usually includes exploring a sale.

EMS makes rugged mobile computers for corporate use and installs communications terminals, antennas and surveillance equipment for aircraft. Last year, it earned $14 million on $355 million in revenue.

Honeywell said EMS will add to its capabilities in the growing fields of military communications, space and commercial aerospace, and complement its "Scanning and Mobility" segment.

Honeywell, which is based in Morris Township, N.J., expects the deal to close in the third quarter of 2011. It sees the acquisition reducing 2011 earnings by 3 cents to 4 cents per share, but said it does not affect the company's earnings forecast. Honeywell expects the acquisition to start adding to earnings in 2012.

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