



ASCO Power Technologies Acquisition

27 July, 2017

Life Is On

Schneider
Electric



Schneider Electric enhances its position in low voltage with the acquisition of ASCO Power Technologies



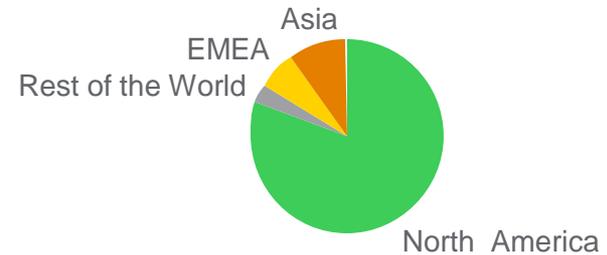
ASCO, a leader in Automatic Transfer Switches

- Founded in 1888 in Baltimore, ASCO Power Technologies (“ASCO”) introduced first Automatic Transfer Switch in 1925 and later expanded into surge, loadbanks, and fire pump and control applications
- ASCO was part of Vertiv (formerly Emerson Network Power). Asco’s products are sold under the brands of Asco, Firetrol, Avtron, Froment
- ASCO currently employs c.2,000 people and operates 7 manufacturing sites
- ASCO revenues in CY2016¹ reached \$468m with an adjusted EBITDA margin of c.23%

1. Calendar year

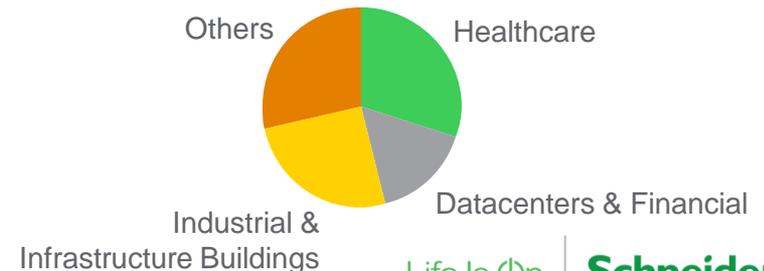
A Strong presence in North America

CY2016 Revenues by geography



A Strong presence in critical buildings

CY2016 Revenues by end-market



ASCO portfolio has attractive characteristics

A clear leader in North America on its offerings

Division	Application
Automatic Transfer Switches	Automatically switches loads between power sources
Power Control Systems	Allow users to control power systems
Load Banks	Continuous and accurate means for load testing
Surge	Reduces risk of power fluctuation
Services	Engineering , maintenance, upgrades
Fire Pump Controllers	Electric and diesel engine fire pump controllers

Strong business attributes

- ✓ World-class technology for reliable power transfer
- ✓ Ahead in the transition from electro-mechanical to software-driven
- ✓ Strong level of know-how, prescription skills and network
- ✓ Strong diversified customer base
- ✓ Well-run, autonomous part of Vertiv

What does ASCO bring to Schneider Electric

Position Schneider Electric as global market leader in Power Source Management



ASCO portfolio enhances core energy management offering in North America and China

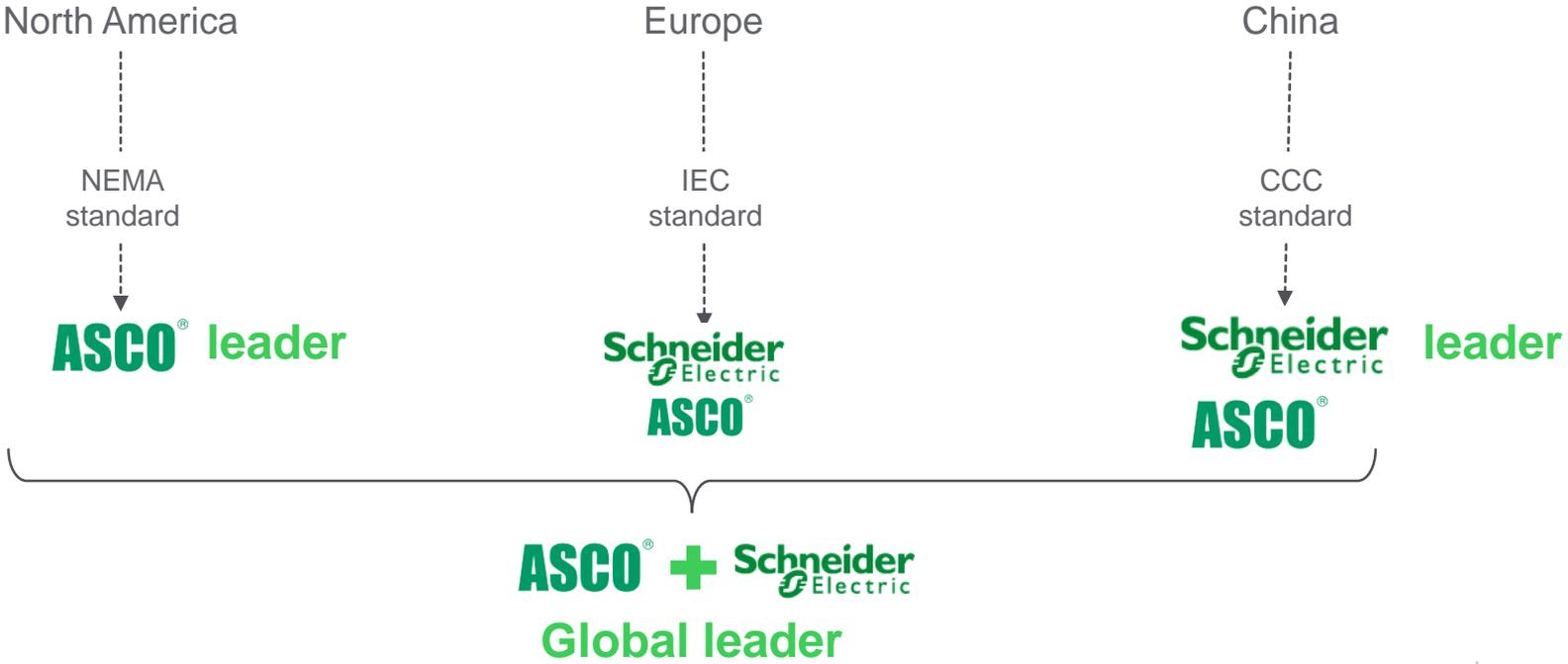


Strong complementarity with Low Voltage end-to-end offerings for customers in Healthcare, Financial services, Datacenter & Critical Buildings



ATS, a key technology for decentralized power distribution world - core to Schneider Electric's strategic focus

ASCO acquisition positions Schneider Electric as global market leader in ATS – a growing market

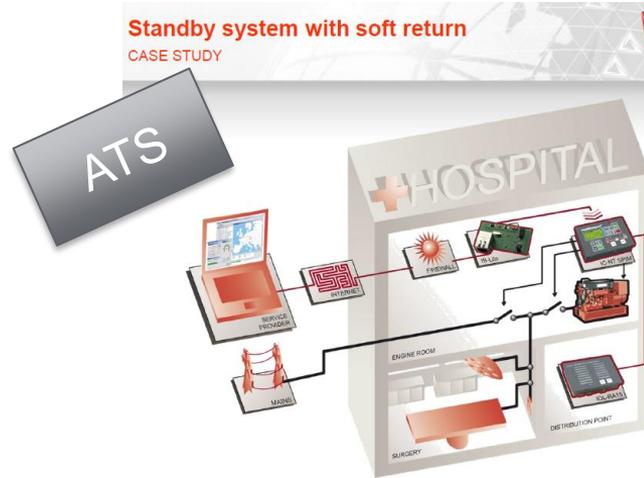


Enhance further our value-proposition in energy management solutions for critical buildings

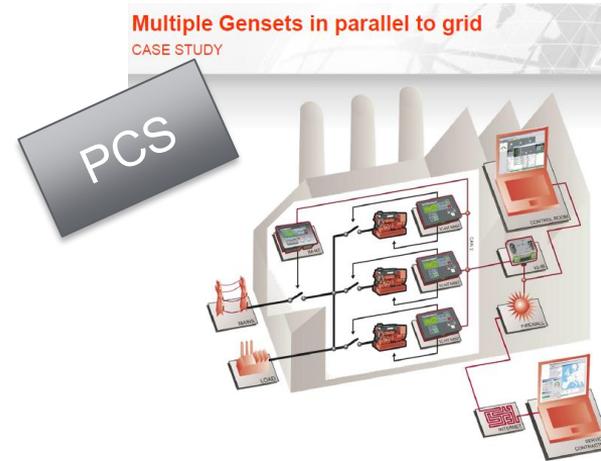
EcoStruxure™
Innovation At Every Level

- POWER AVAILABILITY
- DIGITIZATION
- ENERGY EFFICIENCY

ASCO enhances our Power Availability Solutions



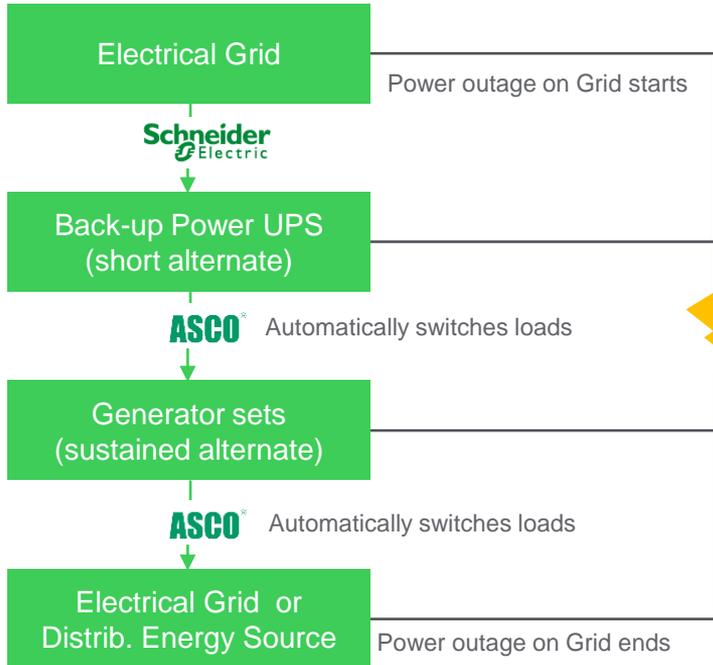
A compelling EcoStruxure Power offer for Healthcare



- ✓ Extends EcoStruxure Power management capability into emergency source domain
- ✓ Valuable expertise and complementary equipment offer

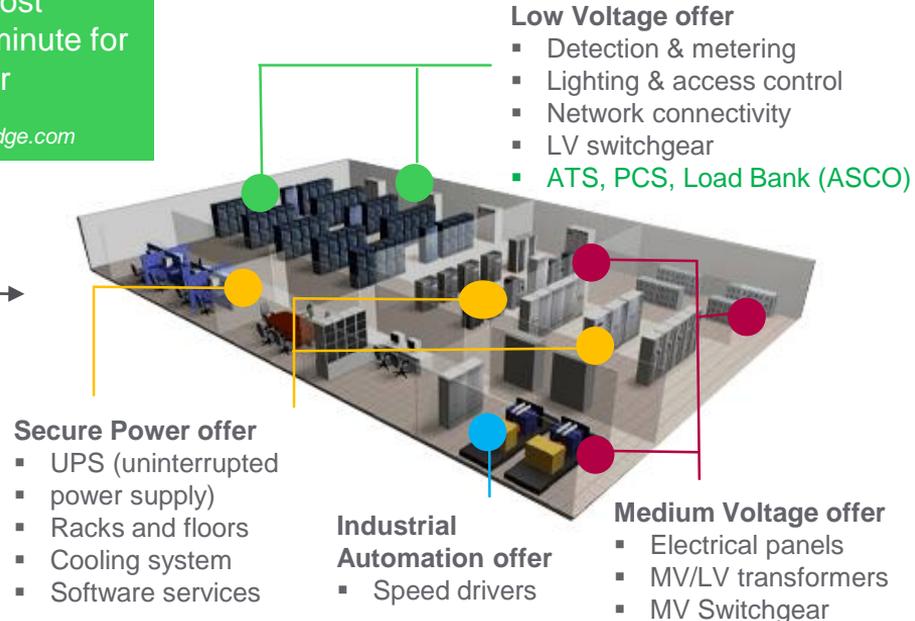
Enhance further our value-proposition in datacenters

ASCO low-voltage technologies are key to secure power supply in Datacentres



Down time cost
\$7,900 per minute for
a data center
Source:
datacenterknowledge.com

Together with ASCO, we have a unrivalled offer for Datacentres



ATS, a key source management technology for decentralized power distribution world

Market Trends

Datacenter growth
Process continuity demands
Profitability impacts to downtime

Backup sources
+
Load shedding

Ageing Grid Infrastructure
Electricity Demand increasing

Local Power generation
+
More frequent sources switching

Electricity cost increase
Renewable energy
Demand response contracts

Green sources
+
Curtailment

More Power Sources paralleling
(PCS)

More transfer between Power
sources (ATS)

More sources of power deployed = more
Automatic Transfer switches needed

ASCO: Key transaction details

- Transaction price based on a consideration of \$1,250m (€1,072m)
- Acquisition is all cash
- Acquisition multiple of 11.7x EV/ EBITDA adjusted CY2016
- Strong revenues and costs synergies to generate yearly c. \$40m of EBITA adjusted impact (2/3 revenues and 1/3 costs synergies). Cost of implementing these synergies is expected to be up to \$50m
- Meets the group return criteria:
 - EPS¹ accretive (adjusted) in year 1
 - ROCE > WACC beyond year 3
- Deal subject to customary approvals and expected to close by end-2017

1. EPS adjusted for PPA and one-time costs linked to the transaction

Disclaimer

All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.

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