

Schneider Electric strengthens its leading position in Data Centers by acquiring Motivair Corporation, a key global provider of advanced liquid cooling solutions

Rueil-Malmaison (France), October 17, 2024 – Schneider Electric, the global leader in the digital transformation of energy management and automation, today announces that it has signed an agreement to acquire a controlling interest in [Motivair Corporation](#) (“Motivair”), a company specialized in liquid cooling and advanced thermal management solutions for high performance computing systems.

The advent of Generative-AI and the introduction of Large Language Models (LLMs) have been additional catalysts driving enhanced power needs to support increased digitization across end-markets. This shift to accelerated computing is resulting in new data center architectures requiring more efficient cooling solutions, particularly liquid cooling, as traditional air cooling alone cannot mitigate the higher heat generated as a result. As the compute within data centers becomes higher-density, the need for effective cooling will grow, with multiple market and analyst forecasts predicting growth in liquid cooling solutions in excess of +30%¹ CAGR in the coming years. This transaction strengthens Schneider Electric’s portfolio of direct-to-chip liquid cooling and high-capacity thermal solutions, enhancing existing offerings and furthering innovation in cooling technology.

Headquartered in Buffalo, NY, Motivair was founded in 1988 and currently has over 150 employees. Leveraging its strong engineering competency and deep domain expertise, Motivair has a world class range of offers including Coolant Distribution Units (CDUs), Rear Door Heat Exchangers (RDHx), Cold Plates and Heat Dissipation Units (HDUs), alongside Chillers for thermal management. Motivair provides its customers with a top-tier portfolio to meet the thermal challenges of modern computing technology.

While liquid cooling is not a new technology, specific application to the Data Center and AI environment represents a nascent market set for strong growth in the coming years. Motivair has years of unrivaled experience in cooling the world’s fastest supercomputers with liquid cooling solutions. In recent quarters, the company has been tracking a strong double-digit growth trajectory, which is expected to continue as it pivots to provide end-to-end liquid cooling solutions to several of the largest Data Center and AI customers.

Peter Herweck, Chief Executive Officer of Schneider Electric commented: *“The acquisition of Motivair represents an important step, furthering our world leading position across the Data Center value chain. The unique liquid cooling portfolio of Motivair complements our value proposition in Data Center cooling and further strengthens our prominent position in Data Center build out from Grid to Chip and from Chip to Chiller.”*

“Schneider Electric shares our core values and commitment to innovation, sustainability and excellence,” said Rich Whitmore, President & CEO of Motivair Corporation, who will continue to run the Motivair business out of Buffalo, NY after the closing of the transaction. *“Joining forces with Schneider*

¹ Omdia research, 18 June 2024; Building AI - Industrial equipment at the heart of datacenter growth, RBC Imagine™, 10 August 2024; Liquid Cooling - A Song of Ice and Fire, Jefferies, 10 September 2024; Play it Cool: An Introduction to Liquid Cooling and laying out the landscape in Europe, Morgan Stanley, 23 September 2024

will enable us to further scale our operations and invest in new technologies that will drive our mission forward and solidify our position as an industry leader. We are thrilled to embark on this exciting journey together."

Under the terms of the transaction, Schneider Electric will acquire an initial 75% controlling interest in the equity of Motivair for an all-cash consideration of \$850 million, which includes the value of a tax step-up, and values Motivair at a mid-single digit multiple of projected FY2025 revenue. The transaction is subject to customary closing conditions, including the receipt of required regulatory approvals, and is expected to close in the coming quarters. On completion, Motivair would be reported within the Energy Management business of Schneider Electric. The Group expects to acquire the remaining 25% of non-controlling interests in 2028.

Schneider Electric's exposure to the Data Center & Networks end-market, which represented 21% of FY23 Group orders, has been a key driver of growth, with sales into the Data Center market growing at a double-digit CAGR since 2017 and set to continue in the coming years. The world's top 10 cloud & service providers trust Schneider Electric's solutions, while 4 out of 6 Data Center companies rely on consulting and services from its Sustainability business.

About Schneider Electric:

Schneider's **purpose is to create Impact** by empowering all to **make the most of our energy and resources**, bridging progress and sustainability for all. At Schneider, we call this **Life Is On**.

Our mission is to be the trusted partner in **Sustainability and Efficiency**.

We are a **global industrial technology leader** bringing world-leading expertise in electrification, automation and digitization to smart **industries**, resilient **infrastructure**, future-proof **data centers**, intelligent **buildings**, and intuitive **homes**. Anchored by our deep domain expertise, we provide integrated end-to-end lifecycle AI enabled Industrial IoT solutions with connected products, automation, software and services, delivering digital twins to enable profitable growth **for our customers**.

We are a **people company** with an ecosystem of 150,000 colleagues and more than a million partners operating in over 100 countries to ensure proximity to our customers and stakeholders. We embrace **diversity and inclusion** in everything we do, guided by our meaningful purpose of a **sustainable future for all**.

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