Schneider Electric confirms its firm intention to acquire AVEVA

Enabling the vision for One Data Hub and a fast track to the Enterprise Metaverse

September 21, 2022

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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 Universal Registration Document (which is available on www.se.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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Strategic rationale

Creating value

Creation of **Customer Value** through:

- Acceleration of **subscription & SaaS**
- **Energy security and efficiency** to industrial customers
- **One data hub, c**onverging process and energy data
- One **set of applications** for the Complete **Enterprise Metaverse**
- **One customer experience**, frictionless

Accelerate growth through simplified and coordinated **Agnostic Software:**

- **Operational flexibility** and simplification
- **More technology convergence** through closer cooperation in R&D
- **Coordinated go-to-market** and **greater customer coverage**

Autonomous management within Schneider, with own management and board

Management and employees' compensation aligned with software peers

- Retain specific **software culture**

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An unparalleled portfolio to support customers at all stages of digitization journey

EcoStruxure for IoT, Data and Software for a complete Digital Twin

End-markets Building Data Center Industry Infrastructure

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Continuing our transition to a hybrid digital company

Revenues of c.€2.4bn
pro-forma FY 2021

Agnostic Software

Edge Control

Field Services

Connectable products

c.50% **Group revenue leveraging**

Increased across domains

Growing proportion of natively connected products through R&D, replacing non-digital offers

Leveraging installed base, servicing of Assets under Management

Moving towards

c.60%

of Group revenues by 2025[1]

Ambition across the cycle

5%+ organic growth, on average

To consistently be a Company of 25*

[1] As a function of expected organic revenue growth and impact of previously announced disposal program
**sum of organic revenue growth % and adj. EBITA margin %*

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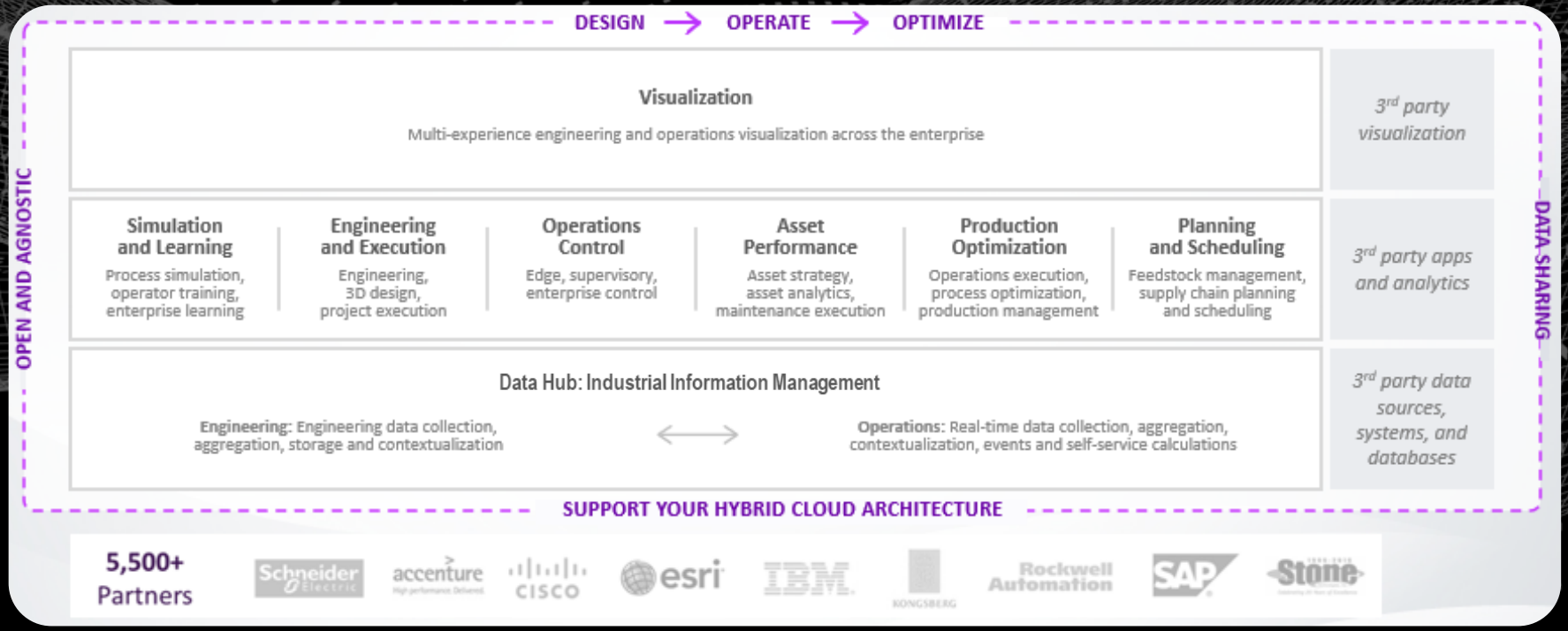
AVEVA has built an unrivaled position in industrial software and data management in recent years

- AVEVA provides industrial software to companies operating in industry and infrastructure
- Digital Twin for the whole asset lifecycle from Engineering through to Operations
- Industry reference Data Hub
- AVEVA's software drives efficiency and reduces costs for over 20,000 customers worldwide



Source: AVEVA

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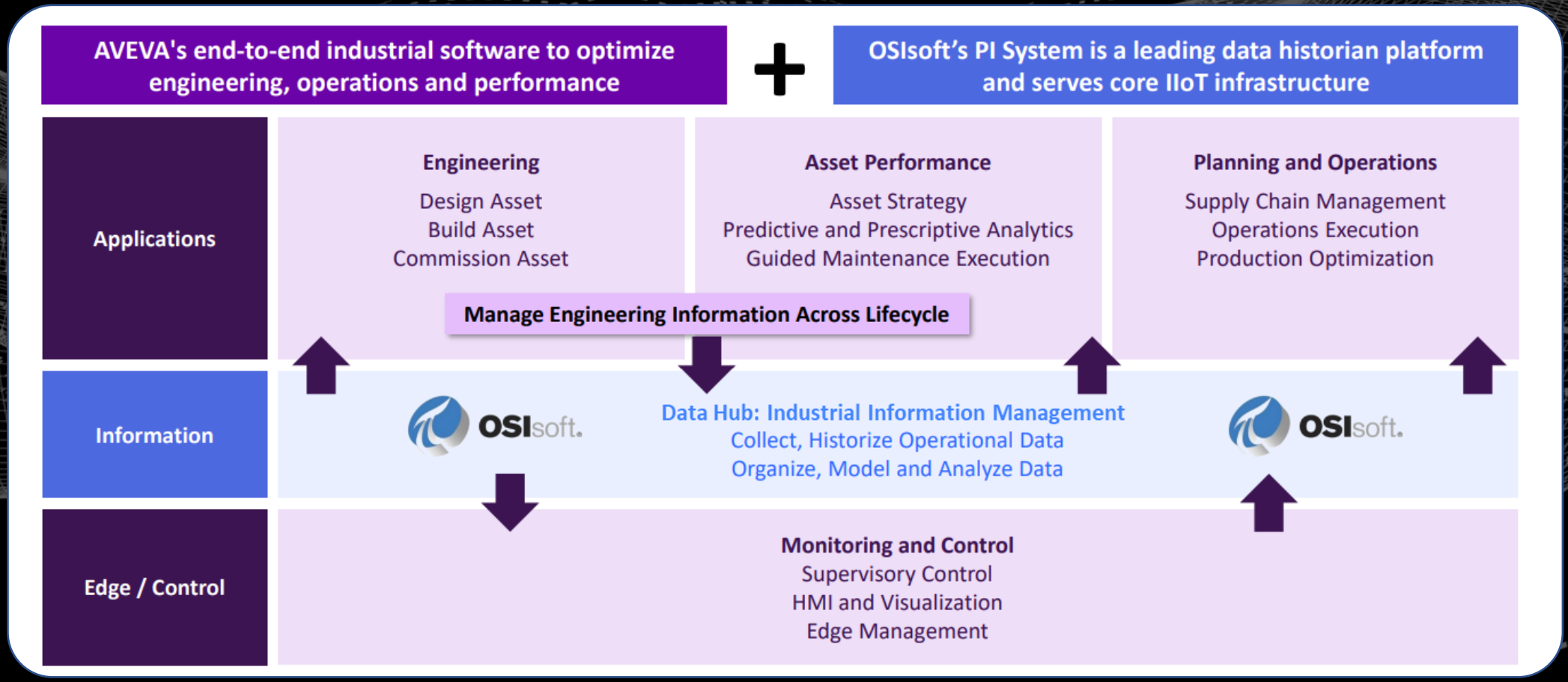
Acquisition of OSIsoft has further propelled AVEVA – as the reference agnostic data platform across the industrial world



Source: AVEVA

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In parallel, Schneider has built a portfolio focused on energy, at a time when energy is a priority for all

Design → Build → Operate & Maintain

Industry Twin + Process Power + Build

AVEVA

ALPI

IGE+XAO

etap

RIB

Planon

Design and Engineering
Deliver from capital projects to operations sustainably, on time and on budget

Project Execution
Support digital project delivery

Operations
Improve operational efficiency, agility, reliability and sustainability

Energy Twin

Electrical design
Collaborative and efficient electrical design and simulation, supporting the energy transition

Electrical engineering and manufacturing
Unique suite for engineering, manufacturing, assembling and commissioning electrical equipment

Energy Management
Power System Digital Twin including simulation, controls and real time optimization

Design and Engineering
via partnerships

Project management
Cloud-based 6D BIM platform redefining the management of building and construction

Operations
Sustainability and value for owners, users, facility managers and service providers

OSIsoft

Data Hub
Data, Analytics, Visualization
Agnostic I Cloud I Open

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At a time when customers strive for holistic efficiency

Industrial Software

Energy Software

Process Efficiency + Energy Efficiency

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The combination of AVEVA and Schneider agnostic software provides One Data Hub and a fast track to the Enterprise Metaverse

Digital Twin

Across the lifecycle

Industry Twin

AVEVA

Data Hub

One singular source for Enterprise Software

OSIsoft

IoT

Plug & Play Architecture

EcoStruxure™

Energy Twin

ALPI · IGE+XAO GROUP · etap · RIB · Planon

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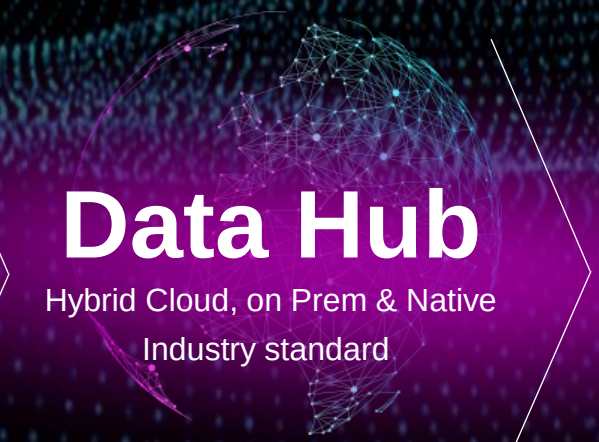
Empowering sites with data and tools and leveraging all stakeholders at scale

Open & Agnostic
1000's of Connectors

- Buildings
- Industry
- Data Centers
- Infrastructure



Data Hub

Hybrid Cloud, on Prem & Native
Industry standard

AVEVA & Schneider applications

Operations, Assets, Energy & Carbon Tracking

- Visualization
- Analytics

Developer Empowerment

- Own IT developers
- System integrators

People Empowerment

- Facility / Plant managers
- Augmented operators

Ecosystem Empowerment

- Suppliers
- Utilities

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One customer experience, with AVEVA as the backbone

SUBSCRIBE

AVEVA Flex

Commercial subscription program to unlock flexible access to software, on-premise and cloud.

One common subscription program

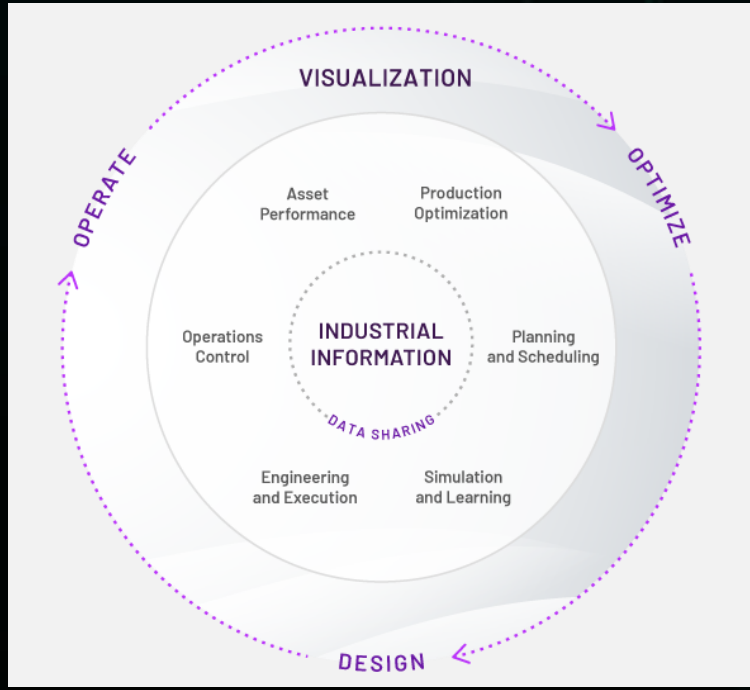
CONSUME

AVEVA Connect

Cloud platform to transform faster, reduce IT costs, scale and securely consume.

One industrial cloud platform

EXPERIENCE



Full access across one comprehensive set of portfolio capabilities

EXPAND

AVEVA™ Applications

Energy Software Applications

Own Applications

Third Party Applications

Enable new ways of work with world-class industrial SaaS solutions

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Building the blocks to fast track to the Enterprise Metaverse

One Digital Twin
across the lifecycle

One Data Hub

One Set of Applications

One User Experience

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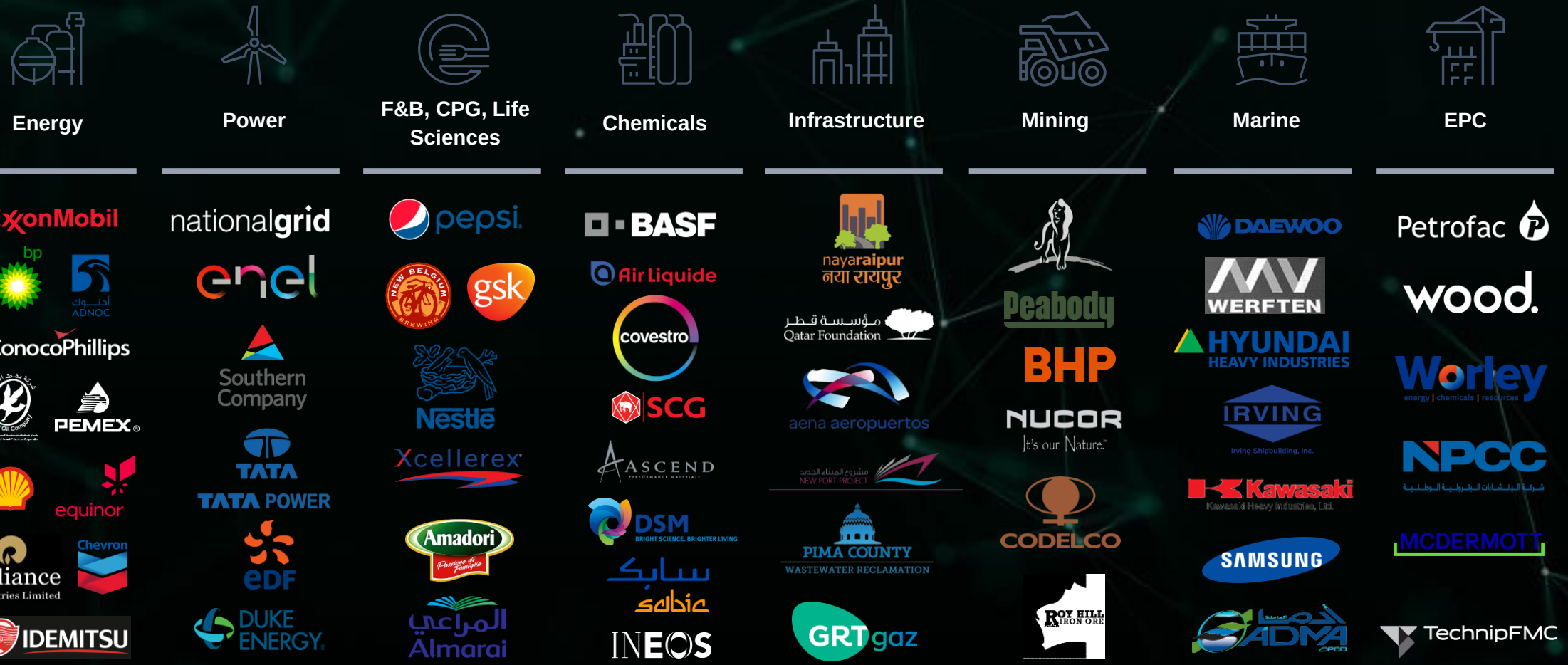
Many shared customers with our industrial and energy portfolio



Source: AVEVA

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Benefits of the acquisition

The acquisition will further enable:

- Acceleration of subscription & SaaS
- Combined process and energy efficiency to industrial and infrastructure customers
- One data hub, converging process and energy data
- Complete Enterprise Metaverse toolbox
- Frictionless customer experience

The acquisition will accelerate growth through:

- Simplified and coordinated Agnostic Software
- Operational flexibility and simplification
- More technology convergence through closer cooperation in R&D
- Coordinated go-to-market and greater customer coverage

The acquisition will enable the transition to a subscription and SaaS model at AVEVA to be accelerated, allowing management to focus fully on the delivery of solutions for customers

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Key financial terms of proposed transaction

Transaction Description

- Offer to acquire c.41% of AVEVA not already owned by Schneider Electric

Recommended Offer

- Recommended by the AVEVA Independent Committee

Transaction Consideration

- All cash 3,100 pence offer per share
  - a premium of c.41% to the undisturbed closing price of 2,192 pence[1]
  - a premium of c.33% to the 3-month undisturbed VWAP closing price of 2,339 pence[1]
  - A premium of c.32% to the 6-month undisturbed VWAP closing price of 2,347 pence[1]
  - 8.2x EV / FY22 pro forma revenue[2]
  - 27.8x EV / FY22 adj. pro forma EBIT[2]

1 Per AVEVA share on 23/08/2022, being the last business day before the commencement of the offer period
2 As per AVEVA FY22 results

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Our capital allocation priorities

- Committed to maintaining a strong investment grade credit rating
- Continued progressive dividend policy (maintained for the last 12 years)
- Completion of existing portfolio optimization program of €1.5 - €2.0 billion of revenues
- Completion of existing share buyback program of €1.5 - €2.0 billion
- Primary focus on organic growth and successful integration of past acquisitions
- Potential for smaller and earlier stage bolt-on acquisitions linked to long-term incremental growth

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Next steps with indicative timeline towards closing

Within 28 days	Scheme Document published
Mid-November, 2022	AVEVA General Meeting
Q1 2023	Closing expected subject to satisfaction of the terms and conditions

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Q&A

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