

Proposed takeover of I.G.E.-X.A.O. by Schneider Electric

Paris and Toulouse, November 8, 2017

Schneider Electric Industries SAS (SEI SAS), a subsidiary of Schneider Electric, and I.G.E.-X.A.O. announce today the signing of a memorandum of understanding, pursuant to which SEI SAS will file with the Autorité des Marchés Financiers (AMF) a voluntary public tender offer for the shares of I.G.E.-X.A.O., at the price of 132 Euros per share (with 2016-2017 coupon attached).

Strategic rationale for the transaction

With more than 80,000 licences globally, I.G.E.-X.A.O. is a leader in design software for electrical installations through its CAD (Computer Aided Design), PLM (Product Life cycle Management) and simulation software. The company had consolidated revenues of 29.4 million Euros for the financial year 2016-2017 and an operational margin of 27%.

I.G.E.-X.A.O. is a pure player in the software segment, with recurring revenues representing approximately 46% of I.G.E.-X.A.O.'s total revenues.

The transaction aims to reinforce the software offer of Schneider Electric in a field complementary to products and solutions supplied for electrical distribution, creating future synergetic opportunities.

The transaction will strengthen the digital support for customers and partners of the two groups and, in addition to the commercial opportunities already offered to I.G.E.-X.A.O., will accelerate the development of I.G.E.-X.A.O. While maintaining its operational autonomy within Schneider Electric, the company will benefit from the support of the leader in digital transformation of energy management and automation systems. The transaction will also enhance I.G.E.-X.A.O.'s research and development activities which will benefit from Schneider Electric's know-how and its presence in more than 100 countries.

It is intended that Alain Di Crescenzo, CEO of I.G.E.-X.A.O. and Charles Baudron, CTO of I.G.E.-X.A.O., will keep their respective positions upon completion of the transaction and will have additional responsibilities within Schneider Electric. The executive management team of I.G.E.-X.A.O. will remain unchanged.

Main Terms of the Transaction

The proposed public tender offer is made for all outstanding share of I.G.E.-X.A.O. at a price of 132 Euros per share (with coupon 2016-2017 attached).

The proposed price represents a premium of 15.0% compared to I.G.E.-X.A.O.'s last closing price on November 7, 2017, and a premium of 41.5% compared to the volume weighted average share price over 12 months. The transaction meets Schneider Electric's return criteria, with an expected accretion of Adjusted EPS in the first year and with an expected return on capital employed exceeding WACC beyond the third year post closing.

Press contact

Schneider Electric

Véronique Roquet-Montégon
Tel: +33 (0) 1 4129 7076

I.G.E.+X.A.O.

Christian Colin
Tel: +33 (0)5 62 74 36 08

Investor relations contact

Schneider Electric

Amit Bhalla
Tel: +44 (0) 20 7592 8216

I.G.E.+X.A.O.

Alain Di Crescenzo (Chairman of I.G.E.-X.A.O.)
Tel: +33 (0)5 62 74 36 36

The offer will be conditional to SEI SAS holding 2/3 of I.G.E.-X.A.O.'s share capital (plus one share) at the closing of the offer.

Alain Di Crescenzo, Charles Baudron, IRDI and Robert Grèzes have executed with SEI SAS an undertaking to tender their shares to the offer, representing together 26.78% of the share capital of I.G.E.-X.A.O. I.G.E.-X.A.O. will not tender its treasury shares to the offer.

I.G.E.-X.A.O.'s board of directors has unanimously approved the proposed transaction with SEI SAS.

I.G.E.-X.A.O.'s board of directors has appointed HAF Audit & Conseil, represented by Mr. Olivier Grivillers, as independent expert.

As part of the reasoned opinion (*avis motivé*) that I.G.E.-X.A.O.'s board of directors should issue in accordance with the stock exchange regulations, and subject to the independent expert concluding to the fairness of the offer, I.G.E.-X.A.O.'s board of directors confirmed its intention to recommend the shareholders to tender their shares to the offer.

The proposed transaction is subject to the review of the AMF which will decide whether it complies with applicable laws and regulations.

Comments

Philippe Delorme, Executive Vice President for Building (Low Voltage) and IT (Secure Power) activities at Schneider Electric declared: *"This acquisition will strengthen our capabilities to support our partners and customers along their digital transformation, in a fast-changing electric world. We warmly welcome the I.G.E.-X.A.O.'s teams whose commitment and experience ensure the success of this joint project."*

Alain Di Crescenzo, Chairman and CEO of I.G.E.-X.A.O., complemented: *"This relationship with Schneider Electric is a great opportunity for our group and its actors:*

- *For our customers and partnerships which shall benefit from an "I.G.E.-X.A.O." stronger, more innovative and more international, supported by a group present in more than 100 countries;*
- *For our employees whose integration in a global group of 144,000 employees and representing 25 billion of consolidated turnover provides new perspectives, both in I.G.E.-X.A.O. and in Schneider Electric;*
- *And for our shareholders who, for many of them, have been accompanying the development of I.G.E.-X.A.O. for many years, and for whom the Schneider Electric offer rewards a history of 20 years on the listed stock exchange, which started with a stock price of 7.77 Euros."*

Press contact

Schneider Electric

Véronique Roquet-Montégon

Tel: +33 (0) 1 4129 7076

I.G.E.+X.A.O.

Christian Colin

Tel: +33 (0)5 62 74 36 08

Investor relations contact

Schneider Electric

Amit Bhalla

Tel: +44 (0) 20 7592 8216

I.G.E.+X.A.O.

Alain Di Crescenzo (Chairman of I.G.E.-X.A.O.)

Tel: +33 (0)5 62 74 36 36

About Schneider Electric

Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that Life Is On everywhere, for everyone and at every moment.

www.schneider-electric.com

Discover Life is On

Innovation At Every Level

Follow us on:       

ABOUT THE IGE+XAO GROUP

For over 30 years, the IGE+XAO Group has been a software publisher designing, producing, selling and supporting a range of Computer Aided Design (CAD), Product Lifecycle Management (PLM) and Simulation software dedicated to Electrical Engineering. These software products have been designed to help manufacturers in the design and maintenance of the electrical part of any type of installation. This type of CAD/PLM/Simulation is called "Electrical CAD/PLM/Simulation". IGE+XAO has built a range of Electrical CAD/PLM/Simulation software designed for all the manufacturers. IGE+XAO employs 390 people around the world at 33 sites and in 22 countries, and has more than 86,400 licences distributed around the world. IGE+XAO is a reference in its field. For more information: <http://www.igexao.com>

This press release has been released on November 8th, 2017, at 8:00 AM

This press release was prepared for informational purpose only. It is not an offer to the public and it is not for diffusion in any other country than France. The diffusion of this press release, the Offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The Offer is not made for persons subject to such restrictions, neither directly nor indirectly, and may not be accepted in any way from a country where the Offer would be subject to such restrictions. Consequently, persons in possession of this press release shall inquire about potential applicable local restrictions and comply with them. Schneider Electric excludes all liability in the event of any breach of the applicable legal restrictions by any person.

Press contact

Schneider Electric

Véronique Roquet-Montégon

Tel: +33 (0) 1 4129 7076

I.G.E.+X.A.O.

Christian Colin

Tel: +33 (0)5 62 74 36 08

Investor relations contact

Schneider Electric

Amit Bhalla

Tel: +44 (0) 20 7592 8216

I.G.E.+X.A.O.

Alain Di Crescenzo (Chairman of I.G.E.-X.A.O.)

Tel: +33 (0)5 62 74 36 36