

# Investment Case Study: Schneider Electric



Schneider offers solutions to support the transition to a more electric, digital and decarbonized environment.

## Issues:

- More than 80% of total carbon dioxide (CO<sub>2</sub>) emission occurs due to energy consumption.
- 60% of the current fossil-based end to end energy system is lost.
- Buildings are the largest consuming sector of Energy and second largest emitter of CO<sub>2</sub>.
- Schneider estimates that 30% of energy used in buildings is wasted due to inefficient management systems.

## Solutions:

- Electrification: Electricity is 2x more efficient vs. other sources (building heat, road transport).
- De-carbonization: 6% to 40% of electricity capacity from renewable sources (wind/solar).
- Digitization: Digitally enabled management systems, analytics and services.

## The Potential:

- 50% of global CO<sub>2</sub> emissions could be eliminated by 2040 if digitally enabled energy saving measures were implemented in just half of the existing buildings in tandem with existing global electrification and de-carbonization initiatives.

Customer Benefits				
Energy Efficiency	Productivity	Reliability	Safety	Sustainability
<ul style="list-style-type: none"><li>• Up to <b>85%</b> (average 24%) energy consumption savings</li></ul>	<ul style="list-style-type: none"><li>• Up to <b>60%</b> (average 30%) capital expenditure reduction</li></ul>	<ul style="list-style-type: none"><li>• Up to <b>50%</b> (average 22%) equipment availability increase</li></ul>	<ul style="list-style-type: none"><li>• Up to <b>25%</b> (average 20%) workforce safety improvements</li></ul>	<ul style="list-style-type: none"><li>• Up to <b>50%</b> (average 20%) CO<sub>2</sub> footprint reduction</li></ul>

Source: Schneider Electric, IEA, MFS Research as of December 2019. This example is intended solely to illustrate MFS' research process and is not intended as a recommendation. It does not necessarily reflect MFS' current views. The securities and/or sectors mentioned in this example should not be viewed as advice, or as a trade indication.

**Secular growth business with attractive returns and sustainability solutions**

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