Student International Business Council

Spring 2026

Eaton Corporation (NYSE: ETN)

Evercore Strategic Advisory Project

Team EverEat

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Meet the Team

Pieter Damaschek
Dorm: Dunne Hall
Hometown: Lochem, the Netherlands
Major: Finance
Fun fact: I speak four languages

Sophia Magnano
Dorm: Welsh Family Hall
Hometown: Seattle, WA
Major: Finance & Science and Patient Advocacy
Fun fact: My family has 17 pets

Ethan Chisholm
Dorm: Dunne Hall
Hometown: Washington, D.C.
Major: Finance
Fun fact: I enjoy ice climbing

Caden Pitz
Dorm: Dunne Hall
Hometown: Fond du Lac, WI
Major: Finance
Fun fact: I love the Great Gatsby

Alex Huang
Dorm: Knott Hall
Hometown: Eagan, MN
Major: Finance & ACMS, Philosophy Minor
Fun fact: I have been interviewed on national TV

Samantha Rattray
Dorm: Cavanaugh Hall
Hometown: Wheaton, IL
Major: Finance & Business Analytics
Fun fact: I can do a backflip

Executive Summary

Company Overview

- Eaton (NYSE: ETN) is a global **power management** leader with a dominant electrical franchise that spans the **entire power value chain,** from the grid to the building or airplane
- Eaton operates through its **Electrical Americas, Electrical Global,** and **Aerospace** segments, focusing on mission-critical products where high **switching costs,** long **product lifecycles,** and frequent **repair jobs** support steady, **recurring** revenue

Industry Overview

- Structural growth in the electrical infrastructure industry is being driven by **grid modernization, electrification,** and the rapidly-growing, AI-driven demand for **data centers**
- Rising **complexity** of power and stricter **regulations** are creating sustained demand across end markets; since 3Q23, there has been a **185% increase** in North American "megaproject" announcements

Valuation

- Calculated an implied share price of **$382.91** through a DCF, sum of the parts, precedent transactions, and comparable companies' analysis, giving a downside of **3.9%** relative to its current share price of **$398.61**
- Eaton's stock has shown significant **long-term growth** (**185.4%** indexed stock performance since 2021), showcasing a **disciplined strategy** that has successfully expanded its footprint in electrification, infrastructure, and aerospace

Acquisition of nVent

- nVent (NYSE: NVT) is a leading global provider of **electrical connection** and **protection solutions,** holding a global **top-3** position in enclosures and cooling for sensitive electronic equipment
- Calculated an implied share price of **$148.94** per share for nVent, representing an offer premium of **15%**
- The transaction is expected to be **6.0% accretive,** allowing Eaton to further capitalize on the data center boom by integrating **physical infrastructure** into its core product offerings

Creating Value

- Acquiring nVent enables Eaton to offer a **fully integrated, end-to-end** data center solution, combining Eaton's electrical core with nVent's server racks and thermal management
- This "full-stack" strategy **differentiates Eaton** from component-only suppliers and strengthens its competitive positioning against integrated rivals like Schneider Electric
- The deal drives margin expansion through cost synergies in **manufacturing and procurement**

Company Overview

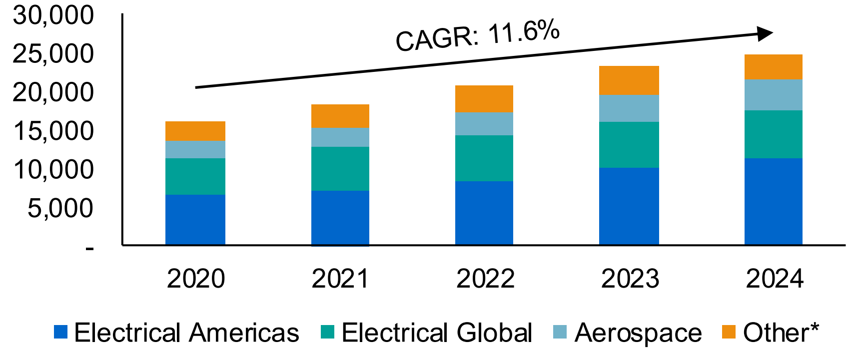
Company Overview

Eaton (NYSE: ETN) is a global power management leader with a dominant electrical franchise spanning the full power value chain, benefiting from secular electrification and AI-driven data center demand while generating strong margins and cash flow

Overview

- Global power management company across electrical, aerospace, and vehicle markets
- Electrical segment spans the value chain and drives the majority of growth and profit
- Serves mission-critical end markets including data centers, utilities, and industrial customers
- Positioned to benefit from electrification and AI-driven infrastructure demand
- High switching costs and long lifecycles support durable, recurring revenue
- Operates in 170+ countries across North America, Europe, and Asia

Net Sales by Segment ($mm)



Electrical Value Chain

Segment	Products	How Eaton Makes Money
Grid & Utility Interface	Switchgear, transformers, protection equipment	Large-scale equipment sales tied to utility upgrades, grid interconnection projects, and infrastructure expansion
Power Distribution & Control	Breakers, panels, control systems	Recurring equipment sales, facility upgrades, compliance-driven replacements, and system retrofits
Backup Power & Reliability	UPS systems, backup power solutions	High-margin mission-critical systems, replacement cycles, and ongoing maintenance contracts
End Use & Infrastructure Solutions	Integrated power and cooling systems	Engineered solutions, project-based installations, and lifecycle services tied to long-duration assets

Aerospace

Eaton makes money in aerospace by supplying systems to aircraft OEMs during production, generating **recurring, higher-margin aftermarket revenue** from spares, repairs, and lifecycle support

*Sources: Capital IQ, Company Filings, IBISWorld, Yahoo Finance, *(eMobility and Vehicle)*

Business Segmentation

Eaton's operations are broken into the Electrical Americas, Electrical Global, and Aerospace segments; Electrical Americas has grown the fastest in recent years, fueled largely by the rapid growth of data centers in the United States, while Eaton expects to spin off its Vehicle and eMobility segments by the end of Q1 2027

Segment	Description	Key Products	Total Revenue[1]	Backlog[1]	Book to Bill Ratio	Product Examples
Electrical Americas	• Supports electrical infrastructure in data center, industrial, utility, and residential markets • Primary growth driver linked to infrastructure investment, data centers and AI, and grid modernization trends	• Circuit breakers and protection devices • Wiring and connectivity devices • Power distribution and cooling products	**$11,436 (+13%)**	**$10,141 (+28%)**	**1.2**	
Electrical Global	• Addresses global demand for reliable power infrastructure and energy transition solutions • Leverages global scale while executing through local market operations	• Hazardous-duty electrical equipment • Emergency lighting and fire detection systems • Explosion-proof instrumentation and support systems	**$6,248 (+3%)**	**$1,704 (+12%)**	**1.1**	
Aerospace	• Serves commercial and military aviation worldwide • Benefits from long-term aftermarket service cycles • Exposed to air travel and defense spending trends and fleet expansions	• Aircraft hydraulic power systems • Flight control actuators and sensors • Fuel system components	**$3,744 (+10%)**	**$3,721 (+15%)**	**1.1**	

Sources: Company Filings, (1) Values are in millions; growth is YoY

Key Industries & Trends

EATON

Eaton is positioned in structural growth end markets, such as data centers/AI power, grid modernization, electrified buildings, reindustrialization, and aerospace, where rising power complexity and regulation drive sustained demand. These tailwinds support above-GDP growth and strong backlog visibility

Industry	Description	Growth Outlook
Electrical Infrastructure & Power Distribution	• Upgrade spending: **grid modernization & renewable energy** Electrification supports sustained utility capex • Order Visibility: North American “megaproject” announcements up **185% since 3Q23**	• Electrical global organic growth **4% (FY24) to ~7% (FY25 guide)** • Long-term target: **expected to grow faster than GDP**
Data Centers & Digital Infrastructure	• AI computing increases power density, cooling needs + system complexity • Shift toward **integrated, modular power + cooling systems for efficiency**	• Demand surge: **Data Centers order growth +200%** • **1.7x book-to-bill** signals continued **backlog expansion**
U.S. Aircraft Maintenance, Repair, and Overhaul	• **Narrowbody demand + low-cost carrier growth** boosts maintenance, repair, and overhaul (MRO) demand • **Defense modernization** pushes MROs toward higher value services/investment	• Post-pandemic rebound with **revenue trending upward** • Constraints (labor/parts/engine specialization) keep **pricing and capacity tight**
Industrial & Energy Facilities	• **Reshoring + reindustrialization** drive new factories and energy infrastructure • Rising need for **power reliability, safety, and monitoring** • Electrification tied to mandates	• **Multi-year construction/industrial capex** tailwind • Electrification increases electrical content per facility
Commercial, Institutional, and Residential Buildings	• Stricter **safety** rules drive replacement/upgrade cycles • Growing adoption of **smart building, power quality, and energy-management** solutions • Electrification of heating supports steady demand	• **Recurring replacement cycles** • **Smart building adoption** increases adoption rate of monitoring/energy management

Sources: IBIS World, Department of Energy, Gartner, Company Filings

Strategic Growth Through Acquisitions

EATON

Historically, Eaton has been incredibly active in the M&A space, acquiring over 60 companies since its inception and 4 companies in the last year alone. Overall, Eaton has focused on acquisitions that supplement its existing product offering and expand upon existing operations

Acquisition Spotlight: Boyd Thermal

"Bringing together Boyd Thermal's highly-engineered liquid cooling technology and global service model with Eaton's existing products and scale will **provide enhanced value to customers**…In data centers particularly, our combined expertise in both power and liquid cooling from the chip to the grid **will enable customers to manage increasing power demands more effectively**." – Paulo Ruiz, Eaton CEO

- The acquisition of Boyd Thermal forms **significant synergies** with Eaton's existing data center and AI infrastructure portfolio
- Positions Eaton well for the future as a **key player in the data center industry**, providing a wide range of services
- Liquid cooling adoption is accelerating as **AI computing demand outpaces traditional air-cooling capabilities**

Themes Behind Eaton's M&A Activity

Electrification:
Acquisitions like **Exertherm** to bolster connectivity and electrification capabilities

Data Centers:
Deals, like **Boyd Thermal**, reflect a pivot toward the high-growth data center market

Aerospace:
Expanding aerospace footprint with acquisitions such as **Ultra PCS**

Global Footprint & Portfolio:
Long-term moves like **NordicEPOD** broadened Eaton's global reach and product set

Recent M&A Timeline

EXERTHERM

May 20, 2024
Eaton acquires Exertherm, a provider of thermal monitors for electrical equipment

NordicEPOD
Powered with EATON Technology

May 20, 2024
Eaton acquires a 49% stake in Nordic EPOD AS, which designs and assembles power modules for data centers in the Nordic region

FIBREBOND

April 1, 2025
Eaton acquires Fibrebond, a builder of pre-integrated modular power enclosures, for $1.4B

ULTRA

June 16, 2025
Eaton acquires Ultra PCS, a manufacturer of mission-critical systems for aerospace customers, for $1.5B

RESILIENT POWER

August 6, 2025
Eaton acquires Resilient Power Systems, a developer and manufacturer of innovative energy solutions, for $86M

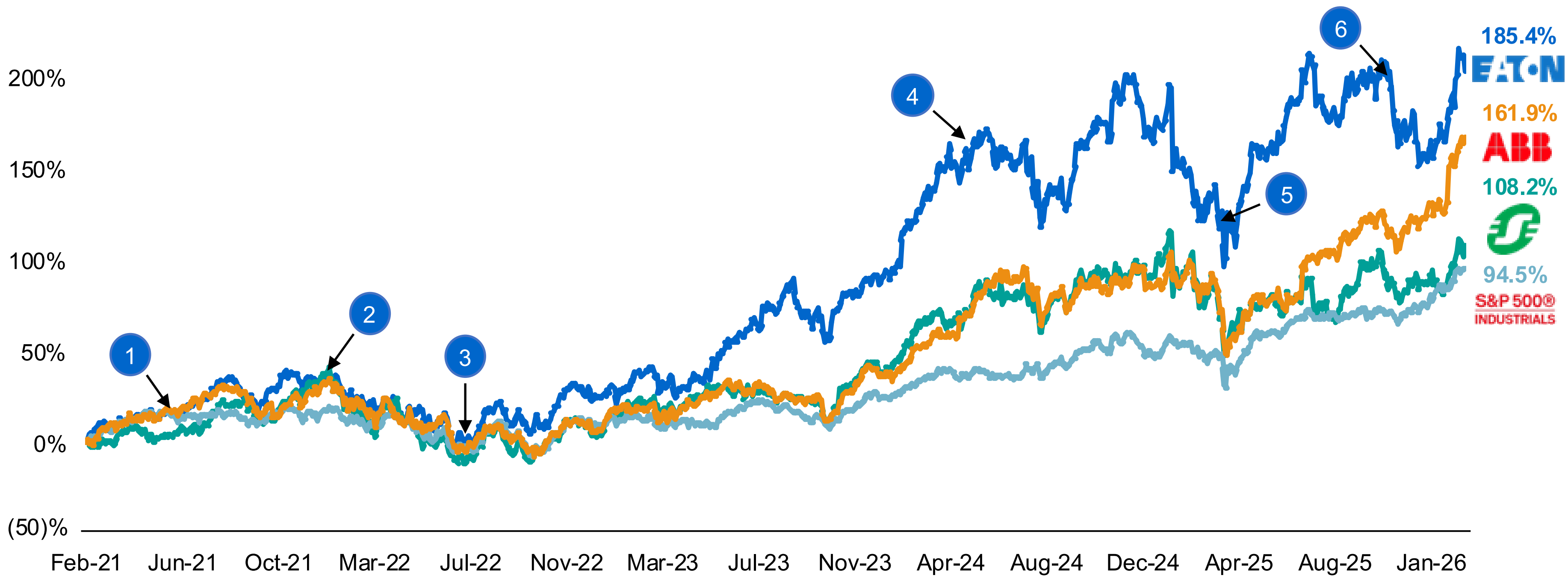
BOYD
TRUSTED INNOVATION

November 3, 2025
Eaton acquires Boyd Thermal, a leader in liquid cooling solutions, for $9.5B

Sources: Capital IQ, Company Filings, FactSet

Eaton Indexed Stock Performance

Eaton's stock price has risen over the 2021–2026 period, reflecting a disciplined acquisition strategy that expanded its electrification, aerospace, and critical power infrastructure capabilities, supporting a strong long-term growth outlook



1 **June 2021**
Acquired Cobham Mission Systems, expanding Eaton Aerospace's fuel systems offerings and repositioning the portfolio for higher growth and stronger margins

2 **Jan 2022**
Acquired Royal Power Solutions to expand high-precision electrical connectivity offerings for EV and power management markets

3 **July 2022**
Acquired 50% stake in Jiangsu Huineng Electric Co Ltd., strengthening their electrical portfolio and expanding market access in China

4 **May 2024**
Acquired Exertherm Limited during the AI/data center boom, reinforcing Eaton's positioning as a critical infrastructure beneficiary

5 **April 2025**
Acquired Fibrebond to enhance turnkey power infrastructure capabilities amid data center and electrification demand

6 **Nov 2025**
Eaton announced an agreement to acquire Boyd Thermal from Goldman Sachs AM for $9.5B to expand thermal management capabilities

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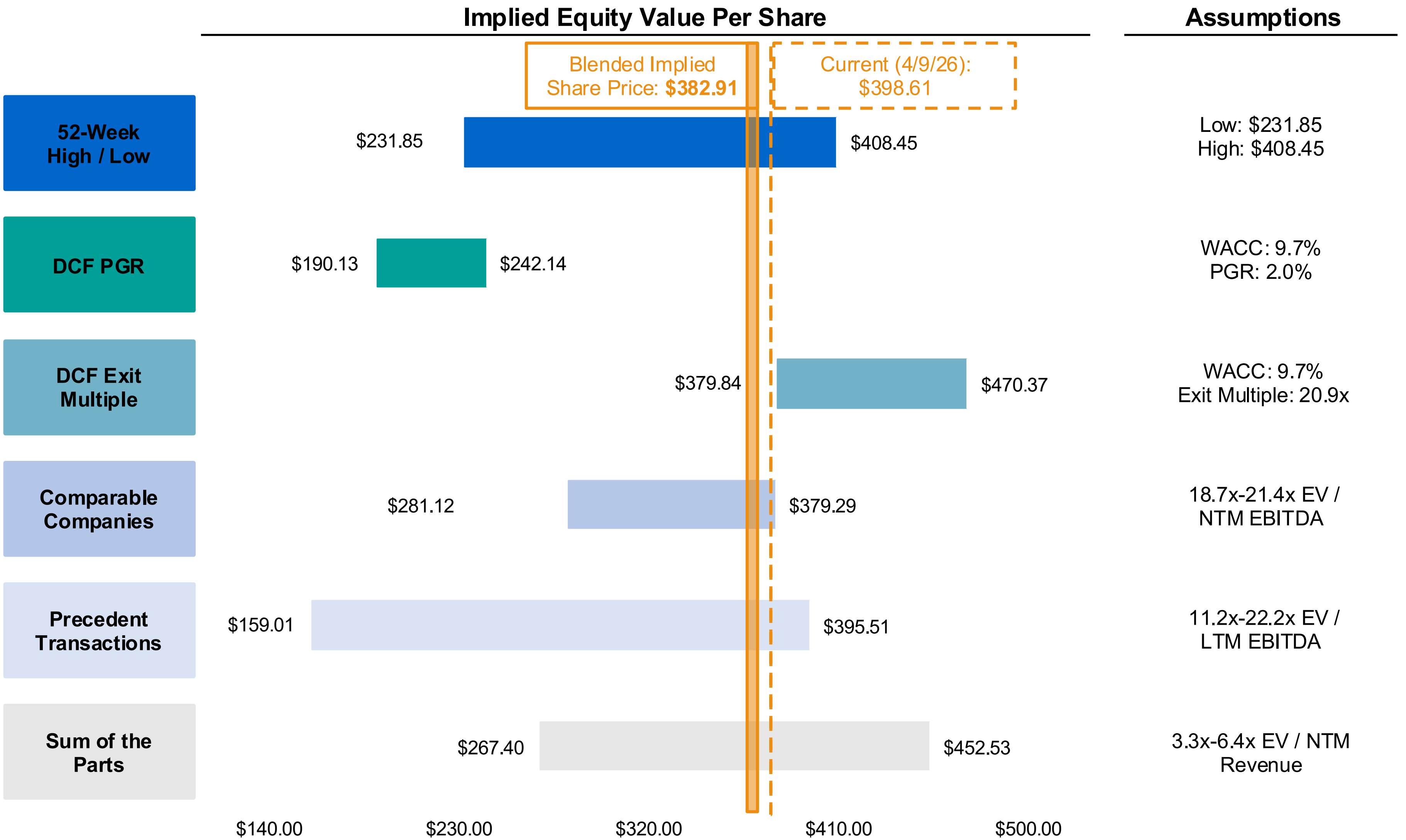
Sources: Company Filings, Capital IQ

Football Field Valuation

Various valuation methods present a wide range of price targets; Eaton's current share price indicates only marginal overvaluation, with our target price of $382.91 reflecting a 3.9% downside



Sources: Company Filings, Capital IQ

Strategic Considerations

Alternatives Considered

Alternatives were primarily evaluated on how they could both add onto and complement Eaton's existing business. Though all these moves were intriguing, they ultimately did not fit Eaton's current timeline and needs

MYR Group (NASDAQ: MYRG)

What is MYR?

- They are a provider of electrical infrastructure services including **transmission, distribution, and substations**

Rationale:

- We thought that MYR would provide **more exposure to electrical work outside the data center** (i.e. transmission), allowing Eaton to capture value across the entire project lifecycle

They were rejected because…

- They were **too outside of Eaton's current product portfolio**
- Their **current margins are incredibly low**, meaning they would provide very little benefit to Eaton's earnings

Bloom Energy (NYSE: BE)

What is Bloom?

- They design and manufacture solid oxide fuel cells, which **independently produce electricity onsite for power generation**

Rationale:

- Data centers face **grid bottlenecks and power shortages**, and Bloom's fuel cells could allow data centers to **operate independently from the grid**
- An acquisition of Bloom would **broaden Eaton's electrical portfolio**

They were rejected because…

- They were way too expensive, with an **EV of $42.7B**, which exceeded guidance provided by management
- Bloom, like MYR, has **profitability concerns** and **high capital requirements**

Spin-off of Aerospace Segment

What is Eaton's aerospace segment?

- They design, manufacture, and integrate **hydraulic, fuel, motion control, and electrical systems** for commercial, military, and space aircraft

Rationale:

- This move would **sharpen Eaton's strategic focus**, allowing them to **focus solely on their electrical segment**, while the new aerospace business can focus solely on aerospace

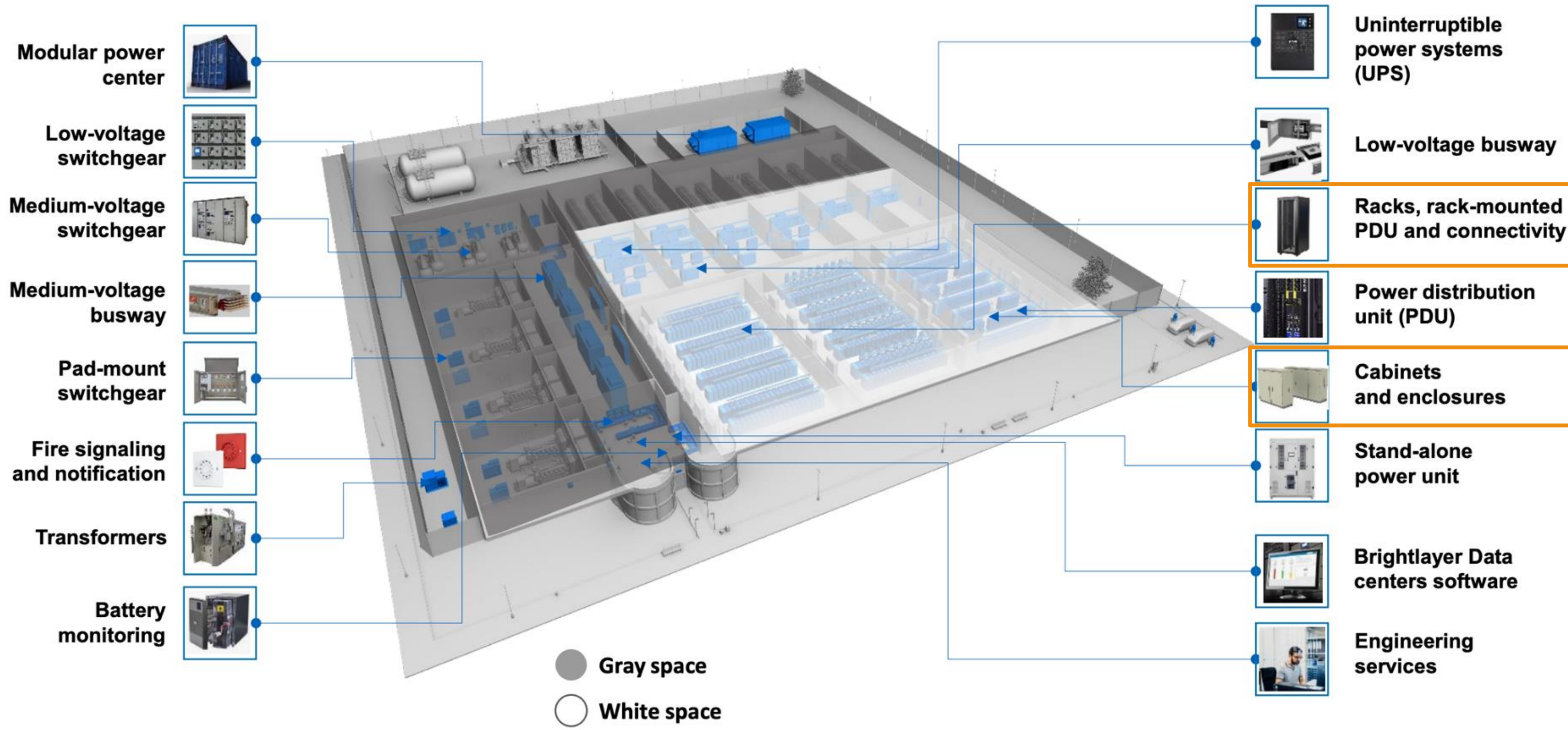
They were rejected because…

- Eaton's aerospace segment is still relatively **high-growth** and **high-margin**, unlike their vehicle segments
- Eaton's diversification has clear benefits, like **protecting them from industry-specific volatility**

Sources: MYR Company Filings, Bloom Company Filings, Eaton Company Filings, S&P CapIQ

What is Eaton Missing?

Though Eaton has a substantial presence in the gray and, to a certain extent, the white space, it lacks dominance in physical infrastructure, like racks and cabinets, and electrical connection, like cable management and power connections



Cable Management ?

Power Connections ?

Eaton **doesn't have** cable management and power connection products, **which is a strength of nVent's**

Though Eaton is already slightly involved in the data center space (with their racks and enclosures), **these products pale in comparison to nVent's** in terms of **popularity and technological complexity**

Eaton's Data Center M&A Strategy

Recent acquisitions reflect a clear progression toward a full-stack data center platform

CORE POWER →	MODULAR INFRASTRUCTURE →	ADVANCED POWER →	COOLING →	PHYSICAL INFRASTRUCTURE
EATON	FIBREBOND	RESILIENT POWER	BOYD TRUSTED INNOVATION	nVent
Electrical Backbone	**Modular Deployment**	**Next-Generation Power**	**Thermal Management**	**Data Center Hardware**
Power distribution, switchgear, UPS	Pre-integrated power enclosures	Advanced power conversion systems	Liquid cooling for AI data centers	Racks, enclosures, and cable management systems
Grid → facility power management	Accelerates hyperscale deployment timelines	Supports rising AI power density	Moves Eaton closer to the chip	Core physical layer within data center architecture
Foundation of data center power systems	Enables faster, standardized deployment	Enhances efficiency + reliability	Enables high-density AI workloads	Enables fully integrated, end-to-end solutions

Eaton has systematically expanded across the data center stack through targeted acquisitions — NVT completes the final infrastructure layer and enables a fully integrated platform

Sources: Investor Presentations and Company Filings

Acquisition of nVent

Acquiring nVent will provide Eaton's electrical and industrial customers with a bundled ecosystem of power management and protection products, resulting in deeper customer stickiness as customers are provided with integrated power distribution and physical infrastructure solutions

Eaton's Challenges

1. Eaton is solely focused on electrical infrastructure, with **no exposure to physical infrastructure like server racks**
2. Competitors like Schneider Electric **offer more integrated solutions** that combine electrical and physical infrastructure
3. Even though margins are strong, Eaton can experience **even more** margin expansion as it focuses more on Electrical

Strategic Recommendation: Acquisition of nVent

Expanded Scale and Portfolio

- Pairing nVent's physical infrastructure products with Eaton's portfolio enables it to **capture a larger share of data center buildouts**
- Through Eaton's existing sales network and customer relationships, **nVent could sell more of its products and reach a broader set of clients**
- Integration with Eaton's electrical products would **allow nVent solutions to become part of a fully integrated data center offering**

Cost Synergies and Margin Growth

- Combining Eaton and nVent would **expand manufacturing scale and supply chain reach**, improving production efficiency and lowering unit costs
- Significant overlap in electrical infrastructure products **creates opportunities to consolidate manufacturing, streamline procurement, and optimize logistics**
- Integration could unlock cost savings while **increasing Eaton's exposure to high-growth data center infrastructure**, supporting stronger margins

Stronger Competitive Positioning

- Acquiring nVent allows Eaton to offer a more **comprehensive end-to-end solution**, strengthening its positioning while also eliminating a competitor
- nVent holds a global top-3 position in enclosures. **Eaton would inherit this position immediately rather than building it organically**
- Integrated solutions with products like switchgears and cable management, create a **higher-margin, stickier revenue stream** that pure component suppliers cannot match

Value Creation Outlook

An acquisition at a **15% premium** would bring nVent to a value of **$148.94 per share**. As this represents a way to further capitalize on the AI data center boom**,** the deal's **accretion will increase to 6.0%** following the purchase

Ultimately, this acquisition is necessary for Eaton to **differentiate itself from its peers**. Bundling power management and thermal/enclosure solutions will allow Eaton to **remain competitive** in the **rapidly evolving** data center and industrial electrification environment

Sources: nVent Company Filings, Eaton Company Filings

nVent Overview

nVent Overview

nVent strengthens Eaton's end-to-end electrical portfolio by adding critical connection and protection capabilities across the power value chain. Its high-performance, mission-critical components enhance system reliability and position Eaton to better serve fast-growing markets

Company Overview

Background

- Global provider of **electrical connection, protection, and enclosure solutions**
- Operates across **North America, Europe, Asia**

Business Segments

Electrical Connections (33%)

- Focused on grounding, bonding, and power connection solutions ensuring safe, reliable electrical flow

Systems Protection (67%)

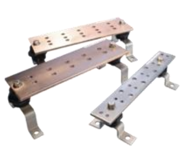
- Focused on enclosures, cooling, and physical protection to safeguard sensitive electrical and electronic equipment

Essential Products

Grounding rods & conductors

Cable connectors, lugs, & clamps

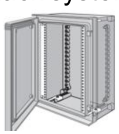
Bonding systems



Essential Products

Climate control units

Rack systems



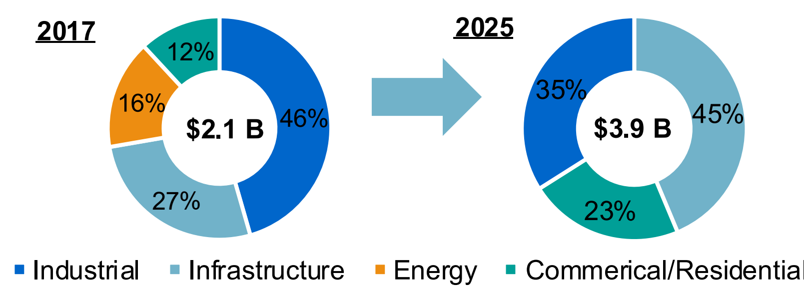
Electrical Enclosures

Cable management Systems

nVent's Current Verticals

Industrial	Infrastructure	Commercial/Resi.
Manufacturing facilities, processing plants, heavy industrial operations, and factory automation systems requiring electrical infrastructure and protection	Power utilities, electrical grid systems, renewable energy projects (solar/wind farms), transmission and distribution networks, and critical energy infrastructure	Office buildings, retail spaces, hospitality, residential developments, and commercial real estate projects needing electrical connection and protection systems

Vertical Portfolio Transformation



- Focused on **higher growth electrical connection** and **protection**
- **Acquired EPG**: more than replaced earnings from Thermal Management divestiture
- **Balance** between **short cycle** and **long cycle** businesses

Sources: nVent Company Filings

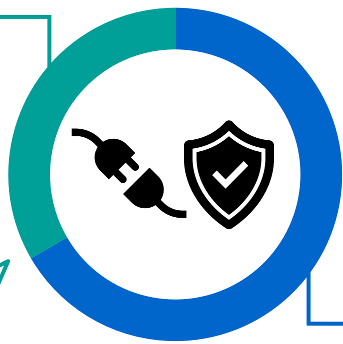
How nVent Makes Money

nVent generates strong, diversified revenue by leading in high-growth electrical infrastructure, especially data centers and grid solutions, while leveraging global scale and high-margin, mission-critical products

Revenue Mix By Business Segment

Electrical Connections
$1.3B
(33% of total revenue)

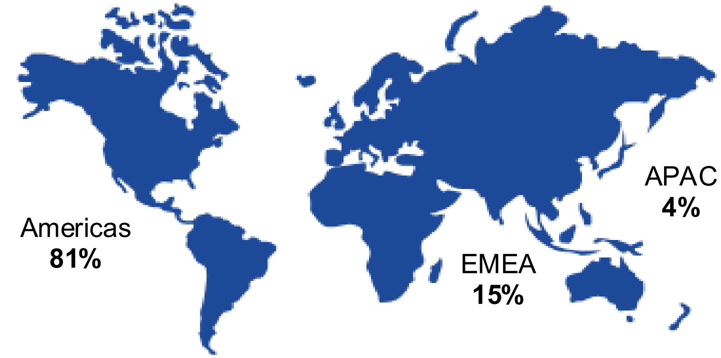
Protects against high cost of failure (up to **$1M/hr**)



Up to **50%** faster installation and **20%** reduction in total installed cost

Systems Protection
$2.6B
(67% of total revenue)

Geographic Revenue Mix

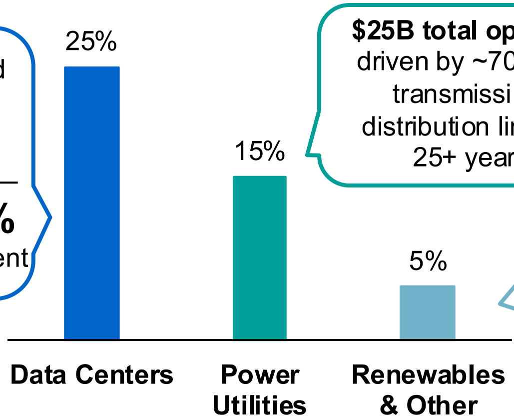


Shift toward **"One nVent" global model** → scale high-growth infrastructure solutions across **EMEA and APAC regions**

High-Growth Vertical Infrastructure

Sales reached
~$1B in 2025

Up to 45%
PUE improvement



$25B total opportunity driven by ~70% of U.S. transmission and distribution lines being 25+ years old

Expanded **3x** since 2018 spin

Essentials For Profitability & Sticky Revenue

1. **High Switching Costs**
   Products are embedded deep in architecture; designed to technical specifications and compliance codes
2. **Unrivaled PUE Efficiency**
   Liquid cooling solutions provide up to 45% improvement in PUE in data centers
3. **One nVent Execution**
   Unified portfolio scaling, customer-centric synergy, global operational excellence

Sources: nVent Company Filings, Yahoo Finance

nVent vs Competition: Why Do People Choose nVent?

nVent differentiates itself by delivering integrated, high-reliability, and mission-critical solutions that outperform broader conglomerates on performance, efficiency, and customization, which justifies its premium, value-driven pricing

Feature	nVent (specialized leader)	Global Conglomerates (e.g. Schneider, ABB, Siemens)
Pricing Strategy	**Premium Value:** Higher gross margins (~50%) reflect a "value-over-volume" approach for mission-critical apps	**Bundled Discounting:** Often use lower-margin hardware as "loss leaders" to sell broader software ecosystems
Platform Type	**Integrated "Grid-to-Chip" Platform:** A unified system eliminates dangers that components from different vendors won't fit or fail under load	**Generalist Industrial:** Broad portfolios where electrical protection is just one of many business units of the entire company; much less specialization
Quality/Reliability	**High-Cost-of-Failure Protection:** Designed for environments where downtime costs up to **$1M per hour**	**Standard Industrial Grade:** Reliable, but often lack the niche specialization for extreme/harsh environments
Innovation	**High Vitality:** 27% of sales come from products released in the last 3 years (86 new products in 2025)	**Slower Cycle:** Longer R&D cycles due to the massive scale of diversified product lines

Key Drivers

1. **Installation Efficiency:** Contractors prefer nVent CADDY for its speed (50% faster), which reduces labor costs (by up to 20%) on job sites

2. **Thermal Management Needs:** As electronics become more dense, specialized cooling (liquid or high-efficiency air) becomes critical

3. **System Integration:** By sourcing enclosures, cooling, and cable management from a single, trusted manufacturer ensures compatibility

4. **Customization:** nVent provides custom-engineered, modular buildings and enclosures, differentiating from off-the-shelf parts

Competitor Callout: Rittal

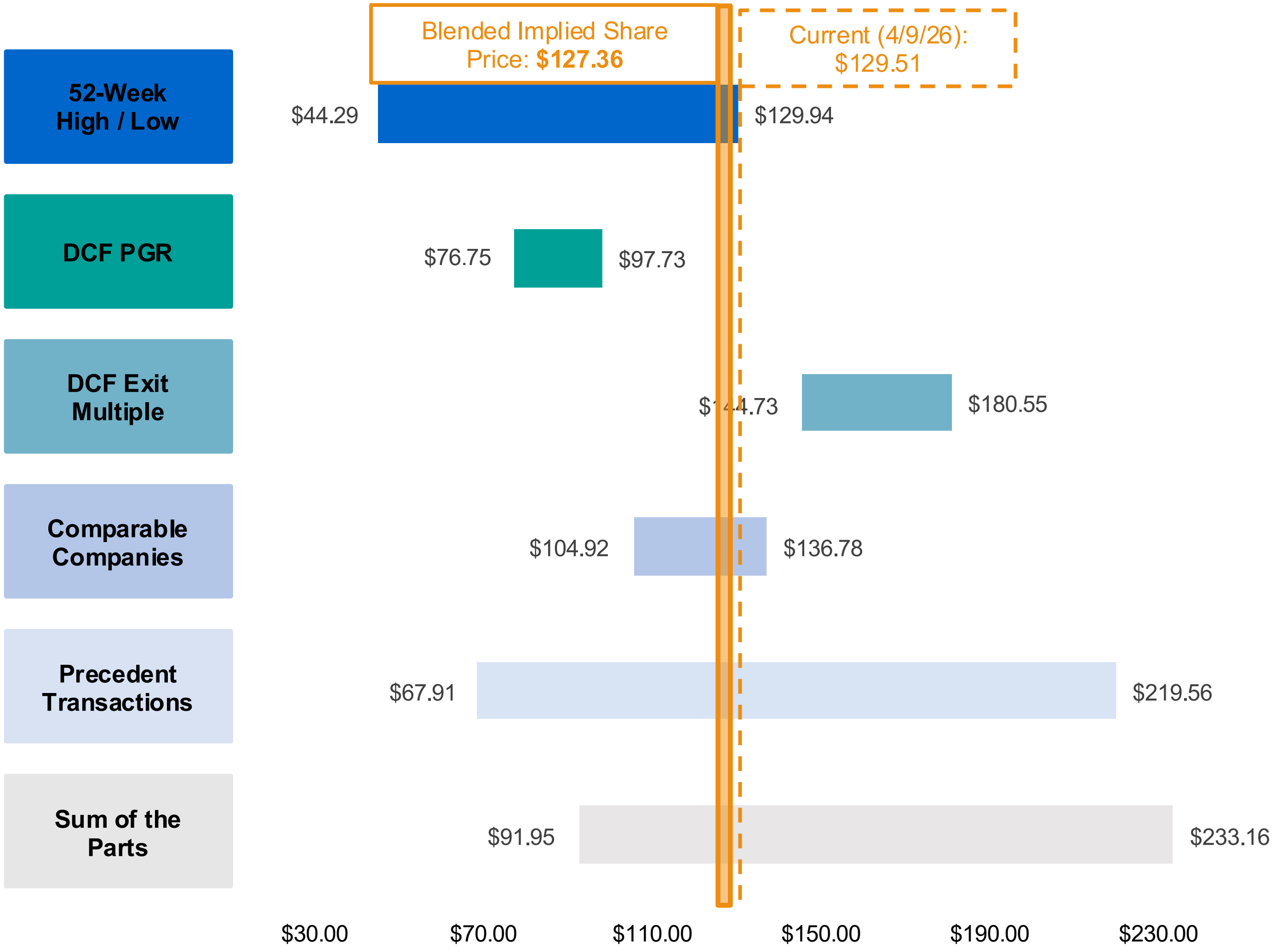
Rittal offers high-quality standard enclosures, but **nVent** differentiates through its **NVIDIA-partnered liquid cooling solutions and AI-ready infrastructure**

While competitors focus on traditional air-cooling enclosures, nVent provides a **"White Space"** solution that integrates the rack, the enclosure, and the liquid cooling system specifically for high-density AI workloads, something most competitors cannot do at nVent's scale

Football Field Valuation

Various valuation methods present a wide range of price targets; nVent's current share price indicates slight overvaluation, with our target price of $127.36 reflecting a 1.7% downside

Implied Equity Value Per Share



Assumptions

Low: $44.29
High: $129.94

WACC: 10.09%
PGR: 3.50%

WACC: 10.09%
Exit Multiple: 21.9x

21.4x-26.25x EV / NTM EBITDA

3.2x-4.1x EV / LTM Revenue

20.2x-49.0x EV / LTM EBITDA

Sources: Company Filings, Capital IQ

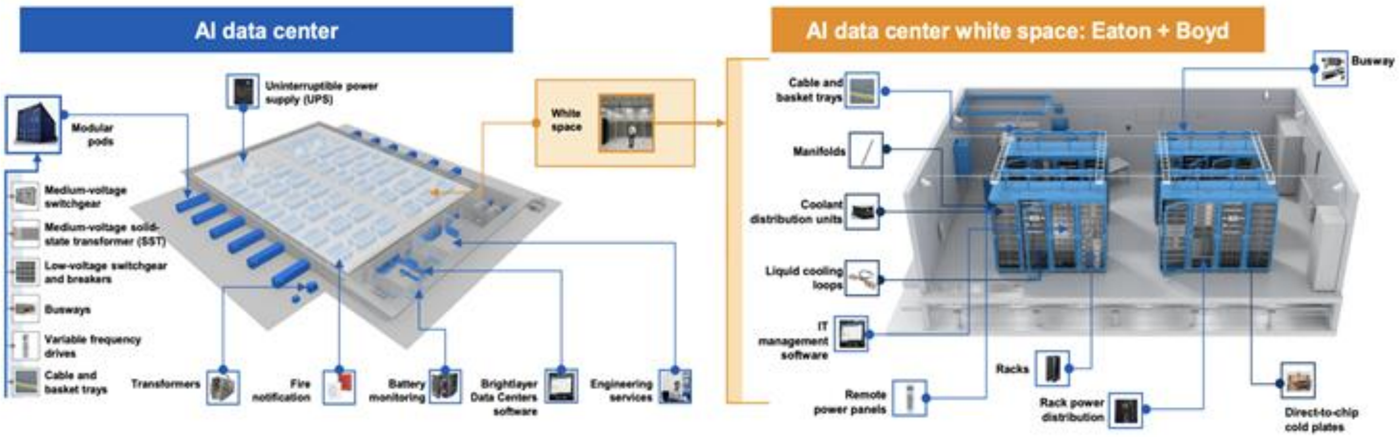
Transaction Analysis

Where ETN and NVT Play in the Data Center

EATON

Eaton powers the data center from grid to rack, while nVent enables the physical and thermal infrastructure inside the white space. Together, they span complementary layers of the data center stack, with Eaton expanding further into the white space through power distribution and liquid cooling

Eaton



Eaton

- End-to-end power infrastructure (Grid → rack)
- Core: switchgear, transformers, UPS, busways
- Expanding into rack power + liquid cooling (Boyd)
- Increasing content per MW in AI data centers

nVent

nVent

- White space infrastructure provider
- Core: racks, enclosures, cable management
- Enables power distribution + connectivity at rack level
- Exposure to AI-driven cooling & density demand

Why nVent? Why Now?

nVent's leadership in electrical protection and data center infrastructure, combined with its attractive valuation relative to peers, positions it as the ideal bolt-on to complete Eaton's grid-to-chip strategy at a moment when data center capex is projected to surpass $1 trillion by 2029

Strategic Fit: Eaton's M&A Criteria

Leader in large global markets
Top performer in North American electrical enclosures, heat tracing, and electrical

Above average long term growth
Record $3.9B in 2025 sales (+30% YoY), ~$1B data center revenue (+50% YoY), 13% organic growth

Aligned with secular trend
nVent's infrastructure segment ~45% of sales, directly aligned with Eaton's target end markets

High margin potential & returns
25.5x, which is a ~30% discount to the Connectivity peer mean of 36.1x more likely to hit 2-year EPS accretion

The Case for Now

1. Boyd Thermal Closing Creates Momentum
Liquid cooling capabilities added with Boyd Thermal (March '26). nVent would extend the grid-to-chip strategy

2. Data Center Boom Demands End-to-End Solutions
Eaton projects 165-200+ GW of U.S. data center backlog through 2030. nVent's data center & cooling/enclosure capabilities fill Eaton's gaps

3. nVent Has Digested Trachte & Avail EPG
Trachte (7/2024) & Avail EPG (5/2025) acquisitions broadened nVent's Systems Protection allowing Eaton to acquire more diversified platform

4. ~$21B Cash Optionality Through 2030
Eaton has ~$21B in cash optionality plus additional debt capacity at current credit rating, providing ample firepower for a deal of this scale

Why nVent Over Other Players?

Vertiv (39.7x 2025A)
- Trades at a significant premium
- Primarily thermal/power management
- Less enclosure breadth

Hubbell (20.7x 2025A)
- More utility-focused
- Less data center exposure
- Less strategic overlap with Eaton's grid-to-chip vision

Belden (58.3x 2025A)
- Extremely expensive valuation
- Focused on connectivity/networking, not electrical protection

nVent (25.5x 2025A)
- Attractive valuation
- $1B data center revenue
- Complementary enclosure/protection portfolio
- Bolstered by Trachte + Avail EPG

Sources: Yahoo Finance, Company Filings

Customer Overlap

Across every one of Eaton and nVent's major end markets, they each already independently sell to the same engineering teams;this creates an immediate cross-selling opportunity, giving customers the ability to purchase full solutions from Eaton

Data Centers

Power and Distribution
- Uninterruptible power supply units
- Medium-voltage switchgear
- Modular Power
- Bus ducts

Protection and Connection
- Enclosures and racks
- Liquid cooling
- Cable management & organization
- Power cable connectors

Power Stations

Grid Infrastructure
- Protection relays
- Medium-voltage switchgear
- Grid automation equipment
- Electric vehicle charging

Substation and Field Equipment
- Control buildings
- Electrical houses
- Substation connectors
- Grounding systems

Commercial and Industrial Buildings

Facility Power Management
- Motor controls
- Circuit breakers
- Power distribution units
- Lighting controls

Physical Infrastructure
- Industrial electrical enclosures
- Cable trays
- Fastening systems
- Bonding and grounding

Sources: Eaton Company Filings, nVent Company Filings

Product Bundling

With Eaton and nVent bundling their products, hyperscalers and utilities companies procuring at speed can place one order covering both power management and protection, compressing project timelines and reducing bid overhead costs

Eaton	nVent
Companies choose Eaton for large-scale power reliability, ensuring that its components do not fail; its products are chosen in projects early-on by electrical engineers	Companies choose nVent for physical protection and connection of components, ensuring equipment stays safe and organized; products are often chosen later in projects

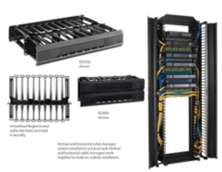
New Bundle Opportunities

Data Centers

Eaton
Uninterruptible power supply and modular power infrastructure

\+

nVent
Enclosures, liquid cooling, and cable management



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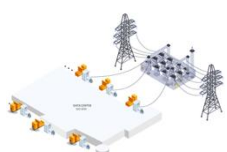
Full grid-to-rack solutions



Power Utilities

Eaton
Switchgear, grid automation, and protection relays

\+

nVent
Substation control and connectors

=

Complete substation power management

Industrial & Commercial

Eaton
Power distribution and circuit protection

\+

nVent
Enclosures and cable management

=

Full facility electrification

Sources: Eaton Company Filings, nVent Company Filings

Feasibility of nVent Acquisition

Eaton is well-positioned to acquire nVent given its strong balance sheet, available debt capacity, and history of successful acquisitions, with manageable risks and clear potential for immediate financial synergies

Financial Capability & Deal Feasibility

- nVent's current market cap: **$19.1B**
- Eaton's current financial position: **$21B of cash optionality through 2030**
- Beyond cash on hand, Eaton maintains **additional debt capacity at its current credit rating** to pursue strategic opportunities
- Eaton's reliable business model and record segment margins provide the **leverage headroom** necessary to fund an acquisition of this magnitude while staying within management's target leverage ratios
- **Synergies** will occur after the first year

Risks & Mitigants

1 **Risk**: integration complexity of a large-scale deal
Mitigant: Eaton's proven **M&A integration playbook** can de-risk nVent's existing pipeline, including successful digestions of **Trachte** and **Avail EPG**

2 **Risk**: rapid changing data center tech could make certain nVent products obsolete
Mitigant: invest in R&D for emerging tech and maintain a flexible product development pipeline to adapt to shifts

3 **Risk**: **commodity price volatility** and availability of raw materials for its connection and protection systems
Mitigant: Eaton's massive procurement scale and pricing power provides a hedge

4 **Risk**: customer or product overlap
Mitigant: conduct a product portfolio review and strategically maintain products that have the highest margins and most innovative offerings

Biggest Shareholders

Institution	Value ($mm)	Ownership	Avg. Price
BlackRock Inc.	1,858.1	9.7%	$75.45
Vanguard	1,852.5	9.7%	$74.15
Millennium Management	723.6	3.7%	$95.80
State Street Corporation	586.5	3.0%	$78.22

nVent currently trades at $129.51, providing **strong upside for shareholders in a premium transaction**

Past Successful Significant Acquisitions

COOPER

Cooper Industries (2012) $11.8B

Cobham Mission Systems (2021) $2.8B

COBHAM

BOYD TRUSTED INNOVATION

Boyd Thermal (2026) $9.5B

Sources: nVent Company Filings, Yahoo Finance

Merger Model

The proposed acquisition of nVent is accretive by 2027E at ~0.5%, growing to ~6% by 2030E as synergies ramp to $600M, with the deal funded through a 10% cash / 50% debt / 40% stock structure

Accretion / Dilution Analysis

	Projected 2026E	2027E	2028E	2029E	2030E
Synergies	148	284	444	564	599
(-) Foregone Interest	(25)	(25)	(25)	(25)	(25)
(-) Add't Interest	(597)	(597)	(597)	(597)	(597)
After Tax Synergies	**(474)**	**(338)**	**(179)**	**(59)**	**(23)**
ETN Net Income	4,221	4,978	5,968	6,883	7,613
NVT Net Income	604	742	899	1,008	1,087
Pro Forma Combined Net Income	4,351	5,382	6,688	7,833	8,677
Pro Forma Shares	413	413	413	413	413
Pro Forma Combined EPS	**$10.55**	**$13.04**	**$16.21**	**$18.99**	**$21.03**
ETN Standalone EPS	$11.00	$12.98	$15.56	$17.94	$19.85
ETN Pro Forma EPS	$10.55	$13.04	$16.21	$18.99	$21.03
Accretion/(Dilution)	(0.46)	0.07	0.65	1.04	1.18
Accretion/(Dilution)%	(4.2%)	0.5%	4.2%	5.8%	6.0%

Synergy Calcuations

	2026E	2027E	2028E	2029E	2030E
Costs of Systems Protection	$108	$211	$336	$431	$461
Cost of Electrical Connections	$24	$44	$64	$77	$79
Selling, General & Administrative Costs	$16	$29	$44	$56	$59
Total	**$148**	**$284**	**$444**	**$564**	**$599**

Valuation Overview	
Shares Outstanding	161.7
Current Share Price	$129.51
Share Premium	15.0%
Implied Offer Price	**$148.94**
Equity Purchase Price	$24,087.42
Net Debt	1,322
TEV	**$25,409.72**

Transaction Assumptions	
Tax Rate	17%
Cost of Debt	4.70%
Return on Cash	1.00%
Shares Outstanding	388.4
ETN Share Price	$398.61
Exchange Ratio	0.37x

Sources		
Cash	*10.0%*	$2,541
Debt	*50.0%*	$12,705
Stock	*40.0%*	$10,164

Accretion/Dilution Sensitivity Analysis

% Stock \ Purchase Premium	-5.0%	5.0%	15.0%	25.0%	35.0%
10.0%	2.9%	1.5%	0.2%	-1.1%	-2.4%
25.0%	0.9%	-0.5%	-2.0%	-3.5%	-5.0%
40.0%	-0.9%	-2.5%	-4.2%	-5.8%	-7.4%
55.0%	-2.7%	-4.5%	-6.2%	-8.0%	-9.7%
70.0%	-4.4%	-6.3%	-8.2%	-10.1%	-11.9%

Accretion/Dilution Sensitivity Analysis

% Debt \ Purchase Premium	-5.0%	5.0%	15.0%	25.0%	35.0%
10.0%	2.9%	1.7%	0.5%	-0.7%	-1.9%
30.0%	1.1%	-0.4%	-1.8%	-3.2%	-4.6%
50.0%	-0.9%	-2.5%	-4.2%	-5.8%	-7.4%
70.0%	-3.0%	-4.8%	-6.7%	-8.6%	-10.4%
90.0%	-5.1%	-7.3%	-9.4%	-11.5%	-13.6%

Sources: Team EverEat, Company Filings

Proposed Synergies

Eaton's acquisition of nVent could create significant synergies largely through overlapping costs of systems protection, some overlapping costs of electrical connections, and the similarity of Eaton and nVent's distribution and selling channels, lowering SG&A costs

Synergies Outputs

$ in Millions, Unless Otherwise Noted

Synergies

			Forecasted Years 2026E	2027E	2028E	2029E	2030E
Costs of Systems Protection			**2,057.1**	**2,347.3**	**2,631.7**	**2,872.1**	**3,073.2**
Synergies			**$108.00**	**$211.26**	**$335.55**	**$430.82**	**$460.97**
Costs of Systems Protection Synergies	Base	*15.00%*	$108.00	$211.26	$335.55	$430.82	$460.97
	Bull	*17.00%*	$122.40	$239.42	$380.28	$488.26	$522.44
	Bear	*13.00%*	$93.60	$183.09	$290.81	$373.37	$399.51
	Ramp		*35.0%*	*60.0%*	*85.0%*	*100.0%*	*100.0%*
Cost of Electrical Connections			**699.3**	**732.2**	**753.7**	**772.2**	**791.0**
Synergies			**$24.48**	**$43.93**	**$64.07**	**$77.22**	**$79.10**
Cost of Electrical Connections Synergies	Base	*10.00%*	$24.48	$43.93	$64.07	$77.22	$79.10
	Bull	*12.00%*	$29.37	$52.72	$76.88	$92.66	$94.91
	Bear	*8.00%*	$19.58	$35.14	$51.25	$61.77	$63.28
	Ramp		*35.0%*	*60.0%*	*85.0%*	*100.0%*	*100.0%*
Selling, General & Administrative Costs			**642.3**	**694.8**	**738.8**	**799.6**	**848.4**
Synergies			**$15.74**	**$29.18**	**$43.96**	**$55.97**	**$59.39**
SG&A Synergies Analysis	Base	*7.00%*	$15.74	$29.18	$43.96	$55.97	$59.39
	Bull	*8.00%*	$17.98	$33.35	$50.24	$63.97	$67.87
	Bear	*6.00%*	$13.49	$25.01	$37.68	$47.98	$50.90
	Ramp		*35.0%*	*60.0%*	*85.0%*	*100.0%*	*100.0%*

Costs of Systems Protection Synergies	*$108.00*	*$211.26*	*$335.55*	*$430.82*	*$460.97*
Cost of Electrical Connections Synergies	*$24.48*	*$43.93*	*$64.07*	*$77.22*	*$79.10*
SG&A Synergies	*$15.74*	*$29.18*	*$43.96*	*$55.97*	*$59.39*
Total Synergies	**$148.21**	**$284.37**	**$443.57**	**$564.01**	**$599.45**

Selected Commentary

1. Costs of Systems Protection mainly include sourcing materials and machinery expenses, as well as labor costs to make the enclosures. In this segment, they share a lot of overlap with Eaton, so cost synergies could be realized for shared tooling, press capacity, and raw material sourcing

2. Electrical Connections manufacturing is more specialized and less directly overlapping with Eaton's operations. Hence, we believe that synergies can be realized on the same basis, but that they will be less than the cost of systems protection projected synergies

3. Distribution and selling channels are very similar, which will result in significant synergies. As a result, we believe that many of nVent's SG&A positions can be removed

Sources: nVent Company Filings, Eaton Company Filings

Final Recommendation

Given nVent's high-growth electrical infrastructure portfolio, deep product overlap with Eaton, and synergy potential across manufacturing and SG&A, we recommend Eaton acquire nVent as a strategically compelling, value-accretive transaction that accelerates its data center buildout positioning while eliminating a key competitor

Rationale

Eaton

1. Acquiring nVent **accelerates Eaton's "chip-to-grid" strategy** by adding nVent's **liquid cooling** and **physical infrastructure** capabilities to its data center power stack
2. nVent's **explosive growth, $3.9B in sales, a tripled backlog, and 40%+ data center revenue mix,** instantly scales Eaton's presence in its **highest-priority market**

nVent

1. Joining Eaton's global platform gives nVent the **scale and distribution needed to compete for hyperscale contracts** as the **market consolidates around full-stack infrastructure giants**
2. A sale to Eaton lets nVent shareholders **monetize the company's multi-year portfolio transformation at peak valuation**, amid record AI infrastructure demand

Synergies

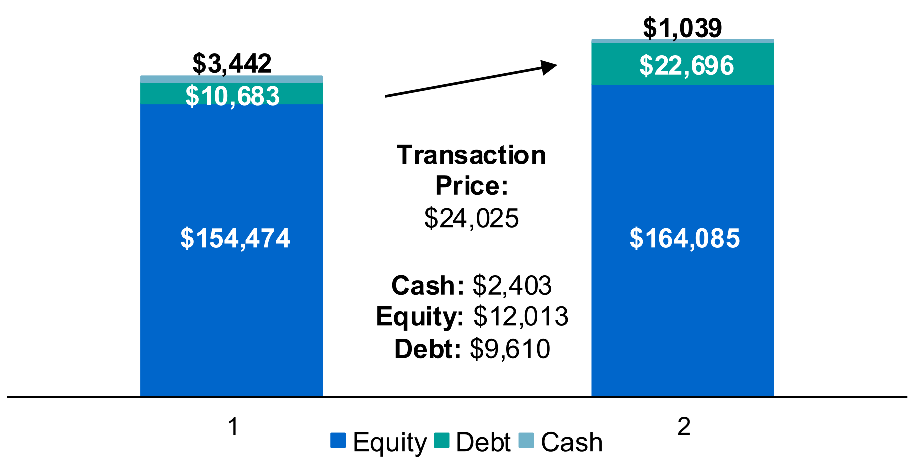
Systems Protection offers the deepest cost synergies due to heavy overlap with Eaton in raw materials, tooling, and press capacity

Electrical Connections is more specialized with less operational overlap, so synergies are real but materially smaller than in Systems Protection

Near-identical distribution and sales channels create significant SG&A rationalization opportunities across nVent's go-to-market structure

Pro Forma Capital Structure ($mm)

*Aiming to **maintain Eaton's net leverage** standards and **minimal cash** they currently have on hand, the proposed deal will include a combination of share swaps and debt raised*



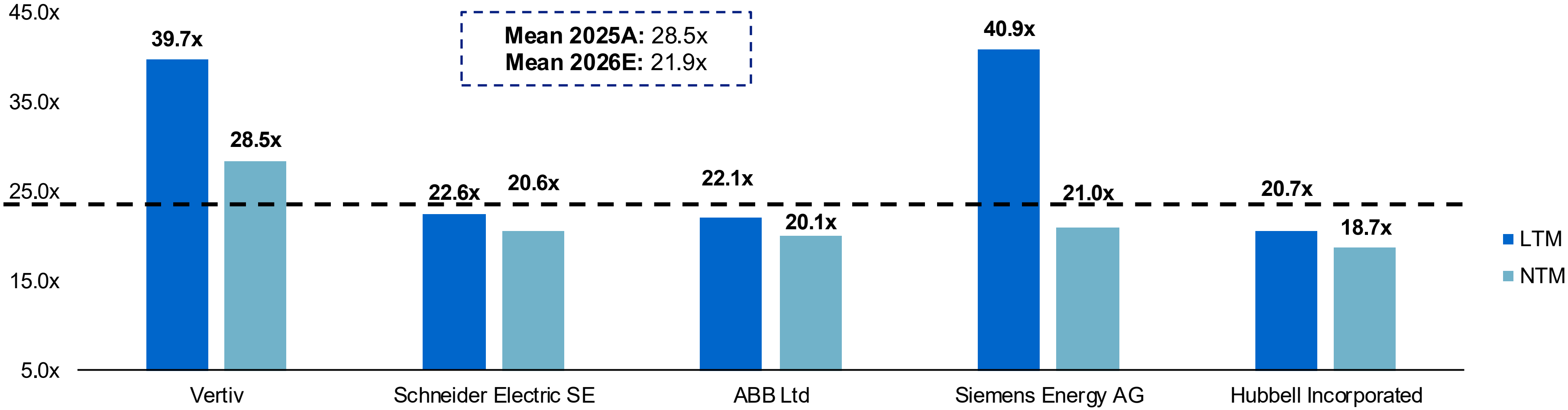
Sources: Team EverEat

Appendix

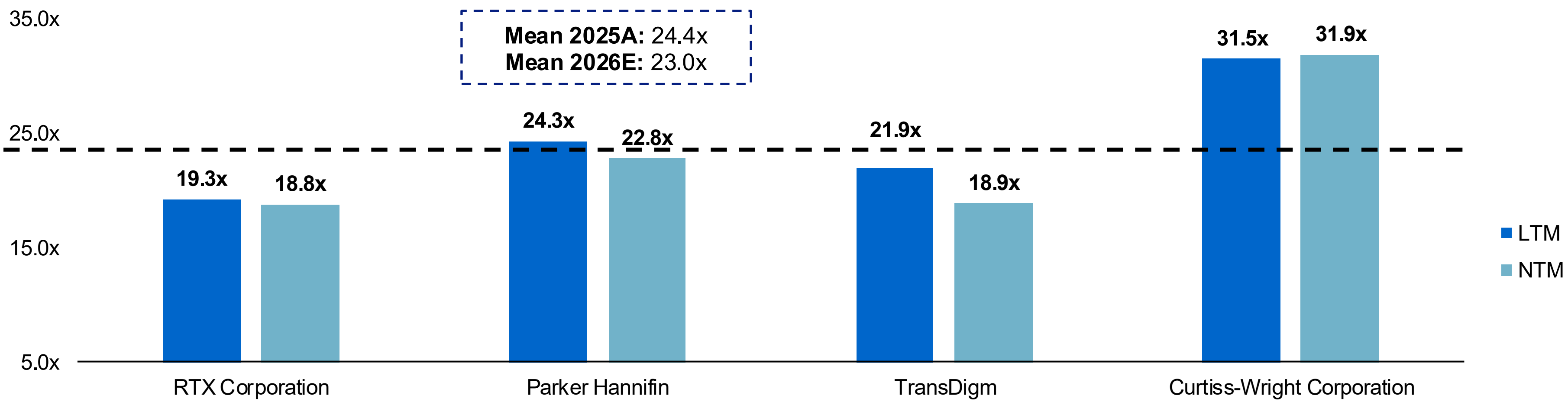
Eaton Segment Benchmarking

Eaton trades at a ~21x EV/EBITDA multiple, which is in line with most of its peers in both segments. We believe this reflects both its solid growth prospects as well as a diversified portfolio that discounts its trading multiple relative to pure data center players

Electrical EV/EBITDA



Aerospace EV/EBITDA



Sources: Company Filings, Capital IQ

Electrical and Industrial Precedent Transactions

Recently, many companies have acquired differentiated electrical and industrial technology assets to capitalize on digitalization, data center expansion, and grid modernization, focusing on high-margin, software-enabled power infrastructure platforms

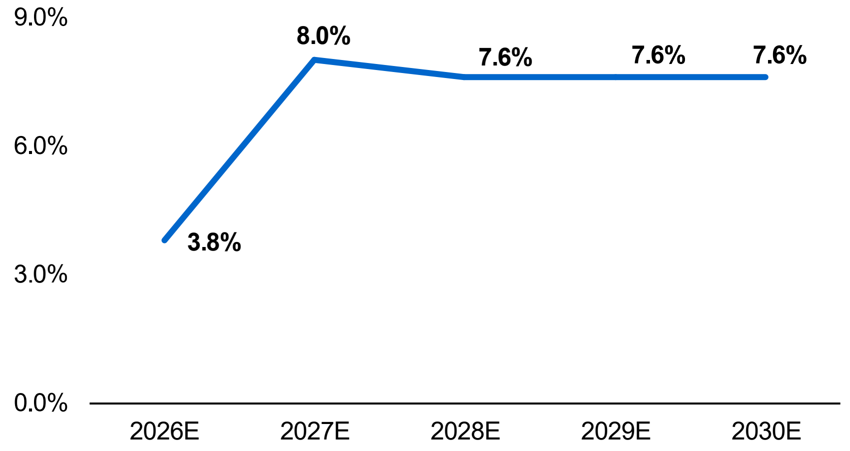
Date Announced	Target	Acquirer	Transaction Amount	TEV / LTM EBITDA	Rationale
November 5, 2024	aspentech	EMERSON	$7.2B	17.2x	When paired with Emerson's hardware strength, Aspen Tech's capabilities in process simulation & AI modeling gives the entity a **rare end-to-end value proposition**
September 8, 2023	TRACHTE	nVent	$0.7B	12.0x	The Trachte acquisition will **expand nVent's enclosures platform in high-growth markets**, accelerating growth amid electrical infrastructure modernization
September 8, 2021	E+I ENGINEERING GROUP	VERTIV	$1.8B	11.0x	Integrating E+I will **expand Vertiv's data center power portfolio** with high-margin switchgear & modular solutions, increasing its addressable market & growth
August 2, 2021	MEGGITT	Parker	$7.2B	23.9x	This acquisition **doubles the size of PH's aerospace segment**, and provides both accelerated R&D and a **complementary portfolio** of aerospace & defense tech

Sources: Pitchbook, Bloomberg

Pro Forma Financial Projections – Base Case

AI-driven data center demand and electrification tailwinds support sustained above-cycle revenue growth, led by Electrical Americas. As operating leverage builds, margins expand steadily, reinforcing a structurally higher earnings profile over the forecast period

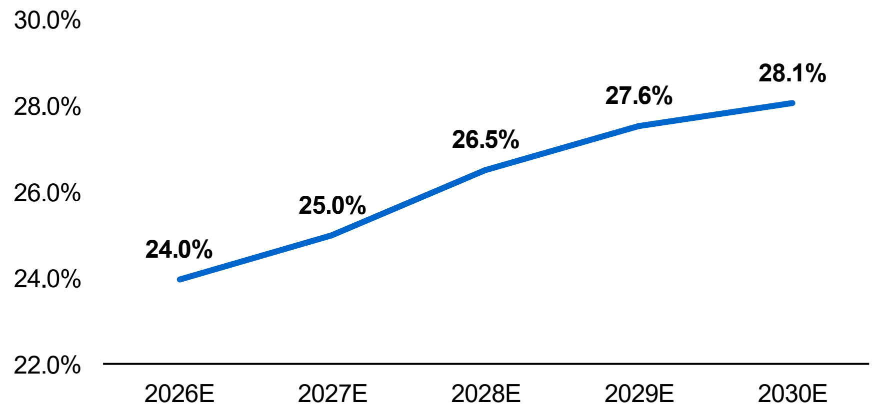
Total Revenue % Growth: 2026E-2030E



Selected Commentary

- **Revenue growth remains elevated near-term**, driven by sustained AI and data center demand
- Electrical Americas is the primary growth engine, supported by a 1.7 data center book-to-bill and **strong mega-project momentum**
- Order acceleration and backlog visibility support **durable multi-year growth**
- Boyd Thermal Acquisition assumed to close in FY26, **contributing ~$1.7B in 2026E revenue**
- From 2027 onward, **acquired revenue grows in line with Electrical Americas**
- Growth moderates over time but **remains structurally above historical levels** due to electrification tailwinds
- **2026 growth slows** as the company spins off its Vehicle and eMobility segment

EBITDA Margin: 2026E-2030E



Selected Commentary

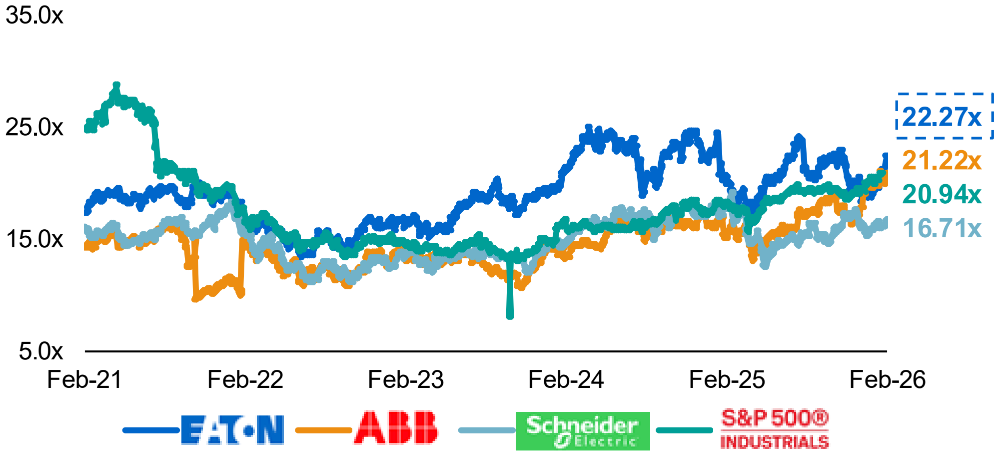
- **EBITDA margin expands steadily** across five-year projection period
- Expansion driven primarily by **revenue growth outpacing operating expense growth**
- Incremental margin supported by exposure to **high-growth, higher-margin segments** (e.g., electrification, data centers, grid modernization)
- Lastly, as operating leverage increases, they will be able to lower their costs

Sources: Company Filings, Capital IQ

Trading Multiple Evolution

In the past 5 years, Eaton, along with its peers, has begun trading at all-time highs, driven primarily by increased demand for AI data centers; what differentiates Eaton is its diversified product portfolio, which discounts its trading multiple but also stabilizes it from AI-related risk

TEV / NTM EBITDA (5 yr.)



1. Eaton trades in line with its competitors, attributable to its **reliable business model** and **diverse product portfolio**, which discounts its multiple but also **stabilizes it from AI-related risk**
2. Eaton achieved record segment margins of 24.9% in Q4 2025, showcasing **operational excellence** and **pricing power that justify premium valuation**
3. With data center demand accelerating and the Boyd acquisition closing in 2026, **Eaton could see multiple expansion if it demonstrates even larger growth in its data center segment**

Median TEV / NTM EBITDA

Median TEV / NTM EBITDA			
	1-yr	**3-yr**	**5-yr**
S&P 500 – Industrials	19.2x	16.5x	16.7x
ABB	17.2x	15.5x	14.5x
Schneider Electric	15.9x	15.6x	15.2x
Eaton	**20.5x**	**20.4x**	**19.0x**

Sources: S&P CapIQ, Company Filings

Key Industries and Trends

Both industries are experiencing significant expansion, driven by data center investment, renewable energy deployment, federal manufacturing incentives, and grid modernization, positioning them as foundational enablers of the global energy transition and digital economy

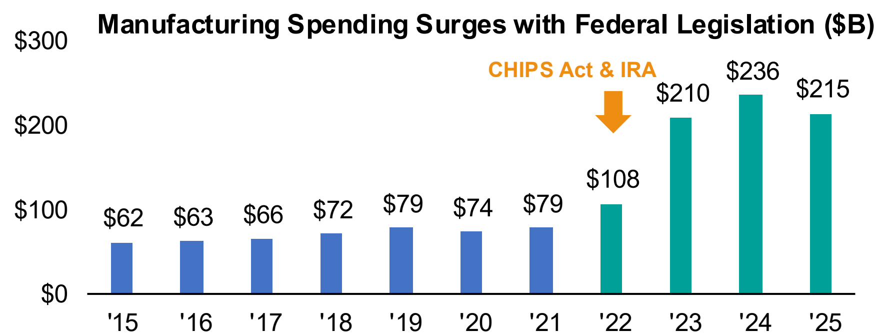
Electrical Equipment

Description

- **2025 Market Size:** $1,660.20B
- **Fundamental hardware infrastructure** for safe & reliable electricity flow
- Manufactures **electrical machinery and apparatus** for power generation, transmission, distribution, and utilization

Growth Outlook & Drivers

- 2026 Projected: $1,823B
- 2034 Forecast: $4,152B
- **Growth Rate: 10.80% CAGR (2026-2034)**
- Investment in **data centers and renewable energy facilities**
- Adoption of **renewable energy-based power**
- Domestic **manufacturing expansion** providing **reliable order pipeline**



U.S. federal legislation funding new production plants creates unprecedented demand for complete electrical systems. nVent positions Eaton to provide end-to-end systems capturing more value per project

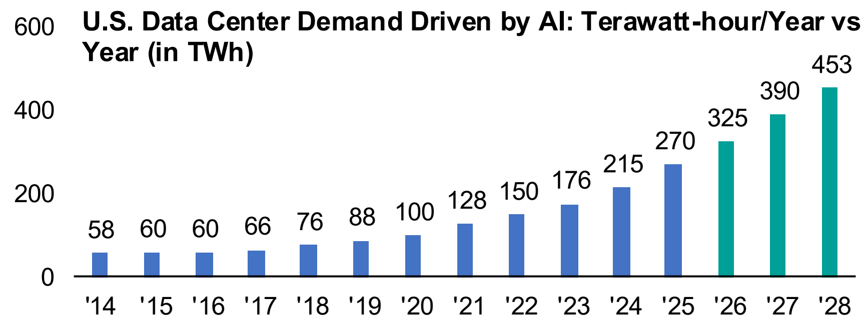
Power Management and Systems

Description

- **2023 Market Size:** $5.8-$6.13B
- Ensures power **quality, reliability, and efficiency** while **reducing energy waste and operational costs**
- **Integrated hardware and software** for monitoring, controlling, and optimizing electrical power consumption

Growth Outlook & Drivers

- 2026 Projected: $7.6B
- 2028-2031 Forecast: $7.5-$10.6B
- **Growth Rate: 5.4-6.9% CAGR**
- **Rise of hyperscale & AI data center power demand** (+2.10% CAGR)
- Rapid **renewable-grid integration** driving grid-stability solutions
- Regulatory pressure for **industrial-scale energy efficiency** programs

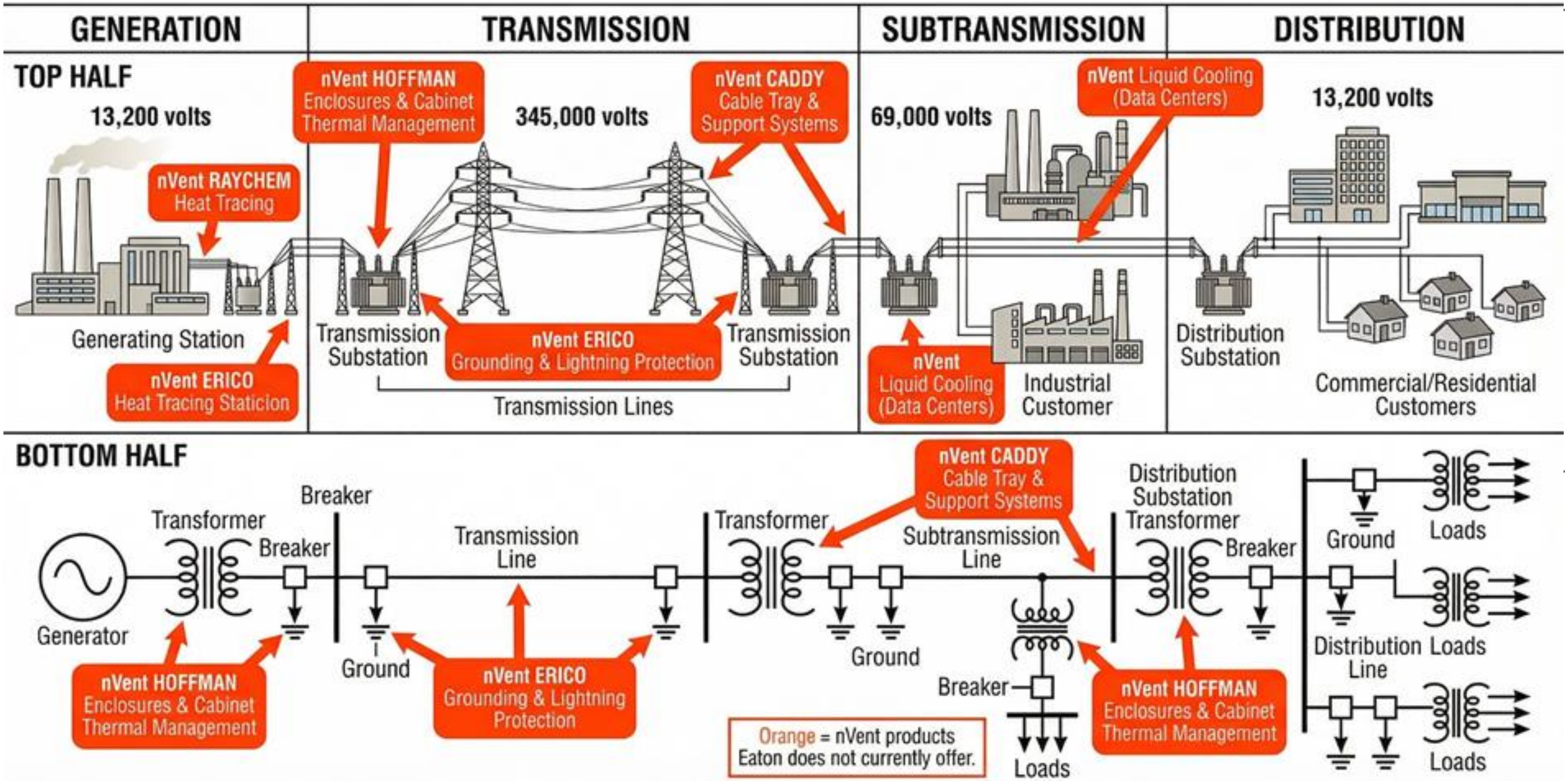


U.S. data center power demand tripled in under a decade (‘16–‘23). AI drove growth to 18% CAGR. With nVent Eaton can offer complete data center power as this market is projected to double again by ‘28

Sources: IBIS World

Electrical Power System

nVent's products fill critical gaps across the entire electrical power system, from enclosures and grounding to liquid cooling, that Eaton does not currently offer. Acquiring nVent would enable Eaton to provide complete "generation-to-load" solutions, capturing significantly more value per infrastructure project

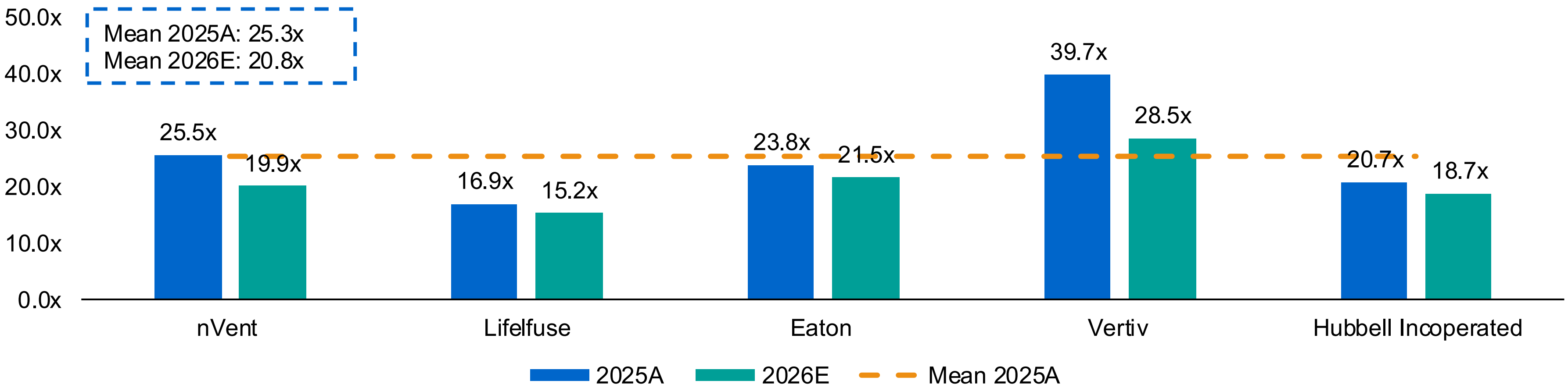


Sources: *PMGEngineering, nVent Company Filings*

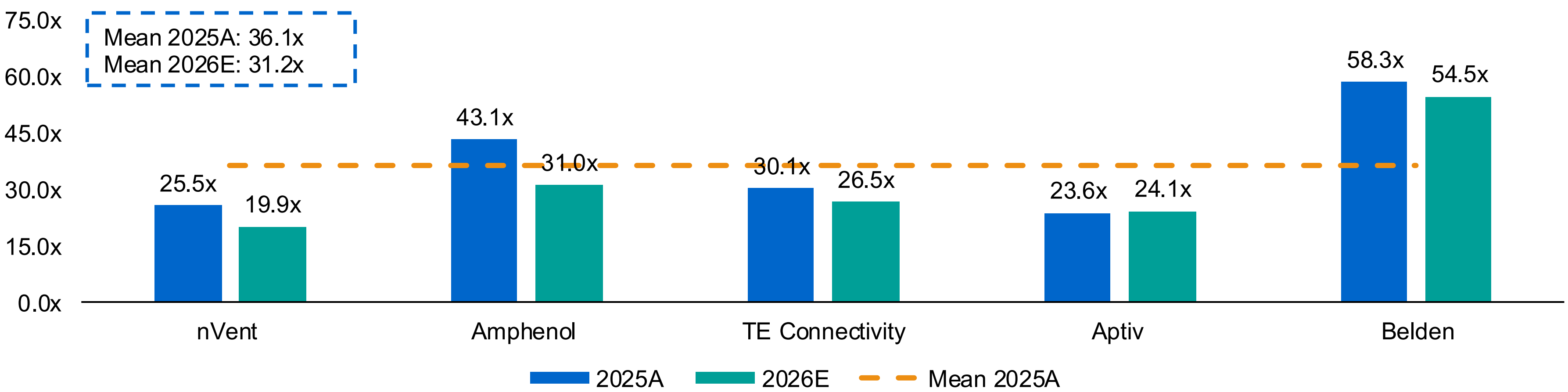
nVent Segment Benchmarking

nVent trades at a discount to peers in both segments, with its 2025A EV/EBITDA of 25.5x sitting below the Electrical Connectivity mean of 36.10x and near the Systems Protection mean of 25.31x, reinforcing its attractiveness as an acquisition target for Eaton

Systems Protection



Electrical Connectivity

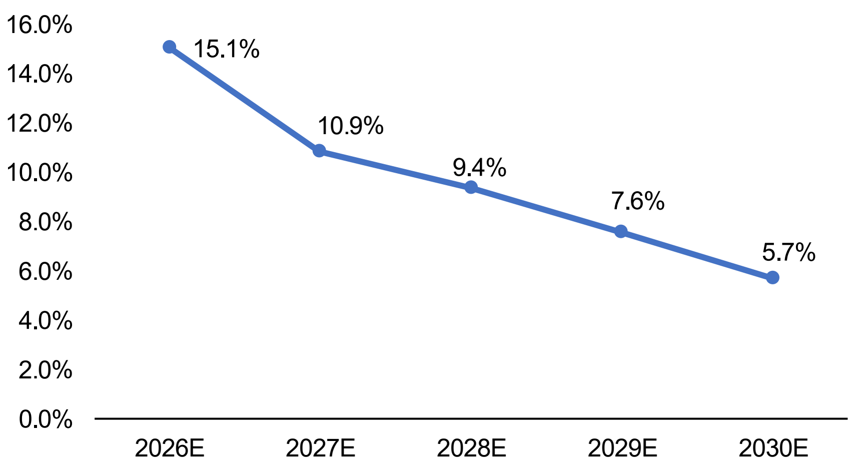


Sources: nVent Company Filings, CapIQ

nVent Revenue and Cost Assumptions

nVent's revenue is expected to nearly double by 2030, led by Systems Protection's data center exposure, with gross margins stabilizing as pricing and scale benefits offset near-term mix shift and capacity investment costs

Total Revenue % Growth: 2026E-2030E



Selected Commentary

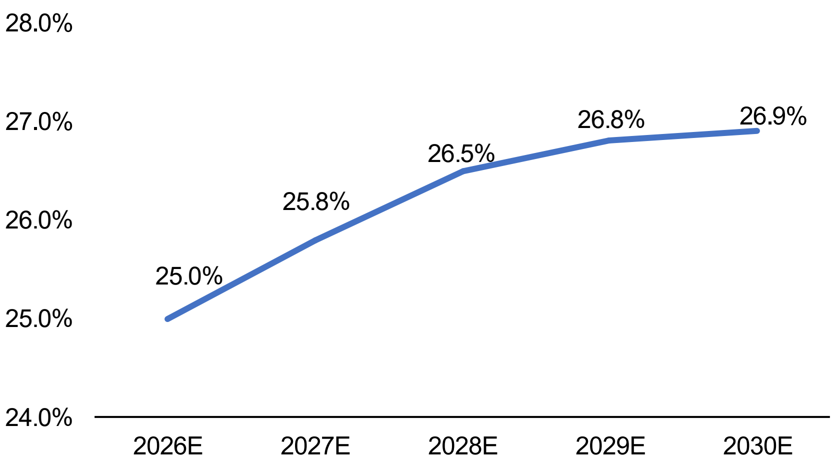
Systems Protection

- **Data center concentration drives outsized growth:** Data centers are the bulk of segment revenue, with sales reaching ~$1B FY25 (from $600M FY24)
- **Liquid cooling as structural tailwind:** <10% of data centers using liquid cooling and Q3 2025 organic orders up ~65%, the segment has a long runway as next gen AI chips demand more cooling

Electrical Connections

- **Diversified end-market mix provides stability:** Serves multiple verticals beyond infrastructure, reducing single-market dependence and offering a steadier growth profile vs. Systems Protection
- **Still participates in data center and electrification:** Less concentrated but benefits from broader electrification trends and data center exposure through connection and fastening solutions

EBITDA Margin: 2026E-2030E



Selected Commentary

- **Mix shift pressures gross margins:** Revenue shift to data center and liquid cooling products will carry lower margins than traditional products, compressing gross margins
- **Price + productivity expected to offset inflation:** Pricing actions and efficiency initiatives should neutralize inflation, supporting gradual margin recovery toward ~22% adjusted operating margins by 2028
- **Near term costs of liquid cooling capacity:** Investments in in CDU, PDU, and rack-level cooling through 2026 temporarily elevate fixed cost absorption before scale benefits set in
- **Operating leverage should improve COGS as % of revenue:** With ~$2.3B in backlog and 27% new product vitality (86 launches in 2025), incremental revenue should produce better margins as production scales

Sources: *Company Filings, Morningstar, RBC Equity Research*

nVent Precedent Transactions

EATON

In past years, many companies (Eaton included) have expanded their electrical connectivity, power management, and thermal management portfolios in order to offer more comprehensive solutions to data centers and meet their growing demand and project complexity

Date Announced	Target	Acquirer	Transaction Amount	TEV / LTM Revenue	Strategic Rationale
November 3, 2025	BOYD TRUSTED INNOVATION	EATON	$9.5B	9.5x	Expands data center portfolio by adding thermal management capabilities; adds electronic thermal solutions expertise
October 2, 2025	AVTRON POWER SOLUTIONS	legrand®	$1.13B	3.2x	Strengthens Electrical Wiring Systems portfolio with load bank manufacturing capabilities; expands power solutions offerings
March 11, 2025	FIBREBOND®	EATON	$1.4 B	3.7x	Builds presence in modular solutions for multi-tenant & hyperscale data centers; adds concrete & steel structure manufacturing capabilities
October 31, 2024	ascent	wesco	$185M	1.6x	Adds to service offerings into data center consulting, engineering, & construction; strengthens position across lifecycle of facility solutions
January 29, 2021	TRIPP·LITE	EATON	$1.65B	4.1x	Enhances IT product portfolio & expands power quality business with added cable, connectivity, & power protection equipment capabilities

Sources: Bloomberg, FactSet, Capital IQ

DCF Output - Eaton

$ in millions, unless otherwise noted

Discounted Cash Flow Model

For Fiscal Year Ending	2026E	2027E	2028E	2029E	2030E
Revenue	**$ 28,620**	**$ 31,095**	**$ 33,639**	**$ 36,405**	**$ 39,415**
% growth	*9.4%*	*4.1%*	*8.0%*	*7.6%*	*7.6%*
(-) Operating Costs & Expenses	(22,181)	(23,788)	(25,229)	(26,940)	(28,970)
EBITDA	**6,440**	**7,307**	**8,410**	**9,465**	**10,445**
% margin	*22.5%*	*23.5%*	*25.0%*	*26.0%*	*26.5%*
(-) Depreciation and Amortization	(923)	(961)	(945)	(961)	(1,065)
EBIT	**5,516**	**6,346**	**7,464**	**8,505**	**9,380**
% margin	*19.3%*	*20.4%*	*22.2%*	*23.4%*	*23.8%*
(-) Taxes	(865)	(1,020)	(1,223)	(1,410)	(1,560)
%Effective Rate	15.7%	16.1%	16.4%	16.6%	16.6%
NOPAT	**4,651**	**5,326**	**6,241**	**7,094**	**7,820**
(+) Depreciation & Amortization	923	961	945	961	1,065
(-) Capex	(930)	(1,010)	(1,093)	(1,182)	(1,280)
(-) Increase in NWC	(770)	407	(253)	(217)	(230)
UFCF	**3,875**	**5,684**	**5,841**	**6,656**	**7,375**
Normalized UFCF	**2,820**	**5,684**	**5,841**	**6,656**	**7,375**
Discount Period	0.36	1.23	2.23	3.23	4.23
Discount Factor	0.97	0.89	0.81	0.74	0.67
PV of FCF	**2,725**	**5,061**	**4,731**	**4,904**	**4,944**
UFCF Margin	*13.5%*	*18.3%*	*17.4%*	*18.3%*	*18.7%*

WACC	9.92%
Stub Year Effect	*72.8%*

PGR and Exit Multiple Eaton

Exit Multiple Method	
Terminal Value & Distribution	
2030E EBITDA	10,445
Exit Multiple	21.1x
Terminal Value	**$220,626**
PV of Period Cash Flows	22,364
PV of Terminal Cash Flows	$147,892
Total Value	**$170,257**
Period Cash Flow	*13.1%*
Terminal Cash Flow	*86.9%*

Gordon Growth Method	
Terminal Value & Distribution	
2030E UFCF	7,375
PGR	2.00%
Terminal Value	**$94,947**
PV of Period Cash Flows	22,364
PV of Terminal Cash Flows	$63,645
Total Value	**$86,010**
Period Cash Flow	*26.0%*
Terminal Cash Flow	*74.0%*

Implied Share Price:	
Enterprise Value	**$170,257**
(+) TEV of SpinCO	5,930
(-) Total Debt	(10,683)
(+) Cash	622
Equity Value	**$166,126**
Shares Outstanding (mm)	388
Share Price	**$427.72**
Current Share Price	$398.61
Upside/Downside	*7.3%*

Implied Share Price:	
Enterprise Value	**$86,010**
(+) TEV of SpinCO	5,930
(-) Total Debt	($10,683)
(+) Cash	622
Equity Value	**$81,879**
Shares Outstanding (mm)	388
Share Price	**$210.81**
Current Share Price	$398.61
Upside/Downside	*(47.1%)*

Blended Share Price	
PGR Weight	25.0%
Exit Multiple Method Weight	75.0%
Blended Share Price	**$370.58**
Blended Upside/Downside	*(1.4%)*

DCF Output - nVent

$ in millions, unless otherwise noted

Discounted Cash Flow Model

For Fiscal Year Ending	2026E	2027E	2028E	2029E	2030E
Revenue	**$ 4,588**	**$ 5,147**	**$ 5,683**	**$ 6,151**	**$ 6,526**
% growth	*15.1%*	*10.9%*	*9.4%*	*7.6%*	*5.7%*
(-) Operating Costs & Expenses	(3,513)	(3,903)	(4,266)	(4,597)	(4,875)
EBITDA	**1,075**	**1,244**	**1,417**	**1,554**	**1,651**
% margin	*23.4%*	*24.2%*	*24.9%*	*25.3%*	*25.3%*
(-) Depreciation and Amortization	(225)	(217)	(200)	(207)	(210)
EBIT	**849**	**1,027**	**1,217**	**1,347**	**1,441**
% margin	*18.5%*	*20.0%*	*21.4%*	*21.9%*	*22.1%*
(-) Taxes	(171)	(211)	(255)	(286)	(308)
%Effective Rate	20.2%	20.5%	20.9%	21.2%	21.4%
NOPAT	**678**	**817**	**962**	**1,061**	**1,133**
(+) Depreciation & Amortization	225	217	200	207	210
(-) Capex	(110)	(123)	(136)	(147)	(156)
(-) Increase in NWC	(68)	(74)	(49)	(51)	(45)
UFCF	**725**	**837**	**976**	**1,069**	**1,141**
Normalized UFCF	**528**	**837**	**976**	**1,069**	**1,141**
Discount Period	0.36	1.23	2.23	3.23	4.23
Discount Factor	0.97	0.89	0.81	0.73	0.67
PV of FCF	**510**	**744**	**788**	**784**	**760**

UFCF Margin	*15.8%*	*16.3%*	*17.2%*	*17.4%*	*17.5%*

WACC	10.09%
Stub Year Effect	*72.8%*

PGR and Exit Multiple nVent

Exit Multiple Method	
Terminal Value & Distribution	
2030E EBITDA	1,651
Exit Multiple	21.9x
Terminal Value	**$36,200**
PV of Period Cash Flows	3,585
PV of Terminal Cash Flows	$24,113
Total Value	**$27,698**
Period Cash Flow	*12.9%*
Terminal Cash Flow	*87.1%*

Gordon Growth Method	
Terminal Value & Distribution	
2030E UFCF	1,141
PGR	3.50%
Terminal Value	**$17,925**
PV of Period Cash Flows	3,585
PV of Terminal Cash Flows	$11,940
Total Value	**$15,525**
Period Cash Flow	*23.1%*
Terminal Cash Flow	*76.9%*

Implied Share Price:	
Enterprise Value	**$27,698**
(-) Total Debt	(1,713)
(+) Cash	238
Equity Value	**$26,222**
Shares Outstanding (mm)	162
Share Price	**$162.14**
Current Share Price	$129.51
Upside/Downside	*25.2%*

Implied Share Price:	
Enterprise Value	**$15,525**
(-) Total Debt	($1,713)
(+) Cash	238
Equity Value	**$14,049**
Shares Outstanding (mm)	162
Share Price	**$86.87**
Current Share Price	$129.51
Upside/Downside	*(32.9%)*

Blended Share Price	
PGR Weight	25.0%
Exit Multiple Method Weight	75.0%
Blended Share Price	**$143.32**
Blended Upside/Downside	*10.7%*