

Inventing the New Electric World

Energy Management Business

Philippe Delorme, Executive Vice President
Energy Management

Life Is On

Schneider
Electric

Disclaimer

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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.

Presenter



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Last Investor presentation was **Energy Management's** kick-off...



We introduced our **overall growth strategy**



And highlighted **Data Center** as a key segment

...and we delivered **Beyond Expectation**

Energy Management

2018

€**20**bn Sales

+**7**% Organic growth

+**0.6**pt org. Adj. EBITA margin @ **17.8%**

Data Center

2018

Our **Largest Segment**

High double digit **growth**

Cross-selling **all our offers**

Co-defining **new standards** with **web giants**

Our ambition: Continue to Strengthen our Leadership

**Grow faster
than the market**



**Focus on
Value Creation**

By leveraging...



Innovation



Digital



Segment focus



Cross-selling



**Efficiency, Pricing,
Portfolio**

This year we will focus on Healthcare

With our special guest



Stephen Greulich

Project Director
Real Estate, Design & Construction
Penn Medicine

who will give you a customer
perspective on a recent project

The Pavilion – Penn Medicine

The most innovative hospital in the world

Energy Management takes advantage of 2 Major Trends

- Electric
- Digital

The all Electric World

More Electrical Sources

50%

Renewable

generation by 2040
(BNEF)

More Microgrid

More Electrical Loads

30% + 5000
TWh

Electric Vehicle

of total stock by 2040
(BNEF)

Electric heating

by 2035 (IEA)

More Low Voltage
& Medium Voltage

Electricity as a must

100%

Uptime

as the goal

More Secure Power

The all Digital World – leading to significant Electrical Demand

More Digital Objects

8x

Connected devices

As many connected people by 2025
(IDC 2019; GSMA, UN population stat)

More Connected Products

More 5G and More @ the Edge

50%

at the edge

of the IoT processing
by 2024 (IDC, 2018)

More Secure Power

More IT as part of OT

24%

of efficiency

comes from Digital
(OECD/IEA, 2017)

More EcoStruxure

We see a world where our customers will increasingly have to manage these **2 Fundamental Priorities**

Future Ready ...

...means combining **Energy Management** and **Automation**

All Electric World

All Digital World

Manage Energy

Manage Processes



Smart Buildings – Smart Data Centers
Smart Infra – Smart Cities – Smart Factories

We are positioned for **Long-Term Success**

An **All Electric** World

An **All Digital** World

A **Multi-Local** World

1

We are the Size &
Innovation Leader

2

Present all along the full
Lifecycle

3

With one Enterprise
Architecture : EcoStruxure

4

And a unique
Multi-Local reach

We have the means to **Invent the New Electric World**

We are the **Size & Innovation Leader** of the **Electric World**

Worldwide leader of the **Electric World**

- #1 Low Voltage
- #1 Medium Voltage
- #1 Secure Power

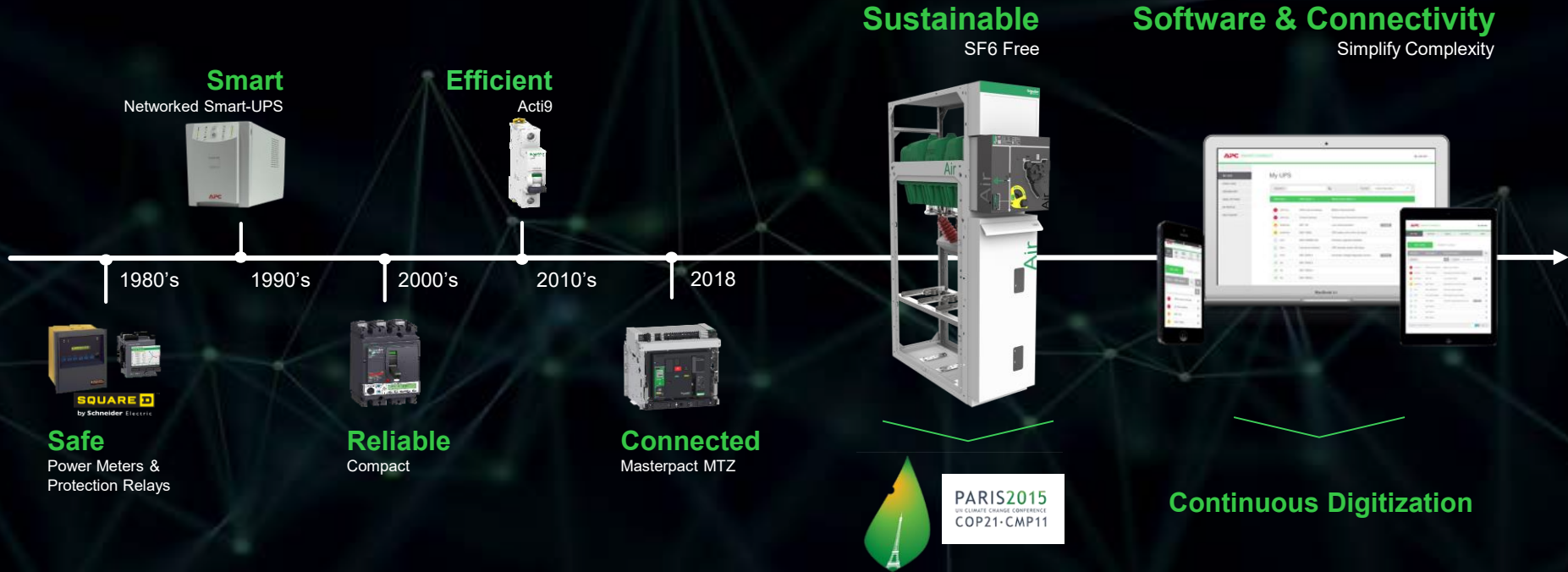
Wide and
synergetic
portfolio

Innovate for Simplicity focusing on customer service & value

**Power distribution simply
integrated & connected**



We have been leading Digital & Sustainable Innovation for more than 40 years & continue to do so



And we are Building the Future around more Lifecycle Software

Design

Build

Operate

Maintain

CapEx cycle

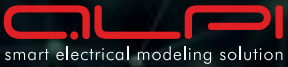
OpEx cycle

2018

Digital Design

Hardware
500+ Million circuit breakers / year

Connected Services
1.3m assets under mgt

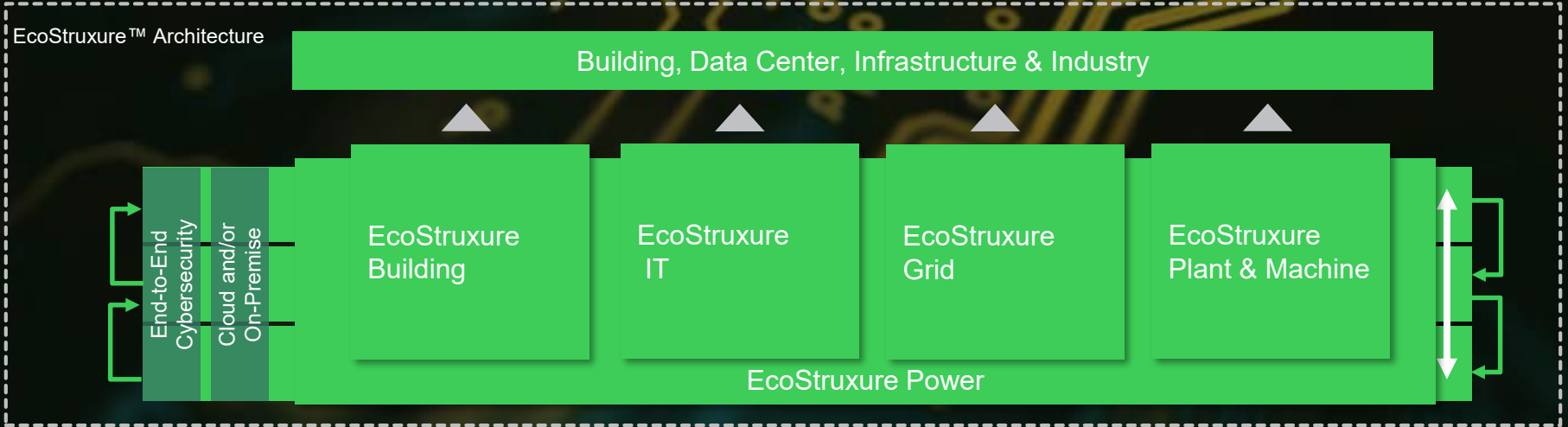


Efficiency step change
in Design & Build

Digital
Commissioning

Scalable
Software Suite

3 We are building **Simplicity** through **EcoStruxure**; Our **Energy Management & Automation** architecture



EcoStruxure is our Architecture to win in **Segments**



We can provide our **Global Customer** with **Local Installation** And we are able to comply with **Unique Local Specifications**

← **End to end Multi-local coverage** →



Global Solutions

Regional Standards

Local Installation

Global

Regional

Local

Regional Standards

Unique Specifications



Invent the **New Electric World** through two **Business Models**



**End-user led,
per segment**



**Partner
led**

End-user led
Segment focus
and targeted value
proposition through
EcoStruxure



Customer video

Welcome



Stephen Greulich

Project Director
Real Estate, Design & Construction
Penn Medicine

Creating the Hospital of the Future

Energy Management in the New Electric World



Penn Medicine

Penn Medicine Requirements

- Power reliability
- Sustainability
- LEED Gold Certification

Schneider Electric Solution

EcoStruxure[™]
Innovation At Every Level

for Healthcare



Process Management in the All Digital World

Penn Medicine Requirements

- **Patient and visitor care**
 - Clinical systems integration
 - Personal control
 - Entertainment
- **Staff focus**
 - Clinical systems integration
 - Locating & tracking
- **In an evolutive Smart Building**

Schneider Electric Solution

EcoStruxure
Innovation At Every Level for Healthcare



Orchestrating Partners from Design to Construction

SCHNEIDER JOINS PROJECT TEAM



2015

2016

2017

2018

2019

2020

2021

LV/MV Integration

Panel Builder

Design & Specification
of the overall hospital



Schneider
Electric™



Service & Maintenance
of Electrical and Automation

Building Automation
System Integrator

Priorities aligned

Schneider Electric and Penn Medicine



Ensure **reliability** of
Electrical Distribution

Optimize the performance
of the Penn Medicine
ecosystem

Impact health outcomes
locally and **globally**



Lead in delivering
individualized medicine

Enrich the life of our
faculty through diversity
and **flexibility**

Realize Penn Medicine's
potential for **innovation**

We are using the same recipe for solid growth in every targeted segment

Targeted value proposition

Energy & Process
Management through
EcoStruxure

Cross-selling with
Industrial Automation
in electro-intensive segments

Global capabilities,
competencies and support

Highly skilled local partner
network



C&SP



Utilities



Oil & Gas



Hotel



Healthcare



Real Estate



MMM



Transportation



CPG



Water

Segments are a significant growth opportunity,
delivering **double-digit growth in 2018**

The New Electric World is already here

The Lidl Case



Customer needs

Solar Energy
Microgrid
Storage
Heat Management
Power Management



Solar energy



JAKELUKESKUS Logistics center

Schneider Electric answers

EcoStruxure™
Microgrid Advisor
Building Advisor
Building Automation
Power equipment
Asco offering



Heating/cooling



Energy load management and forecasts

- Cooling/Heating
- HVAC
- Lightning



Weather Forecasts



Energy prices



Demand response



Energy storage



Generators



City of Järvenpää

Lauhdelämpö Koteihin

Condensation heat



Partner led
**We have the widest
partner network and
outstanding digital
engagement**

We have an Unparalleled Global Reach across a 600,000 strong Partner Ecosystem

70% of revenues going through partners

3,500

EcoXpert partners

120,000

Active IT resellers

37,000

Panelbuilders

370,000

Registered electricians

2bn €

E-commerce sell out in 2018
+20% growth y-o-y

43,000

Electrical specifiers

We orchestrate our Partner Network through our Digital Platforms



Exchange, our Digital Orchestration Platform

The first **Open & Multi-Industry** ecosystem in the world



We enable and support the digital journey of our entire Partner Network

Our capillarity is Unique, Everywhere and Unbeatable

We are in 1 Point of Sales out of 2 Worldwide



New economies



+150k
Since 2015

More than 350k
Traditional Point of Sales

Grow / Digitize

Developed economies



Digitize

eCommerce



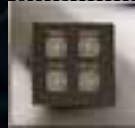
More than 400
Online Platforms

From 5
in 2016

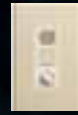
Grow



Our Brands are Leading in each geography



Life Is On | Schneider Electric



Life Is On | Schneider Electric

Our Partners' Loyalty is based on our continuous Innovation for Simplicity and Installation Performance

Innovative Products and Concepts



Plug-on Neutral
with Qwik-Grip



Modular approach
to minimize stocks



Screwless design
safer & faster

Innovative Digital tools

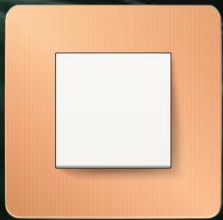


Selectors & Configuration tools

And our Design and Channel leadership is Recognized Internationally

Design

Unica



Wiser heat



Sequence 5



Compact NSX



Channels



**We have
one simple equation**

We are Building the Future to deliver Long Term Growth & Value in An All Electric and Digital World

Undisputed
Leadership

Widest portfolio
Energy & Process efficiency
Leading Brands & Design
Multi-local presence
Unique Reach



Building
the Future

Lead Industry Digitization
Innovate for simplicity
Build on EcoStruxure
Digitize Partner Network
Grow Lifecycle Software

Execution
Discipline

Pricing & Productivity
Efficiency
Portfolio Management

Grow faster
than the market

&

Focus on Value
Creation

Life Is On

Schneider
Electric

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