

GROWTH

Schneider Electric
Third Quarter 2021 Revenues – October 27, 2021

Q3 2021: Group revenues up +9% organic
Full Year 2021 target confirmed despite supply chain pressures

Disclaimer

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.

Strong growth in Q3

€7.2bn, +8.8%
Group Q3 2021 revenues org.

Energy Management

Energy Efficiency

+9.4%

Q3 org. sales growth

€5.6
billion

€1.7
billion

Industrial Automation

Process Efficiency

+6.7%

Q3 org. sales growth

End-Markets

Buildings

Data Center

Infrastructure

Industry

Powered by

SUSTAINABILITY + DIGITIZATION + ELECTRIFICATION

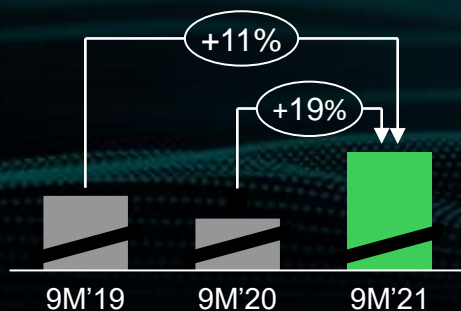
Strong YTD sales - accelerating sequentially since H1

Group +15% org. YTD vs. 2020
Group +7% org. YTD vs. 2019*

Products

60%

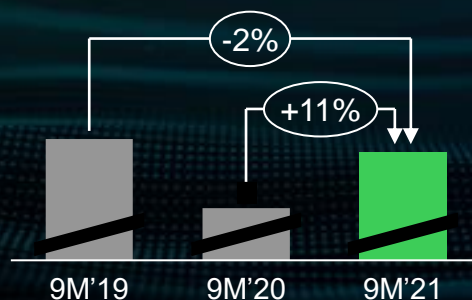
of YTD revenues



Systems

22%

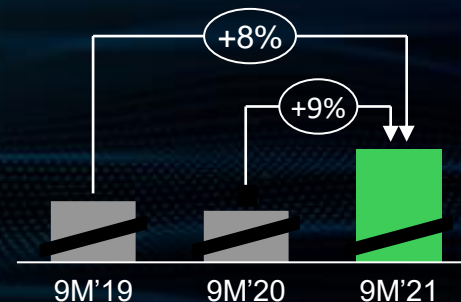
of YTD revenues



Software & Services

18%

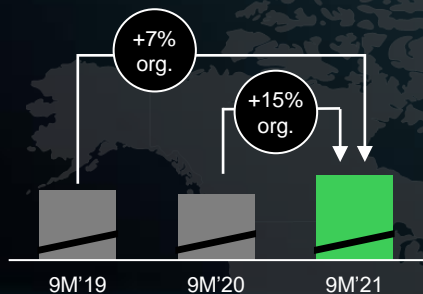
of YTD revenues



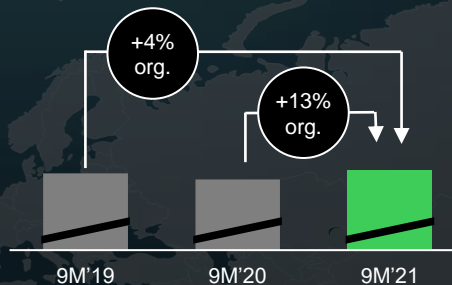
* Compared to +6% org. at H1 2021 vs. 2019

Sept. YTD Group revenue - exceeding 2019 levels across regions

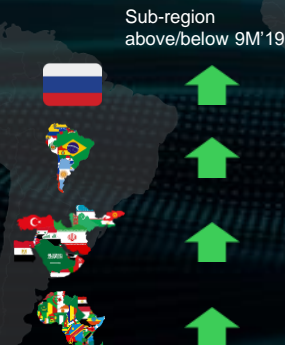
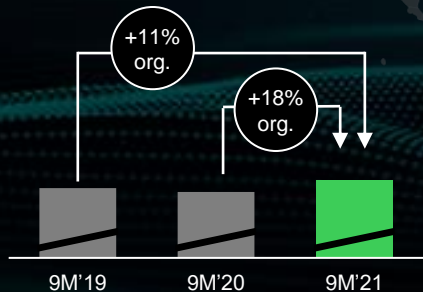
NORTH AMERICA



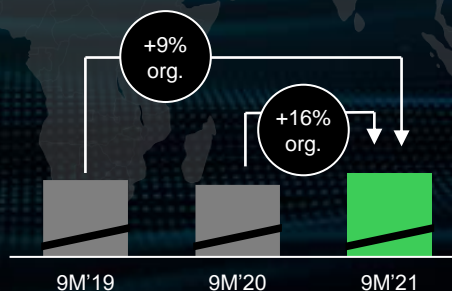
WESTERN EUROPE



REST OF WORLD



ASIA PACIFIC



Strong traction across strategic pillars in Q3

MORE PRODUCTS

+10%

Org. growth in Q3



Digital and e-commerce channel gaining traction



Multi-hub setup enables agile execution/allocations



Strong customer demand despite acceleration in supply chain pressures

MORE SOFTWARE & SERVICES

+7%

Org. growth in Q3

- Software & Digital Services **up double-digit** with good traction across end-markets
 - **RIB** making strong contribution to organic growth, **ETAP** performing well*
 - **AVEVA** grew **high-single digit** org. in Q3
 - Strong growth coming from **Smart Grid** services
- **Field Services** grew though impacted by ongoing lockdowns in several countries

Assets under Management
of **5.5m**, up **+47%**

MORE SUSTAINABLE

Strong Double-digit

Org. growth in Q3

50 Zero CO2 sites operating within Schneider Electric facilities

Sustainability consulting opening multiple C-suite relationships & consequent pull-through business

The Zero Carbon Project underway



*ETAP included in scope effects for Q3

Accelerated sustainability journey continues



2021-2025

SCHNEIDER SUSTAINABILITY IMPACT

Score reached 3.65/10 in Q3 2021



CLIMATE

SSI #2 - Deliver 800 million tons of saved and avoided CO₂ emissions to our customers

319MT

Saved and avoided CO₂ emissions since 2018

Continuing the acceleration of our Sustainability consulting business to meet increasing corporate demand for pathways and solutions to act on climate crisis

EQUAL

SSI #8 - Increase gender diversity, from hiring to front-line managers and leadership teams (50/40/30)

42/27/26

Our Women Leadership Program and the WEF New Work Standards support young women to step up and be part of a healthy, resilient and equitable future of work

GENERATIONS

SSI #11 - Train 1 million people in energy management

300K+

people trained, passing a key milestone with the support of our Schneider Electric Foundation

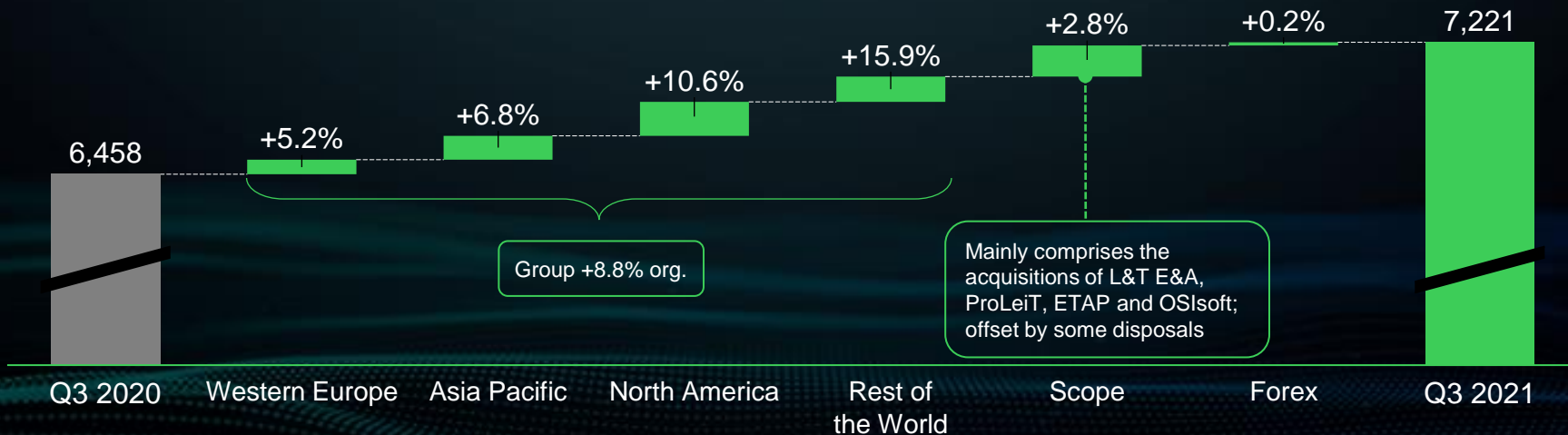
VELUX®

Build accelerated decarbonization strategy to enable fast delivery on Lifetime Carbon Neutral commitment

1. 2021 baseline 3/10, 2025 target 10/10

Strong growth in Q3: up +8.8% organic, +10% vs. Q3'19

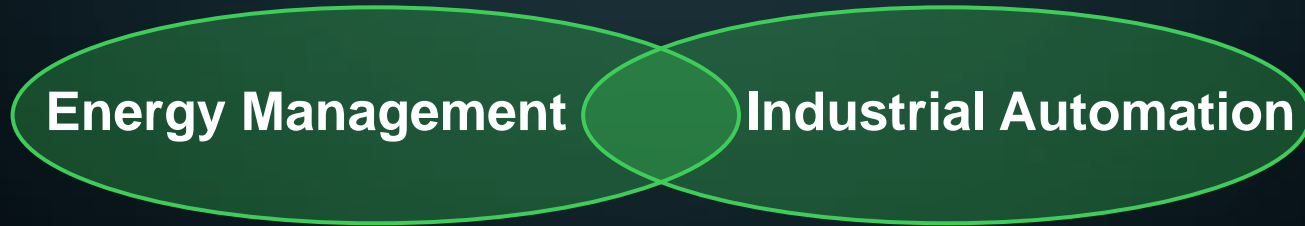
Analysis of Change in Group Revenues (in €m)



Based on current rates, the FX impact on FY 2021 revenues is estimated to be between -€300 million to -€400 million.

The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around flat

Q3 Business performance highlights by end-markets



End Markets

Buildings

- **Residential** construction activity driving growth in most major economies
- **Non-Residential** - Technical building demand remains strong, while hotels and offices grew at a lower pace

Data Center

- **Data Center & Network** grew double-digit in Q3 despite some supply challenges
- Technologies combining **secure power** and **electrical distribution** and **software offers** led the growth in the quarter
- Operators expanding **regional & local** capacity
- **Distributed IT** continued to perform strongly

Infrastructure

- Investment continued as **Electric Utilities** and Grid operators build resilience
- Strong growth from **Smart Grid** offers including **ADMS, EcoStruxure Advisors & Microgrid**
- Q3 sales supported by large project execution
- Good project wins from **Transportation & Water Wastewater** incorporating both businesses

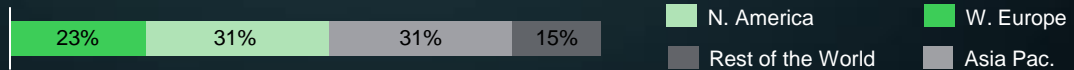
Industry

- Strong growth in **Discrete automation** markets driven by OEM demand
- In **Process & Hybrid**, demand recovery in Oil & Gas but limited impact on sales
- Strong traction in **Consumer-Packaged Goods & Mining Minerals & Metals**, incorporating offers from EM & IA

Energy Management – Q3 performance by geography

Q3 Org. growth

Split of Q3 2021 revenue by geography:



North America +11%

- U.S., Canada and Mexico delivered **double-digit** growth
- **U.S.** sales driven by continuing strong Residential markets
- U.S. **non-residential** demand remains good in technical buildings; **Data Center** and **Utilities** continued growth
- **Mexico** sales growth driven by Residential and Infrastructure markets
- **Field service** grew but impacted by a slow reopening of sites after lockdowns

Rest of the World +16%

- Up **double-digit** in all major zones – South America, CIS, Middle East, Africa, Central & Eastern Europe
- Continuation of **strong** short-cycle demand recovery
- Egypt continues to benefit from large **infrastructure** project
- **Turkey, Brazil** and **Russia** were key contributors to growth

Western Europe +4%

- Strong growth in **Germany** and **Spain**, supported by **residential** demand trends
- **Italy** grew mid single-digit mainly from sales into **Residential** and **Data center** end-markets
- **France** and **U.K.** up low single-digit supported by performance in **Non-Residential buildings**, though impacted by supply chain
- **Strong demand** in region led by **Residential** and **Data Center**

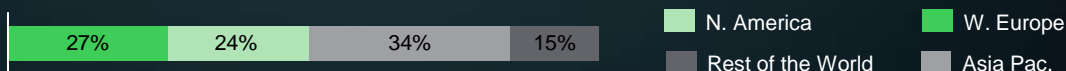
Asia Pacific +9%

- China up **high-single digit** despite supply chain pressures, and against a high base, led by **non-residential / technical buildings** and **utilities**
- India sequentially accelerating and up **double-digit** against a high base, strong in **Residential** and **Data Center**
- Australia back to pre-pandemic levels, **growing high single-digit** despite impacts from lockdowns
- Southeast Asia **mixed performance** – many countries saw double-digit growth, while some still impacted by lockdowns

Industrial Automation – Q3 performance by geography

Q3 Org. growth

Split of Q3 2021 revenue by geography:



North America +7%

- **Double-digit** growth into discrete automation markets in U.S., supported by **OEM** demand
- Sales into U.S. **Process & Hybrid markets** remain subdued, despite a recovery in O&G demand
- **Canada** grew **double-digit** led by discrete automation markets
- **Mexican** sales were up double-digit in both **discrete** and **process & hybrid** automation
- **Field service** grew but impacted by a slow opening up of sites after lockdowns

Rest of the World +15%

- Strong growth from **Discrete** automation markets, while **Process & Hybrid** market demand not yet translated in sales growth
- **Industrial Software** grew strong double-digit
- Up **double-digit** in South America, CIS, Middle East, Central & Eastern Europe, with **Turkey**, **Brazil** and **Russia** leading the growth
- **Africa** down linked to its exposure to Process oriented markets

Western Europe +10%

- France, Italy and Spain grew **double-digit** while the U.K. grew **high single-digit** benefitting from demand in **discrete automation market**
- France seeing some contribution from **Process & Hybrid markets**
- Germany saw **mid single-digit** growth from **discrete automation** market despite supply chain pressures
- Demand exceeded sales growth in the region with **strength in industrial OEM**

Asia Pacific +1%

- China slightly down against strong double-digit base; impacted by supply chain pressures. Strong demand in **OEM** and **MMM**
- India delivered double-digit growth with strong performance from **OEM** and **Industrial Software**
- **Japan** strong in discrete automation markets, while **Australia** soft, impacted by lockdowns
- Demand in main **Process & Hybrid** markets remained subdued, including South Korea

Continued traction on buyback & portfolio optimization efforts

Share buyback

Successful integration
of recent acquisitions

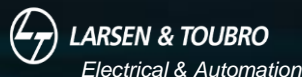
Portfolio optimization

€0.3bn completed
since reinstatement in July

€0.6bn completed cumulatively to date

On track for the €1.5bn to €2.0bn program
by the end of 2022

Integration progressing as per plan



ProLeiT

etap

Disposals

IMServ (EM business) – completed
U.S. Motion (IA business) – completed

c. €0.8bn of revenue disposed cumulatively
under program

On track for the €1.5bn to €2.0bn program
by the end of 2022

Evolution of market dynamics since H1 2021 results

- Strong and **dynamic market demand** continued
- Progressive demand **recovery in late-cycle** segments continued
- **Global supply chains** pressures including from component shortages, increased in Q3 and are unlikely to abate for at least another 2-3 quarters
- The Group also expects to continue to face **increased input costs** in relation to raw materials, freight and the sourcing of electronic components, despite the stabilization of some commodity prices in Q3

2021 Target confirmed despite supply chain pressures

The Group reiterates its full year target (which assumes no further deterioration linked to COVID-19 leading to significant economic disruption) as follows:

2021 Adjusted EBITA growth of between +19% and +24% organic

The target would be achieved through a combination of organic revenue growth and margin improvement, currently expected to be:

- Revenue growth of **+11% to +13% organic**
- Adjusted EBITA margin up **+120bps to +150bps organic**

*This implies Adjusted EBITA margin of around 16.9% to 17.2% (including scope based on transactions completed to-date and FX based on current estimation)
Further notes on 2021 FX & Scope available in slide 19*

Investor Relations ready to engage

Proposing quarterly interaction with investors showcasing specific businesses, geographies or functions

27 October	Q3 Revenues
30 November	Capital Markets Day
3 December	Credit Suisse Annual Global Industrials Conference
3 December	Société Générale Premium Review Conference
9 December	Berenberg European Conference

Information on www.se.com/finance

Consensus available on <http://www.se.com/en/about-us/investor-relations/share-information/share-price.jsp>

Q&A

Investor Relations contacts

Amit Bhalla – amit.bhalla@se.com

Graham Phillips – graham.phillips@se.com

Alban de Beaulaincourt – alban.de-beaulaincourt@se.com

Andrew Gamwell – andrew.gamwell@se.com

Appendix

2021 additional notes

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2021 revenues is estimated to be between **-€300 million to -€400 million**. The FX impact at current rates on adjusted EBITA margin for FY 2021 could be **around flat**
- **Scope:** Around **+€850 million** on 2021 revenues and **around +10bps** on 2021 adjusted EBITA margin, based on transactions completed to-date
- **Tax rate:** The ETR is expected to be in a **22-24%** range in 2021

Q3 Group revenue: up in all main countries / zones

NORTH AMERICA

30%

+11%



United States



Canada



Mexico



WESTERN EUROPE

24%

+5%



France



Germany



United Kingdom



Spain



Italy



Nordics



REST OF WORLD

14%

+16%



Russia



South America



Middle East



Africa



ASIA PACIFIC

32%

+7%



China



India



Australia



Singapore



Japan



% Group Sales

Org. Growth

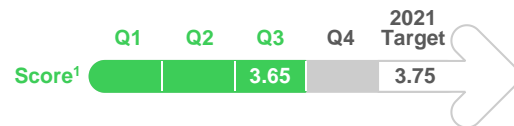


2021-2025

SCHNEIDER

SUSTAINABILITY Q3 2021 Results

IMPACT



6 long-term commitments 11+1 targets for 2021 - 2025

CLIMATE



- 1 Grow our green revenues²
- 2 Help our customers save and avoid millions of tons of CO₂ emissions³
- 3 Reduce CO₂ emissions from top 1,000 suppliers' operations⁴

Baseline	Q3 2021	2025 Target
70%	70%	80%
263M	319M	800M
0%	In progress	50%

RESOURCES



- 4 Increase green material content in our products
- 5 Primary and secondary packaging free from single-use plastic and using recycled cardboard

Baseline	Q3 2021	2025 Target
0%	1%	50%
1%	12%	100%

TRUST



- 6 Strategic suppliers who provide decent work to their employees⁴
- 7 Level of confidence of our employees to report unethical conduct⁵

Baseline	Q3 2021	2025 Target
--	In progress	100%
81%	+0pts	+10pts

EQUAL



- 8 Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
- 9 Provide access to green electricity to 50M people⁶

Baseline	Q3 2021	2025 Target
41/25/24	42/27/26	50/40/30
30M	32.8M	50M

GENERATIONS



- 10 Double hiring opportunities for interns, apprentices and fresh graduates
- 11 Train people in energy management⁷

Baseline	Q3 2021	2025 Target
4,939	x1.25	x2.00
281,737	309,883	1M

LOCAL



- +1 Country and Zone Presidents with local commitments that impact their communities

Baseline	Q3 2021	2025 Target
0%	100%	100%

Life Is On



Schneider
Electric

