

FUTURE-READY

Full Year 2022 Results – February 16, 2023

All-time high Revenues, Adj. EBITA and Net Income

Well positioned for sustainable growth in coming years

Enacting new governance structure, effective May 2023

Life Is On

Schneider
Electric

3

FY 2022
Business Highlights

8

Enacting new governance structure

11

Reflecting on our transformation
and positioning

27

FY 2022
Financial Performance Highlights

47

Expected Trends & Financial Target

51

Q&A

53

Appendix

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.

FY 2022 Business Highlights

Jean-Pascal Tricoire | Chairman & CEO

We responded with speed and agility **executing on our Future-ready strategy**

Prioritizing **our People** -
Humanitarian crisis in Ukraine
Pandemic impacts in China

Mobilized in response to
Supply Chain pressures

Set the foundation and structure
for maximizing value of our
agnostic software portfolio

Acquisition of
AVEVA

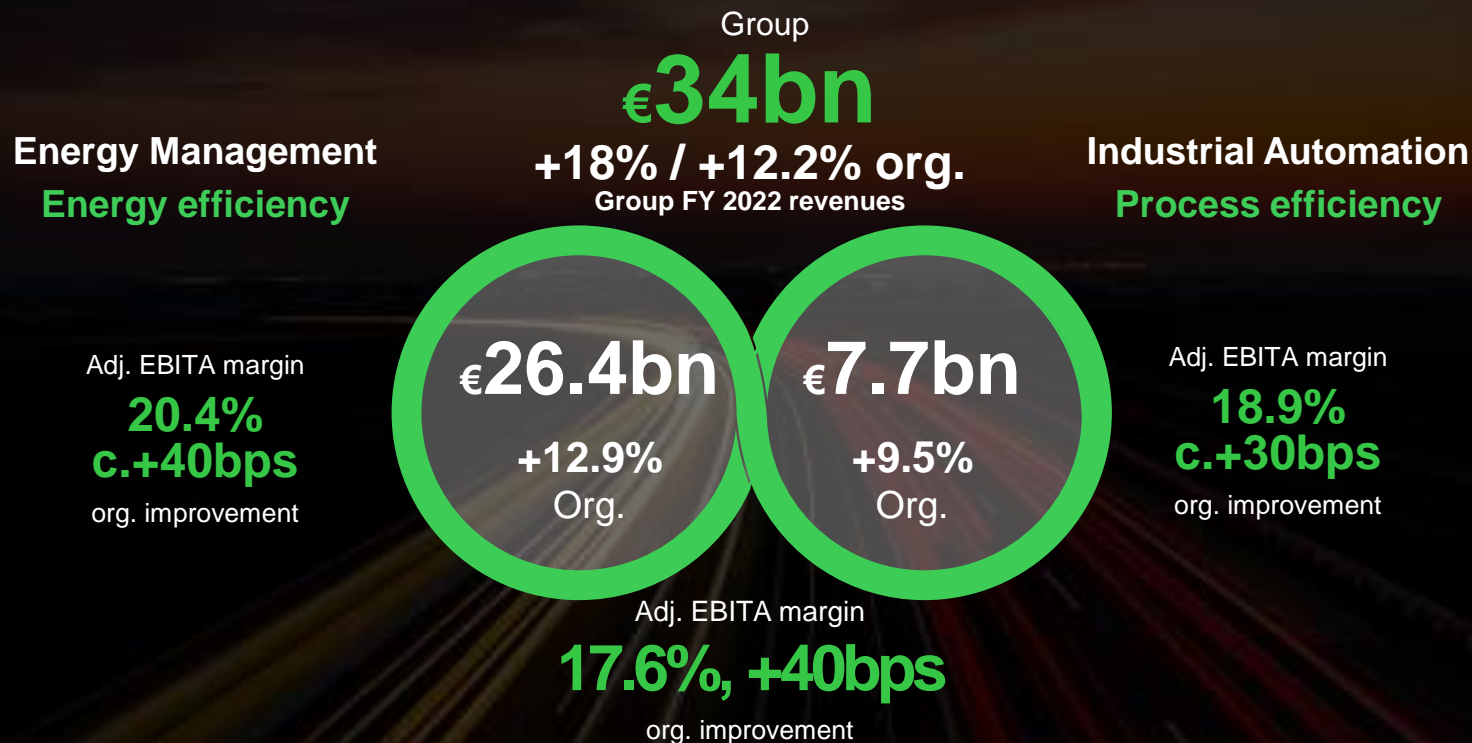
Completed divestment of
Russia operations at end of Q3

c.€1 bn
of **structural cost savings**
completed in the period
2020-2022

Disposal program completed
€1.7 bn
of revenues addressed

Achieved all-time high:
Revenues **up +€5bn**
Adj. EBITA **up +€1bn**
Net income **up +€0.3bn**

Strong financial performance against a challenging backdrop in 2022



2022 Adj. EBITA growth +14.4% organic, at the top end of revised up targeted range

Full Year 2022: Financial highlights

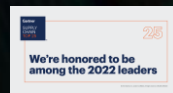
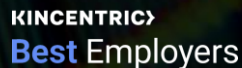
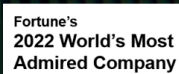
Sales	Adj. EBITA	Adj. Net Income	Free Cash Flow	Dividend
€34bn	€6bn	€4bn	€3.3bn	€3.15
+18%	+21%	+16%	+19%	+9%

Our distinctive DNA is externally recognized in 2022

MEANINGFUL

INCLUSIVE

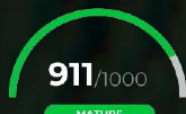
EMPOWERED



reddot winner 2022



A Global 100 Most Sustainable Corporation



Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

MOODY'S | ESG Solutions



Future-Ready

Enacting new governance structure, effective May 2023

Jean-Pascal Tricoire | Chairman & CEO

Introducing the incoming Chief Executive Officer, effective May 4, 2023

Multi-decade industry experience in Energy Management and Industrial Automation

Technology focus – digital and software

Diverse, cross-cultural mindset derived from leading teams in both mature and emerging markets



Peter Herweck

“Passionate about technology driving efficiency and sustainability, allowing both progress and decarbonization.”

- AVEVA**
Chief Executive Officer, Switzerland 2021
- Schneider Electric**
Executive Vice President, Industrial Automation, Switzerland 2016-2021
- Siemens**
Executive Positions in Automation, Power Distribution and Building Technologies & Chief Strategy Officer China, USA, Germany 1993-2015
- Mitsubishi Electric Corp**
Software Development Engineer, Japan 1991-1993
- Electrical Engineering**
Metz University, France & Saarland University, Germany 1987-1991
- Electrician**
Stadtwerke Saarbrücken, Germany 1982-1987
- Born in Germany 1966

The right time to introduce a new governance, effective May 2023

- Implementing previously announced separation of Chairman & CEO roles
- Robust and detailed candidate selection process over the last four years
- Unanimous and strong endorsement of the Board and Chairman: alignment on technology and digital, global experience, sustainability and strategy

Roles & responsibilities

Chairman

- Organizes and directs work of Board, presides over AGMs
- Support the Company in its high-level relations with select stakeholders (notably in Asia), in coordination with CEO
- Promotes Company's values and culture in particular in relation to Environmental, Social and Governance
- Advises CEO, notably on strategic, human capital and leadership development matters

Vice-Chairman & Lead Independent Director

- Consulted by Chairperson on agenda and sequence of events for Board meetings
- Deals with any possible conflicts of interest
- Carries out annual assessments of the Board

Chief Executive Officer

- Has sole authority to bind the company toward third parties
- Defines and proposes the Strategy
- Manages the Company
- Runs the Business
- Develops human capital and leadership

← Coordinated Engagements with Investors →

Future-Ready

Reflecting on our transformation and positioning

Jean-Pascal Tricoire | Chairman & CEO

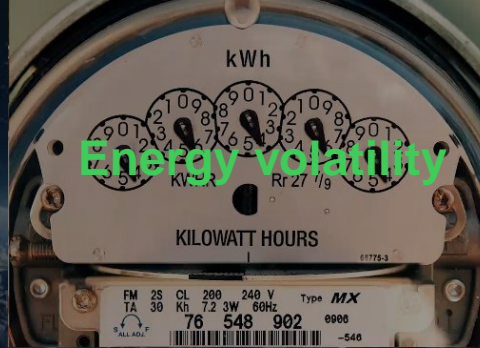
Schneider solutions increasingly relevant for customers



COVID-19



Reshoring



Energy volatility



Climate impacts

Digitization

Electrification

Sustainability

Future-Ready: in portfolio, scale, balance and culture...

	2003	2022	
Revenues	€8.8bn	€34.2bn	x3.9
Net Income	€0.4bn	€3.5bn	x8.8
R&D Spend	€0.5bn	€1.8bn	x3.6
Market Cap.	€12bn	€88bn ¹	x7

**Progressive dividend for
13 consecutive years**

In 20 years we have become...

EcoStruxure digital platform for efficiency and sustainability

EcoStruxure
Innovation At Every Level

A technology company leading in Sustainability, Digitization and Electrification

EcoStruxure Power EcoStruxure Building EcoStruxure IT EcoStruxure Machine EcoStruxure Plant EcoStruxure Grid

Our Multi-hub operating model decentralized for people empowerment

Hub: USA Hub: Europe Hub: Asia Hub: India Hub: Russia

A true global player with a balanced geographical footprint

5 guiding principles

An Impact Company, with a unique culture and focus on sustainability

Company Performance
Business digital partner for Sustainability and Efficiency
Model & Culture set up for global and local impact

1. As at February 15, 2023

A Technology Company driven by Digital

2003

~€1 bn

Digital Revenue from IoT

~€6 bn

Electric Revenues

~€0.4 bn

Sustainable Impact revenues

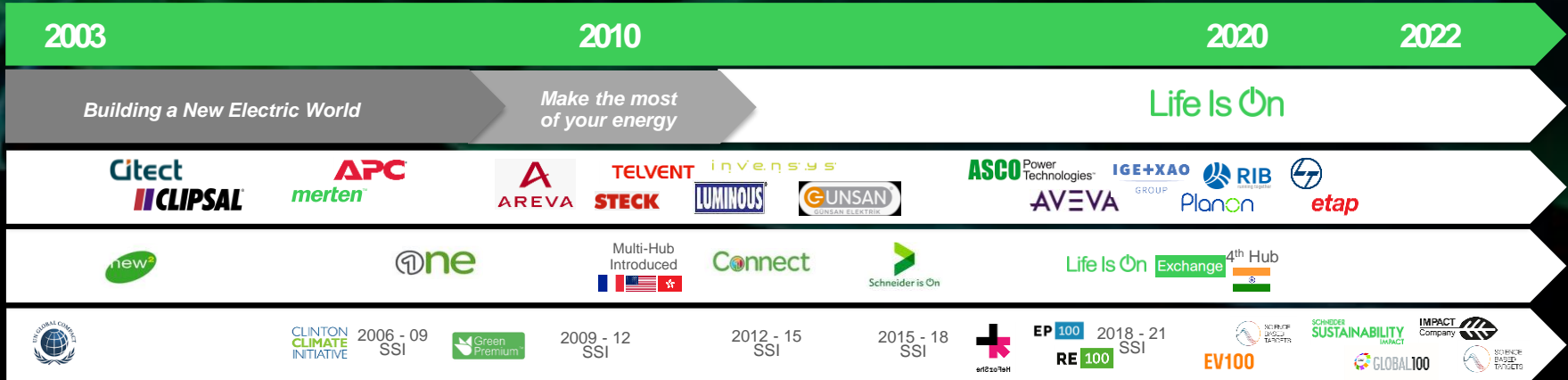
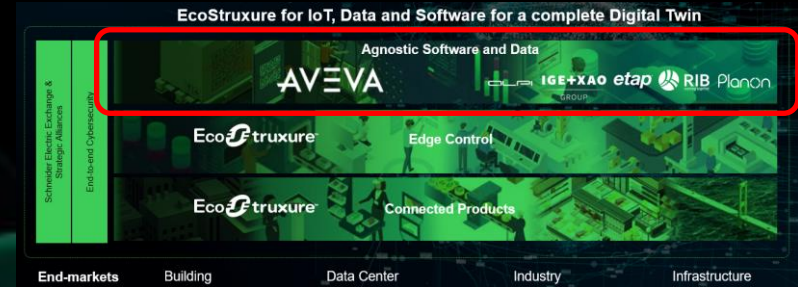
2022

~€15 bn

~€26+ bn

~€25 bn

€2.6bn agnostic software portfolio



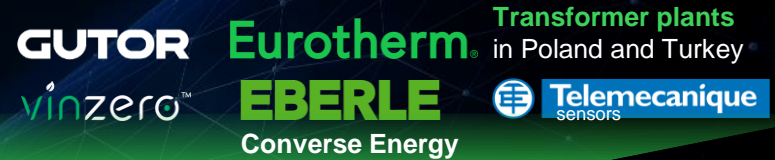
We have repositioned our unique portfolio to differentiate for the digital future

Built software capability across the lifecycle

One set of applications to build your enterprise digital twin



Divestment of non-core assets vis a vis our strategic direction



Connect your physical world
Open & Agnostic | 1000's of connectors

Operations, Assets, Energy & Carbon

Empowering communities to deploy tools



Own IT Developers	System Integrators	Developers
Plant/Facility Managers	Augmented Operators	Users
Suppliers	Utilities	Ecosystem
3rd Party Software	Schneider / AVEVA / ETAP / RIB	Software/Applications

We have repositioned our offer to provide our customers' **end-to-end solutions for efficiency and sustainability**

Products

E-Commerce/ Digital Experience

Innovation/ Multi-Hub

Connectable Products

Medium/Minimum 'new product/Hero Offer'

€20bn

Systems

Transactionalization

Better Systems

Green and Digital

Native service ready

Traceability of our systems

€8bn

Services

CapEx to OpEx to recurring

Installed Base Coverage

Scale through partners

€3.4bn

Software

C-level Opener

One unified Asset Life cycle management

One Data

One UX

Digital services (Advisor-enabled)

€2.6bn

Sustainability

C-level Opener

Consulting ESS

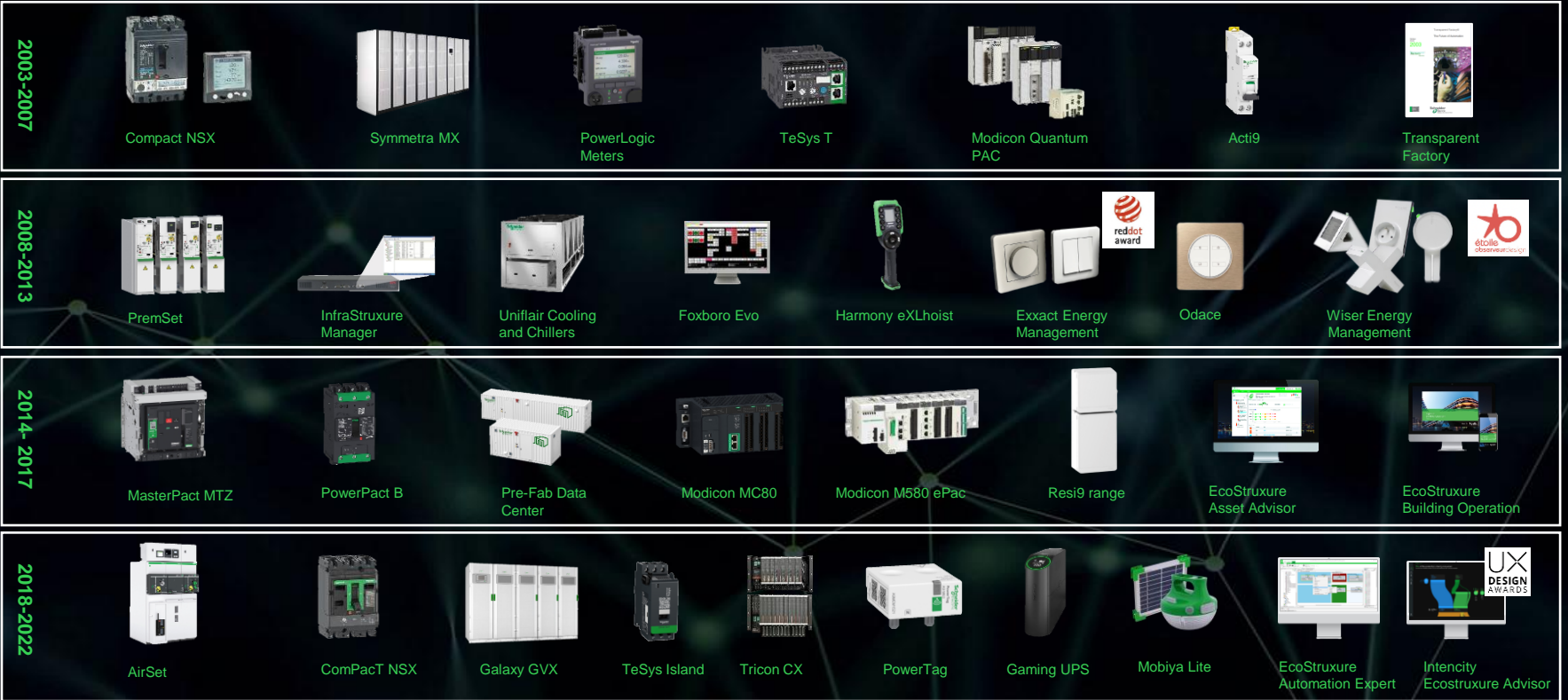
Pull-through

Micro grids: AlphaStruxure / GreenStruxure

Prosumer

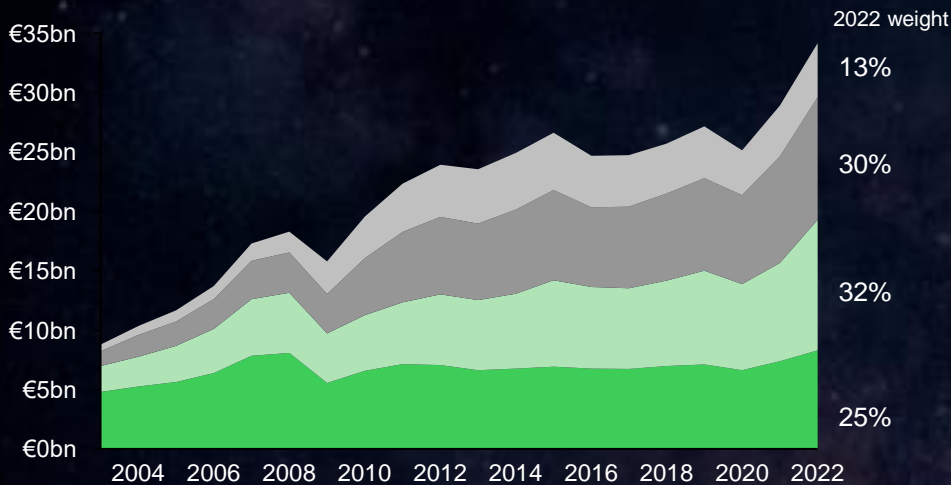
€0.8bn

Driven by game-changing innovations for a future that is all-digital and all-electric



We rebalanced our global presence

Balanced geographical footprint



Rest of the World	x8.2	12% CAGR
Asia Pacific	x8.3	12% CAGR
North America	x5.0	9% CAGR
Western Europe	x1.7	3% CAGR

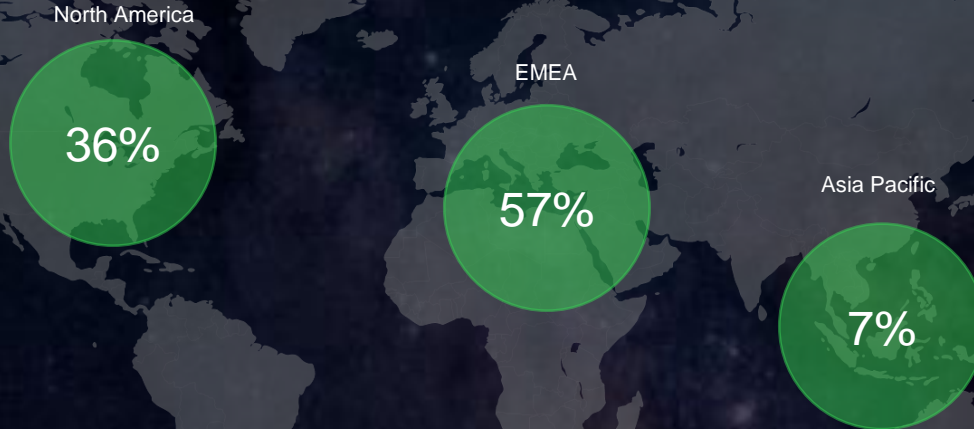
Unique Multi-Hub Structure



Emerging countries = 41% of 2022 revenue

Our shareholder base is aligned with our global footprint and reflective of our impact on sustainability

Percentage of Institutional shareholding by region



Greater **North America** exposure than most European direct peers

Greater **Asia Pacific** exposure than all direct peers

#3 most widely held security within ESG funds globally, behind Microsoft and ASML
#1 most widely held security within ESG funds among the Industrials sector

We created a purpose-led company to make a positive impact across our ecosystem



5 GUIDING PRINCIPLES

Performance

the foundation for doing good

All Stakeholders

in our ecosystem

All ESG

dimensions

Business

digital partner for Sustainability & Efficiency

Model & Culture

set up for global and local impact

With ambitious targets and continuous benchmarking

Recognitions



A List

(Climate) 12 years in a row

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

90/100

industry average of 21/100



Top 1%

among 100,000+ companies

#1

Electronic Components &
Equipment sector by Vigeo Eiris

MOODY'S | ESG Solutions

Our Commitments to Nature

2025 ▶ Carbon neutrality in our operations

2030 ▶ 25% absolute GHG emissions reduction
across the entire value chain
▶ “Net-Zero ready” in our operations

2040 ▶ Carbon neutral
across the entire value chain

2050 ▶ Net-Zero CO₂ emissions
across the entire value chain

**No net
biodiversity loss**

in our direct operations by 2030



act4nature
international

Impact Company, committed that great people make a great company

Diversity, Equity and Inclusion

From gender diversity

- 2006 1st Diversity Policy
- 2009 CEO commitment Gender Diversity Program
- 2012 Women In Leadership program
- 2015 Global Pay Equity Framework

To inclusion and psychological safety

- 2017 Global DEI Policy, Global Family Leave
- 2018 Hidden bias Education, Global Anti-Harassment Policy
- 2019 Schneider Women Leaders' program (SWLP)

To inclusion & care for a sustainable future

- 2020 Hybrid working
- 2021 ILO Global Business and Disability Network, WEF DEI partnership, UN Generation Equality commitments
- 2022 UN Living Wage Program

Employee Value Proposition

Meaningful Purpose

To bridge progress and sustainability for all

Inclusive Culture

We want to be the most diverse, inclusive and equitable company, globally

Empowered People

Use their judgement, do the best for our customers, make the most of their energy

Engagement

Incentives

STIP & LTIP ESG Component
WESOP

Flexibility at Work

Access to Energy

Community Work

Access to and retention of talent



Schneider grew in market indices over the past 20 years



Technology enables **sustainability**, and the moment is **now**

DIGITAL

For **Efficiency**

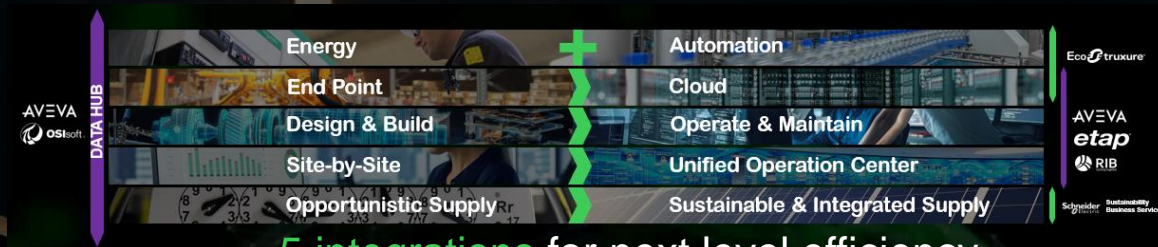
+

ELECTRIC

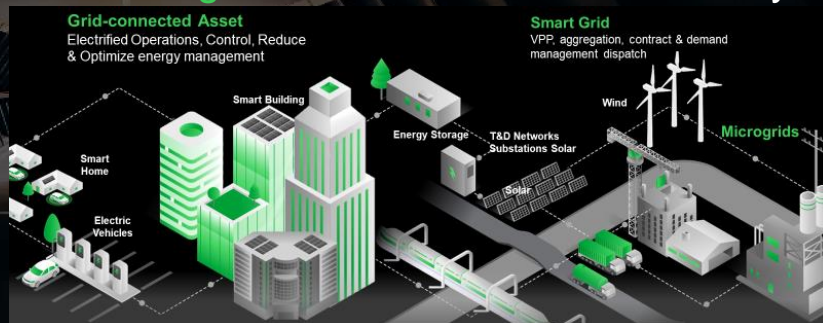
For **Decarbonization**

=

SUSTAINABLE



5 integrations for next level efficiency



All connected **Electricity 4.0** for next level decarbonization

We see opportunities in both mature & emerging economies

Mature economies

- **Energy Transition**, with special urgency in Europe
- **Electricity 4.0** of buildings, processes and mobility
- **Industry 4.0** due to reshoring
- Smart everything - exponential growth in **Data**
- **Retrofit** of everything
- Infrastructure for **New Energy Landscape**

Emerging economies

- Rapid demand acceleration in **infrastructure**
- **Urbanization, Industrialization** and **digitization**
- **2Bn** people needing reliable electricity
- **Resource driven demand** to drive growth in late-cycle segments

Energy efficiency

~x2

Energy price in EU in 2022

Household Energy Price Index for Europe

Data growth

>180 ZB

Global data creation up to 2025

Statista Research Department

Infrastructure

>x20

Energy demand from EV in the US between 2021 and 2030

McKinsey

Strong presence in markets with higher growth expectations:

~75%¹

of global GDP growth in 2023 expected in major Asian emerging-market economies²

¹ OECD economic outlook, November 2022

² China, India, Indonesia, Malaysia, Philippines, Thailand, Singapore, Taiwan and Vietnam

~25%

Schneider Electric

of Schneider 2022 revenues represented in major Asian emerging-market economies²

We remain well positioned for the future ...

**Accelerating
Markets**

Electric

Digital

**Incremental
Growth Drivers**

Services

Software

Sustainability

**Unique
Operating Model**

Integrated

Partnership

Multi-Hub

ESG

FY 2022 Financial Performance Highlights

Hilary Maxson | CFO

2022 Financial highlights - Strong performance in supply constrained and inflationary market environment

Good progress on sustainable growth journey

Revenues

€34bn, +12.2% org.

Strong and dynamic market demand in the majority of the end-markets and segments we serve

Gross Margin

40.6%, -50bps org.

Inflationary pressures and mix challenges impact Gross margin despite price actions

Adj. EBITA Margin

17.6%, +40bps org.

Improved SFC leverage and cost savings program delivers record margin despite inflationary pressures

Net Income

€3.5bn, +9%

Net Income negatively impacted by one-time losses on Russia exit

Free Cash Flow

€3.3bn, 96% conversion¹

Free cash flow supported by improved working capital evolution in H2. Conversion positively impacted by one-time losses on Russia exit

ROCE

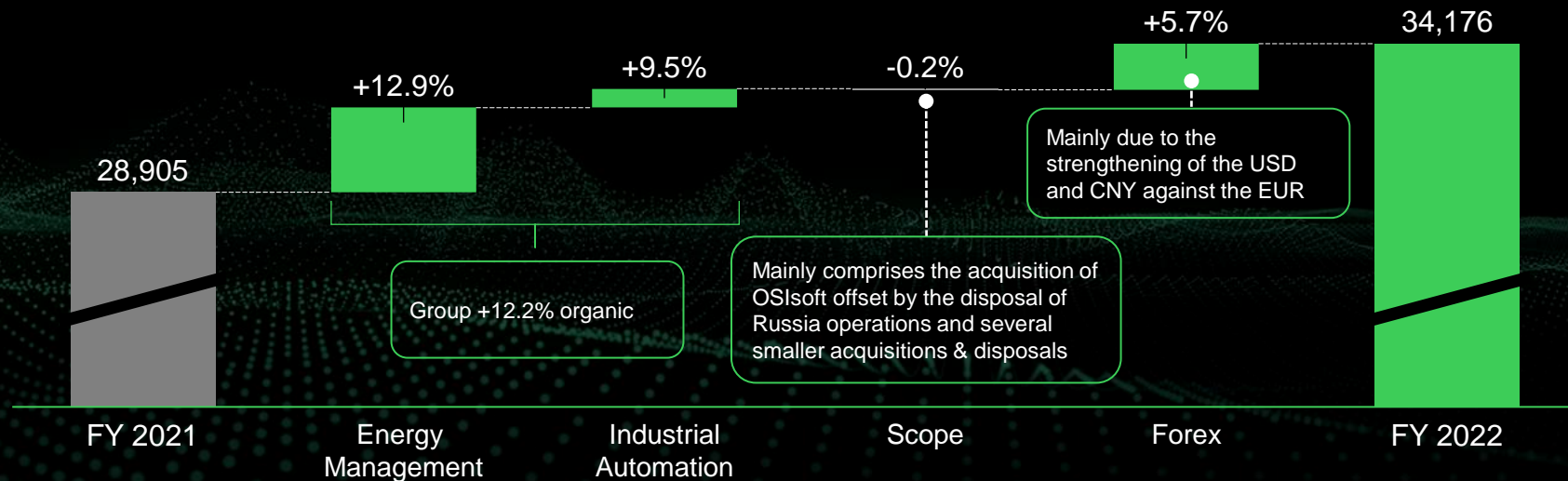
12.2%

Showing good progress year-on-year

¹ Conversion of FCF / Net Income (Group share)

Strong growth in 2022 up +12% organic

Analysis of Change in Group Revenues (in €m)

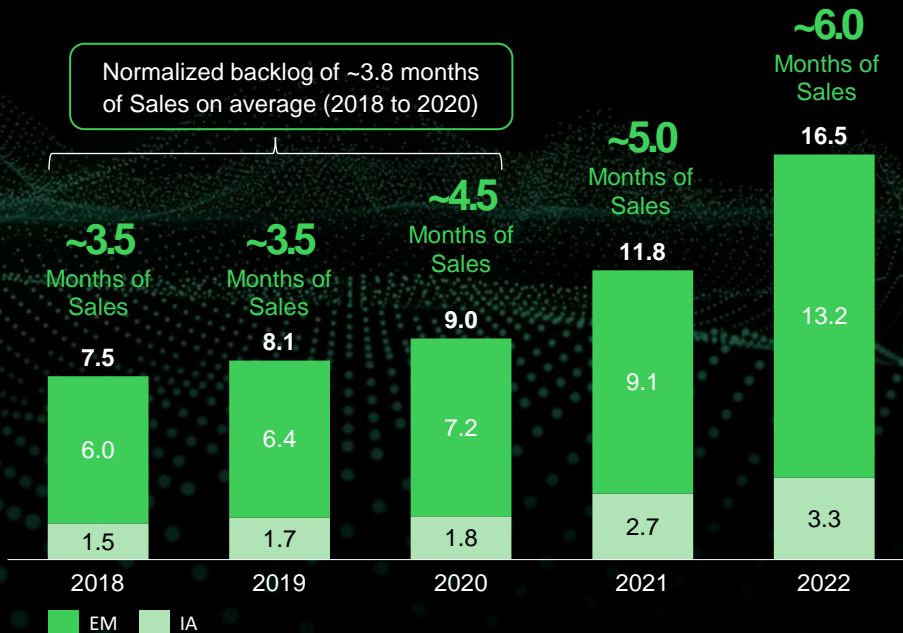


Based on current rates, the FX impact on FY 2023 revenues is estimated to be between -€600 million to -€700 million

The FX impact at current rates on adjusted EBITA margin for FY 2023 could be around -40bps.

Strong backlog creation in 2022 supporting growth ambition for 2023

Backlog evolution (in €bn)



Closing 2022 with record high backlog

- >x2 in value over 2018-2022 period
- From ~3.5 months of Sales to ~6.0 months of Sales
- Healthy backlog with no significant cancellation

Supporting growth ambition for 2023 through backlog execution

- Supply chain easing
- Systems execution capability

Strong growth across strategic pillars in FY 2022

MORE PRODUCTS

+13%

FY 2022 organic growth

- **Double-digit** growth in both Energy Management and Industrial Automation
- Strong contribution from price while **volumes** also grew
- Volumes impacted by **specific circumstances** through 2022: supply chain tightness, Russia and COVID-19 in China
- Softness in **consumer-linked segments** in some countries impacted the H2
- Supply chain recovery in Q4 enabled **backlog execution** to support growth

MORE SOFTWARE & SERVICES

+9%

FY 2022 organic growth

- **Software & Digital Services** growing high single-digit
- Double-digit growth across **Energy Management** agnostic software offers
- **Digital services** up strong double-digit
- **AVEVA** remains focused on ARR growth during subscription transition – **ARR up +12.3%¹** at 31 Dec.
- **Field services** grew high-single digit, accelerating in H2 2022

Assets under Management
of **7.4m**, up **+25%**

Strong progress in monetized assets – in excess of 50% now monetized

MORE SUSTAINABLE

>20%

FY 2022 organic growth

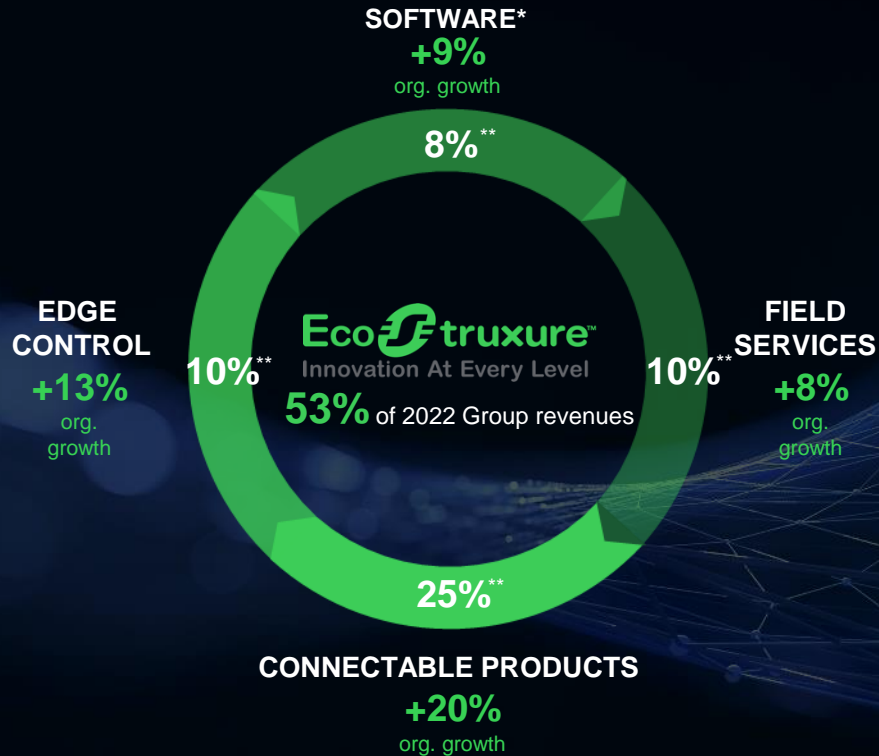
- Growth led by **North America**, with strong traction in **Western Europe**
- Leveraging Sustainability consulting as **catalyst for full portfolio**
- Multiple customer engagements & wins



¹. At constant currency, adjusted for Russia impacts

Making strong progress on our digital journey – flywheel up +15% org.

Full Year 2022



2021 → 2022

Digital Flywheel as % of Group revenues

c.50%

53%

Software & Services as % of Group revenues

c.18%

18%

Recurring revenue as % of Software & Services revenues

c.30%

36%

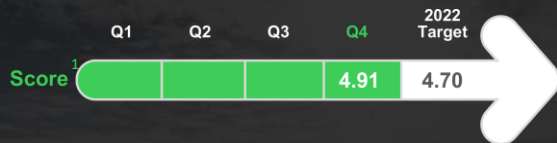
Key achievements of the year

- Digital innovation driving strong growth in connectable products
- Good growth in Software and Digital Services despite transition to subscription at AVEVA
- Strong traction for efforts to make software & services revenues more recurring

* Including Digital Services ** % of 2022 revenues

A full-year Sustainability Impact score **well above the target**

2021-2025
SCHNEIDER
SUSTAINABILITY
IMPACT



CLIMATE

SSI #2 - Help our customers save and avoid 800 million tonnes of CO₂ emissions

440M

Half-way milestone crossed! And in 2022 alone, Schneider Electric's solutions and services helped customers save and avoid more than 90 million tonnes of CO₂ emissions.

RESOURCES

SSI #5 - 100% of our primary and secondary packaging is free from single-use plastic and uses recycled cardboard

45%

Progress doubled in 2022 (vs 21% in 2021) as 45% of packaging is now free from single-use plastic, and recycled cardboard is used in 100% of distribution centers in Europe, China, India, EAJ & Pacific

EQUAL

SSI #9 – Provide access to green electricity to 50M people

~40M

Schneider Electric provided solar solutions for 190 public health centers in South Asia to guarantee access to quality healthcare. These projects are impacting more than 750,000 people.

1. 2020 baseline 3/10, 2025 target 10/10

IMPACT Company



2 guiding principles

#1 - Do well to do good and vice versa

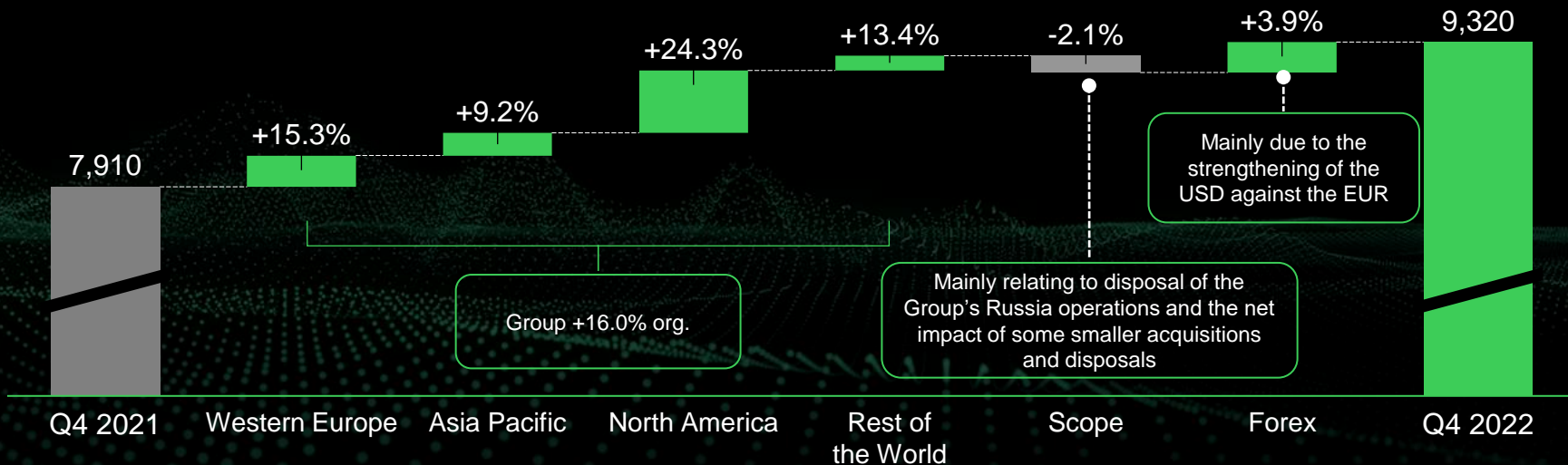
- Performance
- Business
- All ESG

#2 - Bringing everyone along

- Model & Culture
- All Stakeholders

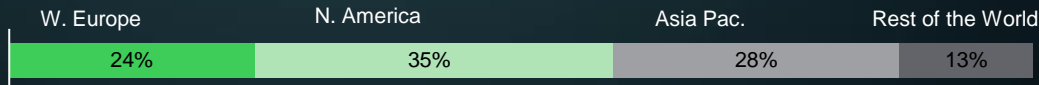
Q4 2022 Group revenues up +16.0% organic

Analysis of Change in Group Revenues (in €m)



Energy Management +18% Q4 org. growth

Split of Q4 2022
revenue by geography:



North America +28%

- ▶ U.S. and Mexico up c.+30% with Canada also up double-digit
- ▶ Strong growth across end-markets in the US
- ▶ Strong sales growth in US Residential supported by backlog execution while demand remained good
- ▶ Strong growth in Data Center while consumer-linked Distributed IT weaker
- ▶ Canada residential markets seeing some softness
- ▶ Field Services growing strongly

Rest of the World +14%

- ▶ Strong contribution from price in resource driven economies
- ▶ Middle East up in excess of +20% with strong growth in Turkey, Saudi Arabia and UAE
- ▶ South America up in excess of +20% led by Argentina, with Brazil around flat due to ongoing supply pressures and weak Resi sales
- ▶ Central & Eastern Europe up double-digit
- ▶ Africa down low-single digit against a high base

Western Europe +15%

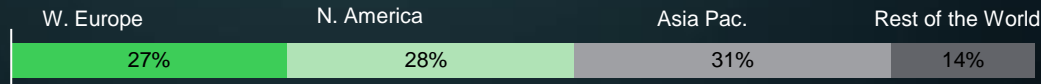
- ▶ Double-digit growth in each of the five main economies
- ▶ Strong growth across rest of the region
- ▶ Good growth in Non-resi and Infrastructure mostly in relation to renovation and retrofit
- ▶ Consumer-linked areas continued to see softer demand, with sales in these areas around flat supported by backlog execution
- ▶ Strong growth in both Software and Field Services

Asia Pacific +10%

- ▶ China up low-single digit, despite COVID-19 resurgence in December
- ▶ Good growth in Data Center, Infrastructure and in multiple industrial segments in China, supported by backlog, while real estate remained soft as expected
- ▶ Continued dynamic growth in India, up double-digit with strong demand across the portfolio
- ▶ Australia up double-digit with strong growth in Buildings. Non-resi demand remains good and Resi growth supported by backlog execution
- ▶ Double-digit growth in many countries across rest of the region

Industrial Automation +11% Q4 org. growth

Split of Q4 2022
revenue by geography:



North America¹ +9%

- ▶ High-single digit growth in **U.S.**, with double-digit growth in both Discrete and Process & Hybrid, outside of Industrial software which was down
- ▶ **Canada** saw very strong growth led by Discrete and software
- ▶ **Mexico** weak against a strong double-digit base, due to a large process industries project in prior year

Rest of the World +11%

- ▶ **South America, Middle East, Africa and Central & Eastern Europe** all up double-digit
- ▶ Strong growth in **Discrete** automation markets, particularly in Turkey
- ▶ Good growth in **Process & Hybrid** markets led by the more resource driven economies
- ▶ **CIS** down, primarily due to wind-down of AVEVA activity in Russia

Western Europe +18%

- ▶ Each of the five major economies grew **double-digit** with improving supply chain supporting backlog conversion
- ▶ **Spain** up in excess of +30% led by Discrete automation
- ▶ **France** and **Italy** each performing strongly in both Discrete and Process & Hybrid
- ▶ Growth in **Germany** and **U.K.** weighted more towards Discrete
- ▶ **Discrete** automation growth led by OEMs in Material Handling and Food & Bev
- ▶ Good acceleration in **Process & Hybrid**, including for industrial software

Asia Pacific +7%

- ▶ **China** down low-single digit impacted by COVID-19 resurgence coupled with double-digit base of comparison
- ▶ **India** up in excess of +20% led by OEMs, despite strong double-digit base
- ▶ **Japan** and **South Korea** each up double-digit supported by backlog execution
- ▶ **Good growth** across rest of the region

¹ OSIsoft global revenues are fully reported within North America

Adj. EBITA: Margin at 17.6%, +40bps organic

In €m	FY 2021	FY 2022	Reported change	Organic change
Revenues	28,905	34,176	+18.2%	+12.2%
Gross Profit	11,843	13,876	+17.2%	+10.8%
Gross Margin (%)	41.0%	40.6%	-40 bps	-50 bps
SFC ¹	(6,856)	(7,859)	+14.6%	+8.2%
SFC ¹ Ratio (% Revenues)	23.7%	23.0%	+70 bps	+90 bps
Adjusted EBITA	4,987	6,017	+20.7%	+14.4%
Margin %	17.3%	17.6%	+30 bps	+40 bps
R&D/Sales ratio	5.1%	5.1%	0 bps	+30 bps

Energy Management

Industrial Automation

c.+40bps
Org. Adj. EBITA

c.+30bps
Org. Adj. EBITA

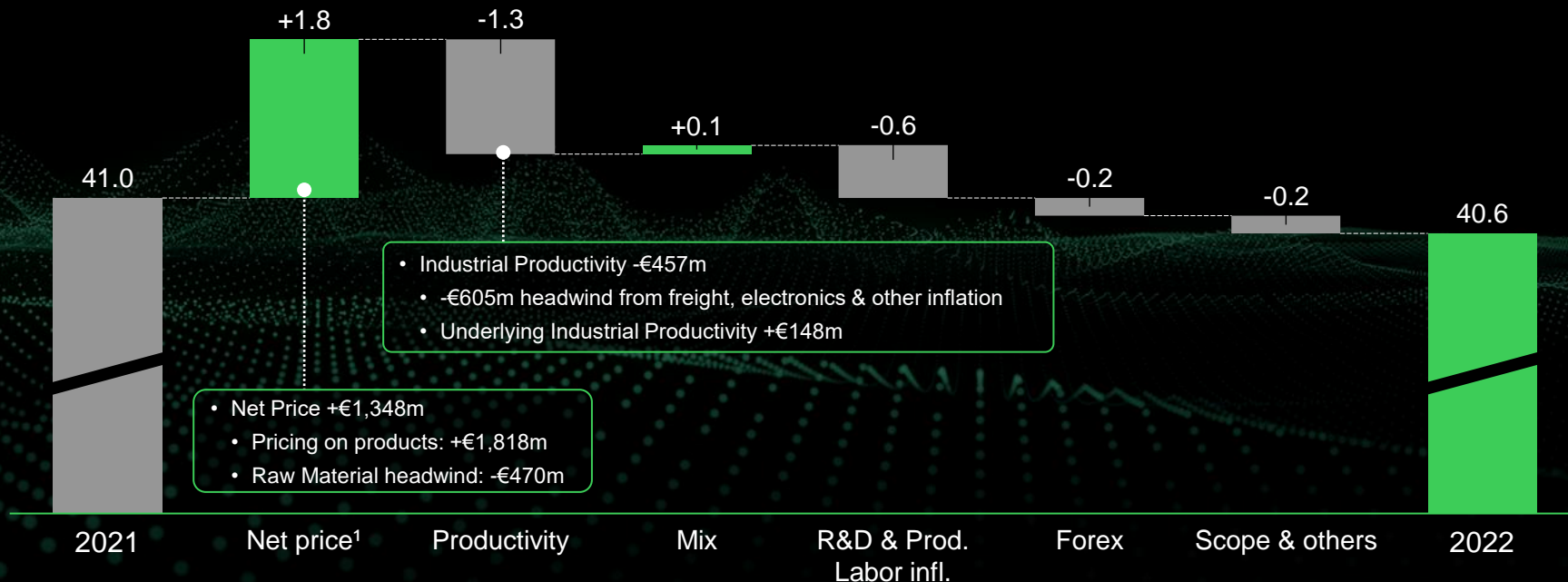
- SFC/Sales ratio reduces to 23.0% from 23.7%
- SFC up +8.2% org., due to continued investments in the Group's strategic priorities. Discretionary spend closely monitored and controlled keeping SFC growth below sales growth

- R&D costs in P&L up +13% organic while R&D/Sales ratio maintained at 5.1% up +30bps organic

1. Support Function Cost

Gross Margin: Resilient performance despite inflationary headwinds

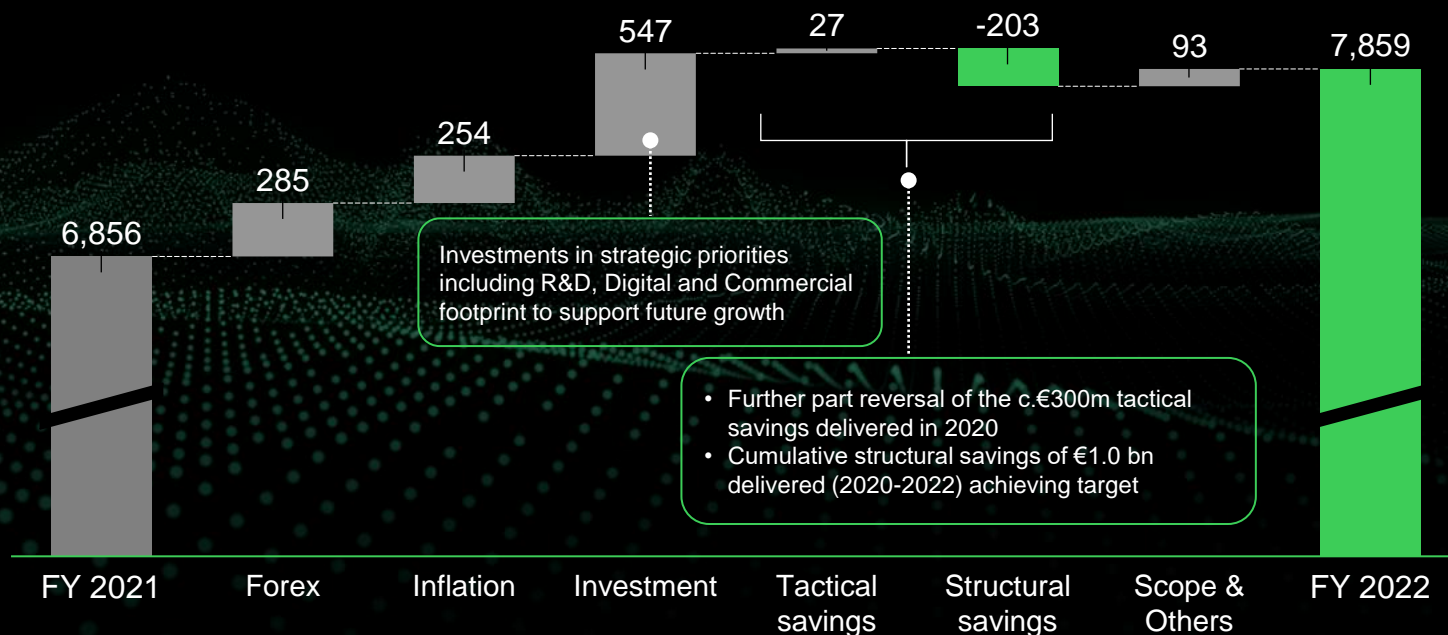
Gross Margin: Analysis of Change (%)



1. Price on products and raw material impact

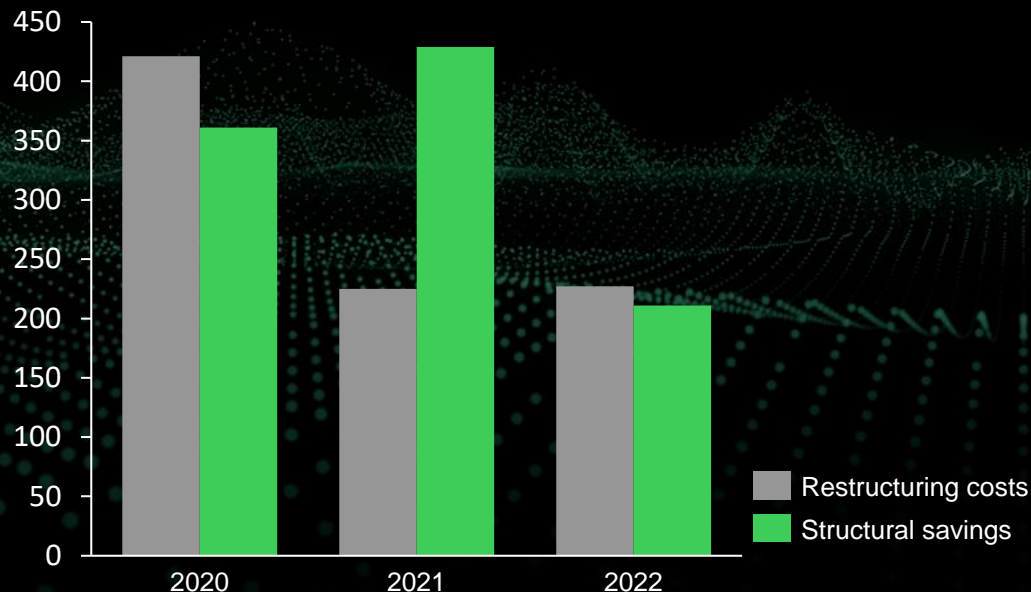
SFC: Delivering further structural savings and investing for future

Analysis of Change of SFC (in €m)



Achieved targeted €1 billion of structural savings; associated restructuring costs significantly lower than initially expected

Structural savings and restructuring costs 2020-2022



We delivered on our objective:

- €1.0 billion of structural savings delivered in 3 years (2020-2022)
- Restructuring costs totaled €873 million in same period

For 2023:

- Restructuring costs expected to decrease towards target of ~€100 million

Adjusted Net Income of €4.0bn up +16%

In €m	FY 2021	FY 2022	% change
Adjusted EBITA	4,987	6,017	+21%
Other income and expenses	(21)	(433)	
Restructuring	(225)	(227)	
Amortization & imp. of purchase accounting intangibles	(410)	(424)	
EBIT	4,331	4,933	+14%
Financial costs	(176)	(215)	
Income tax	(966)	(1,211)	
Equity investment & Minorities	15	(30)	
Net income (Group share)	3,204	3,477	+9%
Adjusted Net income¹	3,409	3,968	+16%
Adjusted Earning per share¹	6.13	7.11	+16%

Includes €287m losses associated with Russia exit, €180m costs of M&A and integration, €75m impairment associated with disposal of Transformer plants in Poland & Turkey, offset by gains from other disposals

Restructuring costs to facilitate Group's operational efficiency plan

Increase mainly due to OSIsoft with a full year of amortization in 2022, compared to 9 months in 2021

Effective tax rate of 25.7% incorporating impact from the exit of Russia operations. Underlying ETR without Russia of 24.6% in the expected range of 23% to 25%

¹: Adjusted net income and EPS calculation in appendix

Free cash flow at €3.3billion – with strong progress in H2

Analysis of debt change in €m	FY 2021	FY 2022
Net debt at opening at Dec. 31	(3,561)	(7,127)
Operating cash flow	4,469	5,393
Capital expenditure – net	(817)	(1,024)
Operating Cash Flow net of capex	3,652	4,369
Change in trade working capital	(1,114)	(785)
Change in non-trade working capital	261	(254)
Free cash flow	2,799	3,330
Dividends	(1,585)	(1,775)
Acquisitions – net	(4,231)	(297)
Net capital increase	(46)	(11)
FX & other (incl. IFRS 16)	(503)	(597)
(Increase) / Decrease in net debt	(3,566)	650
Net debt at Dec. 31 excluding purchase commitments on non-controlling interests	(7,127)	(6,477)
Purchase commitments on non-controlling interests	(176)	(4,748)
Net debt at Dec. 31 including purchase commitments on non-controlling interests	(7,303)	(11,225)

All-time high Operating cash flow up +21% as a result of the record profitability in 2022

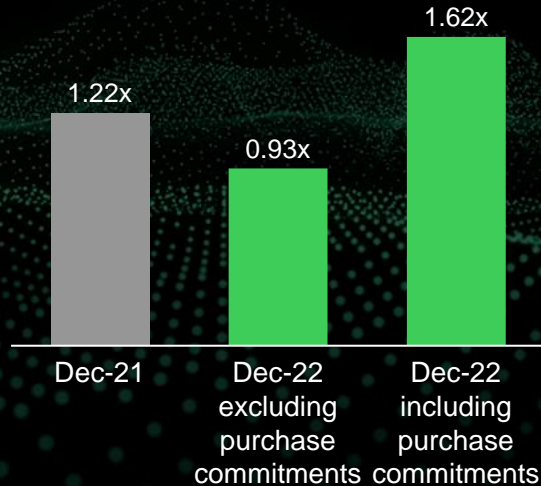
Change in trade working capital impacted by Group's priority to secure supply and delivery to customers. Dynamic turned positive in H2 (+€315m) as expected with easing of supply chain constraints and backlog execution

Variance to 2021 driven mainly by bonus payments and accruals

Primarily €4.6bn to reflect the commitment to purchase the minority shares in AVEVA

Balance sheet **remains strong**

Net Debt / Adj. EBITDA¹



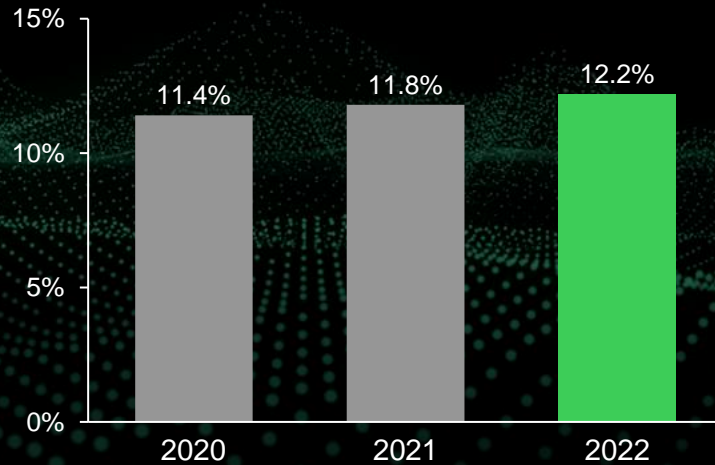
Main impacts in 2022

- Inclusion of **€4.6bn** commitment to purchase minority shares in AVEVA (transaction completed Jan. 2023)
- Payment of FY21 dividend for **€1.8bn** in 2022
- FCF benefit of **€3.3bn**

¹ Trailing 12 months Adj. EBITDA; Net debt as of period end

Return on capital: Driving ROCE towards 15%

ROCE



Group ROCE: 12.2%
(vs. 11.8% in 2021)

+40bps increase on improved profitability from price and capital discipline despite inventory build needed offset by increased tax rate, scope effects and changes in interest rates

Portfolio evolution in Q4: AVEVA transaction & disposal program completed

AVEVA

- Transaction to acquire the entire share capital of AVEVA completed Jan 18, 2023
- AVEVA shares now de-listed
- Purchase commitment of €4.6bn recognized in balance sheet at Dec 31, 2022

Disposals

Signed in Q4

Gutor

- Agreement with Latour Capital for the sale of Gutor Electronics industrial UPS business

VinZero

- Agreement for the sale of RIB Software's VinZero IT infrastructure solutions group

Closed since Q3 results

Eurotherm

- Disposal of Eurotherm to Watlow Electric Manufacturing Company completed Oct 31.

Eberle

- Disposal of Eberle Controls GmbH to Eberle's management and Borromin Capital Fund IV completed Nov 30.

Transformer plants

- Disposal of Group's Transformer plants in Poland and in Turkey to Groupe Cahors completed Jan 6, 2023

Program completed: €1.7bn revenues addressed

Capital allocation priorities unchanged

1

Strong Investment Grade Credit Ratings



2

Continued focus on Dividends



3

Portfolio Optimization



4

Share Buyback

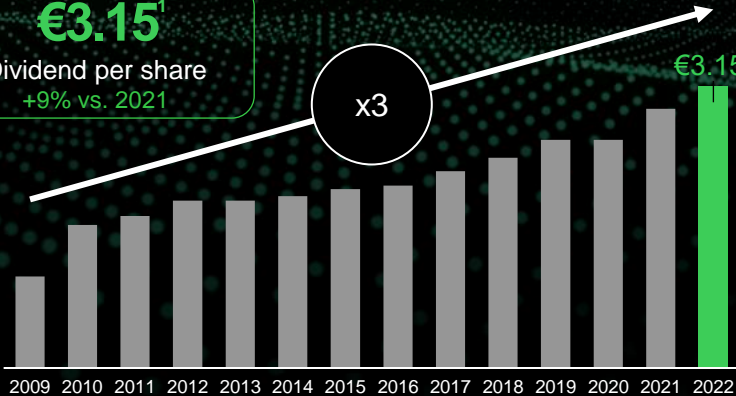
Progressive Dividend¹ for 13th year in a row

€3.15¹

Dividend per share
+9% vs. 2021

x3

€3.15¹



1. Subject to Shareholder approval on May 4, 2023

Near-term management focus:

Successful integration of recent acquisitions and deliver associated synergies

Ongoing portfolio review for strategic fit as part of business as usual

Completion of share buyback program

Focus on shareholder return

Expected Trends & Financial Target

Jean-Pascal Tricoire | Chairman & CEO

Expected trends in 2023

- A continuation of **strong and dynamic market demand**, supported by secular trends of electrification, digitization and sustainability
- Demand in consumer-linked segments (Residential buildings, Distributed IT) to **continue deceleration from highs**, particularly in mature markets
- **Government incentives** across the world centered around energy transition, decarbonization and improved energy efficiency to further support growth
- **Backlog execution** to support growth
- Supply constraints expected to progressively ease; improving supply environment should support **stronger underlying industrial productivity**
- Some **deceleration of inflationary pressure**, though pockets of inflation expected to remain

2023 Target

The Group sets its 2023 financial target as follows:

2023 Adjusted EBITA growth of between +12% and +16% organic

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

- Revenue growth of **+9% to +11% organic**
- Adjusted EBITA margin up **+50bps to +80bps organic**

This implies Adjusted EBITA margin of **around 17.4% to 17.7%** (including scope based on transactions completed to-date and FX based on current estimation).

Further notes on 2023 FX & Scope available in slide 54

Our **medium and long term targets** as announced during November 30th, 2021 Capital Markets Day

Accelerating

Accelerating Markets

Incremental Growth Drivers

Unique Operating Model

Financial Targets

		Sustainable Revenue Growth	Adj. EBITA Margin Expansion	Free Cash Flow
2022-2024		Between +5% to +8% organic, on average	Between +30 bps to +70 bps organic, per year	c. €4bn by 2024
Longer Term Ambitions		5%+ organic, on average across the cycle ¹	Opportunity to further expand with business mix and operational leverage	

Aspiration

To consistently be a **Company of 25***

¹ across the economic cycle, incorporating Sustainable Growth targets for 2022-2024

*sum of organic revenue growth % and adj. EBITA margin %

Q&A

Investor Relations ready to engage

16 February	2022 Full Year Results
24 February	Sell-side meeting with Hilary Maxson (London)
9 March	Deutsche Bank Global ESG Conference (Virtual)
28 March	Barclays' ESG conference (New York)
27 April	Q1 2023 Revenues
4 May	Shareholders' Meeting
8 June	BNP Paribas Exane 25th CEO Conference (Paris)
9 June	JPM European Capital Goods CEO Conference (UK)
27 July	2023 Half Year Results

Investor Relations contacts

Amit Bhalla – amit.bhalla@se.com

Graham Phillips – graham.phillips@se.com

Andrew Gamwell – andrew.gamwell@se.com

To schedule an interaction with Schneider Electric, please contact lorna.scrimshaw@se.com

Capital Markets Day expected in Q4 2023

An aerial photograph of a winding river flowing through a dense, lush green forest. The river is a vibrant blue-green color, contrasting with the deep green of the surrounding trees. The forest appears to be a mangrove or a similar wetland environment, with the water meandering through various channels and islands of land.

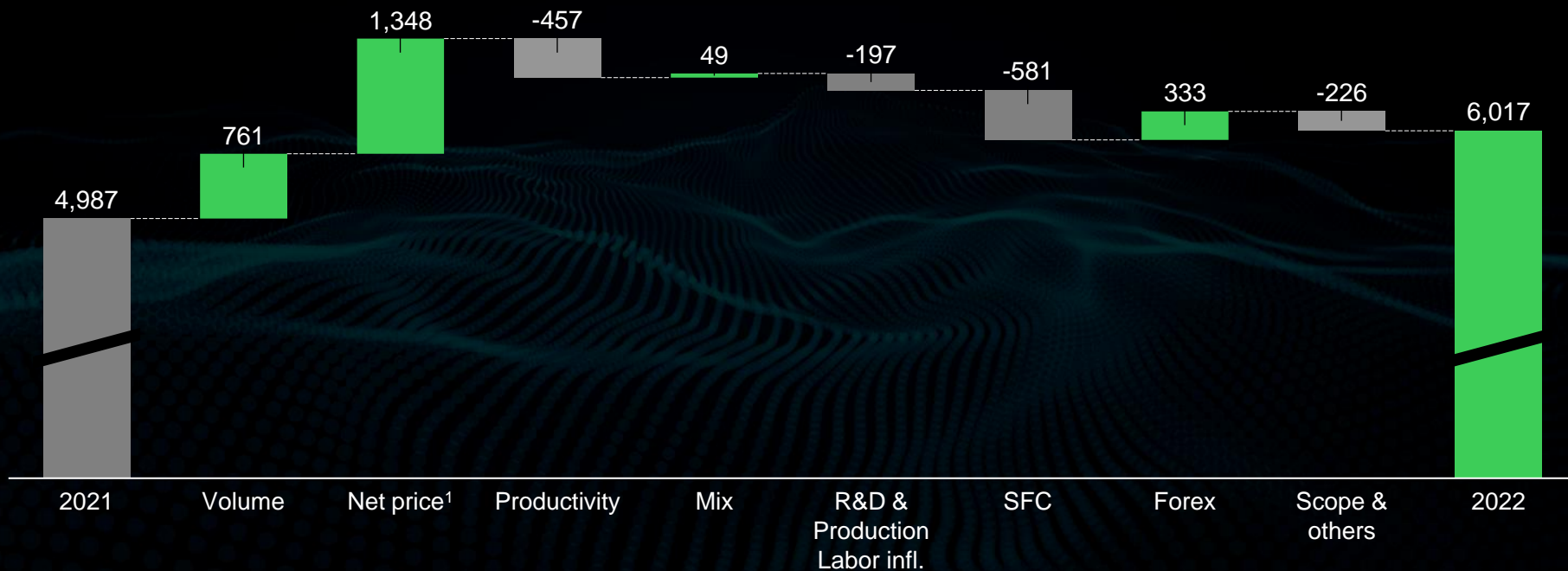
Appendix

2023 additional notes

- ▶ **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2023 revenues is estimated to be **between -€600 million to -€700 million**. The FX impact at current rates on adjusted EBITA margin for FY 2023 could be **around -40bps**
- ▶ **Scope:** Around **-€750 million** on 2023 revenues and **around -30bps** on 2023 adjusted EBITA margin, based on transactions completed to-date, particularly impacted by the exit from Russia
- ▶ **Financial costs:** Net finance costs are expected to be higher by **up to €200 million** in 2023, primarily due to the additional debt related to the AVEVA transaction
- ▶ **Tax rate:** The ETR is expected to be in a **23-25%** range in 2023
- ▶ **Restructuring:** The Group expects restructuring costs to decrease towards target of around **€100 million** per year

Adj. EBITA +14.4% org. due to strong pricing and positive volumes

Analysis of Change of Adjusted EBITA (in €m)



¹. Price on products and raw material impact

Continued focus on innovation with multiple new offers in 2022

Data Centers



APC™ Smart-UPS™ Modular Ultra
The first modular Lithium-ion single phase UPS and the most sustainable modular UPS of its kind



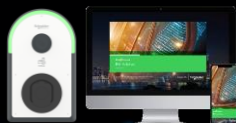
EcoStruxure™ IT Expert
EcoStruxure™ IT Advisor
Monitor and manage IT sites remotely. Data center planning, modeling and optimization



TransferPac

Next generation transfer switch providing best-in-class reliability with ultra-fast transfer performance

Buildings



EcoStruxure™ for eMobility
Solutions for homes, buildings and fleets



EcoStruxure™ Buildings
Open, secure building management platform integrating multiple systems for centralized, real-time control across 1-to-many enterprise buildings



Power Digitization
Solutions for better decision-making, faster issue resolution, minimized downtime and reduced energy usage

Homes



Square D Energy Center & Wiser Home Energy Management Solution
Solutions for smart and sustainable homes



Acti9 Active
Miniature circuit breakers for space optimization in electrical distribution



ComPacT, PowerPacT, PrismaSeT Active, FlexSeT
Next generation low voltage (LV) circuit breakers and switchboards

Industries



EcoStruxure™ Automation Expert
World's first universal automation solution reducing engineering by almost 50% with AVEVA System Platform integration

EcoStruxure™ Machine Expert Twin Digital twin software suite for digital models of real machines. Software-centric industrial automation system



Lexium™ MC12 multi carrier

Innovative transport system for moving, positioning or grouping objects in machines for discrete processes.



Motor Management innovations

Holistic lifecycle solution for advanced asset management and energy efficiency. From "Design & Build" to "Operate & Maintain."

Grids



EcoStruxure™ Grid
Bridges supply and demand sides, with End-To-End software lifecycle (from planning, design, build, operate to maintain) while ensuring protection against cyber attacks



AirSeT Family
Sustainable medium-voltage (MV) switchgear SF6-free, powered by pure air and digital

~40%

of orders growth linked to new product innovations in last 3 years

EcoCare Membership

Unlock full potential of connectable products and digital twins, enabling proactively 24/7 monitoring, advice support, maintenance and repairs with faster response times, on-site intervention and more.



Our integrated portfolio gaining tractions with customers...

1.



JFCO

U.K.

AI-driven software solution to optimize growing conditions, produce a higher yield at a lower energy cost, and improve energy efficiency for energy-intensive food producer to support its ambitions to transform the agricultural supply chain

EcoStruxure™
AVEVA

2.

A logo consisting of a square with a lightning bolt inside, followed by the text "Start Campus".

Start Campus

Portugal

Complete EcoStruxure™ solution with services and Planon software, to enable one of Europe's largest data centers to be 100% green, secure, connected by reducing energy consumption & water cost, and ensuring business continuity

EcoStruxure™
Planon

3.

A logo featuring a stylized map of Saudi Arabia and the text "The Red Sea Development Company".

The Red Sea Development Company

Saudi Arabia

Unique and holistic EcoStruxure™ solution with ETAP digital twin to support key tourism destination to reach its Net Zero target with 100% renewable sources covering full life cycle of grid management from power generation to utilization

EcoStruxure™
etap

4.

A logo with a colorful graphic of a city and the text "NASHIK SMART CITY".

NASHIK SMART CITY

India

Full EcoStruxure™ offer with AVEVA Unified Operation Center (UOC) to enable data-driven informed decision making to reduce water network losses, provide insights for water assets and improve operational efficiency by 15%

EcoStruxure™
AVEVA

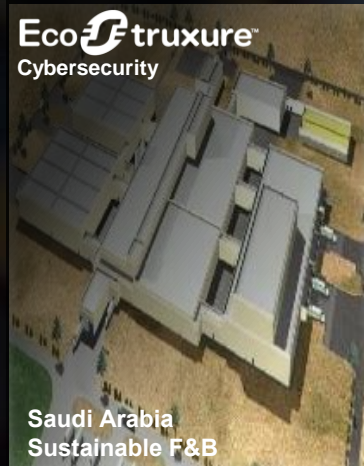
Our digital offers combining for the benefit of our customers



Integrated **EcoStruxure™** building solutions to enable **digitalization** of their **first all-electric** headquarters in NYC with **net-zero** emissions, **unparalleled tenant experience**, and exceptional **indoor air quality** that exceeds the highest standards in **sustainability**

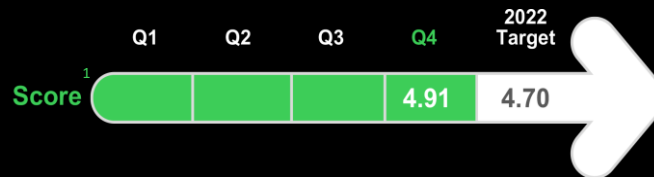


Cybersecurity consulting with **engineering services** to help multinational dairy company design long-term **OT plan** and roadmap to meet **sustainability target** with **mitigation solutions** for vulnerabilities



RIB multi-year **SaaS offer** including integrated **database** to **digitalize** the water distribution network for existing Schneider Electric customer via **easy access** to real time data, **reduction** of costly errors, and **effective management** of resources





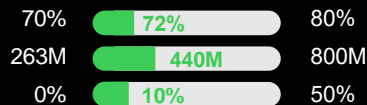
2022 full year results

CLIMATE



1. Grow Schneider Impact revenues*²
2. Help our customers save and avoid millions of tonnes of CO₂ emissions³
3. Reduce CO₂ emissions from top 1,000 suppliers' operations

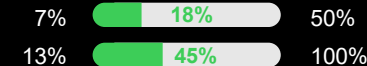
Baseline Q4 2022 2025 Target



RESOURCES



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



TRUST



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



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



GENERATIONS



10. Double hiring opportunities for interns, apprentices and fresh graduates²
11. Train people in energy management⁷



LOCAL



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



*Per Schneider Electric definition and methodology

¹ 2020 baseline 3/10, 2025 target 10/10

² baseline 2019

³ cumulated since 2018

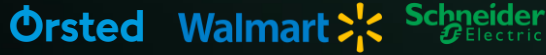
⁴ 2022 baseline

⁵ 2021 baseline

⁶ cumulated since 2008

⁷ cumulated since 2009

Integrated approach for sustainable growth for customers to achieve climate ambitions



1st cohort of suppliers to participate in Walmart's renewable energy accelerator: **Gigaton PPA**

is expected to generate

250,000 MWh

new renewable power annually equivalent to the annual electricity consumption of

413,000 U.S. homes



Expanding renewable electricity portfolio to reach **net-zero CO2 emissions by 2045**

new PPA to generate the equivalent of **210 GWh** of renewable electricity per year



Announce goal of being **Net-Zero in Scope 1 & 2 by 2030**

Collaboration will support Schneider Electric's **Zero Carbon Project to decarbonize supply chain**



New strategic partnership to advance & accelerate global corporate decarbonization ambitions

Strategic partner in our customers' paths of sustainability and technological excellence



honored Schneider Electric as the most sustainable company in its global supply chain in the 2022 [#SupplierCoffeeLinks](#) convention

Adjusted Net Income calculation

In €m	FY 2021	FY 2022
Adjusted EBITA	4,987	6,017
Amortization of purchase accounting intangibles	(389)	(423)
Financial Costs	(176)	(215)
Income tax with impact from adjusted items ¹	(1,028)	(1,381)
Equity investment & Minority Interests	15	(30)
Adjusted Net Income (Group share)	3,409	3,968
Adjusted EPS (€)	6.13	7.11

1. The effective tax rate implied in the adjusted net income calculation is adversely impacted by the write-offs in relation to Russia exit

Life Is On



Schneider
Electric