

Q1 2022 revenues up +10% organic.

FY 2022 Target confirmed in increasingly uncertain environment

- **Q1 Group revenues of €7.6 billion, up in all four regions**
 - **Energy Management up +10% org.**
 - **Industrial Automation up +9% org.**
 - **Delivering on key strategic priorities:**
 - **More Products: up +13% org. with balanced contribution from price and volume**
 - **More Software & Services: up +7% org.;**
 - **Software growing double-digit;**
 - **Field Services grew low-single digit impacted by shortages and site-access**
 - **More Sustainability: up strong double-digit.**
 - **Group announces intention to sell its Russia operations to local management**
 - **Progress on share buyback: c.€120 million repurchased in 2022**
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Rueil-Malmaison (France), April 27, 2022 - Schneider Electric announced today its first quarter revenues for the period ending March 31, 2022.

Jean-Pascal Tricoire, Chairman and CEO commented: *“Our Q1 revenues confirm a strong start to the year, 2022, growing by +10% organically. As expected, we have experienced continued strong demand across all of the Group’s end markets, with our unique portfolio of electrical and digital solutions resonating with our customers as they look to drive sustainability and efficiency in their operations. We, like others in our industry and beyond, continue to operate in a supply chain environment under pressure, and we strive to make the best of this situation through our unique supply chain organization, in partnership with our customers and suppliers.*

Since mid-February, we have witnessed the global impact of the war in Ukraine, the economic impact of which commenced in March. First and foremost, our actions have been aimed at supporting our Ukraine employees, their families and communities. We continue to comply with applicable sanctions and are progressing with a plan to transfer our Russia operations to our local leadership.

On COVID-19, while much of the world has progressively opened up propelling our growth prospects around the world, China has seen several provinces enact partial to full lockdowns since March. The lockdown in Shanghai impacts some of our factories and distribution centers and the continuation into April impacts China Q2 revenues.

Demand continues to be strong in an increasingly inflationary environment, and we remain agile to best serve our customers through our unique portfolio and operating model. We acknowledge the uncertain macro environment but confirm our full-year target, despite the significant developments of the last months.”

I. FIRST QUARTER REVENUES WERE UP +10% ORGANIC

2022 Q1 revenues were **€7,566 million**, up **+9.8%** organic and up **+15.9%** on a reported basis.

Products (60% of Q1 revenues) grew +13% organic in Q1, with double-digit growth in both Energy Management and Industrial Automation. Growth in the quarter included a balanced contribution from volume expansion and price contribution (as a carryover from actions taken in 2021, and new price actions in Q1). Growth remained constrained by supply chain pressures throughout the quarter, primarily relating to electronic component shortages.

Systems (22% of Q1 revenues) grew +3% organic in Q1, consistent between the Group's two businesses. In Energy Management there remained strong demand across end-markets, but growth was constrained by the availability of components. Industrial Automation was also impacted by supply chain pressures, although systems sales into Process Automation end-markets did return to growth in the quarter.

Software & Services (18% of Q1 revenues) grew +7% organic in Q1.

Software and Digital Services grew double-digit in Q1. AVEVA had a strong finish to their financial year (to 31 March 2022), up double-digit in the quarter, and with good performance from OSIsoft (included in scope effects). The Group's suite of Energy Management software offers also performed strongly, with good traction across end-markets, and particularly strong growth from recent acquisitions. Digital services grew strong double-digit with strong growth across EcoStruxure advisors in Energy Management, and for Cybersecurity services within Industrial Automation.

Field Services grew low-single digit in Q1. Performance was hampered by limitation in the supply of electronic components impacting the sale of spare parts, and additionally by continued restrictions on site access in some parts of the world. In Industrial Automation markets, a slower return to growth in Process & Hybrid has had a knock-on impact in the ability to bundle field service contracts.

Sustainability: The Group's Sustainability offers (split between Digital and Field Services) delivered strong double-digit growth in the quarter, led by North America. The Group remains focused on leveraging sustainability consulting as a catalyst for the rest of the portfolio.

Digital update: The Group continues to prioritize and track digital adoption with good progress in the growth of Assets under Management (AuM), reaching 6.2 million, up +46% year-on-year by the end of March 2022.

The breakdown of revenue by business and geography was as follows:

€ million		Q1 2022		
		Revenues	Organic Growth	Reported Growth
Energy Management	North America	1,783	+10.2%	+19.6%
	Western Europe	1,411	+5.4%	+5.2%
	Asia Pacific	1,704	+12.2%	+18.5%
	Rest of the World	775	+15.0%	+14.1%
	Total Energy Management	5,673	+10.0%	+14.6%
Industrial Automation	North America	484	+28.4%	+89.1%
	Western Europe	522	+8.1%	+5.4%
	Asia Pacific	616	-2.0%	+4.2%
	Rest of the World	271	+19.1%	+15.4%
	Total Industrial Automation	1,893	+9.2%	+20.0%
Group	North America	2,267	+12.8%	+29.7%
	Western Europe	1,933	+6.2%	+5.2%
	Asia Pacific	2,320	+8.1%	+14.4%
	Rest of the World	1,046	+16.1%	+14.4%
	Total Group	7,566	+9.8%	+15.9%

Q1'22 PERFORMANCE BY END MARKET

The Group sells its full integrated and digital portfolio into four main end-markets: Buildings, Data Center, Infrastructure and Industry, leveraging the complementary technologies of its Energy Management and Industrial Automation businesses. In Q1, the Group continues to benefit from increased customer focus on efficiency and sustainability.

- Buildings** –The Group’s end-to-end offer suite for the Buildings end-market continues to see very strong demand through the quarter. The Residential end-market continued with strong sales growth with contribution from all regions. The growth was also strong in Non-residential technical buildings (including healthcare and retail), while demand in the office/hotel segment continued its recovery from the COVID-19 impacts in several countries. EcoStruxure advisors for Smart Buildings showed strong growth and the Group secured multiple customer wins in this space. Government funding schemes introduced in the wake of COVID-19 across different countries are also starting to support demand.
- Data Center** – Demand in the Data Center & Network end-market remains very strong as customers seek the Group’s unique technologies and total solution approach combining hardware, software and services. There was high-single digit sales growth impacted by some project timing and supply chain shortages. North America and Asia Pacific were the main contributors to the growth in the quarter. There was also strong growth in Distributed IT across regions driven by demand for localized computing and reliable power supply.

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- **Infrastructure** – In the Electric Utilities segment, overall demand remains strong and growth was supported by the on-going execution of a project in Egypt and E.U. recovery fund investments. Demand for Software and Services was solid, including double-digit growth in Smart Grid sales in the U.S. Transportation segment demand was stable in the quarter while Water and Wastewater (WWW) saw strong demand for both the Energy Management and Industrial Automation businesses.
- **Industry** – Discrete automation markets (served by both businesses) drove strong growth particularly with customers in material handling, HVAC and pumps & compressors. Growth in Hybrid industries continued, including demand from Consumer-Packaged Goods (CPG) customers. Growth in Process markets turned positive with strong demand from Metals, Mining and Minerals (MMM) in part due to rising commodity prices. Oil & Gas (O&G) continues with strong demand recovery for both the Energy Management and Industrial Automation businesses, with underlying market conditions continuing to have positive impact on sales driven by digital transformation and acceleration of services.

Group trends by geography:

North America (30% of Q1 revenues) was up +12.8% organic despite the impact of ongoing component shortages. The U.S., Canada and Mexico each grew double-digit, benefitting in part from a low base of comparison relative to the other regions.

In Energy Management, which grew +10.2% organic, the U.S. delivered double-digit growth, Mexico saw strong double-digit growth, while Canada grew high-single digit. Growth was supported by continued strong demand in the Buildings (both residential and non-residential) and Data Center & Networks end-markets, though there was some impact from project timing and supply shortages. Growth was led by product sales both direct to end-users and through channel partners. Growth was less strong in the Infrastructure end-market, mainly due to shortages with demand remaining strong, and offers relating to the digitization of the electrical grid continued to perform well. The Group's Sustainability offers grew strong double-digit.

In Industrial Automation, which grew +28.4% organic, the U.S., Canada and Mexico each delivered strong double-digit growth. The strong growth was led by demand for the Group's industrial software, sold through AVEVA, driving growth in both the U.S. and Canada. Demand from Discrete automation markets in the U.S. also remained very strong, contributing significantly to the growth in the quarter with OEM segments including material handling and hoisting performing particularly strongly. In Process automation markets the picture remained mixed, with strong growth in Mexico benefitting from execution on a large project, while growth in the U.S. and Canada was around flat, representing a sequential improvement quarter-on-quarter reflective of positive demand trends.

Western Europe (25% of Q1 revenues) grew +6.2% organic with some supply chain constraints impacting markets more dependent on electronic components.

Energy Management grew +5.4% organic. Growth strengthened during the quarter with all five major economies reporting growth, led by Italy which was up double-digit, with Spain and France up high-single digit. France saw strong growth despite a high base of comparison, led by good building markets. Germany was up mid-single digit. The U.K. experienced modest growth led by infrastructure while some end-markets were impacted by

electronic component shortages. In general, European building markets are starting to see the benefit from post-COVID-19 E.U. renovation funding policies.

Industrial Automation grew +8.1% organic, characterized by strong growth in discrete automation markets, offset by continued weaker sales in process markets despite positive demand trends including for software. Component shortages impacted across the region. Growth was led by Italy, up strong double-digit, driven by strength in discrete automation end-markets. The U.K. grew double-digit and Spain grew high-single digit, each benefitting from growth in industrial software and discrete automation. Germany and France each grew low-single digit, with Germany seeing good growth in discrete automation, but continued weakness in process markets. In France, strong growth in sales into discrete automation markets was complemented by growth from cybersecurity services, however this was partly offset by a high base of comparison in software.

Asia-Pacific (31% of Q1 revenues) grew +8.1% organic in Q1, impacted by a high base of comparison.

In Energy Management, which grew +12.2% organic, China was up double-digit against a strong double-digit base of comparison, supported by strong demand in the Data Center, Utilities and Commercial building markets despite supply chain pressures and some limited impact from COVID-19 lockdowns during the quarter. India was up double-digit against a high base, with continued strong demand across the portfolio and notably in commercial and residential buildings. Australia also delivered double-digit growth with good growth in residential buildings and Data Centers. Elsewhere in the region there was broad-based growth, including Singapore up double-digit although some parts of East and Southeast Asia remained challenged.

In Industrial Automation, which was down -2.0%, the picture remained contrasted between demand from Discrete automation markets and continued weaker growth in Process & Hybrid markets. China was down low-single digit against an exceptionally high base of comparison and impacted by shortages, but with good demand momentum in OEM, driven by material handling and HVAC segments. India was up strong double-digit despite a double-digit base of comparison, led by demand for discrete automation, particularly with OEMs and in the pharma industry. Japan was down due to continued weakness in process automation end-markets, with strong growth in discrete automation. Australia was down sharply mostly due to a high base of comparison in software. There was strong growth in South Korea from discrete automation and software.

Rest of the World (14% of Q1 revenues) grew +16.1% organic, with double-digit growth in both businesses.

In Energy Management, which grew +15.0% organic, each of Middle East, South America and Central & Eastern Europe grew double-digit. The Middle East benefitted in particular from Turkey where demand for the Group's Energy Management products remained very strong, and the U.A.E where projects are continuing at pace. Growth in South America was driven by Brazil and Argentina with strong demand in Residential and Non-residential building markets and supported by price actions. Africa grew mid-single digit thanks to Egypt which continued to benefit from a large infrastructure project. CIS grew mid-single digit with a strong deceleration in March due to the war between Russia and Ukraine.

In Industrial Automation, which grew +19.1% organic, Middle East led with strong double-digit growth, with the majority of the growth coming from Discrete automation markets in Turkey. South America grew double-digit supported by growth both in Discrete and Process & Hybrid end-markets. Central & Eastern Europe saw strong

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growth being primarily due to continued demand in Discrete automation markets. Africa was up mid-single digit with growth in both Discrete automation markets and Process & Hybrid markets, while CIS declined due to the war between Russia and Ukraine.

CONSOLIDATION¹ AND FOREIGN EXCHANGE IMPACTS IN Q1

Net acquisitions / disposals had an impact of **+€121 million** or **+1.8%** of Group revenues. This includes mainly the 2021 acquisitions of OSIssoft by AVEVA and ETAP, partly offset by the impact of some smaller disposals.

The impact of foreign exchange fluctuations was positive at **+€258 million** or **+4.0%** of Group revenues, primarily due to the strengthening of the U.S. Dollar and Chinese Yuan against the Euro.

Based on current rates, the FX impact on FY 2022 revenues is estimated to be between **+€1.3 billion** to **+€1.4 billion**. The FX impact at current rates on adjusted EBITA margin for FY 2022 could be **around +10bps**.

II. INTENTION TO SELL RUSSIA OPERATIONS TO LOCAL MANAGEMENT

Since 24 February 2022 Schneider Electric has put on hold new investments as well as international delivery of new project orders destined for Russia and Belarus.

After careful review of its set up and options, Schneider Electric is today announcing it has signed a Letter of Intent to sell its Schneider Electric Russia operations to the local leadership team. This agreement will be subject to the approval of local authorities.

Schneider Electric generates approximately 2% of its sales from Russia. As a result of the sale and wind-down of its presence in Russia, the company expects (1) to write-off up to €300 million of net book value, and (2) to make a non-cash reversal of the currency translation reserve associated with these activities currently estimated at €120 million.

Schneider Electric is planning for an orderly transfer and will allocate resources to support its 3,500 employees in Russia and Belarus through the process.

¹ Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

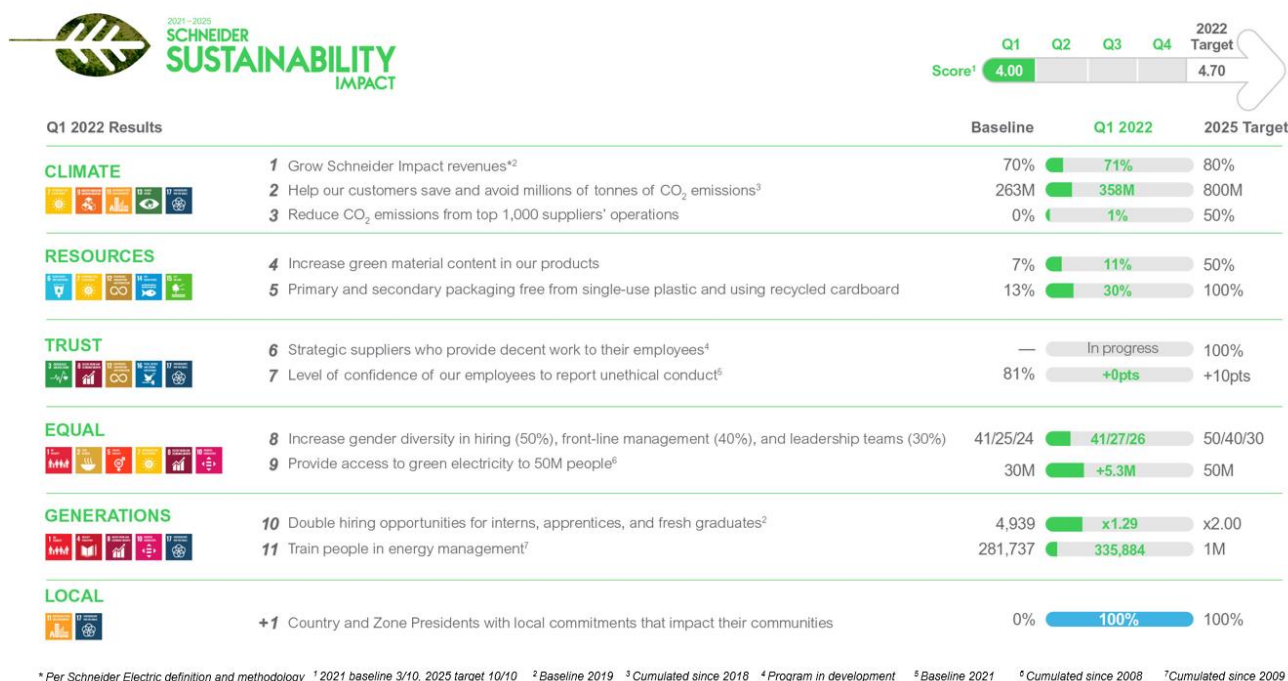
III. SCHNEIDER SUSTAINABILITY IMPACT

With its Schneider Sustainability Impact (SSI) dashboard, the company tracks and discloses quarterly progress to meet concrete targets related to climate, resources, trust, equal opportunities, generations, and local communities. Q1 2022 results are on track towards end year objective of 4.70 out of 10, with a compiled score of 4.00.

“I’m pleased with the progress made since the start of the year and how we’ve maintained our focus on sustainability despite complex and challenging social and market dynamics,” said Gwenaëlle Avice-Huet, Schneider Electric’s [Chief Strategy and Sustainability Officer](#). “It is with confidence and energy that I start my tenure as CSSO for this uniquely committed company that does not shy away from its purpose and always applies its experience and expertise to create more global and local impacts.”

- Schneider Electric’s EcoStruxure™ solutions helped customers and suppliers make significant decarbonization progress, and reduce their CO₂ emissions by 358 million tonnes since 2018. It also extended its climate strategy partnerships with [Plastic Omnium](#) and [NSG Group](#).
- Schneider Electric now only uses recycled packaging in all its distribution centers in India, China and Europe, and is progressing on green materials by joining the industry-led initiative [ResponsibleSteel](#) to ensure that the steel contained in [its products comes from responsible sourcing and production](#) and reduces their environmental footprint.
- New major partnerships launched in this first quarter in India and South America will help to accelerate and train more people in energy management.
- Schneider Electric, with the support of its Foundation and the individual contributions of thousands of employees, raised over €2M in donations to directly support Ukrainian colleagues and their families affected by the crisis.
- Schneider Electric also [donated equipment worth €4M](#) to help restore essential energy supplies in Ukraine and the Schneider Electric Foundation continues to work with local NGOs in support of the local community.

The details of SSI Q1 2022 results are as below:



To access Schneider Electric Sustainability reports with detailed results and highlights, click here: <https://www.se.com/ww/en/about-us/sustainability/sustainability-reports/index.jsp>

IV. SHARE BUYBACK

On February 14, 2019 the Group initiated a €1.5 billion to €2.0 billion share buyback program. In 2022, the Group has purchased 0.9 million shares for €119 million at an average price of €138 per share. Since the beginning of the program in 2019, the Group has bought back 6.8 million shares for €697 million, at an average price of €102 per share.

As announced at its Capital Markets Day on November 30, 2021, the Group proposes to raise the cap on purchase price to €250 per share (from the current €150 per share), subject to approval at the next Annual Shareholders' Meeting scheduled for May 5, 2022.

The Group remains committed to the completion of the existing €1.5 billion to €2.0 billion program by the end of 2022.

V. EXPECTED TRENDS IN 2022

The Group expects to grow both its revenues and profitability in 2022, in line with the framework for sustainable growth for the medium and long-term announced in its recent Capital Markets Day.

Recap of Group expectations for 2022:

- A continuation of strong and dynamic market demand, including further recovery in late-cycle segments
- All regions and all four end-markets expected to contribute to growth
- Sales to benefit from higher level of backlog exiting 2021
- Ongoing uncertainty linked to health crisis
- Ongoing global supply chain pressures continue to impact in coming months
- Increased pressure on input costs, including raw materials, labor, freight and the sourcing of electronic components
- Despite the overall inflationary environment, and current supply chain pressures, the Group aspires to be net price positive for the full year (including impacts of freight and electronics)

Recent evolution in expectations and assumptions:

- Heightened uncertainty in global supply chains
- Further inflation, including in energy prices
- Easing of Shanghai lockdown with capacity ramp-up through May
- Results of Russia operations to remain in adj. EBITA until completion of transfer, which is subject to government approval

VI. 2022 TARGET CONFIRMED

The Group expects the recent events in Russia and China to have a specific impact in Q2. However, based on its best judgement¹ of the current ongoing world events and their associated repercussions, the Group confirms its FY 2022 target², as follows:

2022 Adjusted EBITA growth of between +9% and +13% organic.

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

- Revenue growth of **+7% to +9% organic**
- Adjusted EBITA margin up **+30bps to +60bps organic**

This implies Adjusted EBITA margin of **around 17.6% to 17.9%** (including scope based on transactions completed to-date and FX based on current estimation).

The Group expects progress on these levers to be weighted towards H2.

¹ This assumes easing of lockdowns and a ramp-up of capacity in Shanghai through May; and with results from Russia operations to remain in adj. EBITA until the completion of the transaction which is subject to government approval

² The Group set its FY 2022 target on February 17, 2022

The 2022 Q1 revenues presentation is available at www.se.com

The Annual General Meeting will take place on May 5, 2022.

The 2022 Half-Year Results will be presented on July 28, 2022.

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 Annual 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.

About Schneider Electric: Schneider's purpose is to **empower all to make the most of our energy and resources, bridging progress and sustainability** for all. We call this **Life Is On**. Our mission is to be your **digital partner for Sustainability and Efficiency**.

We drive digital transformation by integrating world-leading process and energy technologies, end-point to cloud connecting products, controls, software and services, across the entire lifecycle, enabling integrated company management, for homes, buildings, data centers, infrastructure and industries.

We are the **most local of global companies**. We are advocates of open standards and partnership ecosystems that are passionate about our shared **Meaningful Purpose, Inclusive and Empowered** values.



Appendix – Further notes on 2022

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2022 revenues is estimated to be between **+€1.3 billion** to **+€1.4 billion**. The FX impact at current rates on adjusted EBITA margin for FY 2022 could be **around +10bps**
- **Scope:** around **+€150 million** on 2022 revenues and **around -10bps** on 2022 Adj. EBITA margin, based on transactions completed to-date
- **Tax rate:** The ETR is expected to be in a **23-25%** range in 2022
- **Restructuring:** The Group expects restructuring costs of between **€850 million to €950 million** over three years (2020-2022) as previously announced.

Appendix – Revenues breakdown by business

First quarter 2022 revenues by business were as follows:

€ million	Q1 2022				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	5,673	+10.0%	+0.2%	+4.1%	+14.6%
Industrial Automation	1,893	+9.2%	+6.9%	+3.5%	+20.0%
Group	7,566	+9.8%	+1.8%	+4.0%	+15.9%

Appendix – Consolidation

Number of months in scope	Acquisition/ Disposal	2021				2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Larsen & Toubro E&A Primarily Energy Management Business	Acquisition	3m	3m	2m					
RIB Software Energy Management Business	Acquisition	3m	3m						
ProLeiT Industrial Automation Business	Acquisition	3m	3m	1m					
OSIsoft Industrial Automation Business	Acquisition		3m	3m	3m	3m			
ETAP Energy Management Business	Acquisition			3m	3m	3m	3m		
Qmerit Energy Management Business	Acquisition					3m	3m	3m	3m
EnergySage Energy Management Business	Acquisition					3m	3m	3m	3m
Cable Support Energy Management Business	Disposal	3m	3m						
Schneider Electric Motion USA Industrial Automation Business	Disposal	3m	3m	2m					
IMServ Energy Management Business	Disposal	3m	3m	2m					