Q1 2020 Revenue of €5.8 bn, down 6.4% org. largely impacted by Covid-19 in China as expected; The Group’s strong positioning, digital capabilities and agile multi-local model key to managing unprecedented global crisis

- **China was impacted across Q1 2020; Most other regions progressively saw Covid-19 impact starting March**
  - Energy Management down 6% org.
  - Industrial Automation down 7% org.
  - China ends quarter with signs of recovery
  - Focus on Digital, Software & Services provides more resilience

- **Relevant exposure to critical end-markets including hospitals, data centers, water and wastewater facilities, cold food chains and other infrastructure that are essential to ensure “Life is On” for society**

- **Reacting efficiently and effectively, with strong cost measures and globally coordinated crisis teams to ensure business continuity**

- **Strong liquidity & Balance Sheet - 2019 dividend proposal to be voted at AGM today**

- **The Group remains strategically positioned to emerge strongly from the crisis and remains confident in its across-cycle growth profile and its trajectory towards higher margins**

- **2020 financial guidance to be updated as situation evolves**

Rueil-Malmaison (France), April 23, 2020 - Schneider Electric announced today its first quarter revenues for the period ending March 31, 2020.

Jean-Pascal Tricoire, Chairman and CEO, commented: “Today we are all facing a global health and economic crisis. At this time, we are focused on the health of our employees and stakeholders while also performing our duty to keep essential services and critical infrastructure running across the world. As the situation evolves, we will be able to assess the full economic impact of this crisis and its consequences. At Schneider, we enter this crisis with solid fundamentals. We have a consistent strategy that is delivering resilience, efficiency and sustainability for customers in our four end-markets. We have built an integrated model and deployed an organization along two world-leading and synergetic businesses. Our multi-local set up enables our empowered
country organizations to react to the crisis with speed and agility, supported by a tightly coordinated global task-force. We have developed digital services allowing unmanned and remote operations. We have maintained strong liquidity and balance sheet. We leverage our network of suppliers and partners to remain agile and come out strong. We started Q1 on a positive note across the world, with the exception of China that was impacted by the crisis. As we end the quarter, large parts of the world are in some form of lockdown while China starts its recovery path. As we navigate through the multiple lockdowns and put in place the necessary measures to weather the crisis, we also plan for the times ahead remaining very mindful of our mission and larger purpose with a view to prepare the future post crisis.”

FIRST QUARTER REVENUES WERE DOWN -6.4% ORGANICALLY

2020 Q1 revenues reached €5,830 million, down -6.4% organically and down -7.6% on a reported basis.

Across the Group in Q1, Products were down -6.2% org., largely due to Covid-19 impact in Asia Pacific. Commercial & Industrial Buildings (CIB) was down while offers for Residential & Small Buildings showed a slightly better performance. Demand from discrete industrial markets dropped across both Industrial Automation and Energy Management.

Systems (Projects and Equipment) decreased by -13.1% org., reflecting the high base of comparison in Q1 2019 coupled with impact of Covid-19 and commodity market volatility, impacting both businesses.

Software & Services grew +3.4% org. The Group continued to see traction in its software and service offers across end markets including specific wins linked to Smart Grids, Cybersecurity and Sustainability. The Group’s Digitally enabled offers based on analytics to enable remote monitoring, preventive maintenance and asset management for higher efficiency saw increased traction. Field Services grew with an increased focus through the crisis towards electro-intensive customers supporting mission-critical infrastructure. AVEVA contributed to the growth despite its ongoing shift towards subscription and a high base of comparison.

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

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Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.se.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Luneau (Roquet-Montégon)
Tel : +33 (0)1 41 29 70 76

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
ENERGY MANAGEMENT Q1, 2020 -6.1% ORG. GROWTH

Energy Management sales fell -6.1% organic (largely in Asia Pacific led by China). The fall in activity, as a consequence of the Covid-19 crisis, in residential and CIB end-markets varied from country to country with some projects restarting after appropriate Health & Safety measures were put in place, while some governments stipulated that non-essential construction must remain on hold. Hospitals, food chain and life science projects continued while hotels, leisure and shopping malls were directly impacted. Data Center was down on a high base of comparison in the quarter. The Group saw growth in its Distributed Secure Power offers that support power back up, including for “working from home” networks. Sales to Industrial end markets were down in the quarter. Services performed well in specific segments such as Consumer Packaged Goods (CPG) and Transportation. The Group’s EcoStruxure offers, especially for applications enabling remote monitoring, virtual testing and commissioning, preventive maintenance and servicing in mission critical and essential sites, gained traction. The product offerings from Asco Power for automated transfer switching coupled with specific MV/LV and secure power offers including software, remain essential to ensure continuity of operations in critical infrastructure.
Trends for Energy Management by geography:

**North America** (35% of Q1 revenues) reported sales rise of +1.4% organically with some evidence of distributor stocking in the U.S. (on account of anticipated disruption from Covid-19), despite weakening markets in both Residential and CIB towards the end of the quarter. Data center activity remained dynamic though impacted by a high base of comparison. Canada reported a varied performance amongst technologies while Mexico experienced a rebound on the back of a weak comparable in 2019. Energy Management services performed well in the quarter.

**Western Europe** (26% of Q1 revenues) reported a -1.5% sales decline organically. Without Covid-19 that began to impact parts of the region progressively in March, the region was positively oriented. The Group continued to see good growth in its offers for Residential and Small buildings. Several countries including Sweden, Belgium and Switzerland grew in Q1. France registered a slightly negative performance after a good start to the quarter. Germany posted strong growth driven by specific projects. Spain and Italy were impacted in the quarter given significant rise in contagion levels and consequent containment measures though the group’s supply for critical infrastructure was maintained. The U.K. was down; wind power and transport end-market activity remained good and residential markets showed some resilience.

**Asia-Pacific** (23% of Q1 revenues) posted a -20.4% decline in sales organically. China reported the largest fall due to Covid-19 as expected and began recovering towards the end of the quarter as different cities and provinces resumed activity. Several other countries in the region also suffered complete or partial lockdowns as the quarter progressed impacting Australia, India, Indonesia, Malaysia, Philippines, Japan, Korea and Singapore.

**Rest of the World** (16% of Q1 revenues) showed a decline of -4.0% organically. Africa and Middle East registered a strong decline due to the economic situation and consequential impact on construction markets, while Turkey saw good demand in Residential. There continued to be lower demand in Utilities in the Gulf while South America delivered strong growth, benefiting from project execution particularly where the Group’s Energy Management technologies are bundled and sold together notably in Brazil, Chile and Peru. Central Europe and CIS were down in the quarter due to the onset of Covid-19. Data Center end-market saw strong demand in the region.
INDUSTRIAL AUTOMATION Q1, 2020 DOWN c. -7.3% ORG.

Industrial Automation sales fell -7.3% organic. The results reflected the evolution of the economic cycle coupled with the impact of the Covid-19 crisis. Discrete as well as Process & Hybrid markets were down with Process & Hybrid faring relatively better given its mid-late cycle nature. Certain segments proved more resilient including, Transportation, CPG, Utilities and Water & Wastewater (WWW). Software and Digital services proved resilient and continued to grow.

Trends for Industrial Automation by geography:

**North America** (22% of Q1 revenues) sales contracted -3.2% organically. The U.S. was down as Process was impacted by weak Oil & Gas and Metal, Mining & Minerals (MMM) markets while some segments such as WWW, Transport & Lifesciences grew. Mexico fell slightly while Canada grew.

**Western Europe** (32% of Q1 revenues) sales fell -5.9% organically with Process and discrete markets both down. In a difficult industrial environment, most of the countries are showing a decline. France recorded poor performance in OEM markets in the continuation of H2 2019 driven by a general slowdown of discrete activities. Italy, the U.K. and Spain were also weak in Industrial markets due to slowdown in Manufacturing sectors.

**Asia-Pacific** (29% of Q1 revenues) sales fell -16.4% organically. China saw the largest decline within the region across both discrete and Process & Hybrid. Other countries in the region were also impacted due to the current economic situation.

**Rest of the World** (17% of Q1 revenues) sales rose +3.1% organically. South America, CIS and the Middle East reported growth with only Africa showing a decline. South American growth was helped by demand for equipment in Brazil. CIS saw good demand across OEM markets in Russia. The Middle East saw strong growth on account of projects in some Gulf countries and the OEM market in Turkey. Central Europe was flat.

CONSOLIDATION AND FOREIGN EXCHANGE IMPACTS IN Q1

Net acquisitions had an impact of **-€120 million** or **-1.9%** in Q1 sales. This includes mainly the disposal of Pelco, Converse Energy Projects, the U.S. Panels business and the deconsolidation of Electroshield Samara (SESH).

The impact of foreign exchange fluctuations was positive at **+€44 million** or **+0.7%** in Q1 sales primarily due to the strengthening of the U.S. Dollar against the Euro.

Based on current rates, the FX impact on FY 2020 revenues is estimated to be neutral to slightly negative. The FX impact at current rates on FY 2020 Adjusted EBITA margin could be between -30 bps to -40 bps.

SCHNEIDER SUSTAINABILITY IMPACT

The Schneider Sustainability Impact 2018-2020 is the Group’s transformation plan and steering tool measuring progress towards its ambitious sustainability commitments. Details can be found on our sustainability page.
In Q1, the Schneider Sustainability Impact recorded a score of 7.15 out of 10 as the Group continues to execute its three-year sustainability plan.

COVID-19 - SCHNEIDER’S SPECIFIC ACTIONS AND PRIORITIES

I. GROUP PRIORITIES THROUGH THE CRISIS

The Group is coordinating its teams globally, regionally and locally to ensure business continuity and is fully focused on the following key elements:

- **Health**: Ensuring the health & safety of all its employees worldwide and implementing measures and protocols as per government directives;
- **Business continuity**: Ensuring that customers’ needs are fulfilled to the best of its abilities and leveraging its global supply chain and service organizations to ensure business continuity and flexibility;
- **Cash & cost**: Continuing to focus on cash generation to further strengthen its strong financial liquidity and balance sheet; Implementing strict cost management measures and acceleration of previously announced efficiency plans with further cost actions under review;
- **Rebound with customers**: Keeping close contact with customers and exchanging information with a priority on reliable digital interface. Supporting customers on critical process, production and infrastructure.
- **Take care of communities with the Tomorrow Rising Fund.**

The Group has taken actions and set up its cross functional crisis teams in ways to concentrate each of its businesses and management to focus on their core activity, with tight coordination between teams and a rapid interval management to adapt to the situation and have a controlled and purposeful communication globally.

II. SUPPORTING MISSION CRITICAL INFRASTRUCTURE AND SERVICES TO ENSURE THAT “LIFE IS ON”

Schneider Electric believes that access to energy and digital is a basic human right across the world. We empower all to make the most of their energy and resources ensuring “Life is On” everywhere, for everyone at every moment.

The Group’s products and solutions are in critical infrastructure like hospitals, healthcare facilities, water and wastewater facilities, data centers, factories – and facilities that support life at home, central warehouses for supermarket chains and distribution centers for medicine, in order to ensure the supply of food and essential medicine, all of which help sustain life in the current environment.
The Group has been qualified by governments around the world as a mission critical supplier of products and services. The Group’s Digital offers for remote maintenance and operations of critical sites coupled with the Group’s Field Service technicians on the ground are essential in this effort.

III. LAUNCH OF TOMORROW RISING FUND

The Schneider Electric Foundation has created a fund dedicated to Covid-19 support. This “Tomorrow Rising Fund” will support emergency and longer-term reconstruction actions related to Covid-19 in all the territories in which Schneider Electric operates. The launch of this fund and Schneider’s commitment towards Sustainability through this crisis was shared through a Press Release of 8th of April, 2020.

The Chairman & CEO as well as the Executive Committee will contribute portions of their compensation. All donations by employees will be matched by the company. The Schneider Electric Foundation is also inviting its other external stakeholders to donate to this fund. Details on how to contribute to this Fund can be found by following this link.

IV. LEVERAGING DIGITAL CAPABILITIES FOR CUSTOMERS AND INTERNALLY

The Group has built its digital capabilities over several years focused on its connected offers complemented with its suite of software and digital services. The Group has also been focused on enhancing the digital customer experience as a key element of its digital transformation while establishing communities and partnerships.

In Q1 2020, the Group has witnessed an increased level of interest by customers for Digital services linked to remote monitoring, asset performance and predictive maintenance. Assets under Management grew >40% year-on-year in Q1. The Group also provided multiple digital interactions and trainings to customers across the world.

The Group has been able to seamlessly transition around 80% of its customer care center teams to remote working without impact on service levels. At present, around 90,000 of the Group’s connected staff are working from home concurrently without digital disruption.

V. GLOBAL SUPPLY CHAIN

The Group’s Global Supply Chain has been managing the crisis with agility. The Globally coordinated and regionally managed supply chain organization enables quick decision making and flexibility.

The Supply Chain organization has instituted a global crisis management team that is tracking developments in real time. While the first initiatives included ensuring the health & safety of its employees, the group also adapted some facilities to assist in the production of essential medical equipment including ventilators and 3D design/printing of masks/face protection.
At the same time, the Group ensured that products & services for critical industries remained available. The supply chain organization is monitoring factory and distribution center manpower availability with China presently at full manpower capacity and other regions at differing levels of manpower capacity primarily compatible with demand.

VI. FOCUS ON STRICT COST CONTROL MEASURES

The Group had already announced a medium-term cost efficiency plan in its Capital Markets Day in 2019. This cost efficiency plan is being accelerated. Further, the Group is implementing specific tactical savings across the organization and leveraging its multi-local model. The Group is preparing for multiple scenarios all with a view to ensure actions taken will enable it to emerge strong from this crisis. The Group is focused on acting swiftly and with agility, as was demonstrated during the 2009 financial crisis. The Group will share more details as the situation evolves.

VII. LIQUIDITY AND BALANCE SHEET POSITION

As of December 31, 2019, Schneider Electric’s net debt amounted to €3,792 million. The Group’s net debt to Adj. EBITDA ratio declined to 0.73x compared to 1.08x in 2018.

Schneider Electric had total liquidity of €6.3 billion, including cash & cash equivalents of €3.6 billion as of year-end 2019, in addition to available committed credit lines of €2.7 billion. End of 2019, current and non-current financial liabilities amounted to €7.4 billion.

In March 2020, the Group issued a Bond of €800 million and in April 2020, a Bond of €500 million.

Presently, Schneider Electric has total liquidity of around €9 billion, including cash & cash equivalents and available committed credit lines.

The Group has sufficient liquidity for its operations and debt repayments whilst also paying the dividend and funding the acquisitions that have already been announced.

In these challenging times, the Group remains very focused on Working Capital management and cash.
VIII. CAPITAL ALLOCATION PRIORITIES REMAIN UNCHANGED

The Group’s capital allocation policy remains unchanged through this crisis.

SHARE BUYBACK

On February 14, 2019, the Group initiated a new €1.5 billion to €2.0 billion share buyback program over the period 2019-2021. Given the current context, Schneider Electric has suspended the buyback of its shares aligned with the withdrawal of its 2020 guidance pursuant to its March 23rd, 2020 communication. To date, €316 million of buyback has been completed on this program.

M&A UPDATE

Acquisitions

RIB Software: Further to the announcement on 13 February 2020, when the group announced an offer for RIB Software, the offer process is ongoing and the deal could be expected to close in Q2, 2020. The updated details relating to the transaction are available at https://www.se-offer.com/

Larsen & Toubro E&A: The complete nationwide lockdown in India has delayed the final completion of the group’s purchase of L&Ts electrical and automation business.

ProLeiT: In keeping with its strategy to enhance digital content within its offers, Schneider Electric announces the signing of an agreement for the acquisition of ProLeiT. This bolt-on acquisition enhances the Group’s offering in the Consumer Packaged Goods segment with a specific focus on Food & Beverage, Chemical and Lifesciences. ProLeiT is headquartered in Germany and recorded revenues of around Euro 50m in 2019. The ProLeiT offer of Industrial Automation Process Control will be integrated into the Group’s EcoStruxure Plant offering (within its Industrial Automation business) and will seamlessly communicate with AVEVA software to add value for customers. The transaction is expected to close in the coming months.

Disposals

The Group remains committed to its portfolio optimization program for disposals/deconsolidation of revenues of €1.5bn to €2bn. There is no significant disposal to report in Q1, 2020 further to the revenues of €600 million disposed in 2019.
LOOKING AHEAD

As a consequence of the global Covid-19 crisis, the Group has suspended its guidance for 2020 on March 23, 2020. The Group will share updated 2020 guidance as the situation evolves.

Given the fact that a large part of the world is under some form of partial or complete lockdown at the moment, the Group expects Q2 2020 and therefore H1 2020 to be significantly impacted.

The Group will not speculate on (i) the shape and timing of the recovery in H2, 2020 or beyond at this stage or (ii) the potential positive impact of government stimulus packages as announced by the U.S., China and other countries. However, the Group continues to prepare for multiple scenarios with a view to emerge strong from the crisis.

Post-crisis, Schneider Electric is expected to be able to capture an acceleration in megatrends driven by government initiatives (all electric, all digital, renewables), a step up in investment in some of its core end-markets (Data Center, Infrastructure, Smart Buildings, Software / Industry IIOT). The Groups’ ability to help customers in their sustainability journey will be even more relevant post-crisis.

The Group is well positioned to capitalize on all these trends and is confident that as the world emerges from this crisis, Schneider Electric’s strategic choices and positioning coupled with its past transformations would prove a relative advantage. Based on the above, the Group remains confident in its across-cycle growth profile and its journey towards c.17% Adjusted EBITA margin.

Further notes on 2020 available in appendix

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The 2020 Q1 revenues presentation is available at www.se.com
The Annual General Meeting will take place on April 23, 2020.
The 2020 Half-Year Results will be presented on July 23, 2020.

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.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.
About Schneider Electric: At Schneider, we believe access to energy and digital is a basic human right. We empower all to make the most of their energy and resources, ensuring Life Is On everywhere, for everyone, at every moment.

We provide energy and automation digital solutions for efficiency and sustainability. We combine world-leading energy technologies, real-time automation, software and services into integrated solutions for Homes, Buildings, Data Centers, Infrastructure, and Industries.

We are committed to unleash the infinite possibilities of an open, global, innovative community that is passionate about our Meaningful Purpose, Inclusive and Empowered values.

www.se.com

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Appendix – Q1 Revenues breakdown by business

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2020</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
</tr>
<tr>
<td>Energy Management</td>
<td>4,383</td>
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<tr>
<td>Industrial Automation</td>
<td>1,447</td>
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<tr>
<td>Group</td>
<td>5,830</td>
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</table>

Appendix – Consolidation

<table>
<thead>
<tr>
<th>In number of months</th>
<th>Acquisition/Disposal</th>
<th>2019 Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2020 Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pelco</td>
<td>Disposal</td>
<td>3m</td>
<td>1m</td>
<td></td>
<td></td>
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<tr>
<td>Energy Management Business €169 million revenues in FY2018 (ending December 2018)</td>
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<tr>
<td>U.S. Panel offer Industrial Automation Business €80 million of annualized revenues</td>
<td>Disposal</td>
<td>3m</td>
<td></td>
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<tr>
<td>Converse Energy Projects Energy Management Business ~ €140 million revenues in FY 2019 (ending December 2019)</td>
<td>Disposal</td>
<td>3m</td>
<td>3m</td>
<td>3m</td>
<td>3m</td>
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<tr>
<td>Electroshield Samara Energy Management Business ~ €145 million revenues in FY 2019 (ending December 2019)</td>
<td>Disposal</td>
<td>3m</td>
<td>3m</td>
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