Consistent strategy & resilient business model to navigate ongoing crisis
Well positioned and focused to grow in a post-COVID-19 world
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.

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.
H1 2020 Business Highlights

Jean-Pascal Tricoire, Chairman & CEO
COVID-19: a catalyst for Digital adoption for more sustainability, efficiency & NOW resilience

2 Transitions

2 synergetic businesses

Strengthened Value

Digital Solutions

Unique business model

Strong focus on shareholder return

Energy Transition  
Energy Management  
Industrial Automation

Industry 4.0

SUStAINABILITY +  EFFICIENCY +  REsILIENCE

Integrated  
Empowered  
Open  
Sustainable

Strong cash generation +  Progressive dividend +  Disciplined capital allocation

Investor Relations - Schneider Electric
H1 2020 Financial Highlights
Delivering resilient financial performance through the crisis

- **Revenues**
  - €11.6 billion
  - Down -10% org. in H1

- **Adj. EBITA margin**
  - 13.6%
  - Down -130bps org. in H1

- **Adjusted Net Income**
  - €1.0 billion
  - Down -26% in H1

- **Free Cash Flow**
  - ~ €1 billion
  - Benefitting from disciplined working capital management

- **Net Debt**
  - €4.8 billion
  - After payment of €1.4bn 2019 dividend
H1 2020: Both businesses impacted due to COVID-19 crisis

Energy Management
Energy efficiency

- 17.1%
c.-80bps
Org. adj. EBITA margin

€ 8.8 bn
-11%
H1 org. sales growth

Industrial Automation
Process efficiency

- 9%
H1 org. sales growth

€ 2.8 bn

15.2%
c.-200bps
Org. adj. EBITA margin
H1 2020: Our key attributes in navigating this unprecedented crisis

**Consistency**
- Consistent Strategy & Trained Organization
  - Sustainability, Efficiency and Resilience, enabled by Digital
  - Locally Integrated model

**Agility**
- Digitized Operations

**Resilience**
- Partner Based / Asset Light

**Empowered & very Local**
- Empowered and integrated country organizations for quick decision making
- Local supply chains

**Balanced Exposure To**
- Geographies
- Cycles
Key customer successes in recent months

<table>
<thead>
<tr>
<th>Smart Grid</th>
<th>Industrial Digital Transformation</th>
<th>Greenfield Process Automation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country-wide Smart Grid to ensure efficient, reliable &amp; safe electricity supply for long-term energy needs; c.$250 mn, over 18 months timeline - Egypt</td>
<td>An Open standard based IOT Data collection and structuration and library for Industrial Giant - France</td>
<td>Greenfield development including EcoStruxure™ &amp; AVEVA solutions for a sustainable, reliable &amp; cleaner source of energy - Mozambique</td>
</tr>
<tr>
<td>Data Centers</td>
<td>Cybersecurity</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Design &amp; Build a reliable Edge end-to-end Data Center including Digital Services - Australia</td>
<td>IT/OT cybersecurity convergence for large Oil &amp; Gas player - Middle East</td>
<td>Highly reliable power for cold storage of finished pharmaceutical goods to ensure maximum power uptime - USA</td>
</tr>
<tr>
<td>Smart Buildings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Enabling value for customers through enhanced digitization

Digital and service business for increased efficiency across lifecycle

- Software + Digital services c. 7%
- Field Services c. 10%
- Connectable products c. 25%
- Edge Control c. 10%

World leading product business also going digital

- Enabling our world leading partner network in digital transformation
- Step change in eCommerce adoption through crisis - up strong double-digit
- 3,500 digital events covering 200K customers/partners through COVID-19 crisis

Assets Under Management c.+45% YoY

3.5m
Software & Services offers: more resilient than rest of Group

- Customer stickiness
- Recurring revenues
- Resilience vs Group’s performance
- Margin Accretive
- Catalyst for growth in controls & connected Products
- Increased customer intimacy

C.17% of H1 2020 revenues -1% Org. growth
Our supply chain set-up responded to the crisis…

Gartner’s Supply Chain Rankings (2015–2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>34</td>
</tr>
<tr>
<td>2016</td>
<td>18</td>
</tr>
<tr>
<td>2017</td>
<td>17</td>
</tr>
<tr>
<td>2018</td>
<td>12</td>
</tr>
<tr>
<td>2019</td>
<td>11</td>
</tr>
<tr>
<td>2020</td>
<td>4</td>
</tr>
</tbody>
</table>

GSC organization set-up
- Regionally organized - Globally managed
- Balanced footprint & COGS inline with sales profile
- Current GSC model relevant post-crisis
- Supply chain digitization
- Schneider Production System towards Industry 4.0

Key Priorities
- Business continuity, quality and delivery focus
- Control tower to align production capacity with demand
- Close partnership & engagement with supplier network
- Productivity focus
- Supporting sales teams for customers seeking digitization/near-shoring

Applying our technologies in our own sites

Recognized by the World Economic Forum as a 4th Industrial Revolution Lighthouse
... though we continue to face some challenges

Supply issues due to contagion and lockdown effect from specific factories

North America
• Impacting residential end-market in North America
• In process of being resolved

India
• Severe lock down resulted in significant disruption
• Factories serving local & export markets are currently operational

Other short term supply chain issues now mostly resolved

Increased costs
• Mitigation of challenges/disruptions
• Increased freight costs (using air shipments to reduce bottlenecks)
• Cost of deploying health & safety measures
  • PPE availability across world & for suppliers
  • Deep cleaning of factories and offices
  • Under absorption to meet social distancing requirements
Our employees have come together and stepped up efforts to support COVID-19 relief

**Respond**
First needs of low-income people
+60 Countries
+65 Projects
+800k Beneficiaries

**Recovery**
Education system to prepare the future
5 Initiatives identified
Chad, Niger, Malawi, Nepal, Ecuador

**Resilience**
Employees contribution as a volunteer
84 Digital missions
Brazil, Cambodia, Ecuador, France, India, Poland, Kazakhstan, Kenya, Russia, Vietnam
241 Volunteers
Our distinctive DNA is externally recognized in 2020

**Meaningful**
Commitment to Sustainability: Climate, Ethics, Circular Economy, Health and Equity, Development

**Inclusive**
Empowered Diversities; Inclusive Practices; Inclusive Behaviors; Advocacy

**Empowered**
Lean Organization; Multi-hub Model; The Schneider Way; #Freeupyourenergy
We accelerate our sustainability trajectory

Schneider Sustainability Impact: 7.7/10 in H1

<table>
<thead>
<tr>
<th>Indicators &amp; objectives 2020 - selection</th>
<th>H1 2020</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIMATE</td>
<td>107</td>
<td>97</td>
</tr>
<tr>
<td>CIRCULAR ECONOMY</td>
<td>126,113</td>
<td>104,436</td>
</tr>
<tr>
<td>HEALTH &amp; EQUITY</td>
<td>48%</td>
<td>32%</td>
</tr>
<tr>
<td>ETHICS</td>
<td>298</td>
<td>282</td>
</tr>
<tr>
<td>DEVELOPMENT</td>
<td>14,870</td>
<td>13,696</td>
</tr>
</tbody>
</table>

**faurecia** selects Schneider Electric as preferred partner for its CO₂ Neutral objective

Lessen environmental impact & create long-term value across supply chain

First stage of CO₂ Neutral mission which involves decarbonizing Faurecia’s operations

Purchasing energy produced with low-carbon fuels or from renewable sources

Reducing energy used by adopting innovative digital solutions for efficiency and heat recovery in all of Faurecia’s locations around the world

Committed to the “CEO Initiative for Europe’s Recovery, Reform and Resilience”
We are back to business “as unusual” …

Shifted from “crisis management”

1. Health
2. Business Continuity
3. Cash & Costs
4. Ready for Rebound
5. Communities

1. Safe De-escalation
2. New Ways of Working
3. Business Growth
4. Structural Efficiencies
5. Trust & Resilience

To “Fully back in business” mode
Success factors for companies in a post-COVID-19 world

Efficiency
- Cost reduction through 4X integration
  1. Energy and Process Efficiency
  2. End point to cloud integration
  3. Life cycle efficiency
  4. Whole company digitization

Sustainability
- Digitization + Electrification
- Carbon & resource Savings
- Consulting
- Clean Technology integration

Resilience
- Predictive maintenance
- Cyber security services
- Local / Reshored Supply chain
- Empowered country organizations

Remote everything
- Automated Operations
- Guided/remote Maintenance
- Training
- Remote monitoring

Digital

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Zoom on resilience

**GRID**

**ANALYTICS & SOFTWARE**
- MicroGrid Advisor
- Power Advisor
- Asset Advisor
- Unified Operations Center
- IT Advisor
- AVEVA Predictive Analytics
- Machine Advisor
- AVEVA Unified Supply Chain

**SEVICES CYBERSECURITY**

**AUTOMATION**
- EcoStruxure Grid
- EcoStruxure Power
- EcoStruxure Building
- EcoStruxure IT
- EcoStruxure Plant
- EcoStruxure Machine
Schneider is well positioned to offer complete end-to-end solutions across the life cycle for Industry & Buildings.
Cloud based End-to-End Capital Expenditure Platform

4D Time Project Cost

5D BIM = Integrated 3D model + project cost (4D) + schedule (5D) for cost, time, budget and business partner management

5th D Cost Schedule

3D Modeling Integrated

Infrastruture, Power, Industry
New launch in H1: **End-To-End Solution for Data Centers**

**Cockpit and Global Monitoring for Efficiency**

- **Predictive Diagnostics**: 10-15% Savings Annually
- **Operations Optimization**: 20-25% Savings Annually
- **Energy Optimization**: 5-10% Savings Annually
- **Unified Operations Center solutions**
- **EcoStruxure for Data Center**

**Deliver a globally consistent experience to address the expanding digital infrastructure needs**
Digitization & Sustainability high on our customer’s agenda and government stimulus packages...

**Green and digital MV technology**

**SF6-Free: SM AirSeT switchgear**
World First: Switchgear powered by air & digital

**Green and digital MV technology**

Sustainability captured in design, innovation & production

Ability to quantify CO₂ emissions savings at customer sites

All government initiatives would have a link with sustainability

<table>
<thead>
<tr>
<th>Region</th>
<th>Stimulus Package Announcement</th>
<th>Average COVID-19 Stimulus Package</th>
<th>Average GFC Stimulus Package</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>Progressively by countries</td>
<td>~ 14% of GDP</td>
<td>USD ~ 4 Trillion</td>
</tr>
<tr>
<td>USA</td>
<td>as part of current crisis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BCG report

~ 10 Trillion USD
~ 4 Trillion USD

Investor Relations - Schneider Electric
Ultra-low carbon footprint Data Center Digitization with EcoStruxure solutions

Ultra-efficient, reliable power management system to ensure customer-server uptime

Greater physical security & cybersecurity

LOSA NE AGES COUNTY SANITATION DISTRICTS
Design & Build all efficiency improvements for plant optimization
Modernization to replace obsolete equipment with new, reliable & energy-efficient equipment
Decrease energy use by 13%
Reduce greenhouse gases by 648 tn of CO₂/year

~110M metric tons CO₂ saved on our customers’ end since 2018

Circularity Biodiversity Resources
Our end-markets are well oriented in a post COVID-19 world

Key drivers for end-market growth

- Smart buildings
- Sustainability
- Full lifecycle efficiency
- Edge computing
- 5G
- IIOT
- Tech wars
- Emerging markets
- Government stimulus
- Modernization
- 5G
- IIOT
- Near shoring
- 5G
- Digitization
- Software

Building
- c. 35%
- Neutral or positive segment: c. 80% of the Group
- Challenged in the next 2-3 years: c. 20% of the Group

Data Center
- c. 15%

Infrastructure
- c. 20%

Industry
- c. 30%

Estimation based on non-GAAP 2019 orders
All Customers have a digital, sustainability and now resilience agenda

Cost & Efficiency
- Oil & Gas
- Retail
- Hotels
- MMM
- CIB
- OEM

Sustainability, Efficiency & Resiliency boosters
- Software
- Digital Services
- EcoStruxure
- Cybersecurity
- Sustainability services
- Multi Business solutions

Capacity & Resilience
- Healthcare
- Data Center
- Food & Beverage
- Lifescience
- Water & Wastewater
- Residential
- Electrical utilities (Smart Grid)
H1 2020 Financial Performance Highlights

Hilary Maxson, CFO
Revenue down -10.5% organic in H1 2020, across all regions

Based on current rates, the FX impact on FY 2020 revenues is estimated to be around between €500 million to €600 million. The FX impact at current rates on adjusted EBITA margin could be between -30bps to -40bps.
Differing Q2 performance across regions linked to contagion levels & specific lockdown

Q2 org. growth
Positive org. growth
-15% to 0%
-25% to -15%
> -25%

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Energy Management H1 performance highlights

- Residential & small building demand relatively stronger especially towards end of H1
- CIB remained impacted through H1
- Resilience in hospitals & healthcare
- Strong demand in Data centers through crisis
- Digital offers gaining traction across end-markets
- Smart grid offers for electric utilities growing
- Performance in industrial end-market mixed

Sales

Q2 2019
Q2 2020

- Organic growth -11%
- Adj. EBITA margin 17.1% / c.-80bps org (-50bps reported)

- Working Days impacts
- Restocking
- Market impact

Organic -11.0%
Scope -2.0%
FX -0.1%

H1 2019

H1 2020

€8.8bn
76% of Group H1 2020 revenues

10,072
8,755

-13.1%

Industrial Automation H1 performance highlights

- H1 impacted by economic cycle coupled with the impact of COVID-19
- Continued delivery on critical infrastructure through crisis
- Resilience through offerings in Software & services
- Critical segments such as WWW & CPG proved more resilient while O&G and OEM negatively impacted

€2.8bn
24% of Group H1 2020 revenues

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,130</td>
<td>2,820</td>
</tr>
<tr>
<td>Organic growth</td>
<td>-8.9%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Scope</td>
<td>-0.5%</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>-0.5%</td>
<td></td>
</tr>
</tbody>
</table>

Organic growth -9%
Adj. EBITA margin 15.2% / c.-200bps org. (-240 bps reported)

Sales

- Working Days impacts
- Restocking
- Market impact

Q2 2019
Q2 2020
April
May
June
Split of Q2 2020 revenue by geography:

**North America -20%**
- Residential well oriented, impacted by short-term supply chain issue
- CIB down due to lockdowns, resilience in CPG
- Data center impacted by high base, but good demand
- Services affected by access to sites, easing toward end of quarter

**Western Europe -17%**
- Germany resilient helped by project execution
- France weak, but improved sequentially as construction restarted towards end of quarter
- Spain, Italy & UK heavily impacted by lockdowns, but with focus on serving critical infrastructure needs
- UK more resilient in CPG & Data Center
- Good performance in Nordics, growing in Q2

**Rest of the World -18%**
- South America & CIS all heavily impacted by COVID-19 lockdowns toward the end of the quarter
- Africa down, with high base effect in projects
- Middle East saw pockets of resilience in product sales
- Central & Eastern Europe more resilient, boosted by Smart Grid

**Asia Pacific -8%**
- Strong Rebound in China, growing high-single digit, with strong commercial actions
- India heavily impacted by worsening contagion/nationwide lockdown
- Australia more resilient with strong demand for power systems
- Japan, Indonesia, Thailand, Vietnam weaker, while Singapore & South Korea more resilient

Focus on Q2 - Energy Management down -15% organic
Focus on Q2 – Industrial Automation down -10% organic

Q2 Org. growth

Split of Q2 2020 revenue by geography:

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2 Org. growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of the World</td>
<td>-3%</td>
</tr>
<tr>
<td>Africa and Central &amp; Eastern Europe</td>
<td>sharply down</td>
</tr>
<tr>
<td>South America</td>
<td>weak due to COVID-19 situation, but with good demand for Process/Hybrid offers</td>
</tr>
<tr>
<td>CIS</td>
<td>performed well in discrete end markets</td>
</tr>
<tr>
<td>Middle East</td>
<td>grew strongly supported by project execution, including Cybersecurity, and OEM demand in Turkey</td>
</tr>
<tr>
<td>Germany</td>
<td>down, but more resilient due to continuing end-user demand</td>
</tr>
<tr>
<td>Western Europe</td>
<td>-21%</td>
</tr>
<tr>
<td>Italy &amp; Spain</td>
<td>most heavily impacted across both Discrete and Process &amp; Hybrid markets due to severe lockdowns</td>
</tr>
<tr>
<td>UK</td>
<td>weak, accentuated by high base of comparison</td>
</tr>
<tr>
<td>Good demand for EcoStruxure solutions</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>+3%</td>
</tr>
<tr>
<td>Strong growth in China OEM, Process remained challenged</td>
<td></td>
</tr>
<tr>
<td>India heavily impacted by worsening contagion/nationwide lockdown</td>
<td></td>
</tr>
<tr>
<td>Singapore growing, while Australia and Japan showed signs of resilience</td>
<td></td>
</tr>
</tbody>
</table>

North America -21%

- Weakness in Process & Hybrid markets due to oil price, mitigated by exposure to downstream services demand
- OEM disrupted in machinery sectors, with resilience in targeted segments (CPG, MMM, WWW) with pull-thru for Energy Management
- Software performed well as COVID-19 accelerates need for remote digital offerings

Rest of the World -3%

- Middle East grew strongly supported by project execution, including Cybersecurity, and OEM demand in Turkey
- CIS performed well in discrete end markets
- South America weak due to COVID-19 situation, but with good demand for Process/Hybrid offers
- Africa and Central & Eastern Europe sharply down

South America weak due to COVID-19 situation, but with good demand for Process/Hybrid offers

Software performed well as COVID-19 accelerates need for remote digital offerings

Weakness in Process & Hybrid markets due to oil price, mitigated by exposure to downstream services demand

OEM disrupted in machinery sectors, with resilience in targeted segments (CPG, MMM, WWW) with pull-thru for Energy Management

Software performed well as COVID-19 accelerates need for remote digital offerings
H1 2020 revenues by categorization

- Products: -11% Organic growth
- Systems: -15% Organic growth
- Software & services: -1% Organic growth

Group: -10.5% Organic growth
**Gross Margin +20 bps organic in H1**

**GROSS MARGIN: ANALYSIS OF CHANGE (%)**

- **H1 2019**: 39.4%
- **H1 2020**: 39.9%

### Components of Change:

- **Net Price**: -0.3%
- **Productivity**: +0.3%
- **Mix**: +0.2%
- **R&D & Prod. Labor infl.**: -0.2%
- **Forex**: -0.1%
- **Scope & others**: -0.3%

**Notes:**

- Pricing on Products +37m€. Positive pricing actions.
- Raw material tailwind +44M€.
- Positive Mix due to the balance of growth by geography along with the relative growth rate of Products vs Systems.
- FY 2020 could be around flat.

---

**Schneider Electric**

**Life Is On**
### Adj. EBITA: -18% organic growth, -130 bps organic margin decline

<table>
<thead>
<tr>
<th>In €m</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Reported change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>13,202</td>
<td>11,575</td>
<td>-12.3%</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>5,202</td>
<td>4,621</td>
<td>-11.2%</td>
<td>-10.1%</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>39.4%</td>
<td>39.9%</td>
<td>+50bps</td>
<td>+20bps</td>
</tr>
<tr>
<td>SFC(^1)</td>
<td>(3,242)</td>
<td>(3,045)</td>
<td>-6.1%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>SFC(^1) ratio (% Revenues)</td>
<td>24.6%</td>
<td>26.3%</td>
<td>+170bps</td>
<td>+150bps</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,960</td>
<td>1,576</td>
<td>-19.6%</td>
<td>-18.4%</td>
</tr>
<tr>
<td>Margin %</td>
<td>14.8%</td>
<td>13.6%</td>
<td>-120bps</td>
<td>-130bps</td>
</tr>
</tbody>
</table>

1: Support function cost

- Overall SFC to Sales ratio rose from 24.6% to 26.3%, deteriorating organically by 150bps
- Cost impacted by continued investment in Group’s strategic priorities
- Reduction in SFC supported by savings from agile response to the crisis
Delivering efficiency to meet short term challenges and positioning for the new reality

SFC Cost Savings in H1

- Deferral of salary increase
- Cancellation of employee share ownership plan for 2020
- Hiring freeze
- Digitizing planned physical Marketing events
- Travel freeze
- Government subsidies
- Shorter working week/furlough

Tactical savings
- c. €200 million

Cost Savings for H2 & beyond

- Previously announced operational efficiency program for long-term efficiency & effectiveness to accelerate starting H2 & achieve c. €1 bn in aggregate between 2020-2022
- Industrial productivity between 2020-2022 expected c. €1 bn

Tactical savings to progressively reduce in H2 & mostly reverse in 2021

Additional restructuring costs of €400-€500 million in aggregate over 3 years (2020-2022) due to COVID-19 (Total expected restructuring in the period €1.15 - €1.25 billion)

• Span & layers
• Renegotiating/cancelling supplier & consultant contracts

Ongoing operational efficiency program
- c. €150 million

C. €350 million

- Travel freeze
- Government subsidies
- Shorter working week/furlough

- Deferral of salary increase
- Cancellation of employee share ownership plan for 2020
- Hiring freeze

- Digitizing planned physical Marketing events
- Travel freeze
- Government subsidies
- Shorter working week/furlough

- Span & layers
- Renegotiating/cancelling supplier & consultant contracts

- Previously announced operational efficiency program for long-term efficiency & effectiveness to accelerate starting H2 & achieve c. €1 bn in aggregate between 2020-2022
- Industrial productivity between 2020-2022 expected c. €1 bn
## Adj. Net Income of €1bn

<table>
<thead>
<tr>
<th>In €m</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA</td>
<td>1,960</td>
<td>1,576</td>
<td>-20%</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>(346)</td>
<td>(69)</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>(101)</td>
<td>(221)</td>
<td></td>
</tr>
<tr>
<td>Amortization &amp; depr. of purchase accounting intangibles</td>
<td>(88)</td>
<td>(86)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>1,425</td>
<td>1,200</td>
<td>-16%</td>
</tr>
<tr>
<td>Financial costs</td>
<td>(140)</td>
<td>(172)</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>(286)</td>
<td>(247)</td>
<td></td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Equity investment &amp; Minorities</td>
<td>(10)</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Net income (Group share)</td>
<td>993</td>
<td>775</td>
<td>-22%</td>
</tr>
<tr>
<td>Adjusted Net income&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1,340</td>
<td>995</td>
<td>-26%</td>
</tr>
<tr>
<td>Adjusted Earning per share&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2.42</td>
<td>1.80</td>
<td>-26%</td>
</tr>
</tbody>
</table>

<sup>1</sup>: Adjusted net income and EPS calculation in appendix

Mainly M&A / integration costs. 2019 included loss on disposal of Pelco.

Increased restructuring costs related to Group’s ongoing savings plans.

---

1: Adjusted net income and EPS calculation in appendix

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## Free cash flow at €1 billion in H1

<table>
<thead>
<tr>
<th>Analysis of debt change in €m</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt at opening Dec 31</td>
<td>(5,136)</td>
<td>(3,792)</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>1,791</td>
<td>1,459</td>
</tr>
<tr>
<td>Capital expenditure – net</td>
<td>(380)</td>
<td>(339)</td>
</tr>
<tr>
<td>Operating Cash Flow net of capex</td>
<td>1,411</td>
<td>1,120</td>
</tr>
<tr>
<td>Change in trade working capital</td>
<td>(381)</td>
<td>178</td>
</tr>
<tr>
<td>Change in non-trade working capital</td>
<td>(193)</td>
<td>(333)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>837</td>
<td>965</td>
</tr>
<tr>
<td>Dividends</td>
<td>(1,333)</td>
<td>(1,427)</td>
</tr>
<tr>
<td>Acquisitions – net</td>
<td>(74)</td>
<td>(140)</td>
</tr>
<tr>
<td>Net capital increase</td>
<td>(76)</td>
<td>(50)</td>
</tr>
<tr>
<td>FX &amp; other</td>
<td>(297)</td>
<td>(326)</td>
</tr>
<tr>
<td>(Increase) / Decrease in net debt</td>
<td>(943)</td>
<td>(978)</td>
</tr>
<tr>
<td>Net debt June 30</td>
<td>(6,079)</td>
<td>(4,770)</td>
</tr>
</tbody>
</table>

Positive cash evolution on receivables & payables, offset by increase in inventory.

Impacted by timing of compensation payment H1 in 2020 vs H2 2019. No full year impact.

Buyback in Q1 2020 prior to withdrawal of guidance & suspension of buyback program.
**Our capital allocation priorities remain unchanged**

### M&A in the core

- **Deal closed** 10 July 2020 enhancing Schneider Electric’s capabilities in building lifecycle digitization
- Closing of acquisition of Larsen & Toubro E&A division delayed as a consequence of nationwide lockdown in India – expected to close in H2
- Targeted bolt-on acquisition for Industrial Automation Process Control focused on F&B on track – expected to close in the coming weeks

### Disposal of non-core activities

- No significant disposals in H1 2020
- Committed to €1.5bn - €2bn disposal plan
- Program completion now expected with around 1 year delay
- €0.6 billion completed to date

### Dividend

- Progressive dividend for 10 years
- 2019 dividend paid on 7 May 2020

### Share Buyback

- Targets for 2020 re-established and the share buyback program is no longer suspended
- Given economic uncertainties, Group to take cautious approach in implementing existing buyback program

---

**Recent core M&A continues to deliver**
Strong liquidity position

- **€6.3 bn**
  - Dec 31, 2019
  - Cash and cash equivalents
  - Available credit lines

- **c. €10 bn**
  - June 30, 2020
  - Cash and cash equivalents
  - Available credit lines
  - 3 successful Bonds
  - Dividend payment

- **c. €8 bn**
  - July 20, 2020
  - Cash and cash equivalents
  - Available credit lines
  - 3 successful Bonds
  - Dividend payment
  - RIB Software payment (€1.2 bn)*

*Total payout for RIB Software at c. €1.3 billion
Expected market trends & Targets

Jean-Pascal Tricoire, Chairman & CEO
The Group recognizes the ongoing uncertainty and challenges relating to the continuing global health and economic crisis. It is hard to predict whether there might be another significant lockdown in major economies following a second wave of contagion. On the assumption that is not the case, the Group currently expects the following trends in H2 2020:

• In North America, the Group recognizes the uncertainty presented by a strong increase in contagion in several states in the South and West of the U.S. and associated containment measures resulting in a mixed picture across the country. The Group notes strong economic data related to residential construction and a robust demand in data center end-market. Though several segments show pockets of resilience linked to digitization and services, the overall demand remains challenged. The Group expects continued softness in Mexico.

• The Group expects China to continue the growth trend commenced in Q2, with a continuation of economic recovery led by OEM and Data Center end-markets, and with pick-up in Infrastructure and Construction in H2.

• For the rest of Asia Pacific, the Group expects India to remain impacted in H2 based on increasing levels of contagion resulting in recent resurgence of lockdowns. South East Asia and countries in the Pacific could see improvement in economic activity though varied by country.

• The Group expects major Western Europe economies to progressively recover in H2, with rate and strength of recovery varied by country.

• The Group expects continued softness in the Rest of the World, although with some pockets of optimism. A high base of comparison in Industrial Automation is noted for H2.
Following the resilient H1 and acknowledging the uncertain macro-economic trends, the Group re-establishes targets for FY 2020 as it deploys its strategic priorities in key markets to drive towards its medium-term ambition.

In the current context, the Group notes the inherent uncertainty around the impact of the ongoing crisis and the possibility of a second wave of lockdowns & contagion in several countries. Based on the current economic climate, the Group sets targets for 2020 as follows:

• Revenue expected to be between -7% to -10% organic

• Adjusted EBITA margin expected to be between -50bps to -90bps organic, implying Adjusted EBITA margin between 14.5% to 15.0% (including scope and FX based on current estimation)

Further notes on 2020 available in appendix
Across cycle & Medium-term ambition reiterated

• Organic revenue growth of between +3% to +6%, on average across cycle

• Achieve higher margins with a first step of moving adjusted EBITA margin to around 17%* by 2022

• Free cashflow to be around €3 billion, on average across cycle

(*) at 2019 constant currency
Proposing quarterly interaction with investors showcasing specific businesses, geographies or functions

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 July</td>
<td>H1 Results</td>
</tr>
<tr>
<td>10 September</td>
<td>Vertical Research Conference</td>
</tr>
<tr>
<td>11 September</td>
<td>Morgan Stanley Industrial CEOs unplugged</td>
</tr>
<tr>
<td>24 September</td>
<td>Bernstein 17th Annual Strategic Decisions Conference</td>
</tr>
<tr>
<td>22 October</td>
<td>Q3 Revenues</td>
</tr>
<tr>
<td>9 November</td>
<td>UBS Select Conference</td>
</tr>
<tr>
<td>19 November</td>
<td>Société Générale ESG/SRI Conference</td>
</tr>
<tr>
<td>2 December</td>
<td>Société Générale Flagship Conference</td>
</tr>
</tbody>
</table>

Information on [www.se.com/finance](http://www.se.com/finance)
2020 additional notes

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2020 revenues is estimated to be between -€500 million to -€600 million. The FX impact at current rates on adjusted EBITA margin could be between -30bps to -40bps.

- **Scope:** Around -€300 million on 2020 revenues and c.+20bps on 2020 Adj. EBITA margin.

- **Tax rate:** The ETR is expected to be in a 22-24% range in 2020.

- **Restructuring:** The Group expects additional restructuring costs of between €400 - €500 million in aggregate over three years (2020-2022) due to COVID-19 in addition to a base level of restructuring similar to 2019, taking the total level of expected restructuring costs in this period to between €1.15 - €1.25 billion.

- **Industrial Productivity:** The Group expects industrial productivity in 2020 to be heavily impacted by the volume decreases and additional costs brought about by COVID-19. Over a three year period (2020-2022) the Group now expects Industrial Productivity of around €1 billion.
### Our megatrends and SDGs

<table>
<thead>
<tr>
<th>Our 21 goals 2018-2020</th>
<th>Overall score out of 10</th>
<th>Beginning 01/2018</th>
<th>Results H1 2020</th>
<th>Target End 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLIMATE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Renewable electricity</td>
<td>--</td>
<td>65% ↑</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>2. CO₂ efficiency in transportation</td>
<td>--</td>
<td>3.2% ↓</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>3. Million metric tons CO₂ saved on our customers’ end thanks to EcoStruxure offers</td>
<td>--</td>
<td>107 ↑</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>4. Increase in turnover for our EcoStruxure Energy and Sustainability Services</td>
<td>--</td>
<td>9.5% ↑</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong>CIRCULAR ECONOMY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Sales under our new Green Premium program</td>
<td>30.5%</td>
<td>51% ↑</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>6. Sites labeled towards zero waste to landfill</td>
<td>140</td>
<td>193 →</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>7. Cardboard and pallets for transport packing from recycled or certified sources</td>
<td>50%</td>
<td>99% ↑</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>8. Metric tons of avoided primary resource consumption through ecoFit, recycling, and take-back programs</td>
<td>--</td>
<td>126,113 ↑</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td><strong>HEALTH &amp; EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Scored in our Employee Engagement Index</td>
<td>65%</td>
<td>64% →</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>10. Medical incidents per million hours worked</td>
<td>1.15</td>
<td>0.54 ↓</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>11. Employees have access to a comprehensive well-being at work program</td>
<td>13%</td>
<td>47% →</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>12. Employees are working in countries that have fully deployed our Family Leave policy</td>
<td>--</td>
<td>99% →</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>13. Workers received at least 15 hours of learning, and 30% of workers’ learning hours are done digitally</td>
<td>--</td>
<td>48% ↑</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>14. White-collar workers have individual development plans</td>
<td>32%</td>
<td>76% ↑</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>15. Employees are working in a country with commitment and process in place to achieve gender pay equity</td>
<td>89%</td>
<td>99% →</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td><strong>ETHICS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Increase in average score of ISO 26000 assessment for our strategic suppliers</td>
<td>--</td>
<td>+5.4 ↑</td>
<td>+5.5 pts</td>
<td></td>
</tr>
<tr>
<td>17. Suppliers under Human Rights &amp; Environment vigilance received specific on-site assessment</td>
<td>--</td>
<td>298 ↑</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>18. Sales, procurement, and finance employees trained every year on anti-corruption</td>
<td>--</td>
<td>49% ↑</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>DEVELOPMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Turnover of our Access to Energy program</td>
<td>--</td>
<td>x1.48 ↑</td>
<td>x4</td>
<td></td>
</tr>
<tr>
<td>20. Underprivileged people trained in energy management</td>
<td>148,145</td>
<td>261,185 ↑</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>21. Volunteering days thanks to our VolunteerIn global platform</td>
<td>--</td>
<td>14,870 ↑</td>
<td>15,000</td>
<td></td>
</tr>
</tbody>
</table>

The arrow shows if the indicator has risen, stayed the same or fallen compared to the previous quarter. The color shows if the indicator is above (green) or below (red) the quarter objective of 8/10.
**Analysis of Change of Adjusted EBITA (in €m)**

<table>
<thead>
<tr>
<th>Component</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>1,960</td>
<td>-551</td>
</tr>
<tr>
<td>Net price</td>
<td>81</td>
<td>-29</td>
</tr>
<tr>
<td>Productivity</td>
<td>37</td>
<td>-75</td>
</tr>
<tr>
<td>Mix</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>R&amp;D &amp; Prod. Labor infl.</td>
<td>-27</td>
<td></td>
</tr>
<tr>
<td>SFC</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Forex</td>
<td>-29</td>
<td></td>
</tr>
<tr>
<td>Scope &amp; others</td>
<td>-75</td>
<td></td>
</tr>
<tr>
<td>H1 2020</td>
<td>1,576</td>
<td></td>
</tr>
</tbody>
</table>

- Pricing on Products +37m€. Positive pricing actions
- Raw material tailwind+44M€
- Positive Mix due to the balance of growth by geography along with the relative growth rate of Products vs Systems
- FY 2020 could be around flat
- The reduction in support function cost was supported by savings of c.€350 million derived from the Group's agile response to the crisis and ongoing operational efficiency actions.
<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA</td>
<td>1,960</td>
<td>1,576</td>
</tr>
<tr>
<td>Amortization of purchase accounting intangibles</td>
<td>(88)</td>
<td>(86)</td>
</tr>
<tr>
<td>Financial Costs</td>
<td>(140)</td>
<td>(172)</td>
</tr>
<tr>
<td>Income tax with impact from adjusted items</td>
<td>(386)</td>
<td>(317)</td>
</tr>
<tr>
<td>Discontinued ops</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Equity investment &amp; Minority Interests</td>
<td>(10)</td>
<td>(6)</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>1,340</td>
<td>995</td>
</tr>
<tr>
<td>Adjusted EPS (€)</td>
<td>2.42</td>
<td>1.80</td>
</tr>
</tbody>
</table>

* In H2 2019, the Group changed the definition of Adj Net Income, H1 2019 has been restated accordingly.
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