

Strong execution and resilient business model drives H2 rebound to cap signature 2020 performance: Revenue €25.2bn, Gross Margin at 12-year high of 40.4%, Adj. EBITA margin expanding +20bps org. Record high FCF of €3.7bn

- **FY20 revenues -4.7% org. with successive growth quarters in H2**
- **Q4 up +0.8% org., with growth in most geographies; Energy Management +1.2% org., Industrial Automation -0.8% org.; Software and Services +5.8% org.**
- **FY20 Adj. EBITA €3.9 billion; Adj. EBITA Margin 15.6%, up +20 bps org.**
- **Record FCF of €3.7 billion; second successive year above €3 billion**
- **Progressive dividend¹ at €2.60/share**
- **2018-2020 Schneider Sustainability Impact program successful with score of 9.32/10 despite pandemic; ambitious new targets for 2021-2025 unveiled**
- **A year of transformational acquisitions for future growth, focus now on integration and synergies; disposal program ongoing, as per plan**
- **2021 Target: Adj. EBITA org. growth between +9% and +15%, driven by +5% to +8% org. revenue growth and +60bps to +100bps org. Adj. EBITA margin improvement**

Rueil-Malmaison (France), February 11, 2021 - Schneider Electric announced today its fourth quarter revenues and full year results for the period ending December 31, 2020.

Key figures (€ million)	2019 FY	2020 FY	Reported Change	Organic Change
Revenues	27,158	25,159	-7.4%	-4.7%
Adjusted EBITA	4,238	3,926	-7.4%	-3.6%
% of revenues	15.6%	15.6%	flat	+20 bps
Net Income (Group share)	2,413	2,126	-12%	
Free Cash Flow	3,476	3,673	+6%	
Adjusted Earnings Per Share	5.32	4.72	-11%	-4.9%

1. Subject to Shareholder approval on April 28, 2021

Jean-Pascal Tricoire, Chairman and CEO, commented:

“2020 has been a defining year for Schneider with intensive and agile execution ensuring a strong finish. It has also been a year where we have accelerated our strategic moves and made Schneider future ready. At Schneider our first priority has been on health and safety of our own people and communities in which we operate, and to support critical infrastructure across countries and industries, crystalizing our mission of ‘Life Is On’. Our multi-local operating model has enabled us to rebound with local agility. In H2, we executed strongly, resumed growth on sales and stepped up profitability vs. pre-COVID levels of H2 2019 by 140 bps organic. The full year 2020 was a standout year with a profit margin of 15.6%, expanding organically against last year and a record cash generation. This enables us to compensate our people for their efforts during the crisis and to propose a payout to our shareholders consistent with our longstanding progressive dividend policy and further to the dividend we paid in 2020.

In 2020, we were also nimble to accelerate our transformation journey and future-proof our Group. We completed our transaction to acquire the Electrical & Automation business of Larsen & Toubro, building the foundation of a much stronger development in India. We also constructed defining deals in software with the completed acquisitions of RIB Software and ProLeiT, the strategic investment in Planon, the proposed acquisition of ETAP, and in supporting AVEVA with their proposed acquisition of OSIsoft. We are uniquely placed to address the needs of our customers across the lifecycle of their projects and installations. In parallel, we continue to prepare actions to further progress on our disposal program of €1.5 - €2.0bn of revenues by the end of 2022.

We witnessed a step-change in our customer's adoption of digitization and sustainability, supporting our solutions for an all digital, all electric world, transitions we enable with more products, more software, more services and better systems. In Q4 we shared our commitment and leadership on sustainability through our dedicated ESG Investor Day. Our efforts have been recognized throughout the year with industry-leading scores in multiple ESG ratings. We have successfully completed our three-year Schneider Sustainability Impact 2018-2020 program and continue to raise the bar with our ambitious five-year 2021-25 sustainability impact program.

Looking ahead, a year of action in 2020 has prepared the ground for a continuation of strong execution in 2021. We are well positioned in our end-markets, our portfolio, our model and organization to grow our business and deliver to our customers digital solutions for efficiency and sustainability across the lifecycle. We today announce our 2021 financial target in line with our previously stated ambition to achieve c.17% Adjusted EBITA margin by 2022.”

I. FOURTH QUARTER REVENUES WERE UP +1% ORGANIC

2020 Q4 revenues were **€7,126 million**, up **+0.8%** organically and down **-2.5%** on a reported basis.

Products (59% of FY20 Group revenues) grew +1% organic in Q4, with continued good demand for Residential & Small buildings offers combined with a positive impact from the Infrastructure end-market supporting solid growth in Energy Management. In Industrial Automation product sales were slightly down in the quarter. The Group continues to leverage its multi-local approach and unrivaled partner network to deliver growth in product revenues.

Systems (24% of FY20 Group revenues) decreased -4% organic in Q4. In Energy Management, systems revenues were around flat, with good demand for modular data centers and project activity in several

geographies helping to compensate for softness in other areas. In Industrial Automation systems demand continued to be soft, mainly in relation to Process Automation markets.

Software & Services (17% of FY20 Group revenues) grew +6% organic in Q4 with a good sequential recovery in Software benefitting from the renewal of several large contracts of AVEVA along with recognition of specific projects that were delayed from Q3, and a good underlying performance for the quarter for both Industrial and Energy Management software. Services were up in the quarter, with both businesses growing. Digitally enabled services grew well thanks to strong contribution from the Group's Energy and Sustainability Services business. Field Services was resilient despite new lockdowns in some countries in the quarter.

Digital update: The Group continues to prioritize and track digital adoption with good progress in the growth of Assets under Management (AuM), reaching 4.2 million, up c.+45% year-on-year by the end of December 2020. Through 2020, the Group delivered an acceleration of its e-commerce channel sales, and a growing proportion of distributor sales are now digitally enabled.

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

€ million		Q4 2020		
		Revenues	Organic Growth	Reported Growth
Energy Management	North America	1,630	+2.6%	-5.3%
	Western Europe	1,445	+0.6%	-0.8%
	Asia Pacific	1,645	+0.3%	+7.2%
	Rest of the World	864	+1.3%	-9.5%
	Total Energy Management	5,584	+1.2%	-1.5%
Industrial Automation	North America	271	-11.7%	-18.5%
	Western Europe	511	+2.5%	+2.7%
	Asia Pacific	505	+6.1%	+1.0%
	Rest of the World	255	-6.6%	-18.5%
	Total Industrial Automation	1,542	-0.8%	-6.1%
Group	North America	1,901	+0.2%	-7.4%
	Western Europe	1,956	+1.1%	+0.1%
	Asia Pacific	2,150	+1.8%	+5.6%
	Rest of the World	1,119	-0.7%	-11.7%
	Total Group	7,126	+0.8%	-2.5%

€ million		FY 2020		
		Revenues	Organic Growth	Reported Growth
Energy Management	North America	6,127	-3.8%	-6.9%
	Western Europe	4,880	-4.2%	-6.2%
	Asia Pacific	5,522	-5.4%	-4.5%
	Rest of the World	2,815	-4.8%	-14.2%
	Total Energy Management	19,344	-4.5%	-7.2%
Industrial Automation	North America	1,114	-10.8%	-13.9%
	Western Europe	1,756	-8.4%	-9.1%
	Asia Pacific	1,987	-0.5%	-1.8%
	Rest of the World	958	-1.9%	-9.8%
	Total Industrial Automation	5,815	-5.3%	-7.9%
Group	North America	7,241	-4.9%	-8.0%
	Western Europe	6,636	-5.3%	-7.0%
	Asia Pacific	7,509	-4.1%	-3.8%
	Rest of the World	3,773	-4.1%	-13.1%
	Total Group	25,159	-4.7%	-7.4%

GOOD PERFORMANCE IN ENERGY MANAGEMENT IN Q4 UP +1% ORG.

Energy Management delivered organic growth in all regions for a second successive quarter. Performance was relatively stable within the quarter. The carry-over impact of price increases made around the middle of the year contributed to the organic sales growth. The Group sells its Energy Management offers in conjunction with Industrial Automation primarily in the Industrial and Infrastructure end-markets. The main drivers of growth in the four end-markets were as follows:

- **Buildings** – Residential construction was the main contributor to organic sales growth in most regions, showing positive growth trends since the end of Q2 in both New Build and Renovation, supported by low mortgage rates, government incentives in certain countries, increased consumer spending and working from home trends reflected through increased demand in DIY channels. The Group's sales to Non-Residential buildings across Hospitals, Healthcare, Life Science, Pharmaceutical, Warehouse/Distribution and Government/Education continued to perform well in Q4 with investments largely unaffected by changing trends as a result of COVID-19.
- **Data Center (DC)** – The Group saw strong revenue growth from the DC end-market in the quarter notwithstanding the high base of comparison from Q4 2019. The Group's DC offering across the full spectrum of product, systems, software and services saw good demand throughout the year across geographies. The demand is supported by factors including increased internet traffic, roll-out of 5G, the increased use of video/virtual meeting platforms and automation/digitization trends in nearly all aspects of business and industry. The Group continues to provide a unique suite of solutions (incorporating Energy Management technologies coupled with AVEVA visualization tools) for customers across all types of data

center, from the large off-premise installation through to more localized or Edge solutions where there is increased demand for lower latency, higher fidelity and data security.

- Infrastructure** – Demand for the Group's offers from the Electric Utility segment has been strong throughout 2020, and revenues in Q4 benefitted from growth in services related to Smart Grid and for medium voltage power systems in many geographies. Some short-term headwinds, mostly attributed to COVID-19 related factors, impacted growth in specific countries in the Middle East and in East Asia. The Group's focus and compelling offering for Smart Grids and Microgrids saw good traction with increased demand boosted by growing adoption of renewable energy and increased emphasis on sustainability factors. The Groups' offers for the transportation segment (rail, road, ports and airports) as well as other infrastructure projects grew in specific countries though lockdowns through the year did impact the timing of several projects.
- Industry** – Sales to Discrete end-markets were strong in several countries with OEM/machinery and logistics segments witnessing improved demand in Q4. Field services sales recovered towards the end of the year as lockdown restrictions impacted less and customers focused on ensuring real time data and resilience from their installations. Sales to Process end-markets continue to remain challenged, impacted by the weak oil price and reduced demand due to COVID-19, however mitigated somewhat by the Group's integrated offer (incorporating Industrial Automation and Software) across the entire lifecycle with particular focus on Opex to drive efficiency and sustainability. Within Hybrid, Consumer Packaged Goods (CPG) which includes Food & Beverage, Life Science and Pharma, saw strong demand supported also by the on-going health crisis.

Trends for Energy Management, by geography:

North America (29% of Q4 revenues) was up +2.6% organic. The U.S. saw good growth, offset by Mexico which was down double-digit while Canada was solid. Sequentially, Q4 was an improvement on Q3 in the region. Pricing actions taken around the middle of the year supported the revenue growth across the region. Performance was driven by the U.S., which continued to ramp-up supply-chain capacity through the quarter to serve strong demand driven mainly by Residential markets. The high base of comparison in Data Center sales continued into Q4 but demand fundamentals continued, reflected by a strong order intake. Field Services continued to be an area of focus with the Group continuing to invest in enhancing commercial coverage. In Canada performance was mainly attributable to Residential and Data Center. Mexico was impacted by its currency weakness and COVID-19 related delays in construction.

Western Europe (26% of Q4 revenues) was up +0.6% organic. Within the quarter, monthly performance was relatively stable. Germany delivered strong growth showing a sequential improvement against Q3, benefitting from good traction in Residential buildings and in Data Center. France performed well, slightly up in the quarter and improving sequentially on Q3, with positive momentum in Data Center and from some transportation and healthcare projects. Field services also showed good traction. The U.K. and Spain were slightly negative with Spain having improved on Q3 and U.K. being slightly worse. The U.K. saw a good recovery in Residential buildings supported by increased activity ahead of the end of the Brexit transition period and in Data Center, but this was offset by softer demand in non-residential buildings. Performance in Spain benefitted from delivery on some infrastructure projects but was offset by declines in sales to the Residential end-market, which remained challenged. Italy was down, deteriorating against Q3 with softness seen in all end-markets due to tightening lockdowns, with only the Data Center end-market showing resilience. Elsewhere in the region Denmark performed strongly while Finland was weak due to a high base of comparison.

Asia-Pacific (29% of Q4 revenues) was up +0.3% organic. China continued to grow strongly, up high-single digit, driven by good demand trends in Commercial and Public buildings and a solid performance in Residential. The more consumer-oriented areas such as hotels and hospitality also continue to recover. The Data Center end-market performed well and Utilities showed positive demand trends. Australia saw good growth and sequential improvement quarter-on-quarter, as the lockdown in the state of Victoria was exited, helping to reinforce good demand in residential buildings across the country, and with good project execution in Data Center. India continues to progressively recover from the impact of significant COVID-19 lockdowns, but was slightly down in Q4 also impacted by the base of comparison. Indonesia was strongly down due to continued weakness in the utilities segment impacting business with large customers and with pressure on credit. Other parts of East Asia were also weak although to a lesser degree, with some softness in Singapore and South Korea partly offset by strong growth in Thailand.

Rest of the World (16% of Q4 revenues) was up +1.3% organic, contrasted by country but with many showing good growth trends. CIS grew strongly, up double-digit in Russia and showing good sequential improvement from Q3 due to a recovery in demand for both products and systems. Africa saw good growth, notably led by Egypt which grew strongly where the Group began to benefit from execution on a large infrastructure project, but with a mixed performance elsewhere in the continent. South America delivered solid growth, up low-single digit against a high base of comparison, with growth coming mainly from Brazil which saw strong demand in home improvement and from distributors, with e-commerce adoption in the region a factor. The Middle East remained a challenging business environment and was significantly down, notably in Saudi Arabia where project demand continued to be soft, but also in general across the region other than in Turkey which continued the trend of recent quarters and delivered strong growth supported by local commercial actions.

INDUSTRIAL AUTOMATION -1% ORG. GROWTH IN Q4

The Group delivered -0.8% organic growth in Industrial Automation in Q4, contrasted between a resilient performance in sales made to Discrete automation end-markets which were around flat in the quarter, and a weaker performance in sales to Process & Hybrid end-markets where a strong double-digit contribution from the Group's industrial software offering partly compensated for a continuation of weak demand for the Group's product and system offers. There was good traction in Services, which grew mid-single digit.

- Sales into Discrete end-markets, while resilient, were sequentially slightly lower than in Q3 and varied by geography. China remained the outstanding area of growth with strength in OEM demand, including in hoisting, material handling and packaging. In the U.S. the picture was more mixed, down overall but with pockets of demand in targeted segments of OEM.
- Process and Hybrid end-markets remain challenged, impacted by oil prices and consequently delayed investment decisions by customers and longer lead-times on projects, particularly impacting the Oil and Gas (O&G) segment. Sales of the Group's product and system offers were down at similar levels to Q3, while services showed some resilience. Certain segments such as Consumer-Packaged Goods (CPG) and Water Wastewater (WWW) saw good demand in the quarter. The Group's industrial software offer through AVEVA performed strongly in the quarter, benefitting from some scheduled subscription renewals and specific projects which had slipped from Q3 to Q4. The Group continues to offer OpEx solutions combining Schneider Electric and AVEVA to drive efficiency and sustainability for customers.

Trends for Industrial Automation, by geography:

North America (18% of Q4 revenues) was down -11.7% organic, with the U.S. weak, deteriorating from Q3. In Discrete markets, Industrial OEM remained soft but with growth in some targeted segments including machinery, packaging, medical related and semiconductors. Sales to Process Automation markets represented the larger decline as expected, including for Software which was also down. The smaller markets of Canada and Mexico were weak although with some resilience in Discrete end-markets in Canada.

Western Europe (33% of Q4 revenues) was up +2.5% organic, with several countries growing strongly thanks to good demand for the Group's Software offers, which led Process & Hybrid performance to be positive in the quarter. France, Italy and Norway were down on account of weak Discrete automation markets, although in France services performed well. The U.K. delivered strong sequential improvement vs. Q3 due to demand for Software offers in Process & Hybrid industries, with Discrete automation growing well. Germany was around flat overall but with OEM demand showing good sequential improvement against Q3. Spain was also around flat improving slightly on Q3.

Asia-Pacific (33% of Q4 revenues) was up +6.1% organic, with strong growth in China up double-digit for the third successive quarter, moderating slightly from the high of Q3 although demand momentum remained strong. In China, organic growth continued to be led by OEM demand from customers operating in both domestic and export markets. Within OEM, construction equipment and hoisting remained a key contributor to growth, while there was an acceleration of demand in material handling and packaging. Australia and South Korea each also saw strong growth, with both benefitting from a strong performance in Software. India and Japan were both down, with performance in India impacted by a high base of comparison in Process markets and showing sequential improvement vs. Q3. In Japan the performance was driven by weakness in demand for discrete automation.

Rest of the World (16% of Q4 revenues) was down -6.6% organic. Africa was weak in the quarter, down double-digit, with performance impacted by lower revenues from projects in Process Automation markets due to delayed investment decisions at customers. CIS was also down, mostly due to a high base of comparison in Russia in respect of Process & Hybrid markets. The Middle East continued to show some resilience, down slightly against a high base of comparison with contrast between areas of good demand such as Turkey which grew strongly in Discrete end-markets, and areas of weaker demand such as the UAE due to process markets which remain challenging. In contrast, South America continued to be an area of good growth despite a high base and saw sequential improvement vs. Q3. The performance was led by Brazil which performed well in Discrete markets, with good recovery of OEM demand and in the CPG segment.

CONSOLIDATION² AND FOREIGN EXCHANGE IMPACTS IN Q4

Net acquisitions / disposals had an impact of **+€156 million** or **+2.1%** of Group revenues. This includes the disposal of Converse Energy Projects and the deconsolidation of Electroshield Samara, along with the acquisitions of Larsen & Toubro E&A division, RIB Software and ProLeiT.

The impact of foreign exchange fluctuations was negative at **-€392 million** or **-5.4%** of Group revenues, primarily due to the strengthening of the Euro against the U.S. Dollar.

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

Based on current rates, the FX impact on FY 2021 revenues is estimated to be between **-€600 million to -€700 million**. The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around **-10bps**.

II. FULL YEAR 2020 KEY RESULTS

€ million	2019 FY	2020 FY	Reported Change	Organic change
Revenues	27,158	25,159	-7.4%	-4.7%
Gross Profit	10,735	10,156	-5.4%	-3.2%
<i>Gross profit margin</i>	39.5%	40.4%	+90bps	+60bps
Support Function Costs	(6,497)	(6,230)	-4.1%	-2.9%
<i>SFC ratio</i>	23.9%	24.8%	+90bps	+40bps
Adjusted EBITA	4,238	3,926	-7.4%	-3.6%
<i>Adjusted EBITA margin</i>	15.6%	15.6%	flat	+20bps
Restructuring costs	(255)	(421)		
Other operating income & expenses	(411)	(210)		
EBITA	3,572	3,295	-8%	
Amortization & impairment of purchase accounting intangibles	(173)	(207)		
Net Income (Group share)	2,413	2,126	-12%	
Adjusted Net Income (Group share)³	2,933	2,614	-11%	-4.4%
Adjusted EPS³ (€)	5.32	4.72	-11%	-4.9%
Free Cash Flow	3,476	3,673	+6%	

- **ADJUSTED EBITA MARGIN AT 15.6%, UP +20 BPS ORGANIC THANKS TO STRONG PRODUCTIVITY IN H2, RMI TAILWIND, PRICING ACTIONS AND STRONG DELIVERY OF SAVINGS**

Gross profit was down **-3.2%** organic, but with Gross margin improving by **+60bps** organic to **40.4%** in FY 2020 mainly driven by net price and productivity.

FY 2020 Adjusted EBITA reached **€3,926** million, decreasing organically by **-3.6%** and the Adjusted EBITA margin improved **+20 bps** organic at **15.6%**.

3. See appendix Adjusted Net Income & Adjusted EPS

The key drivers contributing to the earnings change were the following (see appendix for H1/H2 view):

- Volume impact was negative, **-€558** million.
- The Group continued to execute on its Tailored, Sustainable & Connected (TSC) supply chain, contributing to an industrial productivity level of **+€219** million in FY 2020. While delivering a good level of productivity considering the negative volume environment, the Group was impacted by additional costs of air-freight and personal protective equipment and saw some temporary supply issues due to lockdown. The Group completed its TSC 4.0 program in 2020 and from 2021 embarks on a new program 'STRIVE' to take its already award-winning supply chain operation to the next level.
- The net price⁴ impact was positive at **+€262** million in FY 2020. Gross pricing on products was positive at **+€188** million due to pricing actions taken in most geographies. In total, RMI was a tailwind at **+€74** million. The positive pricing actions taken around the middle of the year resulted in a strong net price performance of **+€181 million** in H2 2020. Considering the evolution of commodity prices into 2021, the Group expects a resultant positive demand scenario in several commodity-linked geographies. However, the Group anticipates a negative RMI evolution in 2021.
- Cost of Goods Sold inflation was **-€87** million in FY 2020, of which the production labor cost and other cost inflation was **-€92** million, and a decrease in R&D in Cost of Goods Sold was **+€5** million.
- Support function costs decreased organically by **€171** million, or **-2.9%** organic in FY 2020 leading the overall SFC to Sales ratio to rise from 23.9% to 24.8%, higher organically by 40bps.

The reduction in support function cost was a result of agile and coordinated efforts to drive tactical savings (around €300 million) and accelerate on operational efficiency savings (structural actions saving around €350 million) for a total SFC saving in 2020 of c. €650 million. The Group saw a progressive decrease in the benefit from tactical savings over H2 2020 as expected, and these one-time savings can be expected to reverse in 2021. The ongoing operational efficiency actions for long-term effectiveness accelerated in H2 as per plan, and remain a focus of the Group in order to achieve the previously announced c. €1 billion in cumulative structural savings between 2020-2022. The Group is embracing the new ways of working post-crisis, using the learnings of 2020 to drive long term effectiveness.

- The impact of foreign currency decreased the adjusted EBITA by **-€191** million in FY 2020, mainly due to the strengthening of the Euro against the USD and several new economies' currencies.
- FY 2020 resulted in favorable mix of **+€51** million due to the balance of growth by geography, along with the relative growth rates of products, systems and software/services. In H2 2020 the Group continued to deliver a positive contribution from mix, however some of the drivers of positive mix in 2020 can be attributed to the specific circumstances of the year and may not repeat in 2021.
- The impact from scope & others was **-€179** million in FY 2020. Scope was a slight positive taking into account the effect of the acquisitions of L&T Electrical & Automation division, RIB Software and

ProLeiT, along with the disposals of Pelco, Converse Energy Projects and the deconsolidation of Electroshield Samara. Others included some provisions for product risks and one-offs.

By business, the 2020 adjusted EBITA for:

- **Energy Management** generated an adjusted EBITA of €3,634 million, or **18.8%** of revenues, up c. +30bps organic (up +40bps reported), thanks to a strong contribution from productivity, a positive mix impact, and net price improvement (inclusive of raw material tailwinds), along with cost saving actions taken throughout the year. These positive impacts more than compensated for the impact of decreasing volumes. The performance included an improvement of c. +120bps organic in H2 for which net price and productivity were the main contributing factors.
- **Industrial Automation** generated an adjusted EBITA of €992 million, or **17.1%** of revenues, down c. -30bps organic (down -1.0pt reported), due mainly to the impact of decreasing volumes and cost inflation, which were partly offset by a strong contribution from productivity and net price improvement (inclusive of raw material tailwinds), along with cost saving actions taken throughout the year. The performance included an improvement of c. +120bps organic in H2 for which net price and productivity were the main contributing factors.
- **Central Functions & Digital Costs** in 2020 reduced by 6% to **€700 million** (€745 million in 2019), remaining stable as a percentage of Group revenues at 2.8% (2.7% of Group revenues in FY19). Within Central Functions and Digital Costs, the corporate cost element has been decreasing at a higher rate than the remainder where digital and cybersecurity remain a focus of investment. Corporate costs remain at around 0.8% of Group revenues.

▪ ADJUSTED NET INCOME WAS DOWN -11%

Restructuring charges were **-€421 million** in 2020, €166m higher than last year due to additional costs associated with delivering the Group's structural savings and cost efficiency plan. As announced at H1 2020, the group continues to anticipate restructuring costs in aggregate of between €1.15 and €1.25 billion in the period 2020-2022.

Other operating income and expenses had a negative impact of **-€210 million**, consisting mainly of some M&A and integration costs vs. -€411 million in 2019 which additionally included the loss on disposal of Pelco.

The amortization and impairment of intangibles linked to acquisitions was **-€207 million** compared to -€173 million last year. The increase was mostly driven by additional amortization linked with acquisitions made in the year, including RIB Software (for 6 months) and L&T E&A division (for 4 months).

Net financial expenses were **-€278 million**, €17 million higher than in 2019. The cost of debt was down slightly year-on-year, with the increase in financial expenses due mainly to the fair-value revaluation of financial assets and a reduction in dividends received from non-consolidated companies, mainly due to the divestment of a financial investment.

Income tax amounted to **-€638 million**, lower than last year by €52 million. The effective tax rate was 22.7%, in line with the expected range of ETR of 22%-24% in 2020.

There was no impact from discontinued operations in 2020, compared to -€3 million in 2019.

Share of profit on associates decreased slightly to **+€66** million, from +€78 million last year. The Group share of Delixi net income was **+€73m**, up c.+€8m year-on-year, offset by a negative impact from other equity method investments.

As a result, Net Income (Group share) was **€2,126** million in 2020, down -12% from 2019. The Adjusted Net Income⁵ was **€2,614** million in 2020, down -11% vs. 2019.

▪ **FREE CASH FLOW REACHED €3.7 BILLION**

Free cash flow was exceptionally strong at **€3,673** million, a record cash performance and the second successive year above €3 billion. The performance was supported by favorable working capital evolution typical of a lower growth environment and accentuated by certain favorable timing impacts from COVID-19. As indicated previously, the Group expects to have an average across the cycle free cash flow of around €3 billion (excluding impacts from IFRS 16).

Net capital expenditure of **€762** million remained stable at ~3% of revenue. Changes in working capital were a significant contributor to the free cash flow, with a strong positive evolution in payables and receivables partly offset by an increase in inventory in preparation for 2021.

▪ **BALANCE SHEET REMAINS STRONG**

Schneider Electric's net debt at 31 December 2020 amounted to **€3,561** million (€3,792 million in December 2019) after payment of **€1.5** billion in dividend, net acquisitions of **€2.4** billion including in relation to RIB Software and L&T E&A division, and share buyback of c. **€50** million in 2020.

The closing net debt at 31 December 2020 was lower due to a rights issue performed by AVEVA in December 2020 whereby the balance sheet includes funds in the amount of €1.1 billion raised from the minority holders of AVEVA. This operation was conducted in anticipation of payment by AVEVA of the consideration to acquire OSIssoft, which had not completed as of 31 December 2020.

▪ **CASH CONVERSION & PROPOSED DIVIDEND**

Cash conversion was 159% in 2020 (before the impact of IFRS 16) compared to 133% in 2019. Taken on a normalized basis, adjusting the Net Income (Group Share) for one-off non-cash items, cash conversion in 2019 was 121%.

The proposed dividend⁶ is €2.60 per share, up 2.0% vs. 2019 and the Group maintains its progressive dividend policy despite the impacts of COVID-19 on the adjusted net income generated in the year. As a result, and due to the importance which the Group places on its commitment to a progressive dividend, the dividend payout ratio for FY20 will reach 55%, above the c.50% which has been typical in the recent past.

5. See appendix Adjusted Net Income and Adjusted EPS

6. Subject to Shareholder approval on April 28, 2021

III. PORTFOLIO UPDATES

During 2020, the Group has been nimble to accelerate its transformation journey making strong additions to its offerings for customers, enabled by software. Through Q3, 2020, the Group had completed acquisitions of RIB Software in July, L&T Electrical & Automation division and ProLeiT in August. Integration of the completed transactions is ongoing and remains on-track. Updates from transactions undertaken and announced in Q4 are provided below.

Acquisitions:

As announced on 28 January 2021 in respect of its acquisition of **OSIsoft**, AVEVA has received the antitrust and regulatory clearances required ahead of completion of the acquisition, with the exception of the approval of the Committee on Foreign Investments in the United States (CFIUS). With regard to CFIUS the parties to the acquisition have entered into a further 45-day period to allow more time for review and discussion. On completion, OSIsoft would be consolidated in the Group results through AVEVA as part of the Industrial Automation business.

The process to acquire a controlling stake in Operation Technology Inc. / ETAP Automation Inc. ("**ETAP**") announced on 16 November 2020 remains ongoing, and is anticipated to close in Q1 2021 subject to receiving the required regulatory approvals. On completion, ETAP would be consolidated as part of the Energy Management business.

The transaction to acquire a strategic minority investment in Planon Beheer B.V. ("**Planon**") announced on 16 November 2020 was completed on 17 December 2020. Schneider Electric owns 25% of Planon, and the investment will be accounted under the equity method starting from January 1st 2021.

Disposals:

The Group remains committed to its portfolio optimization program for disposals/deconsolidation of revenues of € 1.5bn to € 2.0bn.

There is no significant disposal to report in 2020 further to the revenues of €0.6 billion disposed in 2019. The initial timeline for this portfolio optimization program was originally by 2021. In light of the COVID-19 crisis, and as already stated during H1 2020 results, the Group expects a delay of around one year to this timeline though the preparation and work surrounding portfolio optimization continues. The Group expects to make renewed progress on the disposal program starting in H1 2021.

The impact of transactions completed in 2020 on the Adj. EBITA margin for 2021 would be around flat.

IV. SCHNEIDER SUSTAINABILITY IMPACT

Schneider Electric has placed Sustainability at the core of its strategy for 15 years, constantly evolving and raising the bar, first with its series of Planet & Society barometers and most recently with its Schneider Sustainability Impact program. In 2020 the Group completed its most recent Schneider Sustainability Impact program (2018-2020) delivering a strong performance of 9.32 out of 10 by the end of the year (up from 8.63/10 at end-September) against its year-end target of at least 9/10, despite the disruptions caused by COVID-19.

The details of the performance are as below:



Schneider Sustainability Impact 2018 – 2020, Results as of Q4 2020

Our megatrends and SDGs		Our 21 goals 2018-2020	Overall score out of 10	Beginning 01/2018	Results Q4 2020	Target End 2020
			3	9.32	9	
CLIMATE 	1. Renewable electricity		--	80%↑	80%	
	2. CO ₂ efficiency in transportation		--	8.4%↑	10%	
	3. Million metric tons CO ₂ saved on our customers' end thanks to EcoStruxure offers		--	134↑	120	
	4. Increase in turnover for our EcoStruxure Energy and Sustainability Services		--	17.6%↑	25%	
CIRCULAR ECONOMY 	5. Sales under our new Green Premium program		30.5%	76.7%↑	75%	
	6. Sites labeled towards zero waste to landfill		140	206↑	200	
	7. Cardboard and pallets for transport packing from recycled or certified sources		50%	99%→	100%	
	8. Metric tons of avoided primary resource consumption through ecoFit, recycling, and take-back programs		--	157,588↑	120,000	
HEALTH & EQUITY 	9. Scored in our Employee Engagement Index		65%	69%→	70%	
	10. Medical incidents per million hours worked		1.15	0.58↑	0.88	
	11. Employees have access to a comprehensive well-being at work program		13%	90%↑	90%	
	12. Employees are working in countries that have fully deployed our Family Leave policy		--	100%↑	100%	
	13. Workers received at least 15 hours of learning, and 30% of workers' learning hours are done digitally		--	90%↑	100% ⁽¹⁾	
	14. White-collar workers have individual development plans		32%	92%↑	90%	
ETHICS 	15. Employees are working in a country with commitment and process in place to achieve gender pay equity		89%	99.6%↑	95%	
	16. Increase in average score of ISO 26000 assessment for our strategic suppliers		--	+6.3↑	+5.5 pts	
	17. Suppliers under Human Rights & Environment vigilance received specific on-site assessment		--	374↑	350	
	18. Sales, procurement, and finance employees trained every year on anti-corruption		--	94%↑	100%	
DEVELOPMENT 	19. Turnover of our Access to Energy program		--	x1.64↑	X4	
	20. Underprivileged people trained in energy management		148,145	281,737↑	400,000 ⁽¹⁾	
	21. Volunteering days thanks to our VolunteerIn global platform		--	18,469↑	15,000	

Impact highlights include:

- Delivery of 134 million tons CO₂ savings thanks to solid performance of digital solutions for efficiency and sustainability across the past 3 years. Although with a slight inflection with respect to previous years, in 2020, the biggest technology contributors remain Power Purchasing Agreements (PPA) and Variable Speed Drives (VSD)
- 281,000 people were trained in energy management (since 2009) through NGO partnerships, a great achievement despite training centers being temporarily closed due to social distancing measures and lockdowns
- Extending coverage of industry-leading Global Family Leave Policy to 100% of all-benefit eligible employees, an effort of utmost importance to support them in times when work-life balance is critical

The Group unveiled its new 5-year SSI 2021-2025 during an [Investor Day in November 2020](#), with a significant acceleration of previous targets. These ambitious targets, which encompass 11 global targets, and 1 local

objective framed against 6 long-term commitments are set to deliver on each of the United Nations’ Sustainable Development Goals. These commitments are: to act for a climate-positive world; to be efficient with resources; to live up to its principles of trust; to create equal opportunities; to harness the power of all generations; and to empower local communities.



More details can be found at : <https://www.se.com/ww/en/about-us/sustainability/>

“Schneider Sustainability Impact is our specific way to link the UN Sustainable Development Goals, with concrete and precise actions today that address the most material issues for our customers, partners, and our people.” says Olivier Blum Chief Strategy & Sustainability Officer, *“Not only did we deliver on our 3-year program, we also prepared for the future and are ready to go further and faster with our 2025 objectives and reinforced consultancy services to support end-to-end digital transformation for sustainability of our customers.”*

On top of being named world’s most sustainable corporation among over 8,000 companies by Corporate Knights, Schneider Electric made it onto the CDP A-list for the 10th year in a row, was recognized as a Clean Energy Trailblazer by the Climate Group’s RE100 and was listed in the Bloomberg gender equality index for the 4th consecutive year. The Group introduced the first-ever convertible Sustainability bond, linked to the launch of its ambitious new SSI program for 2021-2025.

Additionally,

- Schneider obtained 88/100 (+5 pts vs. 2019) in the Dow Jones Sustainability Index and becomes #1 in its sector (first time since 2016), and is therefore part of world index
- Schneider is a member of the FTSE4Good Developed index and Europe Environmental Leaders 40 (in August, date of index decommissioning)
- Vigeo Eiris scored Schneider 66/100 (+1pt vs. 2019), placing the Group in the Euronext Vigeo Eiris World 120 and Europe 120 indices (as well as Eurozone 120 and France 20 indices)

In Q4 2020, the Group has also created its Sustainability business division in order to ensure progress on the sustainability transformation journey of its customers through building on the strength of its expertise in Energy & Sustainability Services (ESS) across Energy Management & Industrial Automation. The Group views customer sustainability considerations as a key growth driver and is well placed to deliver its comprehensive suite of offerings for efficiency and sustainability.

V. SHARE BUYBACK

Due to the ongoing economic uncertainty, and as the OSIssoft transaction has not yet completed, the current share buyback program of €1.5 – €2.0 billion remains on-hold in the near term.

In total, €316 million of buyback has been completed to-date, including €50 million in 2020.

As at 31 December 2020 the total number of shares outstanding was 554,327,074 (the total number of shares in issue was 567,068,555).

VI. CORPORATE GOVERNANCE

Upon recommendation of the Governance & Remunerations Committee, the Board of Directors decided on February 10, 2021 to appoint Ms. Anna Ohlsson-Leijon as an Observer with the intent to propose her appointment as an independent Director at the Annual Shareholders' Meeting convened for April 28, 2021. If appointed, she will join the Audit & Risks Committee. Ms. Anna Ohlsson-Leijon, 52 years old and a Swedish citizen, is Chief Executive Officer Europe and Executive Vice President of AB Electrolux since 2018, a position she took after a successful tenure as AB Electrolux Chief Financial Officer. She will bring to the Board her professional experience and skills based on her wide-ranging finance and business background and will further add to the gender diversity of the Board of Directors.

In addition, upon recommendation of the Governance & Remunerations Committee, the Board of Directors reviewed the composition of its Committee that will be now as follows:

- Audit & Risks Committee: Ms. Cécile Cabanis (Chairperson), Mr. Willy Kissling, Ms. Jill Lee, Ms. Fleur Pellerin (Ms. Anna Ohlsson-Leijon will be a committee member if the General Meeting of April 28, 2021 appoints her as a director);
- Governance & Remuneration Committee: Mr. Fred Kindle (Chairman), Mr. Léo Apotheker, Mr. Willy Kissling, Ms. Linda Knoll, Mr. Anders Runevad, Mr. Greg Spierkel;
- HR & CSR Committee: Ms. Linda Knoll (Chairperson), Ms. Rita Felix, Mr. Willy Kissling, Ms. Xiaoyun Ma, Ms. Fleur Pellerin, Mr. Anders Runevad;
- Investment Committee: Mr. Léo Apotheker (Chairman), Mr. Fred Kindle, Mr. Patrick Montier, Mr. Anders Runevad, Mr. Greg Spierkel, Mr. Lip-Bu Tan;
- Digital Committee: Mr. Greg Spierkel (Chairman), Mr. Léo Apotheker, Ms. Xiaoyun Ma, Ms. Fleur Pellerin, Mr. Lip-Bu Tan.

Furthermore, in order to ensure that the high-quality audit of the Group is maintained through the implementation of a smooth transition plan between statutory auditors, it was decided to proceed now with the

choice of the new board of statutory auditors whose terms will start at the conclusion of the 2022 Shareholders' Meeting. The selection process carried out by the Audit & Risks Committee led to the recommendation to the Board of Directors to choose Mazars, a member of the current board of statutory auditors, and PwC whose teams have demonstrated, through a competitive process, their capacity to undertake the audit of the accounts of Schneider Electric's Group according to international best practices. Therefore the Board of Directors at the meeting held on February 10, 2021, decided to propose to the 2022 Annual Shareholders' Meeting the appointment for a 6-year term of a new board of external auditors composed of Mazars and PwC in replacement of Ernst & Young whose term will end at that date and cannot be renewed according to applicable regulations.

VII. EXPECTED MARKET TRENDS IN 2021

Though the uncertainty emanating from the COVID-19 crisis remains, the Group expects the following trends in each of its main end-markets and geographies, driving growth in 2021.

By end-market:

- Buildings: Strong growth expected in Residential markets, and good growth in specialized areas of Non-Residential, including warehouse and healthcare
- Data Center: a continuation of robust demand is expected, leading to strong growth
- Infrastructure: Good growth is expected in the Utilities segment, supported by strong project execution, with continued demand for the Group's offers in relation to Smart Grid
- Industry: Strong growth expected in short-cycle, led by OEM demand. Mid- and late-cycle to remain impacted in the near-term, with Hybrid segments better oriented.

By geographic market:

- North America: Strong growth expected for the region, including in both Residential and Data Center markets. Mid- and late-cycle industrial markets to remain challenged in the near-term, while short-cycle expected to grow well. Continued softness expected in Mexico
- Asia Pacific: Strong growth expected for the region; China to continue growth momentum, with good traction across most end-markets and segments. The rest of the region to see continued improvement, supported by a recovery in Global trade
- Western Europe: Good recovery to continue in the region, led by Residential and Data Center end-markets. Discrete automation markets are expected to perform better than Process & Hybrid. Green Deal stimulus could start to contribute towards the end of the year
- Rest of the World: Strong growth expected overall for the region, although with performance contrasted by country. Rising commodity prices are expected to be supportive of growth in certain countries.

VIII. 2021 TARGET

The Group expects positive growth in aggregate in 2021 as it continues to deploy its strategic priorities in key markets.

The Group targets 2021 Adjusted EBITA growth between +9% and +15% organic. The target would be achieved through a combination of organic revenue growth and margin improvement, currently expected to be:

- Revenue growth of +5% to +8% organic
- Adjusted EBITA margin up +60bps to +100bps organic

This implies Adjusted EBITA margin of around 16.1% to 16.5% (including scope based on transactions completed in 2020 and FX based on current estimation).

Further notes on 2021 available in appendix

IX. ACROSS CYCLE GROWTH AND MEDIUM-TERM MARGIN AMBITION REITERATED

Schneider Electric believes that its strategy and positioning is well oriented to drive strong and profitable growth across the economic cycle. The Group believes it is well positioned in most of its end-markets and with its portfolio for growing in a post COVID-19 world, with possible additional benefit from government stimulus actions across the world. The Group would therefore reiterate its across cycle and medium-term ambition as follows:

- Organic revenue growth of between +3% to +6%, on average across the cycle
- Achieve higher margins with a first step of moving adjusted EBITA margin to around 17% by 2022 (assuming current 2021 FX rates for 2021 and 2022)
- Free cashflow to be around €3 billion (excluding IFRS16), on average across the cycle

The financial statements of the period ending December 31, 2020 were established by the Board of Directors on February 10, 2021. At the date of this press release, the audit procedures were carried out and the report of the statutory auditors is being finalized.

The Q4 2020 & FY 2020 Annual Results presentation is available at www.se.com

Q1 2021 Revenues will be presented on April 27, 2021.

The Annual General Meeting will take place on April 28, 2021.

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.

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Appendix – Further notes on 2021

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2021 revenues is estimated to be between **-€600 million** to **-€700 million**. The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around **-10bps**
- **Scope:** around **+€600 million** on 2021 revenues and **around flat** on 2021 Adj. EBITA margin, based on transactions completed in 2020
- **Tax rate:** The ETR is expected to be in a **22-24%** range in 2021
- **Restructuring:** The Group expects restructuring costs of between **€1.15 - €1.25 billion** over three years (2020-2022) as previously communicated
- **Industrial Productivity:** Over a three-year period (2020-2022) the Group expects industrial productivity of around **€1 billion** as previously communicated

Appendix – Revenues breakdown by business

Fourth quarter 2020 revenues by business were as follows:

€ million	Q4 2020				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	5,584	+1.2%	+2.8%	-5.5%	-1.5%
Industrial Automation	1,542	-0.8%	-0.1%	-5.2%	-6.1%
Group	7,126	+0.8%	+2.1%	-5.4%	-2.5%

H2 2020 revenues by business were as follows:

€ million	H2 2020				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	10,589	+1.8%	+1.5%	-5.0%	-1.7%
Industrial Automation	2,995	-1.6%	+0.6%	-4.9%	-5.9%
Group	13,584	+1.0%	+1.3%	-5.0%	-2.7%

FY 2020 revenues by business were as follows:

€ million	FY 2020				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	19,344	-4.5%	-0.2%	-2.5%	-7.2%
Industrial Automation	5,815	-5.3%	0.0%	-2.6%	-7.9%
Group	25,159	-4.7%	-0.2%	-2.5%	-7.4%

Appendix – Consolidation

In number of months	Acquisition/ Disposal	2019				2020			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pelco Energy Management Business €169 million revenues in FY2018 (ending December 2018)	Disposal	3m	1m						
U.S. Panel offer Industrial Automation Business €80 million of annualized revenues	Disposal	3m							
Converse Energy Projects Energy Management Business ~ €140 million revenues in FY 2019 (ending December 2019)	Disposal	3m	3m	3m	3m				
Electroshield Samara Energy Management Business ~ €145 million revenues in FY 2019 (ending December 2019)	Disposal	3m	3m	3m	3m				
Larsen & Toubro E&A Energy Management Business	Acquisition							1m	3m
RIB Software Energy Management Business ~ €214 million revenues in FY 2019	Acquisition							3m	3m
ProLeiT Industrial Automation Business ~ €50 million revenues in FY 2019	Acquisition							2m	3m

Appendix – Adjusted EBITA, Analysis of Change

	H1	H2	FY
	Adj. EBITA	Adj. EBITA	Adj. EBITA
2019 Adj. EBITA	1,960	2,278	4,238
Volume	(551)	(7)	(558)
Net Price	81	181	262
Productivity	37	182	219
Mix	29	22	51
R&D & Production Labor Inflation	(27)	(60)	(87)
SFC	151	20	171
FX	(29)	(162)	(191)
Scope & Other	(75)	(104)	(179)
2020 Adj. EBITA	1,576	2,350	3,926

Appendix - Results breakdown by division

€ million		FY 2019	FY 2020	Organic
Energy Management	Revenues	20,847	19,344	
	Adjusted EBITA	3,842	3,634	
	Adjusted EBITA margin	18.4%	18.8%	c.+30bps
Industrial Automation	Revenues	6,311	5,815	
	Adjusted EBITA	1,141	992	
	Adjusted EBITA margin	18.1%	17.1%	c. -30bps
Corporate	Central Functions & Digital Costs	(745)	(700)	
Total Group	Revenues	27,158	25,159	
	Adjusted EBITA	4,238	3,926	
	Adjusted EBITA margin	15.6%	15.6%	c. +20bps
€ million		H1 2019	H1 2020	Organic
Energy Management	Revenues	10,072	8,755	
	Adjusted EBITA	1,776	1,494	
	Adjusted EBITA margin	17.6%	17.1%	c.- 80bps
Industrial Automation	Revenues	3,130	2,820	
	Adjusted EBITA	551	429	
	Adjusted EBITA margin	17.6%	15.2%	c.- 200bps
Corporate	Central Functions & Digital Costs	(367)	(347)	
Total Group	Revenues	13,202	11,575	
	Adjusted EBITA	1,960	1,576	
	Adjusted EBITA margin	14.8%	13.6%	c. -130bps
€ million		H2 2019	H2 2020	Organic
Energy Management	Revenues	10,775	10,589	
	Adjusted EBITA	2,066	2,140	
	Adjusted EBITA margin	19.2%	20.2%	c. +120bps
Industrial Automation	Revenues	3,181	2,995	
	Adjusted EBITA	590	563	
	Adjusted EBITA margin	18.5%	18.8%	c. +120bps
Corporate	Central Functions & Digital Costs	(378)	(353)	
Total Group	Revenues	13,956	13,584	
	Adjusted EBITA	2,278	2,350	
	Adjusted EBITA margin	16.3%	17.3%	c. +140bps

Appendix – Adjusted Net Income & Adjusted EPS

Key figures (€ million)	2019 FY	2020 FY	Change
Adjusted EBITA	4,238	3,926	-7%
Amortization of purchase accounting intangibles	(173)	(207)	
Financial Costs	(261)	(278)	
Income tax with impact from adjusted items	(836)	(781)	
Discontinued ops	(3)	-	
Equity investment & Minority Interests	(32)	(46)	
Adjusted Net Income (Group share)	2,933	2,614	-11%
Adjusted EPS (€)	5.32	4.72	-11%

Appendix – Free Cash Flow and Net Debt

Analysis of net debt change in €m	FY 2019	FY 2020
Net debt at opening at Dec. 31	(5,136)	(3,792)
Operating cash flow	4,012	3,651
Capital expenditure – net	(806)	(762)
Operating cash flow, net of capex	3,206	2,889
Change in trade working capital	190	517
Change in non-trade working capital	80	267
Free cash flow	3,476	3,673
Dividends	(1,413)	(1,525)
Acquisitions – net	(79)	(2,393)
Net capital increase	(98)	(7)
FX & other (incl. IFRS 16)	(542)	483
(Increase) / Decrease in net debt	1,344	231
Net debt at Dec. 31	(3,792)	(3,561)

Appendix – ROCE

ROCE calculation				
P&L items				2020 Reported
EBITA ¹			(1)	3,246
Restructuring costs			(2)	-421
Other operating income & expenses			(3)	-210
= Adjusted EBITA			(4) = (1)-(2)-(3)	3,877
x Effective tax rate of the period ²			(5)	22.7%
= After-tax Adjusted EBITA			(A) = (4) x (1-(5))	2,997
Balance sheet items				2020 Avg of 4 quarters
	2019 reported	2020 reported		
Shareholders' equity	23,140	23,727	(B)	22,980
Net financial debt	3,792	3,561	(C)	4,626
Adjustment for Associates and Financial assets (fair value)	-843	-1065	(D)	-2,558
= Capital Employed	26,089	26,223	(E) = (B)+(C)+(D)	25,048
= ROCE			(A) / (E)	12.0%

1. Without recent large M&A
2. Effective tax rate