

Q3 2017 – Continued good performance driven by Low Voltage and Industrial Automation

October 26, 2017

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Disclaimer

All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

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.

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Continued good performance in Q3, up +4.3% org. (c.+5% underlying[1]) outside Medium Voltage
Strong performance in Low Voltage and Industrial Automation, up +5.2% org.

Solid revenue growth in Q3

- Q3 org. growth **+2.7%,** Reported growth**: -1.9%**
- Low Voltage, Secure Power, and Industrial Automation up **+4.3%** organic
- Industrial Automation and Low Voltage growing underlying[1] at **c.+7.5%** and **c.+5%** respectively
- Medium Voltage up **c.+1%** excluding selectivity[2]
- New Economies up **+5%** organic with **double digit growth** in China

Strategic priorities delivering in Q3

- Products organic growth: **+5%**
- Final Distribution & Wiring Devices **up solid mid-single digit,** unbroken quarterly growth for the past 4 years
- Industrial Software revenues up **+3%** organic
- Services orders **up high single digit**
- EcoStruxure progressing well. 1.5m assets under management, **+20% YTD**

1. Adjusted for negative working day impact of c. -0.6pt
2. Excluding a selectivity impact estimated at c. -€55m in Q3

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Significant cross selling wins in Q3 leveraging complete portfolio

Cross-selling focus in targeted segments yields results

- **Double-digit growth in specific targeted segments**
- **Pull through technologies grow at higher rate**

Faster Growth than main technology

Targeted Segment	Main Technology	Pull through Technology
Food & Beverage	**Industrial Auto. (IA)**	**MV LV SP**
Cloud & Service Provider	**Secure Power (SP)**	**MV LV IA**
Healthcare	**Low Voltage (LV)**	**MV SP IA**

Q3 Examples

Medium Voltage · Low Voltage · Secure Power · Industrial Automation

Global leader in designing Commercial Refrigeration Systems

Broad line of products, from controllers and variable speed drives to full electric panel in each of their 4 main North America plants



Automotive Company

Complete facility electrical solution that focusses on safety, simplicity, reliability & reduced maintenance requirements



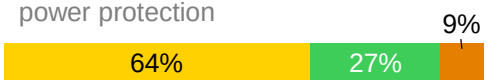
Indian internet and e-commerce provider

Design/build and commissioning of data center using energy storage and cooling solutions together with full LV/MV power protection



Large Indian Colocation Provider

Extension of two large datacenters including new Galaxy VX UPS systems completed by full LV/MV power protection



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EcoStruxure deployment continues in Q3
More than 700 customers from 14 countries attend Innovation Summit in Hong Kong



Three World Premiere Launches

Innovation Hub Guided Tours
More than 100 tours demonstrating EcoStruxure capabilities





Integrating Alliances and Start-ups within the 1,100 m^2 Innovation Hub

Expert Learning Sessions
with more than 60 speakers



https://www.schneider-electric.com/en/about-us/events/innovation-summit-hong-kong-2017.jsp

What Customers say:

"It's an **eye opener** for us."

"I found out about what Schneider can do and **much more**, and the capabilities we can bring into the new factory."

"It shows us the **breadth of opportunity** for everyone."

More to come…

Digital Day: December 12th

(Schneider HQ, Paris)

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Proven value for customers: Selected EcoStruxure successes in Q3 by domain

Datacenter



Bainbridge Island School District (U.S.)

Central and edge IT monitoring and enhanced power reliability in an area with frequent power disruptions with **EcoStruxure IT**

Building



Syddansk University (Denmark)

14% savings in energy until 2020 thanks to **EcoStruxure Power** & **EcoStruxure IT**

Industry



Gas Exploration Company (Algeria)

Continuous production for next 7 years thanks to **EcoStruxure Plant & Machine**

Infrastructure



Bubolz Nature Preserve (U.S.)

The potential to have zero carbon emissions and to achieve 50% lifetime power savings through **EcoStruxure Grid**

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This quarter, our Planet & Society barometer reaches 9.01/10

Indicators & objectives 2017 - selection	Q3 2017	Q2 2017
PLANET		
• **10%** energy savings	9.2%	8.7%
• **Towards** zero waste to landfill for 100 industrial sites	116	109
PROFIT		
• **120,000 tons** of CO_2 avoided through maintenance, retrofit and end-of-life services	148,415	139,004
• **x5** turnover of Access to Energy program to promote development	x2.09	x2.10
PEOPLE		
• **One** day training for every employee every year	85.2%	85.3%
• **150,000** underprivileged people trained in energy management	143,756	136,906

Highlights of Q3 2017:

- **Schneider Electric in the CDP Climate A list for the 7th consecutive year**
  7 years in a row: this is particularly noteworthy for this ranking

- **"Integrated Thinking Award" received**
  Best company in integrating strategic, financial and sustainability dimensions
  This is the first edition of these annual European awards

CDP A LIST 2017 CLIMATE

1st édition 2017 INTEGRATED THINKING AWARDS

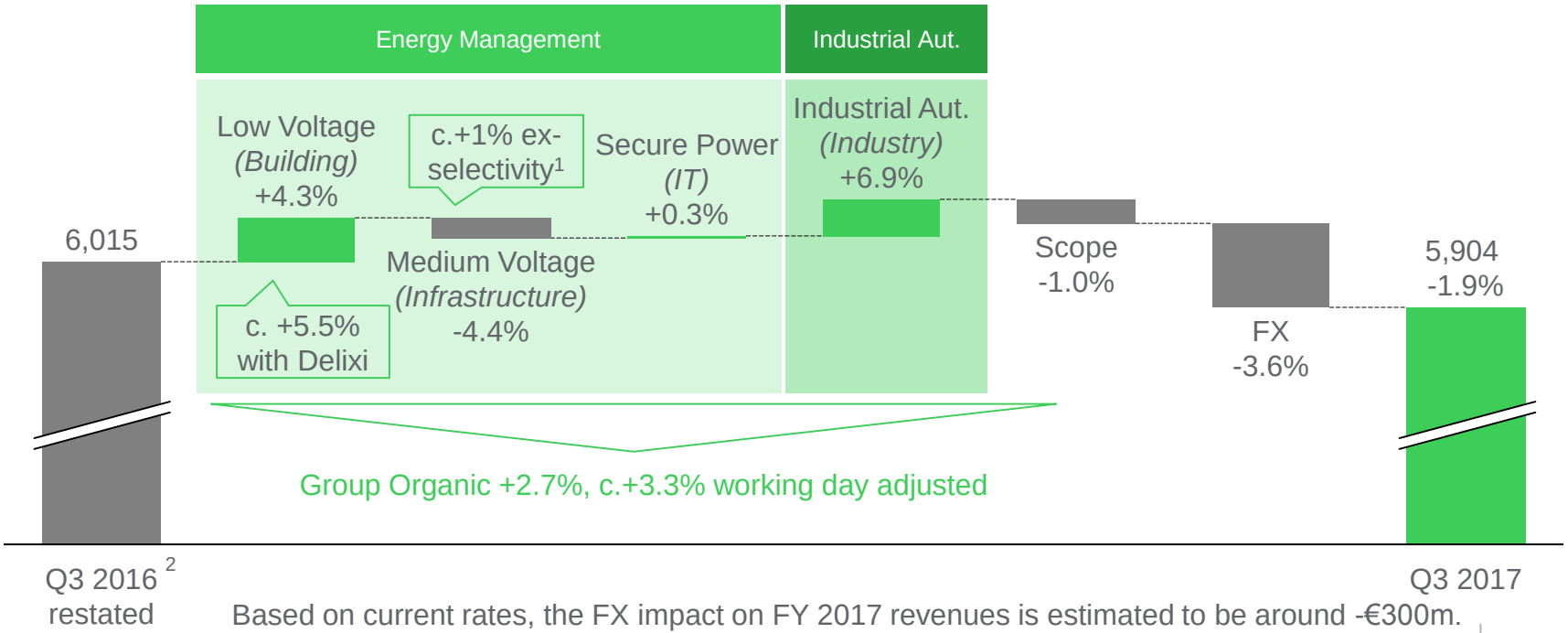
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Business Performance

Continued good performance in Q3, up +2.7% organic with strong performance in Low Voltage and Industrial Automation, up mid-single digit

ANALYSIS OF CHANGE IN GROUP REVENUES (in €m)

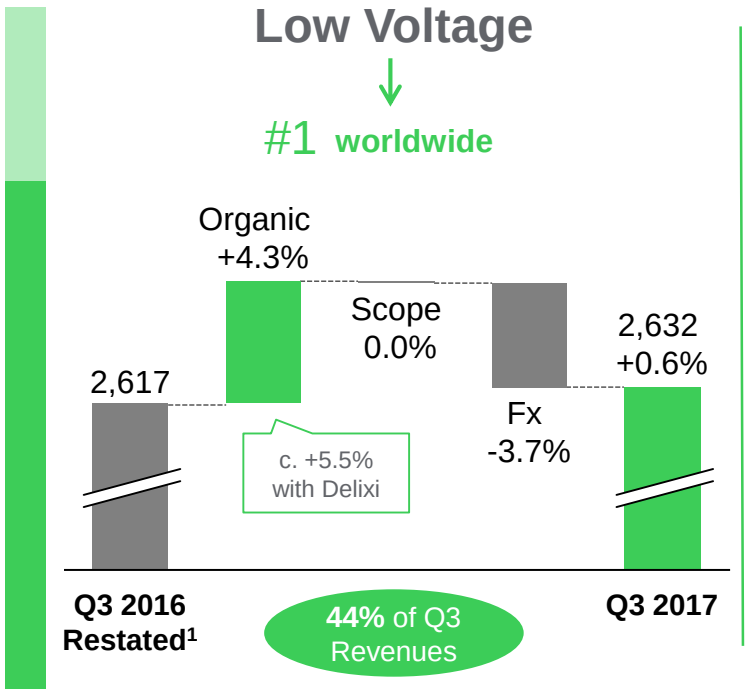


Based on current rates, the FX impact on FY 2017 revenues is estimated to be around -€300m.

1. Excluding a selectivity impact estimated at c.-€55m in Q3
2. Restated for Solar activity (see Q1 press release)

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Low Voltage (Building) grew +4.3% organically with growth across all regions



Performance highlights

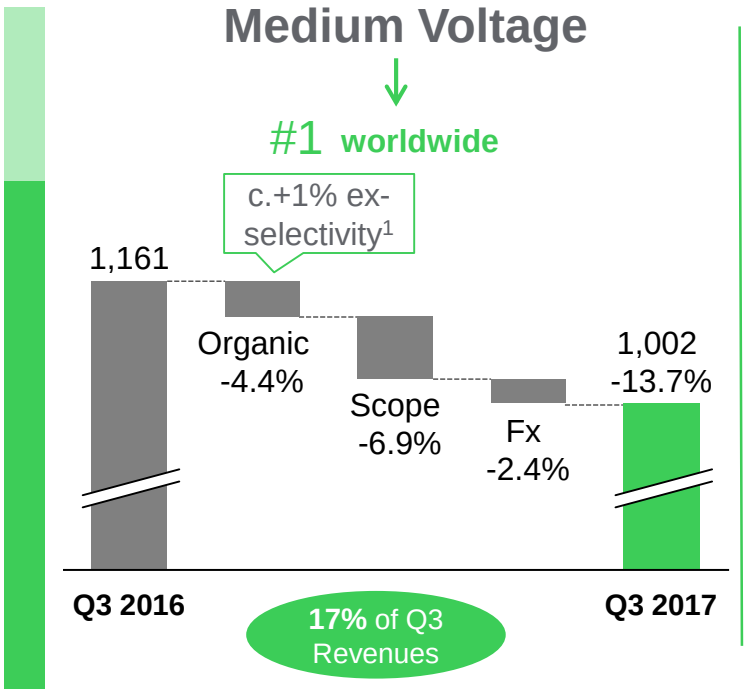
- LV grew in all 4 regions
- Final Distribution & Wiring Devices continues solid mid-single-digit growth in Q3
- Offers for Commercial & Industrial buildings showed good growth in most geographies

- N. America up with roll out of new residential products and good performance in targeted segments (i.e. datacenters)
- W. Europe grew in all major countries
- Asia Pacific growth in many countries, driven mainly by China
- Rest of the World posted strong growth

1.Restated for Solar activity (see Q1 press release)

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Medium Voltage (Infrastructure) up c.+1% excluding selectivity[1], down -4.4% organically in Q3



Performance highlights

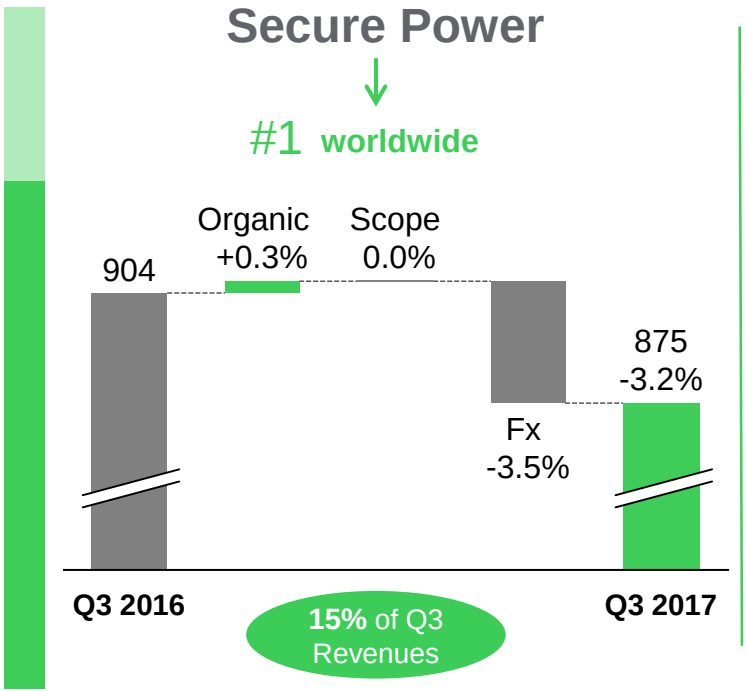
- N. America declined with lower backlog from previous quarters & selectivity, but saw some improvement in market & good growth in orders in targeted segments (i.e. datacenters)
- Western Europe was down with selectivity initiatives
- Growth in new economies outside Middle-East. China, Africa & CIS up strongly
- Grid Automation continued strong growth

As announced, for the part of the portfolio consisting mainly of projects and equipment, focused on the utilities segment, the Group has started the project of implementing a specialized organization designed to enable greater agility, autonomy and focus, with the intent to generate increased efficiency for the business and the Group

1. Excluding a selectivity impact estimated at c.-€55m in Q3

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Secure Power (IT) up +0.3% organically (c.+1% working day adjusted) in Q3



Performance highlights

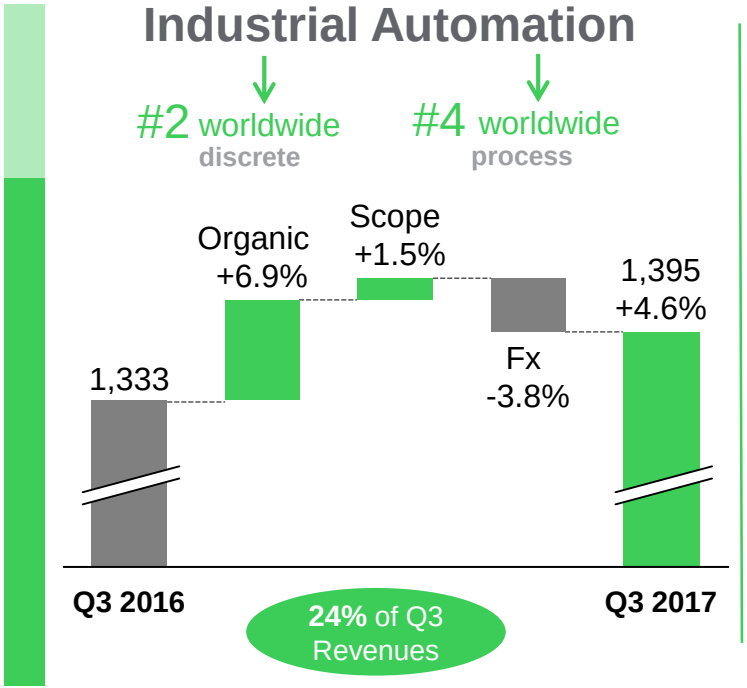
- Business grew in all regions outside N. America
- Growth in distributed IT
- Positive momentum in non-IT end markets (industrial applications) thanks to strategy of diversification
- Mid-single digit growth in services continued

- W. Europe up with growth in Germany, Nordics, and U.K.
- U.S. down, impacted by extra-large datacenter investment for the quarter favoring LV & MV offers over Secure Power
- New Economies up mid-single digit with wins in Asia Pacific and Africa

Datacenter continues to be a driver for growth in Q3 with LV / MV orders up double-digit on Cloud & Service Providers segment

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Industrial Automation (Industry) grew +6.9% organically, with growth in all four regions



Performance highlights

- Continued strength in OEM offers up high-single digit benefitting from channel initiatives
- Improvement in process automation, up mid-single digit
- EcoStruxure offers continued to see good development
- Software revenues up +3% organic

- N. America up: U.S. saw continued good OEM demand & some increase in O&G demand
- W. Europe grew across the region
- China performed strongly on continued growth in OEM demand and continued execution of its segment strategy
- Rest of World up thanks mainly to growth in the Middle East

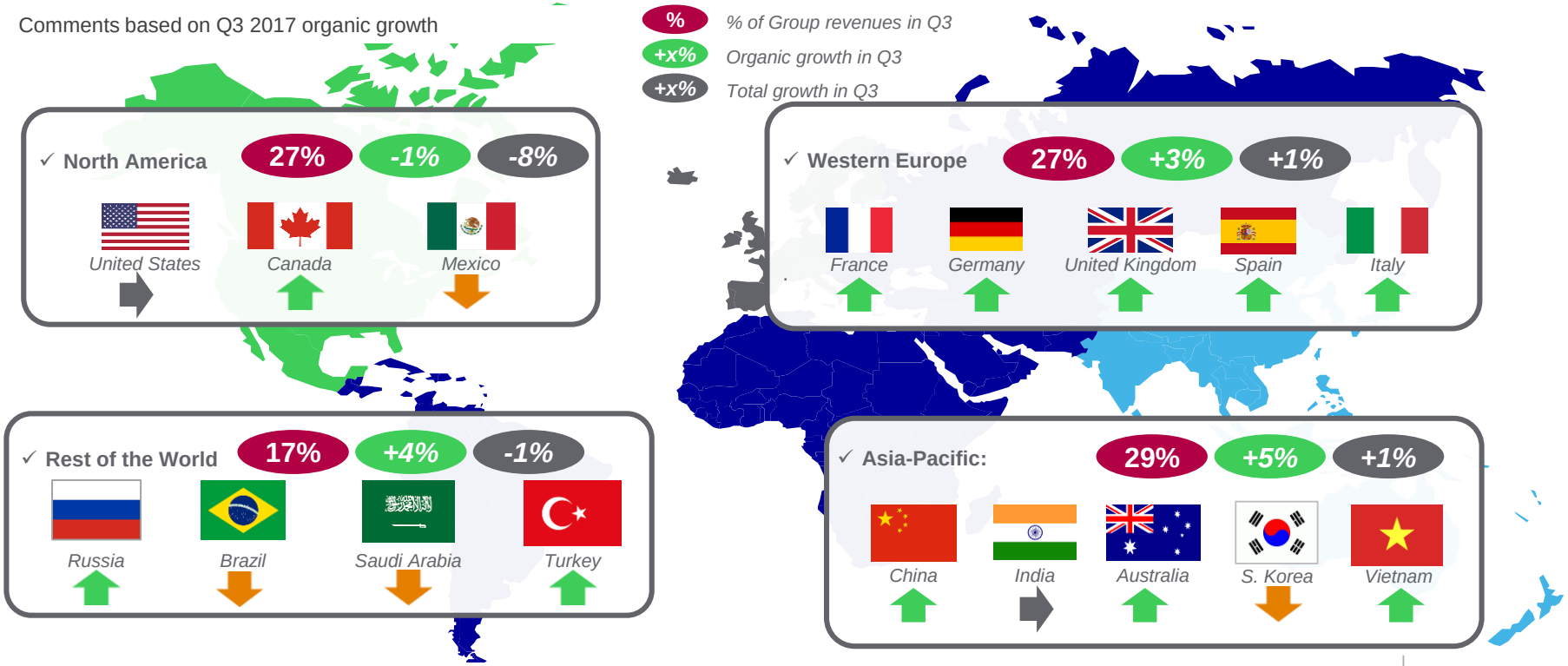
AVEVA

- AVEVA EGM approval with 99.9% voting in favor of combination
- Closing expected around the end of 2017; Company to be fully consolidated under Industrial Automation division

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New Economies up +5% organic with growth in Asia Pacific and Rest of the World; U.S. about flat and Western Europe continues to improve, up +3%

Comments based on Q3 2017 organic growth



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Full Year 2017 Targets

2017 Targets upgraded

Following its Q3 results, for the second time this year, Schneider Electric upgrades its 2017 objectives:

- The Group targets for 2017, organic revenue growth around 4% outside Infrastructure (vs. 1% to 3% initially). For Infrastructure, the priority remains margin improvement. Before selectivity[1], the Group expects the performance for the Infrastructure division to be a low single-digit organic growth.

- For 2017, the Group now targets +50 to +70 bps organic adjusted EBITA margin improvement (vs.+20 to +50bps initially targeted for the year). Following the recent evolution of currencies, the FX impact is now expected to be -20 to -30bps on the Adjusted EBITA margin for the year. Additionally, the scope effect including the solar deconsolidation, DTN disposal and some other minor acquisitions / disposals is expected to be +20bps compared to 2016 reported adjusted EBITA margin (14.1%).

1. Selectivity for the division is expected to end in 2017 with an expected impact of c. -4% on revenue for the year

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Appendixes

Investor Relations ready to engage

✓ **Upcoming events:**

Conferences

07 Nov	7th European ESG/SRI Paris SG (IR)
01 Dec	Premium Review, Paris, SocGen (IR)
04 Dec	French Corp Conf, London, Natixis (IR)
07 Dec	Conference, London, Berenberg (Management)

Schneider Electric events

✓ **Proposing quarterly interaction with investors showcasing specific businesses, geographies or functions**

12 Dec	Investor Digital Day, Rueil Malmaison
H1 2018	Smart Supply Chain site visit
H1 2018	Digital Update
FY 2018	Focus on Schneider Electric U.S. business

✓ Information on www.schneider-electric.com/finance → Consensus available on http://www.schneider-electric.com/en/about-us/investor-relations/share-information/share-price.jsp

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The Planet & Society barometer 2015-2017 - Results as of Q3 2017

Planet & Society barometer		Start 01/2015	Results Q2 2017	Results Q3 2017	Target 12/2017
Our megatrends 2015-2020 and our targets 2015-2017	Overall score (out of 10)	**3.00**	**8.91**	**9.01** ↗	**9/10**
PLANET	CLIMATE				
	1 **10%** energy savings	-	**8.7%**	**9.2%** ↗	10%
	2 **10%** CO_2 savings from transportation	-	**17.2%**	**11.6%** ↗	10%
	CIRCULAR ECONOMY				
	3 **Towards zero** waste to landfill for 100 industrial sites	34	**109**	**116** ↗	100
	4 **100%** of products in R&D designed with *Schneider ecoDesign Way*™	-	**100%**	**100%** →	100%
PROFIT	CLIMATE + DEVELOPMENT (Sustainability offers)				
	5 **75%** of product revenue with *Green Premium*™ eco-label	60.5%	**74.6%**	**75.9%** ↗	75%
	6 **100%** of new large customer projects with CO_2 impact quantification	-	**16%**	**16%** →	100%
	7 **120,000 tons** of CO_2 avoided through maintenance, retrofit and end-of-life services	-	**139,004**	**148,415** ↗	120,000
	8 **x5** turnover of Access to Energy program to promote development	-	**x2.10**	**x2.09** ↘	x5
	ETHICS				
	9 **100%** of our recommended suppliers embrace ISO 26000 guidelines	48%	**84.1%**	**84.6%** ↗	100%
	10 **All** our entities pass our internal Ethics & Responsibility assessment	-	**79%**[1]	**88.7%** ↗	100%
PEOPLE	HEALTH & EQUITY				
	11 **30%** reduction in the Medical Incident Rate (MIR)	-	**40%**	**37%** ↘	30%
	12 **One day** training for every employee every year	79%	**85.3%**	**85.2%** ↘	85%
	13 **64%** scored in our Employee Engagement Index	61%	**64%**	**64%** →	64%
	14 **85%** of employees work in countries with Schneider gender pay equity plan	-	**75%**	**75%** →	85%
	DEVELOPMENT				
	15 **150,000** underprivileged people trained in energy management	73,339	**136,906**	**143,756** ↗	150,000
	16 **1,300** missions within Schneider Electric Teachers NGO	460	**1,202**	**1,289** ↗	1,300

↗↗ The arrow shows if the indicator has risen, stayed the same or fallen compared to the previous quarter. The colour shows if the indicator is above or below the objective of 9/10. [1] Q3 2016

Contact

Amit Bhalla– Head of Investor Relations

Tel: +44-20-7592-8216
amit.bhalla@schneider-electric.com

Alexis Denaud – Senior Investor Relations Manager

Tel: +33-1-41-29-51-24
alexis.denaud@schneider-electric.com

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