

GROWTH

Schneider Electric

Third Quarter 2023 Revenues – October 26, 2023

Continued strong execution aligned with strategic growth objectives
FY23 Target reaffirmed

Life Is On

Schneider
Electric

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 Universal 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.

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.

Strong growth in Q3 2023

€9bn +12%

Group Q3 2023 revenues org.

Energy Management

Energy Efficiency

+13%

Q3 org. sales growth



Industrial Automation

Process Efficiency

+5%

Q3 org. sales growth

End-Markets

Buildings

Data Center

Infrastructure

Industry

DIGITAL
for efficiency

+

ELECTRIC
for decarbonization

=

SUSTAINABLE
Smart & Green

Systems continues to lead growth, with strong contribution from Software & Services

PRODUCTS

54% of Q3 revenues

+5%

Q3 organic growth

- Up mid-single digit in **Energy Management** and around flat in **Industrial Automation**
- Growth supported by **backlog execution**
- Sequential reduction in **price** contribution as carryover impact fades

SYSTEMS

28% of Q3 revenues

+23%

Q3 organic growth

- **Strong double-digit** growth in **Energy Management**
- Continued strong demand in **Data Center** and **Infrastructure**
- Industrial Automation up **mid-single digit**
- Strong growth in **Process & Hybrid segments**

SOFTWARE & SERVICES

18% of Q3 revenues

+17%

Q3 organic growth

- **Software & Digital Services** up +17%
- Strong growth in ARR at **AVEVA**, up +16%¹ at 30 September, with strong growth in SaaS revenues
- **Energy Management agnostic software** grew low-single digit, impacted by weaker construction markets in Europe
- Strong double-digit growth in **Digital Services**, including EcoStruxure offers for Grid and Data Center
- **Field Services** up +17%, with double-digit growth in both businesses
- **Sustainability Business**² up double-digit against high base

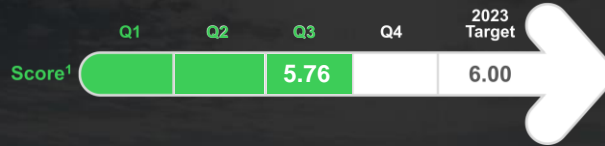
1. At constant currency, adjusted for Russia impacts

2. Sustainability consulting and services offers are split between Digital and Field Services



On track towards meeting full-year sustainability impact targets

2021-2025
SCHNEIDER
SUSTAINABILITY
IMPACT



CLIMATE

24%

SSI #3 - Reduce CO₂ emissions from top 1,000 suppliers' operations

The Zero Carbon Project supporting suppliers in their decarbonization journey is accelerating globally, driven by regional customized support and the deployment of digital tools such as Zeigo Activate.

RESOURCES

27%

SSI #4 – Increase green material content in our products

Green materials content in our products keeps increasing, with strong progress in the quarter. Green metals and qualification of new suppliers in Asian and North American markets drove this progress.

EQUAL

44M²

SSI #9 – Provide access to green electricity to 50M people

Schneider Electric and the Gaia Energy Impact Fund II raised €40 million to support renewable energy projects in Africa. This impact investment partnership funds startups and entrepreneurial projects with a strong environmental and social focus.

1. 2020 baseline 3/10, 2025 target 10/10 2. Cumulated since 2009

CIPS, one of the most prestigious recognitions in the field of procurement, selected Schneider Electric as a 3x winner of Excellence awards, including Sustainable Procurement Champion, The Zero Carbon Project and People Development.

**CIPS EXCELLENCE
IN PROCUREMENT
AWARDS 2023**

Recognized at **Gulf Sustainability Awards 2023** across four categories for solutions and transformation programs that have a positive impact on people and planet.



Delivering compelling offers to our customers across end-markets

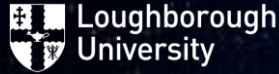
Booking.com

Through **mixed-use facilities** and a **holistic approach** designed a **lively environment** where **tenants** as well as Booking.com employees can **meet, inspire** and **work** every day.

Strong EcoExpert partner support combined with **understanding** of Booking.com's **exact vision** resulted in building a **new facility** with **focus on sustainability** and achieving a **BREEAM Excellent design certificate**.

EcoStruxure[®]
Buildings end-market

Netherlands



In collaboration with **Schneider Electric** and Elite Data Centre Partner, **On365**, Loughborough University has successfully **enhanced** operational **continuity** for its **data centre** and **distributed IT environments**.

By updating its **infrastructure** with cutting-edge energy-efficient **technologies** and **leveraging** **data analytics** and **predictive maintenance**, Loughborough University has been able to **future-proof their campus**, ensuring **continued support** for its outstanding research and academic reputation.

EcoStruxure[®]
Data center end-market

U.K.



Helping **Ports America** decarbonize their **port terminals** as they replace diesel with **new electric** cargo handling equipment.

Ports America has **embraced electricity 4.0** by combining **digitization** through **EcoStruxure Power Monitoring Expert** with Square D power distribution equipment that utilizes **connected MTZ breakers** to power **new electric cranes**.

EcoStruxure[®]
Infrastructure end-market

U.S.



Schneider Electric is streamlining Harmony's **software implementation** through the **FLEX model**, which includes granting access to all the **AVEVA software portfolio**.

This enables all sites and employees to **utilize the software**, resulting in **significant cost savings** on additional licenses and renewals.

Additionally, Harmony **benefits from premium support** to ensure a smooth and efficient software experience.

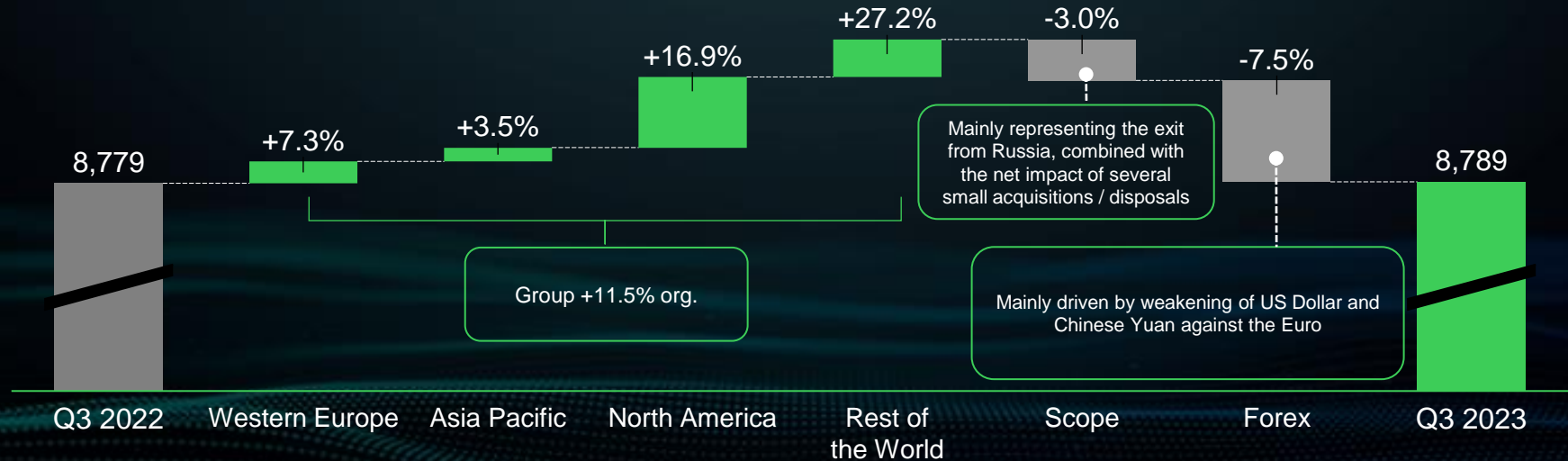
EcoStruxure[®]
Industry end-market

South Africa



Q3 2023 up +12% organic

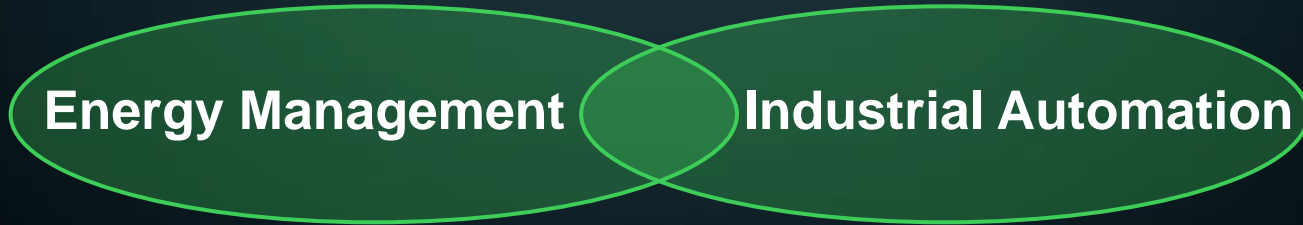
Analysis of Change in Group Revenues (in €m)



Based on current rates, the FX impact on FY 2023 revenues is estimated to be between -€1.35 billion to -€1.45 billion

The FX impact at current rates on adjusted EBITA margin for FY 2023 could be around -80bps

Q3 Business performance highlights by end-market



End Markets

Buildings

- Demand remains good in **non-residential** technical buildings
- **Healthcare** and **Hotel** segments performing well
- **Residential** demand showing **signs of stability** outside of Western Europe
- **Residential** sales varied by geography

Data Center & Networks

- Strong sales growth in **Data Center** markets
- Strong demand in both **Enterprise** and **larger Data Center** settings, where AI was a driver
- **Service offer** for Data Centers also performing well
- **Distributed IT** saw improved demand, with strong growth in India

Infrastructure

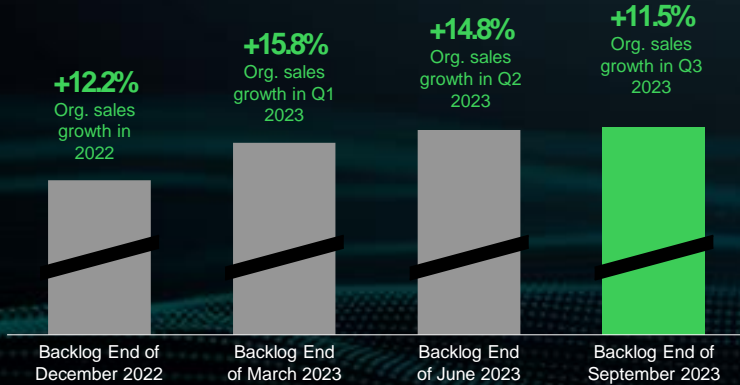
- Strong demand from **Electric Utilities** reflective of Group's comprehensive offers
- Strong demand in **WWW** for offers of both businesses
- Good demand in **Transportation**

Industry

- Sales contrasted with strong growth in **Process & Hybrid** and positive growth in **Discrete**
- **Backlog execution** supported growth
- Demand in **Process & Hybrid** relatively stronger, with strong growth in **CPG**, while **E&C** saw solid growth
- **Discrete** demand moderated quickly from elevated levels

Backlog continued to build in Q3

- Record high backlog at the end of Q3
- Overall backlog increase due to **systems**, with backlog consumption in **products**




~3.8 months
of sales on avg
(2018 to 2021)

~5 months
of sales in 2021
closing backlog

~6 months
of sales in 2022
closing backlog

>6 months
of sales in Sep 2023
closing backlog

Q3 2023 vs
Q3 2022¹

 Data Center	++
 Machine Solutions / OEM	--
 Residential Buildings	+
 Healthcare	++
 CPG	++
 MMM ²	--
 Utilities	++
 Energies & Chemicals	+
 Transportation	+
 WWW	++

1. Based on non-GAAP orders in selected segments
2. Down against a high base of comparison due to project execution in prior year

Energy Management – Q3 org. growth performance by geography

Split of Q3 2023
revenue by geography:



North America +18%

- ▶ U.S. up double-digit while **Canada** grew high-single digit and **Mexico** up strong double-digit
- ▶ U.S. **systems** revenues very strong, with strong demand in Data Center & Infrastructure. **Product** growth was strong, with good growth in Residential, supported by backlog execution
- ▶ Good growth in **Canada**, though relatively more impacted in Residential
- ▶ **Mexico** saw strong growth across end-markets
- ▶ **Services** up double-digit across the region

Rest of the World +27%

- ▶ **Middle East** up double-digit, leading growth in region, with Turkey and Saudi Arabia particularly dynamic
- ▶ **Africa** up double-digit, with Egypt performing well through combination of project execution, backlog consumption and price
- ▶ **South America** up double-digit, where Argentina saw strong growth ahead of elections and from price impact, while Brazil remained soft
- ▶ **Central & Eastern Europe** grew high-single digit

Western Europe +9%

- ▶ U.K. up strong double-digit, **Germany** and **Italy** up double-digit, while **France** and **Spain** grew mid-single digit
- ▶ **Systems** revenues up strong double-digit across region with strong growth in **Data Center** and **Infrastructure** end-markets
- ▶ **Product** sales impacted by weak **Residential** markets, particularly in France and Germany
- ▶ Strong growth in many other countries across region including **Netherlands** and **Norway**
- ▶ **Services** grew strongly across the region

Asia Pacific +7%

- ▶ **China** up low-single digit, with transportation and renewable power remaining areas of strength
- ▶ **India** up strong double-digit with growth across end-markets, notably Buildings and Infrastructure
- ▶ **Australia** up high-single digit, with strong systems revenues, while Residential buildings saw modest growth
- ▶ Across the rest of the region, many countries delivered **double-digit** growth, while Singapore was down against a high base

Industrial Automation – Q3 org. growth performance by geography

Split of Q3 2023
revenue by geography:

W. Europe

N. America

Asia Pac.

Rest of the World

28%

24%

32%

16%

North America +12%

- ▶ U.S. up double-digit, while **Canada** around flat and **Mexico** down slightly
- ▶ U.S. saw strong double-digit growth in **Discrete automation** supported by backlog execution
- ▶ U.S. **Process & Hybrid** also grew, while there was strong growth in software at **AVEVA**
- ▶ **Canada** saw good growth in Discrete and Process & Hybrid, but was down in software
- ▶ **Mexico** was down slightly against a high base of comparison

Rest of the World +28%

- ▶ **Middle East, Africa** and **South America** all up strong double-digit, **Central & Eastern Europe** up low-single digit
- ▶ Growth primarily driven by strength in **Discrete automation** markets
- ▶ Good growth in **Process & Hybrid** markets
- ▶ **Strong demand** dynamics supported by **price actions** in countries including Argentina, Egypt and Turkey which saw currency devaluation

Western Europe +3%

- ▶ **U.K.** grew double-digit and **France** up high-single digit, each seeing strong growth in Process automation, while also up in discrete supported by backlog execution
- ▶ **Germany** up mid-single digit despite pressure on Discrete automation
- ▶ **Italy** and **Spain** both declined, linked with weaker discrete demand
- ▶ There was strong growth at **AVEVA**
- ▶ **Services** grew strong double-digit across the region

Asia Pacific -6%

- ▶ **China** down double-digit with driven by weakness in discrete demand. Strong growth in Process & Hybrid
- ▶ **India** up double-digit, performing well across both Discrete and Process & Hybrid
- ▶ Strong growth in **Australia** supported by renewal of a large software contract
- ▶ **Japan** and **Korea** both declined, driven by weak demand in OEM and Semicon segments

Expected trends in Q4

Demand environment

- A continuation of **strong and dynamic market demand**, supported by secular trends of electrification, digitization and sustainability
- Strong demand for Systems offers across end-markets notably driven by trends in **Data Centers**, **Grid Infrastructure** investment and increased investments across **Process Industries** served by both businesses
- Signs of stabilization in demand in **residential buildings**, outside of Western Europe, and a weakening of demand in **discrete automation** (particularly in China and Western Europe)

Geographical trends

- **North America** and **Rest of the World** expected to lead growth, **China** expected to show positive sales growth for the year

Supply chain

- **Backlog execution** to support growth
- Continued progress to **normalize supply chain**

2023 Target reaffirmed

The Group reaffirms its 2023 financial target as follows:

2023 Adjusted EBITA growth of between +18% and +23% organic

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

- Revenue growth of **+11% to +13% organic**
- Adjusted EBITA margin up **+120bps to +150bps organic**

This implies Adjusted EBITA margin of **around 17.7% to 18.0%** (including scope based on transactions completed to-date and FX based on current estimation).

Further notes on 2023 FX & Scope available in slide 17

Q&A

Investor Relations ready to engage

26 October	Q3 2023 Revenues
9 November	Capital Markets Day (London)
29 November	Société Générale Premium Review Conference (Paris)
4 December	Goldman Sachs Conference (UK)

More CMD information available here :

<https://www.se.com/ww/en/about-us/investor-relations/capital-markets-day.jsp>

To schedule an interaction with Schneider Electric,
please contact lorna.scrimshaw@se.com



An aerial photograph showing a river with a vibrant turquoise hue meandering through a lush, dense green forest. The river winds from the top right towards the bottom left, with several smaller tributaries and islands of forested land. The overall scene is a natural, serene landscape.

Appendix

2023 additional notes

- ▶ **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2023 revenues is estimated to be **between -€1.35 billion to -€1.45 billion**. The FX impact at current rates on adjusted EBITA margin for FY 2023 could be **around -80bps**
- ▶ **Scope:** Around **-€850 million** on 2023 revenues and **around -30bps** on 2023 adjusted EBITA margin, based on transactions completed to-date, particularly impacted by the exit from Russia
- ▶ **Financial costs:** Net finance costs are expected to be higher by **around €200 million** in 2023 when compared to 2022, primarily due to the additional debt related to the AVEVA transaction
- ▶ **Tax rate:** The ETR is expected to be in a **23-25%** range in 2023
- ▶ **Restructuring:** The Group expects restructuring costs to decrease towards target of **around €100 million** per year

Q3 2023 Results



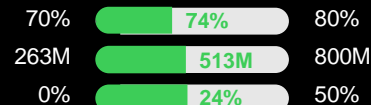
6 long-term commitments

CLIMATE



1. Grow Schneider Impact revenues*²
2. Help our customers save and avoid millions of tonnes of CO₂ emissions³
3. Reduce CO₂ emissions from top 1,000 suppliers' operations

Baseline Q3 2023 2025 Target



RESOURCES



4. Increase green material content in our products
5. Primary and secondary packaging free from single-use plastic, using recycled cardboard



TRUST



6. Strategic suppliers who provide decent work to their employees⁴
7. Level of confidence of our employees to report unethical conduct⁵



EQUAL



8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
9. Provide access to green electricity to 50M people⁶



GENERATIONS



10. Double hiring opportunities for interns, apprentices and fresh graduates²
11. Train people in energy management⁶



LOCAL



- +1. Country and Zone Presidents with local commitments that impact their communities



*Per Schneider Electric definition and methodology

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