Continued strong execution aligned with strategic growth objectives
FY23 Target reaffirmed
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

€7 billion

Industrial Automation
   Process Efficiency
 +5%
Q3 org. sales growth

€2 billion

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

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1. At constant currency, adjusted for Russia impacts  
2. Sustainability consulting and services offers are split between Digital and Field Services

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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.

On track towards meeting full-year sustainability impact targets

**CLIMATE**

SSI #3 - Reduce CO\(_2\) emissions from top 1,000 suppliers' operations

24%

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**

SSI #4 – Increase green material content in our products

27%

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**

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

44M

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.

**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.

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

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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.

**Loughborough University**

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.

**Ports America**

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.

**Harmony**

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.
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

Energy Management

- 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

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 2023 vs Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Center</td>
<td>++</td>
</tr>
<tr>
<td>Machine Solutions / OEM</td>
<td>- -</td>
</tr>
<tr>
<td>Residential Buildings</td>
<td>+</td>
</tr>
<tr>
<td>Healthcare</td>
<td>++</td>
</tr>
<tr>
<td>CPG</td>
<td>++</td>
</tr>
<tr>
<td>MMM²</td>
<td>- -</td>
</tr>
<tr>
<td>Energies &amp; Chemicals</td>
<td>+</td>
</tr>
<tr>
<td>Transportation</td>
<td>+</td>
</tr>
<tr>
<td>WWW</td>
<td>++</td>
</tr>
</tbody>
</table>

-12.2% Org. sales growth in 2022
-15.8% Org. sales growth in Q1 2023
-14.8% Org. sales growth in Q2 2023
-11.5% Org. sales growth in Q3 2023

Backlog End of December 2022
Backlog End of March 2023
Backlog End of June 2023
Backlog End of September 2023

~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

Org. sales growth in 2022
Org. sales growth in Q1 2023
Org. sales growth in Q2 2023
Org. sales growth in Q3 2023

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Energy Management – Q3 org. growth performance by geography

Split of Q3 2023 revenue by geography:

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>W. Europe</td>
<td>22%</td>
</tr>
<tr>
<td>N. America</td>
<td>38%</td>
</tr>
<tr>
<td>Asia Pac.</td>
<td>28%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>12%</td>
</tr>
</tbody>
</table>

**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

**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

**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

**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:

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>W. Europe</td>
<td>28%</td>
</tr>
<tr>
<td>N. America</td>
<td>24%</td>
</tr>
<tr>
<td>Asia Pac.</td>
<td>32%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>16%</td>
</tr>
</tbody>
</table>

**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

**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

**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

**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
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).
Q&A
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 October</td>
<td>Q3 2023 Revenues</td>
</tr>
<tr>
<td>9 November</td>
<td>Capital Markets Day (London)</td>
</tr>
<tr>
<td>29 November</td>
<td>Société Générale Premium Review Conference (Paris)</td>
</tr>
<tr>
<td>4 December</td>
<td>Goldman Sachs Conference (UK)</td>
</tr>
</tbody>
</table>

More CMD information available here:

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

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Baseline</th>
<th>Q3 2023</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLIMATE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Grow Schneider Impact revenues*</td>
<td>70%</td>
<td>74%</td>
<td>80%</td>
</tr>
<tr>
<td>2. Help our customers save and avoid millions of tonnes of CO₂ emissions³</td>
<td>263M</td>
<td>513M</td>
<td>800M</td>
</tr>
<tr>
<td>3. Reduce CO₂ emissions from top 1,000 suppliers’ operations</td>
<td>0%</td>
<td>24%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Increase green material content in our products</td>
<td>7%</td>
<td>27%</td>
<td>50%</td>
</tr>
<tr>
<td>5. Primary and secondary packaging free from single-use plastic, using recycled cardboard</td>
<td>13%</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TRUST</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Strategic suppliers who provide decent work to their employees⁴</td>
<td>1%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>7. Level of confidence of our employees to report unethical conduct⁵</td>
<td>81%</td>
<td>+1pt</td>
<td>+10pts</td>
</tr>
<tr>
<td><strong>EQUAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)</td>
<td>41/23/24</td>
<td>41/28/29</td>
<td>50/40/30</td>
</tr>
<tr>
<td>9. Provide access to green electricity to 50M people⁶</td>
<td>30M</td>
<td>+14.2M</td>
<td>50M</td>
</tr>
<tr>
<td><strong>GENERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Double hiring opportunities for interns, apprentices and fresh graduates²</td>
<td>4,939</td>
<td>x1.52</td>
<td>x2.00</td>
</tr>
<tr>
<td>11. Train people in energy management⁶</td>
<td>281,737</td>
<td>542,494</td>
<td>1M</td>
</tr>
<tr>
<td><strong>LOCAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+1. Country and Zone Presidents with local commitments that impact their communities</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Per Schneider Electric definition and methodology

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1. 2021 baseline 3/10, 2025 target 10/10
2. 2019 baseline
3. cumulated since 2018
4. 2022 baseline
5. 2021 baseline
6. cumulated since 2009