Services
Growth ambition

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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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Services in an increasingly electric and digital world

Customers needs evolve...
- Efficiency
- Sustainability
- Safety
- Cybersecurity
- CapEx to OpEx

... technology is available...
- Sensing technology
- Real-time AI engines
- Software-driven analytics
- Sustainability platforms
- Technology as a Service

... and we have a unique position
- EcoStruxure digital platform
- Deep domain expertise in Energy Management, Industrial Automation
- Strong capabilities in asset performance management, cybersecurity, energy efficiency, Power quality, sustainability
- Unparalleled installed base, with local reach and presence
Services snapshot...

~ €3 B
2018 revenues

~+6%
CAGR org. growth since 2015

15,000+
people in 90 countries

35%
North America

30%
Western Europe

20%
Asia Pacific

15%
Rest of the World

Infrastructure
Building
Data center
Industry
Ambition to consistently grow services 2x faster than group revenues

Contribute to ambition of Software and Services to be 20% of group revenue
Two models of adding value through services

**Servicing our assets and installed base**

- Field Services
  - Audit
  - Commissioning
  - Maintenance
  - Spare parts
  - Modernization
  - End of life
  - Training

Services all along the asset lifecycle

Reliability | Safety | Increased efficiency | Reduced downtime

**New efficiency enabled through Digital Services**

- Digital Enabled Services
  - Predictive
  - Asset performance
  - Cybersecurity
  - Power quality
  - Energy efficiency
  - Energy supply
  - Sustainability consulting

Not limited to Schneider assets

Effectiveness | Availability | TCO | Sustainability | Security

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Servicing our assets and installed base

Field Services

- Audit
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- Maintenance
- Modernization
- Spare parts
- End of life
- Training

Services all along the asset lifecycle

- Reliability
- Safety
- Increased efficiency
- Reduced downtime
We have an unparalleled installed base

Our leadership and global presence in mission critical applications drives a high needs for Services

#1 in Low Voltage
#1 in Medium Voltage
#1 in Secure Power

Unplanned shutdown of Oil & Gas refinery equipment COST an average of more than $40 million

Mining companies sustain a LOSS of $3,000 per hour for every equipment failure incident.

Proper monitoring of Food & Beverage equipment conditions could REDUCE CO₂ emissions by 460 tonnes per year, per site.

Preventive maintenance can SAVE building operators 18% in maintenance costs.

2017’s Hurricane Harvey resulted in estimated LOSSES of $125 B across the U.S. economy and knocked out 10,000 MW of generation capacity.

A failure of one of Delta Airlines’ data centers, in 2016, forced the airline to CANCEL about 2,000 flights and cost Delta $150M.
Our opportunity lies in increased tracking of our customer base through all touch points.

- Track new installed base by default, automatically targeting green fields.
- Leverage all customer touchpoints to collect structured brown field information.

Field Services

2018
16 M critical assets base

Tracking of critical assets base

2014
5%
2018
35%
5.6 M

50%
Critical assets tracked

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We have developed an AI-based tool to optimize servicing coverage.

- **Big data analytics engine**
- **Automatic lead generation**
- **Automatic lead allocation**

**2018**

- 16 M critical assets base
- 35% Critical assets serviced

**2014**

- 3.2 M critical asset base
- 20% Serviced critical asset base

**Powered by AI**

**Digital opportunity factory**
We prioritize opportunities based on criticality for customers.
Our ambition for growing services on our installed base

1. Improve our installed base knowledge to reach >50% of critical assets tracked
2. Increase our coverage leveraging AI to cover 35% of critical assets
3. Leverage multi-channel models to optimize critical assets serviced
New efficiency enabled through Digital Services

Digital Enabled Services

- Predictive
- Asset performance
- Cybersecurity
- Power quality
- Energy efficiency
- Energy supply
- Sustainability consulting

Not limited to Schneider assets and beyond assets

- Effectiveness
- Availability
- TCO
- Sustainability
- Security
Digital Services to create additional value

Digital Enabled Services

Connect a customer’s assets to improve their business outcome

Practice capabilities…
(solving customer pain points)

- Asset performance management
- Cybersecurity
- Energy efficiency
- Process efficiency
- Workforce performance
- Power quality
- Model management
- Sustainability consulting

…to value creation

- 24/7 customer connection
- Sticky relationship
- Outcome value creation
- New go to market model
- Cross/up sell Schneider Electric hardware and software
- Subscription-based revenue
<table>
<thead>
<tr>
<th>Customer cases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy efficiency</strong></td>
</tr>
<tr>
<td><strong>Pain point</strong></td>
</tr>
<tr>
<td>• High cost of energy</td>
</tr>
<tr>
<td>• High ratio cost/space usage</td>
</tr>
<tr>
<td><strong>Value proposition</strong></td>
</tr>
<tr>
<td>• Improve efficiency of building usage</td>
</tr>
<tr>
<td><strong>Practice</strong></td>
</tr>
<tr>
<td>• Energy efficiency</td>
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<tr>
<td>• Workforce performance</td>
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<tr>
<td><strong>Solution</strong></td>
</tr>
<tr>
<td>• Ecostruxure Building Advisor</td>
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<tr>
<td>• Ecostruxure Workplace Advisor</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
</tr>
<tr>
<td>• 20% energy saving</td>
</tr>
<tr>
<td>• Improvement of rental gain from space use optimization</td>
</tr>
</tbody>
</table>

| **Asset management** |
| **Pain point** |
| • Parts of the plant are >40 years old |
| • Unplanned fix and repair activity |
| **Value proposition** |
| • Reduce unplanned downtime |
| **Practice** |
| • Asset Performance Management |
| • Process Efficiency and Uptime |
| **Solution** |
| • Ecostruxure Asset Advisor |
| • Power Monitor Expert Edge Gateway |
| **Outcome** |
| • Asset efficiency and optimization |
| • Uptime & consistent plant operations |

| **Asset performance** |
| **Pain point** |
| • Low machines productivity and output ratio vs. competition |
| **Value proposition** |
| • Improve machine global performance |
| **Practice** |
| • Asset performance management |
| • Process efficiency |
| **Solution** |
| • Ecostruxure Machine Advisor |
| • Augmented Operator Advisor |
| **Outcome** |
| • Maintenance time reduced by 50% |
| • Machine productivity increased |
Helping customers achieve their sustainability ambitions

Digital Enabled Services

• Presence in renewable sourcing
• New top-down, go to market
• C-suite access driven by sustainability target
• Sticky and long term relationship
• Cross/up sell Schneider portfolio
• Subscription based revenue

Trusted advisor for customers’ sustainability transformation

€30 B+
energy spend under management

80 GW
power under management

500 K+
energy invoices managed monthly

430 K+
clean sites managed globally

1,800
dedicated employees across 30+ offices

120+
countries with active sites managed

430 K+
energy invoices managed monthly

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# Customer cases

## Whirlpool Corporation

**Energy and sustainability strategy**

- Achieve 2020 sustainability targets
- Save energy cost and consumption

**Value proposition**

- Strategic, coordinated approach to meeting energy and sustainability goals

**Practice**

- Strategic energy procurement
- Data collection and analysis
- Resource efficiency

**Solution**

- EcoStruxure™ Resource Advisor

**Outcome**

- $1 M saved from recyclable waste
- Zero-waste goal achieved for three Brazil sites
- Largest on-site wind power users in F500

## Albéa

**Enterprise efficiency and data strategy**

- Enable consistent action across global portfolio
- Improve energy use by 15% by 2020

**Value proposition**

- Drive organizational alignment to maximize ROI and meet savings goal

**Practice**

- Develop shared, internal goals
- Standardize and centralize data systems
- Implement energy conservation measures

**Solution**

- EcoStruxure™ Resource Advisor

**Outcome**

- €1.3 M total savings achieved
- 20% savings achieved
- 12% energy savings, 1.4-year ROI
### In a nutshell

#### A growth ambition

- A resilient growth engine
  - Growth rate: **x2** vs. group average
- Customer stickiness driving innovation close to customer needs

#### Supported by increased focus on installed base conversion

- Increased tracking of the global installed base
- Focusing on critical assets and **x2** number of assets serviced
- Leveraging AI and our partner network

#### Innovative digital offer

- Connecting customer assets to improve their business outcome
- Innovative business models developing across group portfolio
- Accelerate development of sustainability consulting services