Inventing the New Electric World

Energy Management Business
Philippe Delorme, Executive Vice President
Energy Management
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.

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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Last Investor presentation was **Energy Management**’s kick-off…

We introduced our **overall growth strategy**

And highlighted **Data Center** as a key segment
...and we delivered **Beyond Expectation**

**Energy Management**
2018

€20bn Sales

+7% Organic growth

+0.6pt org. Adj. EBITA margin @ 17.8%

**Data Center**
2018

**Our Largest Segment**

High double digit growth

Cross-selling all our offers

Co-defining new standards with web giants
Our ambition: Continue to Strengthen our Leadership

Grow faster than the market + Focus on Value Creation

By leveraging...

Innovation  Digital  Segment focus  Cross-selling  Efficiency, Pricing, Portfolio
This year we will focus on Healthcare

With our special guest

Stephen Greulich
Project Director
Real Estate, Design & Construction
Penn Medicine

who will give you a customer perspective on a recent project

The Pavilion – Penn Medicine
The most innovative hospital in the world
Energy Management takes advantage of 2 Major Trends

- Electric
- Digital
## The all Electric World

<table>
<thead>
<tr>
<th>More Electrical Sources</th>
<th>More Electrical Loads</th>
<th>Electricity as a must</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>30%</td>
<td>100%</td>
</tr>
<tr>
<td>Renewable generation by 2040</td>
<td>Electric Vehicle of total stock by 2040</td>
<td>Uptime as the goal</td>
</tr>
<tr>
<td>(BNEF)</td>
<td>(BNEF)</td>
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<td></td>
<td>Electric heating by 2035 (IEA)</td>
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<tr>
<td>More Microgrid</td>
<td>More Low Voltage &amp; Medium Voltage</td>
<td>More Secure Power</td>
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The all Digital World – leading to significant Electrical Demand

**More Digital Objects**
- 8x
- Connected devices
  - As many connected people by 2025 (IDC 2019; GSMA, UN population stat)

**More 5G and More @ the Edge**
- 50%
- at the edge
  - of the IoT processing by 2024 (IDC, 2018)

**More IT as part of OT**
- 24%
- of efficiency
  - comes from Digital (OECD/IEA, 2017)

More Connected Products
- More Secure Power
- More EcoStruxure
We see a world where our customers will increasingly have to manage these 2 Fundamental Priorities.

Future Ready …


All Electric World

Manage Energy

All Digital World

Manage Processes

Smart Buildings – Smart Data Centers
Smart Infra – Smart Cities – Smart Factories

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We are positioned for **Long-Term Success**

**An All Electric World**

**An All Digital World**

**A Multi-Local World**

1. We are the Size & Innovation Leader
2. Present all along the full Lifecycle
3. With one Enterprise Architecture: EcoStruxure
4. And a unique Multi-Local reach

**We have the means to Invent the New Electric World**
We are the **Size & Innovation Leader** of the Electric World

**Worldwide leader** of the Electric World

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

**Innovate for Simplicity**  
focus on customer service & value

Power distribution simply integrated & connected
We have been **leading Digital & Sustainable Innovation** for more than 40 years & continue to do so.

- **Smart**
  - Networked Smart-UPS

- **Efficient**
  - Acti9

- **Reliable**
  - Compact

- **Connected**
  - Masterpact MTZ

- **Sustainable**
  - SF6 Free

- **Software & Connectivity**
  - Simplify Complexity

- **Continuous Digitization**

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And we are **Building the Future** around more **Lifecycle Software**

- **Design**
  - Digital Design
- **Build**
  - Hardware: 500+ Million circuit breakers / year
- **Operate**
  - Connected Services: 1.3m assets under mgt
- **Maintain**
  - Connected Services: 1.3m assets under mgt

**Efficiency step change** in Design & Build

**Digital Commissioning**

**Scalable Software Suite**

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We are building **Simplicity** through **EcoStruxure**;
Our **Energy Management & Automation** architecture

**EcoStruxure** is our Architecture to win in **Segments**

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We can provide our **Global Customer** with **Local Installation**
And we are able to comply with **Unique Local Specifications**
Invent the New Electric World through two Business Models

- **End-user led, per segment**
- **Partner led**
End-user led
Segment focus and targeted value proposition through EcoStruxure
Customer video
Welcome

Stephen Greulich
Project Director
Real Estate, Design & Construction
Penn Medicine

Creating the Hospital of the Future
Energy Management in the New Electric World

Penn Medicine Requirements

- Power reliability
- Sustainability
- LEED Gold Certification

Schneider Electric Solution for Healthcare

- Apps, Analytics & Services
- Edge Control
- Connected Products

End-to-end Cybersecurity

Cloud and/or On Premise

Other Schneider Electric and Third-Party Connected Services

Other Schneider Electric and Third-Party Integration (Hospital ADT System)

Third-Party Connected Products (RTLS, Nurse Call, and Noise Monitoring)
Process Management in the All Digital World

Penn Medicine Requirements

• Patient and visitor care
  • Clinical systems integration
  • Personal control
  • Entertainment

• Staff focus
  • Clinical systems integration
  • Locating & tracking

• In an evolutive Smart Building

Schneider Electric Solution

Innovation At Every Level

for Healthcare

Apps, Analytics & Services
- EcoStruxure App Studio (Patient Room Control)

Edge Control
- EcoStruxure Building Operation
- EcoStruxure Edge Servers

Connected Products
- SmartX Edge Servers
- MV & LV Transformers
- LV Isolated Power Panels
- ACCO Power Control Systems
- WEG Drives

End-to-end Cybersecurity
- Cloud and/or On Premise

Other Schneider Electric and Third-Party Connected Services

Other Schneider Electric and Third-Party Integration (Hospital ADT System)

Third-Party Connected Products
- (RTLS, Nurse Call, and Noise Monitoring)
Orchestrating Partners from Design to Construction

SCHNEIDER JOINS PROJECT TEAM

Design & Specification of the overall hospital

LV/MV Integration
Panel Builder

Building Automation
System Integrator

Service & Maintenance of Electrical and Automation

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Priorities aligned
Schneider Electric and Penn Medicine

- Ensure **reliability** of Electrical Distribution
- **Optimize** the performance of the Penn Medicine ecosystem
- Impact health outcomes **locally and globally**
- **Lead** in delivering individualized medicine
- **Enrich** the life of our faculty through diversity and **flexibility**
- **Realize** Penn Medicine’s potential for **innovation**
We are using the **same recipe for solid growth in every targeted segment**

<table>
<thead>
<tr>
<th>Targeted value proposition</th>
<th>Energy &amp; Process Management through EcoStruxure</th>
<th>Cross-selling with Industrial Automation in electro-intensive segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global capabilities, competencies and support</td>
<td>Highly skilled local partner network</td>
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</table>

Segments are a significant growth opportunity, delivering **double-digit growth in 2018**
The New Electric World is already here
The Lidl Case

Customer needs
- Solar Energy
- Microgrid
- Storage
- Heat Management
- Power Management

Schneider Electric answers
- EcoStruxure™
  - Microgrid Advisor
  - Building Advisor
  - Building Automation
  - Power equipment
  - Asco offering

Energy load management and forecasts
- Cooling/Heating
- HVAC
- Lightning
- Weather Forecasts
- Energy prices
- Demand response
- Generators
- City of Järvenpää
- Lauhelämpö Kotielin
- Condensation heat
Partner led
We have the widest partner network and outstanding digital engagement
We have an **Unparalleled Global Reach** across a **600,000 strong Partner Ecosystem**

- **70%** of revenues going through partners

- **3,500** EcoXpert partners
- **120,000** Active IT resellers
- **37,000** Panelbuilders
- **370,000** Registered electricians
- **2bn €** E-commerce sell out in 2018 +20% growth y-o-y
- **43,000** Electrical specifiers
We orchestrate our **Partner Network** through our **Digital Platforms**

**Specifiers**
Design with EcoStruxure

**Panel Builders**
Deploy EcoStruxure

**System Integrators**
Integrate the solution

**Contractors**
Buy sub-package or install themselves

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**Exchange, our Digital Orchestration Platform**
The first **Open & Multi-Industry** ecosystem in the world

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We enable and support the digital journey of our entire Partner Network

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Our capillarity is **Unique, Everywhere and Unbeatable**
We are in **1 Point of Sales out of 2 Worldwide**

- **New economies**
  - +150k Since 2015
  - More than 350k Traditional Point of Sales
  - Grow / Digitize

- **Developed economies**
  - Digitize

- **eCommerce**
  - More than 400 Online Platforms
  - Grow

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Our Brands are Leading in each geography
Our Partners’ Loyalty is based on our continuous Innovation for Simplicity and Installation Performance

Innovative Products and Concepts

- **Plug-on Neutral with Qwik-Grip**
- **Modular approach to minimize stocks**
- **Screwless design safer & faster**

Innovative Digital tools

Selectors & Configuration tools

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And our Design and Channel leadership is Recognized Internationally
We have one simple equation
We are Building the Future to deliver Long Term Growth & Value in An All Electric and Digital World

Undisputed Leadership
- Widest portfolio
  - Energy & Process efficiency
  - Leading Brands & Design
  - Multi-local presence
  - Unique Reach

Building the Future
- Lead Industry Digitization
  - Innovate for simplicity
  - Build on EcoStruxure
  - Digitize Partner Network
  - Grow Lifecycle Software

Execution Discipline
- Pricing & Productivity
  - Efficiency
  - Portfolio Management

Grow faster than the market

Focus on Value Creation

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