Strong start to 2019. Growth momentum continues in Q1
Revenues up +6% organic and up +9% reported
Full Year target reaffirmed
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.
Q1 2019 Business Highlights

Q1 2019 Business Performance

Full Year 2019 Target

Appendix
Q1 2019 Business Highlights

Photos: J. Deloy – SE Design Lab
Our unique positioning: Energy and automation digital solutions for efficiency and sustainability

- Energy efficiency: Up to ~65% (Average 30%)
- Productivity: Up to -50% CapEx (integration)
- Reliability and Safety: Up to 50% Fewer incidents
- Sustainability: Aiming at 0 Carbon emissions

Serving 4 end-markets:
- Buildings
- Datacenters
- Infrastructure
- Industry
A strong start to 2019

€6.3bn, +5.9%

Group Q1 2019 revenues org.

Energy Management

Energy efficiency

+7%

€ 4.7 billion

Industrial Automation

Process efficiency

€ 1.6 billion

2019 target reaffirmed

* Excluding panels business phase down in the U.S.
Our strategy has positioned us for market outgrowth while being more balanced, resilient and agile.

**Balanced and growing across regions**

Q1 ‘19 Group revenue

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>c.28%</td>
</tr>
<tr>
<td>North America</td>
<td>c.27%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>c.16%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>c.29%</td>
</tr>
</tbody>
</table>

**Balanced across the cycle**

Q1 2019 org. growth

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td></td>
<td>+7%</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td>+9%</td>
</tr>
<tr>
<td>Western Europe</td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td>Rest of World</td>
<td></td>
<td>+4%</td>
</tr>
</tbody>
</table>

Based on previous year orders (internal estimation)

Investor Relations - Schneider Electric
Strong revenue growth in Q1 2019
Strategic priorities delivering

- Revenue +5.9% Organic growth
- More Products +3% Organic growth
- More Services +11% Organic growth
- More Software Up double-digit Organic growth
- More EcoStruxure Above group average Organic growth
- Better Systems +10% Organic growth reflecting growth in mid/late cycle demand
Execution of our strategy to focus on the core

**Strategic Partnership**

**Partnering with Carlyle in critical infrastructure**

- Providing technology for efficiency and sustainability for Carlyle Infrastructure funded projects
- Creation of a JV (AlphaStruxure) on the design and engineering for smarter infrastructure projects
- Initial projects covered:
  - JFK Airport Terminal 1 Upgrade
  - Lone Star Ports Harbor Island Crude Export Terminal

**Portfolio Optimization**

**Focusing Portfolio on the core**

The previously announced review of assets totaling c. €1.5bn to €2.0bn in revenues is in progress.

Potential actions on these less strategic assets will range, among others, from partnership to disposals.

- Q1: Sale to Transom signed
- €169m of sales in 2018
- c.+10bps accretive to the Group adjusted EBITA margin on a full year basis
- Non-cash loss on disposal of up to €250m to be excluded in net income calculation for dividend
Pillars of growth strategy

**INNOVATION**
New connected products for greater efficiency across end-markets

- Tesys Island
- Modicon M262
- Easergy P5
- Galaxy VX
- Smart UPS Li-Ion

**DIGITAL**

- **Assets Under Management** +39% YoY
- **7 new EcoStruxure Advisor apps**
- **Launch of Schneider Electric Exchange**

**SEGMENT FOCUS**
Total segment orders up double-digit in selected mid to late-cycle segments in Q1:

- MMM
- O&G
- CPG
- O&G
- MMM
- WWW

**CROSS SELLING**
Cross selling of Energy Management and Industrial Automation provides complete solutions in targeted electro intensive industries:
## BUILDINGS
**Tottenham Stadium**
London, UK

Complete Energy Management digital solution - EcoStruxure Building including BMS, Power Monitoring, MV/LV panels, EV charging & advanced monitoring for preventive maintenance:
- 20% energy savings
- 60,000 checks each hour by Building Analytics software
- Opening Ceremony 2019

## DATA CENTER
**Bluehall Intel Data Center**
Beijing, China

EcoStruxure IT & EcoStruxure Power solution for a world-class data center that’s secure, efficient, and reliable:
- Phase 3 expansion of 226-acre cloud computing facility
- Enhanced monitoring for reduced maintenance costs, and greater energy efficiency

## INFRASTRUCTURE
**Marine Corps Air Station**
California, USA

EcoStruxure Grid solution for energy security for critical facilities with renewable integration & demand-side management:
- Addition of renewable generation and energy storage to microgrid to maintain critical facilities during outages
- Upgrade of micro-grid solution delivered in ‘18

## INDUSTRY
**Cerradinho Bio Ethanol**
Brazil

EcoStruxure Plant solution with full suite of SE technology - MV/LV/SP/IA/AVEVA - for corn ethanol plant:
- Operation & engineering traceability
- Asset Management & cybersecurity
- Advanced diagnosis through Augmented Operator Advisor
- Easy maintenance & asset calibration w/ greater process transparency

---

Selection of Q1 customer successes driven by EcoStruxure
Energy & Sustainability Services (ESS), St. Joseph, Missouri USA

- Energy efficiency & infrastructure modernization project
- Energy Savings Performance Contract to fund critical improvements in city infrastructure for modernization and reduction in operational costs
- Energy and operational savings estimated to be more than $200k in first year alone

"Working with Schneider Electric gives us the best of the most modern technology, with a way to fund the upgrades …beginning the first in what we hope to be many new projects to use our energy and operational savings to work harder for our city”

-Public Works Director, St. Joseph
Our distinctive DNA is externally recognized in Q1

MEANINGFUL
Commitment to sustainability: Climate, Ethics, Circular economy, Health and Equity, Development

INCLUSIVE
Empowered Diversities; Inclusive Practices; Inclusive Behaviors; Advocacy

EMPOWERED
Lean Organization; Multi-Hub Model; The Schneider Way; #FreeUpYourEnergy
Q1 2019 Business Performance

Photos: J.Deloy – SE Design Lab
Group Q1 Revenues +9% reported, +6% organic

ANALYSIS OF CHANGE IN GROUP REVENUES (in €m)

- Based on current rates, the FX impact on FY 2019 revenues is estimated to be between +€300 million and +€400 million. The FX impact at current rates on Adj. EBITA margin could be around -10bps

- Main driver is the strengthening of USD vs. Euro

- Mainly AVEVA consolidated in scope for 2 months

Q1 2018: 5,800

Q1 2019: 6,307

+8.7%
Organic growth derived from products, systems, services and software

Organic Growth in Q1

- Solid growth driven by Buildings end-markets while Discrete industrial markets moderated
- Leveraging complete product portfolio across strong global network of partners

- Focus on profitable systems growth
- Strong growth in technologies serving mid/late cycle (Process Industries, Data centers and Infrastructure)

- Strong growth in services to datacenters and industrial customers; and in Energy & Sustainability Services
- AVEVA continues to deliver strong growth
Energy Management: strong growth, up +7.1% organic

**€4.8bn**  
75% of Group Q1 2019 revenues

Energy Management

#1 worldwide

<table>
<thead>
<tr>
<th>Q1 2018</th>
<th>Organic</th>
<th>Scope</th>
<th>FX</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,325</td>
<td>+7.1%</td>
<td>+0.0%</td>
<td>+2.5%</td>
<td>4,738</td>
</tr>
<tr>
<td></td>
<td>+9.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q1 performance highlights

- Residential and small buildings offers grew mid single-digit, benefitting from roll-out of recent launches
- Commercial and Industrial Building offers show good growth
- Cross-selling with Industrial Automation offers continues, notably in O&G and MMM, leveraging EcoStruxure
- Data Center end market continues to grow double-digit benefitting from complete powertrain solution

Quarterly organic revenue growth trend for Energy Management:
Energy Management: growing in all regions, led by North America

Org. growth

Split of Q1 2019 revenue by geography:

- **North America** +12%
  - Up double-digit, particular strength across Buildings end-market
  - Leveraging complete powertrain solution for Data Center
  - Services up strongly, led by ESS

- **Rest of the World** +4%
  - Strong growth in South America and Africa
  - Middle East down on utility markets in Saudi Arabia and residential markets in Gulf. CIS also down

- **Western Europe** +3%
  - Good growth in Italy including from residential and small building demand, and in Spain from channel initiatives
  - U.K. grew, but with uncertainty remaining due to Brexit
  - Germany declined; France down on subdued Utilities market

- **Asia Pacific** +8%
  - China delivered a solid performance helped by distributor restocking, construction growth could moderate in coming quarters
  - India delivered good growth against a high base
  - S.E. Asia and Australia performed well, notably in data center and smart grid
Industrial Automation: up c.+4%¹ in Q1, with strong growth from Process & Hybrid

**Q1 performance highlights**
- Core offers for discrete and OEM slightly up despite slowdown in some markets, as anticipated. High comps in Q2.
- Growth picture impacted by phase down of non-core and lower margin HVAC panels offer in the U.S.
- New innovative offers introduced powered by EcoStruxure.

**Industrial Automation**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>1,475</td>
<td>1,569</td>
</tr>
<tr>
<td>Scope</td>
<td>+3.0%</td>
<td>+6.4%</td>
</tr>
<tr>
<td>FX</td>
<td>+1.1%</td>
<td></td>
</tr>
<tr>
<td>25% of Group Q1 2019 revenues</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**AVEVA**:
- Double-digit growth²
- Coordinated go-to-market approach
- Great progress on integration and strong operating results

¹ Excluding the phase down of the non-core and lower margin panels offer.
² Included for 2 months as scope movement and 1 month organic in the Group results.
Industrial Automation: underlying growth in all regions

Org. growth

Split of Q1 2019 revenue by geography:

North America  c.+2% ex-panels

-4% down with impact from Panel offers phase down
- Offers for core discrete and OEM stable
- Demand from Process Industries increased, in O&G and F&B
- U.S. up c.+5% excluding the phase-down of panel offer

Rest of the World  +3%

- Good growth in South America, CIS, Africa and Central Europe; with discrete and process/hybrid growth balanced across region
- Middle East down in Gulf and Turkey

Western Europe  +5%

- Growing across discrete, hybrid and process
- France, Germany, Spain and U.K. all grew
- Machine Solutions initiatives well received by OEM end-users

Asia Pacific  +3%

- China up, despite OEM slowdown from U.S. trade situation
- South East Asia stable, with strength in process industries
- India grew across both Discrete and Process/Hybrid
- Japan down on short-cycle decline
Full Year 2019 Target

Photos: J. Deloy – SE Design Lab
In its main markets the Group currently expects the following trends:

- China faces a high base of comparison and softening OEM demand but remains a growth market in aggregate with dynamism in many end-markets including construction, infrastructure and parts of industry, though construction end-markets could moderate in coming quarters.

- In North America, the Group anticipates a continuing favorable environment.

- Other large countries in Asia Pacific continue good momentum.

- The Group expects Western Europe to grow at a moderate pace and the Rest of World economies to be contrasted based on country.
Following the strong start to the year, and taking into account developing macro-economic trends, the Group continues to expect good growth in aggregate in 2019 as it continues to deploy its strategic priorities in key markets.

2019 Target reaffirmed

2019 Target: Adj. EBITA growth between +4% and +7% organic

Levers:

2019 Revenue growth:
+3% to +5% organic

2019 Adjusted EBITA margin:
up +20 to +50 bps organic
### Key management messages…

<table>
<thead>
<tr>
<th>Group positioning</th>
<th>Digital Solutions for Energy Transition &amp; Industry 4.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>More products, More services, More software, Better systems</td>
</tr>
<tr>
<td>Balanced portfolio</td>
<td>By geography, by end-market, from early to mid-late cycle</td>
</tr>
<tr>
<td>Organic growth</td>
<td>Sustained growth to deliver Energy and Process efficiency</td>
</tr>
<tr>
<td>Portfolio optimization</td>
<td>Up to €2bn of 2018 revenues to be reviewed and addressed in 3 years</td>
</tr>
<tr>
<td>Continued margin improvement</td>
<td>Targeting c.+200bps (constant FX) in 3 years (in a normal macro-environment)</td>
</tr>
<tr>
<td>Focus on shareholder value</td>
<td>Share buyback, progressive dividend, strong governance</td>
</tr>
</tbody>
</table>
**Upcoming events:**
Proposing quarterly interaction with investors showcasing specific businesses, geographies or functions

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Apr</td>
<td>Annual General Meeting, Paris</td>
</tr>
<tr>
<td>20 May</td>
<td>EPG Conference, Miami</td>
</tr>
<tr>
<td>21 May</td>
<td>Berenberg Capital Goods Conference, USA</td>
</tr>
<tr>
<td>11 Jun</td>
<td>Exane BNP Paribas European CEO Conference, Paris</td>
</tr>
<tr>
<td>13 Jun</td>
<td>J P Morgan European Capital Goods CEO Conference, UK</td>
</tr>
<tr>
<td>26 Jun</td>
<td><strong>Schneider Electric Capital Markets Day, Paris</strong></td>
</tr>
<tr>
<td>25 Jul</td>
<td>2019 Half Year Results</td>
</tr>
<tr>
<td>5 Sep</td>
<td>Morgan Stanley Industrials CEO’s Unplugged Conference, London</td>
</tr>
<tr>
<td>TBD Sep</td>
<td>Update on Sustainability Topics</td>
</tr>
<tr>
<td>2 Oct</td>
<td>Schneider Electric Innovation Summit, Barcelona</td>
</tr>
<tr>
<td>24 Oct</td>
<td>Q3 2019 Revenues</td>
</tr>
</tbody>
</table>

Information on [www.schneider-electric.com/finance](http://www.schneider-electric.com/finance)
Appendix

Photos: J. Deloy – SE Design Lab
• **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2019 revenues is estimated to be between +€300 million and +€400 million. The FX impact at current rates on adjusted EBITA margin could be around -10bps.

• **Industrial Productivity:** While the increased level of inflation and tariffs will weigh on productivity in 2019, the Group continues to expect a strong level of gross industrial productivity.

• **Tax rate:** The ETR is expected to be in a 22-24% range in 2019.

• **Restructuring:** Restructuring costs in 2019 are expected to be around the same level as those in 2018, c.€200 million.

• **Working days:** The Group expects a negative working day impact of c. -1pt in H1 2019 that will reverse during the balance of the year.
<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA</td>
<td>EBIT before amortization and impairment of purchase accounting intangibles and impairment of goodwill</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>EBITA before restructuring and other operating income and expenses</td>
</tr>
<tr>
<td>EBITDA</td>
<td>EBIT before depreciation, amortization, provisions and before share-based compensation cost</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>Adjusted EBITA before depreciation, provisions and before share-based compensation cost</td>
</tr>
<tr>
<td>Cash Conversion</td>
<td>Free cash flow / Net income (Group share)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>Operating cash flow less change in working capital less net capital expenditures</td>
</tr>
<tr>
<td>ROCE</td>
<td>Return On Capital Employed</td>
</tr>
</tbody>
</table>
## Our megatrends 2015 – 2020 and targets 2018 – 2020

<table>
<thead>
<tr>
<th>Objective</th>
<th>Beginning 01/2018</th>
<th>Results Q4/2018</th>
<th>Results Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Score of 10</td>
<td>7/10</td>
<td>3</td>
<td>6.10</td>
</tr>
</tbody>
</table>

### CLIMATE
- 80% renewable electricity
- 10% CO₂ efficiency in transportation
- 120 million metric tons CO₂ saved on our customers’ end thanks to our EcoStruxure offers
- 25% increase in turnover for our Energy & Sustainability Services

### CIRCULAR ECONOMY
- 75% of sales under our new Green Premium program
- 200 sites labeled towards zero waste to landfill
- 100% cardboard and pallets for transport packing from recycled or certified sources
- 120,000 metric tons of avoided primary resource consumption through ECOFIT™, recycling and take-back programs

### HEALTH & EQUITY
- 70% scored in our Employee Engagement Index
- <0.88 medical incident per million hours worked
- 90% of employees have access to a comprehensive well-being at work program
- 100% of employees are working in countries that have fully deployed our Family Leave policy
- 100% of workers received 15 hours of learning in the year with 30% digital learning
- 95% of employees are working in a country with commitment and process in place to achieve gender pay equity
- 90% of white collars have individual development plans
- 95% of employees are working in a country with commitment and process in place to achieve gender pay equity

### ETHICS
- 5.5 pts /100 increase in average score of ISO26000 assessment for our strategic suppliers
- 350 suppliers under Human Rights & Environment vigilance received specific on-site assessment
- 100% of sales, procurement, and finance employees trained every year on anti-corruption

### DEVELOPMENT
- x4 turnover of our Access to Energy program
- 400,000 underprivileged people trained in energy management
- 15,000 volunteering days thanks to our VolunteerIn global platform

Objectives for Schneider Electric’s sustainability ambitions marked with a ★ raised in Q1 2019
Q1 Group revenue growing across all regions

- **NORTH AMERICA**
  - UNITED STATES: 29% (+9%)
  - CANADA: 29%
  - MEXICO: 16% (+4%)

- **WESTERN EUROPE**
  - FRANCE: 27% (+3%)
  - GERMANY: 28%
  - UNITED KINGDOM: 27%
  - SPAIN: 27%
  - ITALY: 27%

- **REST OF WORLD**
  - RUSSIA: 16%
  - SOUTH AMERICA: 16%
  - MIDDLE EAST: 16%
  - AFRICA: 16%

- **ASIA PACIFIC**
  - CHINA: 28% (+7%)
  - INDIA: 28%
  - AUSTRALIA: 28%
  - INDONESIA: 28%
  - JAPAN: 28%
Investor Relations contacts

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