Record performance in Revenues, Profitability and Cash flow
Full Year 2021 Target upgraded
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.
Agenda

04  H1 2021 Business Highlights
25  H1 2021 Financial Performance Highlights
45  2021 Target Upgraded
49  Q&A
51  Appendix
H1 2021 Business Highlights

Jean-Pascal Tricoire
Chairman & CEO
Strong demand and execution driving RECORD performance in H1

Energy Management
Energy efficiency

€14bn
+19%
Group H1 2021 revenues, org. growth

€10.5bn
+19.8%
Org.

Adj. EBITA margin
20.5%
c.+330bps
org. improvement

€3.3bn
+15.4%
Org.

Adj. EBITA margin
18.2%
c.+320bps
org. improvement

Industrial Automation
Process efficiency
Exceeding pre-pandemic levels vs H1’19

**Sales**
+6%
Org. growth vs. H1’19

Delivering:
- Growth in all 4 regions vs. H1’19
- Energy Management +7% org.
- Industrial Automation +5% org.

**Gross Profit**
+10%
Org. growth vs. H1’19

Delivering:
- Group +120 bps org.

**Adj. EBITA**
+24%
Org. growth vs. H1’19

Delivering:
- Group +220 bps org.
- Industrial Automation +120bps org.

**Net Income**
+57%
Growth vs. H1’19

Delivering:
- Basic EPS up +56% vs. H1’19
- Adj. EPS up +21% vs. H1’19
Digital solutions for **sustainability** and **efficiency**

**One Platform**

**Four End-markets**
- Buildings & Data Center c.50%
- Infrastructure & Industry c.50%

**One Model**
- Integrated
- Empowered
- Open
- Sustainable

**Electrification** + **Digitization**

**SUSTAINABILITY**
- Energy Management
  - Energy Transition

**EFFICIENCY**
- Industrial Automation
  - Industry 4.0
Leveraging our Multi-hub model for agility in H1

India 4th hub

- Strengthening our Multi-hub operating model
- L&T Electrical & Automation
  Good progress in integration

India 4th hub

- Products
- R&D
- Suppliers
- Supply Chain
- Sales

Empowered teams
Proximity to customers
Agile decision making
Strong career path for global talent

China

- Launched another R&D Center, in Beijing, dedicated to Software to drive the digital transformation of industry in China
Prioritizing customers in constrained Supply Chain environment

Taking actions to respond with agility
- Established supply chain end-to-end control tower for visibility, planning, demand analysis & capacity management
- Real-time coordination between supply chain & operations teams

Disruptions will remain a challenge in H2

Gartner’s Supply Chain Rankings (2015–2021)
Maintained ranking for 2nd consecutive year among top 5

Cost inflation
- High Demand: Scaling resources to react
- Shortages: Mainly Electronic components, Plastic situation easing
- Freight: Congested transportation channels
Powering the all-digital, all-electric world across our four end-markets

**Sustainability**
Create sustainable smart-buildings and people-oriented buildings, powered by digital helping achieve carbon neutral goals

**Digitization**
Leverage the power of connected infrastructure for more sustainable, efficient, adaptive and resilient data centers

**Electrification**
Increase sustainability and efficiency supporting mission critical infrastructure, digitizing the grid and preparing for new mobility demands

**Buildings of the Future**
Truly open automation, agnostic software and unique solutions that protect our planet are bringing tomorrow’s industries to life today
We are at an inflection point as each element of our strategic positioning gains traction.

**Sustainability**
- Carbon pledge: 1.5°C climate objective

**Digitization**
- $250bn: Global edge computing market by 2024

**Electrification**
- ~25%: Final energy consumption represented in Residential Buildings
- 54 million: Electric Vehicles on the road by 2025
- >10%: 2021-2030 CAGR Global grid spend

Boosted in the future by record stimulus packages.
Accelerating on our strategic pillars

More Products

+30% org. in Q2

More Software & Services

1.5x

Group average growth vs H1 2019

More Sustainable

strong double-digit

org. growth in Sustainability business revenues in Q2
More innovation and more natively digital products

Innovation with new product launches in H1

- Okken™ & BlokSeT™ LV switchboards
- Galaxy VL Compact 3-Phase UPS
- Easy UPS 3L
- ComPacT/ PowerPacT
- New generation of TeSys Giga series Motor Starters
- Acti9 Active
- Square D™ Energy Center
- SM AirSeT
- RM AirSet
- GM AirSeT

CONNECTABLE & SUSTAINABLE

c.1/3rd of orders growth linked to new product innovations in last 3 years
We continue to receive market recognition for our designs.

More than 20 major awards in last 12 months!
We are digital partners of our customers

Digital & Services combine in a compelling value proposition when engaging at customer C-suite level

18% of Group revenues
Growing 1.5x Group average vs H1’19
Software & Services

+48% AuM Growth
Assets under Management YoY
>5M
In H1, we enhance our digital portfolio and capabilities.

**Investment in Digital salesforce**
- AVEVA Simulation
- AVEVA ECO Design
- AVEVA Asset Information Management
- AVEVA 3D Asset Visualization
- AVEVA Enterprise Asset Management
- AVEVA Unified Supply Chain
- AVEVA System Platform
- AVEVA MANUFACTURING
- AVEVA Production Management
- AVEVA Predictions Analytics

**Completion of recent software acquisitions**
- I6E+XAO
- Q4I
- etap
- RIB

**Enhancing Digital competencies for front office personnel**
- Planar

**Transactions completed in H1**
EcoStruxure Automation Expert

World’s first software-centric universal automation system

EcoStruxure Automation Expert is Industry 4.0 ready

- Supports hardware-independent control application design
- Combine anytime information with real-time control
- Creates a new category of software-centric automation

Where the edge control layer becomes software defined

Supports hardware-independent control application design

Combine anytime information with real-time control

Creates a new category of software-centric automation

Bringing a 3-way paradigm shift to how we see automation technology

Programmable Logic Controller + Distributed Control System

Operational Technology + Information Technology

Design & Build + Operate & Maintain

Results show that we helped customers to achieve:

- 40% Engineering time reduction
- 20% Reduction of downtime
- 10% Production efficiency improvement

EcoStruxure Automation Expert

Software, analytics & services

Connected Products

Software

Hardware

Operational Technology

Information Technology

Design & Build

Operate & Maintain

Life Is On

Investor Relations - Schneider Electric | Page 17
Investing in Services capability to better harvest our installed base and enable new opportunities

**Enhanced investment in Field Services capability**

**Aimed at increased coverage of existing installed base through Digital Services prioritized by critical application**

### Field Services

- Consulting & Audit
- Asset Performance
- Modernization
- Installation & Commissioning
- Maintenance & Operation
- Spare parts
- Training
- Recovery Services
- Preventive & Predictive
- Power Management
- Cyber security

### Digital Services

- EcoStruxure Advisors
- Predictive Analytics

### Consulting Services

- Sustainability services
- Cyber security services
Empower all to make the most of our energy and resources

#1 the world’s most sustainable company

GLOBAL100
Corporate Knights

Empower all to make the most of our energy and resources

Equal
Generations
Local
Climate
Resources
Trust
Accelerated sustainability journey continues

**Score reached 3.26/10 in Q2 2021**

<table>
<thead>
<tr>
<th>Score¹</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3.26</td>
<td></td>
<td></td>
<td>3.75</td>
</tr>
</tbody>
</table>

1. 2021 baseline 3/10, 2025 target 10/10

**CLIMATE**
SSI #3 - Reduce CO₂ emissions from top 1,000 suppliers’ operations
- 91% suppliers have committed to join program and actively reduce emissions
- 917 have participated to the trainings with an appreciation of 4.5/5

**TRUST**
SSI #7 - Level of confidence of our employees to report unethical conduct
- 81% of employees feel confident to report an unethical conduct

**LOCAL**
Country and Zone Presidents with local commitments that impact their communities
- 100% countries have defined their commitments
- ~200 commitments

1. 2021 baseline 3/10, 2025 target 10/10
We are the preferred provider to enable customers to achieve climate ambitions

Strong double-digit growth for Sustainability business division

Landmark milestone reached in H1

~800M metric tons CO₂ saved/avoided (Scope 4) on our customers' end by 2025

10,000MW Advised Renewable Energy Power Purchase Agreements

>140 completed corporate PPA transactions since 2014

ROCA GROUP
Saputo Dairy Australia
GREIF
RioTinto

Life Is On
Schneider Electric
We lead by example by deploying our technologies within our ecosystem

Our Pledge

- **2025**: Carbon neutrality in our operations (with CO₂ offsets)
- **2030**: Net-zero CO₂ in our operations (no CO₂ offset)
- **2040**: End-to-end carbon neutral value chain (with CO₂ offsets, scope 1, 2, 3)
- **2050**: Net-zero CO₂ supply chain (no CO₂ offset)

Concrete actions

- Reducing CO₂ emissions of highest emitting suppliers by 50% with The Zero Carbon Project
- Attaining 100% renewable electricity by 2030 (now at 80%)
- Doubling energy productivity on our sites by 2030 vs. 2005 and delivering 150 zero CO₂ sites by 2025 (now at 30)
- Training 100% of Schneider Electric employees on Sustainability
### Key customer successes in recent months

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Solution Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.R. Horton</td>
<td>U.S.</td>
<td>Schneider integrated EcoStruxure™ Power solution in new and retrofitted Data Center</td>
</tr>
<tr>
<td>Jushi</td>
<td>China</td>
<td>Fully connected EcoStruxure™ Power solution to support customer’s plant digitalization</td>
</tr>
<tr>
<td>EDF</td>
<td>France</td>
<td>Turnkey and sustainable power solution with services contract to decarbonize and modernize aging renewable power plants during COVID-19 pandemic</td>
</tr>
<tr>
<td>Oxy Technologies</td>
<td>India</td>
<td>EcoStruxure™ Automation Expert and AVEVA offer to ensure oxygen supply during COVID-19 pandemic</td>
</tr>
<tr>
<td>Citycon</td>
<td>Finland</td>
<td>Unique and full Ecostruxure™ offer to set up new standard for Building of the Future in new flagship shopping center</td>
</tr>
</tbody>
</table>

#### Key Benefits

- **Vendor Rationalization**
  - 5-10% Energy Saving
  - c.30% Design Time Saving

- **Software-enabled**
  - +20% Operation Efficiency
  - Customer’s Sustainability Goal

- **Significant Operation Cost Reduction**
  - Role Model of Smart Manufacturing
  - 12 Years Services Contract

- **Digitally enabled**
  - Employee Safety
  - Decarbonization of Production

- **Energy efficiency**
  - Modernization of Aging Infrastructure
  - Critical Infrastructure Management

- **Sustainability Goal**
  - Role Model of Smart Manufacturing
  - Critical Infrastructure Management

- **Life Is On**
  - Turnkey Energy Solution
  - Remote Operation

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We are embracing the new normal as part of our DNA.

Thankful For Our Employee Engagement

Embracing New Ways Of Working

Deeply Committed Towards Diversity

+7 pts vs 2019

(Engagement Index)

Progressing toward our 2025 target

Building for the future, in sync with the changes happening in our markets & with our customers

Driving more efficiency, productivity & engaged workforce

Flexibility at Work Policy

Well-being in our DNA

MEANINGFUL INCLUSIVE EMPOWERED

Global Family Leave

Mindfulness at Work

Workplace of the Future

Women at Board of Directors level

Composition as of April 29th

42% women at Board of Directors level

(50/40/30)

Women at ExCom level

Composition since July 1st (vs. 38% in 2020)

44% women at ExCom level

2025 Target - Increase gender diversity, from hiring (50%) to front-line managers (40%) and leadership teams (30%)
H1 2021
Financial Performance Highlights

Hilary Maxson
CFO
H1’21 Financial highlights - Record performance in Revenues, Profitability and Cash flow

Further progress on our journey

<table>
<thead>
<tr>
<th>Category</th>
<th>Performance</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>€13.8bn, +18.7%</td>
<td>Strong rebound of demand across end-markets</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>+100bps org.</td>
<td>Achieving record Gross Profit for H1</td>
</tr>
<tr>
<td>Adj. EBITA Margin</td>
<td>+350bps org.</td>
<td>To reach a record margin for H1 of 17.1%</td>
</tr>
<tr>
<td>Adj. Net Income</td>
<td>€1.6bn, +63%</td>
<td>Rebounding to levels above H1 2019</td>
</tr>
<tr>
<td>Free Cash flow</td>
<td>€1.1bn, +12% YoY</td>
<td>Strong operating cash flow compensates for working capital needs</td>
</tr>
<tr>
<td>Net Debt</td>
<td>€7.9bn</td>
<td>Reflecting the completion of the OSIsoft transaction and strong FCF</td>
</tr>
</tbody>
</table>
Positive evolution of demand trends in Q2 and vs. pre-pandemic levels

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2’21 vs average of 2019</th>
<th>Improving trend Q2’21 vs Q1’21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Center</td>
<td>++</td>
<td>🔺</td>
</tr>
<tr>
<td>Machine Solutions / OEM</td>
<td>++</td>
<td>🔺</td>
</tr>
<tr>
<td>Residential Buildings</td>
<td>++</td>
<td>🔺</td>
</tr>
<tr>
<td>CPG</td>
<td>++</td>
<td>🔺</td>
</tr>
<tr>
<td>MMM</td>
<td>+</td>
<td>🔺</td>
</tr>
<tr>
<td>Utilities</td>
<td>+</td>
<td>🔺</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>– –</td>
<td>🔺</td>
</tr>
</tbody>
</table>

Based on non-GAAP orders in selected segments
Strong start to 2021 up +18.7% organic in H1, c.+6% vs. H1’19

Analysis of Change in Group Revenues (in €m)

Based on current rates, the FX impact on FY 2021 revenues is estimated to be between -€400 million to -€500 million.

The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around flat.
H1 Group revenue - exceeding 2019 levels across regions

**NORTH AMERICA**
- **H1'19**: +5% org.
- **H1'20**: +17% org.
- **H1'21**:
  - **USA**: above H1'19
  - **Canada**: above H1'19
  - **Mexico**: above H1'19

**WESTERN EUROPE**
- **H1'19**: +5% org.
- **H1'20**: +17% org.
- **H1'21**:
  - **France**: above H1'19
  - **Germany**: above H1'19
  - **UK**: above H1'19

**REST OF WORLD**
- **H1'19**: +9% org.
- **H1'20**: +19% org.
- **H1'21**:
  - **Brazil**: above H1'19
  - **Russia**: above H1'19
  - **India**: above H1'19

**ASIA PACIFIC**
- **H1'19**: +7% org.
- **H1'20**: +21% org.
- **H1'21**:
  - **China**: above H1'19
  - **Australia**: above H1'19
  - **India**: above H1'19
Products: Sustained strong demand throughout H1

€8.2bn
60% of Group H1 2021 revenues

+24% org.

H1’21 performance highlights

• Strong demand, particularly in shorter-cycle segments, delivers revenue growth of +24% org. in H1, up +10% vs. H1’19

• Growth supported by carryover and new price actions

• Growth of product sales across both businesses led by demand in Residential buildings and Industrial OEM

• Remained agile in dealing with supply chain pressures
**Systems:** Double-digit growth in H1 but remaining below pre-pandemic levels

**€3.1bn**
22% of Group H1 2021 revenues

**+13% org.**

**H1’21 performance highlights**

- **Systems** revenues up +13% org. in H1, but remain below pre-pandemic levels
- Strong growth in **Energy Management** resulting from strong contribution from Data Center and Infrastructure
- In **Industrial Automation**, strong growth in systems sales to OEM; Process & Hybrid growth remains weaker
- Signs of demand recovery in **Process & Hybrid** end-markets in some regions beginning to translate into sales growth
Software and Services: **Good growth against a relatively more challenging base of comparison**

**€2.5bn**
18% of Group H1 2021 revenues

+10% org.

- **Software and Services** growing +10% org. in H1’21, having been resilient in H1’20
- **Software and Digital Services** growing at ~10% in H1
  - Digital service offers growing strongly, including cybersecurity offers
  - AVEVA impacted by timing of some renewals; underlying demand remains good
  - New acquisition OSIsoft performing well (represented in Scope)
- **Field Services** also growing at ~10% in H1, against low base of comparison
- **Sustainability services** delivering strong double-digit growth

H1’21 performance highlights
**Energy Management - H1 performance highlights**

**€10.5bn**

76% of Group H1 2021 revenues

- **Organic** +19.8%
- **Scope** +5.0%
- **FX** -5.0%
- **10,487** +19.8%

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,755</td>
<td>c. +7% org. vs H1’19</td>
<td>10,487</td>
</tr>
</tbody>
</table>

**Key performance highlights**

- **Strong pace of underlying demand** in Q1 continued into Q2; price increases also contributing to sales growth in H1
- **Residential** buildings remain strong due to consumer spending, low interest rates & fiscal support in several countries
- **Non-Residential** performed well in Hospitals, Healthcare, Life Science & Warehouse/Distribution
- **Data Center & Networks** continued to benefit from internet growth, localization trends & global reach
- **Infrastructure** - continued underlying demand in transportation & electrical utilities, supported by digital grid & need for sustainability. Several customer wins for microgrid offers
- **Industry** saw strong traction with OEMs & in electro-intensive industries including CPG & MMM. O&G still down with improving trend
- **Field services** sales grew double-digit with improved site access & on-site support

**Adj. EBITA margin**

20.5% / c.+330bps org. (+340bps reported)

c. +250bps org. vs. H1’19
Energy Management - focus on Q2

Q2 Org. Growth

Split of Q2 2021 revenue by geography:

- **North America** +32%
  - All countries growing strongly against low base and despite some supply-chain constraints
  - Strong demand in Residential, Data Center & Infrastructure markets
  - Non-residential saw solid demand in medium-sized and smaller cities, but remained impacted in large cities
  - Field Services growing strongly across the region
  - Canada supported by Data Center, Mexico saw strong Residential

- **Rest of the World** +33%
  - Africa and South America each up 50%+ against low base, above pre-pandemic level; Egypt supported by large Infrastructure project, Brazil strong across end-markets
  - CIS up double-digit, above pre-pandemic level
  - Middle East grew double-digit, with Turkey performing strongly, while mid/late cycle investment in Gulf region remains depressed
  - Central & Eastern Europe up double-digit

- **Western Europe** +26%
  - Strength across all end-markets
  - France continued to perform very strongly thanks to Residential and Data Center
  - U.K., Italy and Spain also up strong double-digit (high-single digit vs. Q2’19)
  - Germany delivered double-digit growth against a relatively higher base
  - Good growth across rest of the region

- **Asia Pacific** +17%
  - Double-digit growth in China, against high single-digit base of comparison, with strong demand continuing across end-markets
  - India saw strong growth across end-markets, but remains down against 2019, in part due to health situation of Q2’21
  - Acceleration of underlying growth in Australia, up high-single digit in Q2, with strength in Residential and Distributed IT
  - Singapore and Japan performing well, above pre-pandemic levels, while several countries in East Asia remain impacted by the pandemic, though growing against low base
Industrial Automation - H1 performance highlights

**€3.3bn**
24% of Group H1 2021 revenues

- Sales into Discrete end-markets grew double-digit, led by OEM demand and manufacturing recovery in most of the geographies
- Process & Hybrid end-markets start to see initial signs of recovery in select geographies
- Ongoing electronic component supply pressures impacting certain product lines
- Industrial software impacted by high base of comparison & timing of renewals
- CPG, Utilities and MMM saw good demand
- Continued good traction in Field Services

### Key performance highlights

- **Adj. EBITA margin**
  - 18.2% / c.+320bps org. 
  - (+300bps reported)
  - c. +120bps org. vs. H1’19
**Industrial Automation - focus on Q2**

**North America**
- Very strong growth across the region against a low base, led by Discrete automation performance
- Growth in Discrete in excess of +40%, led by OEM and packaging segments
- Process & Hybrid growth remained weaker overall, but with good performance in Industrial Software
- Mexico benefitted from a strong manufacturing recovery

**Rest of the World**
- South America led the growth for the region, and was double-digit vs. Q2’19 on strength of OEM demand in Brazil, some signs of P&H demand recovery
- CIS and Middle East delivered good growth against a high base, although Process & Hybrid remained challenged in Gulf region
- Africa grew strongly, but unable to offset contraction of Q2’20
- Central & Eastern Europe grew strongly

**Western Europe**
- Strong growth in all major economies; led by Discrete automation, but with some signs of a demand recovery in Process & Hybrid
- Strong recovery in Italy, up in excess of 40%, with strong demand from machine exporters, returning to above pre-pandemic levels in Q2
- Germany and Spain grew double-digit in Q2, exceeding Q2’19 levels
- France and U.K. grew double-digit in Q2, led by OEM demand

**Asia Pacific**
- Good growth in China against strong double-digit base and despite some supply chain pressure; continued robust OEM demand across multiple segments
- Strong rebound in India from OEM, but impacted by ongoing health situation in Q2’21
- Australia down sharply, impacted by timing of Software renewals
- Japan growing well thanks to new offers, while South Korea remained impacted by weaker Process & Hybrid markets

Split of Q2 2021 revenue by geography:
- N. America: 27%
- W. Europe: 26%
- Asia Pac.: 32%
- Rest of the World: 15%
Adj. EBITA: +52% organic growth, +350 bps organic expansion

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2021</th>
<th>Reported change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>11,575</td>
<td>13,774</td>
<td>+19.0%</td>
<td>+18.7%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>4,621</td>
<td>5,704</td>
<td>+23.4%</td>
<td>+21.9%</td>
</tr>
<tr>
<td>Gross Margin (%)</td>
<td>39.9%</td>
<td>41.4%</td>
<td>+150 bps</td>
<td>+100 bps</td>
</tr>
<tr>
<td>SFC(^1)</td>
<td>(3,045)</td>
<td>(3,342)</td>
<td>+9.8%</td>
<td>+6.9%</td>
</tr>
<tr>
<td>SFC(^1) Ratio (% Revenues)</td>
<td>26.3%</td>
<td>24.3%</td>
<td>-200 bps</td>
<td>-250 bps</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,576</td>
<td>2,362</td>
<td>+49.9%</td>
<td>+51.7%</td>
</tr>
<tr>
<td>Margin %</td>
<td>13.6%</td>
<td>17.1%</td>
<td>+350 bps</td>
<td>+350 bps</td>
</tr>
</tbody>
</table>

1. Support Function Cost

- SFC/Sales ratio reduces to 24.3% from 26.3%, returning to expected levels after COVID-19 impacts of 2020
- SFC up +6.9% org., growing at much slower rate than revenues, with certain cost categories such as travel having not yet returned
- Investment continued in the Group’s strategic priorities
Gross Margin: +100bps organic in H1

- H1 Net Price +65M€
  - Pricing on products: +237M€ in H1
  - Raw Material headwind: -172M€ in H1
  - Increased headwind from Raw materials expected in H2

- H1 Industrial Productivity +194M€
  - Industrial Productivity +251M€
  - -57M€ headwind from freight and electronic components
  - Expecting further impact from freight and electronic components in H2

- Group expects ~€1bn industrial productivity (before impact of freight & electronics) in the period 2020-2022, as previously communicated
### SFC: H1 2021 continues to deliver on structural savings

**Analysis of Change of SFC (in €m)**

<table>
<thead>
<tr>
<th>Category</th>
<th>H1 2020</th>
<th>Forex</th>
<th>Inflation</th>
<th>Investment</th>
<th>Tactical savings</th>
<th>Structural savings</th>
<th>Scope &amp; Others</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>3,045</td>
<td>93</td>
<td>71</td>
<td>135</td>
<td>144</td>
<td>211</td>
<td>251</td>
<td>3,342</td>
</tr>
<tr>
<td>Mainly impact of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recent acquisitions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Partial reversal of the c.€200m tactical savings delivered in H1 20
- Structural savings on target and aligned with operational efficiency plan of c.€1bn between 2020 - 2022
Record Adj. Net Income and Adj. Earnings per share, €1.6bn and €2.92 in H1

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2021</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA</td>
<td>1,576</td>
<td>2,362</td>
<td>+50%</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>(69)</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>(221)</td>
<td>(121)</td>
<td></td>
</tr>
<tr>
<td>Amortization &amp; imp. of purchase accounting intangibles</td>
<td>(86)</td>
<td>(180)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>1,200</td>
<td>2,096</td>
<td>+75%</td>
</tr>
<tr>
<td>Financial costs</td>
<td>(172)</td>
<td>(78)</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>(247)</td>
<td>(484)</td>
<td></td>
</tr>
<tr>
<td>Equity investment &amp; Minorities</td>
<td>(6)</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Net income (Group share)</td>
<td>775</td>
<td>1,556</td>
<td>+101%</td>
</tr>
<tr>
<td>Adjusted Net income¹</td>
<td>995</td>
<td>1,621</td>
<td>+63%</td>
</tr>
<tr>
<td>Adjusted Earning per share¹</td>
<td>1.80</td>
<td>2.92</td>
<td>+62%</td>
</tr>
</tbody>
</table>

H1 2021 includes mainly the gain on disposal of the Cable Support business and some M&A / integration costs. H1 2020 was mainly M&A / integration costs.

Restructuring costs to drive the Group’s ongoing structural savings and cost efficiency plan. The Group expects some step-up in restructuring costs in H2.

Increase mainly due to recent acquisitions: including RIB Software, L&T E&A division and OSIsoft.

1: Adjusted net income and EPS calculation in appendix.
Strong Free cash flow of €1.1bn in H1, a record

<table>
<thead>
<tr>
<th>Analysis Of Debt Change In €m</th>
<th>H1 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt at opening Dec 31</td>
<td>(3,792)</td>
<td>(3,561)</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>1,459</td>
<td>2,136</td>
</tr>
<tr>
<td>Capital expenditure – net</td>
<td>(339)</td>
<td>(379)</td>
</tr>
<tr>
<td>Operating Cash Flow net of capex</td>
<td>1,120</td>
<td>1,757</td>
</tr>
<tr>
<td>Change in trade working capital</td>
<td>178</td>
<td>(605)</td>
</tr>
<tr>
<td>Change in non-trade working capital</td>
<td>(333)</td>
<td>(73)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>965</td>
<td>1,079</td>
</tr>
<tr>
<td>Dividends</td>
<td>(1,427)</td>
<td>(1,489)</td>
</tr>
<tr>
<td>Acquisitions – net</td>
<td>(140)</td>
<td>(3,958)</td>
</tr>
<tr>
<td>Net capital increase</td>
<td>(50)</td>
<td>-</td>
</tr>
<tr>
<td>FX &amp; other (incl. IFRS 16)</td>
<td>(326)</td>
<td>56</td>
</tr>
<tr>
<td>(Increase) / Decrease in net debt</td>
<td>(978)</td>
<td>(4,312)</td>
</tr>
<tr>
<td>Net debt June 30</td>
<td>(4,770)</td>
<td>(7,873)</td>
</tr>
</tbody>
</table>

Reversal of the FY20 impact on receivables and payables as we return to a growth environment, increase in inventory to service the strong demand expected in H2.

Including payment for OSIsoft and ETAP, and the buy-out of some minority holders of RIB Software.

Share buyback remained on hold in H1 2021.
Capital allocation: priorities unchanged, reinstating share buyback

1. Strong Investment Grade Credit Ratings
2. Continued focus on Dividends
3. Portfolio Optimization
4. Share Buyback: Existing program now re-instated, with extension to 2022

Near-term Focus:
- Successful integration of recent acquisitions and deliver associated synergies
- Further progress on disposal program: on track to meet 2022 timeline
- Small bolt-ons or partnerships linked to long-term strategy
Progress on integration of recent acquisitions & on disposal program in H1

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th>Disposals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Larsen &amp; Toubro</strong></td>
<td><strong>Cable Support</strong> - completed</td>
</tr>
<tr>
<td><strong>ProLeiT</strong></td>
<td><strong>US Motion Control</strong> - signed</td>
</tr>
<tr>
<td><strong>RIB</strong></td>
<td><strong>IMServ</strong> - signed</td>
</tr>
<tr>
<td><strong>Etap</strong></td>
<td><strong>Energy Management business</strong></td>
</tr>
<tr>
<td><strong>OsIsoft</strong></td>
<td><strong>Energy Management business</strong></td>
</tr>
<tr>
<td><strong>Planon</strong></td>
<td><strong>Industrial Automation business</strong></td>
</tr>
</tbody>
</table>

With these transactions, c. €800m of revenue disposed cumulatively under program.
Balance sheet remains strong - Net Debt impacted by OSIsoft completion as expected

Main impacts

- Cash element of payment for OSIsoft of €3.7bn
- Payment of FY20 dividend for €1.5bn
- H1 FCF benefit of €1.1bn

The Group remains committed to retaining its current strong investment grade credit rating

* Trailing 12 months Adj. EBITDA: Net debt as of period end
2021 Target Upgraded

Jean-Pascal Tricoire
Chairman & CEO
Expected trends for H2 2021

• Strong and dynamic market demand

• Further demand recovery in late-cycle segments

• All regions and all four end-markets expected to contribute to growth

• Ongoing uncertainties linked to the rising delta variant infections in many countries

• Potential impact of global supply-chain pressures

• Increased input costs
2021 Target upgraded

The Group upgrades its target (assuming no further deterioration linked to COVID-19 leading to significant economic disruption) as follows:

2021 Adjusted EBITA growth of between +19% and +24% organic

(Previously between +14% and +20% 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** (previously +8% to +11% organic)
- Adjusted EBITA margin up **+120bps to +150bps organic** (previously +90bps to +130bps organic)

This implies Adjusted EBITA margin of around 16.9% to 17.2% (including scope based on transactions completed to-date and FX based on current estimation).

Further notes on 2021 FX & Scope available in slide 52.
**Investor Relations ready to engage**

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>30 July</td>
<td>H1 Results</td>
</tr>
<tr>
<td>7 September</td>
<td>Exane BNP Paribas ESG Conference</td>
</tr>
<tr>
<td>8 September</td>
<td>Morgan Stanley Industrial CEOs Unplugged</td>
</tr>
<tr>
<td>9 September</td>
<td>RBC Industrials Conference</td>
</tr>
<tr>
<td>27 October</td>
<td>Q3 Revenues</td>
</tr>
<tr>
<td><strong>30 November</strong></td>
<td><strong>Capital Markets Day</strong></td>
</tr>
<tr>
<td>3 December</td>
<td>Credit Suisse Annual Global Industrials Conference</td>
</tr>
<tr>
<td>3 December</td>
<td>Société Générale Premium Review Conference</td>
</tr>
<tr>
<td>9 December</td>
<td>Berenberg European Conference</td>
</tr>
</tbody>
</table>

Information on [www.se.com/finance](http://www.se.com/finance)

Investor Relations contacts

Amit Bhalla - Head of Investor Relations, amit.bhalla@se.com

Graham Phillips - Investor Relations Director, graham.phillips@se.com

Alban de Beaulaincourt - Investor Relations Director, alban.de-beaulaincourt@se.com
2021 additional notes

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2021 revenues is estimated to be between -€400 million to -€500 million. The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around flat.

- **Scope:** Around +€900 million on 2021 revenues and around +10bps on 2021 adjusted EBITA margin, based on transactions completed to-date, and taking into account a one-time technical accounting adjustment relating to the acquired deferred revenue of OSIsoft. The underlying margin accretion of c.+30bps expected from OSIsoft on a full year basis remains intact.

- **Tax rate:** The ETR is expected to be in a 22-24% range in 2021.

- **Restructuring:** The Group expects restructuring costs of between €1.15 - €1.25 billion over three years (2020-2022) as previously communicated.

- **Industrial Productivity:** Over a three-year period (2020-2022) the Group expects Industrial Productivity of around €1 billion as previously communicated.
H1 adj. EBITA + 52% org. due to higher volumes and productivity

Analysis of Change of Adjusted EBITA (in €m)

<table>
<thead>
<tr>
<th>H1 2020</th>
<th>Volume</th>
<th>Net Price¹</th>
<th>Productivity</th>
<th>Mix</th>
<th>R&amp;D &amp; Production Labor infl.</th>
<th>SFC</th>
<th>Forex</th>
<th>Scope &amp; others</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,576</td>
<td>742</td>
<td>65</td>
<td>194</td>
<td>29</td>
<td>39</td>
<td>206</td>
<td>88</td>
<td>89</td>
</tr>
</tbody>
</table>

¹. Price on products and raw material impact
### 6 long-term commitments 11+1 targets for 2021 - 2025

#### CLIMATE
1. Grow our green revenues\(^2\)
2. Help our customers save and avoid millions of tons of CO\(_2\) emissions\(^3\)
3. Reduce CO\(_2\) emissions from top 1,000 suppliers’ operations\(^4\)

#### RESOURCES
4. Increase green material content in our products\(^4\)
5. Primary and secondary packaging free from single-use plastic and using recycled cardboard\(^4\)

#### TRUST
6. Strategic suppliers who provide decent work to their employees\(^4\)
7. Level of confidence of our employees to report unethical conduct\(^5\)

#### EQUAL
8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)  
9. Provide access to green electricity to 50M people\(^6\)

#### GENERATIONS
10. Double hiring opportunities for interns, apprentices and fresh graduates  
11. Train people in energy management\(^7\)

#### LOCAL
12. Country and Zone Presidents with local commitments that impact their communities

<table>
<thead>
<tr>
<th>2021 Target</th>
<th>Q2 2021</th>
<th>Baseline</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>70%</td>
<td>70%</td>
<td>3.26</td>
</tr>
<tr>
<td>800M</td>
<td>302M</td>
<td>263M</td>
<td></td>
</tr>
<tr>
<td>50%</td>
<td>In progress</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>50%</td>
<td>In progress</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td>In progress</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td>+0pts</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>50/40/30</td>
<td>43/26/25</td>
<td>41/25/24</td>
<td></td>
</tr>
<tr>
<td>50M</td>
<td>31.2M</td>
<td>30M</td>
<td></td>
</tr>
<tr>
<td>50M</td>
<td>294,017</td>
<td>x1.07</td>
<td>x2.00</td>
</tr>
<tr>
<td>1M</td>
<td>281,737</td>
<td>4,939</td>
<td>43/26/25</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>3.75</td>
</tr>
</tbody>
</table>

\(^1\) 2021 baseline 3/10, 2025 target 10/10  \(^2\) baseline 2019  \(^3\) cumulated since 2018  \(^4\) program in development  \(^5\) baseline 2021  
\(^6\) cumulated since 2008  \(^7\) cumulated since 2009
### Adjusted Net income calculation

<table>
<thead>
<tr>
<th>In €m</th>
<th>H1 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA</td>
<td>1,576</td>
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</tr>
<tr>
<td>Amortization of purchase accounting intangibles</td>
<td>(86)</td>
<td>(180)</td>
</tr>
<tr>
<td>Financial Costs</td>
<td>(172)</td>
<td>(78)</td>
</tr>
<tr>
<td>Income tax with impact from adjusted items</td>
<td>(317)</td>
<td>(505)</td>
</tr>
<tr>
<td>Equity investment &amp; Minority Interests</td>
<td>(6)</td>
<td>22</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>995</td>
<td>1,621</td>
</tr>
<tr>
<td>Adjusted EPS (€)</td>
<td>1.80</td>
<td>2.92</td>
</tr>
</tbody>
</table>