CORPORATE PARTICIPANTS

Amit Bhalla Schneider Electric S.E. - Vice-President of Financial Communication & IR
Hilary Barbara Maxson Schneider Electric S.E. - CFO
Jean-Pascal Tricoire Schneider Electric S.E. - Chairman & CEO

CONFERENCE CALL PARTICIPANTS

Alasdair Leslie Societe Generale Cross Asset Research - Equity Analyst
Andre Kukhnin Crédit Suisse AG, Research Division - Mechanical Engineering Capital Goods Analyst
Andreas P. Willi JPMorgan Chase & Co, Research Division - Head of the European Capital Goods
Eric A. Lemarié Bryan Garnier & Co Ltd, Research Division - Research Analyst
Gael de-Bray Deutsche Bank AG, Research Division - Head of European Capital Goods Research
Guillermo Peigneux-Lojo UBS Investment Bank, Research Division - Executive Director and Industrials Analyst
Jonathan R. Mounsey Exane BNP Paribas, Research Division - Analyst of Capital Goods
Martin Wilkie Citigroup Inc., Research Division - MD
Shane Patrick McKenna Barclays Bank PLC, Research Division - Research Analyst
Simon Toennessen Jefferies LLC, Research Division - Equity Analyst

PRESENTATION

Operator
Welcome to Schneider Electric’s half year results with Jean-Pascal Tricoire, Chairman and CEO; Hilary Maxson, Chief Financial Officer; and Amit Bhalla, Head of Investor Relations. Thank you for standing by. (Operator Instructions) I would like to inform all parties that today’s conference is being recorded. (Operator Instructions) I will now hand over to Amit Bhalla.

Amit Bhalla - Schneider Electric S.E. - Vice-President of Financial Communication & IR

Well, thank you, operator. Hello, and welcome to everybody. I appreciate your time this morning. We’re recording today from -- we’re recording live in fact, from Paris and all in the same location joined by Jean-Pascal and Hilary. We'll go through the presentations and make sure to leave enough time for Q&A. Just a word on the disclaimer on Slide 2, as always. But I'm going to hand over to Jean-Pascal.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Thank you, Amit. Hi to all of you. I hope you all stay well in those times of busy times of a lot of troubles, but more so of combined -- still in COVID world, combined with a strong economic global recovery.

I have to say, I'm extremely happy to be together finally with Hilary and Amit in the same room to report on H1 results. We are going to go -- I'm going to go through the business highlights now. Then Hilary will go into the financial details. And then, we're going to speak about the targets that we are -- guidance, sorry, that we are upgrading once again after the preliminary upgrade we have done in Q1.

So now let's look at the main headline figures of this H1 2021. And I -- the way to define it is that it's a string of historical highs in the history of the company. First, very strong growth at 19% on the total of H1. Q2 in itself at plus 24%, signing very strong recovery from H1 and Q2 of last year. Both of our business, Energy Management and Industrial Automation, are participating to that strong growth. But most important, both of them
showed a very strong profitability improvement, up more than 3%, 330 bps for Energy Management, 320 bps for Industrial Automation. And all in all, with a good containment of our central cost means an adjusted EBITA margin for H1 at 17.1%, an increase of 350 bps with respect to last year.

Let’s pause one sec on this 17.1%. You remember that we had committed as a company to increase our margin from 15% to 17% by the end of 2022. We reached this threshold 18 months in advance at the end of H1 2021. So it’s an important milestone in our plan of progress on our plan of transformation, which is signaling also the important transformation of the portfolio of Schneider.

Two figures, which are not appearing here, which is the increase of our net profit, above 60%, and Hilary will speak about that. And I think the ultimate quality signature of this first half is the cash generation, which, while we are in a very strong growth time, is improving at above EUR 1 billion by 20% respect to H1 last year. Again, all of these are historical highs.

Now we know that the base of comparison of 2020 has been deeply impacted by the COVID with a lot of volatility around the world. So what we’ve chosen at Schneider is always to compare to the last stable year, which was 2019. And if we take a reference back to 2019, the growth -- the organic growth with respect to H1 2019 is still impressive at plus 6%. And what is really impressive that we grow in all 4 regions of the company. And pretty much similar growth in Energy Management and in Automation, plus 7%, plus 5%.

Second marker is the continued transformation of our portfolio towards higher margin kind of businesses, and we signed over 2 years an improvement of the gross margin of 120 bps. Adjusted EBITA, an improvement from ‘19 to ‘21 on the first half of 24%. But what I find impressive is the increase of profitability by more than 2%, plus 220 bps, this time mostly carried by Energy Management, plus 250 bps and Industrial Automation also comes with a very strong plus 120 bps through that turbulent crisis or turbulent times of the COVID crisis.

And finally, net income, and increase of 57% with respect to H1 2019. EPS up 56% and adjusted EPS, up 21%. So all of this signed a very strong performance all across economic parameters of this first half.

Now I want to go with you through 6 major points which explain this performance. The first one is the fact that Schneider is a very focused and very integrated company. And we offer or we bring to our customers digital solutions for sustainability and efficiency. Combining Energy Management and Automation Solutions, energy solutions based on low carbon electrification for sustainability, digitization being the ultimate tool and the most efficient tool to efficiency, all of this combined into one integrated architecture, EcoStruxure.

Over the past 15 years, we've rebalanced our portfolio to be extremely well balanced in terms of end segments: 50% in building and data centers; 50% in industry and infrastructure. And extremely well balanced in terms of geographies with a very global presence. And this focused integration and balance has helped us, on one side, for resilience in 2020, on the other side, to capture every growth opportunity in 2021.

Second reason is a fundamental choice that we made a number of years ago to believe that, of course, the world will be global, but the world also would be more and more local, on creating that unique model of operation of ours, which we call multi-hub or multi-local. And H1 2021 has been really important from that point of view because the COVID has entailed on the top of trade divergences or digital divergences. It has entailed sanitary divisions.

So we've reinforced this local and regional aspect of ours. And especially, we are now creating the fourth global hub of Schneider in India by merging together Larsen & Toubro and Schneider Electric India and create very considerable force, inclusive of R&D, supply chain, supplier ecosystem and export capabilities in India. Worth noticing also is the development of software R&D centers in China, assuming that the digital landscape in China is not the same as in the rest of the world, and we want to develop local softwares for this local and fast developing environment in China. This R&D center will be based in -- is based in Beijing.

The third reason for our performance is supply chain. And it's been difficult in H1. And it's been difficult, I would say, across the past 18 months, dealing with all the unforecastable conditions created by COVID and then dealing with a very strong recovery in H1, which I explained, 19% growth. So our teams on the supply chain have been really working all together with all of our suppliers. Remember that 70% of our added value is done with partner suppliers to make sure that we would do the best we could do to support the growth and the ambition on the recovery of our customers. We've been honored to be, once again and for the second year, recognized by Gartner as the fourth most performing supply chain in the world.
But let’s face it, it’s been a lot of complicated situations that we’ve been dealing with in front of high demand, in front of shortages in plastics, in microelectronics. We see the plastic situation really resolving now, but the situation in semiconductors remain anyway tense.

But we prioritize on our customers in a very constrained supply chain environment. There again, the model of operation that we have, which is to have a global supply chain structured around regions and really trying to have regional setup that serve regional customers, has been helpful, as it relies less on transportation, which were one of the bottlenecks of H1 and where it is much more reactive and much easier to work between local players.

Fourth reason, which is probably the most important, we see that the 18 past months have been a fundamental point of inflection for the fundamentals of our strategy, which is to be the digital partner of our customers for sustainability, funding our technological solution of the convergence of digitization and electrification. This address in building data centers, infrastructure industries, a very focused set of end segments. And clearly, the past 18 months have been a fantastic acceleration and tailwinds to those fundamentals.

Sustainability, we’ve seen really a great number of companies taking carbon pledges to go and to participate to the effort to reduce temperature increase below 1.5 degrees, a number of coalitions. And we are the natural partners of those companies are there in the journey to carbon neutrality or net zero.

The COVID has been a massive acceleration of all of us to use digitization. And this applies, of course, to our technology, whether be collaborative design platforms, like IBD or 3D, to remote operation in the field of any kind of operations. And we’ve seen really that the world has realized that electrification was the only path to decarbonation. The most fashionable or visible part of it being the transition to electric vehicle. But electric vehicle being still a small stake in respect to what we see as a potential in homes and buildings, particularly managing air control, temperature control, especially heating in a number of countries.

And all of those fundamental trends are getting even more accelerated by the diverse stimulus packages, which are taking place around the world, acknowledging that those stimulus packages, in many cases, have barely started to impact the market.

The fifth point is really the discipline on continued implementation of our strategy. And this is a strategy we’ve been now sharing with you for the past 5 years. and it’s expressed in very simple terms: more products; more software and services; and more sustainability.

And if you look at Q2 and H1, while plus 30% in products in Q2, plus 24% in H1. So products, we keep relying more and more about with -- on our local partners to develop more product sales. We develop solutions, and then we make them available to our network of partners. More software and more services, which over 2 years since 2019, have been growing 1.5x the average of the group. And sustainability has scored a very strong double-digit growth over Q2 of this year.

Let’s start with more products. And we’ve launched in the past 18 months a flurry of new products. And those products have 2 characteristics. All of them are natively connectable. I would single out a few examples like our new family of volatile circuit breakers that you can really connect natively to our cloud or to anybody’s cloud. I would single out PrismaSeT Active, which is also, as a panel, low-voltage panel natively connected. And in terms of sustainability, all of those products are bringing sustainability.

And the best example of that is a revolution that we bring into Medium Voltage by getting rid of SF6, in an industry which has historically been using only the gas to deal with electrical issues. We estimate that in our present order intake, 1/3 of the orders are coming from products that we have launched in less than -- in the recent 3 years.

70% of the offer that we have today qualify as green offers, in the sense that they bring energy efficiency. They participate to the grid robustness. They participate to circularity. And they have themselves green characteristics of recyclability or usage of materials.

Numerous recognitions for the design of our products, which, as you know, has been a continuous effort over the past 10 years. And that drives us to the second pillar of the execution of our strategy, which is more software and more services.
And we've been sharing with you that we see a continued flywheel between software, digital and services, whereby service allow us to connect
more products. More products create more capabilities for our customers to make predictive or preventive maintenance, which triggers more
services. So today, we keep saying the proportion of what we do in software and services increasing to 18%. And over 2 years, we see that part of
our business growing by 1.5x the average of the group.

Those 2 business, field services and software, are extremely important for us because they bring us into the life cycle of our customers. We go
beyond the CapEx, into the OpEx of our customers, and keep building and nurturing 24/7 on -- along the life cycle relationship.

Another strong signature of what we do here is a number of assets that we've connected in H1, an increase of roughly 50%. And we have now EUR
5 million of assets -- more than EUR 5 million of assets, which are connected. And we've been very active, as you know, in the past 18 months to
keep building our digital portfolio, acquisition of ProLeiT, RIB, ETAP, of OSIsoft, of course, strategic participation in Planon, in Uplight. And in H1
itself, we closed OSIsoft on ETAP. And we are now in the position to build bridges and connections between AVEVA and Schneider portfolio and
the portfolio of those 2 companies. At the same time, organically, we build more capabilities in our salesforce. And we build more digital competencies
in the whole of Schneider.

In the last CMD of AVEVA, Peter Herweck, the new CEO of AVEVA, explained the whole integration of the portfolio. It's a good image of what we
are doing everywhere at Schneider in the integration of our software to propose a unique chain of a digital twin all over the life cycle of installation,
from design, into building, into commissioning, into operation and maintenance.

The core of our IoT architecture is EcoStruxure. And the most evolved part of it is EcoStruxure Automation Expert, which is the first software-defined
automation systems, delayering automation systems on creating a direct relationship or direct connection between the software layer and smart
and connected objects on the field on hardware, which brings 40% engineering time reduction, 20% reduction of downtime and 10% production
efficiency improvement.

So we are building with our digital software portfolio and with that delayering of vehicle structure and architecture which makes life of our customers
much more efficient are much more easy to design and operate their installations.

Services now, which benefit a lot from digitization. As you know, we still have a huge potential to develop services as we go forward. And the COVID
time has revealed that it was not only about efficiency, but customers were really more aware of the need for safety, the need for resiliency, and
of course, the need for sustainability. So still a lot of runway for this business of services.

And now logically, we move to the third pillar of our strategic deployment, which is more sustainability. A reminder, of which we are quite proud,
is to have been singled out by Corporate Knights at the beginning of the year as a world most sustainable company. But it's not the only recognition
that recognizes a pioneering role of Schneider in having a different view of the energy world, a view where the first priority is efficiency and
decarbonization.

We launched at the beginning of the year our new Schneider Sustainability Impact. You know that every 3 years, we've launched a new scope, new
ambition in this sector. And we are raising again the bar on measuring. We are on track respect to our plan after 2 quarters of this period of 3 years.

We are also accelerating on the ramping up what we do for our customers in their journey to carbon neutrality, in their journey to net 0. And we
have committed to, in average, say, for our customers 100 million metric tons of CO2 over the next years. We have also reached a milestone that,
since we started this activity in 2014, we have advised customers for 10,000 megawatts of renewable energy power as their adviser for purchase
agreement, which is equivalent to 300,000 million tons of carbon.

And you have a few examples here of customers in this slide that we are helping in diverse fashion: first, on their journey to efficiency using digital
and electrification; and second, sourcing or producing their own energy based on micro grid and solar renewable; and helping many of them to
source the best source of energy, the cheapest and the greenest to make sure that, like we do at Schneider, they are aiming to go to renewable
energy as a main source of the electricity.
We have taken our own pledge: carbon-neutrality by 2025; net 0 on our own operation by 2030; and including the Scope 3, that means mostly our suppliers, being carbon neutral net 0 by 2040 and 2050.

I want just to emphasize one point here because the other elements were already public. But the fact that we have been associating our strategic suppliers to this approach, because our suppliers represent 90% of our carbon footprint, in what we call the 0 carbon project to help them reduce by 50% their emission in the next 5 years. Commitment on our side, to go for 100% renewable electricity, we are now at 80%, double our energy productivity. And make sure that everybody at Schneider is trained to the stakes of sustainability.

Based on all of this, we've been really accompanying our customers on their journey to more sustainability and efficiency, would it be with green data centers like for D.R. Horton, helping industrial companies to decarbonize their installations or like in Finland, with Citycon, realizing a flagship carbon neutral building, mixing together building control, energy control, microgrid, solar, storage, of course, combined into one consistent architecture.

And I would like to share with you the 6 point of why we deliver such results. A point of which I'm extremely proud and very thankful is the engagement of our people. Our people, whatever, the succession of crisis, they had to face lockdowns, which are still going on as we speak. COVID is still ranging in some geographies of the world. I want to think about Indonesia, but large part of Southeast Asia at the moment.

Well, the engagement of our people has been increasing. Our people have been present in the factories. They have been present in the service teams. Our people feel mobilized by our value proposition, having a meaningful mission, working in an inclusive environment, being made responsible at the local level and what they have to do. and working in balance on inclusive environment, where we lead by example from the top, where both our Board and our executive committee are almost or are trending to gender parity.

So those are the 6 reasons, which, among others, but mostly are justifying of that performance.

And now to go more in the details, I would like to hand over to you, Hilary.

Hilary Barbara Maxson - Schneider Electric S.E. - CFO

Thanks, Jean-Pascal, and good morning, everyone. Great to be here with you all. And finally, with Jean-Pascal, Amit and I together in one location, actually, a first for me on one of these calls.

I'll start with a few highlights from the first half.

On our first quarter call earlier this year, I told you that the key theme was growth, driven both by strong market dynamics and also our strategic choices and positioning that have put us in such a great position to capture opportunities. Now at the first half, you can see that theme certainly continues and is also paired with record performance in margins and cash flows.

We finished the half with revenues at EUR 13.8 billion, a record, and organic growth of 18.7%. Adjusted EBITA is at EUR 2.4 billion, up 350 basis points organic, leading to adjusted EBITA margin of 17.1%, both records for the half. Adjusted net income was at EUR 1.6 billion for the half, up 63% from 2020 and also strongly above H1 2019 levels. And we drove strong free cash flows of EUR 1.1 billion, up versus last year despite working capital reversals to support the growth. And I'll give some more details on all of these results as well as on our net debt throughout the presentation.

We introduced this slide on our last call to share with you some detail on the dynamics in our key segments based on our own order trends. At the time, we'd compare the evolution versus the trailing 3 quarters.

As you can see now, order trends remain very strong and are improving versus Q1 as well as versus 2019. Key highlights in the second quarter being continued strong positive growth in data center, OEM and residential, plus a pickup in growth in Q2. Again, this is in orders, in consumer packaged goods, mining, utilities and oil and gas. In oil and gas, we continue to see positive progression in orders, although we're not yet positive versus 2019. And as you can see from the chart, we are now positive versus 2019 in all others.
Turning now to revenues.

We continue to see strong momentum across the first half, with organic growth of 18.7% versus last year and plus 6% versus 2019. This drives us to record revenues for the first half of close to EUR 14 billion, supported by all regions. We also continue to see strongly positive scope impacts, further boosted by the closing of OSIsoft at the end of March. FX impacts continued negative, around minus EUR 470 million for the first half, mainly due to the strengthening of the euro against the U.S. dollar. Based on current rates, we'd now expect full year FX impacts to be -- to the top line of around minus EUR 400 million to minus EUR 500 million, with impacts to adjusted EBITA remaining around flat.

I now turn to revenue by geography. And you'll notice we focus a lot of our discussions in this presentation on comparison with 2019, in addition to comparison versus 2020, which was obviously significantly impacted due to the pandemic. As Jean-Pascal said, as a management team, we've been focusing both on year-over-year results, but also versus 2019 to better track business recovery and momentum.

So here versus 2019, you can see we're tracking well across all geographies and we've now swung to positive revenue growth in all regions. I'll highlight here that out of our top 15 countries or clusters, we've now turned to positive growth versus H1 of 2019, with the exceptions just of India, which grappled with a serious rise in coronavirus cases in Q2, and Australia. South America, China, Mexico and Canada all performed particularly strongly versus 2019.

Product sales continued quite strong, up 24% for the first half versus 2020 and plus 10% versus 2019. Part of the plus 24% organic growth, around 3 points is due to pricing, with the rest driven by market demand and shorter cycle segments, like residential, OEM and small and medium buildings. Globally, distributor stocking was at around normal levels at the end of H1.

In Systems, we continued to see recovery in sales, with a more pronounced recovery in orders in our longer-cycle segments, as I discussed in the segment slide earlier. System sales were up plus 13% for the first half versus 2020 and were now at minus 4% versus 2019. In the first quarter, this was around minus 5%. We see strong demand across most of Energy Management systems driving positive sales, with Process segments still tracking negatively.

Turning now to software and services, which is a key strategic focus for us. You'll recall, our portfolio of software and services showed great resilience and contributed to our financial performance in 2020. Accordingly, we have a relatively strong baseline for 2021. Despite that, software and services was up plus 10% organic and is now up 9% versus 2019.

Field services grew around 10% in the first half, with good contributions from both businesses. Software and digital services also grew around 10%, supported by strong performance from EcoStruxure and our sustainability advisers. AVEVA continued to be impacted by the timing of some renewals, but with a good level of underlying demand. And I'll mention that OSIsoft is performing very well in its first months after close, shown as a part of scope in our reporting.

Turning now to by business. Revenues in Energy Management continued with strong growth in the half, finishing at EUR 10.5 billion, a record, and close to 20% organic growth. And we drove adjusted EBITA margin of plus 330 basis points. Price was a strong contributor to sales, with less impact on adjusted EBITA, as cost increases in RMI, electronics and freight accelerated in the second half of Q2 as expected. In addition to price, revenues were boosted by continued positive trends in residential construction and renovation, nonresidential building, particularly technical buildings like hospitals and warehouses and data centers. Electro-intensive industry segments like OEM, mining and consumer packaged goods also showed growth.

Specifically focusing on Q2, revenues in Energy Management grew by 25.7% organic due in part to the low baseline in 2020, but are also up plus 6% versus Q2 of 2019. This growth is driven by all geographies, with only India, parts of East Asia and Middle East still negative to 2019, with Middle East close to flat. North America grew 30% or 32% organic, with U.S., Mexico and Canada all strongly positive, driven primarily by residential and data centers, with good growth in other segments and end markets as well.

North America does continue to be impacted by supply chain constraints in the face of high demand, and we now expect supply chain pressures to continue there into the second half. Western Europe grew 26% organic, again, driven by broad-based demand, particularly in residential and...
data center, with France, Italy and Spain, all growing at greater than 40%. Asia Pacific grew 17%, off of a stronger baseline in 2020, with China delivering double-digit growth despite a strong comparable and India continuing very strong.

Despite this, India continues negative versus 2019, in part due to the health situation there during Q2, which is now getting better. East Asia primarily swung to growth in Q2, but lags other geographies due to continued impacts from COVID and where we do see a market increase in COVID cases in the past 2 weeks. And in Australia, we continued to see sequential growth and are now positive versus 2019. Rest of World grew 33% organic, with Africa and South America strongly positive.

Industrial Automation continued strongly positive, finishing the half at EUR 3.3 billion in revenues, also a record, and with organic growth north of 15%. There’s a big step-up in contribution from scope versus the Q1 with the closing of OSIsoft and the strong results we saw there. Adjusted EBITA finished at 18.2%, up 320 basis points organic. Price was a contributor to sales, along with continued positive dynamics in discrete markets, driven by OEM.

Process & Hybrid sales continued more challenged, although we start to see the expected pickup in sales in Europe and South America, based on the turnaround in orders we’ve seen there over the past few quarters. And as I mentioned earlier, demand continues to sequentially improve in consumer packaged goods, mining and oil and gas.

And AVEVA, which is reported within Industrial Automation, was impacted by a high base of comparison and timing of renewables. Shortages in electronic components had some impact to Industrial Automation sales, particularly in the second quarter. And we now expect shortages in electronics to continue into the second half. Electronic component shortages have a relatively higher impact on Industrial Automation than Energy Management.

Q2 revenues in Industrial Automation grew 18% organic, due partly to a lower baseline in 2020, but are also up plus 6% versus Q2 of 2019, with all regions positive to 2019, except Western Europe.

In North America, sales grew 40% organic, with strong growth in all 3 countries in discrete automation, driven strongly by OEM and packaging. Process and hybrid were positively impacted by AVEVA sales, with all other offers turning flat in the Q2. In Western Europe, revenues grew by 24% organic, driven by discrete markets, led by France and Italy, but also with some recovery to positive growth in sales in process and hybrid, led by U.K. and Germany.

Asia Pacific grew 3% against a stronger baseline in 2020 and with some supply constraints impacting China. Despite this, China continued with mid-single-digit growth versus Q2 2020 and greater than plus 20% growth versus 2019. India grew quite strongly, although still hasn't flipped to positive growth versus 2019, exacerbated by the health situation there in Q2.

Australia was significantly down for the quarter due to the timing of a software renewal. And Rest of World was up 22%, with positive results across the region, particularly driven by South America, Africa, Eastern Europe and Russia, and primarily in discrete automation.

Turning now to the P&L. We saw organic growth in our adjusted EBITA of plus 52% to EUR 2.4 billion, also a record, driven by our just detailed growth in revenues as well as continued expansions in gross margin and operating leverage. And I'll go into more detail on those in the next slides. Our adjusted EBITA margin was 17.1% for the first half, plus 350 basis points organic.

A key contributor to our strong adjusted EBITA performance is continued positive progression in gross margin, which improved by 100 basis points in H1. The first factor driving this performance is price. You can see that despite RMI turning strongly negative in the first half, we continue with positive net price of plus EUR 65 million. And I'll note the price number here is only for our products business.

So another part of the offset to RMI for our systems business appears in this graph as part of mix. We do expect the negative impacts of RMI to accelerate in the H2. Our mix continues positive, driven primarily by continued relatively stronger growth in our products business and price actions in our systems business.
Productivity remained strong at EUR 194 million even after taking into account increasing costs in electronics and freight, which for H1 were around EUR 57 million. These elevated costs are expected to continue, and we do expect lower contribution from productivity in H2. However, excluding increase in costs from electronics and freight, we do expect to remain on track for around EUR 1 billion in gross productivity from 2020 to 2022.

And as I’ve mentioned a number of times, we are focused on these cost headwinds, and we’re engaging pricing strategies to ensure we’re net price neutral to positive, including increased costs due to RMI, electronics and freight over the cycle.

The second key driver of our adjusted EBITA performance is our operating leverage where we continued to focus on our structural cost savings program. As expected, we see a turnaround in tactical savings of EUR 144 million in the H1, part of the around EUR 300 million in tactical savings we drove in full year 2020. We do expect to capture some of that tactical savings permanently by changing the way we work.

But we'd expect to continue to see reversals of tactical savings in H2, particularly with the reopening of travel in many parts of the world. More than offsetting that reversal in tactical savings is EUR 211 million contribution from our structural savings program, including simplification and digitization of our processes and rationalization of our real estate footprint. And we're on track to deliver cumulative savings of around EUR 1 billion between 2020 and 2022.

Investments also remain a focus. And we expect to continue to make targeted investments, particularly in R&D and services to support our future readiness.

Turning now to net income.

Including scope and FX, our adjusted EBITA is up plus 50%. Below the line, our other income and expense was positively impacted by a gain on sale from the disposal of our cable support business in H1 and marginally lower M&A integration costs. Restructuring costs are at EUR 121 million for the H1, with some timing impacts. We would expect some step-up in restructuring costs in the H2.

And we previously provided our expectations on the range for our restructuring costs through to 2022. Amortization to purchase price accounting intangibles stepped up as expected due to acquisitions closed in 2020 and H1 2021. And we’d expect it to continue to increase as we get to the full year impacts of acquiring those businesses.

In financial costs, our cost of net debt decreased slightly due to lower interest rates.

And financial costs also decreased due to onetime items in last year’s H1. Our effective tax rate remained flat to H1 2020 at 24%. And this all translates into net income of EUR 1.6 billion, up 101%. Our adjusted net income, so excluding other income and expense and restructuring, is up 63% for the half, and adjusted EPS is at EUR 2.92 per share, both at record levels, driven by our strong operating results.

Our free cash flow is also at record levels for the half, coming in at EUR 1.1 billion, driven by strong operating cash flow. As expected, impacts from trade working capital increased year-over-year to support the increase in demand. However, net working capital as a percentage of sales decreased due to our continued focus on management of our receivables, payables and inventory.

Turning now to capital allocation. Regarding capital allocation, our priorities remain unchanged. Top priorities are maintaining our strong investment-grade credit ratings and a continued focus on return to shareholders, starting with dividends. And I’ll comment on our portfolio optimization specifically on the next slide.

Lastly, aligned with our top priorities, after the H1 strong free cash flows and based on our expectations of cash flows going forward, we’ve decided to reopen our share buyback program and expect to repurchase the remaining EUR 1.2 billion to EUR 1.7 billion in shares between now and the end of 2022.
In terms of portfolio, we continue to close on key strategic transactions previously announced, including OSIsoft through AVEVA, and ETAP, part of Energy Management Software. We remain focused on the successful integration of these acquisitions, with good early news from OSI, as I mentioned earlier.

Disposals remain an important part of our strategy, with another small transaction of a business in the U.K. signed yesterday. This now puts us at around EUR 800 million of our EUR 1.5 billion to EUR 2 billion target, that’s in sales, by the end of 2022.

And I’ll finish with a quick note on our debt ratios. As expected, our net debt to adjusted EBITA ratio increased to 1.4x due to the closing of OSI for around EUR 3.7 billion in cash. We expect net debt to adjusted EBITA to decrease in the H2 based on operating results.

With that, I’ll turn back to Jean-Pascal to give an update on our 2021 full year expectations.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Thank you, Hilary.

So as we look at the rest of the year on projects ourself till the end of the year, what we see and what we see for H2 2021 is still a very strong dynamic market demand, which we see also in the order books that we have, further demand recovery in late cycle segments, which is coming as a nice relay to what was early cycle in the past months. We see that all regions on all 4 end markets will contribute to growth.

Of course, we integrate in our guidance the ongoing uncertainties linked to the rising Delta variant, which is, in fact, the infection is still important in many countries. We see and we integrate the potential impact of supply chain pressures. And we integrate the important increase of input costs, which we realize most of it will happen in H2 and will impact, of course, our P&L.

With that, for the second time, after our upgrade of Q1, we upgrade our guidance. While assuming there is no further deterioration linked to COVID, but the upgrade is as followed, 2021 adjusted EBITA to grow between 19% to 24% organic. Remind you that it is significant from the last upgrade, which was a growth between 14% and 20% organic. And we see that as a combination of growth that would be in between 11% to 13% organic. Remember, the previous range was 8% to 11%. And an adjusted EBITA margin up [120 bps] (corrected by company after the call) to 150 bps organic, while the previous range was 90 bps to 130 bps.

So a vision that the year remains in a complicated environment, extremely dynamic, with a good momentum based, as I said before, on the fundamental of our strategy, on the uniqueness of our model of execution, and based on the very, very strong – well, disciplined execution of our strategic priorities around products, software, services and sustainability. And finally, based also on the fact that during the past 18 months, we’ve learned to work differently, leveraging to the fullest multi model and leveraging also to its fullest a digital way of operation.

With that, Amit, I hand over to you for the Q&A.

Amit Bhalla - Schneider Electric S.E. - Vice-President of Financial Communication & IR

Right. Thank you, Jean-Pascal and Hilary.

I think just before we get into the Q&A, I just want to remind everyone of the calendar, which you see on the screens, with a specific focus for the 30th of November. So we are going to be hosting a Capital Markets Day. You’d recall that the last one we had was in 2019. So please mark that in your calendars.

So with that, let’s get into Q&A.

(Operator Instructions)
So with that, operator, let's get the first question, please.

QUESTIONS AND ANSWERS

Operator
And your first question comes from Andreas Willi from JPMorgan.

Andreas P. Willi - JPMorgan Chase & Co, Research Division - Head of the European Capital Goods
My question is about EV charging. We see a big push by governments to accelerate electric cars, but also, some specific stimulus programs coming for the build-out of charging infrastructure.

Could you elaborate a bit on your position here, both in terms of direct sales of chargers, but maybe more importantly, the wider impact on low-voltage, medium voltage demand that you could see in terms of the integration into the grid, into buildings of chargers? And what your strategy is here in terms of benefiting from these trends? Do you need to be bigger in chargers? We have seen Legrand acquiring a company today. ABB is listing its charging business as a platform for more M&A.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO
Thank you, Andreas. That's a great question.

Frankly, we've been operating in the field of EV chargers for now more than 10 years. And it's a natural part of our system as we retrofit buildings, homes or build new ones, or campuses, industrial campus, university campus, city campuses. So we go to the full value around EV charging. And actually, while we have EV chargers that we sell to our customers, the biggest part of what we do there is to retrofit or adapt the local low-voltage distribution that needs to be upgraded and needs to be automated and connected to coordinate the whole sequence of charging of EV chargers. So it's part of the growth that you see here.

It's true that we don't single it completely out because it's really part of everything we do. But we -- when we deal with an EV charging installation, more than half of it, actually, 2/3 of it is not linked to the chargers that once again, we have in our catalog, we have in our products and we sell. But it's linked really to the upgrading of the low-voltage installation which is linked to it.

Our analysis is that most of the charge is happening at the places which are the most natural for Schneider, which are residential buildings, when people go back to their apartment and in the parking of those residential buildings, at home, where we have a very strong position in many countries for the electrical system, or at work, where people use the time when they're at work and their car is parked to recharge it, which is a place where there, again, the presence of Schneider in low voltage is the highest in the world. So we keep deploying that strategy. And we bring more software for EV charging operators to link their charging station to a more complete system of automation, would it be of a building or would it be of a utility system.

Operator
The next question comes from the line of Jonathan Mounsey from Exane BNP Paribas.
Jonathan R. Mounsey - Exane BNP Paribas, Research Division - Analyst of Capital Goods

It’s really regarding margins. So excellent margin in the first half, 17%. I think that really -- that’s the target, isn’t it? I think we were looking for a 200 basis point increase. We’ve already achieved at least for one half.

But given your guidance seems to imply you’re very likely to achieve 17% for the year, when might we hear about the next leg? I know you’ve said in the past that this isn’t the end of the journey. Would it be the CMD in 2022, or could we get new margin targets before the end of this year?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Look, I always say that this was a milestone in our journey. But it’s not the end of the journey, because the fundamental reason of that margin expansion is a different profile for Schneider, geared to activities which are carrying a higher margin on a better cash generation. So what we see here is the accelerated strategic transformation of Schneider taking place. This transformation is not stopping here.

On the top of it, as I was explaining before, during COVID, we’ve also modified profoundly the way we work, which gave us a better efficiency and better productivity. And we have to make sure we don’t lose that. And we are also working on it on securing a part of those learnings into the DNA or the habits of the company. So we are going to -- we’ve given you a guidance for the end of the year which is around the 17%, as you noticed. And then we have to come back to you in one of our newer meetings. And we have a CMD in November to give you more visibility about the next steps of our strategic ambition on the figures which are going together with it.

But retain one thing, we have firmly decided to keep going with our strategic transformation. Incorporating into all of this all the consequences of our strategy on one side, a portfolio which is more margin generative, more growth generative, more cash generative, and at the same time, this necessary investment in initiative, as said by Hilary, and all of this resulting into new ambitions in terms of business profile, in terms of growth and in terms of margin.

Operator

And the next question comes from the line of Andre Kukhnin from Crédit Suisse.

Andre Kukhnin - Crédit Suisse AG, Research Division - Mechanical Engineering Capital Goods Analyst

Could we talk about the growth profile of Schneider beyond the bounce back post-COVID, beyond the 2021? I think you mentioned before that there is a clear possibility for you to land at the top end of your 3% to 6% range for potentially a number of years from 2022 onwards. How plausible is this from your perspective right now? And what would it take?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

I hope we are not interrupted. That seemed quite an abrupt end of the question. But Andre, look, that’s also a question that we should go deeper during the CMD this year. We see that our markets -- again, I was speaking about structural inflection points in the fundamental of our market: digitization, sustainability, electrification. And you saw -- see that everywhere.

I think Schneider is extremely well positioned to capture this. We have also a stable organization, a stable strategy for the past many years, a team which is really in order of execution to capture this. And we’ve added to the fundamental growth of our company new growth engines like digitization, of course, sustainability advisory, electrification, automation, on services which are pushing the profile of our growth.

So if I sum up or if I summarize what I’m saying here is that the fundamental of our markets are structurally accelerating. And at the same time, we are aligning more engines for growth as we go forward. So let’s come back in a more structured manner on your question during the next CMD.
But as you see, we are not only managing the present, on the volatility of the present situation, but we are in a very focused and structured manner structuring ourselves to generate more profitable growth as we go forward.

Operator

Next question comes from the line of Alasdair Leslie from Societe Generale.

Alasdair Leslie - Socite Generale Cross Asset Research - Equity Analyst

A couple of my questions around the -- potentially, the growth of margins have been answered. So maybe just a question on assets under management. I think this is maybe the tenth straight quarter where you've grown assets under management by, I think, 40% or more. Of course, that's largely organic. You're now at more than 5 million. Can you continue to kind of maintain that momentum? And how much of a lead indicator is this? Maybe you can help us understand what that means for kind of future porphyry for services, software, higher kind of value solutions.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Take it.

Hilary Barbara Maxson - Schneider Electric S.E. - CFO

Sure. So you're right that we've seen quite a growth in our assets under managed. And really, these are assets that we're managing through our advisers and through other things that we have for our customers. And we've talked about this being a leading indicator, really tied to that digital flywheel. And we showed it actually earlier in the slides today. I think we've showed it over a number of quarters now.

Starting with connected products -- and actually, tied to that, Jean-Pascal talked even more about where in our new product launches, having more and more native connectivity with our products, more abilities for our customers to more easily connect and start that journey on our digital flywheel. Starting with -- actually, you can start anywhere in the digital flywheel. But here, we're talking about starting with connected products, leading across into edge, into software, into services.

So we think that around EUR 5 million now is really, in my mind, the start of the journey still, and we're still at the start of the journey of IoT. But really a good leading indicator that we follow and that we continue to follow with more and more KPIs actually from a digital standpoint that we're starting to follow to really understand how we are in the journey. So to me, it's a great leading indicator really at the start of that journey, and more to come, I think, and you'll see more of that over the next quarters. And we'll talk a bit more into the CMD as well.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

What Hilary is saying, this has been really a fast-growing part of our relationship with the customers. And with that, we go from a relationship which is transactional one shot, to living in with the customer all across the life cycle. And what we see is a natural evolution from connecting an asset to allowing the customer to monitor the asset, which starts to create some recurring revenues and then supplying digital advisory on those same assets.

So the values, the main values that we bring here is, of course, asset condition monitoring, predictive maintenance. Everything linked to energy efficiency and resource and carbon monitoring, of course. And everything around resiliency of the installations on understanding the quality of what is happening in the installation, and we really see our customers who are ready to connect those assets against SaaS services where we manage the cloud for them and make sure that they get access to diagnosis, analytics, AI linked to their installation. A very exciting part of what we do, on an essential part of the flywheel, on the relationships that we want to have in the future with our customers.
Operator

 Comes from the line of Gael de-Bray from Deutsche Bank.

Gael de-Bray - Deutsche Bank AG, Research Division - Head of European Capital Goods Research

I have two questions, please. The first one is, following one of your competitors’ conference call this morning. I wondered if you have any reaction to Legrand’s strategic decision not to raise prices as much as they could as they want to fuel future growth and prioritize market share gains. I mean, how does that compare to your own pricing approach? And related to that, what do you see in terms of market share dynamics in Europe in particular? So that’s question #1 or 2.

Maybe question #3 is around the software growth performance. I’m curious to hear about your own perception of the industrial software performance so far over the past couple of quarters. And if you don’t find it somewhat pointing in the current context with the pandemic-related push towards anything digital.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Look, I can’t comment on competitors’ declaration. And I think we are operating -- while being focused very much on energy management and automation, we are operating on a broader set of applications.

What we want and now with pricing is to make sure that the net pricing is positive. We can’t guarantee it into a calendar year, but we want to make sure that net pricing, inclusive of all cost inputs on electronic transportation and material, is positive. And we have a track record there of executing flawlessly and in transparency with our customers. So that’s on pricing.

And I think H1 is a great signature of what we are doing, because the wave, of course, has been important, and we’ve been able to compensate that and generate still a good level of growth.

What strikes me also is that in terms of market share, when I look at point of reference, which is a last stable one, which is in 2019, we seem to be taking market share. If I take a longer view over the previous years, there again, I think we are taking market share.

It’s not all a question of price. Actually, I think in our sector, it’s less and less a question of price. It’s a question of the efficiency on the value you bring to our customers in a world which is asking for much more value, and especially for full connectivity, for the integration of all the elements of the electrical system into the global equation. You are not selling one piece here or one piece there.

We are speaking before electrical chargers. They have to make sure they propose charging to the electric vehicle when the microgrid is generating green and cheap energy. And this is possible when you can bring the end-to-end value of an electrical system. And this is what we are doing at Schneider with EcoStruxure, on the combination of the 6 domains of EcoStruxure. So that’s #1.

And I believe it’s not -- it’s really the value that we bring to our customers. The guarantee also that you bring to the customers that a system, which, by nature, is becoming more complex, more connected, more digital, will work. And they will have one company to speak with from the grid to the multiple applications of electricity.

The second one, on more -- fundamentally, you want to be responsible on cash and on profitability of what we do to make sure that we can keep investing for the future.

On software, not disappointed at all with what we are putting together. There are several elements which are impacting. Oil and gas deep, for some time, but we seem to be facing now a more positive part of the cycle to take one example. Large part of the portfolio, which is going to
transition to subscription, which is great for the future, but which impacts the growth rate. But again, frankly, no apologies for the growth rate that we have delivered over the past 2 years because it's much more than the average of the group.

If you just focus on software, it's actually the double of the average of the group. And we have plenty of signals and plenty of discussions with logos with companies which are showing that the adoption is certainly growing. But all of this takes time. For a company, it's a big decision to embark on such and such platform, so it needs a detailed discussion. But really positive about what I see of the combination of our diverse software elements. And as a proof of that, the start of OSIsoft in the first quarter at Schneider is really great and really strong.

Operator

Next question comes from the line of Shane McKenna from Barclays.

Shane Patrick McKenna - Barclays Bank PLC, Research Division - Research Analyst

With the strong first half performance of free cash flow and given the normal second half seasonality, and despite what you've said about inventory build for growth as we look into H2, can we expect another year of free cash flow above EUR 3 billion? And sort of following on from that, as we looked in November for the CMD with respect to growth and margins, how do we feel about the relationship of that free cash flow guidance of EUR 3 billion through the cycle with that margin guidance?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Hilary?

Hilary Barbara Maxson - Schneider Electric S.E. - CFO

Yes. So as usual, we won't give any guidance for the full year for the free cash flow, although I'll give you a couple of elements to think on in a minute. I'll just remind, like you said, we have that medium-term guidance of around EUR 3 billion in free cash flows, which we're quite comfortable with. And as we've mentioned, that's not the end of the journey for free cash flow. We would expect that, that would track tied to our operating results, and we'll speak more to that in the CMD.

In terms of this year, just a couple of elements, I would say. You can see from our guidance, we expect sequential growth in the second half, and we still continue to finish the full year with overall margin expansion. So you can make -- you can surmise some cash from operations from there. No major changes in CapEx expected.

In terms of trade working capital, you can assume it continues to evolve, tied with demand. Including, we continue to look to have the right level of inventory for facing the demand that we have in the second half and potentially beyond.

Operator

Next question comes from the line of Guillermo Peigneux-Lojo from UBS.

Guilleremo Peigneux-Lojo - UBS Investment Bank, Research Division - Executive Director and Industrials Analyst

I wanted to ask about the increase in raw materials to be expected in the second half. I think you reported EUR 172 million in the first half. I was wondering if you have basically a rough figure for the second half. And how much of that is already covered by price increases? How much work can be done? And how much will fall into 2022?
Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Hilary?

Hilary Barbara Maxson - Schneider Electric S.E. - CFO

Sure. So we’ve said -- and I won’t give the exact numbers. But we have said before that the bulk of the RMI will hit in the second half. That’s due to timing of purchases due to hedges. So you’ll see a bigger number for RMI in the second half than we saw in the first half.

In terms of pricing, we’ve been speaking over the last couple of quarters, that increase in RMI started, I think, as early as July of last year, so more than a year ago. So we’ve really been paying close attention to those cost increases, taking the appropriate actions on the ground. You can see in the first half, we remain in -- ahead of that curve in terms of price. We can -- we’ll continue to take appropriate pricing actions on the ground.

Like Jean-Pascal said, we’re not so concerned about the calendar year and how that looks in terms of price. But we’re looking at both RMI as well as electronics and freight and making sure that we’re net price neutral in the short term positive over the cycle to cover that. So hopefully, that gives you enough elements.

Operator

Next question comes from the line of Eric Lemarié from Bryan Garnier.

Eric A. Lemarié - Bryan Garnier & Co Ltd, Research Division - Research Analyst

Actually, Jean-Pascal mentioned that earlier in his presentation that software and services -- thanks to software and services, Schneider is now more and more exposed to the OpEx of its customers rather than to the CapEx of its customers. Do you have today a split between your revenues exposed to the CapEx and the percentage revenues exposed to the OpEx of your customers?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Yes. We take as a proxy, and it’s really a proxy, the OpEx part as a sum of software and services. And I’m saying it’s a proxy because a large part of what we do on the other side, which can be nonconnected products or connectable products or controls, are, in fact, linked also to brownfield work. Actually, a large part, if not the largest part of what we do is about expansion of existing installations. This is why having a very strong focus on a large part of the existing installation is so important, because for the customer, it’s easier to expand with the same kind of technology and the same kind of products.

But if you look what we define going really -- being part of the OpEx part of our customers, it’s all about services, of which most of them are recurring. And we did be formally by contract or informally because when you start servicing an installation, you come back all the time on the same installation. And the second one is everything regarding software.

And as we explained before, connected assets, because once you are connected in real time and give sense to that connectivity through advisory, digital advisory, I mean, then you are really part of the continuous improvement of the customer maintenance process of the customer. And you are becoming a true adviser of our customer. And there, I would dare to say we’re just scratching the surface. We can do much more.

As I -- we said many, many times, we are just covering only a fraction of the installed base we have out there in the field. We are bringing more and more plug-and-play, simple, frictionless systems to connect what has already been installed. And I see in the future, on that connection of capacity to connect very fast and in a cheap manner every installation, plug in into cloud-based, easy to read, easy to use advisers on software is a great strength or a great asset of us for the future.
That goes when we speak to our customers with an integrated view, you can't connect just one product of the installation, that the whole development that we did over the past 15 years to develop a presence around segments with architects who can speak the language of the customer and connect everything, from medium voltage, to final low-voltage, on everything into the automation system and establish a necessary correlation between process and energy. This is what you will know the fourth integration -- the 4 integrations of Schneider that we have been developing over the past 15 years.

Operator

Your next question comes from the line of Simon Toennessen from Jefferies.

Simon Toennessen - Jefferies LLC, Research Division - Equity Analyst

Can you elaborate a bit more on your key process verticals in addition to the color you already provided in the press release? Maybe a bit more color on order tender activity into the second half. And maybe as a kind of follow-up on that. Over the coming quarters, would you expect the process growth in your business at some point to outgrow discrete? And maybe if you could also say, at what time do you expect kind of keep process verticals like oil and gas to reach pre-pandemic levels?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

So the line is not too good. You are speaking about Process business, right? Automation?

Simon Toennessen - Jefferies LLC, Research Division - Equity Analyst

Just more color on the key process verticals. And whether you expect Process to outstrip or outgrow discrete at some point. And when oil and gas or key verticals will reach pre-pandemic levels in your view.

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Well, the grid segment, if this is the question, the utility grid is doing very, very well, because the world is electrifying, but that new electrification, which is based on the connection to many installations, many volatile installations and many volatile sources of generation, needs lots of digitization and lots of upgrading.

So we have put together an offer in this field, which is second to none, from ADMS or MS, GIS, OSI, which is doing a large part of its business in grid. And all these things we are going beyond the meter where Schneider has a very strong presence. So all of this is going well. And everything which is related to more extractive industries. Mining is already back up under the push for more resources, and that's opening new capabilities for -- or new possibilities for process.

And we see that oil and gas is in a gradual but firm recovery. There has been underinvestment in the field for some time, and we see that projects are coming back up. So I don't know if I answer your question, but we are more positive as we look forward to the whole offer we put for -- we have put together for continuous industries.

Operator

The next question comes from the line of Martin Wilkie from Citi.
Martin Wilkie - Citigroup Inc., Research Division - MD

It’s Martin from Citi. The question is really one about mix. You’ve obviously had strength in residential, data center, some of these markets, and even discrete automation. And as some of the other markets pick up the baton, whether it’s process automation, non-res, should we expect the mix effect to change meaningfully, or is the balance of the businesses and end markets similar from a margin perspective as we look out over the next 6 or 12 months?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Look, I think the beauty of what we have put together is to have one set of technologies which applies to a transversal set of segments that we have organized to serve. So that mix between segments and business is changing all the time. But we have the right balance that ensured in 2020 resiliency and in 2021 a strong rebound at a very solid and actually very high level of profitability and cash generation.

So there might be some distortion as we go forward. But still, the balance of our segment, the balance of our geographies, the balance of our business models between what we do in products, together with our partners, we grow faster than the average. What we do in software, what we do in services, the way we manage our systems, which has been -- you know that it had been for some years a difficult point at Schneider. I think we’ve come to a level of maturity and mastery in this field, which has dramatically changed. So we are improving the way we target. And we cookie cut projects and execute them with more reliability means that we are able to manage components of the mix.

Amit Bhalla - Schneider Electric S.E. - Vice-President of Financial Communication & IR

All right. I think with that, we’ll probably have to call it to close. But we are available to have calls and look forward to meetings as well over the next days and weeks ahead. Maybe last word, Hilary or Jean-Pascal?

Jean-Pascal Tricoire - Schneider Electric S.E. - Chairman & CEO

Thank you for being with us. We know that it’s a busy day with publication. We really appreciate the dialogue that we have today. We are, well, very excited by the momentum of our business and by the inflection that we see in the world, which is going in the direction of what we’ve invested for many years. And we look forward to speaking to you soon and especially to meet you at the CMD. In the meantime, stay well. And for those who have the privilege, take a good break because we see that the year will remain an intense year of growth, development and precise execution.