Q3 2021: Group revenues up +9% organic
Full Year 2021 target confirmed despite supply chain pressures
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.
Strong growth in Q3

€7.2bn, +8.8%
Group Q3 2021 revenues org.

Energy Management
Energy Efficiency

+9.4%
Q3 org. sales growth

€5.6 billion

Industrial Automation
Process Efficiency

+6.7%
Q3 org. sales growth

€1.7 billion

End-Markets

Buildings
Data Center
Infrastructure
Industry

Powered by

SUSTAINABILITY + DIGITIZATION + ELECTRIFICATION

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Strong YTD sales - accelerating sequentially since H1

Group +15% org. YTD vs. 2020
Group +7% org. YTD vs. 2019*

Products
- 60% of YTD revenues
  +11%  
  +19%  

Systems
- 22% of YTD revenues
  -2%  
  +11%  

Software & Services
- 18% of YTD revenues
  +8%  
  +9%

* Compared to +6% org. at H1 2021 vs. 2019
Sept. YTD Group revenue - exceeding 2019 levels across regions

NORTH AMERICA

Country above/below 9M'19

9M'19 9M'20 9M'21

+7% org.

+15% org.

WESTERN EUROPE

Country above/below 9M'19

9M'19 9M'20 9M'21

+4% org.

+13% org.

REST OF WORLD

Sub-region above/below 9M'19

9M'19 9M'20 9M'21

+11% org.

+18% org.

ASIA PACIFIC

Country above/below 9M'19

9M'19 9M'20 9M'21

+9% org.

+16% org.
Strong traction across strategic pillars in Q3

**MORE PRODUCTS**

- **+10%**
  Org. growth in Q3

- Digital and e-commerce channel gaining traction
- Multi-hub setup enables agile execution/allocation
- Strong customer demand despite acceleration in supply chain pressures

**MORE SOFTWARE & SERVICES**

- **+7%**
  Org. growth in Q3

- Software & Digital Services up double-digit with good traction across end-markets
  - RIB making strong contribution to organic growth, ETAP performing well*
  - AVEVA grew high-single digit org. in Q3
  - Strong growth coming from Smart Grid services

- Field Services grew though impacted by ongoing lockdowns in several countries

**MORE SUSTAINABLE**

- Strong Double-digit Org. growth in Q3

- **50** Zero CO2 sites operating within Schneider Electric facilities
- Sustainability consulting opening multiple C-suite relationships & consequent pull-through business
- The Zero Carbon Project underway

Assets under Management of 5.5m, up +47%

*ETAP included in scope effects for Q3
Accelerated sustainability journey continues

2021-2025
SCHNEIDER
SUSTAINABILITY
IMPACT

Score reached 3.65/10 in Q3 2021

CLIMATE
SSI #2 - Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
319MT
Saved and avoided CO₂ emissions since 2018
Continuing the acceleration of our Sustainability consulting business to meet increasing corporate demand for pathways and solutions to act on climate crisis

EQUAL
SSI #8 - Increase gender diversity, from hiring to front-line managers and leadership teams (50/40/30)
42/27/26
Our Women Leadership Program and the WEF New Work Standards support young women to step up and be part of a healthy, resilient and equitable future of work

GENERATIONS
SSI #11 - Train 1 million people in energy management
300K+
people trained, passing a key milestone with the support of our Schneider Electric Foundation

1. 2021 baseline 3/10, 2025 target 10/10
Strong growth in Q3: up +8.8% organic, +10% vs. Q3’19

Analysis of Change in Group Revenues (in €m)

Based on current rates, the FX impact on FY 2021 revenues is estimated to be between -€300 million to -€400 million.

The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around flat.
Q3 Business performance highlights by end-markets

### Energy Management
- **Buildings**
  - Residential construction activity driving growth in most major economies
  - Non-Residential - Technical building demand remains strong, while hotels and offices grew at a lower pace

- **Data Center**
  - Data Center & Network grew double-digit in Q3 despite some supply challenges
  - Technologies combining secure power and electrical distribution and software offers led the growth in the quarter
  - Operators expanding regional & local capacity
  - Distributed IT continued to perform strongly

- **Infrastructure**
  - Investment continued as Electric Utilities and Grid operators build resilience
  - Strong growth from Smart Grid offers including ADMS, EcoStruxure Advisors & Microgrid
  - Q3 sales supported by large project execution
  - Good project wins from Transportation & Water Wastewater incorporating both businesses

### Industrial Automation
- **Buildings**
- **Data Center**
- **Infrastructure**
- **Industry**
  - Strong growth in Discrete automation markets driven by OEM demand
  - In Process & Hybrid, demand recovery in Oil & Gas but limited impact on sales
  - Strong traction in Consumer-Packaged Goods & Mining Minerals & Metals, incorporating offers from EM & IA

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Life Is On | Schneider Electric
### Energy Management – Q3 performance by geography

#### Q3 Org. growth

Split of Q3 2021 revenue by geography:

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. America</td>
<td>23%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>9%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>16%</td>
</tr>
<tr>
<td>Asia Pac.</td>
<td>23%</td>
</tr>
<tr>
<td>W. Europe</td>
<td>31%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>31%</td>
</tr>
<tr>
<td>Asia Pac.</td>
<td>15%</td>
</tr>
</tbody>
</table>

**North America +11%**
- U.S., Canada and Mexico delivered **double-digit growth**
- U.S. sales driven by continuing strong Residential markets
- U.S. non-residential demand remains good in technical buildings: Data Center and Utilities continued growth
- Mexico sales growth driven by Residential and Infrastructure markets
- Field service grew but impacted by a slow reopening of sites after lockdowns

**Western Europe +4%**
- Strong growth in Germany and Spain, supported by residential demand trends
- Italy grew mid single-digit mainly from sales into Residential and Data center end-markets
- France and U.K. up low single-digit supported by performance in Non-Residential buildings, though impacted by supply chain
- Strong demand in region led by Residential and Data Center

**Rest of the World +16%**
- Up double-digit in all major zones – South America, CIS, Middle East, Africa, Central & Eastern Europe
- Continuation of **strong** short-cycle demand recovery
- Egypt continues to benefit from large infrastructure project
- Turkey, Brazil and Russia were key contributors to growth

**Asia Pacific +9%**
- China up high-single digit despite supply chain pressures, and against a high base, led by non-residential/technical buildings and utilities
- India sequentially accelerating and up double-digit against a high base, strong in Residential and Data Center
- Australia back to pre-pandemic levels, growing high single-digit despite impacts from lockdowns
- Southeast Asia **mixed performance** – many countries saw double-digit growth, while some still impacted by lockdowns
Industrial Automation – Q3 performance by geography

Split of Q3 2021 revenue by geography:

- **North America** +7%:
  - Double-digit growth into discrete automation markets in U.S., supported by OEM demand
  - Sales into U.S. Process & Hybrid markets remain subdued, despite a recovery in O&G demand
  - Canada grew double-digit led by discrete automation markets
  - Mexican sales were up double-digit in both discrete and process & hybrid automation
  - Field service grew but impacted by a slow opening up of sites after lockdowns

- **Western Europe** +10%:
  - France, Italy and Spain grew double-digit while the U.K. grew high single-digit benefiting from demand in discrete automation market
  - France seeing some contribution from Process & Hybrid markets
  - Germany saw mid single-digit growth from discrete automation market despite supply chain pressures
  - Demand exceeded sales growth in the region with strength in industrial OEM

- **Rest of the World** +15%:
  - Strong growth from Discrete automation markets, while Process & Hybrid market demand not yet translated in sales growth
  - Industrial Software grew strong double-digit
  - Up double-digit in South America, CIS, Middle East, Central & Eastern Europe, with Turkey, Brazil and Russia leading the growth
  - Africa down linked to its exposure to Process oriented markets

- **Asia Pacific** +1%:
  - China slightly down against strong double-digit base; impacted by supply chain pressures, Strong demand in OEM and MMM
  - India delivered double-digit growth with strong performance from OEM and Industrial Software
  - Japan strong in discrete automation markets, while Australia soft, impacted by lockdowns
  - Demand in main Process & Hybrid markets remained subdued, including South Korea
Continued traction on buyback & portfolio optimization efforts

<table>
<thead>
<tr>
<th>Share buyback</th>
<th>Successful integration of recent acquisitions</th>
<th>Portfolio optimization</th>
</tr>
</thead>
<tbody>
<tr>
<td>€0.3bn completed since reinstatement in July</td>
<td>Integration progressing as per plan</td>
<td>Disposals</td>
</tr>
<tr>
<td>€0.6bn completed cumulatively to date</td>
<td></td>
<td>IMServ (EM business) – completed</td>
</tr>
<tr>
<td>On track for the €1.5bn to €2.0bn program by the end of 2022</td>
<td></td>
<td>U.S. Motion (IA business) – completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. €0.8bn of revenue disposed cumulatively under program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>On track for the €1.5bn to €2.0bn program by the end of 2022</td>
</tr>
</tbody>
</table>
Evolution of market dynamics since H1 2021 results

- Strong and *dynamic market demand* continued
- Progressive demand *recovery in late-cycle* segments continued
- *Global supply chains* pressures including from component shortages, increased in Q3 and are unlikely to abate for at least another 2-3 quarters
- The Group also expects to continue to face *increased input costs* in relation to raw materials, freight and the sourcing of electronic components, despite the stabilization of some commodity prices in Q3
2021 Target confirmed despite supply chain pressures

The Group reiterates its full year target (which assumes no further deterioration linked to COVID-19 leading to significant economic disruption) as follows:

2021 Adjusted EBITA growth of between +19% and +24% 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**
- Adjusted EBITA margin up **+120bps to +150bps 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 19
**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>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

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Andrew Gamwell – andrew.gamwell@se.com
Appendix
2021 additional notes

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2021 revenues is estimated to be between -€300 million to -€400 million. The FX impact at current rates on adjusted EBITA margin for FY 2021 could be around flat.

- **Scope:** Around +€850 million on 2021 revenues and around +10bps on 2021 adjusted EBITA margin, based on transactions completed to-date.

- **Tax rate:** The ETR is expected to be in a 22-24% range in 2021.
Q3 Group revenue: up in all main countries / zones

- **NORTH AMERICA**: 30% (11% growth)
  - United States
  - Canada
  - Mexico

- **WESTERN EUROPE**: 24% (5% growth)
  - France
  - Germany
  - United Kingdom
  - Spain
  - Italy
  - Nordics

- **REST OF WORLD**: 14% (16% growth)
  - Russia
  - South America
  - Middle East
  - Africa

- **ASIA PACIFIC**: 32% (7% growth)
  - China
  - India
  - Australia
  - Singapore
  - Japan

**% Group Sales**

**Org. Growth**
**Q3 2021 Results**

**6 long-term commitments, 11+1 targets for 2021 - 2025**

**CLIMATE**

1. Grow our green revenues
2. Help our customers save and avoid millions of tons of CO₂ emissions
3. Reduce CO₂ emissions from top 1,000 suppliers’ operations

**RESOURCES**

4. Increase green material content in our products
5. Primary and secondary packaging free from single-use plastic and using recycled cardboard

**TRUST**

6. Strategic suppliers who provide decent work to their employees
7. Level of confidence of our employees to report unethical conduct

**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

**GENERATIONS**

10. Double hiring opportunities for interns, apprentices and fresh graduates
11. Train people in energy management

**LOCAL**

+1 Country and Zone Presidents with local commitments that impact their communities

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**Baseline**

**Q3 2021**

**2025 Target**

<table>
<thead>
<tr>
<th>Target</th>
<th>Baseline</th>
<th>Q3 2021</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grow our green revenues</td>
<td>70%</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>2. Help our customers save and avoid millions of tons of CO₂ emissions</td>
<td>263M</td>
<td>319M</td>
<td>800M</td>
</tr>
<tr>
<td>3. Reduce CO₂ emissions from top 1,000 suppliers’ operations</td>
<td>0%</td>
<td>In progress</td>
<td>50%</td>
</tr>
<tr>
<td>4. Increase green material content in our products</td>
<td>0%</td>
<td>1%</td>
<td>50%</td>
</tr>
<tr>
<td>5. Primary and secondary packaging free from single-use plastic and using recycled cardboard</td>
<td>1%</td>
<td>12%</td>
<td>100%</td>
</tr>
<tr>
<td>6. Strategic suppliers who provide decent work to their employees</td>
<td>--</td>
<td>In progress</td>
<td>100%</td>
</tr>
<tr>
<td>7. Level of confidence of our employees to report unethical conduct</td>
<td>81%</td>
<td>+0pts</td>
<td>+10pts</td>
</tr>
<tr>
<td>8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)</td>
<td>41/25/24</td>
<td>42/27/26</td>
<td>50/40/30</td>
</tr>
<tr>
<td>9. Provide access to green electricity to 50M people</td>
<td>30M</td>
<td>32.8M</td>
<td>50M</td>
</tr>
<tr>
<td>10. Double hiring opportunities for interns, apprentices and fresh graduates</td>
<td>4,939</td>
<td>x1.25</td>
<td>x2.00</td>
</tr>
<tr>
<td>11. Train people in energy management</td>
<td>281,737</td>
<td>309,883</td>
<td>1M</td>
</tr>
</tbody>
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**Score**

<table>
<thead>
<tr>
<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>3.65</td>
<td></td>
<td>3.75</td>
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