Good growth in Q3 2019, Revenues up +4.2% reported, +3.1% organic despite macro uncertainty
Full year target reaffirmed
All forward-looking statements are Schneider Electric management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section “Risk Factors” in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.
<table>
<thead>
<tr>
<th>04</th>
<th>Q3 2019 Business Highlights</th>
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<td>12</td>
<td>Q3 2019 Business Performance</td>
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<td>20</td>
<td>Full Year 2019 Target - Reaffirmed</td>
</tr>
<tr>
<td>24</td>
<td>Appendix</td>
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</tbody>
</table>

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Q3 2019 Business Highlights

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

significant customer benefits...

Energy efficiency
Up to ~65%
(Average 30%)

Productivity
Up to -50%
CapEx (integration)

Reliability and Safety
Up to 50%
Fewer incidents

Sustainability
Aiming at 0 Carbon emissions

Serving 4 end-markets:
- Buildings
- Data Centers
- Infrastructure
- Industry
Good organic growth in Q3 despite uncertain macroeconomic environment

Energy Management
- Energy efficiency
  - +3.9% Q3 org. sales growth

Industrial Automation
- Process efficiency
  - +0.4% Q3 org. sales growth

€6.6bn, +3.1%
Group Q3 2019 revenues org.

€5.1 billion
€1.5 billion

2019 target reaffirmed
Continuing to deliver on our strategic priorities

Revenue
+3.1%
Organic growth

More Products
+2%
Organic growth

More Services
+8%
Organic growth

More Software
Up double-digit
Organic growth

More EcoStruxure
Above Group average
Organic growth
2.6m AuM +45% YoY

Better Systems
Sustained focus on margin improvement
Selection of customer successes driven by EcoStruxure

**BUILDINGS**

**Sodexo APAC House**
Singapore
- 20% reduction in energy use
- Expected quick return on investment
- Increase comfort level, operational efficiency & sustainability

**K-campus**
Finland’s smartest office building
Full set of apps & analytics using real-time data to
- Optimize energy and maintenance costs
- Increase safety and workers’ experience

**DATA CENTER**

**TAS**
France
- Software for effective management and monitoring
- Reduced maintenance costs
- Greater energy efficiency

**CEDIA – Research Academy**
Ecuador
- Protection of data and information
- Ensure availability & operational efficiency

**INDUSTRY**

**Rainwater Management Solutions**
USA
- Control rainwater capture system
- Improve efficiency through forecast data

**AV Nackawic Mill**
Canada (pulp industry)
- $650,000+ in added production per year
- 75% decrease in production wastage
- Mill running at full capacity
- Incorporating AVEVA systems offering

**INFRASTRUCTURE**

**Avenue2 motorway**
Netherlands
- Tunnel control system that satisfies 10,000+ requirements
- Minimizes tunnel closures
- 80% of the peak-hour traffic congestion successfully diverted

**Bowery Farming**
USA (indoor agriculture start-up)
- Reliable power to keep plants growing year-round
- 15% energy from solar

**Life Is On**

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Multiple customer engagements in Q3

**Innovation Summit Barcelona**
- Over 3,500 external attendees
- Innovation Hub around EcoStruxure domain

**Innovation Summit Cairo**
- Over 2,400 external attendees
- Innovation hub focused on new launches including ASCO offerings; Altivar; Easy UPS; EcoStruxure Building operations; Asset Advisor

**AVEVA World Summit, Singapore**
- Schneider Electric participation
- Illustrating joint commercial approach between AVEVA and SE
- More than 500 customers

**Innovation Day Bogotà**
- Launch of Masterpact MTZ smart switch

**Innovation Day Indonesia**
- EcoStruxure for F&B, Machinery, Augmented Operator Advisor, AVEVA
Sustainability at the heart of our strategy and business

Schneider Sustainability Impact: 7.08/10 in Q3

<table>
<thead>
<tr>
<th>Indicators &amp; objectives 2020 - selection</th>
<th>Q3 2019</th>
<th>Q2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIMATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25% increase in turnover for ESS</td>
<td>20.2%</td>
<td>18.4%</td>
</tr>
<tr>
<td>CIRCULAR ECONOMY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% cardboard and pallets for transport packing from recycled or certified sources</td>
<td>96%</td>
<td>88%</td>
</tr>
<tr>
<td>HEALTH &amp; EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;0.88 medical incident per million hours worked</td>
<td>0.70</td>
<td>0.74</td>
</tr>
<tr>
<td>ETHICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>350 suppliers under Human Rights &amp; Environment vigilance received specific on-site assessment</td>
<td>244</td>
<td>196</td>
</tr>
<tr>
<td>DEVELOPMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>400,000 underprivileged people trained in energy management</td>
<td>236,491</td>
<td>220,739</td>
</tr>
</tbody>
</table>

Establishing roadmap for the carbon neutral world

Reinforcing our commitments at Climate Week NYC, Sept’19

• By 2025: Achieve carbon neutrality in our ecosystem
  (former 2030 commitment, brought forward by 5 years)

• By 2030: Net-zero operational emissions, as part of validated SBT targets

• By 2050: net zero-\( \text{CO}_2 \) supply chain

Listen to our recent update on Sustainability:
https://edge.media-server.com/mmc/p/3x8umpgn
Our distinctive DNA is externally recognized in Q3

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

- #9 in 2019 Fortune’s Change the World list
- #3 Dow Jones Sustainability Indexes

**INCLUSIVE**
Empowered Diversities; Inclusive Practices; Inclusive Behaviors; Advocacy

- #1 Industrial sector
- #8 among 10 Best Large Workplaces in Manufacturing & Production in the US - Fortune magazine

**EMPOWERED**
Lean Organization; Multi-Hub Model; The Schneider Way; #FreeUpYourEnergy

- EcoStruxure Pod Data Center (HyperPod) named Data Center Design and Build Product of the Year
- #14 for “Pursuing a digital transformation that would shift it from a pure hardware supplier to an energy management provider via an open IoT platform”

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Q3 2019 Business Performance

Photos: J. Deloy – SE Design Lab
Group Q3 Revenues +4.2% reported, +3.1% organic

ANALYSIS OF CHANGE IN GROUP REVENUES (in €m)

Based on current rates, the FX impact on FY 2019 revenues is estimated to be around +€400 million. The FX impact at current rates on adjusted EBITA margin could be at the higher end of the -10bps to -20bps range.
Organic growth derived from Products, Systems, Services and Software

Organic Growth YTD

- **Products** (c.60%): +3%
- **Systems** (c.24%): +6%
- **Services & Software** (c.16%): +9%

- Solid performance across end markets though pressure on industrial markets
- Good momentum in orders supporting backlog creation YTD
- Q3 sales performance a function of phasing, with a high base of comparison in Q3’18
- Double-digit growth in Software
- Strong growth in ESS, field services and digital services positively contributing

(% of FY18 Group revenue)
Energy Management: good growth, up +3.9% organic

€5.1bn
77% of Group Q3 2019 revenues

Energy Management

#1 worldwide

Q3 performance highlights

• Residential & Small building offers sustained mid-single digit growth, leveraging new innovations and our unparalleled partner network
• Commercial and Industrial Building continued to contribute positively
• Data Centers continued to be an area of strong growth across Energy Management technologies
• Discrete industrial markets impacted growth where the Group cross-sells with Industrial Automation
• Services showed strong growth over the quarter

12 quarter/3 yr. organic growth average of 4.2%
Firmly within 3-6% Group through-cycle range
Energy Management: growing in all regions, led by North America

Split of Q3 2019 revenue by geography:

- **North America** +7%
  - Sustained demand across Buildings end-market supported by regulatory developments
  - Leveraging complete powertrain solution for Data Center
  - Softer industrial markets
  - Services up strongly, led by ESS

- **Western Europe** +4%
  - Good growth driven by France and Germany, with contribution from project execution; Italy and Spain up
  - U.K. down on high base and uncertainty due to Brexit
  - Residential markets holding up in France while slowing in the Nordics

- **Rest of the World** +2%
  - Solid performance, contrasted by country
  - Strong growth in South America and Central & Eastern Europe
  - Middle East down on utility markets in Saudi Arabia and tough environment in Gulf. CIS also down

- **Asia Pacific** +2%
  - China delivered a strong performance with residential markets still positive and good investment in infrastructure
  - India was flat while Australia was down, both on a high base
  - S.E. Asia down on uncertainties linked to macro economy
Industrial Automation: up +0.4% in Q3, with strong growth from Process & Hybrid

**Q3 performance highlights**

- **Discrete** end markets softened from Q2 levels, down mid-single digit for Q3. Some pockets of growth were seen in discrete in Germany, Russia and South America.

- We expect softness in discrete to continue in the coming quarters.

- Strong growth from process & hybrid end-markets fully offset the decline of discrete, evidencing the strength of our balanced portfolio.

- Double-digit growth in Software, continued progress on our coordinated go-to-market approach with AVEVA.

**Organic, Scope, FX, €1.5bn vs Q3 2018**

- **Organic**: +0.4%
- **Scope**: -1.8%
- **FX**: +1.9%
- **€1.5bn**: 23% of Group Q3 2019 revenues

- **Industrial Automation**
  - #2 worldwide discrete
  - #4 worldwide process

**Q3 2019 vs Q3 2018**

- **1,531** vs **1,540**
  - Organic: +0.4%
  - Scope: -1.8%
  - FX: +1.9%

**3%** & **6%**

- 12 quarter/3 yr. organic growth average of 5%
- Firmly within 3-6% Group through-cycle range
Industrial Automation: growth driven by new economies

**Org. growth**

Split of Q3 2019 revenue by geography:

- **North America** -2%
  - Continued softness in discrete end-markets
  - Good demand from Process Industries
  - Mexico still a drag due to trade uncertainties

- **Rest of the World** +11%
  - Strong growth in process & hybrid automation offers and continued good demand for discrete automation offers
  - All zones growing except Africa
  - Strong growth in South America and Middle East

- **Western Europe** -5%
  - General slowdown of discrete industries
  - France down: project phasing and distributor destocking
  - UK down on tough comps and uncertainties linked to Brexit
  - Germany stable

- **Asia Pacific** +2%
  - Modest decline in China driven by U.S. trade situation
  - India slightly up
  - Japan down on short-cycle decline
  - Rest of the region growing, with project delivery for process industries balancing the decrease in OEM markets
Portfolio update – focusing on the core

Larsen & Toubro E&A:

- Closing expected in Q1 2020

Further progress in Q3 on the €1.5bn to €2bn portfolio optimization program:

- Announcement of JV with the Russian Direct Investment Fund (RDIF) to further strengthen the long-term outlook for the Electroshield Samara business

- Currently fully consolidated representing c. €150m of annual revenues in 2018

- Anticipated closing in Q4, revised joint control structure would lead to deconsolidation

€ 0.4bn addressed so far
Full Year 2019 Target - Reaffirmed

Photos: J.Deloy – SE Design Lab
In its main markets, the Group currently expects the following trends in Q4 2019:

- In North America, the Group anticipates moderate growth due to the high base of comparison in Energy Management and the continuing weakness in discrete automation. The strong decline in recent quarters in Mexico is expected to continue into Q4.

- China continues to face a slowing OEM demand but remains a growth market in aggregate with dynamism in many end markets including construction, infrastructure and parts of industry; though construction end markets could soften.

- The Group expects Western Europe to grow at a moderate pace.

- The Group expects several new economies to perform well, including in South America and India, whereas some regions including Russia and the Gulf remain challenged.

The Group reaffirms its target for 2019 adj. EBITA growth between +6% and +8% organic. This would be achieved through a combination of organic revenue growth and margin improvement.

**2019 Target: adj. EBITA growth between +6% and +8% organic**

**Levers:**

**2019 Revenue growth:**
+4% to +5% organic

**2019 Adjusted EBITA margin:**
Upper half of +20bps to +50 bps organic range
Key management messages…

<table>
<thead>
<tr>
<th>Group positioning</th>
<th>Digital Solutions for Energy Transition &amp; Industry 4.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>More Products, More Services, More Software, Better Systems</td>
</tr>
<tr>
<td>Balanced portfolio</td>
<td>By geography, by end-market, from early to mid-late cycle</td>
</tr>
<tr>
<td>Organic growth</td>
<td>Sustained growth to deliver Energy and Process efficiency; portfolio set to deliver 3 to 6% organic growth across economic cycle</td>
</tr>
<tr>
<td>Portfolio optimization</td>
<td>Up to €2bn of 2018 revenues to be reviewed and addressed in 3 years</td>
</tr>
<tr>
<td>Continued margin improvement</td>
<td>Targeting c.+200bps (constant FX as of FY18) in 3 years (in a normal macro-environment)</td>
</tr>
<tr>
<td>Focus on shareholder value</td>
<td>Share buyback, progressive dividend, strong governance</td>
</tr>
</tbody>
</table>

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• **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2019 revenues is estimated to be around +€400 million. The FX impact at current rates on adjusted EBITA margin could be at the higher end of the -10bps to -20bps range.

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

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

• **Restructuring:** For the full year 2019, the Group expects restructuring charges to be in the range €200 million to €250 million, in line with announcements in the recent Capital Markets Day.
### Definitions

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>EBIT before depreciation, amortization, provisions and before share-based compensation cost</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>Adjusted EBITA before depreciation, provisions and before share-based compensation cost</td>
</tr>
<tr>
<td><strong>Cash Conversion</strong></td>
<td>Free cash flow / Net income (Group share)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>Operating cash flow less change in working capital less net capital expenditures</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>Return On Capital Employed</td>
</tr>
</tbody>
</table>
### Schneider Sustainability Impact 2018 – 2020, Results as of Q3 2019

#### Our megatrends 2015 – 2020 and targets 2018 – 2020

<table>
<thead>
<tr>
<th>Objective 12/2019</th>
<th>Beginning 01/2018</th>
<th>Results Q2 2019</th>
<th>Results Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Score of 10</td>
<td>7/10</td>
<td>6.78</td>
<td>7.08</td>
</tr>
</tbody>
</table>

#### CLIMATE
- **80%** renewable electricity
- **10%** CO\(_2\) efficiency in transportation
- **120 million metric tons** CO\(_2\) saved on our customers’ end thanks to our EcoStruxure offers
- **25%** increase in turnover for our Energy & Sustainability Services

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

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

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

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

Indicators amplified in Q1 2019 to upgrade Schneider Electric’s sustainability ambitions are marked with a ★.
Organic growth by region in Q3 2019 – Energy Management

- **NORTH AMERICA**
  - United States: 32% growth
  - Canada: 7% growth
  - Mexico

- **WESTERN EUROPE**
  - France: 24% growth
  - Germany: +4% growth
  - United Kingdom
  - Spain
  - Italy

- **REST OF WORLD**
  - Russia
  - South America
  - Middle East
  - Africa: 16% growth
  - 2% growth

- **ASIA PACIFIC**
  - China: 28% growth
  - India
  - Australia
  - Indonesia
  - Japan: +2% growth

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Organic growth by region in Q3 2019 – Industrial Automation

- **North America**: 21% growth, 2% decline
- **Western Europe**: 29% growth, 5% decline
- **Rest of World**: 17% growth, 11% growth
- **Asia Pacific**: 33% growth, 2% growth

Countries and regions shown with growth or decline indicators.
Upcoming events:
Proposing quarterly interaction with investors showcasing specific businesses, geographies or functions

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Oct</td>
<td>Q3 2019 Revenues</td>
</tr>
<tr>
<td>13 Nov</td>
<td>Société Générale European ESG Conference (Paris) - IR</td>
</tr>
<tr>
<td>4 Dec</td>
<td>Société Générale Premium Review Conference (Paris) – CFO</td>
</tr>
<tr>
<td>20 Feb 2020</td>
<td>2019 FY Results – CEO &amp; CFO</td>
</tr>
</tbody>
</table>

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