Successful execution of strategy drives strong results in H1: Revenues up +7% organic, adj. EBITA up +11% organic, Net income up +7%. Full year target upgraded

- ***Q2 Revenues up c.+8%: All businesses and regions growing***
- ***Energy Management and Industrial Automation deliver strong organic growth, up c.+8%[1] and c.+11% in Q2 respectively***
- ***All business operational results improving***
- ***H1 adj. EBITA €1,769m, c.+11% org; 14.4% margin up +50bps org.***
- ***H1 Net Income €1,020m, up +7%***
- ***FY adj. EBITA organic growth target upgraded***

Rueil-Malmaison (France), July 26, 2018 - Schneider Electric announced today its second quarter revenues and half year results for the period ending June 30, 2018.

Key figures (€ million)	2017 H1	2018 H1	Organic Change	Reported Change
Revenues	12,173	12,317	+7.0%	+1.2%
Adjusted EBITA *% of revenues*	1,718 *14.1%*	1,769 *14.4%*	+11.1% *+50 bps*	+3.0% *+30 bps*
Net Income (Group share)	958	1,020		+7%
Earnings per share (Basic)	1.72	1.83		+6%

Jean-Pascal Tricoire, Chairman and CEO, commented:

"In Q2, we accelerate both in growth and performance, with revenues up c. +8% organic, bringing our H1 2018 organic growth to +7% and H1 adjusted EBITA organic growth to a strong +11%. Our focused and synergetic portfolio continues to gain share, benefitting both our core businesses of Energy Management and Industrial Automation, which record strong growth in Q2, respectively at c.+8%[1] and c.+11%. Both businesses combine to provide full solutions of energy and process efficiency, and generate solid and increasing traction for our EcoStruxure platform. We also continue to focus and invest on furthering our digital journey.

We keep working on our portfolio and announce the agreement, in partnership with Temasek, to acquire L&T E&A business in India. In addition, we reinforce our presence in Software with the finalization of the AVEVA

1. Including Delixi, reported under equity method since 2016

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

transaction in our Industrial Automation business, and the closing of IGE+XAO in our Energy Management business.

In H2 2018, the Group expects to benefit from its balanced exposure to end-markets and geographies. We keep focusing our efforts on driving our strategy of selling more products, more services, more software; and we keep developing our strong value proposition to customers, bringing together our synergetic portfolio into EcoStruxure. Consequently, we upgrade our Adjusted EBITA organic growth objective for 2018; now expected between +7% and +9%.

I. SECOND QUARTER REVENUES WERE UP C.+8% ORGANICALLY

2018 Q2 revenues were **€6,517 million**, up **+7.7%** organically and up +2.9% on a reported basis.

The breakdown of revenue by business segment was as follows:

€ million		H1 2018		Q2 2018	
		Revenues	Organic Growth	Revenues	Organic Growth
Energy Management	Medium Voltage	1,932	+0.4%	1,049	+3.2%
	Low Voltage	5,630	+9.1%	2,963	+9.0%
	Secure Power	1,691	+3.8%	916	+4.7%
	Total	**9,253**	**+6.1%**	**4,928**	**+6.9%**
Industrial Automation	Industrial Automation	3,064	+10.0%	1,589	+10.7%
Group		**12,317**	**+7.0%**	**6,517**	**+7.7%**

The breakdown of revenue by geography was as follows:

€ million	H1 2018		Q2 2018	
	Revenues	Organic growth	Revenues	Organic growth
Western Europe	3,385	+2%	1,752	+5%
Asia-Pacific	3,566	+13%	1,936	+12%
North America	3,375	+7%	1,799	+8%
Rest of the World	1,991	+5%	1,030	+5%
Group	**12,317**	**+7.0%**	**6,517**	**+7.7%**

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

GOOD DYNAMIC IN ENERGY MANAGEMENT UP c.+7% IN Q2, WITH GROWTH ACROSS ALL REGIONS

Geographical trends for Energy Management:

Western Europe: Residential markets continued to develop well, further helped by successful launches in residential and small buildings offers. Commercial and Industrial Buildings demand kept growing. The data center end-market generated strong growth for the Group's entire portfolio. Spain and Italy kept their growth momentum. France saw good development in offers for construction and industrial markets, while performance was impacted by low MV backlog. UK remained resilient though the uncertainty around Brexit continued to impact investment decisions. The Nordics saw positive trends in construction markets, but saw a slowdown in Sweden. In Germany, the activity suffered from fewer projects in the utilities segment while other markets remained favorable.

Asia-Pacific: Energy Management was up double-digit in Q2 benefitting from continued strength in construction, industrial and infrastructure markets, and data center development. China continued to grow strongly, up in all Energy Management technologies. China residential markets continued to grow and the country saw investment increase in green energy projects with traction in delivering the Group's EcoStruxure offers. India, Thailand and Philippines all grew double-digit and Australia and Singapore saw good growth.

North America: Energy Management accelerated to high single digit growth in Q2 in North America. The Group offers for residential as well as CIB performed well in a positive market, helped by channel initiatives and the roll-out of recent offers. In Industrial & Infrastructure markets, the Group saw increasing demand in several segments such as Food & Beverage, Water & Waste Water and OEM. In Data Center and IT markets, the Group, benefiting from its complete portfolio for Data Centers delivered several large projects in the region.

Rest of the World: Energy Management grew across the region. The Middle-East was up due to continued good growth in Turkey and Gulf countries, while Saudi Arabia sequentially improved. CIS was about flat, with lower O&G related activities in Russia counterbalanced by good project execution in the region. The Group saw its business in Russia impacted by market uncertainty related to recent sanctions. South America was up, with growth in Argentina and Colombia, offsetting Brazil.

Performance of Energy Management by technology:

The Group delivered a strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power) addressing customer needs across end-markets. The performance by technologies was as follows:

Medium Voltage (16% of Q2 revenues) has returned to growth in Q2 (+3.2% organically) after the completion of its selectivity initiatives under its Medium Voltage Rebound program launched over two years ago. The division grew its transactional product sales (especially LV and MV products bundled and sold through diffuse channels). Services were up double-digit, growing in all regions. Grid Automation developed

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

well with several projects won in Microgrids. The U.S. and China saw strong growth in the quarter. Western Europe grew in services but suffered from a low backlog on projects. Rest of the World was down with challenging conditions particularly in Russia. The division seized opportunities in growing segments such as data centers, infrastructure and commercial & industrial buildings while the traditional utility market remained mixed.

The Medium Voltage division has continued to deliver on its Rebound initiatives. The business put a greater focus on opportunities in its transactional business, mostly sold in packages with Low Voltage, its services and Grid Automation portfolio which are benefiting from market acceleration. It has also set-up a specialized organization, "Power Systems," focused on utilities and electro-intensive customers and with a leaner cost base. This organization is fully operational and performing at the end of H1 and will contribute to the FY adjusted EBITA margin target of +1pt to +1.5pt organically set for the full Medium Voltage Division.

Upon completion of its strategic review, the Group has identified c. €0.5 billion of MV revenues as lower performing and less synergetic. Over the next 12 to 24 months, actions to improve their impact on the overall Schneider Electric business will be implemented. Those actions could range, among others, from partnership to disposal.

Low Voltage (46% of Q2 revenues) was up +9.0% organically in Q2 (c.+10% including Delixi), with good growth across regions. The Group's residential and small buildings offers were up high single-digit for the quarter. Overall construction markets remained favorable and the Group saw continued success in data center markets and targeted industrial segments. Asia-Pacific saw strong growth again for the quarter. The Group's commercial initiatives helped to deliver growth in China residential markets though the Group will face a high base of comparison in H2. Rest of the World was up. The Group saw accelerated growth in North America as residential and CIB markets remained strong. Western Europe was up with growth continuing across most low voltage offers. The Group's digital offers grew well for the quarter and its new EcoStruxure Building offering as well as its Connectivity eco-system initiative (for the living space) were well received.

Secure Power (14% of Q2 revenues) had a strong quarter, growing +4.7% organically. The business grew in all its end markets - Data Center, Distributed Secure Power, and Non-IT markets. In data centers, the integrated offering of EcoStruxure for data center customers (including domains of Building, Power, and IT) provide a compelling value proposition for colocation companies and large data centers. Secure Power offers in the data center end-market grew mid-single digit and generated pull through opportunities for the entire Group portfolio, resulting in the data center segment growing double-digit in orders and sales for the Group. Edge computing (driven by the need for lower latency, greater security, and regulations), and new economies drove growth of smaller secure power products. Secure power offers for industrial and commercial buildings also accelerated on the back of their growing integration in the full energy management architecture. New offer launches showed successful results, and services continued to post a solid mid-single digit growth. The division achieved growth, despite market-wide pressure over the sourcing of electronic components used in some offers, which resulted in increased freight and direct costs.

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

INDUSTRIAL AUTOMATION GREW STRONGLY IN Q2

Geographical trends for Industrial Automation:

Western Europe: Industrial Automation growth accelerated to double-digit in Q2, with growth across the main markets in the region, benefiting from good demand in discrete markets and improved investment in process markets. The growth was supported by successful actions on targeted OEM offers, particularly in Italy and Spain. The Group continued to build on its momentum in EcoStruxure offer in the region.

Asia-Pacific: Industrial Automation was up as double-digit growth continued for Q2, with overall demand from OEM and electro-intensive customers driving both discrete and process automation offers. China's industrial demand remains strong and the Group benefitted from its strategy to expand its offer reach in fast developing segments. India was up, driven by modernization and capacity expansion projects, and growth in targeted OEM segments. Australia was down due to a high base of comparison while South-East Asia continued to grow in several countries.

North America: was up high-single digit with growth in the U.S., Canada and Mexico. The group recorded good demand for offers for discrete and machine manufacturers, benefitting from greater focus on channel expansion. The Group's offers for process industries saw accelerated growth with improved capital expenditure for efficiency.

Rest of the World: was up double-digits. The Middle-East and Africa were up, benefitting from growth in Turkey, improving demand from electro-intensive customers in Saudi Arabia and Gulf countries, and good project execution in North Africa. South America grew while CIS declined.

Performance of Industrial Automation:

> **Industrial Automation** (24% of Q2 revenues) was up strongly with +10.7% organic growth in Q2 with growth in all four regions. The Group benefitted from strong OEM demand, traction for EcoStruxure and the Group's complete, integrated, and differentiated portfolio of software. Process Automation saw good growth in the quarter with good demand for efficiency from electro-intensive customers. The value proposition was further enhanced in H1 by the closing of the transaction with AVEVA, which provides an end-to-end digital solution from design and build to operation and maintenance for operators in hybrid and process end-markets.

Across the Group, Products were up **+7%** organically in Q2. Services were up **+12%.**

Investor Relations	Press Contact :	Press Contact :
Schneider Electric	Schneider Electric	DGM
Amit Bhalla	Véronique Roquet-Montégon	Michel Calzaroni
Tel: +44 20 7592 8216	Tel : +33 (0)1 41 29 70 76	Olivier Labesse
www.schneider-electric.com	Fax : +33 (0)1 41 29 88 14	Phone : +33 (0)1 40 70 11 89
ISIN : FR0000121972		Fax : +33 (0)1 40 70 90 46

CONSOLIDATION[2] AND FOREIGN EXCHANGE IMPACTS IN Q2

Net acquisitions had an impact of +**€77 million** or +**1.2% on Group revenues in Q2**. This includes mainly the consolidation of Asco Power (Low Voltage) and AVEVA (Industrial Automation), the disposal of DTN (Medium Voltage) and some minor acquisitions / disposals.

The impact of foreign exchange fluctuations was negative at -**€343 million** or **-6.0% on Group revenues in Q2**, primarily due to the weakening of the U.S. Dollar and several new economies' currencies against the Euro.

Based on current rates, the FX impact on FY 2018 revenues is estimated to be **around -€1.0bn**. The FX impact at current rates on adjusted EBITA margin is expected to be **c.-20bps**.

II. H1 2018 KEY RESULTS

€ million	**2017 H1**	**2018 H1**	**Change**	**Organic change**
Revenues	**12,173**	**12,317**	**+1.2%**	**+7.0%**
Gross Profit	**4,715**	**4,818**	**+2.2%**	**+7.2%**
Gross profit margin	*38.7%*	*39.1%*	*+40bps*	*+10bps*
Support Function Costs	**(2,997)**	**(3,049)**	**+1.7%**	**+5.1%**
Adjusted EBITA	**1,718**	**1,769**	**+3.0%**	**+11.1%**
Adjusted EBITA margin	*14.1%*	*14.4%*	*+30bps*	*+50bps*
Restructuring costs	(156)	(87)		
Other operating income & expenses	71	(64)		
EBITA	**1,633**	**1,618**	**-1%**	
Amortization & impairment of purchase accounting intangibles	(61)	(79)		
Net income (Group share)	**958**	**1,020**	**+7%**	
Free Cash Flow	**501**	**350**	**-30%**	

2. *Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.*

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

- **ADJUSTED EBITA MARGIN AT 14.4%, UP +50 BPS ORGANIC THANKS TO THE COMBINATION OF STRONG TOP LINE PERFORMANCE, PRODUCTIVITY AND ONGOING PRICING ACTIONS**

Gross profit was up +7.2% organically with Gross margin improving by **10bps organically** to **39.1%** in H1 2018 mainly driven by price increases and productivity.

H1 2018 Adjusted EBITA reached **€1,769** million, increasing organically by +11.1% and the Adjusted EBITA margin improved +50 bps organically to 14.4%.

The key drivers contributing to the earnings change were the following:

- Volume impact was a positive **€284** million.

- Solid execution of Tailored, Sustainable & Connected (TSC 4.0) supply chain initiatives contributed to an H1 industrial productivity level of **+€174** million. In a positive environment for volume, the Group faced challenges in its supply chain, notably in relation to tensions in the market of electronic components, and increased freight costs. In H1 actions have been taken to moderate this impact in the second part of the year.

- Pricing was positive +€50m in H1 18. The net price[3] impact was negative at **-€39** million in H1 18, impacted by the raw materials headwind of c. -€89 million. The raw material increase on products was more than covered outside of China. In China, the price trend improved compared to last year. Raw material impact in 2018 is expected to be around -€200m at current prices.

- Cost of Goods Sold inflation was **-€63** million in H1 18, of which the production labor cost and other cost inflation was **-€48** million, and an increase in R&D in Cost of Goods Sold was -**€15** million.

- Overall SFC to Sales ratio went from 24.6% to 24.8%, improving organically by 50bps, but higher by +20bps due to scope and currency impact. Support function costs increased organically by **-€137** million in H1 18, including investment in strategic initiatives to support growth such as enhancing the Group's digital offer, marketing of new product launches, and expanding the services footprint.

- Currency decreased the adjusted EBITA by **-€141** million in H1 18, mainly due to the depreciation of the US Dollar, Indian Rupee, Chinese Yuan, and some other new economies' currencies against the euro.

- Mix was about neutral at **-€11** million in H1 18.

- Acquisitions, net of divestments were positive at **+€23** million in H1 18 due mainly to the inclusion of ASCO Power for 6 months and AVEVA for 4 months, partly compensated by the disposal of DTN, as well as minor acquisitions and disposals.

3. Price less raw material impact

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

By business, the H1 2018 adjusted EBITA for **Medium Voltage** was €162 million, or **8.4%** of revenues, flat year-on-year and c. +1.1pt organic, thanks to higher system gross margin and lean cost structure implementation in the Power Systems organization. **Low Voltage** adjusted EBITA reached €1,176 million, or **20.9%** of revenues, up +0.1 points (c. +0.4pt organic) year-on-year. **Secure Power** business reported an adjusted EBITA of €246 million, **14.6%** of revenues, up +0.1 points compared to 2017 (around flat organic). **Industrial Automation** generated an adjusted EBITA of €528 million, or **17.3%** of revenues, up +0.5 points and c. +0.1pt organic, including impact of digital investments and higher inflation.

Corporate costs in H1 2018 amounted to **€343 million** or 2.8% of revenues.

- **NET INCOME UP +7%**

The restructuring charges were **-€87 million** in H1 2018, €69m lower than last year as the Group concluded the program for efficiency and simplification launched in 2015. Restructuring costs are expected in the foreseeable future to be back to a normative recurring amount of €150m to €200m per year corresponding in majority to the costs required to generate the manufacturing productivity and to continue to drive simplification.

Other operating income and expenses had a negative impact of -**€64 million**, mainly due to M&A and integration costs, vs. +€71 million in H1 2017 when the disposal of DTN generated a capital gain.

The amortization and depreciation of intangibles linked to acquisitions was -**€79 million** compared to -€61 million in the first half of last year. The increase in amortization comes mainly due to intangible assets recognized in association with the AVEVA and ASCO Power acquisitions.

Net financial expenses were -**€159** million**,** €25 million lower than in 2017, driven by a continued decrease in the cost of debt.

Income tax amounted to -**€318** million, lower by €43m than last year. The effective tax rate was down to 23.0%, in line with the expected range of ETR of 22%-24% in 2018 and in the medium term.

Share of profit on associates increased slightly to +**€36** million. Delixi revenues increased by c. +25% organic in H1 18 and Group share of Delixi net income was **€30m**, up c.€12m year-on-year.

The Net Income reached a record amount for H1 of **€1,020** million in H1 2018, up +7% from H1 2017.

- **OPERATING CASH FLOW NET OF CAPEX reached €1.2bn, up +19% from H1 2017, while free cash flow for H1 2018 was €350m, impacted by working capital evolution, as expected.**

Operating Cash Flow, net of CAPEX, was reported at **€1,207** million, thanks to strong operating cash flow and a decrease in net capital expenditure which reached **€308** million, representing ~2.5% of revenues. The strong topline growth of the Group resulted in an increased consumption of trade working capital, up €562 million in H1 18. Overall free cash flow was **€350** million.

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

- **BALANCE SHEET REMAINS SOLID**

  Schneider Electric's net debt at June 30, 2018 amounted to **€6,059** million (€4,296 million in December 2017) after payment of **€1.2** billion in dividend, a share buyback of c. **€160** million in H1 2018 and net acquisitions of **€698** million (mainly the AVEVA acquisition).

III. DIGITAL

The Group continued to invest in digital capabilities, further developing its open ecosystem of applications, and gaining good traction with customers across end-markets.

In the first half, the Group's board of directors have constituted a Digital Committee to further advance the Group's digital initiatives and governance.

During H1, the growth in Assets under Management was in excess of 20% year over year, while revenues from the two top layers of EcoStruxure, (Edge Control and Apps, Analytics & Digital Services) grew organically faster than the Group.

IV. SHARE BUY BACK

The Group has repurchased 2.3 million shares for a total amount of c. €160 million in the first half, with an average price of c.€70 per share. By the end of H1, the Group has bought back in total c. €335m of the about €1bn buyback announced in mid-2017 and to be completed by mid-2019.

V. GOVERNANCE

The five committees of the Schneider Electric SE Board of Directors met, in their new composition, at least once since the latest Annual General Meeting held on April 24, 2018:

- Audit & risks committee: Cecile Cabanis (Chairperson), Antoine Gosset-Grainville, Fred Kindle, Willy Kissling, Fleur Pellerin;
- Governance & remunerations committee: Leo Apotheker (Chairperson), Fred Kindle, Willy Kissling, Linda Knoll, Greg Spierkel;
- Human resources & CSR committee: Linda Knoll (Chairperson), Willy Kissling, Xiaoyun Ma, Fleur Pellerin;
- Investment committee: Fred Kindle (Chairperson), Betsy Atkins, Xiaoyun Ma, Patrick Montier, Anders Runevad, Greg Spierkel;
- Digital committee: Greg Spierkel (Chairperson), Leo Apotheker, Betsy Atkins, Fleur Pellerin.

VI. DIVIDEND

The dividend payment for Fiscal Year 2018 will be on May 3, 2019.

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

VII. 2018 TARGET UPGRADED

Following a very good H1, the Group revises its 2018 growth target upward and is now aiming at an organic growth of the adj. EBITA between +7% and +9% (vs. around +7% initially).

This strong performance would be generated by a combination of dynamic top line growth and margin expansion. The Group expects:

- Organic sales growth for 2018 to reach +5% to +6% (vs +3% to +5% initially) reflecting the success of the Group's strategy
- +30 to +50 bps organic improvement of the adj. EBITA margin, taking into account investments needed to drive top line growth as well as some increase in costs such as currently anticipated tariff impacts.

Further notes on 2018 available in appendix

****

The financial statements of the period ending June 30, 2018 were established by the Board of Directors on July 25, 2018 and certified by the Group auditors on July 25, 2018.

The Q2 2018 & H1 2018 Results presentation is available at www.schneider-electric.com

Q3 2018 Revenues will be presented on October 25, 2018.

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

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 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.

About Schneider Electric: Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that **Life Is On** everywhere, for everyone and at every moment.

Discover Life is On

www.schneider-electric.com

Follow us on:

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Appendix – Further notes on 2018

- **Exchange rates impact:** Based on current rates, the FX impact on FY 2018 revenues is estimated to be around -€1.0bn. The FX impact at current rates on adjusted EBITA margin is expected to be around -20bps.
- **Scope:** Based on the most recent fiscal years for acquisitions, scope impact is currently estimated around +€400 million in revenues and expected to be around +10bps at the level of the Group adj. EBITA margin. This includes AVEVA which would be fully consolidated for 10 months starting with March 2018.
- **Tax rate:** Thanks to the positive evolution of the corporate income tax rates in several countries where the Group operates, the ETR is expected to be in a 22%-24% range in 2018 and in the medium term.
- **Restructuring:** Restructuring costs are expected in the foreseeable future to be back to a normative recurring amount of €150m to €200m corresponding in majority to the costs required to generate the manufacturing productivity and to continue to drive simplification.
- **Industrial productivity:** In an environment of increased freight costs and tariffs, the Group expects a good level of productivity for 2018, though not at 2017 levels.

Appendix – Revenues breakdown by business

Second quarter 2018 revenues by business were as follows:

€ million		**Q2 2018**				
		Revenues	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Energy Management	Medium Voltage	1,049	+3.2%	-3.9%	-5.7%	-6.4%
	Low Voltage	2,963	+9.0%	+3.5%	-6.1%	+6.4%
	Secure Power	916	+4.7%	0.0%	-6.9%	-2.2%
	Total	**4,928**	**+6.9%**	**+1.1%**	**-6.2%**	**1.8%**
Industrial Automation	Industrial Automation	1,589	+10.7%	+1.6%	-5.7%	+6.6%
Group		**6,517**	**+7.7%**	**+1.2%**	**-6.0%**	**+2.9%**

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Half year 2018 revenues by business were as follows:

€ million		H1 2018				
		Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	Medium Voltage	1,932	+0.4%	-4.7%	-6.1%	-10.4%
	Low Voltage	5,630	+9.1%	+3.8%	-7.5%	+5.4%
	Secure Power	1,691	+3.8%	0.0%	-8.2%	-4.4%
	Total	**9,253**	**+6.1%**	**+1.1%**	**-7.3%**	**-0.1%**
Industrial Automation	Industrial Automation	3,064	+10.0%	+2.2%	-6.8%	+5.4%
Group		**12,317**	**+7.0%**	**+1.4%**	**-7.2%**	**+1.2%**

Appendix – Revenues breakdown by geography

€ million	Q2 2018			H1 2018		
	Revenues	Organic growth	Reported growth	Revenues	Organic growth	Reported growth
Western Europe	1,752	+5%	+4%	3,385	+2%	+2%
Asia-Pacific	1,936	+12%	+8%	3,566	+13%	+7%
North America	1,799	+8%	+2%	3,375	+7%	-2%
Rest of the World	1,030	+5%	-4%	1,991	+5%	-5%
Group	**6,517**	**+7.7%**	**+2.9%**	**12,317**	**+7.0%**	**+1.2%**

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Appendix – Consolidation

In number of months	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DTN Medium Voltage Business $213 million revenues in 2016		1m	3m	3m	3m	2m		
Asco Low Voltage Business $468 million revenues in 2016				2m	3m	3m	3m	1m
AVEVA Industrial Automation Business £216 million revenues in FY2017 (ending March 2017)					1m	3m	3m	3m
IGE+XAO Low Voltage Business €29 million revenues in FY2017 (ending July 2017)					2m	3m	3m	3m

Appendix - Gross Margin, Analysis of Change

	H1
	Gross Margin
2017 GM	38.7%
Volume	0.0 pt
Net Price	(0.5) pt
Productivity	1.4 pt
Mix	(0.1) pt
R&D & Production Labor Inflation	(0.5) pt
FX	0.0 pt
Scope & Others	0.1 pt
2018 GM	**39.1%**

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Appendix - Results breakdown by business

€ million		H1 2017	H1 2018
Revenues		**12,173**	**12,317**
Energy Management	Medium Voltage	2,156	1,932
	Low Voltage	5,341	5,630
	Secure Power	1,769	1,691
	Total	**9,266**	**9,253**
Industrial Automation	Industrial Automation	2,907	3,064
Adjusted EBITA		**1,718**	**1,769**
Energy Management	Medium Voltage	180	162
	Low Voltage	1,111	1,176
	Secure Power	256	246
	Total	**1,547**	**1,584**
Industrial Automation	Industrial Automation	487	528
Corporate	Corporate costs	(316)	(343)

Adjusted EBITA margin, in % of revenues		H1 2017	H1 2018	Organic
Energy Management	*Medium Voltage*	8.4%	8.4%	~+110 bps
	Low Voltage	20.8%	20.9%	~+40 bps
	Secure Power	14.5%	14.6%	~0 bps
	Total	16.7%	17.1%	~+70 bps
Industrial Automation	*Industrial Automation*	16.7%	17.3%	~+10 bps

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Appendix – Free Cash Flow

Analysis of debt change in €m	H1 2017	H1 2018
Net debt at opening at Dec. 31	**(4,824)**	**(4,296)**
Operating cash flow	1,367	1,515
Capital expenditure – net	(351)	(308)
Operating cash flow, net of capex	**1,016**	**1,207**
Change in trade working capital	(238)	(562)
Change in non-trade working capital	(277)	(295)
Free cash flow	**501**	**350**
Dividends	(1,133)	(1,223)
Acquisitions – net	558	(698)
Net capital increase	10	(160)
FX & other	(59)	(32)
(Increase) / Decrease in net debt	**(123)**	**(1,763)**
Net debt at Jun. 30	**(4,948)**	**(6,059)**

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46