

Powering the

DIGITAL

Economy

Investor Digital Day, December 12, 2017

Jean-Pascal Tricoire
Chairman & CEO

Life Is On

Schneider
Electric

Our technologies
ensure that

Life Is 

everywhere, for everyone
and at every moment.

Life Is On

Schneider
Electric

Life Is On when life is...

POWERED

X2

Worldwide power capacity by 2040 (BNEF, 2017)

2/3

of capacity to be renewable by 2040 (BNEF, 2017)

Power leads

Global investment in electricity overtakes Oil & Gas for the first time in 2016 (IEA 2017)



DIGITAL

10x more

incremental connected devices than incremental connected people by 2020 (IHS, March 2016; UN population stats)

30bn

connected things by 2020 (IHS, March 2016)

We are leading the digital transformation of energy management and automation

Global energy management market (*)

\$ **250**
Billion

\$ **120**
Billion

Global industrial automation market (*)

**Step up efficiency in energy management and automation
integrated and digitized**

We have a long history of **digital innovation**

1968

First PLC
Invented by Dick Morley,
Modicon



First PLC for improved productivity

1997

First Ethernet on industry
shop floor
Transparent Factory



First use of open protocols in factories

2009

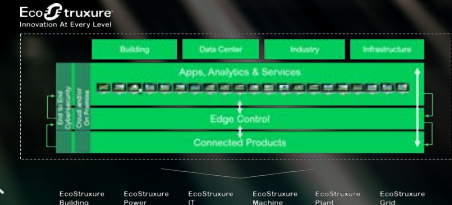
Plug-and-play control
architecture
EcoStruxure™



First-generation EcoStruxure™

2016

EcoStruxure boosted by cloud
and digital services
Improved efficiency, reliability,
safety and sustainability



End-to-end IoT-enabled platform

To deliver **measurable** customer results

Results based on 10 years of customer project data*

Energy efficiency

Up to

~65%

Average (30%)

Productivity

Up to

-50%

CapEx (integration)

-30%

OpEx

Reliability

Up to

50%

fewer incidents

Sustainability

Aiming at

Zero emissions



ECOSTRUXURE

6 foundations

are driving our success in the digital space

A platform

A community

1

One IoT-ready architecture and platform

2

One Edge

3

Digital life-cycle management

4

Domain and segment expertise

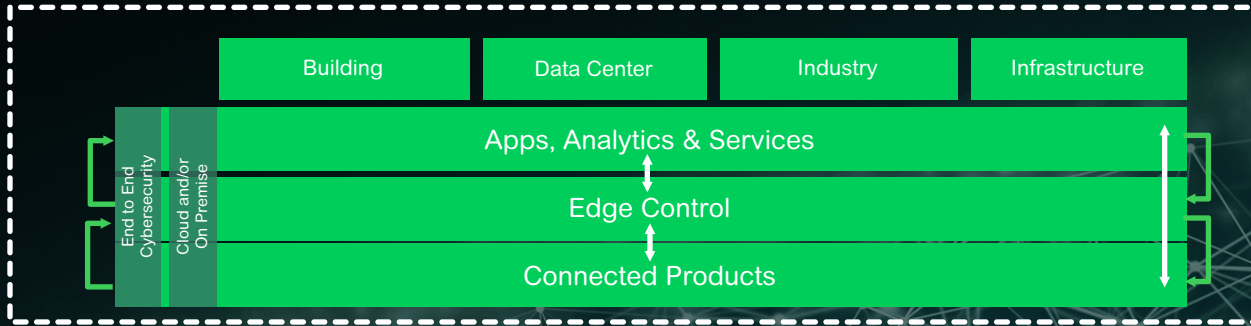
5

Large digital services portfolio

6

Open partner ecosystem

Plug & Play Integration



End to End digital service or Multi cloud compatibility

Integrated cyber security and tailored cyber services

Open and Agnostic integration

Converged platform at edge

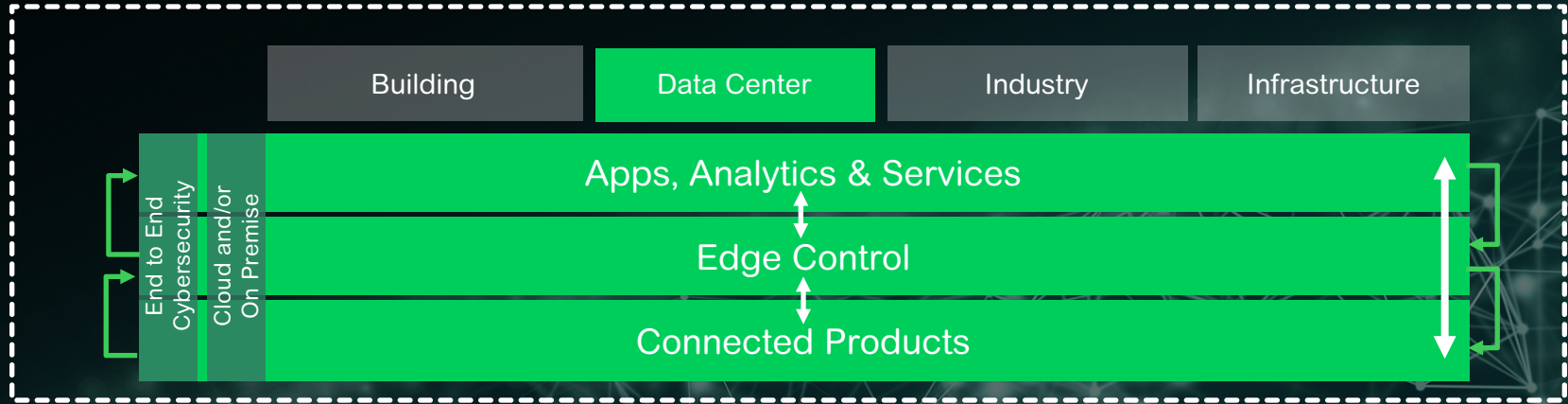
Open standards for integration with 3rd party

EcoStruxure Building EcoStruxure Power EcoStruxure IT EcoStruxure Machine EcoStruxure Plant EcoStruxure Grid

One EcoStruxure per domain combining into complete customer solutions

EcoStruxure™ for Data Center

Integrating domain expertise to enhance value and enable digital adoption in our key end markets



EcoStruxure
Building

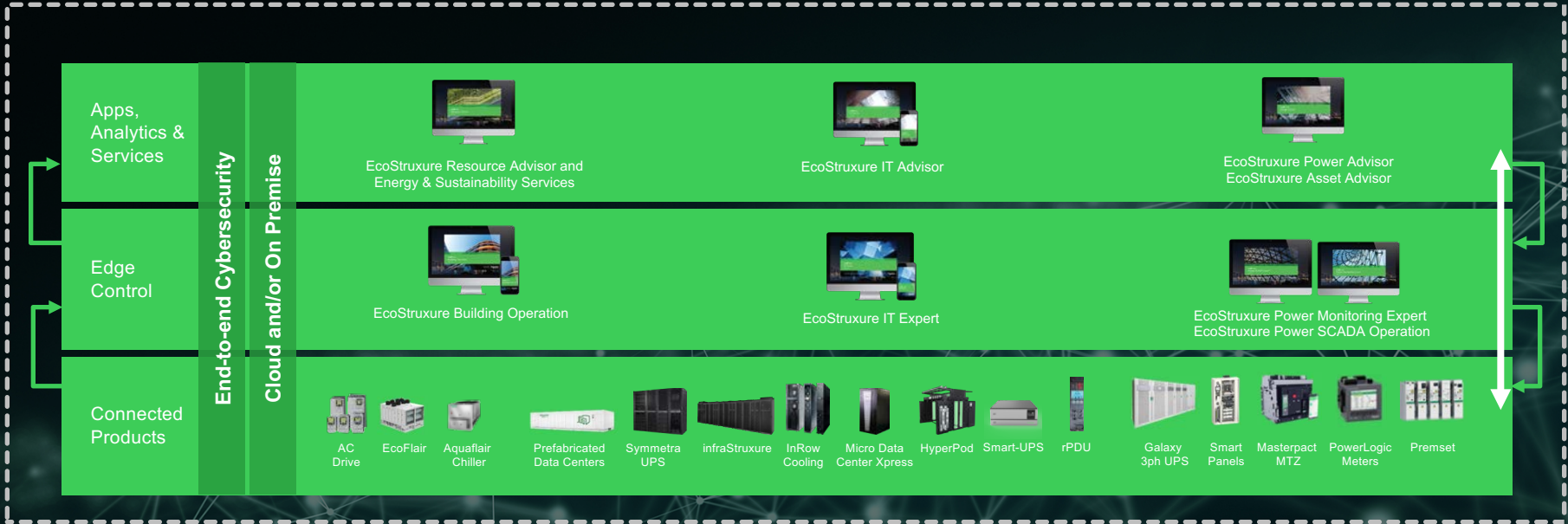
EcoStruxure
Power

EcoStruxure
IT

EcoStruxure
Machine

EcoStruxure
Plant

EcoStruxure
Grid



EcoStruxure
Building

EcoStruxure
IT

EcoStruxure
Power

“

A transformative platform that changes the core way that datacenters are monitored and managed.”

IDC, 2017

Colocation provider Internap® ensures lag-free computing

1

EcoStruxure™ domain reference architectures enable Internap's customer-specific approach

Internap® can deliver **new infrastructure** to its customers **in weeks**, rather than the **6 months** for typical data center expansions.

Leading to growth in synergies across business lines

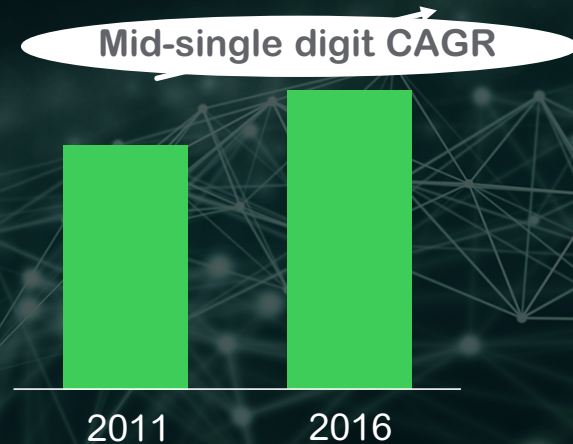
1

Data Center: an attractive
end-market for all offers of the group

DC represent c.€2.2bn of 2016 revenues

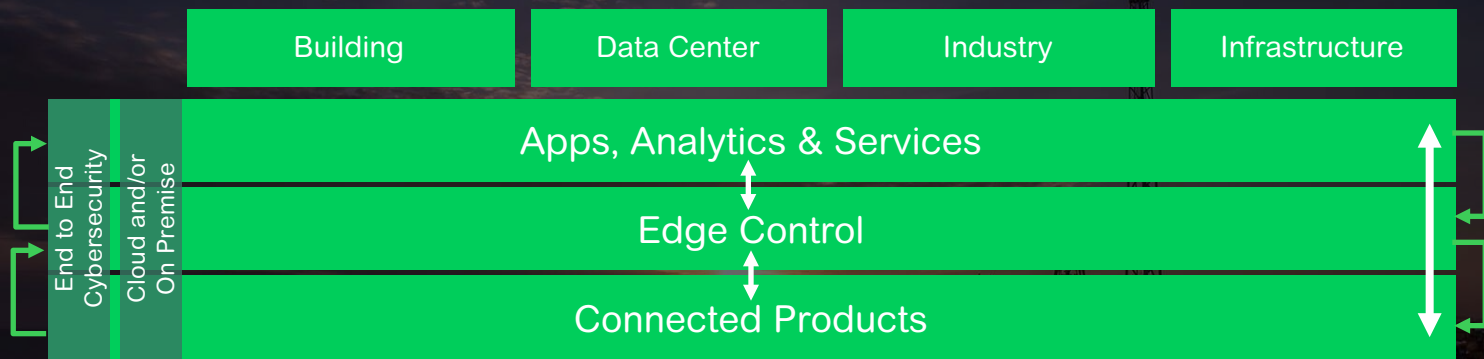
c.€800m of revenues of Low Voltage,
Medium Voltage, Building Automation
sold to DC in 2016

Low Voltage, Medium Voltage, Building
Automation revenues sold to DC



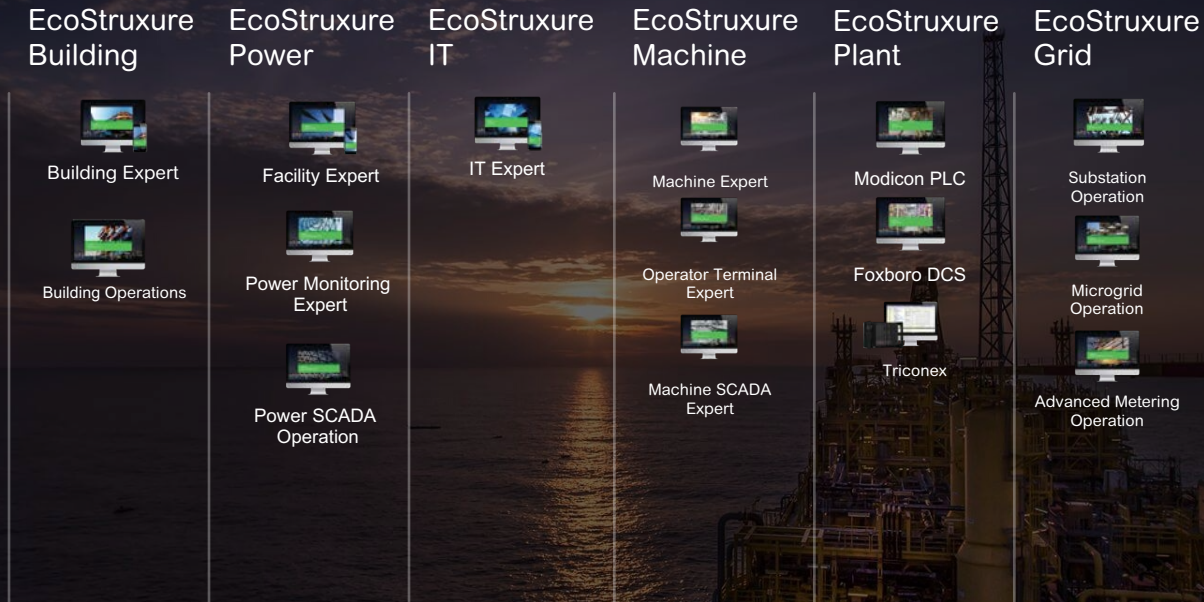
One Edge

with advanced control and intelligence



One Edge

with advanced control and intelligence



One Edge

with advanced control and intelligence

2

Huge natural gas discovery in Egypt to rely on EcoStruxure™
edge control for Petrobel Zohr project



Integrated power systems & automation delivery:

4 Electrical e-houses (MV/LV/UPS)

4 automation blast-proof shelters (control, safety, fire & gas)

17 CCTV e-houses

Project delivers faster time to market

Digital life-cycle management

for consistency and cost saving

CapEx

OpEx

Project phase

Operations phase

Design

Build

Operate

Maintain



Connecting deep domain expertise for a bold play across segments

4



20 of the largest **Oil and Gas** companies



9 of the 10 largest **Mining, Metals and Minerals**



11 of the top brands within **Food & Beverage**



36,000 **Water and Wastewater** installations in **120** countries



1 million+ **Buildings** including 3 of top 5 **hotel** chains and approx. 40% of the world's **hospitals**



10 of the world's top **electric utilities**



3 of the top 4 biggest **hyper scale cloud** providers



8 the top 10 **packaging machine** builders

Connecting deep domain expertise for a bold play across segments

4



\$3M–\$5M / year

expected savings from improved refinery performance and reliability



10-20%

improvement of asset utilization



2.8 years

payback for investment



65%

reduction annual energy expenses



25-45%

energy savings through occupancy-based energy management



144 GWh/yr

estimated energy savings



1.2

PUE and Zero CO₂ emissions

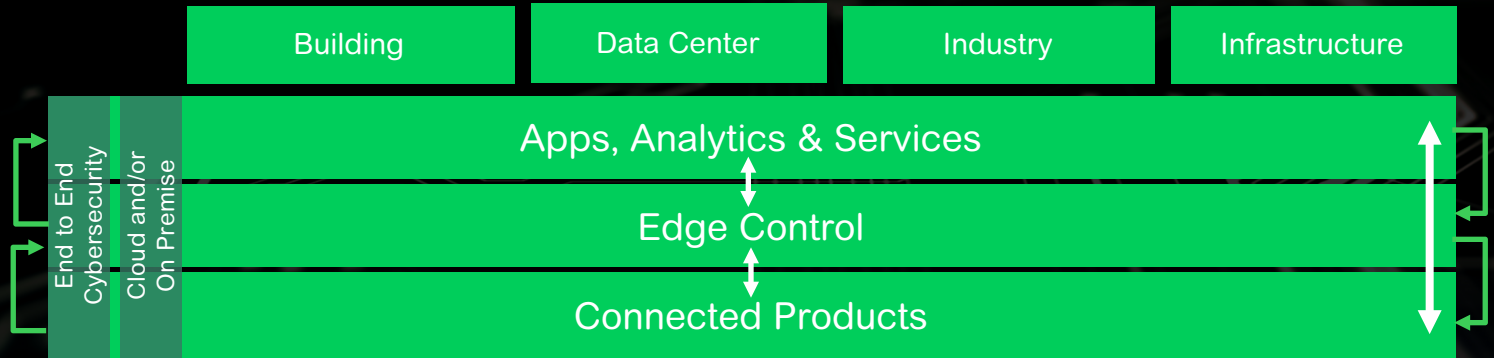


2x

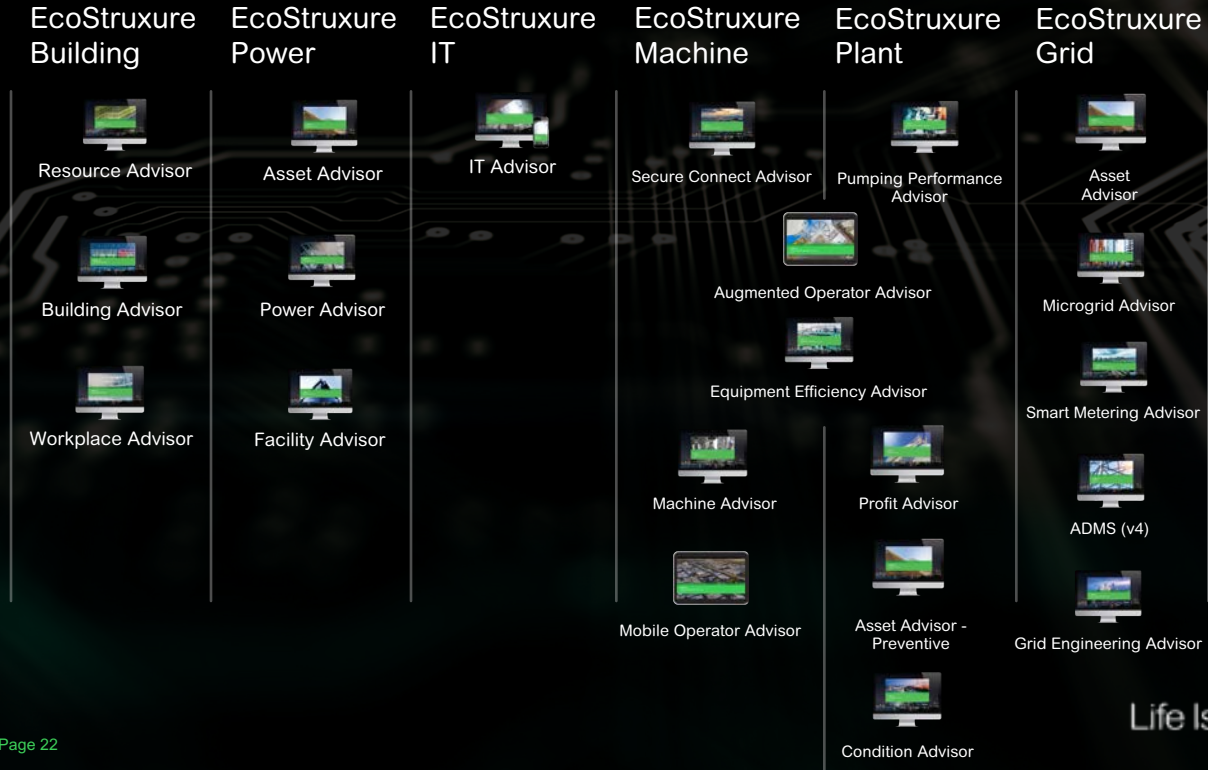
increase in productivity



40 digital services commercialized today...



40 digital services commercialized today...



...with many more in the innovation pipeline

5

20+

Services in development 2018

EcoStruxure Resource Advisor

a sharp eye on energy

“The sectors that I tend to serve are the sectors that have the largest environmental footprint. I have to set priorities carefully and Schneider Electric helps me do that.”

Don Anderson,
Chief Sustainability Officer,
Blackstone Group



The Results:
Life Is On with...

\$60M

savings over 4 years
realized for client
portfolio

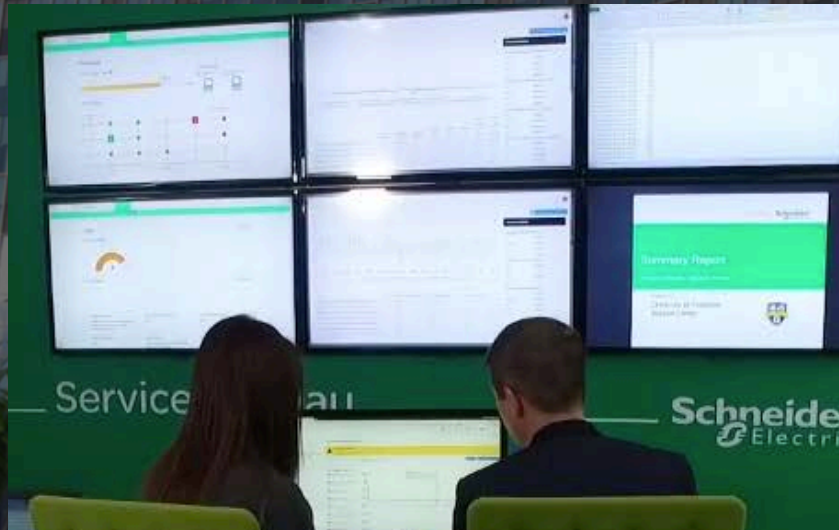
EcoStruxure Asset Advisor

a predictive eye on critical equipment

5

“We would like to express our satisfaction to Schneider Electric India and their service team members for their excellent support (24/7) of our critical UPS and battery systems monitoring. We are happy with the device performance and reliability.”

Viswanathan R,
Director-Engineering Services,
Capgemini Technology Services India Ltd.



The Results:
Life Is On with...

24x7

monitoring of 108 critical
assets across Mumbai,
Chennai, Hyderabad,
and Bangalore

EcoStruxure Building Advisor

a smart eye on data and efficiency

“We’re moving from an energy saver to becoming an energy leader and innovator.”

Robert P Wengel,
VP of Facilities, Shedd Aquarium

5



The Results:
Life Is On with...

goal of **50%**
energy savings by 2020

(equivalent to powering
750 homes annually)

An open platform that unleashes innovation

from a best-in-class, strategic partner ecosystem

Technology & Cybersecurity

Apps

IT/OT integration



Microsoft



accenture



WIND RIVER intel



CISCO



IBM



amazon web services



Capgemini



salesforce

A flexible platform for openness and interoperability

Enabled by open standards

6

"In the worksite setting, 60 percent of the potential value [of IoT initiatives] hinges on the ability to integrate and analyze data from various IoT systems."

McKinsey Global Institute

Apps, Analytics & Services



Edge Control



Connected Products



A platform for innovation and application

A unique commercial partner ecosystem

6

20,000+

System Integrators &
Developers

ECOSTRUXURE

delivers business results

EcoStruxure: a business reality today and tomorrow

Reinforced by differentiating capabilities and strong digital customer experience

Add value with

Apps, Analytics & Services

Customer **intimacy**, **business**
partnership, new **opportunities**

Add value with

Edge Control

More value to customer,
increased business **performance**

From Unconnected to


Connected Products

Increased **value for customer**
24/7 relationship

EcoStruxure: a business reality today and tomorrow


Reinforced by differentiating capabilities and strong digital customer experience

2017 Hero launches



Masterpact MTZ PowerPact B& Compact NSM Easergy T300 Altivar Process Modicon 580 Galaxy VX


2018 Hero launches



Easergy P3 Masterpact MTZ Tricon CX ION 9000 Compact NSMn SmartX Compact 9PX SmartX Sensor Adbi 9 Wiser UNICA

100% are connectable offers

Assets under management



Year	Assets under management
2016	1.3 million
2017* *as of Sept. 2017	1.5 million

+20% growth

Connected Products

EcoStruxure: a business reality today and tomorrow

The unique and complete Energy Management connected portfolio on the market

Power

Secondary sensing



Enerlin X Com X



Acti 9 Control & PowerTag™



SmartX Room Sensors

Metering



PowerLogic ION6200



PowerLogic PM3000 series



PowerLogic ION6200



ION Power Meter

Integrated connectivity



Premset



SM6



Masterpact MTZ



Easergy P3



Compact



UPS

Connected Products

EcoStruxure: a business reality today and tomorrow

Reinforced by differentiating capabilities and strong digital customer experience

Apps, Analytics & Services

We turn data into business actions

~480,000

installed sites

20,000

System Integrators
& Developers

1.5m

Assets under
management

40

Commercialized
advisors

+20

in 2018

Edge Control

Connected Products

Digital a catalyst to superior growth

EcoStruxure accelerates our growth

Add value with

Apps, Analytics & Services

Apps, Analytics & Digital services
YTD 2017 up **high single digit**
outside Oil & Gas

Add value with

Edge Control

Combined Edge and Apps,
Analytics & Digital services
targeting organic growth
above group average

From unconnected to

Connected Products

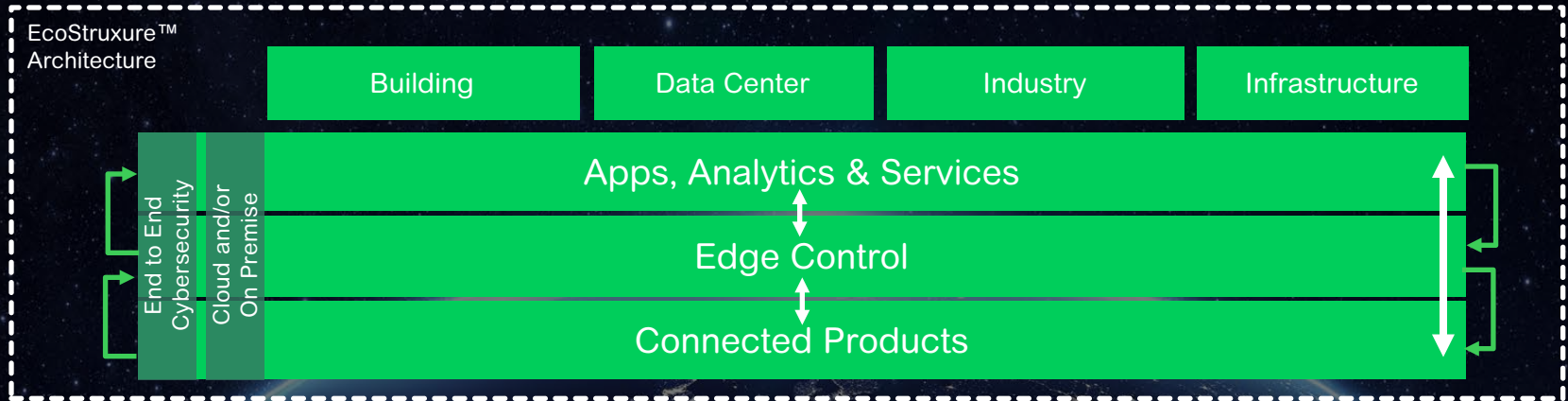
Increased **value**

And enhances our
growth profile

3%-6% avg. organic revenue
growth through the cycle

EcoStruxure: a business reality today and tomorrow

Reinforced by differentiating capabilities and strong digital customer experience



Enabled by our digital business transformation



Leveraging common technology

- Chief Digital Officer
- Transversal Digital organization (IOT, Digital Transformation, IT, Customer Experience,)
- Technology Alliances
- CTO Board
- Global Resource allocation, R&D priorities



Enhancing competencies

- Extensive Competency Mapping
- Specific hiring plan (at multiple levels)
- Digital Learning across functions
- University Partnerships (INSEAD, MIT)



Measuring performance

- Digital barometer (metrics, country rankings, etc)
- Incentives (Short Term, Long Term)
- Digital Committee on Board of Directors (April 2018)



Supporting a strong innovation ecosystem

- Robust development ecosystem that leverages best-in-class technology partners, developers, and system integrators
- Faster time from idea to market
- Ability to scale customer projects

6 enablers for Schneider Electric to lead in IoT

A platform

A community

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Open partner ecosystem

Life Is On



Schneider
 Electric