



Schneider Electric Infrastructure Ltd Investor Meeting – Q3, FY 2022-23

February 14, 2023

Disclaimer

All forward-looking statements are Schneider Electric Infrastructure Limited (India) management's present expectations of future events and are subject to numbers of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

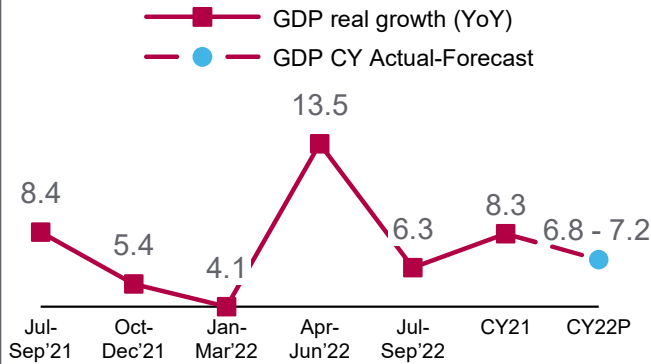
This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual sales in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, 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.



Economy Outlook

GDP grows by 6.3% in Q3'CY22

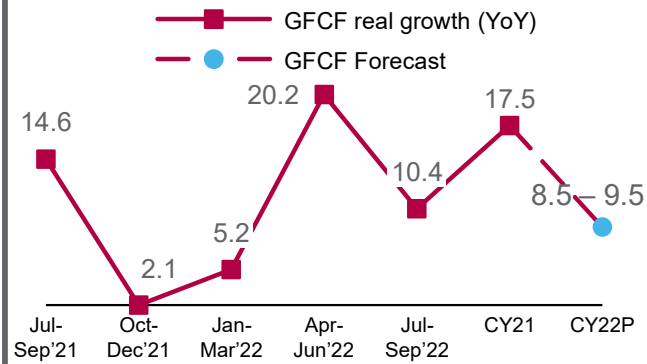
GDP¹ Forecast - 2022



Real GDP Growth Rate

GDP Q3 growth slowed down to 6.3% due to shrink in manufacturing & mining

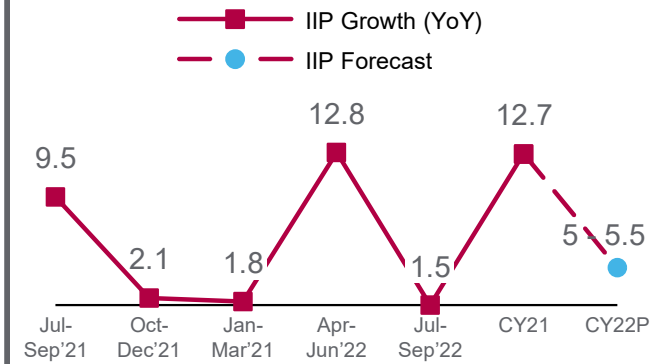
GFCF² Forecast- 2022



Capex Growth Rate

GFCF Q3 grew by 10.4% due to capex push & recovery in private investment activity

IIP³ Forecast- 2022



IIP

IIP growth slowed down in Q3 due to de-growth in Mining

- Q3 Construction grew by 6.6%, Manufacturing shrunk by -4.3% YoY
- CY'22 GDP projections: Oxford Economics → 6.8%, CMIE → 7.1%, Moody's → 7.2%

- Q3 PFCE⁴ grew by 9.7% while GFCE⁵ de-grew by -4.4% YoY

- Q3 IIP Electricity, Manufacturing grew by 4.8%, 1.4% respectively; Mining de-grew by -1%

¹ Gross Domestic Product

² GFCF: Gross Fixed Capital Formation

³ IIP: Index of Industrial Production

⁴ PFCE: private final consumption expenditure

⁵ GFCE: government final consumption expenditure

Sources: a. CY22P GDP & IIP Projection numbers from Oxford Economics, CMIE & Moody's

b. GFCF projections from CMIE

Core Segment



Mega Trends

- Electricity demand to grow +7% annually till 2027
- Capacity addition | 139 GW by 2027 in renewable sector
- Indian Cement Industry to add ~80 MT capacity by FY24
- Crude steel capacity to increase by 50% by 2030-31
- New Vande Bharat manufacturing units to be set up
- Focus on airport, metros & rapid train

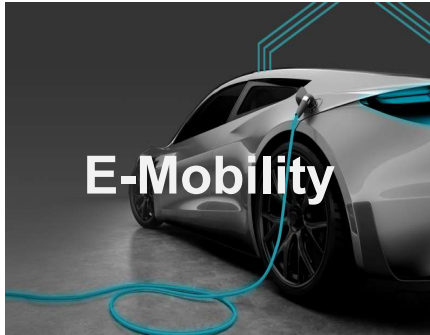
Budget Highlights

- Allocated 350 BINR to prioritise India's net zero goals
- Additional 197 BINR allocated for Green Hydrogen Mission
- Infra investment outlay | 10k BINR
- Boost in infra projects & PMAY* scheme to lift cement industry
- Investments in Railway & Airport projects to spur steel industry
- Capex of 2.6k BINR infused into Indian Railways
- 50 new airports & helipads in FY'23-24

Opportunity

- Increased Scope for improved efficiencies through Energy management | Green Products
- Boost in buildings, Railways, Greenfield airports, Ports, tunnels | Scope for Equipment, Power Management Software & Digital Services

Emerging Segments



Mega Trends

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • EV Market to grow at a CAGR of 23.7% by 2028 • 20000 EV charging stations to be installed in FY23 | <ul style="list-style-type: none"> • Investment in Colo facilities • Edge DC for tier-2 cities | <ul style="list-style-type: none"> • NGHM to enable annual production of 5M MT by 2030 • 50% RE mix or 500 GW of RE expected by 2030 |
|--|--|--|

Budget Highlights

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Customs duty exempted for EV battery infrastructure • Allocation of 51 BINR towards FAME-II* | <ul style="list-style-type: none"> • Fulfilling goals of 'Make AI in India' • Creation of 100 labs for rolling 5G services | <ul style="list-style-type: none"> • Focus on green growth ; Increase RE mix to 50% • Allocated 102 BINR to MNRE** |
|---|--|--|

Opportunity

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Foreseen reduction in EV Costs to propel uptake of EV & Infra Spend In automotive Industry | <ul style="list-style-type: none"> • Improved scope for Equipment Asset management services due to Boost in data centers | <ul style="list-style-type: none"> • Need for robust solutions for grid solutions & maintenance services is expected |
|--|---|---|

Our Wins | Power & Grid

Helping Nepal build a robust power distribution system

Customer Challenges

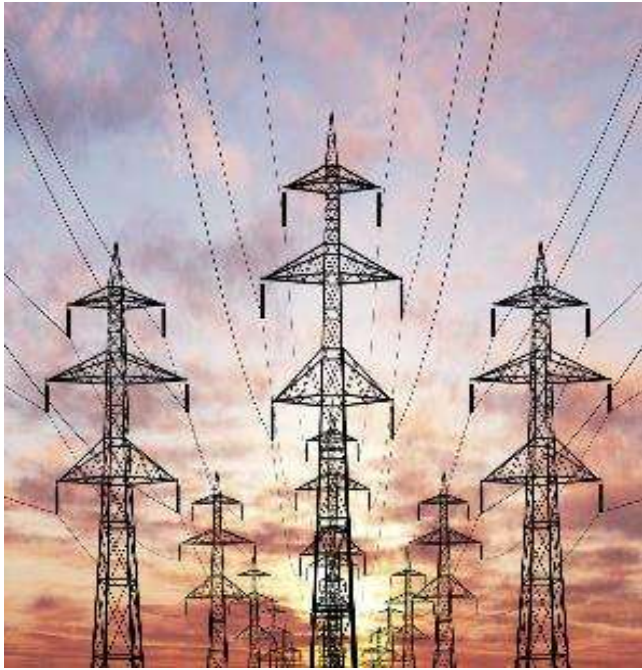
- Implementing automation up to 11kV voltage level
- Selecting most reliable & efficient vendor for Transformers

Our Solution

Power Transformers with EAA solution for predictive maintenance with 3 years cloud connectivity subscription

Key Highlights

- 1st Transformer from India with H2 & H2O sensors
- 1st IoT enabled transformer order from Greater India zone P&G customer



Our Wins | Cloud & Service Provider

Trusted and reliable partner for one of India's top web services company

Customer Challenges

Safe & reliable design customized to optimize performance

Our Solution

Customised LV and MEDS Panel

Key Highlights

Successful execution of order with major pull through expected from upcoming phases
(~340 MINR – next quarter ; ~ 12000 MINR – next 2-3 years)



Our Wins | Metals, Minerals & Mining

Supplying HV/MV Package for the expansion project of one of the top glass manufacturers

Customer Challenges

- One Integrated bundle solution
- Quick Delivery Time – 6 months

Our Solution

- 35 MVA Power transformer
- 6.6kV MV Panels
- CRP and SAS

Key Highlights

- Expecting a pull through order for Low Voltage & UPS package for the same project
- Supported customer's vision of sustainability



Our Wins | Industry & Building

Making India's top Food and Beverage company energy efficient

Customer Challenges

Robust planning for execution in limited downtime

Continuous monitoring to ensure high reliability

Safe, reliable and energy efficient power distribution solution

Our Solution

- Green Premium certified Ester Oil Transformers
- Connected MV panels + LT Panels
- Sandwiced BBT with Power tag for power monitoring at power distribution

Key Highlight

Continuous engagement with customer

Value Proposition gave us an edge over competition

Collaboration at all levels



Our Wins | Field Services

Leading Digitization in one of major cement plant in India

Customer Challenges

- Ageing of Assets | Failure due to Arc Flash
- Reduce downtime and No business disruption
- Reduction of Fire risk and increase safety

Our Solution

- Ecostruxure Service Plans (Asset Advisor & Power Advisor)
- Power Operations
- Ecostruxure Transformer Expert

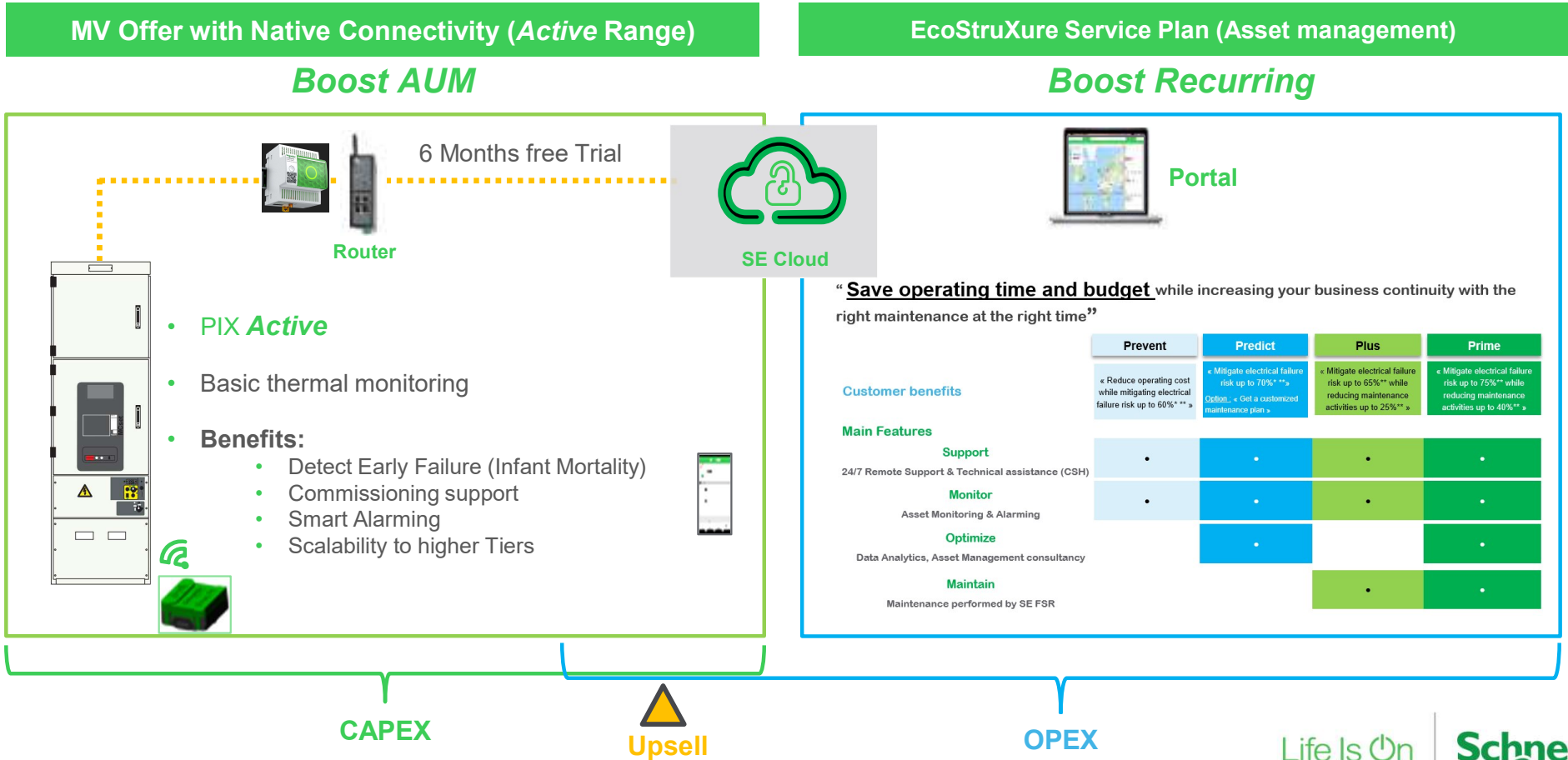
Key Highlight

- Integrated platform to have an insight on Power & Asset performance
- Secure critical processes and optimize asset failure risk & operations



Active ranges

Native Connectivity to bridge Capex & Opex to unlock service growth



Active Offers - India

Pix-Rof Active
since Aug'22

30 Opportunities
quoted since launch

Mass pairing tool commissioned;
Industrialization in progress

1st Active Win



Industrial Manufacturing | 0.03 M€

Active connected products preventive

Addressing customer pain points & technical capabilities

Influencing Factors



Govt guidelines on data residency & Application deployment



Current EAA solution not deployable



Transportation and P&G segment most impacted

Way forward

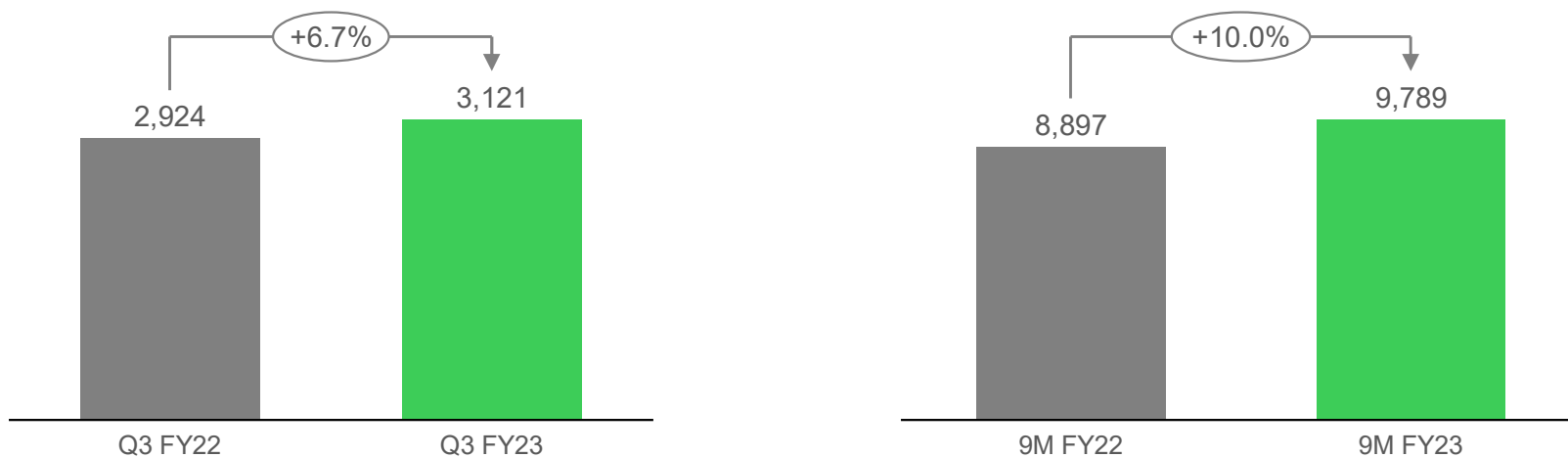
- ✓ Value proposition pitch for non govt segment
- ✓ Leverage Brownfield | EAA Installation / PoC
- ✓ Intensify Prescription | Leverage Consultants
- ✓ Fine tuning execution model
- ✓ 2023 Ambition:
L1 Active Quotation : 60% ; L1 Active Won: 5%

Accelerated Partner Growth

	Focus Areas	Order Growth Q1-Q3 vs Prior
Distributors	Focus on partner expansion	>50%
Panel Builders	3 stable partners performing Continuous focus on partner approvals Approved model for RDSS tenders	>1000%
Core Component Partners	Conversion to Easy Pact breaker Focus on regional partner coverage	>30%

Financial Update

Orders



➤ Q3 Orders growth is driven by Mobility, Diffused and P&G segment

All figures in MINR

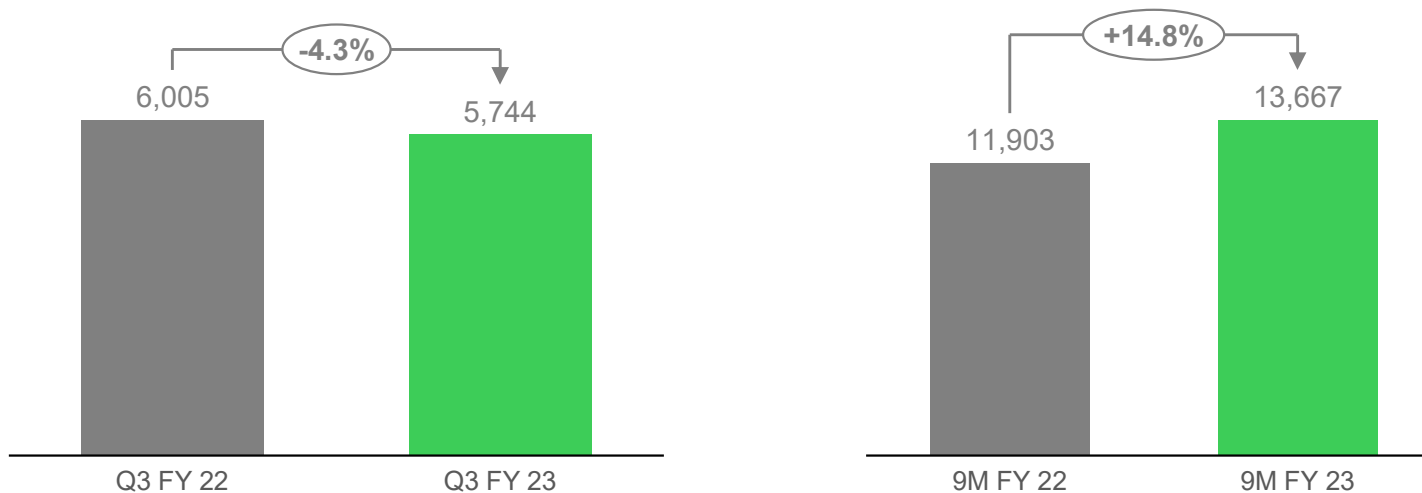
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Life Is On



Sales



➤ Q3 FY23 dropped vs prior due to higher base effect

All figures in MINR

P&L Statement – Q3 FY23 Vs Q3 FY22

	Q3 FY23		Q3 FY22		YoY (%) Change
	MINR	%	MINR	%	
Sales	5,744		6,005		-4.3%
Other Income	27	0.5%	20	0.3%	
Total Sales	5,771		6,024		
Material Costs	4,074	70.9%	4,322	72.0%	
Gross Margin	1,696	29.5%	1,702	28.3%	+1.2pts
Employee Costs	577	10.0%	506	8.4%	14.0%
Other Expenses	503	8.8%	504	8.4%	-0.1%
EBITDA	617	10.7%	693	11.5%	-0.8pts
Depreciation	46	0.8%	45	0.7%	1.8%
EBITA	571	9.9%	648	10.8%	-0.9pts
Interest	136	2.4%	124	2.1%	9.4%
Profit before Exceptional Items	435	7.6%	524	8.7%	-1.1pts
Exceptional Items	0	0.0%	0	0.0%	
Profit after Tax	435	7.6%	524	8.7%	-1.1pts

➤ Material cost reduced with better sales mix

P&L Statement – 9M FY23 vs 9M FY22

	9M FY23		9M FY22		YoY (%) Change
	MINR	%	MINR	%	
Sales	13,667		11,903		14.8%
Other Income	83	1.4%	68	1.1%	
Total Sales	13,749		11,971		
Material Costs	9,483	69.4%	8,375	70.4%	
Gross Margin	4,266	31.2%	3,596	30.2%	+1.0pts
Employee Costs	1,773	13.0%	1,596	13.4%	11.1%
Other Expenses	1,343	9.8%	1,241	10.4%	8.2%
EBITDA	1,150	8.4%	759	6.4%	+2.0pts
Depreciation	134	1.0%	129	1.1%	
EBITA	1,016	7.4%	630	5.3%	+2.1pts
Interest	387	2.8%	355	3.0%	9.1%
Profit before Exceptional Items	629	4.6%	276	2.3%	+2.3pts
Exceptional Items	(159)	-1.2%	0	0.0%	
Profit after Tax	788	5.8%	276	2.3%	+3.4pts

➤ Exceptional items is mainly sales of Naini assets and modification of debt

All figures in MINR

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