



PERFORMANCE

Schneider Electric Infrastructure Limited

Q2 FY 2020-21

19th Nov 20

Disclaimer

All forward-looking statements are Schneider Electric Infrastructure Limited (India) 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.

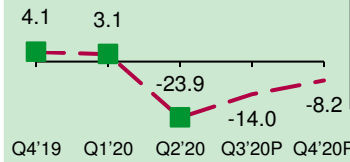
This presentation includes information pertaining to the our markets and our competitive positions therein. Such information is based on market data and our actual sales in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications,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



Broad Economic Indicators

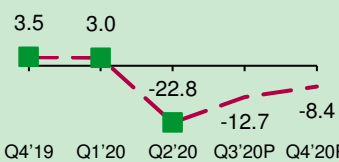
GDP – Gross Domestic Product

GDP contracted by -23.9% (Q2'20) as Covid-19 lockdown brought the economy to a halt.



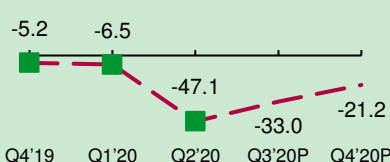
GVA- Gross value added

GVA contracted by -22.8% (Q2'20), following the same trend as GDP growth rate.



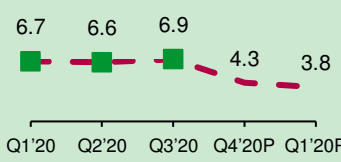
GFCF – Gross Fixed capital formation

GFCF, which reflects the investment demand scenario, declined by an even steeper -47.1%.



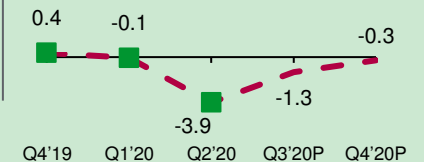
CPI - Inflation

CPI inflation peaked to 7.34% in Sep'20 (8-month high) on account of higher food prices.



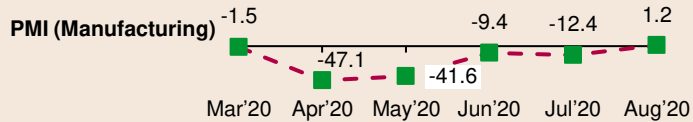
CAD (%GDP) Current account deficit

India recorded current account surplus of 3.9% of GDP (Q2'20); on account of lower imports.

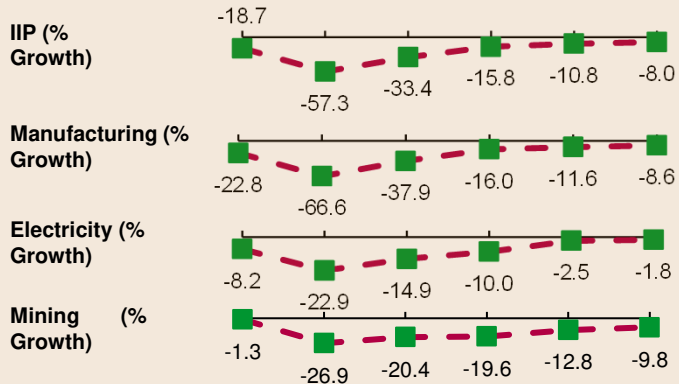


Industry growth Indicators

IIP contracted by -8.0% in Aug'20, showing relative improvement in economic activities. Mfg. of tobacco, basic metals and transport equipments showed growth in Aug'20.

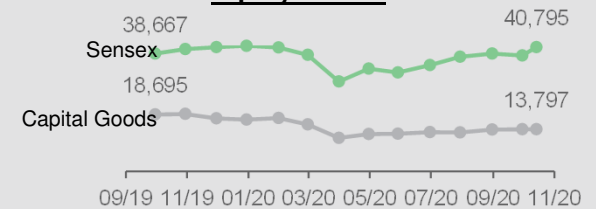


Sector Based Classification

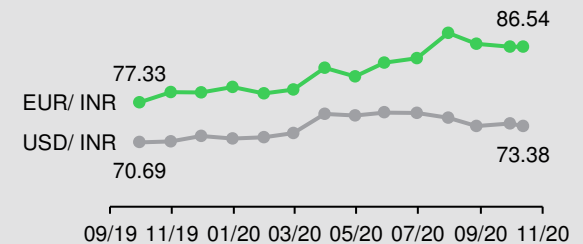


CY considered Q4'19 : Oct – Dec 2019; Growth % figures are Y-o-Y; Forecasts are subject to revision. Schneider Electric Infrastructure Limited – Investor Presentation

Equity Market



Exchange Rates



Interest Rates

CRR 3.00%* Repo Rate 4.00%*

Forecasted Data(CMIE) ■ Released figures *As on 14 Oct 2020

Executive Summary



Achievements

- Sales: Visible rebound in Q2 at +17.7% & H1 -14.0% vs prior
- Major Orders in Q2
 - Delhi Transco (GIS substations)
 - Suez (Water MV solution)
 - Adani (MV Transformers)
 - BSES (MV RMUs)
- 1 Licensee cleared “SELL” gate, 3 Licensees scheduled for H2`21.
- 14K remote interactions with Customers in Q2



Issues/Challenges

- **Orders: Sluggish market in some segments and overall wait and see attitude from EPCs** with Q2 -30.6% & H1 -12.6% vs prior (without de-booking of previous period orders Q2 -11.7% & H1 -3.0% vs prior)
- Some stickiness experienced and expected in Order Backlog liquidation
- Delay in customer clearance for Mfg as well as Inspection

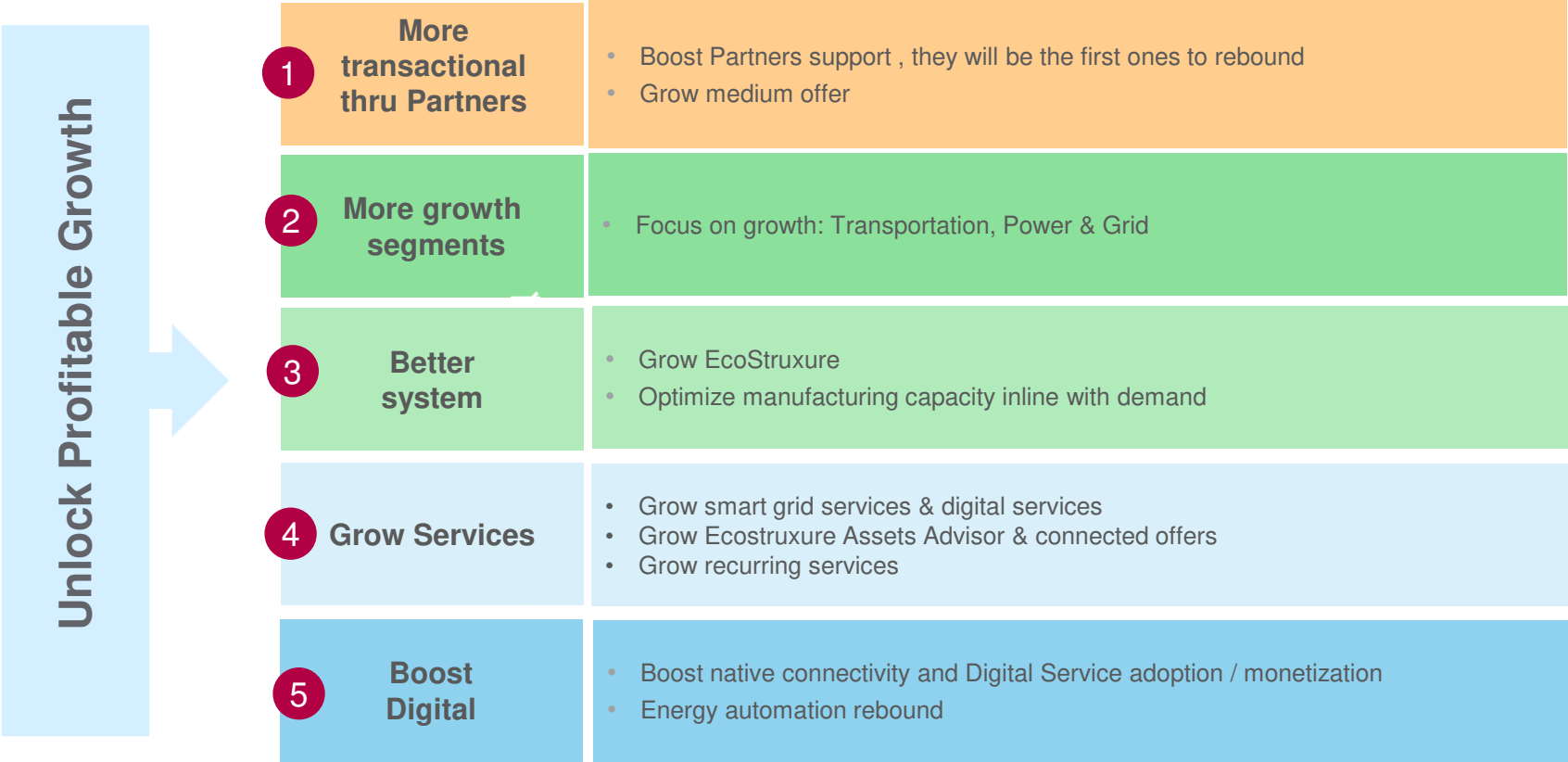


Priorities

- Cash remains a priority with increased follow up with Customers , and takes precedence to Sales
- Cost reductions initiatives
- Trade off between Inventory vs capacity utilization

Short term Strategic Priorities

We invent the New Electric World end-to-end for large and critical end users





Covid19 Update

Covid19 : New Ways of working

Work Adaptation Guideline compliances > 95%

Employee wearing PPE



500+ Family Covered



Partitions



Foot Operated water cooler

Color Code Segregation



Medical Screening CAMP



Each Shift Sanitization



Announcement systems



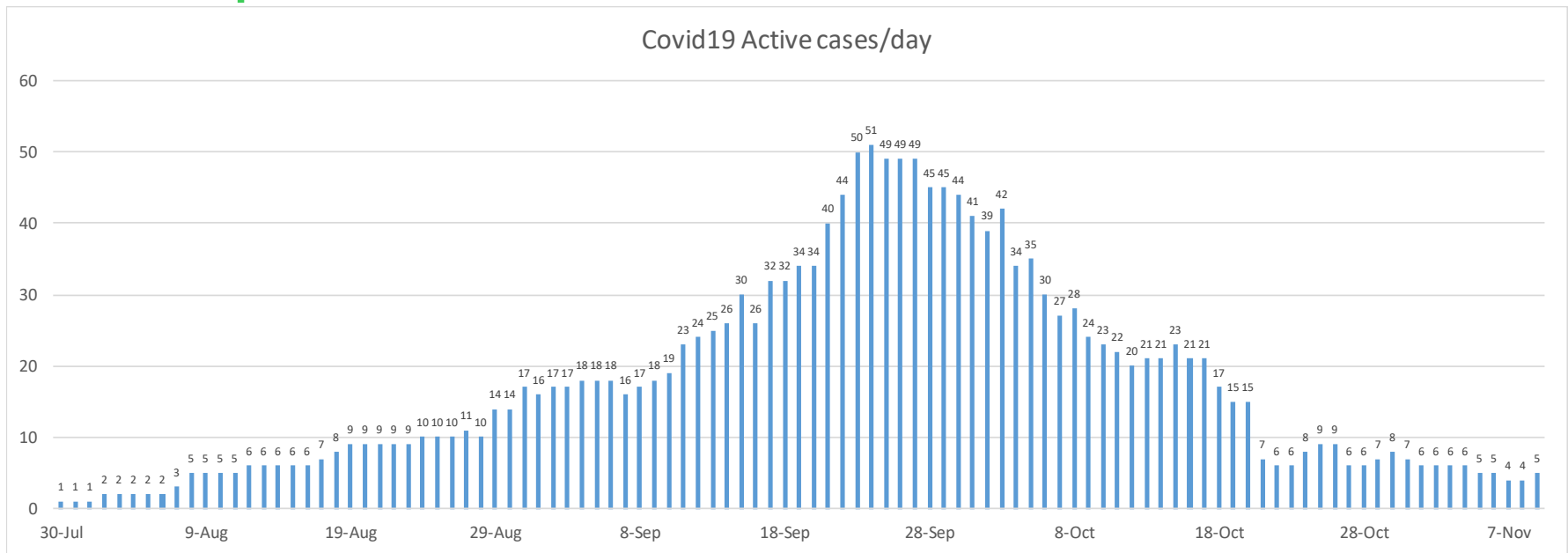
Active Medical Surveillance



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Covid19 Update



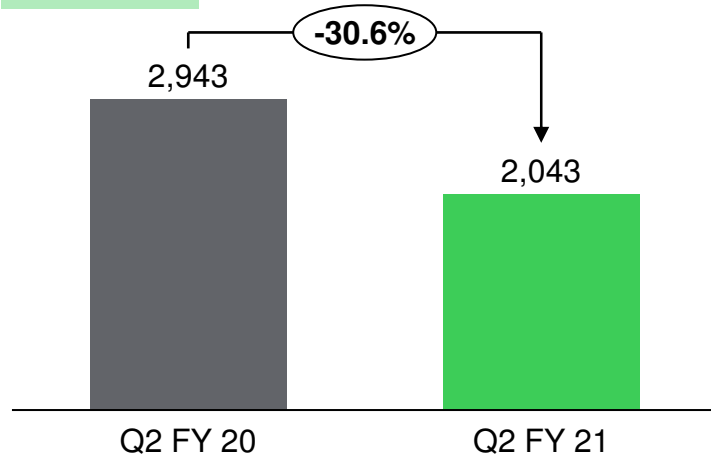
- Covid19 test for Complete factory employees in Sep 20
- SEIL - 112 number of total positive cases and 7 active cases as on date

Financial Update

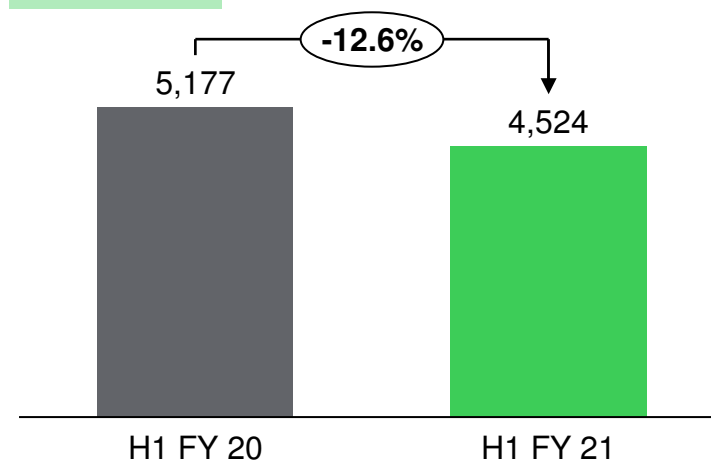
Orders

MINR

Quarterly



Half Yearly

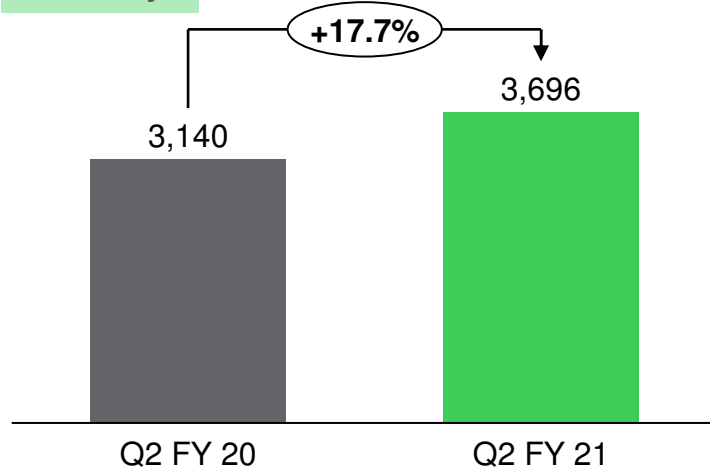


- Drop in orders mainly due to delay in finalizing orders by customers (specially in MMM, Mobility, O&G segments).
- Without de-booking of previous period orders Q2 -11.7% & H1 -3.0% vs prior
- Q2: IG orders intake + 3.8% vs prior & total Q2 order intake is -8.7% Vs prior

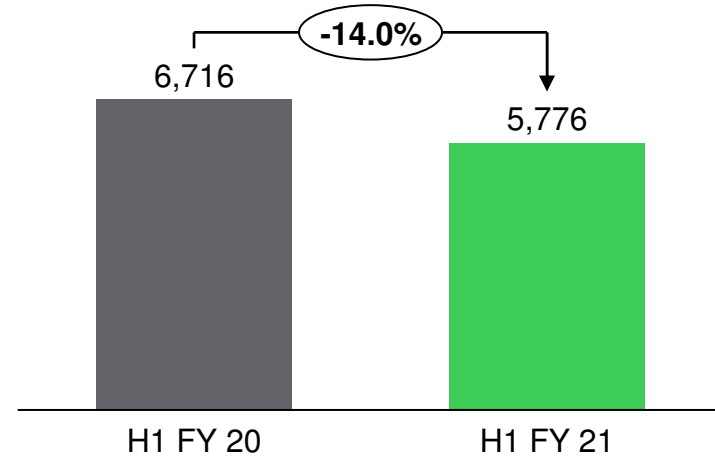
Sales

MINR

Quarterly



Half Yearly



➤ H1 sales dropped due to lock down in Q1, though it partially recovered in Q2

Financial Results Q2 FY'21 Vs Q2 FY'20

MINR

	Q2 (July-Sep 2020)		Q2 (July-Sep 2019)		YoY (%) Change
	MINR	%	MINR	%	
Sales	3,696		3,140		17.7%
Other income	40		37		
Total Sales	3,736		3,177		
Material costs	2,575	69.7%	2,223	70.8%	
Gross Margin	1,161	31.4%	954	30.4%	1.0%
Employee costs	455	12.3%	545	17.3%	
Other expenses	361	9.8%	462	14.7%	
EBITDA	345	9.3%	-53	-1.7%	11.0%
Depreciation	56	1.5%	53	1.7%	
EBITA	289	7.8%	-106	-3.4%	
Interest	128	3.5%	133	4.2%	
Profit before Exceptional items	161	4.4%	-239	-7.6%	12.0%
Exceptional	99		0	0.0%	
Profit after tax	63	1.7%	-239	-7.6%	9.3%

- Employee cost is lower due to various structural and tactical actions
- Other expense is down due to savings in traveling, lower forex loss, lower bad debt provision, etc.
- Exceptional is employee severance pay as per approved restructuring plan

Financial Results H1 FY'21 Vs H1 FY'20

MINR

	H1 (Apr to Sep 20)		H1 (Apr to Sep 19)		YoY (%) Change
	MINR	%	MINR	%	
Sales	5,776		6,716		-14.0%
Other income	56		79		
Total Sales	5,833		6,795		
Material costs	3,967	68.7%	4,866	72.5%	
Gross Margin	1,865	32.3%	1,929	28.7%	3.6%
Employee costs	906	15.7%	1,075	16.0%	
Other expenses	700	12.1%	834	12.4%	
EBITDA	259	4.5%	20	0.3%	4.2%
Depreciation	117	2.0%	108	1.6%	
EBITA	142	2.5%	-88	-1.3%	3.8%
Interest	250	4.3%	251	3.7%	
Profit before Exceptional items	-108	-1.9%	-339	-5.0%	3.2%
Exceptional	123				
Profit after tax	-231	-4.0%	-339	-5.0%	1.0%

- Other income is lower due to higher old debt collections in last year
- Employee cost is lower due to various structural and tactical actions
- Other expense is down due to savings in traveling, lower forex loss, etc.
- Exceptional is employee severance pay as per approved restructuring plan



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