



**Schneider Electric Infrastructure Ltd  
Investor Meeting – Q2, FY 2022-23**

**November 4, 2022**

# 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.

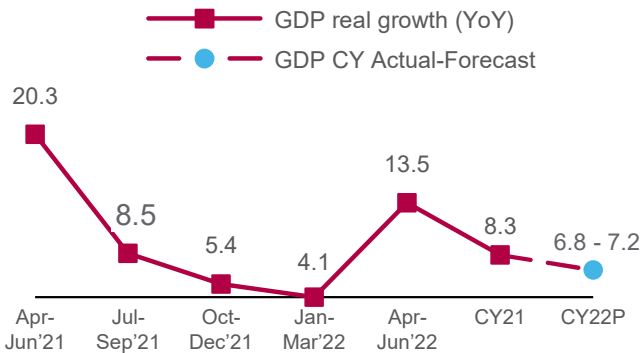
This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual sales in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications,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

### GDP<sup>1</sup> Forecast - 2022

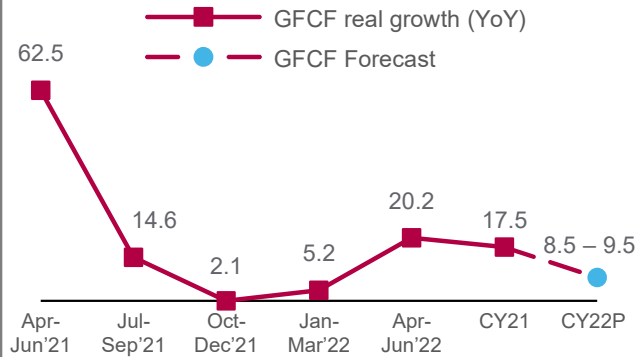


#### Real GDP Growth Rate

GDP CY'22'Q2 growth in double digits, due to base effect (*Covid 2<sup>nd</sup> wave in 21*)

- CY22'Q2 Construction grew by 16.8%, Manufacturing by 4.8% YoY
- CY'22 GDP projections: Oxford Economics → 6.8%, CMIE → 7.1%, Moody's → 7.2%

### GFCF<sup>2</sup> Forecast- 2022

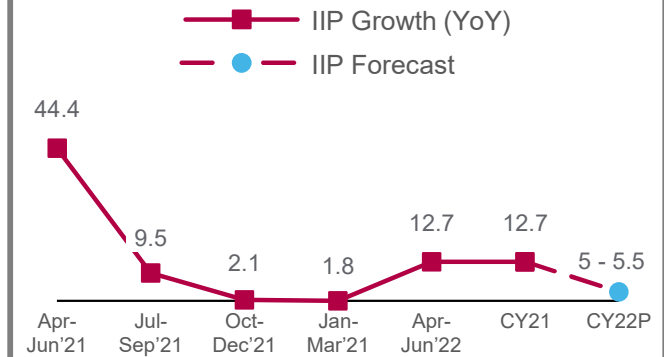


#### Capex Growth Rate

GFCF CY22'Q2 grew @20.2% due to government's Capex boost

- GFCF reached 34.7% (of GDP), highest in 10 years
- CY22'Q2 PFCE<sup>4</sup> grew by 25.9% v/s GFCE<sup>5</sup> by 1.3% YoY

### IIP<sup>3</sup> Forecast- 2022



#### IIP

Good growth due to electricity; crossed pre-pandemic levels

- CY22'Q2 IIP Electricity, Manufacturing & Mining grew by 17%, 13% & 9% respectively
- Rural demand & exports may slow down in coming quarters

<sup>1</sup> Gross Domestic Product

<sup>2</sup> GFCF: Gross Fixed Capital Formation

<sup>3</sup> IIP: Index of Industrial Production

<sup>4</sup> PFCE: private final consumption expenditure

<sup>5</sup> GFCE: government final consumption expenditure

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

b. GFCF projections from CMIE

# Segment Dynamics

Positive opportunities for growth in most segments



## Power & Grid

### Sustainability & Digitalization

- ✓ Loss reduction with Smart metering & AMI
- ✓ Modernization with smart products & SCADA/ ADMS implementation
- ✓ RDSS Alignment : Engage with PFC & RFC



## Mobility

- ✓ Focus on metro projects & ports
- ✓ Prescription for new Tunnel projects



## Metals, Minerals & Mining

- ✓ Low investment due to increased export duties on Steel products
- ✓ Holcim - Adani Group takeover | ongoing projects on hold



## Industry & Building

- ✓ PLI\* - boost to small industry
  - Focus on Agro industry
- ✓ Investments in Pharma and Hospitals



## Cloud & Service Provider

- ✓ Capture more MV equipment opportunities in DC markets
- ✓ Consultative selling via specialist
- ✓ Government policy push through MeitY's DC policy

\* PLI - Production linked incentives

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# Our Wins | Power & Grid

Helping Bhutan build a robust power distribution system

## Customer Challenges

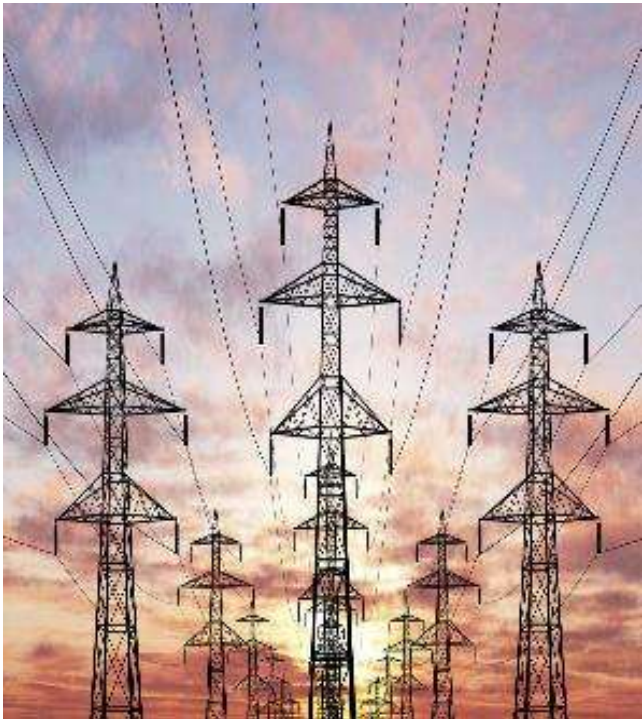
- Upgradation of ageing infrastructure
- Reliable vendor for supply & services
- Suitability to higher altitude

## Our Solution

Supply of 33kV & 11kV Package substations for secondary distribution network

## Key Highlights

Superior execution helped in securing customer confidence



# Our Wins | Cloud & Service Provider

Catering needs of Data centres to make a move towards digital future

## Customer Challenges

Stringent delivery timelines  
Speed of execution

## Our Solution

33KV GIS package

## Key Highlights

2nd consecutive order, after successful execution of 1st order



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# Our Wins | Metals, Minerals & Mining

Helping leading steel manufacturer become energy efficient

## Customer Challenges

Digitally connected equipment with reduced down time

Power Distribution System with future scalability

## Our Solution

Pix ROF with Easergy **Micom Relays**

**Asset Connect Solution** with TH110

Local monitoring connected with **EMS**

## Key Highlights

Robust power distribution infrastructure with enhanced safety, reliability & connectivity

Seamless integration of Relays and Meters with plant SCADA / ILMS



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# Our Wins | Industry & Building

Contributing to prestigious building of Government of India

## Customer Challenges

Fully integrated Optimized Solution  
Quick Delivery

## Our Solution

MVT  
HT Panel  
RMU  
PSS (all connected products)

## Key Highlight

Successful execution of order creating scope for services order  
(L2 & L3 products)



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# Our Wins | Services

Providing services to large IT company

## Customer Challenges

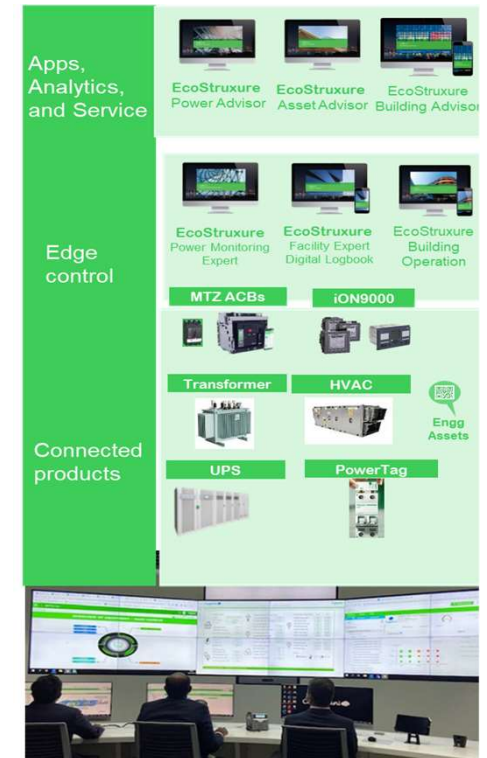
- Achieving Net-Zero certification in campuses
- Pan India supervision of critical equipment
- Lack of data to initiate energy optimization plans & inefficient operation

## Our Solution

SE Advisory softwares

## Key Highlight

- Scope for projects at 11 more customer sites pan India & some European sites
- Recurring revenue for SEIL



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# Our Wins | Services

Bringing advancement in Transformer segment for predictive maintenance

## Customer Challenges

- Live monitoring of Critical Assets
- Digitization & advance notification with Industry 4.0
- Reduction of untimely shutdowns

## Our Solution

EcoStruxure Transformer Expert (ETE)

## Key Highlight

Successful execution of order creating scope for similar solution being employed in 15 transformers at customer sites



Acquisition by SE  
Leveraging in India

Identified **150** potential sites



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# Accelerate Digital

External factors

Regulation on cloud services: Local Cloud | Existing EAA Solution not deployable

Impact on Segments



**Power & Grid**  
Pilot for alternate solution to EAA planned with Global Team



**Transportation**  
Pilots in brownfield to influence Greenfield prescription



**Metals, Mining & Mineral**  
Collaboration with FS to boost digital services.



**I&B & C&SP**  
~40% OB of I&B with Ecostruxure attribute

Ongoing Actions

EAA deployment in India

Capex to Opex

Focused approach  
C&SP & I&B Segments

Digital Wins

**Biopharmaceuticals**  
Ecostruxure facility expert  
Asset advisor  
Connected Pix-Rof

**FMCG**  
Asset Connect (Enable);  
Connected Transformer,  
HV & LV Switchboard  
Ester Oil (Green)

**Steel Producer**  
Asset Connect solution  
LV package

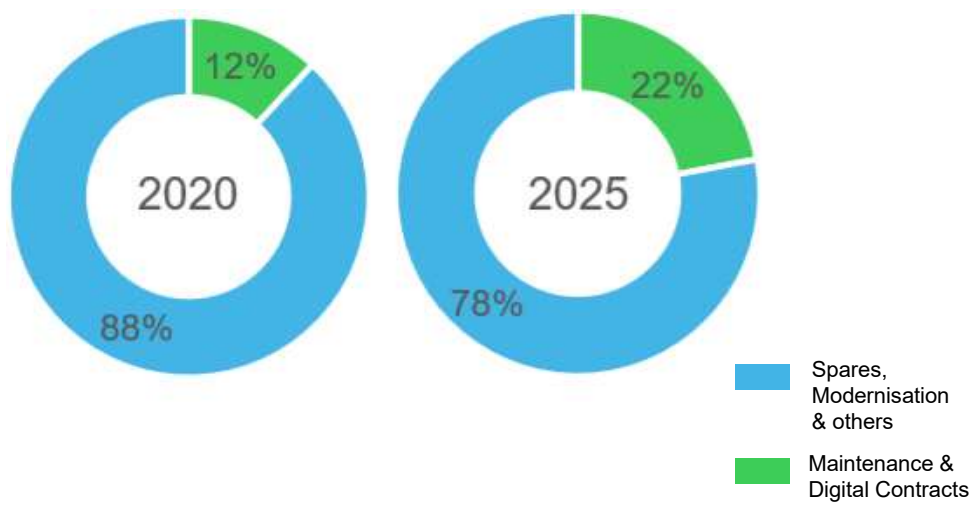
**Smart City**  
Unified Operation Center AVEVA  
Power meters



# Increasing focus on Recurring services driven by Digital

## Market Drivers

Increasing Customer expectations | Use of advanced Tech in Operations | Migration to Cloud



### Digital & Consulting org

Focus team on Digital & consulting services

### Digital champions

9 sessions | >60% sales force Trained & certified






### Sales incentives

Reward schemes | Special booster on SIP – stretch targets

### Install Base Tracking

Improve recurring business | Recommend Digital contracts at renewal

## Support System

-   
**Service Commercial**  
 (50+)
-   
**Service Rep**  
 (50+)
-   
**Cert Service Sub Contractors**  
 (30+)
-   
**CSS Engineers**  
 (60+)
-   
**Service project execution & Ecofit centre**  
 (40+)

# Services Strategic Pillars

Vision 2025

## Reinforce the Core

**3.5X**  
**More Maintenance Contracts**

Increase Renewal / Capture Rate  
Greenfield Attachment

**1.5X**  
**Modernization Jobs**

Target More Obsolete Assets

**1.5X**  
**More Spare Parts**

Install base Coverage  
Spare Kits

## Accelerate Growth

**5X**  
**Digital & Consulting services**

Attachment with contracts  
Upgrade existing IB

**2X**  
**Track to Order**

Focus on IB tracking through  
multiple touch points

**1.5X**  
**Partner Business**

Partner program to cover diffused  
sites

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# Customer Connect



LIVE Virtual Ministry Of Civil , Aviation : Airports



Ministry of Power, Puducherry: Distribulec



Ministry of Energy Dept, Karnataka : Distribulec



Innovation Day (Digitization & Sustainability), Kathmandu



Building sustainable Grids, Uttarakhand



Building sustainable grids, Guwahati



Building sustainable grids, Ladakh



Innovation Day, Dhaka

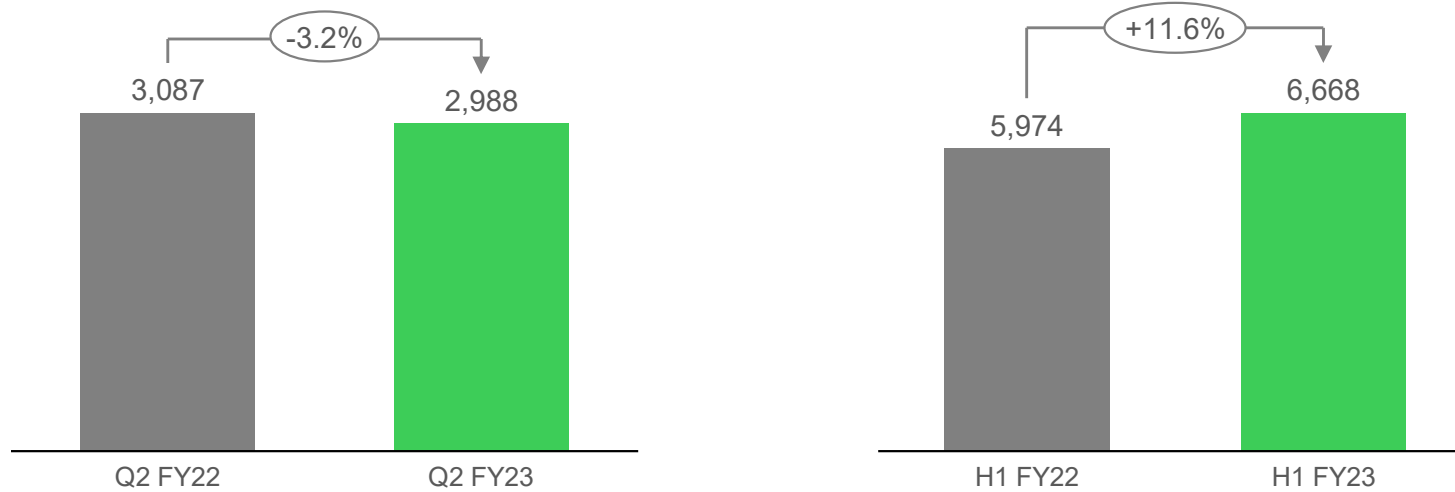


Virtual: Airport Masterclass with GMR



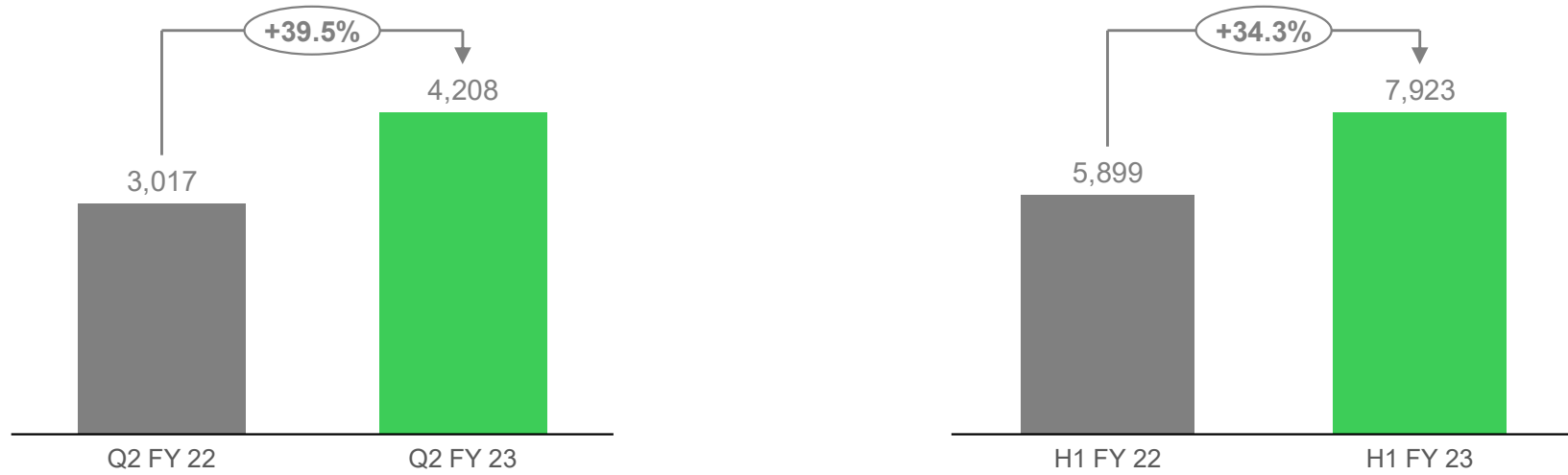
# Financial Update

# Orders



➤ Q2 Orders drop due to shifting of some orders finalization to Q3, growth is driven by Diffused and MMM segment

# Sales



➤ Good momentum in sales

## P&L Statement – Q2 FY23 Vs Q2 FY22

	Q2 FY23		Q2 FY22		YoY (%) Change
	MINR	%	MINR	%	
Sales	4,208		3,017		39.5%
Other Income	51	1.2%	35	1.1%	
<b>Total Sales</b>	<b>4,259</b>		<b>3,051</b>		
Material Costs	2,951	70.1%	2,074	68.7%	
<b>Gross Margin</b>	<b>1,308</b>	<b>31.1%</b>	<b>978</b>	<b>32.4%</b>	<b>-1.3pts</b>
Employee Costs	632	15.0%	588	19.5%	7.5%
Other Expenses	437	10.4%	318	10.5%	37.3%
<b>EBITDA</b>	<b>239</b>	<b>5.7%</b>	<b>72</b>	<b>2.4%</b>	<b>+3.3pts</b>
Depreciation	40	0.9%	42	1.4%	-4.6%
<b>EBITA</b>	<b>199</b>	<b>4.7%</b>	<b>30</b>	<b>1.0%</b>	<b>+3.7pts</b>
Interest	145	3.4%	117	3.9%	23.1%
<b>Profit before Exceptional Items</b>	<b>54</b>	<b>1.3%</b>	<b>-87</b>	<b>-2.9%</b>	<b>+4.2pts</b>
Exceptional Items	-33	-0.8%	0	0.0%	
<b>Profit after Tax</b>	<b>87</b>	<b>2.1%</b>	<b>-87</b>	<b>-2.9%</b>	<b>+5.0pts</b>

- Material cost is increased due to RMI, hedging and material shortages
- Exceptional items is mainly sales of Naini assets

All figures in MINR

## P&L Statement – H1 FY23 vs H1 FY22

	H1 FY23		H1 FY22		YoY (%) Change
	MINR	%	MINR	%	
Sales	7,923		5,899		34.3%
Other Income	56	1.3%	48	1.6%	
<b>Total Sales</b>	<b>7,978</b>		<b>5,947</b>		
Material Costs	5,409	68.3%	4,053	68.7%	
<b>Gross Margin</b>	<b>2,570</b>	<b>32.4%</b>	<b>1,894</b>	<b>32.1%</b>	<b>+0.3pts</b>
Employee Costs	1,196	15.1%	1,090	18.5%	9.8%
Other Expenses	840	10.6%	737	12.5%	14.0%
<b>EBITDA</b>	<b>533</b>	<b>6.7%</b>	<b>67</b>	<b>1.1%</b>	<b>+5.6pts</b>
Depreciation	88	1.1%	84	1.4%	
<b>EBITA</b>	<b>445</b>	<b>5.6%</b>	<b>-18</b>	<b>-0.3%</b>	<b>+5.9pts</b>
Interest	251	3.2%	231	3.9%	9.0%
<b>Profit before Exceptional Items</b>	<b>193</b>	<b>2.4%</b>	<b>-248</b>	<b>-4.2%</b>	<b>+6.6pts</b>
Exceptional Items	-159	-2.0%	0	0.0%	
<b>Profit after Tax</b>	<b>352</b>	<b>4.4%</b>	<b>-248</b>	<b>-4.2%</b>	<b>+8.7pts</b>

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

All figures in MINR

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