

Schneider Electric Infrastructure Limited

FY 2019-20

2nd July 2020

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.



Covid19 Update

An update on covid19 impacts

- **Most of end users projects are delayed by an estimated 3 months (Metro, Plants, Power Stations, ...)**
- **Still major customers sites are under lock down (JSW, RIL...)**
- **Vendors and suppliers are still ramping up post lockdown, but improving**
- **Bottlenecks everywhere in supply chain (ports, airfreight, trucks, drivers, supplies, ...)**

- **But**

- **May'20 onwards business is rebounding**
- **Customer behavior is changing, entertaining Virtual FAT for instance, or virtual negotiations**
- **Order intake remains good, showing resilience of our positioning**

Our priorities are our path through the crisis:



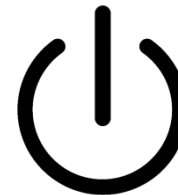
Take care of our health and that of our teams

Communicate weekly
Follow country guidances
Adapt workload



Take care of our customers

Move to digital
Pipeline refresh
Tendering activity
Delivery continuity



Take care of our company

2020 Volume
Cash important
Cost discipline
Under absorption
Risk protection



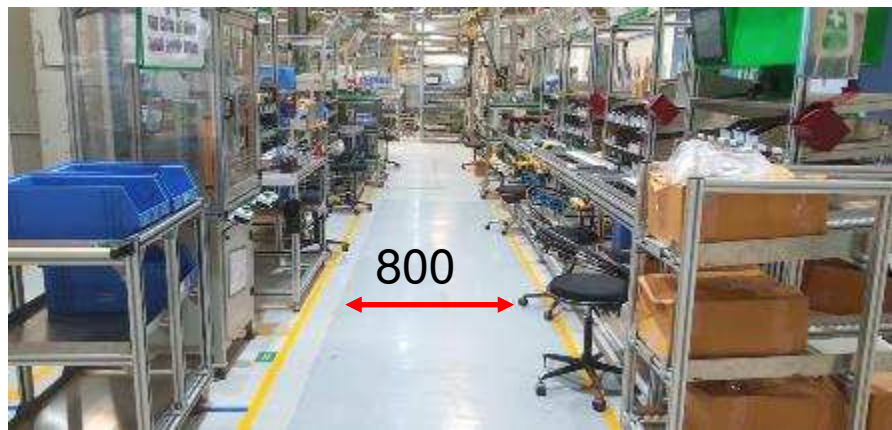
Prepare for the post-crisis

Protect our pricing and values
Secure Sales
Be agile

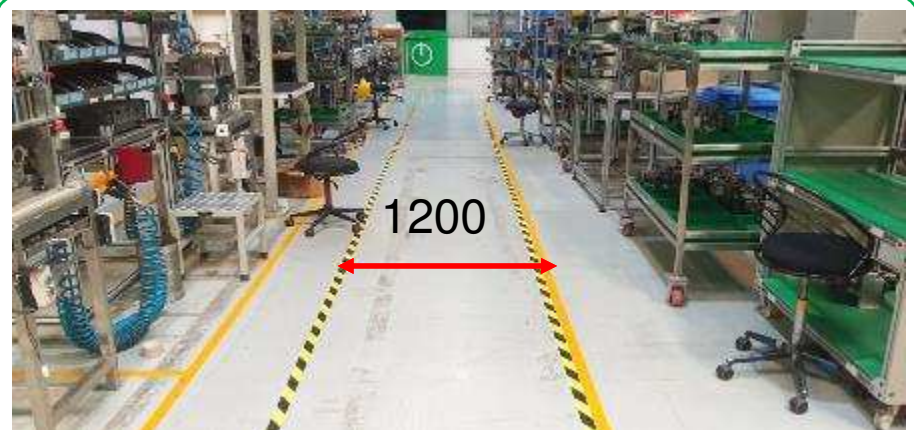
Good Practice : Social Distancing @ C Mechanism Line under COVID 19 Situation.

Description: The new C Mechanism line was not as per new Adaptation of work organization with reference to “Social Distancing” 1 m rule.

Business context (Problem): After operators standing at workstation there was effectively 800 mm



Solution: we shifted the workstation so that the Social distancing can be maintained.



Results :
Adaptation of work Organization and safety of operators

Vendor name: Self
Plant : MVI ,
Key word: 1 m rule

Scope : Safety
Function : Manufacturing
SPS Clause : 5C

Description: At tank line was not as per new Adaptation of work organization with reference to “Social Distancing” 1 m rule.

Business context (Problem): Operators standing at workstation there was effectively 800 mm distance

Solution: Since the complete workstation cant be Shifted immediately, barrier is been provided for the Same so that they don't come in contact



Results :
Adaptation of work Organization and safety of operators

Vendor name: Self
Plant : MVI ,
Key word: 1 m rule

Scope : Safety
Function : Manufacturing
SPS Clause : 5C

Good Practice : Social Distancing @ Customization assembly for RMU under COVID 19 Situation

Description: At customization where tank is assembled to structure we need 2 operators as it involves co-ordination for which technically there is no solution available immediately.

Business context (Problem): Assembly of tank with Structure with regular PPE.

Solution: To ensure that we take at most care by Providing face shield and additionally face shield for Reducing risk.



Results :
Adaptation of work Organization and safety of operators

Vendor name: Self
Plant : MVI ,
Key word: Additional PPE

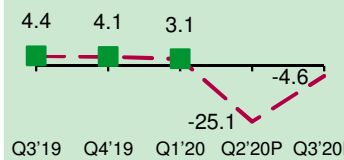
Scope : Safety
Function : Manufacturing
SPS Clause : 5C

Business Update

Broad Economic Indicators

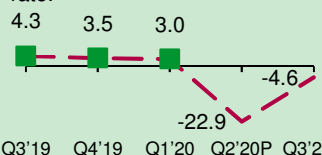
GDP – Gross Domestic Product

GDP growth slowed down to 3.1% in Q1 2020, slowest since 2008-09 economic crisis.



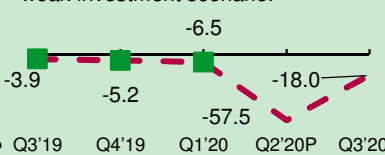
GVA- Gross value added

GVA growth slowed down to 3.0% in Q1 2020, following the same trend as GDP growth rate.



GFCF – Gross Fixed capital formation

GFCF growth rate dropped to -6.5% in Q1 2020, expected to decline significantly in Q2 2020; indicating weak investment scenario.



CPI - Inflation

CPI inflation increased to 6.7% in Q1 2020; led by surge in food & beverages prices.



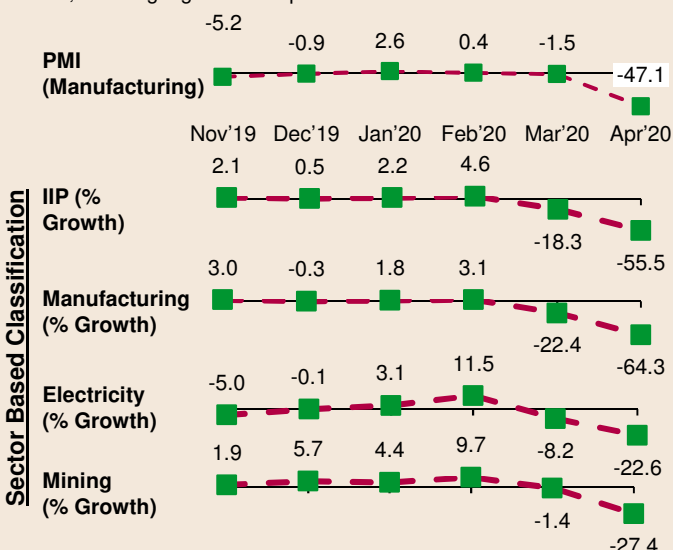
CAD (%GDP) Current account deficit

India's CAD eased to 0.2% of GDP in Q4 2019 due to lower trade deficit and an increase in net service receipts.



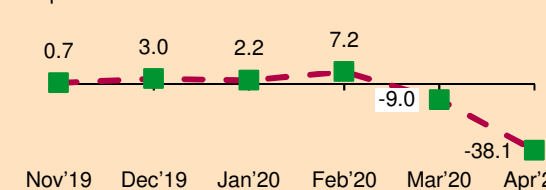
Industry growth Indicators

IIP contracted by -55.5%, a record low since the start of IIP 2011-12 series, showing significant impact of Covid-19 lockdown.

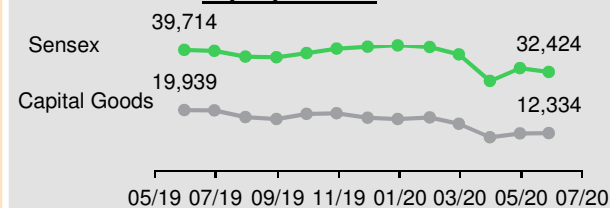


Core Sector Growth

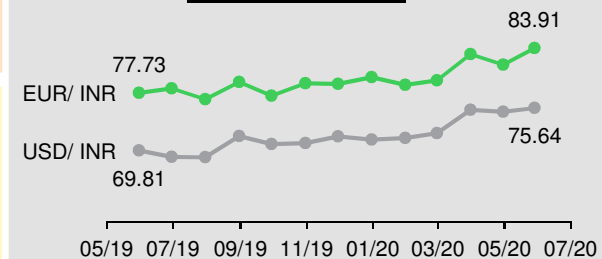
Core sector growth continued its contraction trend dropping to -38.1% in Apr' 20. Fall in output witnessed across all core sectors; steel & cement recorded the sharpest decline.



Equity Market



Exchange Market



Global Indices

	Latest	Previous	Trend
Ease of Doing Business	63 (2019-20)	77 (2018-19)	▲
Competitive rank	68 (2019-20)	58 (2018-19)	▼

Interest Rates

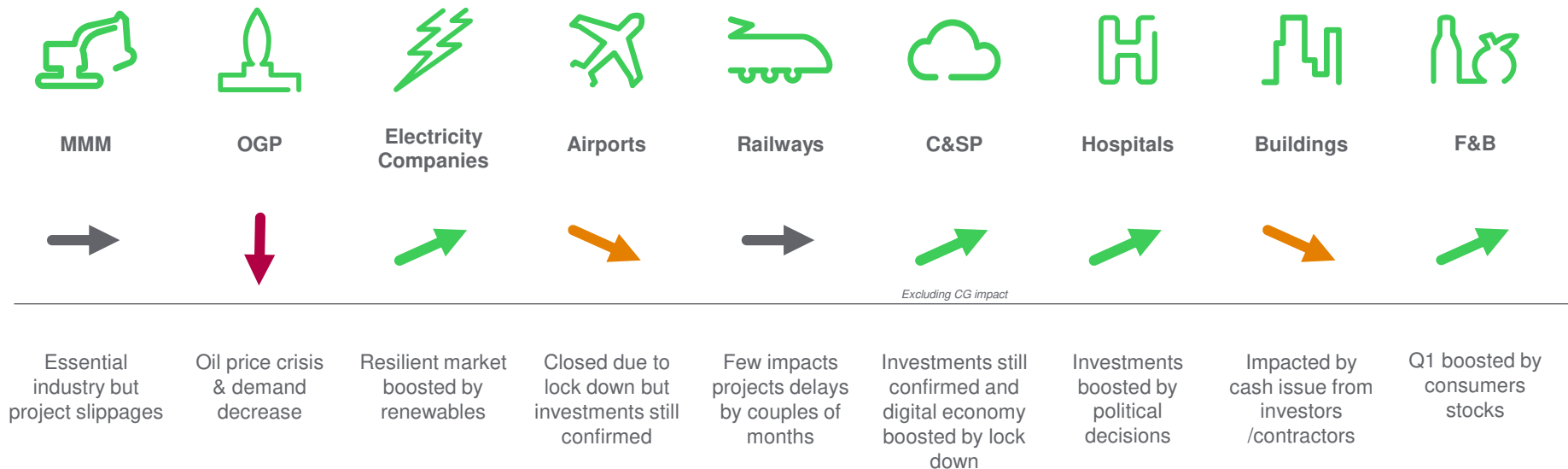
CRR 3.00%* **Repo Rate 4.00%***

CY considered Q4'19 : Oct – Dec 2019; Growth % figures are Y-o-Y; Forecasts may be revised owing to Coronavirus outbreak

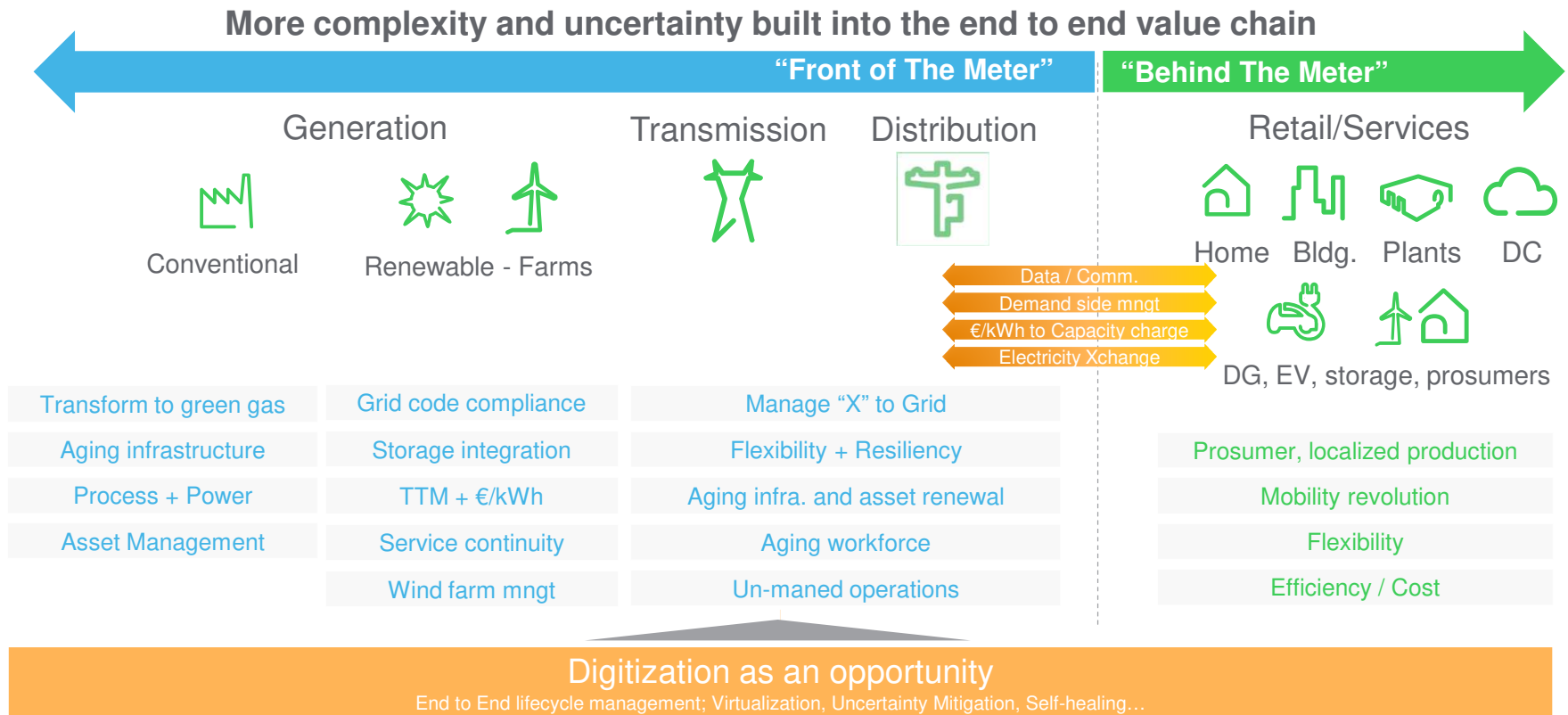
- - - - - Forecasted Data(CMIE) ■ Released figures *As on 15 Jun 2020

Current segment dynamics

While some segments will suffer in 2020, there will be opportunities for growth



Moving from a kWh based model towards resilience and data exchanges



Digitization as an opportunity
 End to End lifecycle management; Virtualization, Uncertainty Mitigation, Self-healing...

Key Priorities

1

More Automation. Move up the digital value chain

2

More Services

3

Increased Transactionalization

4

Improve Market Coverage

5

Accelerate synergy among divisions

6

Agile Organization

Thermal and nuclear power generation

- Enhanced installation reliability and people safety
- Nuclear qualified offer for Electrical distribution and UPS

New growth areas

Business as usual

Integrated Applications

- Common network model
- Smart Meter data retrieval
- Dynamic Protection Settings
- Asset Investment Planning

De-siloed meaningful analytics

- Grid Operations
- Asset Performance Management
- Asset Investment Planning
- Grid Model Optimization
- Revenue Optimization

Cloud Connected Digital Services

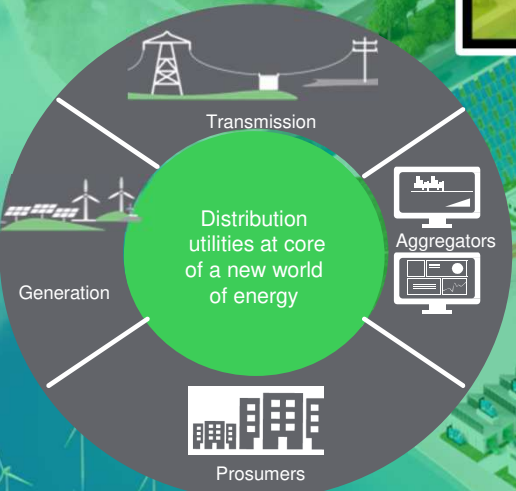
- Customizable services
- APM as a Service
- LV network monitoring
- Microgrid Management

Expanding business models & roles

- Accelerate DER and microgrid management
- Engage with consumers (demand side management, ancillary services, energy efficiency programs)

Primary Substation

- Simple and reliable operations
- Optimized maintenance
- Asset Management



Prefabricated MV/LV substation

- Self healing distribution grid
- Safety of people and continuity of power

Optimized asset management

- Optimized CapEx/TotEx with asset investment planning
- Risk-based asset management from predictive maintenance
- Maintenance cost optimization

Power Quality Monitoring and revenue metering

- Improved network reliability
- Lower operational cost

SCADA Distribution Management system

- Increased continuity of service
- High performance grid efficiency from real-time monitoring and control



Going Beyond Call of Duty AIIMS Delhi

Customer Challenges & Needs

- Equipment delivery Dec'18
- Due to Covid19, AIIMS need to create a new ward for Covid19 patients
- Lockdown is announced throughout India
- Need to commission within 24 hours

Story:

- Commission Panels within 24 hours under Covid19 Situation

Approach

- Immediate team allocation
- Checked availability of necessary equipment and documents of 2018 supply & follow-up with contractor
- Overnight Team supported HSCC & AIIMS in commissioning



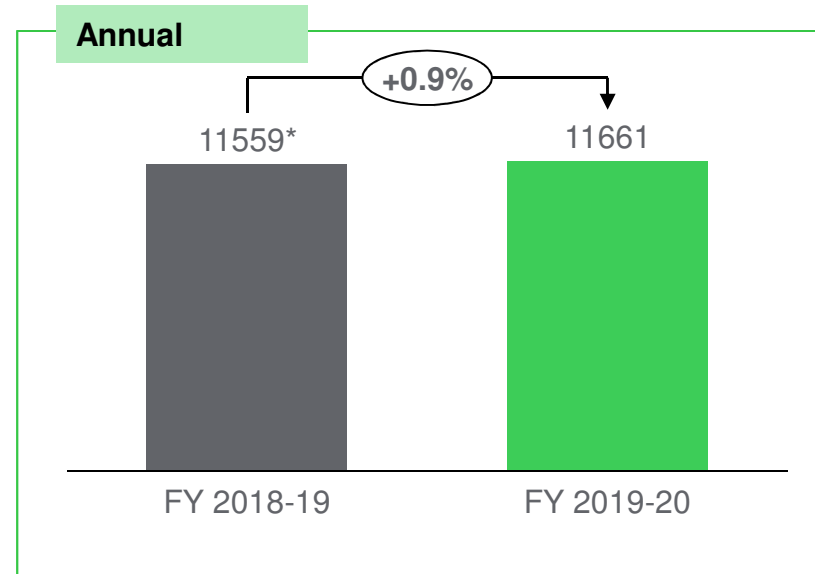
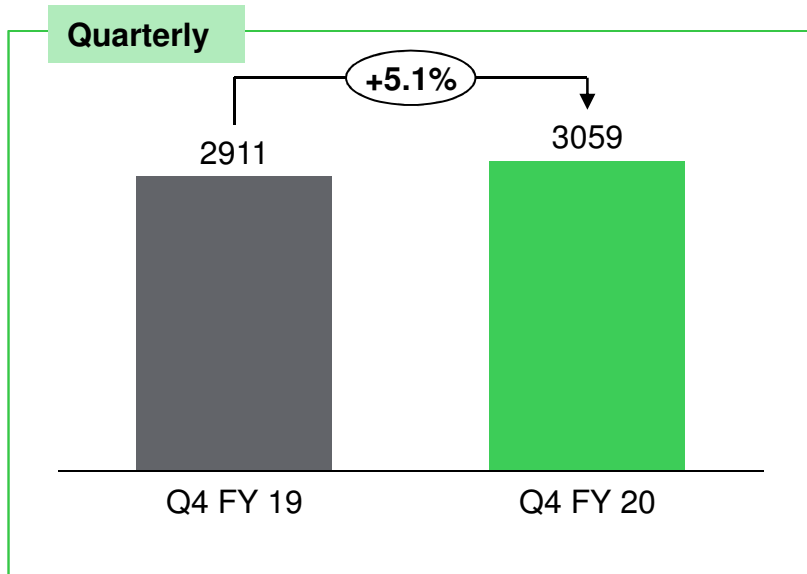
All India Institute of Medical Sciences, New Delhi is a medical school, hospital and public medical research university based in New Delhi, India. AIIMS New Delhi is ranked 1 in India as well as in South Asia and regarded as the best Medical School, Hospital and Medical Research University in South Asia.

It's a premier institute of Government of India providing medical facilities across India. About 22 New AIIMS and Super Specialty Blocks are under construction under PMSSY [Pradhan Mantri Swasthya Suraksha Yojana]. Schneider Electric has been supplying its solutions to EPC contractors working under PMSSY under HSCC as PMC in these contracts

Financial Update

Orders

MINR



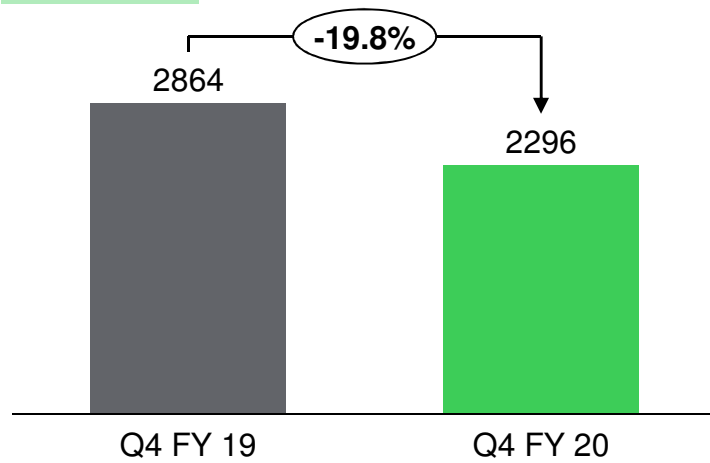
* Restated with net of cancellation

- Business Order intake: Q4 FY 20 +5.1% vs last year & Annually +0.9% vs last year

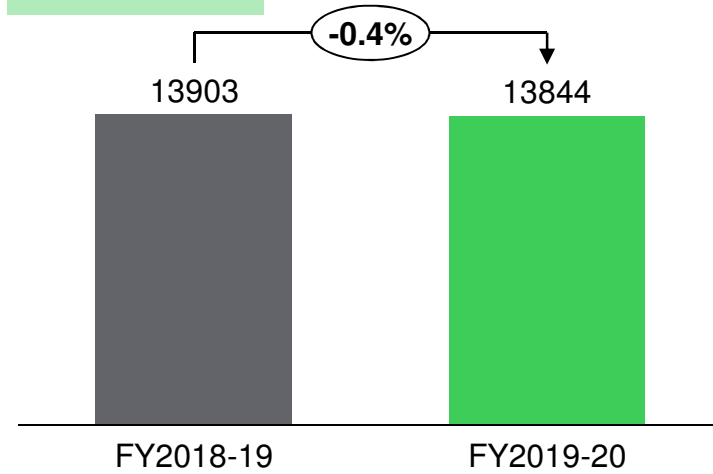
Sales

MINR

Quarterly



Annual



➤ Sales is down by -19.8% vs last year same quarter & -0.4% vs last year .

Financial Results 3M- 2020 vs 2019

MINR

SEIL results analysis	Q4 (Jan-Mar 2020)		Q4 (Jan-Mar 2019)		YoY (%) Change
	MINR	%	MINR	%	
Sales	2,296		2,864		-19.8%
Other income	19		174		
Total Sales	2,315		3,039		
Material costs	1,610	70.1%	1,976	69.0%	
Gross Margin	705	30.7%	1,062	37.1%	-6.4%
Employee costs	479	20.9%	491	17.1%	
Other expenses	337	14.7%	384	13.4%	
EBITDA	-111	-4.8%	188	6.6%	-11.4%
Depreciation	53	2.3%	59	2.1%	
EBITA	-164	-7.2%	129	4.5%	
Interest	107	4.6%	114	4.0%	
Profit before Exceptional items	-271	-11.8%	15	0.5%	-12.3%
Exceptional	-14			0.0%	
Profit after tax	-257	-11.2%	15	0.5%	-11.7%

- Sales is down by 19.8% majorly due to country lockdown impact since week2 of March & China impact on components since Feb 20
- Employee cost is flat: Annual inflation is mitigated through restructuring
- Other income is lower due to higher old debt collections in last year

Financial Results 12M - 2020 vs 2019

MINR

SEIL results analysis	FY 2019-20		FY 2018-19		YoY (%) Change
	MINR	%	MINR	%	
Sales	13,844		13,903		-0.4%
Other income	120		435		
Total Sales	13,965		14,338		
Material costs	9,830	71.0%	10,010	72.0%	
Gross Margin	4,134	29.9%	4,327	31.1%	-1.3%
Employee costs	2,095	15.1%	1,997	14.4%	
Other expenses	1,649	11.9%	1,592	11.4%	
EBITDA	390	2.8%	738	5.3%	-2.5%
Depreciation	218	1.6%	258	1.9%	
EBITA	172	1.2%	480	3.5%	-2.2%
Interest	481	3.5%	444	3.2%	
Profit before Exceptional items	-309	-2.2%	36	0.3%	-2.5%
Exceptional	-14		280		
Profit after tax	-296	-2.1%	-244	-1.8%	-0.4%

- Sales is down by 0.4%. Normal growth pre-covid19 is ~5% offset due to country lockdown impact since week2 of March & China impact on components since Feb 20
- Other income is lower due to higher old debt collections in last year
- Interest expense is higher with increased loan due to liquidity issue in market



Life Is On