Schneider Electric
Half Year 2025 Results

Financial Information

Life Is On | Schneider Electric

Strong revenue growth in H1; accelerated momentum entering H2

FY25 Target reaffirmed

Rueil-Malmaison (France), July 31, 2025

Financial Highlights

- **Strong Q2 Group revenues of €10bn, up +8% organic**
  - **Energy Management up +10% organic; all four regions growing**
  - **Industrial Automation down -1% organic; Discrete recovery solidified**
  - **North America, India and Middle East each up double-digit organic**
- **Record H1 Group revenues of €19.3 billion, up +8% organic**
- **H1 Adj. EBITA €3.5 billion, up +7% organic**
  - **Adj. EBITA Margin at 18.2%, reflecting FX headwinds and seasonality**
- **Adjusted Net Income (Group share) of €2.2 billion**
- **Free Cash Flow of €0.5 billion in H1; full year cash expectations unchanged**
- **Ranked as World's Most Sustainable Company for 2nd consecutive year[1]**
- **Schneider Sustainability Impact 2021-25 successfully nearing completion**
- **2025 Financial Target reaffirmed**

Key figures (€ million)	2024 H1	2025 H1	Reported Change	Organic Change
Revenues	**18,173**	**19,336**	**+6.4%**	**+7.9%**
Adjusted EBITA	**3,383**	**3,510**	**+3.8%**	**+6.9%**
% of revenues	***18.6%***	***18.2%***	***-40bps***	***-10bps***
Net Income (Group share)	**1,882**	**1,913**	**+2%**	
Free Cash Flow	**889**	**474**	**-47%[2]**	
Adjusted Earnings Per Share[3] (€)	**4.01**	**3.97**	**-1%**	**+5.5%**

Olivier Blum, Chief Executive Officer, commented:

"During the first half of the year, we achieved record levels of revenue and adjusted EBITA for an H1. The Group remains well placed to seize opportunities in its end-markets, with its comprehensive portfolio and differentiated value proposition, at the convergence of electrification & automation, enabled by AI and software. We continue to operate in structurally strong end-markets despite an environment of heightened uncertainty. Today, we reaffirm our full-year target.

1. By TIME magazine and Statista, June 2025
2. -23% when adjusted for the one-time impact of a fine paid in relation to a legal case in France
3. See appendix Adjusted Net Income & Adjusted EPS

As announced yesterday, I am pleased to report the proposed transaction to take full ownership of our India JV. This allows us to capture the full growth potential in the country and to leverage exceptional talents in R&D, Digital and supply-chain in India to support our operations in the region and beyond.

I am also delighted to report that Schneider Electric was named as the World's Most Sustainable Company, as ranked by TIME magazine and Statista, achieving this recognition for the second year in a row. We continued to progress on our 2021-25 Schneider Sustainability Impact program and remain steadfast in our commitment to continued Impact for years to come."

I. SECOND QUARTER REVENUES WERE UP +8% ORGANIC

2025 Q2 revenues were €10,011 million, up +8.3% organic and up +4.6% on a reported basis.

Products (48% of Q2 revenues) grew +2% organic in Q2. Product revenues were up low-single digit in Energy Management with good growth in sales of electrical distribution products, including connectable offers, across many segments and geographies. There was good contribution from product growth across end-markets in India, partly offset by softness in the Residential buildings market primarily in North America and parts of Western Europe. Industrial Automation product revenues were down low-single digit, contrasted by offer and geography, as the expected progressive demand recovery in Discrete automation continues to play out.

Systems (33% of Q2 revenues) grew +17% organic in Q2, with strong double-digit sales growth in Energy Management with contribution across end-markets and segments, most notably in Data Center which saw particular traction for the Group's modular offering. In Industrial Automation, Systems growth was down mid-single digit driven by timing of project execution in Process & Hybrid automation markets, while sales into Discrete automation markets were close to flat.

Software & Services (19% of Q2 revenues) grew +11% organic in Q2, of which Software & Digital Services (7% of Q2 revenues) grew +10% organic and Field Services (12% of Q2 revenues) grew +12% organic.

Agnostic Software (comprising AVEVA, ETAP and RIB Software)

AVEVA delivered good growth in Annualized Recurring Revenue (ARR), up +12% as of 30 June 2025, though impacted by timing with some deals slipping from Q2 to Q3. The ARR growth was driven by strong upsell to existing customers, while strong performance in the distributor channel led to good growth in new logo count. Good revenue growth was noted in Energies & Chemicals (E&C), Consumer Packaged Goods (CPG) and Life Sciences. Growth was led by particularly strong uptake in SaaS, including for the PI System offer, while Perpetual license revenues continued to decline as expected and maintenance revenues also declined as customers migrate to AVEVA Flex Credit subscriptions.

Energy Management agnostic Software offers (ETAP and RIB Software) delivered double-digit organic sales growth in Q2, against a high-single digit base of comparison. The Group's eCAD offer (ETAP) led the performance, with strong growth in multi-year on-premise rental contracts and with services revenue benefitting from large deal delivery. The Group's software offer for the construction market (RIB Software) also grew, with growth in subscription revenues, though impacted by planned declines in perpetual license revenues as part of its ongoing transition.

Services (comprising Digital and Field Services offers) grew double-digit organic in Q2

Digital Services delivered double-digit organic growth in Q2, driven by strong growth in EcoStruxure Advisors and offers supporting Grid digitalization and Data Centers, alongside strong take-up for the Group's cybersecurity offering. The Group's Digital Services offering comprises its internally generated EcoStruxure solutions and advisors, including Sustainability advisory offers, and its digital offers for prosumers.

Field Services grew +12% organic in Q2, led by strong growth in Energy Management services, while Industrial Automation services were around flat. In Energy Management, growth was led by the Data Center end-market, including commissioning, modernization and maintenance, while also seeing traction in the Industry end-market driven by pharmaceuticals and CPG. Industrial Automation saw similar trends in both Discrete and Process & Hybrid automation markets. The Group's Field Services offering includes safety, efficiency, sustainability and resiliency services across all four end-markets served by the Group, including its efficiency offers for Sustainability.

The breakdown of revenue by business and geography was as follows:

Region	Q2 2025			H1 2025		
	Revenues € million	Reported Growth	Organic Growth	Revenues € million	Reported Growth	Organic Growth
North America	3,449	+11.4%	+14.6%	6,571	+15.2%	+15.9%
Western Europe	1,827	+5.1%	+2.8%	3,485	+2.1%	-0.2%
Asia Pacific	2,169	+4.4%	+10.9%	4,156	+8.3%	+11.8%
Rest of the World	877	-0.1%	+11.4%	1,680	-1.0%	+7.4%
Total Energy Management	**8,322**	**+6.8%**	**+10.5%**	**15,892**	**+8.5%**	**+10.1%**
North America	379	-8.9%	-2.9%	770	-3.6%	-1.2%
Western Europe	470	-0.4%	-0.2%	941	-2.5%	-2.6%
Asia Pacific	540	-6.9%	-4.7%	1,131	-2.4%	-3.0%
Rest of the World	300	-1.9%	+7.6%	602	+0.6%	+6.2%
Total Industrial Automation	**1,689**	**-4.8%**	**-1.1%**	**3,444**	**-2.2%**	**-1.0%**
North America	3,828	+9.0%	+12.5%	7,341	+12.9%	+13.8%
Western Europe	2,297	+3.9%	+2.1%	4,426	+1.1%	-0.7%
Asia Pacific	2,709	+1.9%	+7.4%	5,287	+5.8%	+8.3%
Rest of the World	1,177	-0.6%	+10.4%	2,282	-0.6%	+7.1%
Total Group	**10,011**	**+4.6%**	**+8.3%**	**19,336**	**+6.4%**	**+7.9%**

Q2 2025 PERFORMANCE BY END-MARKET

Schneider Electric sells its integrated portfolio into four end-markets: Buildings, Data Center & Networks, Infrastructure and Industry, leveraging the unique combination of Energy Management and Industrial Automation complementary offers and technologies supported by the focus on electrification, automation and digitalization to enable a sustainable future.

- **Buildings** – The Buildings end-market saw good demand in the quarter. The growing need for electrical, smart/digital and energy efficient buildings – across renovation and new-builds – continued to support demand. Most of the Group's exposure is towards the Non-residential segment where demand remains strong across a range of technical building categories. The company is particularly well positioned with its full suite of offers including EcoStruxure architectures from connectable products to edge control systems, field and digital services, including agnostic software solutions. In contrast, the relatively smaller Residential buildings segment continued to experience a decline in demand with regional variations influenced by ongoing macroeconomic uncertainty and differing interest rate regimes.

- **Data Center & Networks** – The overall environment in the Data Center segment continues to be very strong, with a strong pipeline of deals as customers build a growing presence in AI, expanding from business with Internet Giants to a broader range of colocation providers and other players. Sales grew double-digit in Q2 as did underlying demand, excluding an as-expected rephasing of orders by one customer into H2 2025 and 2026. There was good traction for the Group's cooling offers, both for traditional cooling technologies (contributing to organic sales growth) and for liquid cooling at Motivair (reported as a scope impact in Q2). In the Distributed-IT segment, demand growth was solid overall, contrasted between strong demand in B2B, led by the U.S., partly offset by a weaker environment in B2C.

- **Infrastructure** – Demand in the Infrastructure end-market was stable at a high level. Demand in the Power and Grid (P&G) segment was stable at a high level, adjusting for the presence of a large order in the baseline. The Group's comprehensive portfolio including digital solutions and end-to-end services, with ADMS playing an increasingly important role, provides a compelling offer to Grid Operators, who remain in the spotlight following several recent and high-profile power outages. The Company is also strategically well positioned with SF_6-free technologies in anticipation of regulatory changes, effective from 2026 in Europe. In the Water & Wastewater (WWW) segment, demand was strong, particularly in North America, Middle East and Asia Pacific.

- **Industry** – In Q2 there was good demand growth as the Group continues to benefit from its unique value proposition, combining Energy Management and Industrial Automation offers, including products, systems, software & services. In Discrete industries, the demand recovery continued, with good growth in orders in the quarter. The Machinery and Industrial Manufacturing segments each saw demand growth, with Western Europe and the U.S. leading the recovery, with China around flat, seeing good recovery with OEMs while end-user segments retained some softness. In Process industries, despite macro uncertainty and volatile commodity prices, E&C and Metals, Mining & Minerals (MMM) saw strong growth in demand, led by North America, South America and Middle East & Africa.

Group trends by geography:

North America (38% of Q2 2025 revenues) grew +12.5% organic in Q2.

Energy Management grew +14.6% organic. The U.S. grew double-digit, with a continuation of strong double-digit growth in Systems led by the Data Center segment, supported by execution on a large project in the Buildings end-market and good traction in the Water & Wastewater segment. Services were up double-digit, supported by strong momentum in Data Centers, as well as contributions from other sectors including pharmaceuticals and CPG. Product revenues grew low-single digit, where growth in power distribution across segments and in Distributed IT was mostly offset by declines in Residential Buildings. Canada grew strong double-digit led by Systems growth primarily in Data Centers, partly offset by declines in product sales, including in Residential Buildings. Mexico declined sharply, impacted by the ongoing uncertainty surrounding the trade situation in the region and the broader macroeconomic environment.

Industrial Automation declined -2.9% organic. The U.S. was down slightly, where strong growth at AVEVA was more than offset by the combination of continued softness in Discrete automation sales and a strong base of comparison in Process & Hybrid automation markets. Canada was around flat, while Mexico saw substantial declines, primarily in Process automation segments due to lower activity with a customer in the E&C segment.

Western Europe (23% of Q2 2025 revenues) grew +2.1% organic in Q2.

Energy Management grew +2.8% organic. There was strong growth in Spain and a solid contribution to growth from Italy and France, with Germany up slightly while the U.K. declined. Across the region, there was good growth in Systems, including execution on Data Center projects in Spain, Italy and France, despite an overall environment of project delays. Product growth was down slightly with continued softness in Residential buildings across the region, with the U.K. particularly weak, partly offset by growth in other end-markets and segments. There was good growth in aggregate across the rest of the region, led by continued execution on a Data Center project in Belgium, and good growth in the Nordics.

Industrial Automation declined -0.2% organic. Growth in software at AVEVA was strong, led by performance in Switzerland. Discrete automation sales were around flat sequentially, with performance varied by country. Sales into Process & Hybrid automation markets declined year-over-year, against a double-digit base of comparison and in a weak market environment, notably in the E&C segment. Italy delivered strong growth in the quarter with growth in Discrete automation and at AVEVA. France was around flat, while Germany declined due to the weakness in E&C and lower activity with OEMs following a strong Q1.

Asia Pacific (27% of Q2 2025 revenues) grew +7.4% organic in Q2.

Energy Management grew +10.9% organic. India delivered strong double-digit growth, led by products, reflecting the strength of the Group's complete offer across end-markets and the continuing success of its multi-brand strategy in the country. China was up mid-single digit with broad-based growth led by Data Center, with contributions from Industry and Infrastructure, while the Buildings end-market remained subdued. Australia grew double-digit driven by continued strong execution on Data Center projects and good growth in the Residential buildings market. There was high-single digit growth in aggregate across the rest of the region, with notable contributions from Indonesia, which saw good growth in Residential buildings and continued strength in Data Centers; strong growth in Japan due to Data Centers; and strong performance in Vietnam, where a strong local economy resulted in growth across most end-markets.

Industrial Automation contracted -4.7% organic, with low-single digit declines in Discrete automation markets and weakness in Process & Hybrid automation markets. In China, which declined mid-single digit overall, sales growth into Discrete automation markets was slightly positive while there was a sharp decline in sales into the smaller Process & Hybrid market. India was down, with Discrete automation markets declining in the quarter. Elsewhere in the region, Australia declined overall primarily tied to weakness in Process Automation and timing at AVEVA, though partly offset by growth in Discrete automation. Japan was down, tied with weakness at OEMs, while Korea was around flat.

Rest of the World (12% of Q2 2025 revenues) grew +10.4% organic in Q2.

Energy Management grew +11.4% organic. Middle East & Africa was up double-digit led by growth in Saudi Arabia and in the U.A.E., mainly driven by execution on Systems particularly in the E&C and Data Center segments. There was strong contribution from Egypt across business models and good contribution from several other countries across Africa. South America was up high-single digit, driven by Chile with particularly strong growth from project execution in the MMM segment, partly offset by Argentina which declined, while Brazil was around flat in the quarter. Central & Eastern Europe was up mid-single digit, supported by project execution in the electrical utilities segment.

Industrial Automation grew +7.6% organic. There was strong growth across the region for sales made into Process & Hybrid automation markets, up double-digit led by project execution in the E&C segment in the U.A.E. and Saudi Arabia, supported by strong growth in multiple countries in South America. Software sales at AVEVA grew double-digit due to E&C, Utilities and MMM customers, primarily in the Middle East and South America. Sales into Discrete Automation markets were up mid-single digit in aggregate across the region, with strong contribution from Brazil, Egypt and Gulf countries, while Argentina declined.

SCOPE[4] AND FOREIGN EXCHANGE IMPACTS[5] IN Q2

In Q2, net acquisitions/disposals had an impact of **+€126 million** or **+1.4%** of Group revenues, including the acquisitions of Planon and Motivair, along with the impact of some smaller disposals.

Based on transactions completed to-date, the Scope impact on FY 2025 revenues is estimated to be **around +€300 million**. The Scope impact on adjusted EBITA margin for FY 2025 is estimated to be **around flat**.

In Q2, the impact of foreign exchange fluctuations was negative at **-€440 million** or **-4.6%** of Group revenues, mostly driven by the weakening of the U.S. Dollar, Chinese Yuan and Indian Rupee against the Euro.

Based on current rates[6], the FX impact on FY 2025 revenues is estimated to be **between -€1.25 billion to -€1.35 billion**. The FX impact at current rates on adjusted EBITA margin for FY 2025 could be **around -40bps**.

4. Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.
5. For those currencies meeting the criteria to be considered hyperinflationary under IAS 29, such as Argentina and Turkey, an IFRS technical adjustment for hyperinflation impact is reflected as FX and therefore excluded from the organic growth calculation. The effect of operational actions taken in these countries such as increased pricing to mitigate the inflationary impact is reflected as part of the organic growth.
6. Forward exchange rates are volatile and difficult to predict. Consequently, the impact of such movement and possible impacts from hyperinflation technical accounting (IAS29) are not factored at this stage.

II. HALF YEAR 2025 KEY RESULTS

€ million	2024 H1	2025 H1	Reported change	Organic change
Revenues	**18,173**	**19,336**	**+6.4%**	**+7.9%**
Gross Profit	**7,889**	**8,202**	**+4.0%**	**+5.6%**
Gross profit margin	*43.4%*	*42.4%*	*-100bps*	*-90bps*
Support Function Costs	**(4,506)**	**(4,692)**	**+4.1%**	**+4.6%**
SFC ratio (% of revenues)	*24.8%*	*24.3%*	*+50bps*	*+80bps*
Adjusted EBITA	**3,383**	**3,510**	**+3.8%**	**+6.9%**
Adjusted EBITA margin	*18.6%*	*18.2%*	*-40bps*	*-10bps*
Restructuring costs	(59)	(63)		
Other operating income & expenses	(125)	9		
EBITA	**3,199**	**3,456**	**+8%**	
Amortization & impairment of purchase accounting intangibles	(194)	(233)		
Net Income (Group share)	**1,882**	**1,913**	**+2%**	
Adjusted Net Income (Group share)[7]	**2,243**	**2,228**	**-1%**	**+5.8%**
Adjusted EPS[7] (€)	**4.01**	**3.97**	**-1%**	**+5.5%**
Free Cash Flow	**889**	**474**	**-47%**[8]	

ADJUSTED EBITA MARGIN AT 18.2%, DOWN -10BPS ORGANIC, IMPACTED BY LOWER GROSS MARGIN PARTIALLY OFFSET BY A REDUCTION IN SFC / SALES RATIO

Gross profit was up **+5.6%** organic with Gross margin down **-90bps** organic, to be at **42.4%** in H1. Gross margin was negatively impacted by raw material cost inflation and some impact from tariffs, coming in advance of the impact of pricing actions taken during H1 to compensate. Mix also adversely impacted the Gross margin, partly offset by Industrial Productivity.

H1 Adjusted EBITA reached **€3,510 million**, increasing organically by **+6.9%** and the Adjusted EBITA margin contracted by **-10bps** organic to **18.2%** as a consequence of the Gross Margin evolution. SFC costs decreased as a percentage of revenues by +50bps to 24.3%, with a positive organic evolution of +80bps partly offset by FX headwinds.

7. See appendix Adjusted Net Income & Adjusted EPS.
8. -23% when adjusted for the one-time impact of a fine paid in relation to a legal case in France

The key drivers contributing to the earnings change were the following:

€ million	Adj. EBITA	YoY change	Comments
Adj. EBITA H1 2024	**3,383**		
Volume impact		**+610**	Positive impact from higher sales volumes.
Industrial productivity		**+164**	The Group's industrial productivity was +€164m in H1 showing sequential improvement vs. the level seen in H2'24, which had been impacted by capacity investments made in the Group's supply chain.
Net price[9]		**-84**	The net price impact was negative at -€84m in H1. Gross pricing on products was slightly negative at -€6m, while in total, RMI was a headwind at -€78m, with raw material cost inflation and some impact of tariffs coming in advance of the impact of price actions taken during H1 to compensate.
Gross pricing on products		*-6*	
Raw Material Impact		*-78*	
Cost of Goods Sold inflation		**-56**	Cost of Goods Sold inflation was -€56m in H1, of which the production labor cost and other cost inflation was -€51m, and an increase in R&D in Cost of Goods Sold was -€5m. The overall investment in R&D, including in support function costs continued to increase as expected and represented 5.8% of H1 revenue.
Production labor cost and other cost inflation		*-51*	
R&D in Cost of Goods Sold		*-5*	
Support function costs		**-206**	Support Function Costs increased organically by -€206m, or +4.6% org. in H1. The Group was impacted by inflation for -€115m and continued to focus on its strategic priorities with investments of -€139m mainly linked to R&D, digital investment including AI and commercial footprint. The Group delivered +€110m of cost savings, mainly relating to headcount. Other cost increases of -€62m consisted of miscellaneous small items.
Mix		**-161**	H1 performance resulted in an adverse mix effect of -€161m due to the relatively faster growth of Systems revenues compared to Products and Software.
Foreign currency impact[10]		**-146**	The impact of foreign currency decreased the adjusted EBITA by -€146m, or around -40bps of adj. EBITA margin in H1.
Scope and Others		**+6**	The impact from scope & others was +€6m in H1, with net Scope impacts representing a +10bps adj. EBITA margin tailwind. Others consists of miscellaneous small items.
Adj. EBITA H1 2025	**3,510**		

9. Price on products and total raw material impact
10. For those currencies meeting the criteria to be considered hyperinflationary under IAS 29, such as Argentina and Turkey, an IFRS technical adjustment for hyperinflation impact is reflected as FX and therefore excluded from the organic growth calculation. The effect of operational actions taken in these countries such as increased pricing to mitigate the inflationary impact is reflected as part of the organic growth

The H1 2025 adjusted EBITA for each business was as follows:

- **Energy Management** generated an adjusted EBITA of **€3,412 million**, or **21.5%** of revenues, down c.-50bps organic (down -70bps reported), with a positive impact from strong systems volumes and industrial productivity more than offset by negative net price and mix in Gross Margin; partially offset by a reduction in support function cost to sales ratio.

- **Industrial Automation** generated an adjusted EBITA of **€471 million**, or **13.7%** of revenues, down c.-120bps organic (down -170bps reported), where strong industrial productivity was offset by negative net price and mix in Gross Margin; exacerbated by an increase in support function cost to sales ratio given the lack of volume growth.

- **Central Functions & Digital Costs** in H1 2025 amounted to **€373 million**, representing 1.9% of Group revenues (H1 2024: €409 million, representing 2.3% of Group revenues).

▪ ADJUSTED NET INCOME UP +6% ORGANIC

€ million	2024 H1	2025 H1	Comments
Adj. EBITA	**3,383**	**3,510**	
Other operating income and expenses	(125)	9	Other operating income and expenses were +€9m in H1, consisting mainly of a gain on Qmerit minority buyout, partly offset by M&A and integration costs. H1'24 included some M&A and integration costs and some legal provisions.
Restructuring costs	(59)	(63)	Restructuring costs were -€63m in H1, €4m higher than H1'24.
Amortization and impairment of purchase accounting intangibles	(194)	(233)	Amortization and impairment of intangibles linked to acquisitions was -€233m in H1, €39m higher than H1'24 due to amortization of intangible assets associated with recent acquisitions Planon and Motivair.
Net financial income/(loss)	(167)	(248)	Net financial expenses were -€248m in H1, €81m higher than H1'24. The increase primarily relates to higher interest expense on bonds following refinancing last year and some adverse FX differences.
Income tax expense	(667)	(714)	Income tax amounted to -€714m, higher than last year by €47m. The Effective Tax Rate was 24.0%, in line with the expected range of 23-25% for FY25, and 0.5pts higher than the H1'24 ETR of 23.5%.
Profit/(loss) of associates and non-controlling interests	(69)	(74)	Share of profit on associates increased to +€23m, up €9m compared to H1'24, mainly due to performance at Delixi. Amounts attributable to non-controlling interests increased to -€97m compared to -€83m in H1'24, mainly due to the strong performance of Schneider Electric India Private Limited.
Impairment of investments in associates	(220)	(274)	The Group recorded a non-cash impairment charge of -€274 million against the carrying value of its investment in Uplight, due to a deterioration in Uplight's financial performance over the period.
Net Income (Group share)	**1,882**	**1,913**	Net Income (Group share) was €1,913m in H1, up +2% vs. last year.
Adjusted Net Income (Group share)[11]	**2,243**	**2,228**	Adjusted Net Income was €2,228m in H1, down -1% vs. H1'24 impacted by FX headwinds; up +6% at constant currency.

11. See appendix Adjusted Net Income & Adjusted EPS.

- **FREE CASH FLOW OF €474 MILLION**

The Group delivered Free Cash Flow of **€474 million** in H1.

Operating cash flow was strong at €2,944 million, though down -€151 million vs. H1'24 mainly due to the timing of cash tax payments. The operating cash flow included R&D cash costs of €1,179 million, which increased to 6.1% of H1 2025 revenue.

Net capital expenditure increased to -€717 million (€81 million higher than in H1'24) representing around 3.7% of revenues, with 2.6% relating to net tangible capex and 1.1% to intangible capex (mainly capitalized development costs), as the Group continued its supply chain capacity expansion and focus on innovation.

Working capital requirements were broadly stable compared to H1'24. Trade working capital buildup impacted the free cash flow in H1 2025 by -€976 million, primarily in relation to an increase in inventory with DIN up by 12 days compared to December 2024, while DSO on receivables and DPO on payables were around flat compared to December.

Additionally, in H1 the Group paid a fine of -€207 million in relation to a previously disclosed legal case in France.

The cash conversion ratio (Free Cash Flow as a percentage of Net Income Group Share) was 25% in H1 2025, in part due to the non-cash impairment of investment in Uplight and payment of the fine in France. The cash conversion ratio was 31% adjusted for these items, down from 42% on an equivalent basis in the first half of last year. As was the case in recent years, the Group expects a higher cash conversion ratio in H2.

- **BALANCE SHEET REMAINS STRONG**

Schneider Electric's net debt at June 30, 2025 amounted to **€11,984 million** compared to €8,147 million at December 31, 2024. The main movements in H1 related to payment of -€2.2 billion to fulfill the 2024 dividend, -€0.8bn payment to acquire a 75% controlling interest in Motivair, offset by the Free Cash Flow performance of +€0.5 billion.

III. SCHNEIDER SUSTAINABILITY IMPACT

Schneider Electric today announced its sustainability performance scores for the second quarter of 2025, marking a pivotal moment as the company enters the final stretch of its 2021-2025 Schneider Sustainability Impact (SSI) program. With six months remaining, Schneider Electric continues to demonstrate its commitment to measurable, inclusive, and transformative progress across its Environmental, Social, and Governance (ESG) goals. The company's SSI score reached 8.06 out of 10 this quarter, reflecting sustained momentum across key sustainability pillars.

This quarter, Schneider Electric was honored as the World's Most Sustainable Company by TIME and Statista for the second consecutive year. This recognition follows its recent distinction as Europe's Most Sustainable Corporation by Corporate Knights, reinforcing the company's leadership in sustainability.

Beyond accolades, Q2 2025 delivered tangible results. Schneider Electric surpassed its goal of training 1 million people in energy management, a cornerstone of its commitment to inclusive energy transition and youth empowerment. This milestone, aligned with World Youth Skills Day 2025, is driven by the Youth Education & Entrepreneurship Program, active in over 60 countries. The program equips underserved communities with technical and entrepreneurial skills to participate in the energy transition.

Recent initiatives highlight the program's global reach and impact:

- In Cox's Bazar, Bangladesh, digital twin technology is used to train displaced communities in solar repair and e-waste recycling.
- The Conserve My Planet program engages students in India, Kenya, Vietnam, and Thailand through hands-on sustainability projects.
- In Brazil, mobile training benches bring renewable energy education to incarcerated youth, supporting reintegration and reducing recidivism.

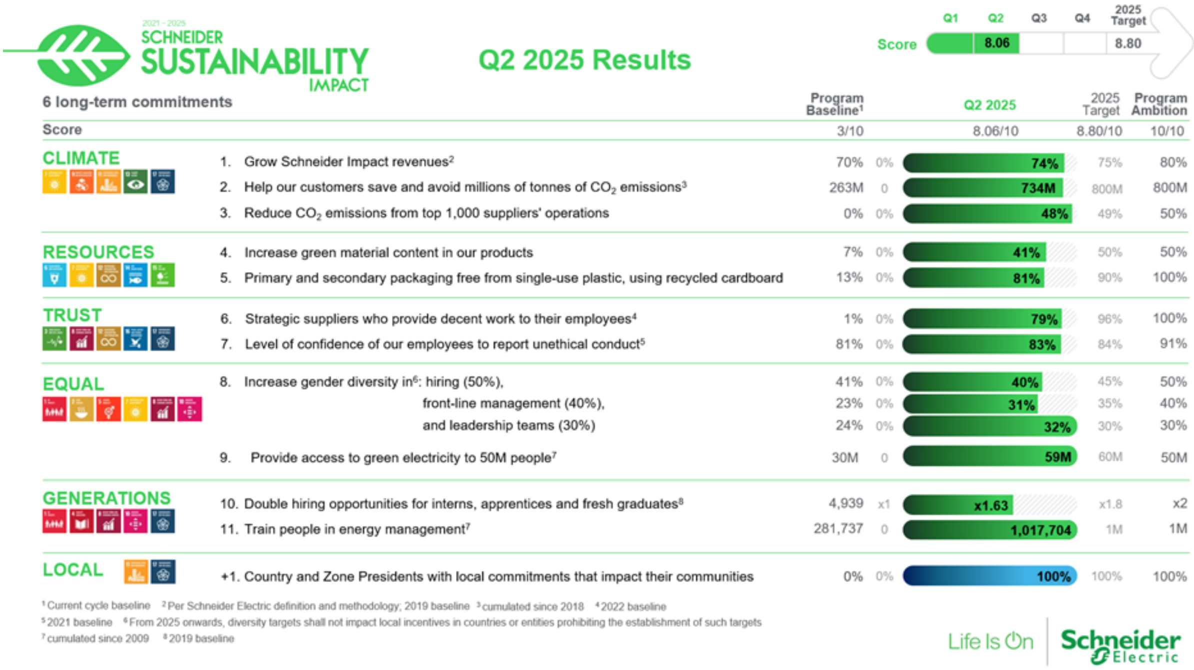
These initiatives share a common thread: when education meets technology and purpose, systemic change becomes possible.

Schneider Electric also reported continued progress across several core sustainability indicators:

- 734 million tonnes of CO_2 emissions saved and avoided for customers since 2018, crossing the 700-million-tonne milestone.
- Supply chain decarbonization efforts continue to gain momentum, as operational CO_2 emissions from Schneider Electric's top 1,000 suppliers were reduced now by 48%, just two points away from the year-end target. This reflects the growing impact of the Zero Carbon Project, which combines local solutions, on-site support, renewable energy insights, and targeted training.
- The Decent Work Program reached 79% coverage in Q2 2025, up 39 points year-over-year, reflecting improved working conditions and compliance, particularly in the Middle East, East Asia & Japan.

"As an impact company and the World's Most Sustainable Company, we believe that education is one of the most powerful drivers of long-term transformation. Surpassing 1 million people trained in energy management is a proud moment, and a reminder of what's possible when purpose meets action," said Esther Finidori, Chief Sustainability Officer. *"With six months left in our 2021–2025 Schneider Sustainability Impact program, our priority is clear: accelerate with determination and deliver lasting impact."*

For a detailed view of all indicators and progress, please refer to the full Q2 2025 Schneider Sustainability Impact report, including the latest progress dashboard:



2021 – 2025 SCHNEIDER SUSTAINABILITY IMPACT

Q2 2025 Results

Score	Q1	Q2	Q3	Q4	2025 Target
		8.06			8.80

6 long-term commitments		Program Baseline[1]		Q2 2025	2025 Target	Program Ambition
Score		3/10		8.06/10	8.80/10	10/10
CLIMATE	1. Grow Schneider Impact revenues[2]	70%	0%	74%	75%	80%
	2. Help our customers save and avoid millions of tonnes of CO_2 emissions[3]	263M	0	734M	800M	800M
	3. Reduce CO_2 emissions from top 1,000 suppliers' operations	0%	0%	48%	49%	50%
RESOURCES	4. Increase green material content in our products	7%	0%	41%	50%	50%
	5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	13%	0%	81%	90%	100%
TRUST	6. Strategic suppliers who provide decent work to their employees[4]	1%	0%	79%	96%	100%
	7. Level of confidence of our employees to report unethical conduct[5]	81%	0%	83%	84%	91%
EQUAL	8. Increase gender diversity in[6]: hiring (50%),	41%	0%	40%	45%	50%
	front-line management (40%),	23%	0%	31%	35%	40%
	and leadership teams (30%)	24%	0%	32%	30%	30%
	9. Provide access to green electricity to 50M people[7]	30M	0	59M	60M	50M
GENERATIONS	10. Double hiring opportunities for interns, apprentices and fresh graduates[8]	4,939	x1	x1.63	x1.8	x2
	11. Train people in energy management[7]	281,737	0	1,017,704	1M	1M
LOCAL	+1. Country and Zone Presidents with local commitments that impact their communities	0%	0%	100%	100%	100%

[1] Current cycle baseline [2] Per Schneider Electric definition and methodology; 2019 baseline [3] cumulated since 2018 [4] 2022 baseline
[5] 2021 baseline [6] From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets
[7] cumulated since 2009 [8] 2019 baseline

Recent recognitions:

- Schneider Electric ranked #1 in the prestigious Gartner Top 25 Supply Chain 2025 after 10 consecutive years on the list.
- Schneider Electric is recognized in the "Impact for Sustainability" category of the inaugural TIME100 Companies Impact awards
- Schneider Electric is awarded "Best ESG Information" by the Labrador Transparency Awards
- Schneider Electric received the "Corporate Social Excellence" award from the Rutgers Institute, recognizing 16 years of impact investing
- Schneider Electric is named one of Europe's Best Employers by the Financial Times

IV. PORTFOLIO UPDATE

Since reporting on Q1 2025, Schneider Electric engaged in the following transaction:

- **Acquisition of remaining 35% stake in India JV**

  As disclosed in a separate Press Release issued on July 30, 2025, the Group has signed an agreement to acquire the remaining 35% stake of Schneider Electric India Private Limited ("SEIPL") from Temasek, to reach full ownership.

  Under the terms of the transaction, Schneider Electric will acquire the remaining 35% of SEIPL for an all-cash consideration of €5.5 billion. The transaction is subject to customary closing conditions, including the receipt of required regulatory approvals such as from the Competition Commission of India, and is expected to close in the coming quarters.

  The link to the press release can be found here

V. FINANCING UPDATE

Credit ratings:

During Q2, the Group received an upgrade from Moody's to a rating of A2 with a stable outlook (previously, A3 with a positive outlook). The Group remains committed to retaining strong investment grade credit ratings.

VI. GOVERNANCE

The Board has decided to appoint Ellyn Shook as observer as of October 15, 2025 with the intent to propose her appointment as a Board member at the 2026 Shareholders' Meeting. Ellyn Shook, a US citizen based in Florida, has served as the Chief Leadership and Human Resources Officer for Accenture from 2014 to 2024. She is also a Board member at Baldwin Group and Sandisk where she chairs both Compensation Committees. Her global HR expertise, leadership and talent management practices as well as her experience as a Board member will be a key addition to the Schneider Electric Board. Ellyn Shook will qualify as an independent Director with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code and will join the Human Capital & Remunerations Committee.

VII. DIVIDEND

The dividend of €3.90 per share for Fiscal Year 2024 was paid on May 15, 2025.

The dividend payment for Fiscal Year 2025 will be on May 13, 2026.

VIII. EXPECTED TRENDS IN 2025

Amid an environment of heightened uncertainty, the Group currently expects:

- Continued demand recovery in Discrete automation, with sales growth weighted towards H2
- Continued market demand to drive growth, with contribution from across end-markets (Data Center & Networks, Buildings, Industry and Infrastructure), despite weakness in Residential
- Continued strong demand for Systems offers, led by the Data Center and Infrastructure end-markets
- Further progress on subscription transition in Software; strong growth in Services
- Commercial and supply chain actions to counter the impacts of tariffs; leverage multi-hub setup to ensure agile and responsible management of profitability, capital investments and cash flow
- All four regions to contribute to growth, led by U.S., India, Middle East & Africa

IX. 2025 TARGET REAFFIRMED

Based on the ongoing uncertain geopolitical environment, and incorporating the impacts of trade tariffs enacted or formally announced to-date, the Group reaffirms its 2025 financial target as follows:

2025 Adjusted EBITA growth of between +10% and +15% organic.

The target would be achieved through a combination of organic revenue growth and margin improvement, currently expected to be:

- Revenue growth of **+7% to +10% organic**
- Adjusted EBITA margin up **+50bps to +80bps organic**

This implies Adjusted EBITA margin of **around 18.7% to 19.0%** (including scope based on transactions completed to-date and FX based on current estimation).

Further notes on 2025 available in appendix

****

The financial statements of the period ending June 30, 2025 were established by the Board of Directors on July 30, 2025 and reviewed by the Group auditors on that date.

The Q2 2025 & H1 2025 Results presentation is available at www.se.com

Q3 2025 Revenues will be presented on October 30, 2025.

Contact Details:

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 4557 1328
ISIN : FR0000121972

Press Contact:
Schneider Electric
Anthime Caprioli
Tel: +33 6 45 636 835

Press Contact:
Primatice
Olivier Labesse
Hugues Schmitt
Tel: +33 6 79 11 49 71

Disclaimer: All forward-looking statements are Schneider Electric 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. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" in our Universal Registration Document (which is available on www.se.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

About Schneider Electric:
Schneider's **purpose is to create Impact** by empowering all to **make the most of our energy and resources**, bridging progress and sustainability for all. At Schneider, we call this **Life Is On**.

Our mission is to be the trusted partner in **Sustainability and Efficiency**.

We are a ***global industrial technology leader*** bringing world-leading expertise in electrification, automation and digitization to smart **industries**, resilient **infrastructure**, future-proof **data centers**, intelligent **buildings**, and intuitive **homes**. Anchored by our deep domain expertise, we provide integrated end-to-end lifecycle AI enabled Industrial IoT solutions with connected products, automation, software and services, delivering digital twins to enable profitable growth **for our customers**.

We are a **people company** with an ecosystem of 160,000 colleagues and more than a million partners operating in over 100 countries to ensure proximity to our customers and stakeholders. We embrace **diversity and inclusion** in everything we do, guided by our meaningful purpose of a **sustainable future for all.**
www.se.com

Discover Life Is On

Follow us on:

Appendix – Further notes on 2025

- **Foreign Exchange impact:** Based on current rates[12], the FX impact on FY 2025 revenues is estimated to be **between -€1.25 billion to -€1.35 billion**. The FX impact at current rates on adjusted EBITA margin for FY 2025 could be **around -40bps**
- **Scope impact:** around **+€300 million** on 2025 revenues and **around flat** on 2025 adjusted EBITA margin, based on transactions completed to-date
- **Restructuring:** The Group expects restructuring costs in excess of **€150 million** in 2025
- **Finance costs:** Net Financial income / (loss) is expected to be around **-€500 million** in 2025 due to the higher cost of debt associated with bond refinancing in H2'24
- **Tax rate:** The ETR is expected to be in a **23-25%** range in 2025
- **Free cashflow:** Free Cashflow generation **approaching 100% conversion** of Net Income (Group share) in 2025

Appendix – Revenues breakdown by business

Q2 2025 revenues by business were as follows:

	Q2 2025				
	Revenues € million	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Energy Management	8,322	+10.5%	+1.4%	-4.5%	+6.8%
Industrial Automation	1,689	-1.1%	+1.4%	-5.1%	-4.8%
Group	**10,011**	**+8.3%**	**+1.4%**	**-4.6%**	**+4.6%**

H1 2025 revenues by business were as follows:

	H1 2025				
	Revenues € million	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Energy Management	15,892	+10.1%	+0.8%	-2.1%	+8.5%
Industrial Automation	3,444	-1.0%	+1.3%	-2.4%	-2.2%
Group	**19,336**	**+7.9%**	**+0.8%**	**-2.1%**	**+6.4%**

Throughout this document growth percentage calculations are compared to the same period of the prior year, unless stated otherwise.

12. Forward exchange rates are volatile and difficult to predict. Consequently, the impact of such movement and possible impacts from hyperinflation technical accounting (IAS29) are not factored at this stage.

Appendix – Scope of Consolidation

Number of months in scope	Acquisition / Disposal	2024				2025			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EcoAct Energy Management Business	Acquisition	3m	3m	3m	3m				
Planon Energy Management Business	Acquisition				2m	3m	3m	3m	1m
Motivair Corporation Energy Management Business	Acquisition					1m	3m	3m	3m
Autogrid Energy Management Business	Disposal	1m							

Appendix – Gross Margin, Analysis of Change

	H1 Gross Margin
H1 2024 Gross Margin	43.4%
Volume	0.0pts
Net Price[13]	-0.4pts
Productivity	+0.8pts
Mix	-0.8pts
R&D & Production Labor Inflation	-0.3pts
FX	-0.2pts
Scope & Other	-0.1pts
H1 2025 Gross Margin	**42.4%**

13. Price on products and total raw material impact

Appendix - Results breakdown by division

€ million		H1 2024	H1 2025	Organic
Energy Management	Revenues	14,652	15,892	
	Adjusted EBITA	3,250	3,412	
	Adjusted EBITA margin	22.2%	21.5%	c. -50 bps
Industrial Automation	Revenues	3,521	3,444	
	Adjusted EBITA	542	471	
	Adjusted EBITA margin	15.4%	13.7%	c. -120 bps
Corporate	Central Functions & Digital Costs	(409)	(373)	
Total Group	Revenues	18,173	19,336	
	Adjusted EBITA	3,383	3,510	
	Adjusted EBITA margin	18.6%	18.2%	-10 bps

Appendix – Adjusted Net Income & Adjusted EPS

Key figures (€ million)	H1 2024	H1 2025	Reported Change	Organic Change
Adjusted EBITA	**3,383**	**3,510**	**+4%**	**+6.9%**
Amortization of purchase accounting intangibles	(194)	(233)		
Net financial income/(loss)	(167)	(248)		
Income tax with impact from adjusted items	(710)	(727)		
Profit/(loss) of associates and non-controlling interests	(69)	(74)		
Adjusted Net Income (Group share)	**2,243**	**2,228**	**-1%**	**+5.8%**
Adjusted EPS (€)	**4.01**	**3.97**	**-1%**	**+5.5%**

Appendix – Free Cash Flow and Net Debt

Analysis of net debt change in € million	H1 2024	H1 2025
Net debt at opening at Dec. 31	**(9,367)**	**(8,147)**
Operating cash flow	3,095	2,944
Capital expenditure – net	(636)	(717)
Operating cash flow, net of capex	**2,459**	**2,227**
Change in trade working capital	(1,016)	(976)
Change in non-trade working capital	(554)	(777)
Free cash flow	**889**	**474**
Dividends	(1,978)	(2,209)
Acquisitions – net	5	(1,096)
Net capital increase / (decrease)	231	(87)
Purchase commitments on NCI	(59)	(301)
FX & other (incl. IFRS 16)	(179)	(618)
(Increase) / Decrease in net debt	**(1,091)**	**(3,837)**
Net debt at June 30	**(10,458)**	**(11,984)**