

Schneider Electric Infrastructure Limited

Q3 FY 2019-20

7th Feb 2020

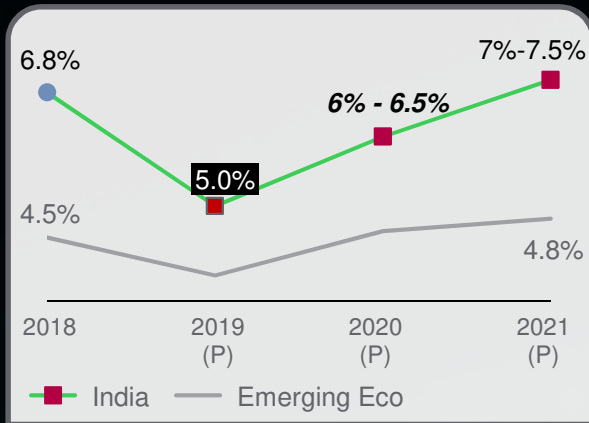
Disclaimer

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.

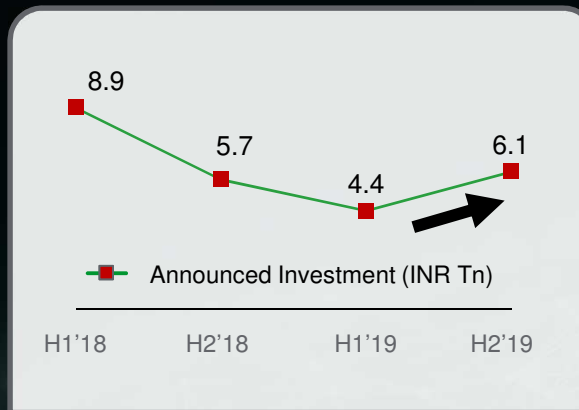


After a tough 2019, 2020 expected to be better; But we need to proceed with caution



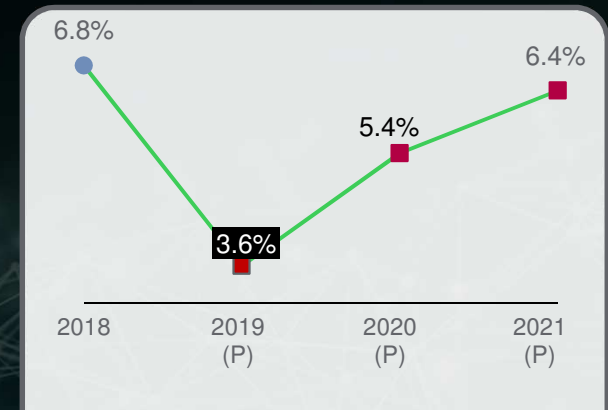
Real GDP Growth Rate ¹

Steady recovery expected in GDP growth rate from 2020; Faster than China



CAPEX investment trend ²

Segments - Transport, Healthcare, WWW, Comm. Real Estate expected to drive recovery



Composite Index ³

Stable growth of ~ 5.3% - 6.4% projected for the period 2020 - 2021



¹ Source: IMF & MOSPI for actuals & forecasts

² Source: CMIE for actuals & forecasts

³ CI: Composite Index source is Oxford Economics. Figures updated as per Jan'20 release

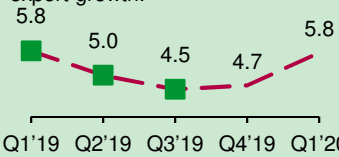
● Actuals

■ Forecast

Broad Economic Indicators

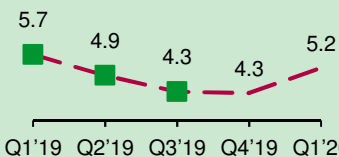
GDP – Gross Domestic Product

GDP growth slowed down to 4.5% in Q3 2019, primarily led by weak investment and contraction in export growth.



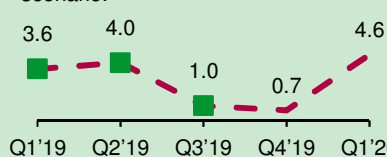
GVA- Gross value added

GVA growth also slowed down to 4.3% as compared to 6.9% in Q3 2018.



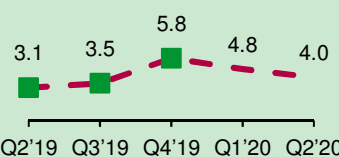
GFCF – Gross Fixed capital formation

GFCF growth rate slowed down to 1.0% as compared to 11.8% in Q3 2018, indicating weak investment scenario.



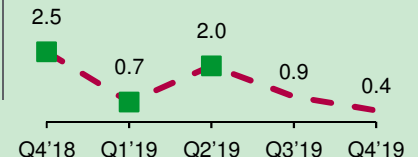
CPI - Inflation

CPI inflation has shown signs of increase; led by surge in food prices.



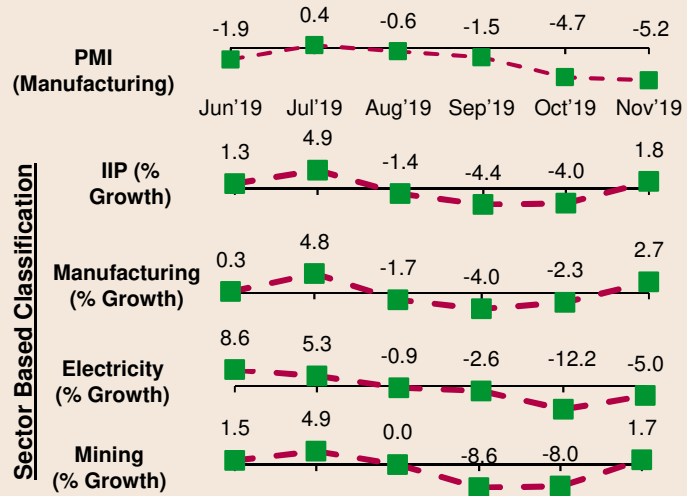
CAD (%GDP) Current account deficit

India's CAD widened to 2.0% as compared to 0.7% in last quarter.



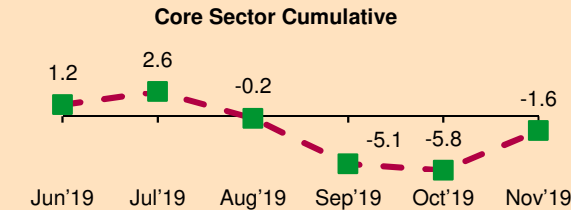
Industry growth Indicators

IIP revived in Nov 2019, as it grew by 1.8% YOY breaching the negative territory.



Core Sector Growth

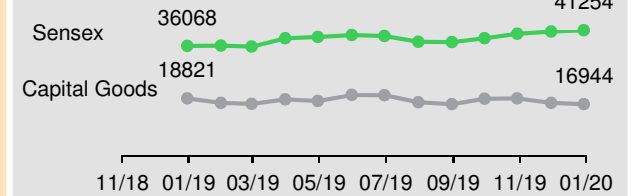
Slowdown of -1.6% in core Sector growth shows signs of recovery; improving from -5.8% in Oct 2019.



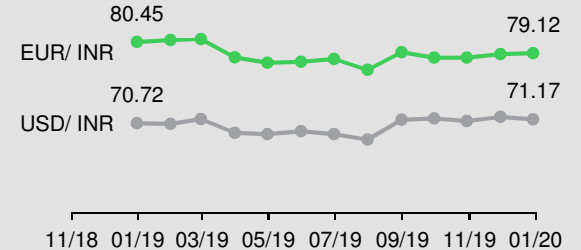
Global Indices

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

Equity Market



Exchange Market



Interest Rates

CRR 4.00%* **Repo Rate 5.15%***

CY considered Q4'19 : Oct – Dec 2019;

Schneider Electric Infrastructure Limited – Investor Presentation Trends from SEI perspective

Legend: ● Released figures, ● Forecasted Data(CMIE)

Legend: ■ Released figures

Life Is On Schneider *As on 15 Jan 2020

HPCL Mumbai Refinery



About the Project

- Supply, Installation, Testing and Commissioning of Integrated Electrical Monitoring and Control Systems along with Asset Management System for 24 Substations of HPCL, Mumbai Refinery.

Customer Objective

- Improve power system reliability and automate asset management of their entire power distribution system

Our Solution: EcoStruxure Grid + Plant

- RTU Cum Data Concentrator Units
- Integrating 24 Substation existing IEDs
- PACIS SUI & SET- as EMCS
- Maintenance Resource Center – as Asset Management System
- Intella-track for Asset Management Mobility
- Asset Connect + Asset Advisor for prediction as Pilot

Customer benefits

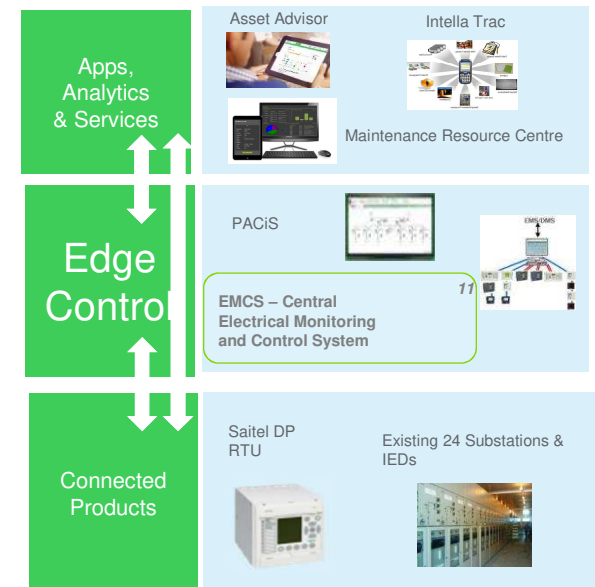
- Reliability Centric Asset Management (Prediction, Condition Monitoring, Works flow)
- Avoid blackout situation
- Reduce Commercial production losses.
- Optimize energy & network usage
- Improve network operation efficiency & network reliability
- Full Integration of existing assets (maximize ROI)
- Increase customer service

Schneider Scope

EcoStruxure
Innovation At Every Level

OGP

End User – HPCL, Mumbai
Customer - HPCL, Mumbai
Project – EMCS and Asset Management



Life Is On | **Schneider Electric**

Scope of Work – Oil & Gas Ecostruxure

Apps & Analytics

Aviva + PA



Ecostruxure Asset Management

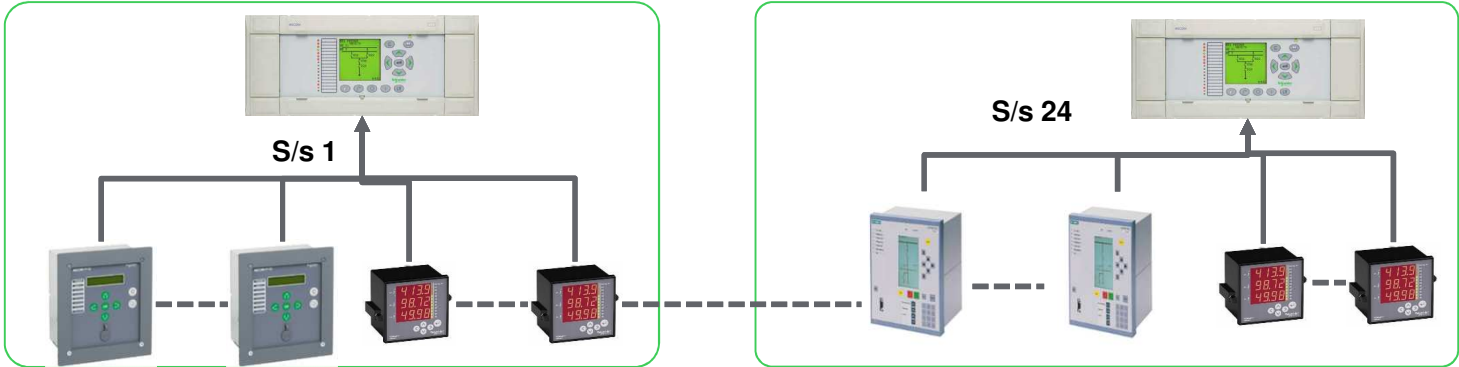
Edge Control

EM - Digital Energy



Ecostruxure Substation Control

Connected products



RTUs

In the past 3 months

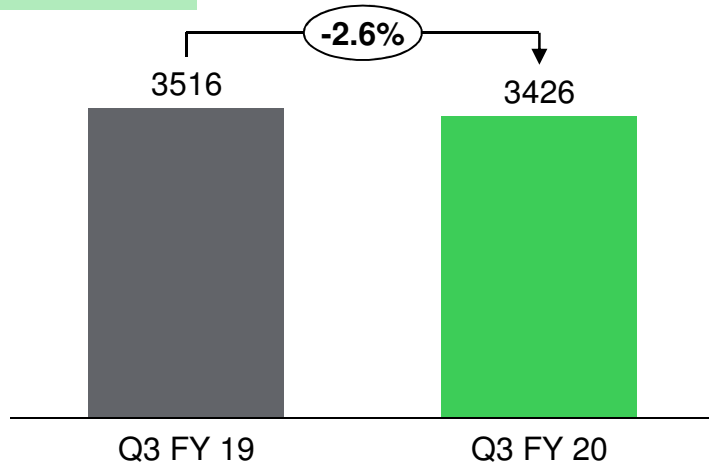
- We observed a general economic slow down , which has slightly affected our order intake
- Services and Energy Automation Orders have confirmed their rebound in Q3 , while MV orders were still dynamic .
- After the flood in Baroda that affected our Q2 Sales level , Q3 Sales level was very high .
- We observe an overall tension on our customers cash situation , burdening our own finance costs , even though we continue collecting more cash than our Sales ; but also delaying our Sales (projects frozen , cancelled , delayed , ...)
- We have done further progress on our licenses and core component partner programs , with 1 new offer launched in December (PIX MV license offer) , 2 licenses cases validated in Q3 and ready for contract signature (both on FBX RMUs) , and 2 licensed prototypes validated (for packaged substations PSS) .

Financial Update

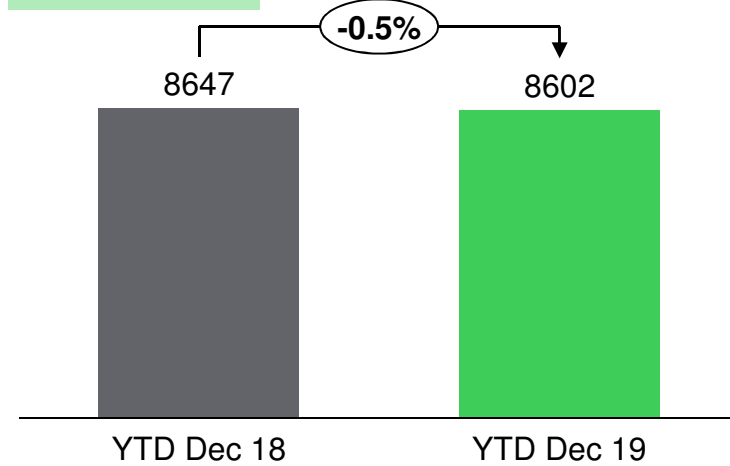
Orders

MINR

Quarterly



YTD Dec

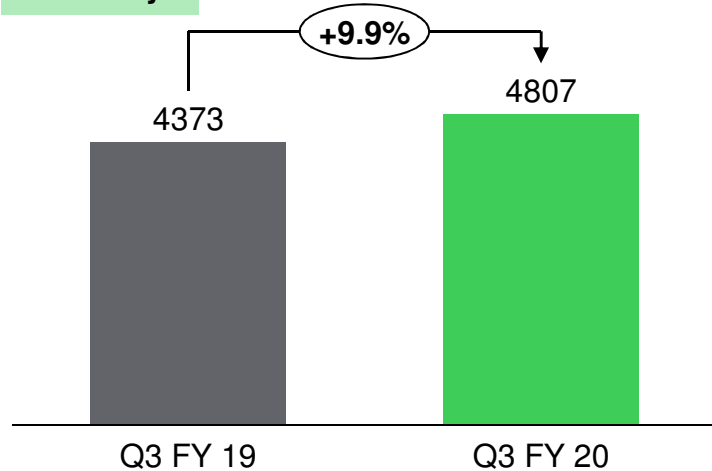


- Business Order intake: Q3 FY 20 -2.6% vs last year & 9 Months (Apr to Dec) -0.5% vs last year
- Drop in SL2 & SISGT opportunities in 2019 partially mitigated thru Transactional Business (MCP & RMU)
- Major Orders booked in Q3 FY 20: Delton Control , HPCL, Adani Trafo , GVS, L&T, SPDCTL, Polycab

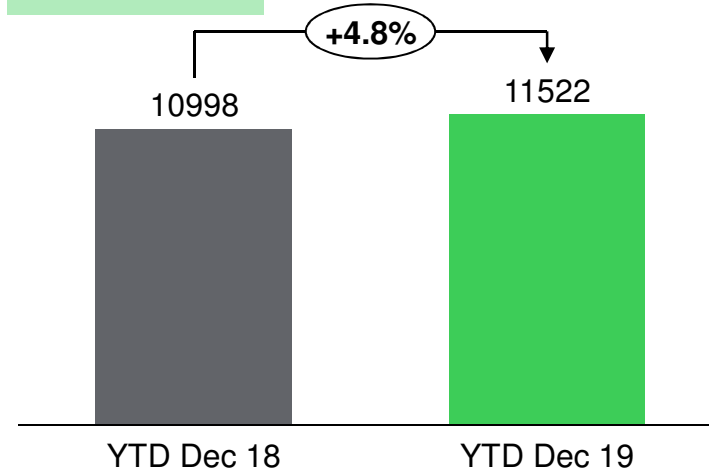
Sales

MINR

Quarterly



YTD Dec



- Sales is up by 9.9% vs last year same quarter & +4.8% vs last year .
- Major Sales for the quarter: Tata Project, L&T, SNS Tech, Amara Raja, Vindhya tel, VA Tech etc ...

Financial Results- Q3 FY 2019-20 vs Q3 FY 2018-19

MINR

SEIL results analysis	Q3 (Oct-Dec 2019)		Q3 (Oct-Dec 2018)		YoY (%) Change
	MINR	%	MINR	%	
Sales	4,807		4,373		9.9%
Other income	72		77		
Total Sales	4,879		4,451		
Material costs	3,355	69.8%	3,215	73.5%	
Gross Margin	1,524	31.7%	1,235	28.2%	3.5%
Employee costs	540	11.2%	544	12.4%	
Other expenses	502	10.5%	384	8.8%	
EBITDA	481	10.0%	307	7.0%	3.0%
Depreciation	57	1.2%	62	1.4%	
EBITA	423	8.8%	245	5.6%	
Interest	123	2.6%	114	2.6%	
Profit before Exceptional items	300	6.2%	131	3.0%	3.3%
Exceptional	0		194	4.4%	
Profit after tax	300	6.2%	-63	-1.4%	7.7%

- Sales is up by 9.9% majorly with better volume in Equipment & Services
- Employee cost is flat: Annual inflation is mitigated thru restructuring
- Other Expense are higher due to higher recovery of old debt and Forex in Last year

Financial Results- YTD Dec 2019 vs YTD Dec 2018

MINR

SEIL results analysis	YTD (Apr-Dec 2019)		YTD (Apr-Dec 2018)		YoY (%) Change
	MINR	%	MINR	%	
Sales	11,522		10,998		4.8%
Other income	127		301		
Total Sales	11,650		11,299		
Material costs	8,220	71.3%	8,034	73.1%	
Gross Margin	3,429	29.8%	3,265	29.7%	0.1%
Employee costs	1,616	14.0%	1,507	13.7%	
Other expenses	1,313	11.4%	1,208	11.0%	
EBITDA	501	4.3%	550	5.0%	-0.7%
Depreciation	165	1.4%	199	1.8%	
EBITA	336	2.9%	351	3.2%	-0.3%
Interest	374	3.2%	330	3.0%	
Profit before Exceptional items	-38	-0.3%	22	0.2%	-0.5%
Exceptional	0		280		
Profit after tax	-38	-0.3%	-258	-2.3%	2.0%

- Sales is up by 4.8% majorly with better volume in Equipment
- Employee cost: Savings thru restructuring is offset by annual hike, WESOP, PF settlement and higher variable pay-out
- Other Expense are higher due to higher recovery of old debt

Balance Sheet

MINR

Balance Sheet as at	Dec 19	Sep 19	FY2019
Equity and liabilities			
Shareholders' funds			
Share capital	478	478	478
Reserves and surplus	-182	(630)	(244)
	296	-152	234
Non-current liabilities			
Long-term provisions	270	284	216
Deferred revenue	9	11	28
Long-term borrowings	3,658	1,232	1,160
	3,936	1,528	1,404
Current liabilities			
Short-term borrowings	1,241	4,493	3,362
Trade payables	4,851	4,327	4,720
Others	223	214	178
Other current liabilities	727	659	742
Short-term provisions	1,180	1,092	1,169
	8,223	10,785	10,171
	12,454	12,161	11,809
Assets			
Non-current assets			
Tangible assets	3,091	3,046	3,031
- Intangible assets	38	41	54
Capital work-in-progress	35	67	57
Deferred tax assets (net)	254	248	223
Other financial assets	98	107	37
Other non-current assets	712	720	686
	4,227	4,229	4,087
Current assets			
Inventories	1,777	2,422	2,421
Trade receivables	5,606	4,328	4,137
Cash and Bank Balances	221	174	184
Others	56	129	13
Other current assets	568	878	966
	8,227	7,932	7,722
	12,454	12,161	11,809

Positive Network with Better profitability in the quarter

Current assets are higher than Current Liabilities



Life Is On