ADVANCING ENERGY TECH

Half-Year Financial Report

Condensed Consolidated Financial Statements
Half-Year Management Report
CEO Attestation
Statutory Auditors' Review Report

SIX-MONTH PERIOD ENDED JUNE 30, 2026

1. Consolidated statement of income

(in millions of euros except for earnings per share)	Note	**First half 2026**	First half 2025
Revenue	**3**	**21,226**	**19,336**
Cost of sales		(12,212)	(11,134)
Gross profit		**9,014**	**8,202**
Research and development	4	(783)	(692)
Selling, general and administrative expenses		(4,138)	(4,000)
Adjusted EBITA *	**3**	**4,093**	**3,510**
Other operating income and expenses	6	(147)	9
Restructuring costs		(127)	(63)
EBITA **		**3,819**	**3,456**
Amortization and impairment of purchase accounting intangibles	5	(206)	(233)
Operating income		**3,613**	**3,223**
Interest income		52	74
Interest expense		(258)	(227)
Finance costs, net		**(206)**	**(153)**
Other financial income and expenses	7	(80)	(95)
Net financial income/(loss)		**(286)**	**(248)**
Profit from continuing operations before income tax		**3,327**	**2,975**
Income tax expense	8	(799)	(714)
Share of profit/(loss) of associates	10	20	23
Impairment of investments in associates	10	-	(274)
PROFIT FOR THE PERIOD		**2,548**	**2,010**
attributable to owners of the parent		*2,488*	*1,913*
attributable to non-controlling interests		*60*	*97*
Basic earnings (attributable to owners of the parent) per share (in euros per share)		4.42	3.41
Diluted earnings (attributable to owners of the parent) per share (in euros per share)		4.37	3.38

* Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, other operating income and expenses and restructuring costs.

** EBITA (Earnings Before Interest, Taxes and Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

Other comprehensive income

(in millions of euros)	Note	**First half 2026**	First half 2025
Profit for the period		**2,548**	**2,010**
Other comprehensive income:			
Translation adjustment		915	(3,299)
IAS 29 Hyperinflation		(4)	10
Net gains/(losses) on hedging		(167)	(45)
Income tax effect of cash flow hedges		37	(6)
Gains and losses recorded in equity with recycling		**781**	**(3,340)**
Net gains/(losses) on financial assets		48	(12)
Income tax effect of gains/(losses) on financial assets		(9)	-
Actuarial gains/(losses) on defined benefit plans	13	14	(51)
Income tax effect of actuarial gains/(losses) on defined benefit plans		4	7
Gains and losses recorded in equity with no recycling		**57**	**(56)**
Other comprehensive income for the year, net of tax		**838**	**(3,396)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**3,386**	**(1,386)**
attributable to owners of the parent		*3,321*	*(1,398)*
attributable to non-controlling interests		*65*	*12*

The accompanying notes are an integral part of the consolidated financial statements.

2. Consolidated balance sheet

Assets

(in millions of euros)	Note	**June 30, 2026**	Dec. 31, 2025 *
NON-CURRENT ASSETS:			
Goodwill, net	9	25,653	25,142
Intangible assets, net		5,738	5,938
Property, plant and equipment, net		5,724	5,481
Investments in associates and joint ventures	10	762	705
Non-current financial assets	11	1,748	1,633
Deferred tax assets		1,633	1,567
TOTAL NON-CURRENT ASSETS		**41,258**	**40,466**
CURRENT ASSETS:			
Inventories		6,254	5,368
Trade and other operating receivables		10,957	9,836
Other receivables and prepaid expenses		2,279	2,102
Cash and cash equivalents	15	4,518	4,634
TOTAL CURRENT ASSETS		**24,008**	**21,940**
Assets held for sale		-	-
TOTAL ASSETS		**65,266**	**62,406**

Equity and Liabilities

(in millions of euros)	Note	**June 30, 2026**	Dec. 31, 2025 *
EQUITY:	**12**		
Share capital		2,308	2,308
Additional paid in capital		2,844	2,844
Retained earnings		20,674	21,242
Translation reserve		(1,363)	(2,268)
Equity attributable to owners of the parent		**24,463**	**24,126**
Non-controlling interests		273	256
TOTAL EQUITY		**24,736**	**24,382**
NON-CURRENT LIABILITIES:			
Pensions and other post-employment benefit obligations	13	1,037	1,048
Other non-current provisions	14	1,219	1,136
Non-current financial liabilities	15	13,866	15,021
Non-current purchase commitments over non-controlling interests	15	289	278
Deferred tax liabilities		828	788
Other non-current liabilities		1,284	1,247
TOTAL NON-CURRENT LIABILITIES		**18,523**	**19,518**
CURRENT LIABILITIES:			
Trade and other operating payables		9,993	9,327
Accrued taxes and payroll costs		3,605	3,674
Current provisions	14	1,069	1,074
Other current liabilities		1,617	1,375
Current financial liabilities	15	5,524	2,859
Current purchase commitments over non-controlling interests	15	199	197
TOTAL CURRENT LIABILITIES		**22,007**	**18,506**
Liabilities held for sale		-	-
TOTAL EQUITY AND LIABILITIES		**65,266**	**62,406**

** Comparative figures have been adjusted to reflect a revision of accounting treatment on certain supplier contracts.*

The accompanying notes are an integral part of the consolidated financial statements.

3. Consolidated statement of cash flows

(in millions of euros)	Note	**First half 2026**	First half 2025
Profit for the period		**2,548**	**2,010**
Share of (profit)/losses of associates	10	(20)	(23)
Impairment of investments in associates	10	-	274
Income and expenses with no effect on cash flow:			
Depreciation of property, plant and equipment		472	423
Amortization of intangible assets		374	385
Impairment losses on non-current assets		143	6
Increase/(decrease) in provisions	14	8	(89)
Losses/(gains) on disposals of business and assets		(6)	4
Income taxes	8	799	714
Other non-cash adjustments		173	141
Taxes paid, net		(736)	(901)
Net cash provided by operating activities		**3,755**	**2,944**
Decrease/(increase) in accounts receivable		(444)	18
Decrease/(increase) in inventories		(761)	(858)
(Decrease)/increase in accounts payable		(3)	(136)
Decrease/(increase) in other current assets and liabilities		(247)	(777)
Change in working capital requirement		**(1,455)**	**(1,753)**
TOTAL I - CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		**2,300**	**1,191**
Purchases of property, plant and equipment		(500)	(519)
Purchases of intangible assets		(190)	(214)
Proceeds from property, plant and equipment and intangible assets		21	16
Net cash used by investment in operating assets		**(669)**	**(717)**
Acquisitions and disposals of businesses, net of cash acquired & disposed	2	23	(1,096)
Other long-term investments		19	(10)
Increase in long-term pension assets	13	(43)	(36)
Sub-total		**(1)**	**(1,142)**
TOTAL II - CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(670)**	**(1,859)**
Issuance of bonds	15	648	
Repayment of bonds	15	(578)	(1,500)
Sale/(purchase) of treasury shares		(249)	(87)
Increase/(decrease) in other financial debt and other debt		961	1,910
OCEANEs issuance and repayment (equity component)		(114)	-
Increase/(decrease) of share capital	12	-	-
Transaction with non-controlling interests	2	(50)	(34)
Dividends paid to Schneider Electric's shareholders	12	(2,363)	(2,191)
Dividends paid to non-controlling interests		(48)	(18)
TOTAL III - CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**(1,793)**	**(1,920)**
TOTAL IV - NET FOREIGN EXCHANGE DIFFERENCE		**35**	**(276)**
TOTAL V - IMPACT OF RECLASSIFICATION OF ITEMS HELD FOR SALE		**-**	**-**
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS: I + II + III + IV + V		**(128)**	**(2,864)**
Net cash and cash equivalents, beginning of the year	15	4,587	6,812
Increase/(decrease) in cash and cash equivalents		(128)	(2,864)
NET CASH AND CASH EQUIVALENTS, END OF THE PERIOD	**15**	**4,459**	**3,948**

The accompanying notes are an integral part of the consolidated financial statements.

4. Consolidated statement of changes in equity

(in millions of euros)	Number of shares (thousands)	Share capital	Additional paid-in capital	Retained earnings	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	**Total**
Dec. 31, 2024 *	**575,632**	**2,303**	**3,354**	**23,604**	**1,155**	**30,416**	**791**	**31,207**
Profit for the year	-	-	-	4,163	-	4,163	188	**4,351**
Other comprehensive income	-	-	-	(43)	(3,423)	(3,466)	(110)	**(3,576)**
Comprehensive income for the year	**-**	**-**	**-**	**4,120**	**(3,423)**	**697**	**78**	**775**
Capital increase	1,491	6	265	-	-	271	-	**271**
OCEANEs issuance	-	-	-	81	-	81	-	**81**
Dividends	-	-	(774)	(1,417)	-	(2,191)	(96)	**(2,287)**
Purchase of treasury shares	-	-	-	(341)	-	(341)	-	**(341)**
Share-based compensation expense	-	-	-	202	-	202	-	**202**
IAS 29 Hyperinflation	-	-	-	48	-	48	-	**48**
SEIPL purchase of non-controlling interest	-	-	-	(5,053)	-	(5,053)	(519)	**(5,572)**
Other	-	-	-	(4)	-	(4)	2	**(2)**
Dec. 31, 2025 *	**577,123**	**2,308**	**2,844**	**21,242**	**(2,268)**	**24,126**	**256**	**24,382**
Profit for the period	-	-	-	2,488	-	2,488	60	**2,548**
Other comprehensive income	-	-	-	(72)	905	833	5	**838**
Comprehensive income for the period	**-**	**-**	**-**	**2,416**	**905**	**3,321**	**65**	**3,386**
Capital increase	-	-	-	-	-	-	-	**-**
OCEANEs issuance and repurchase	-	-	-	(164)	-	(164)	-	**(164)**
Dividends	-	-	-	(2,363)	-	(2,363)	(48)	**(2,411)**
Purchase of treasury shares	-	-	-	(249)	-	(249)	-	**(249)**
Treasury shares buyback commitment	-	-	-	(353)	-	(353)	-	**(353)**
Share-based compensation expense	-	-	-	167	-	167	-	**167**
IAS 29 Hyperinflation	-	-	-	19	-	19	-	**19**
Other	-	-	-	(41)	-	(41)	-	**(41)**
June 30, 2026	**577,123**	**2,308**	**2,844**	**20,674**	**(1,363)**	**24,463**	**273**	**24,736**

** Comparative figures have been adjusted to reflect a revision of accounting treatment on certain supplier contracts.*

The accompanying notes are an integral part of the consolidated financial statements.

5. Notes to the consolidated financial statements

Contents

All amounts are stated in millions of euros unless otherwise indicated.

The following notes form an integral part of the consolidated financial statements.

The Schneider Electric Group’s condensed consolidated financial statements for the financial half-year ending June 30, 2026 were authorized for issue by the Board of Directors on July 29, 2026.

Note 1: Basis of preparation

1.1 – Applicable framework

The consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. As condensed financial statements, they do not include all the disclosures required by International Financial Reporting Standards (IFRS) and should be read in conjunction with the December 31, 2025 annual consolidated financial statements included in the Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) under no. D.26-0159.

The accounting principles used for the preparation of the condensed interim consolidated financial statements are identical to those used for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2025, except for the application of standards, interpretations and amendments being mandatory as of January 1, 2026.

The Group's activities may be affected by significant changes in the economic situation. Therefore, its interim results are not necessarily indicative of those to be expected for the fiscal year as a whole.

Standards, interpretations and amendments endorsed by the European Union whose application is mandatory as of January 1, 2026

The following standards and interpretations applicable in the period did not have a material impact on the consolidated financial statements as of June 30, 2026:

- Amendments to IFRS 7 - *Financial Instruments: Disclosures* and IFRS 9 - *Financial Instruments* on the Classification and Measurement of Financial Instruments;
- Amendments to IFRS 7 - *Financial Instruments: Disclosures* and IFRS 9 - *Financial Instruments* for *Contracts Referencing Nature-dependent Electricity*;
- Annual Improvements to IFRS Standards Volume 11.

Standards, interpretations and amendments not endorsed by the European Union as of June 30, 2026, or whose application is not mandatory as of January 1, 2026

- IFRS 18 - *Presentation and Disclosure in Financial Statements*;

The Group is currently analyzing the effects on its consolidated financial statements of this standard. The Group will apply IFRS 18 - *Presentation and Disclosure in Financial Statements* from its mandatory effective date of January 1, 2027 and restate the comparative information in accordance with IFRS 18.

1.2 – Major accounting estimates and judgments

The preparation of financial statements requires Group management and subsidiaries to make estimates and assumptions that may affect the amounts of assets and liabilities reported in the consolidated balance sheet, as well as revenues and expenses in the statement of income and the commitments created during the reporting period. Actual results may differ from those estimates.

Besides making use of estimates, the Group's Management must exercise judgment in selecting and/or applying the most appropriate accounting treatment for certain transactions and activities and in defining the terms of its application.

The judgments and estimates exercised by Group management and subsidiaries are identical to those described in the consolidated financial statements for the fiscal year ended December 31, 2025.

1.3 – Application of IAS 29 - *Financial Reporting in Hyperinflationary Economies*

The Group applies IAS 29 - *Financial Reporting in Hyperinflationary Economies* to subsidiaries operating in hyperinflationary economies (Argentina and Türkiye). The Group uses the Consumer Price Index (CPI) for Argentina and Türkiye to restate income statement items, cash flows and non-monetary assets and liabilities.

Note 2: Changes in the scope of consolidation

2.1 – Scope variations

There were no material changes in the Group's scope of consolidation during the six-month period ended June 30, 2026.

2.2 – Impact of changes in the scope of consolidation on the Group cash flow

Changes in the scope of consolidation at June 30, 2026, decreased the Group's cash position by a net EUR 27 million outflow, as detailed below:

(in millions of euros)	**First half 2026**	First half 2025
Acquisitions (net of cash acquired)	(43)	(1,097)
of which Motivair	-	*(814)*
of which Schneider eStar	-	*(219)*
Disposals (net of cash disposed)	66	1
FINANCIAL INVESTMENTS NET OF DISPOSALS	**23**	**(1,096)**
Others	(50)	(34)
TRANSACTION WITH NON-CONTROLLING INTERESTS	**(50)**	**(34)**
TOTAL CASH FLOW IMPACT	**(27)**	**(1,130)**

In 2026, cash outflow net of cash acquired mainly reflects the impact of a limited number of small acquisitions and disposal completed during the period.

In 2025, the cash outflow net of cash acquired was mainly due to the acquisition of Motivair for EUR 814 million and the creation of Schneider eStar Joint Venture for EUR 219 million.

Note 3: Segment information

The segment information corresponds to the information required by IAS 34 - *Interim Financial Reporting*.

The Group is organized into two reporting segments as follows:

Energy Management leverages a complete end–to–end technology offering enabled by EcoStruxure. The Group's go–to–market is oriented to address customer needs across its four end–markets of Data Center & Networks, Buildings, Industry and Infrastructure, supported by a worldwide partner network.

Industrial Automation includes Industrial Automation and Industrial Control activities, across discrete, process & hybrid industries.

Expenses concerning General Management that cannot be allocated to a particular segment are presented under "Central costs".

The Executive Committee, which is chaired by the Chief Executive Officer, has been identified as the main decision–making body for allocating resources and evaluating segment performance. Performance and decisions on the allocation of resources are assessed by the Executive Committee and are mainly based on Adjusted EBITA.

Share–based payment is presented under "Central costs".

The Executive Committee does not review assets and liabilities by reporting segments.

The same accounting principles governing the consolidated financial statements apply to segment data.

Due to the substantial number of customers served by the Group, to their significant diversity in multiple sectors and to their wide geographical dispersion, the Group's largest customer does not exceed 10% of Schneider Electric's revenue.

3.1 – Information by reporting segment

First Half 2026

(in millions of euros)	**Energy Management**	**Industrial Automation**	**Central costs**	**Total**
Revenue	17,641	3,585	-	**21,226**
Adjusted EBITA	3,957	501	(365)	**4,093**
including depreciation & amortization	*(498)*	*(142)*	-	***(640)***
Adjusted EBITA (%)	22.4%	14.0%		**19.3%**

First Half 2025

(in millions of euros)	Energy Management	Industrial Automation	Central costs	**Total**
Revenue	15,892	3,444	-	**19,336**
Adjusted EBITA	3,412	471	(373)	**3,510**
including depreciation & amortization	*(437)*	*(138)*	-	***(575)***
Adjusted EBITA (%)	21.5%	13.7%		**18.2%**

3.2 – Information by region

Effective January 1, 2026, Schneider Electric reports under four newly redefined regions aligned to its internal reporting structure.

The geographic regions covered by the Group are:

- North America;
- Europe;
- China & East Asia;
- South Asia & International.

Non–current assets include net goodwill, net intangible assets and net property, plant and equipment.

First Half 2026

(in millions of euros)	**North America**	**Europe**	**China & East Asia**	**South Asia & International**	**Total**
Revenue by country market	8,312	5,305	3,796	3,813	**21,226**
Non-current assets as of June 30, 2026	16,132	14,535	2,582	3,866	**37,115**

First Half 2025

(in millions of euros)	North America	Europe	China & East Asia	South Asia & International	Total
Revenue by country market	7,341	4,910	3,356	3,729	**19,336**
Non-current assets as of June 30, 2025	15,521	14,529	2,422	3,758	**36,230**

Note 4: Research and development expenditures

Research and development expenditures are as follows:

(in millions of euros)	**First half 2026**	First half 2025
Research and development expenditures in costs of sales	(317)	(312)
Research and development expenditures in R&D costs *	(783)	(692)
Capitalized development costs	(135)	(175)
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURES **	**(1,235)**	**(1,179)**

* Net of EUR 18 million of research and development tax credit in first half 2026 and EUR 18 million in first half 2025

** Excluding amortization of capitalized development costs

In addition to the research and development expenditures, amortization expenses of capitalized development costs booked in cost of sales, amounted to EUR 120 million in the first half of 2026 and EUR 111 million in the first half of 2025.

Note 5: Impairment losses, depreciation and amortization expenses

Depreciation and amortization expenses and impairment losses on property, plant and equipment, goodwill and intangible assets are as follows:

(in millions of euros)	**First half 2026**	First half 2025
Depreciation, amortization and impairment included in cost of sales	(304)	(282)
Depreciation, amortization and impairment included in selling, general and administrative expenses	(346)	(295)
Impairment included in other operating income and expenses	(128)	-
Impairment included in restructuring costs	(9)	-
Amortization expenses of purchase accounting intangible assets	(206)	(233)
Impairment losses of purchase accounting intangible assets	-	-
IMPAIRMENT LOSSES, DEPRECIATION AND AMORTIZATION EXPENSES	**(993)**	**(810)**

Note 6: Other operating income and expenses

Other operating income and expenses are as follows:

(in millions of euros)	**First half 2026**	First half 2025
Gains/(losses) on assets disposals	3	(2)
Gains/(losses) on business disposals	3	(2)
Impairment of assets	(128)	-
Costs of acquisitions, integrations and separations	(24)	(28)
Others	(1)	41
OTHER OPERATING INCOME AND EXPENSES	**(147)**	**9**

In 2026, impairment of assets consists of an impairment of capitalized development costs resulting from the decision to simplify the Industrial Automation offer range. The costs of acquisitions, integrations and separations are mainly related to the recent acquisitions or ongoing projects.

Note 7: Other financial income and expenses

Other financial income and expenses are as follows:

(in millions of euros)	**First half 2026**	First half 2025
Exchange gains and losses, net	(13)	(26)
Net monetary gain/(loss) (IAS 29 Hyperinflation)	(10)	6
Financial component of defined benefit plan costs	(23)	(20)
Dividends received	1	1
Fair value adjustment of financial assets	3	(7)
Financial interests - IFRS16	(33)	(33)
Effect of discounting & unwinding of discount	3	(5)
Other financial expenses, net	(8)	(11)
OTHER FINANCIAL INCOME AND EXPENSES	**(80)**	**(95)**

Note 8: Income tax

Accounting principles

The income tax expense for the period is calculated by applying the weighted average effective annual income tax rate expected for the full fiscal year estimated by the management, based on the information available as of the interim reporting date, to the different categories of profit.

The effective tax rate for the six months period ended June 30, 2026 is 24.0%, same as for the six months period ended June 30, 2025.

Wherever the regulatory environment allows it, the Group entities file consolidated tax returns. Schneider Electric SE files a consolidated tax return with its French subsidiaries held directly or indirectly through Schneider Electric Industries SAS.

The income tax expense breaks down as follows:

(in millions of euros)	**First half 2026**	First half 2025
Current taxes	(836)	(726)
Deferred taxes	37	12
INCOME TAX EXPENSE	**(799)**	**(714)**

Note 9: Goodwill

The main movements during the period are summarized as follows:

(in millions of euros)	**June 30, 2026**	Dec. 31, 2025
Net goodwill at opening	**25,142**	**26,281**
Acquisitions	6	997
Disposals	(1)	(8)
Reclassifications	-	-
Translation adjustment	506	(2,128)
NET GOODWILL AT END OF PERIOD	**25,653**	**25,142**
including cumulative impairment losses	*(369)*	*(372)*

Acquisitions & Disposals

Movements from acquisitions in 2025 related to the acquisitions of Motivair and Schneider eStar.

Other changes

Translation adjustments mainly concern goodwill denominated in US dollar.

Note 10: Investments in associates and joint ventures

Main contributor is Delixi Sub-Group investment with a share of profit of EUR 36 million for the six-month period ended June 30, 2026 compared to EUR 40 million for the six-month period ended June 30, 2025.

Note 11: Non–current financial assets

Non-current financial assets amount to EUR 1,748 million as of June 30, 2026, and mainly comprise unlisted financial assets, pension assets and a EUR 207 million financial asset relative to the fine paid to the French Competition Authority (“Autorité de la concurrence”) described in Note 14.

Note 12: Shareholder's equity

12.1 – Dividends paid

In the first half of 2026, the Group paid out the 2025 dividend of EUR 4.20 per share, for a total of EUR 2,363 million.

12.2 – Share-based payments

Performance shares

Based upon the assumptions described in the notes to the 2025 consolidated financial statements, the expense recorded under "Selling, general and administrative expenses" for performance shares totaled EUR 88 million in the six-month period ended June 30, 2026 (EUR 80 million in the six-month period ended June 30, 2025). The offsetting entry was recognized in "Retained earnings" within Shareholders' equity.

Schneider Electric SE did not issue shares during the six-month period ended June 30, 2026 upon exercise of performance shares grant.

Worldwide Employee Share Ownership Plan ("WESOP")

Every year, Schneider Electric gives its employees the opportunity to become group shareholders thanks to employee share issues. In countries that meet legal and fiscal requirements, the classic plan has been proposed to employees. Under the plan, employees may purchase Schneider Electric shares at a 15% discount to the price quoted for the shares on the stock market. Employees must then hold their shares for five years, except in certain cases provided for by law.

On April 20, 2026, Schneider Electric gave its employees the opportunity to purchase shares at a price of EUR 210.45 per share, as part of its commitment to employee share ownership. This represented a 15% discount to the reference price of EUR 247.59 calculated as the average opening price quoted for the share during the 20 days preceding the Board of Directors decision to launch the employee share issue.

As of June 30, 2026, the corresponding capital increase has not yet taken place.

As of June 30, 2026, the share-based payment expense recorded under "Selling, general and administrative expenses", in accordance with IFRS 2, measured by reference to the fair value of the discount, amounted to EUR 79 million, compared to EUR 45 million as of June 30, 2025.

12.3 – Schneider Electric SE treasury shares

On June 30, 2026, the Group held 14,794,926 Schneider Electric shares in treasury stock, which have been recorded as a deduction from retained earnings.

The Group has repurchased 954,165 shares for a total amount of EUR 249 million for the six-month period ended June 30, 2026.

In compliance with applicable regulations, the Group entered into two share buyback agreements with an investment services provider (PSI) on March 9 and March 10, 2026. Under these agreements, the PSI was instructed to place orders in Schneider Electric SE shares from March 10, 2026 and March 11, 2026, respectively, through November 30, 2026. The Group recognized a EUR 353 million "Current financial debt" against "Retained earnings" in Shareholders' equity, representing the maximum amount the PSI is allowed to buyback as of June 30, 2026.

12.4 – OCEANEs issuance and repurchase

The transactions relating to the OCEANEs and their corresponding impacts on equity are described in Note 15.

Note 13: Pensions and other post-employment benefit obligations

Accounting principles

The post-employment and other long-term employee benefits obligation as at June 30 is calculated by projecting over a half-year period, the obligation of the previous financial year taking into account the benefits paid and changes in plan assets and adjusted, where applicable, for any plan amendments.

Changes in provisions for pensions and other post-employment benefit obligations were as follows:

First half 2026

(in millions of euros)	**Pensions and termination benefits**	**Other Post-employment and long-term benefits**	**Provisions for pensions and other post-employment benefits**
Dec. 31, 2025	**620**	**167**	**787**
Net cost recognized in the statement of income	49	14	63
Service cost	*41*	*8*	*49*
Curtailments and settlements	*(4)*	*-*	*(4)*
Past service cost	*(8)*	*3*	*(5)*
Interest cost	*125*	*3*	*128*
Interest income	*(105)*	*-*	*(105)*
Benefits paid	(28)	(13)	(41)
Employer contributions	(43)	-	(43)
Actuarial (gains) and losses recognized in equity	(11)	(3)	(14)
Translation adjustment	-	4	4
Change in the scope of consolidation and other	(1)	-	(1)
June 30, 2026	**586**	**169**	**755**
Surplus of plans recognized as assets	*(282)*	*-*	*(282)*
Provisions recognized as liabilities	*868*	*169*	*1,037*

First half 2025

(in millions of euros)	Pensions and termination benefits	Other Post-employment and long-term benefits	Provisions for pensions and other post-employment benefits
Dec. 31, 2024	**555**	**220**	**775**
Net cost recognized in the statement of income	43	11	54
Service cost	*35*	*7*	*42*
Curtailments and settlements	*(8)*	*-*	*(8)*
Past service cost	*-*	*-*	*-*
Interest cost	*141*	*4*	*145*
Interest income	*(125)*	*-*	*(125)*
Benefits paid	(16)	(37)	(53)
Employer contributions	(36)	-	(36)
Actuarial (gains) and losses recognized in equity	51	-	51
Translation adjustment	(15)	(23)	(38)
Change in the scope of consolidation and other	-	-	-
June 30, 2025	**582**	**171**	**753**
Surplus of plans recognized as assets	*(283)*	*-*	*(283)*
Provisions recognized as liabilities	*865*	*171*	*1,037*

Following the agreement entered into with the Trustee of the Invensys Pension Scheme in the UK on February 7, 2014, Schneider Electric SE has guaranteed the obligations of the Invensys subsidiaries participating in the Scheme, up to a maximum amount of GBP 1.75 billion. As of June 30, 2026, the Scheme's assets exceed the value of the obligations covered by this guarantee; accordingly, the guarantee is not expected to be called.

The pension net assets are included in other non-current financial assets.

Note 14: Provisions and contingent liabilities

14.1 – Provisions

First half 2026

(in millions of euros)	Economic risks	Customer risks	Products risks	Environmental risks	Restructuring	Other risks	Provisions
Dec. 31, 2025	**207**	**132**	**658**	**221**	**202**	**790**	**2,210**
of which long-term portion	*129*	*42*	*180*	*188*	*16*	*581*	***1,136***
Additions	21	45	96	1	38	52	**253**
Utilizations	(5)	(22)	(66)	(5)	(50)	(87)	**(235)**
Reversals of surplus provisions	-	(7)	(17)	-	(4)	(5)	**(33)**
Translation adjustments	3	3	16	3	1	17	**43**
Changes in the scope of consolidation and other	1	(2)	-	(1)	(1)	53	**50**
June 30, 2026	**227**	**149**	**687**	**219**	**186**	**820**	**2,288**
of which long-term portion	*141*	*40*	*191*	*188*	*14*	*645*	***1,219***

First half 2025

(in millions of euros)	Economic risks	Customer risks	Products risks	Environmental risks	Restructuring	Other risks	Provisions
Dec. 31, 2024	**225**	**124**	**727**	**290**	**144**	**793**	**2,303**
of which long-term portion	*144*	*64*	*208*	*243*	*16*	*576*	***1,251***
Additions	24	16	83	3	33	46	**205**
Utilizations	(13)	(24)	(73)	(12)	(45)	(103)	**(270)**
Reversals of surplus provisions	-	-	(14)	(2)	(1)	(8)	**(25)**
Translation adjustments	(18)	(11)	(50)	(27)	(3)	(61)	**(170)**
Changes in the scope of consolidation and other	9	(1)	-	1	(1)	26	**34**
June 30, 2025	**227**	**104**	**673**	**253**	**127**	**693**	**2,077**
of which long-term portion	*144*	*58*	*204*	*212*	*18*	*542*	***1,178***

Provisions are primarily recognized for:

- **Economic risks**: provisions for tax risks, other than income taxes arising from positions taken by the Group or its subsidiaries. Each position is assessed individually (without offset), and the provision reflects the best estimate of the risk at the reporting date. Where applicable, the estimate includes late-payment interest and penalties.
- **Customer risks**: provisions for losses at completion on certain long-term contracts (onerous contracts). Expected losses are recognized in full as soon as they are identified.
- **Product risks**: provisions comprise:
  - Statistical provisions for warranties: provisions recognized on a statistical basis for the residual cost of product warranties not covered by insurance, estimated with reference to historical claims experience and the warranty period; and
  - Provisions for disputes relating to defective products and recalls of specifically identified products.
- **Environmental risks**: provisions recognized primarily for remediation and clean-up costs. Estimated future outflows are based on reports prepared by independent experts.
- **Restructuring costs**: provisions recognized when the Group has a detailed restructuring plan and has either announced the plan or commenced implementation before the end of the reporting period. The provision includes only direct expenditures arising from the restructuring.
- **Other risks**: A portion of these risks is covered by insurance assets. These risks primarily include provisions recognized for litigation matters inherited from acquired businesses. They also include the EUR 104 million provision recorded in connection with the ongoing investigation by the French Competition Authority, as described below.

14.2 – Contingent liabilities

As previously disclosed, investigations were conducted in September 2018 by the French judicial authority and French Competition Authority (*Autorité de la concurrence*) at Schneider Electric's head office and other premises concerning the sale of electrical products through commercial distribution activities in France.

- After 6 years of procedure, the French Competition Authority issued on October 29, 2024 a decision to sanction several companies concerning the electrical distribution activities in France, including Schneider Electric for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. This fine was paid in April 2025. Schneider Electric strongly disagrees with the conclusion of the French Competition Authority and has appealed the decision in front of the Paris Appeal Court. Considering the difficulty to assess the extent to which the Appeal Court will consider the arguments of Schneider Electric in its defense, the Group booked, as of December 31, 2024, a provision of EUR 104 million in "Other operating income and expenses". This provision remained unchanged as of June 30, 2026.
- Concurrently on October 7, 2022, Schneider Electric was indicted by an investigating judge who required Schneider Electric to provide a bank guarantee of EUR 20 million (which validity has now expired) and a cash guarantee of EUR 80 million. Schneider Electric officially contested the indictment decision and raised numerous arguments in law and fact. Procedure is ongoing.

Schneider Electric rejects any allegation that its distribution practices are not compliant with competition rules. Schneider Electric commercial policy is designed to comply with all regulations. Schneider Electric has always cooperated with the authorities and intends to continue to do so.

Schneider Electric has other contingent liabilities relating to legal, arbitration or regulatory proceedings arising in the normal course of its business. Known or ongoing claims and litigation involving the Group or its subsidiaries were reviewed at the date on which the consolidated financial statements were approved for issue. Based on the advice of legal counsel, all provisions deemed necessary have been made to cover the related risks.

Note 15: Net debt

The breakdown of net debt is as follows:

(in millions of euros)	**June 30, 2026**	Dec. 31, 2025
Bonds	15,856	15,752
Other bank borrowings	11	23
Short-term portion of bonds	(1,999)	(749)
Short-term portion of long-term debt	(2)	(5)
NON-CURRENT FINANCIAL LIABILITIES	**13,866**	**15,021**
Commercial paper	2,349	1,320
Accrued interest	190	137
Other short-term borrowings	572	601
Bank overdrafts	59	47
Short-term portion of bonds	1,999	749
Short-term portion of long-term debt	2	5
Treasury shares buyback commitment	353	-
CURRENT FINANCIAL LIABILITIES	**5,524**	**2,859**
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**19,390**	**17,880**
CASH AND CASH EQUIVALENTS	**(4,518)**	**(4,634)**
NET FINANCIAL DEBT excl. purchase commitments over non-controlling interests	**14,872**	**13,246**
Non-current purchase commitments over non-controlling interests	289	278
Current purchase commitments over non-controlling interests	199	197
NET FINANCIAL DEBT incl. purchase commitments over non-controlling interests	**15,360**	**13,721**

Cash and cash equivalents net of bank overdrafts totaled EUR 4,459 million, corresponding to the amount reported in the consolidated cash flow statement. Marketable securities generally consist of highly liquid instruments traded on regulated markets that are readily convertible into known amounts of cash, such as commercial paper, mutual funds, and equivalents.

As of June 30, 2026, no trade receivables were subject to non-recourse factoring arrangements. As of December 31, 2025, non-recourse factoring led to the derecognition of trade receivables for EUR 345 million. Substantially all risks and rewards were transferred.

The majority of the financial instruments listed in the balance sheet have a fair value close to their book value, except for bonds, for which the amortized cost in the balance sheet represents EUR 15,856 million compared to EUR 15,674 million at fair value.

OCEANE due 2030

On June 4, 2026, the Group launched a repurchase of its outstanding OCEANEs due 2030 by way of a reverse bookbuilding process. The final repurchase price was set at EUR 144,964.68 per 2030 OCEANE, representing a total consideration of approximately EUR 886 million for an aggregate principal amount of approximately EUR 611 million, representing approximately 94% of the 2030 OCEANEs outstanding. The 2030 OCEANEs accepted in the repurchase were cancelled in accordance with their terms and conditions.

The total repurchase consideration was allocated between a debt component, measured by reference to the market rate of a comparable non-convertible bond at the repurchase date, and an equity component relating to the conversion option. The repurchase was settled in June 12, 2026 and resulted in a financial loss of EUR 8 million and a reduction in equity of EUR 308 million.

Following the repurchase, the carrying amount of the outstanding 2030 OCEANEs amounted to EUR 36 million.

OCEANE due 2034

Concurrently with the repurchase of the OCEANE due 2030, the Group issued on June 4, 2026, bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) for EUR 850 million at a rate of 0.25%, maturing in September 2034. The OCEANE has a debt component, assessed on inception date on the basis of the market interest rate applied to an equivalent non-convertible bond, and recognized in non-current financial debts and an optional component recognized in equity. At end of June 2026, the debt component recorded at net book value amounts to EUR 649 million and the optional component to EUR 195 million.

The initial conversion and/or exchange ratio of the Bonds was 263.2612 shares per bond with a nominal value set at EUR 100,000.00 corresponding to EUR 379.85 per share.

Issue premium and issue costs are amortized per the effective interest rate method.

Note 16: Derivative instruments

	June 30, 2026							
(in millions of euros)	**Accounting qualification**	**Maturity**	**Nominal sales**	**Nominal purchases**	**Fair value**	**Carrying amounts in assets**	**Carrying amounts in liabilities**	**Carrying amounts in OCI**
Forwards contracts	CFH	< 1 year	833	(696)	11	20	(9)	11
Forwards contracts	CFH	< 2 years	53	(87)	-	2	(2)	-
Forwards contracts	CFH	> 2 years	12	(11)	-	-	-	-
Forwards contracts	FVH	< 1 year	2,058	(1,863)	27	34	(7)	2
Forwards contracts	NIH	< 1 year	264	-	1	1	-	1
Forwards contracts	Trading	< 1 year	734	(5,046)	(8)	3	(11)	-
Cross currency swaps	FVH	< 1 year	45	-	-	-	-	-
Cross currency swaps	NIH	< 1 year	132	-	13	13	-	14
Cross currency swaps	NIH	< 2 years	132	-	14	14	-	15
Cross currency swaps	NIH	> 2 years	219	-	(4)	-	(4)	(3)
TOTAL FOREIGN CHANGE DERIVATIVES			**4,482**	**(7,703)**	**54**	**87**	**(33)**	**40**
Forwards contracts	CFH	< 1 year	-	(399)	1	55	(54)	(17)
Commodities derivatives			**-**	**(399)**	**1**	**55**	**(54)**	**(17)**
Interest rate swaps	FVH	< 1 year	150	(150)	-	-	-	-
Interest rate swaps	FVH	< 2 years	650	(650)	4	4	-	-
Interest rate swaps	FVH	> 2 years	900	(900)	(2)	6	(8)	-
Interest rate derivative			**1,700**	**(1,700)**	**2**	**10**	**(8)**	**-**
Options	Trading	> 2 years	-		(5)	-	(5)	-
Other derivatives			**-**	**-**	**(5)**	**-**	**(5)**	**-**
TOTAL			**6,182**	**(9,802)**	**52**	**152**	**(100)**	**23**

(in millions of euros)	Accounting qualification	Maturity	Nominal sales	Nominal purchases	Fair value	Carrying amounts in assets	Carrying amounts in liabilities	Carrying amounts in OCI
	Dec 31, 2025							
Forwards contracts	CFH	< 1 year	514	(433)	-	9	(9)	-
Forwards contracts	CFH	< 2 years	60	(87)	-	1	(1)	-
Forwards contracts	CFH	> 2 years	4	(8)	-	-	-	-
Forwards contracts	FVH	< 1 year	2,544	(1,785)	8	14	(6)	2
Forwards contracts	NIH	< 1 year	661	-	1	1	-	1
Forwards contracts	Trading	< 1 year	1,502	(5,739)	(5)	7	(12)	-
Cross currency swaps	FVH	< 1 year	83	-	(2)	1	(3)	1
Cross currency swaps	NIH	< 1 year	213	-	18	18	-	19
Cross currency swaps	NIH	> 2 years	255	-	34	34	-	36
TOTAL FX DERIVATIVES			**5,836**	**(8,052)**	**54**	**85**	**(31)**	**59**
Forwards contracts	CFH	< 1 year	-	(391)	174	174	-	147
Commodities derivatives			**-**	**(391)**	**174**	**174**	**-**	**147**
Interest rate swaps	FVH	> 2 years	1,550	(1,550)	6	18	(12)	-
Interest rate derivative			**1,550**	**(1,550)**	**6**	**18**	**(12)**	**-**
Options	Trading	> 2 years	-		(8)	-	(8)	-
Other derivatives			**-**	**-**	**(8)**	**-**	**(8)**	**-**
TOTAL			**7,386**	**(9,993)**	**226**	**277**	**(51)**	**206**

16.1 – Foreign currency hedges

Since a significant proportion of affiliates' transactions are denominated in currencies other than the affiliates' functional currency, the Group is exposed to currency risks. If the Group is not able to hedge these risks, fluctuations in exchange rates between the functional currency and other currencies can have a significant impact on its results and distort year-on-year performance comparisons. As a result, the Group uses derivative instruments to hedge its exposure to exchange rates mainly through FX forwards and natural hedges. Furthermore, some long-term loans and borrowings granted to the affiliates are considered as net investment in foreign operations according to IAS 21.

Schneider Electric's currency hedging policy is to protect its subsidiaries against risks on transactions denominated in a currency other than their functional currency.

16.2 – Interest rate hedges

Interest rate risk on borrowings is managed at the Group level, based on consolidated debt and taking into consideration market conditions to optimize overall borrowing costs. The Group uses derivative instruments to hedge its exposure to interest rates through swaps or cross-currency swaps. Cross-currency swaps may be presented as foreign exchange hedges or as interest rate hedges depending on the specific characteristics of the derivative.

During the six-month period ended June 30, 2026, the Group set up new interest rate swaps for a nominal amount of EUR 150 million.

16.3 – Commodity hedges

The Group is exposed to fluctuations in energy and raw material prices, in particular copper, aluminum, silver, lead, nickel, zinc, steel and plastics. If the Group is not able to hedge, compensate for or pass on to customers any such increased costs, this could have an adverse impact on its results. The Group has, however, implemented certain procedures to limit exposure to rising non-ferrous and precious raw material prices. The Purchasing departments of the operating units report their purchasing forecasts to the Treasury & Corporate Finance department. Purchase commitments are hedged using forward contracts, swaps and, to a lesser extent, options.

16.4 – Counterparty risk

Financial transactions are entered with carefully selected counterparties. Banking counterparties are chosen according to the customary criteria, including the credit rating issued by an independent rating agency.

Group policy consists of diversifying counterparty risks and periodic controls are performed to check compliance with the related rules. In addition, the Group takes out substantial credit insurance and uses other types of guarantees to limit the risk of losses on trade accounts receivable.

16.5 – Liquidity risk

As of June 30, 2026, the Group had confirmed credit lines of EUR 3,525 million, all unused with EUR 2,875 million maturing after June 2027. Among them, EUR 2,775 million are sustainable-linked credit line with margin indexed on the annual performance of the Schneider Sustainability Impact (SSI).

With EUR 3,525 million available committed facility and EUR 4,518 million cash & cash equivalent, the liquidity of the Group amounted to EUR 8,043 million at the end of the period. In the next 12 months, the total short-term financial debt amounts to EUR 5,524 million.

Committed credit lines do not include any financial covenants or credit rating triggers in case of rating downgrade.

16.6 – Supplier Financing

The Group has set up supplier financing programs in several countries. The total amount of discounted payables as of June 30, 2026 amounts to EUR 126 million compared to EUR 83 million as of December 31, 2025. In addition, payment terms remain in line with payment practices in those countries. The Group's supplier financing programs do not lead to the derecognition of trade payables or to their reclassification within financial liabilities.

Note 17: Related party transactions

17.1 – Transactions with associates

Companies over which the Group has significant influence are accounted through the equity method. Transactions with these related parties are carried out on arm's length terms.

Related party transactions were not material during the period.

17.2 – Transactions with key management personnel

No unusual transactions were carried out during the period with members of the supervisory board or management board.

Note 18: Commitments

Guarantees given and received amounted to EUR 4,379 million and EUR 383 million, respectively, as of June 30, 2026.

As of June 30, 2026, the Group had confirmed credit lines described in Note 16.5.

Note 19: Subsequent events

Issuance of shares to employees

As stated in Note 12, on April 20, 2026, Schneider Electric gave its employees the opportunity to purchase shares at a price of EUR 210.45 per share, as part of its commitment to employee share ownership. Altogether, 1.5 million shares were subscribed, increasing the Company's equity by EUR 307 million, net of issuance fees, as of July 9, 2026.

Issuance of bonds

On July 1, 2026, the Group issued a EUR 1.5 billion EMTN (Euro Medium Term Note) in two tranches: a floating rate tranche with a Euribor + 0.30% coupon maturing in July 2028 for EUR 800 million, and a fixed rate tranche with a 3.375% coupon maturing in December 2033 for EUR 700 million.

6. Management report for the period ended June 30, 2026

Main events of the period

Transactions expected to be completed in the coming quarters

Cognite

On June 30, 2026, Schneider Electric entered into a definitive agreement to acquire 100% of the share capital of Cognite Holding B.V. ("Cognite") in an all-cash transaction valued at USD 3.1 billion. Cognite is a leading provider of industrial data and AI software. In 2025, the annual revenue exceeded USD 170 million.

The completion of the transaction remains subject to customary closing conditions, including the receipt of required regulatory approvals. The transaction is expected to be completed in the coming quarters.

AiDASH

On June 20, 2026, Schneider Electric entered into a definitive agreement to acquire c.90% of the share capital of AiDash Inc ("AiDASH") in an all-cash transaction with an implied Enterprise value of USD 350 million. AiDASH is a cloud-native software company that provides AI-driven vegetation, asset, and climate risk intelligence to utilities and other critical infrastructure operators.

The completion of the transaction remains subject to customary closing conditions, including the receipt of required regulatory approvals. The transaction is expected to be completed in the coming quarters, upon which AiDASH would be fully consolidated within the Energy Management reporting segment.

Business and Statement of Income highlights

Exchange rate changes

Fluctuations in the Euro exchange rate had a negative impact on the six-month period ended June 30, 2026, decreasing consolidated revenue by EUR 747 million mainly due to the evolution observed in the US Dollar and the Indian Rupee against the Euro and a negative impact decreasing adjusted EBITA by EUR 173 million.

Results of Operations

The following table sets forth our results of operations for the six-month period ended June 30, 2026 and 2025:

(in millions of euros except for earnings per share)	**First half 2026**	First half 2025	% Variance
Revenue	**21,226**	**19,336**	**9.8%**
Cost of sales	(12,212)	(11,134)	9.7%
Gross profit	**9,014**	**8,202**	**9.9%**
% Gross profit	**42.5%**	**42.4%**	
Research and development	(783)	(692)	13.2%
Selling, general and administrative expenses	(4,138)	(4,000)	3.5%
Adjusted EBITA *	**4,093**	**3,510**	**16.6%**
% Adjusted EBITA	**19.3%**	**18.2%**	
Other operating income and expenses	(147)	9	(1,733.3)%
Restructuring costs	(127)	(63)	101.6%
EBITA **	**3,819**	**3,456**	**10.5%**
% EBITA	**18.0%**	**17.9%**	
Amortization and impairment of purchase accounting intangibles	(206)	(233)	(11.6)%
Operating income	**3,613**	**3,223**	**12.1%**
% Operating income	**17.0%**	**16.7%**	
Interest income	52	74	(29.7)%
Interest expense	(258)	(227)	13.7%
Finance costs, net	**(206)**	**(153)**	**34.6%**
Other financial income and expenses	(80)	(95)	(15.8)%
Net financial income/(loss)	**(286)**	**(248)**	**15.3%**
Profit from continuing operations before income tax	**3,327**	**2,975**	**11.8%**
Income tax expense	(799)	(714)	11.9%
Share of profit/(loss) of associates	20	23	(13.0)%
Impairment of investments in associates	-	(274)	(100.0)%
PROFIT FOR THE PERIOD	**2,548**	**2,010**	**26.8%**
attributable to owners of the parent	*2,488*	*1,913*	*30.1%*
attributable to non-controlling interests	*60*	*97*	*(38.1)%*
Basic earnings (attributable to owners of the parent) per share (in euros per share)	4.42	3.41	29.6%
Diluted earnings (attributable to owners of the parent) per share (in euros per share)	4.37	3.38	29.3%

* Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, other operating income and expenses and restructuring costs.

** EBITA (Earnings Before Interest, Taxes and Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

Revenue

Consolidated revenue totaled EUR 21,226 million for the six-month period ended June 30, 2026, up +14.0% organic and up +9.8% on a reported basis. Organic growth was led by strong sales of the Group's Systems offers, notably in the Data Center and Infrastructure end-markets. Product sales growth was strong, with growth in electrical power distribution products across all four end-markets and recovery in Discrete automation, coupled with the impact of price actions which accelerated from Q1 to Q2. Software & Services saw good growth with the Group's agnostic software assets delivering strong growth in subscription revenues as they continued their transition away from a perpetual license model. FX impacts were -3.9% mainly driven by the weakening of the U.S. Dollar and the Indian Rupee vs. the Euro. There was a net positive impact of +0.1% from acquisitions and disposals, primarily representing the acquisition of Motivair partly offset by some small disposals.

Breakdown by business

The following table sets forth our revenue by business segment for the six-month periods ended June 30, 2026 and 2025:

(in millions of euros)	Energy Management	Industrial Automation	Total
First half 2026	**17,641**	**3,585**	**21,226**
First half 2025	**15,892**	**3,444**	**19,336**

Energy Management generated revenues of EUR 17,641 million, representing 83% of the Group's revenues, and was up +15.4% organic. North America grew +21% organic, led by strong double-digit growth in the U.S. where the Data Center end-market remained the main driver, partly offset by continued weakness in Residential buildings. Canada grew double-digit, while Mexico declined due to ongoing macroeconomic uncertainty. Europe was up +8% organic. All five major economies in the region contributed to growth, led by Spain and Italy which grew double-digit, supported by Germany and the U.K. up high-single digit, while France grew mid-single digit. Across the region, performance was driven by the Infrastructure end-market, with strong momentum in grid modernization and digitalization to support the energy transition, supported by good growth across the other three end-markets. China & East Asia grew +19% organic, with double-digit growth in China driven by Data Center, Semiconductor and renewable power segments, while the Buildings end-market remained weak. East Asia delivered strong double-digit growth driven by project execution in Systems, primarily in the Data Center end-market and supported by the Semiconductor segment, with Indonesia, Malaysia and Thailand leading the growth. South Asia & International was up +10% organic, led by strong double-digit growth in Australia which saw strong execution on Data Center projects. India grew double-digit, with strong contributions across all four end-markets. South America grew mid-single digit, while the Middle East & Africa was around flat in an environment of heightened geopolitical and macroeconomic tensions in the first half of 2026.

Industrial Automation generated revenues of EUR 3,585 million, equivalent to 17% of the Group's revenues and was up +7.7% organic. AVEVA delivered high-single digit organic growth, while growth in Annualized Recurring Revenue (ARR) was up +11% as of 30 June 2026 led by strong upsell to existing customers. Discrete automation markets continued to recover steadily in the first half of 2026, driving high-single digit growth across multiple offer categories, supported by pricing. Process & Hybrid markets saw a return to growth as the improved demand seen in the second half of 2025 started to translate into sales growth. North America grew +5% organic led by strong organic growth at AVEVA and supported by good growth in Discrete automation, while growth in Process & Hybrid markets was down slightly. Europe was up +7% organic, led by double-digit growth at AVEVA notably in the U.K. and France, while good growth in Discrete automation was led by performance in Germany and Italy and Process & Hybrid markets returned to growth. China & East Asia grew +12% organic with double-digit growth in China led by growth in Discrete automation markets with strong traction in the Packaging and Material Handling segments among a recovery in OEMs. East Asia also grew double-digit, with the Semiconductor segment a key driver in several countries, coupled with strong growth at AVEVA. South Asia & International was up +6% organic, led by strong double-digit growth in India driven by Discrete automation and performance at AVEVA. Middle East delivered low-single digit growth impacted by headwinds from the conflict in an environment of heightened geopolitical and macroeconomic tensions. Australia grew mid-single digit, while South America was around flat.

Gross profit

Gross profit was up +14.2% organic with Gross margin up +10bps organic, to be at 42.5% in the first half of 2026. Gross margin benefitted from strong Industrial Productivity, an accelerating contribution from gross pricing on products and some tariff refunds received at the end of the first half of 2026, while negatively impacted by raw material cost inflation and tariff charges. Mix also adversely impacted the Gross margin, given the relative strength of Systems growth, though this dilution is mitigated at the adjusted EBITA level.

Support Function costs: Research and development and selling, general and administrative expenses

Research and development expenses, net of research tax credit and excluding research and development costs booked in costs of sales, increased by +13.2%, from EUR 692 million for the six-month period ended June 30, 2025 to EUR 783 million for the six-month period ended June 30, 2026. As a percentage of revenues, the net cost of research and development is increasing slightly to 3.7% of revenues for six-month period ended June 30, 2026 (3.6% for the six-month period ended June 30, 2025).

Total research and development expenses, including capitalized development costs and development costs reported as cost of sales (see Note 4 to the Consolidated Financial Statements) increased by +4.7% from EUR 1,179 million for the six-month period ended June 30, 2025 to EUR 1,235 million for the six-month period ended June 30, 2026. As a percentage of revenues, total research and development expenses decreased to 5.8% for the six-month period ended June 30, 2026 (6.1% for the six-month period ended June 30, 2025).

In the first half of 2026, the net positive impact of capitalized development costs and amortization of capitalized development costs amounted to EUR 15 million on operating income (EUR 64 million in the first half of 2025).

Selling, general and administrative expenses increased by +3.5% to EUR 4,138 million for the six-month period ended June 30, 2026 (EUR 4,000 million for the six-month period ended June 30, 2025). As a percentage of revenues, selling, general and administrative expenses decreased to 19.5% for the six-month period ended June 30, 2026 (20.7% for the six-month period ended June 30, 2025).

Combined, total support function costs (research and development expenses together with selling, general and administrative costs) totaled EUR 4,921 million for the six-month period ended June 30, 2026 compared to EUR 4,692 million for the six-month period ended June 30, 2025, an increase of +4.9%. Support functions costs to sales ratio decreased to 23.2% for the six-month period ended June 30, 2026 (24.3% for the six-month period ended June 30, 2025).

Other operating income and expenses

For the six-month period ended June 30, 2026, other operating income and expenses amounted to a net expense of EUR 147 million, mainly due to an impairment of capitalized development costs resulting from the decision to simplify the Industrial Automation offer range and to some costs of acquisitions, integrations and separations mainly related to the recent acquisitions or ongoing projects.

For the six-month period ended June 30, 2025, other operating income and expenses amounted to a net income of EUR 9 million, mainly due to the gain on Qmerit's non-controlling interests buyout, partly offset by the costs of acquisitions and integrations of the recent and ongoing acquisitions of the period.

Restructuring costs

For the six-month period ended June 30, 2026, restructuring costs amounted to EUR 127 million compared to EUR 63 million for the six-month period ended June 30, 2025, aligned with the expectation of incremental charges to drive operational excellence as previously communicated.

Amortization and impairment of intangibles linked to acquisitions

For the six-month period ended June 30, 2026, amortization and impairment of intangibles linked to acquisitions amounted to EUR 206 million compared to EUR 233 million for the six-month period ended June 30, 2025. The lower amortization expense relating to purchase accounting intangible assets in the first half of 2026 compared with the first half of 2025 is primarily due to certain intangible assets from prior acquisitions becoming fully amortized.

EBITA and Adjusted EBITA

Adjusted EBITA is defined as EBITA before restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs. EBITA is defined as earnings before interest, taxes and amortization of purchase accounting intangibles. EBITA comprises operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

Adjusted EBITA reached EUR 4,093 million for the six-month period ended June 30, 2026, compared to EUR 3,510 million for the six-month period ended June 30, 2025, increasing organically by +22.1% and the Adjusted EBITA margin expanded by +120bps organic to 19.3% primarily as a consequence of the strong operating leverage, while Gross Margin saw a small positive evolution. SFC costs decreased as a percentage of revenues by +110bps to 23.2%, with a positive organic evolution of +110bps as the Group executed on the operational excellence pillar of its new company program. Overall investment in R&D, including in cost of goods sold and support function costs, remained stable at 5.8% of first half of 2026 revenues, representing around EUR 1.2 billion investment in innovation during the first half of 2026, up 13.6% organic.

EBITA increased by +10.5% from EUR 3,456 million for the six-month period ended June 30, 2025 to EUR 3,819 million for the six-month period ended June 30, 2026. As a percentage of revenues, EBITA increased to 18.0% for the six-month period ended June 30, 2026 (17.9%for the six-month period ended June 30, 2025).

Adjusted EBITA by business segment

The following table sets out adjusted EBITA by business segment:

First half 2026

(in millions of euros)	**Energy Management**	**Industrial Automation**	**Central costs**	**Total**
Revenue	17,641	3,585	-	**21,226**
Adjusted EBITA	3,957	501	(365)	**4,093**
including depreciation & amortization	*(498)*	*(142)*	-	***(640)***
Adjusted EBITA (%)	22.4%	14.0%		**19.3%**

First half 2025

(in millions of euros)	Energy Management	Industrial Automation	Central costs	Total
Revenue	15,892	3,444	-	**19,336**
Adjusted EBITA	3,412	471	(373)	**3,510**
including depreciation & amortization	*(437)*	*(138)*	-	***(575)***
Adjusted EBITA (%)	21.5%	13.7%		**18.2%**

Energy Management generated an adjusted EBITA of EUR 3,957 million, or 22.4% of revenues, up c.+100bps organically (up +90bps reported). Gross Margin improved slightly, where strong industrial productivity and gross pricing on products more than offset raw material inflation, net tariff charges and negative mix. SFC/Sales ratio showed strong improvement, delivering leverage on a strong volume contribution.

Industrial Automation generated an adjusted EBITA of EUR 501 million, or 14.0% of revenues, up c.+50bps organically (up +30bps reported). Gross Margin was down slightly, where strong industrial productivity, gross pricing on products and positive mix, was not sufficient to fully offset raw material inflation and net tariff charges. SFC/Sales ratio showed good improvement, delivering leverage on a good volume contribution, combined with strategic initiatives as outlined at CMD.

Central Costs in the first half of 2026 amounted to EUR 365 million (EUR 373 million in the first half of 2025), decreasing to 1.7% of Group revenues (from 1.9% of Group revenues in the first half of 2025).

Operating income (EBIT)

Operating income or EBIT (Earnings Before Interest and Taxes), increased from EUR 3,223 million for the six-month period ended June 30, 2025 to 3,613 million for the six-month period ended June 30, 2026, an increase of +12.1%.

Net financial income/loss

Net financial loss amounted to EUR 286 million for the six-month period ended June 30, 2026, compared to EUR 248 million for the six-month period ended June 30, 2025.

This variation is explained by the increase in the cost of net financial debt (EUR 206 million for the six-month period ended June 30, 2026, compared with EUR 153 million for the six-month period ended June 30, 2025) mainly due to bond issuance in 2025, and the negative year-on-year change from the adjustment booked on hyperinflationary countries' financials (Argentina and Türkiye): loss of EUR 10 million for the six-month period ended June 30, 2026, compared with a gain of EUR 6 million for the six-month period ended June 30, 2025, partly offset by the positive evolution on foreign exchange differences (loss of EUR 13 million for the six-month period ended June 30, 2026, compared with a loss of EUR 26 million for the six-month period ended June 30, 2025).

Income tax expense

The effective tax rate for the six-month period ended June 30, 2026 remained unchanged at 24.0% compared with the 2025 period. The corresponding income tax expense increased from EUR 714 million for the six-month period ended June 30, 2025 to EUR 799 million for the six-month period ended June 30, 2026.

Share of profit/(loss) of associates

The share of associates was a EUR 20 million profit for the six-month period ended June 30, 2026, compared to EUR 23 million profit for the six-month period ended June 30, 2025.

Impairment of investments in associates

No impairment of investments in associates was booked for the six-month period ended June 30, 2026. The impairment of investments in associates amounted to EUR 274 million for the six-month period ended June 30, 2025 and related to the investment in Uplight.

Profit for the period (to non-controlling interests)

Profit for the period to non-controlling interests for the six-month period ended June 30, 2026 totaled EUR 60 million, compared with EUR 97 million for the six-month period ended June 30, 2025. The variance is mainly linked to the buyout of the remaining non-controlling interests of Schneider Electric India Private Limited ("SEIPL") in December 2025.

Profit for the period (to owners of the parent)

Profit for the period attributable to the equity holders of our parent company amounted to EUR 2,488 million for the six-month period ended June 30, 2026, compared with EUR 1,913 million profit for the six-month period ended June 30, 2025.

Earnings per share

Basic earnings per share amounted to EUR 4.42 per share for the six-month period ended June 30, 2026 and EUR 3.41 per share for the six-month period ended June 30, 2025.

Comments to the consolidated Cash-flow

The following table sets forth our cash-flow statement for the six-month periods ended June 30, 2026 and 2025:

(in millions of euros)	Note	**First half 2026**	First half 2025
Profit for the period		**2,548**	**2,010**
Share of (profit)/losses of associates	10	(20)	(23)
Impairment of investments in associates	10	-	274
Income and expenses with no effect on cash flow:			
Depreciation of property, plant and equipment		472	423
Amortization of intangible assets		374	385
Impairment losses on non-current assets		143	6
Increase/(decrease) in provisions	14	8	(89)
Losses/(gains) on disposals of business and assets		(6)	4
Income taxes	8	799	714
Other non-cash adjustments		173	141
Taxes paid, net		(736)	(901)
Net cash provided by operating activities		**3,755**	**2,944**
Decrease/(increase) in accounts receivable		(444)	18
Decrease/(increase) in inventories		(761)	(858)
(Decrease)/increase in accounts payable		(3)	(136)
Decrease/(increase) in other current assets and liabilities		(247)	(777)
Change in working capital requirement		**(1,455)**	**(1,753)**
TOTAL I - CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		**2,300**	**1,191**
Purchases of property, plant and equipment		(500)	(519)
Purchases of intangible assets		(190)	(214)
Proceeds from property, plant and equipment and intangible assets		21	16
Net cash used by investment in operating assets		**(669)**	**(717)**
Acquisitions and disposals of businesses, net of cash acquired & disposed	2	23	(1,096)
Other long-term investments		19	(10)
Increase in long-term pension assets	13	(43)	(36)
Sub-total		**(1)**	**(1,142)**
TOTAL II - CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(670)**	**(1,859)**
Issuance of bonds	15	648	
Repayment of bonds	15	(578)	(1,500)
Sale/(purchase) of treasury shares		(249)	(87)
Increase/(decrease) in other financial debt and other debt		961	1,910
OCEANEs issuance and repayment (equity component)		(114)	-
Increase/(decrease) of share capital	12	-	-
Transaction with non-controlling interests	2	(50)	(34)
Dividends paid to Schneider Electric's shareholders	12	(2,363)	(2,191)
Dividends paid to non-controlling interests		(48)	(18)
TOTAL III - CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**(1,793)**	**(1,920)**
TOTAL IV - NET FOREIGN EXCHANGE DIFFERENCE		**35**	**(276)**
TOTAL V - IMPACT OF RECLASSIFICATION OF ITEMS HELD FOR SALE		**-**	**-**
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS: I + II + III + IV + V		**(128)**	**(2,864)**
Net cash and cash equivalents, beginning of the year	15	4,587	6,812
Increase/(decrease) in cash and cash equivalents		(128)	(2,864)
NET CASH AND CASH EQUIVALENTS, END OF THE PERIOD	**15**	**4,459**	**3,948**

Operating Activities

Net cash provided by operating activities before changes in working capital requirement reached EUR 3,755 million for the six-month period ended June 30, 2026, up EUR 811 million compared to EUR 2,944 million for the six-month period ended June 30, 2025 primarily due to the strong growth in EBITDA. It represented 17.7% of revenues for first half 2026 (15.2% of revenues for first half 2025).

Change in working capital requirement consumed EUR 1,455 million in cash in the six-month period ended June 30, 2026, compared with a consumption of EUR 1,753 million in the six-month period ended June 30, 2025. Trade working capital buildup impacted the cash flows from operating activities in the first half of 2026 by EUR (1,208) million (compared to EUR (976) million the first half of 2025). The year-over-year variance is explained by DSO evolution 4 days adverse in the first half of 2026 due to some factoring undertaken in the first half of 2025. DPO evolution was 1 day adverse, while DIN evolution was stable, reflecting the expected inventory build in the first half of both years. Non-trade working capital impacted cash flows from operating activities in the first half of 2026 by EUR (247) million (compared to EUR (777) million the first half of 2025) with the year-on-year variance due to a fine of EUR (207) million paid in the first half of 2025 in relation to a previously disclosed legal case in France, and the relative impact of bonus accruals and payments, due to stronger performance in the first half of 2026.

In all, net cash provided by operating activities amounts to EUR 2,300 million in the six-month period ended June 30, 2026 (EUR 1,191 million in the six-month period ended June 30, 2025).

Investing Activities

Net capital expenditure, which includes capitalized development projects, amounted to a cash out of EUR 669 million for the six-month period ended June 30, 2026, a decrease of EUR 48 million compared to the cash out of EUR 717 million for the six-month period ended June 30, 2025. It represented 3.2% of revenues in the first half of 2026 (compared to 3.7% of revenues in the first half of 2025), with 2.3% relating to net tangible capex and 0.9% to intangible capex (mainly capitalized development costs).

The acquisitions net of disposals represented a cash in of EUR 23 million (net of acquired cash) for the six-month period ended June 30, 2026. It represented a cash out of EUR 1,096 million for the six-month period ended June 30, 2025.

Financing Activities

Net cash outflow from financing activities amounted to EUR 1,793 million during the six-month period ended June 30, 2026, compared to cash outflow of EUR 1,920 million during the six-month period ended June 30, 2025.

The main impacts in the first half of 2026 relate to the issuance of commercial papers for EUR 1,029 million, as well as the purchase of treasury shares for EUR (249) million. The variations in the first half of 2025 mainly corresponded to the reimbursement of bonds and the issuance of commercial papers.

The dividend paid by Schneider Electric SE was EUR 2,363 million in 2026, compared with EUR 2,191 million in 2025.

Claims, litigations and other risks

Main risks and areas of uncertainty for the second half of 2026

The main risks and areas of uncertainty for the second half of the year are the same as those outlined in Chapter 3, paragraph 3.2.4 (Key risks and opportunities) of the 2025 Universal Registration Document filed with AMF on March 27, 2026.

Guarantees given and received

Guarantees given and received amounted to EUR 4,379 million and EUR 383 million, respectively, as of June 30, 2026.

Contingent liabilities

As previously disclosed, investigations were conducted in September 2018 by the French judicial authority and French Competition Authority (Autorité de la concurrence) at Schneider Electric's head office and other premises concerning the sale of electrical products through commercial distribution activities in France.

- After 6 years of procedure, the French Competition Authority issued on October 29, 2024 a decision to sanction several companies concerning the electrical distribution activities in France, including Schneider Electric for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. This fine was paid in April 2025.

  Schneider Electric strongly disagrees with the conclusion of the French Competition Authority and has appealed the decision in front of the Paris Appeal Court.

  Considering the difficulty to assess the extent to which the Appeal Court will consider the arguments of Schneider Electric in its defense, the Group booked, as of December 31, 2024, a provision of EUR 104 million in "Other operating income and expenses". This provision remained unchanged as of June 30, 2026.
- Concurrently on October 7, 2022, Schneider Electric was indicted by an investigating judge who required Schneider Electric to provide a bank guarantee of EUR 20 million (which validity has now expired) and a cash guarantee of EUR 80 million. Schneider Electric officially contested the indictment decision and raised numerous arguments in law and fact. Procedure is ongoing.

Schneider Electric rejects any allegation that its distribution practices are not compliant with competition rules. Schneider Electric commercial policy is designed to comply with all regulations. Schneider Electric has always cooperated with the authorities and intends to continue to do so.

Schneider Electric has other contingent liabilities relating to legal, arbitration or regulatory proceedings arising in the normal course of its business. Known or ongoing claims and litigation involving the Group, or its subsidiaries were reviewed at the date on which the consolidated financial statements were approved for issue. Based on the advice of legal counsel, all provisions deemed necessary have been made to cover the related risks.

No other significant event occurred since the 2025 Universal Registration Document publication date (Risk Factors described in the Universal Registration Document – Chapter 3).

Transactions with related parties

These transactions are described in Note 17 to the interim consolidated financial statements.

Subsequent events

Issuance of shares to employees

As stated in Note 12, on April 20, 2026, Schneider Electric gave its employees the opportunity to purchase shares at a price of EUR 210.45 per share, as part of its commitment to employee share ownership. Altogether, 1.5 million shares were subscribed, increasing the Company's equity by EUR 307 million, net of issuance fees, as of July 9, 2026.

Issuance of bonds

On July 1, 2026, the Group issued a EUR 1.5 billion EMTN (Euro Medium Term Note) in two tranches: a floating rate tranche with a Euribor + 0.30% coupon maturing in July 2028 for EUR 800 million, and a fixed rate tranche with a 3.375% coupon maturing in December 2033 for EUR 700 million.

Expected trends in H2 2026

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

- Strong market demand to drive growth, with positive contribution from all four end-markets
- Data Center & Networks to sustain strong momentum, supported by a robust backlog and continued demand; Industry and Infrastructure to contribute strongly; Buildings to track macroeconomic trends
- Systems to lead growth; Products to deliver strong contribution accelerated by price realization
- Sustained momentum in recurring software revenues alongside an improved growth contribution from Services
- All four regions to contribute to growth, with the U.S. and India driving the strongest growth
- Disruption in the Middle East to impact H2, with potential for pressure on global supply chains and increased inflation dependent on duration of conflict
- Disciplined execution of new Company program to continue in H2
- The Group expects to be Net Price positive in value (price to offset raw material impact and tariffs)
- Productivity and operating leverage are expected to contribute positively to adj. EBITA margin in H2

2026 target upgraded

The Group upgrades its 2026 financial target as follows:

2026 Adjusted EBITA growth of between +14% and +19% organic.

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

- Revenue growth of **+10% to +13% organic**
- Adjusted EBITA margin up **+70bps to +100bps organic**

This implies Adjusted EBITA margin of **around 19.4% to 19.7%** (including scope based on transactions completed to-date and FX based on current estimation).

Attestation

I hereby certify that, to the best of my knowledge, the condensed half-year consolidated financial statements as at June 30, 2026, have been prepared in accordance with the applicable accounting standards and present fairly the assets and liabilities, the financial posi-tion and the income of the Company and the entities included in the scope of consolidation, and that the half-year management report attached provides an accurate overview of the significant events of the first six months of the financial year with their impact on the half-year consolidated financial statements, together with the major transactions with related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Rueil-Malmaison, July 29, 2026

Olivier BLUM
CEO

7. Statutory Auditors' Review Report on the half-year financial information For the period from January 1 to June 30, 2026

For the period from January 1 to June 30, 2026

This is a free translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Schneider Electric SE, for the period from January 1, 2026 to June 30, 2026;
- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

French original signed by
The Statutory Auditors

Forvis Mazars SA
Levallois-Perret, July 29, 2026

Juliette Decoux-Guillemot
Partner

Charles Desvernois
Partner

PricewaterhouseCoopers Audit
Neuilly-sur-Seine, July 29, 2026

Cédric Le Gal
Partner

Séverine Scheer
Partner