



STIP-SIP and profit-sharing: Schneider remains a bad student!

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The 2024 results have been published and management announces "an absolute record"
A record for shareholders for sure, but for employees it is a disappointment!

STIP 2024 objectives so inadequate that management had to compensate again to avoid ridicule!

This year again, it was predictable, management took out its lethal weapon: "the management call" to adjust the STIP level upwards.

The CFTC has reconstituted the STIP which should have been given on the basis of the same objectives as those announced to the financial markets: it should reach 132%.

| | | | | | Calcul du STIP : | |
|--|-------------------------------------|-----------------------------|---|-------|-----------------------------------|---------------------------------------|
| Critères | Objectifs salariés Min/Cible/Max | Résultats groupe 2024 | Objectifs annoncés aux actionnaires | Poids | avec les objectifs salariés | avec les objectifs actionnaires |
| Croissance organique des ventes groupe | 7%/10%/13% | 8,40% | 8% | 35% | 17% | 40% |
| EBITA Ajusté / CA Groupe | +0,6pt/1,0pt/1,4pt | +0,9pt | +0,6pt | 25% | 19% | 44% |
| Cash Conversion Rate | 85%/100%/115% | 98,8% | 100% | 10% | 9% | 9% |
| Schneider Sustainability Impact (SSI) | 6,7/7,4/8,1 | 7,55 | 7,4 | 20% | 25% | 25% |
| Net Satisfaction Score | 1pt/3pts/5pts | +4,1pts | 3pt | 10% | 14% | 14% |
| | | | | | 84% | 132% |

This year, the STIP reaches 99% thanks to a "generous" management call of 15 points which, not only does not allow to reach 132%, but does not even reach 100%! What an achievement!

A variable remuneration (SIP) which is catastrophic for most sales representatives

This year will remain in the memories of sellers who will see the drop in their purchasing power.

The average regional saturation rate is 34.7% with huge differences ranging from 7.5% to 103.7%. This criterion represents 60% of the total SIP.

The French part should be around 50% because of a growth of 2.5% instead of 6% (target). Even the boost supposed to catch up with the unattainable growth targets will bring nothing. However, with a growth of 2.5% on a market up by +1%, sellers have performed.

CFTC asks management to pay additional compensation to salespeople.

Regarding profit sharing, it will remain low despite the group's good results.

Once again, it is the objectives that are much too high that will impact it negatively.

By calculating with the objectives given to the market, profit sharing would be higher by 1.1 points (group share of 3.65% instead of 2.55% on the maximum 5%).

In 2025, the STIP rules will be modified, under pressure from the CFTC's legal action but also from other unions in Germany and the Nordic countries.

The management call has already been eliminated worldwide.

The SIP will also be revised, with the first meetings starting in March 2025.

For the CFTC, it's only the determination of target objectives that poses a problem in performance compensation!

For years, the CFTC has been demanding that employee objectives be aligned with those of the market. Shareholders are remunerated on this basis, employees should be remunerated as well!

