



# SHAPING THE CONNECTED BUILDINGS

JUNE 12, 2019

# AGENDA

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BENOÎT COQUART  
CEO

# 1

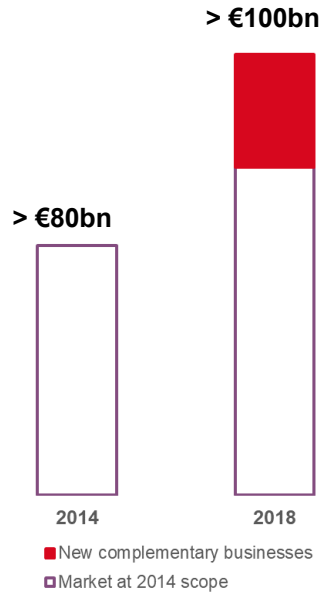
## SHAPING THE CONNECTED BUILDINGS

# STRENGTHENED GROUP'S PROFILE (1/2)

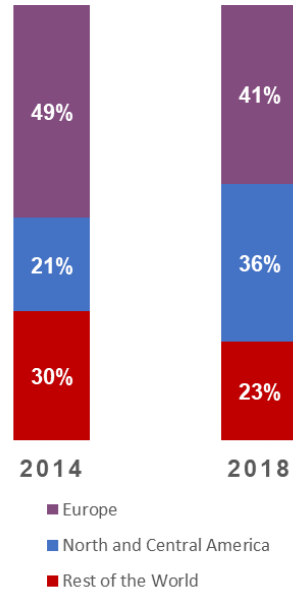
ENHANCED GROWTH POTENTIAL...



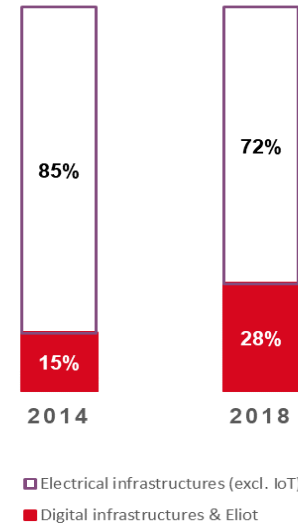
## Accessible market expansion



## Re-balanced sales by geography

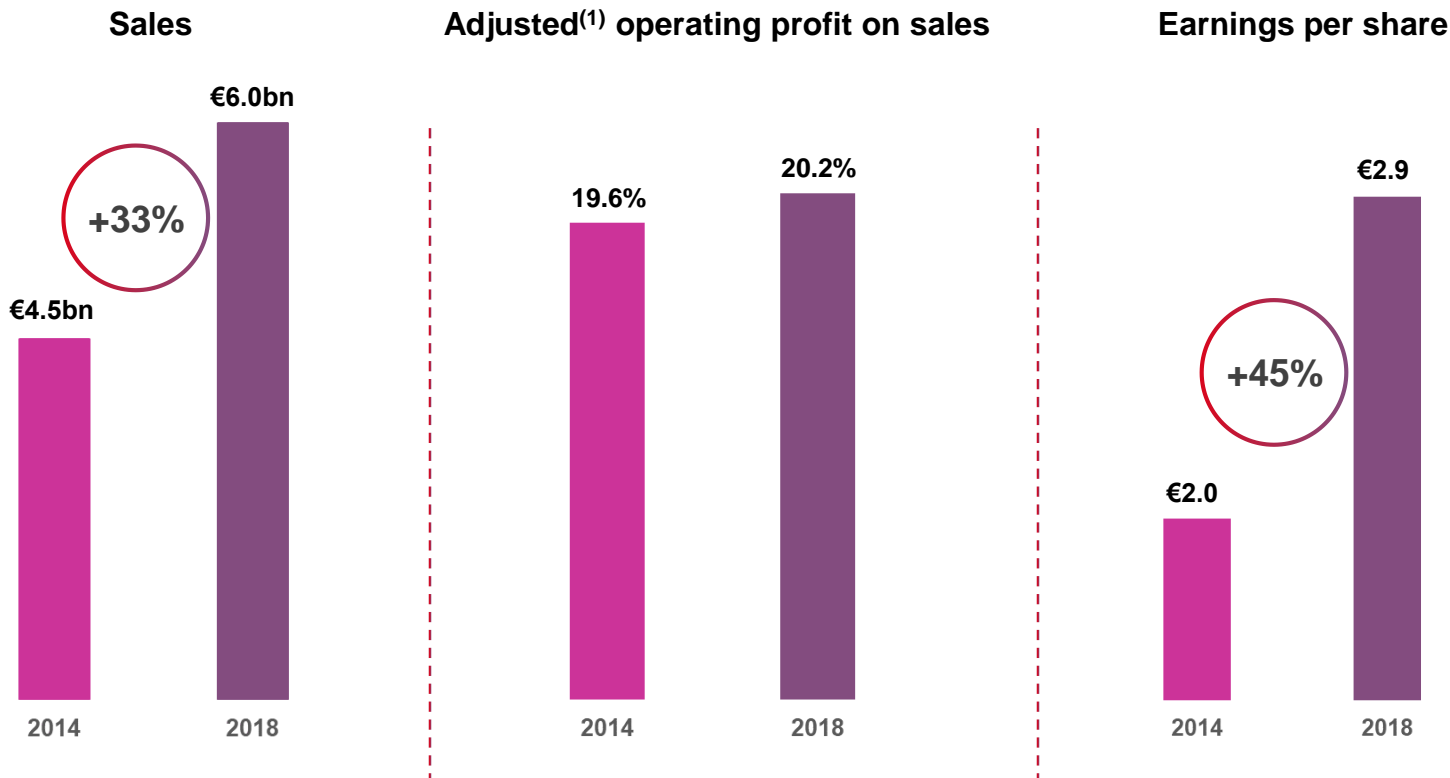


## Developing in digital infrastructure & IoT



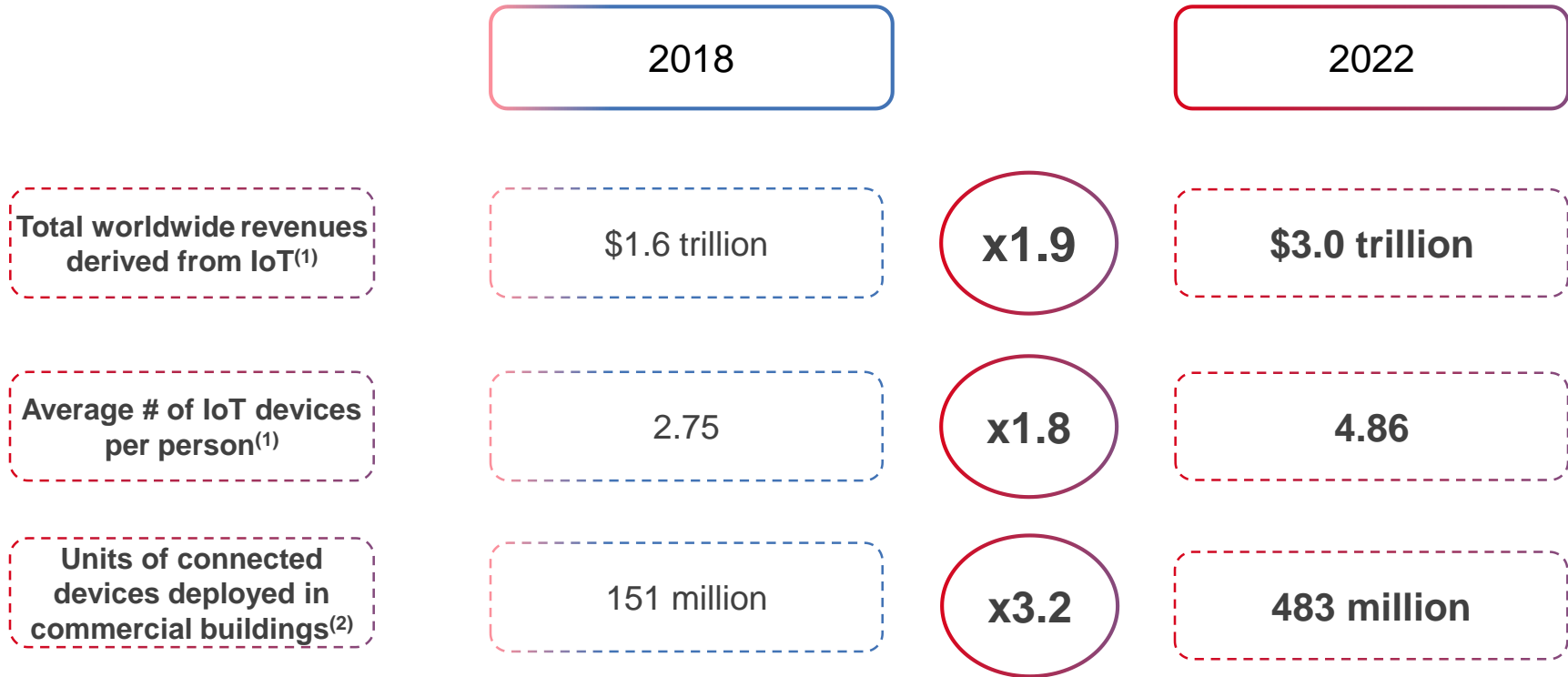
# STRENGTHENED GROUP'S PROFILE (2/2)

... WITH STRONG VALUE CREATION



1. Adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

# IOT: A KEY DRIVER FOR THE WORLD ECONOMY AND NEW TRENDS IN BUILDINGS



1. Source: Rethink research.

2. Source: Berg Insight.

# LEGRAND'S STRATEGY FOR IOT DEVELOPMENT BUILT ON THREE PILLARS



## Digital infrastructures

### Datacom products for LAN, datacenters and Audio-Video

- Key enabler for the deployment of IoT technology
- Growth through innovation and acquisitions
- Strong local leadership positions, in Local Area Networks (LANs), datacenters and audio-video: 77% of sales in digital infrastructure made with #1 or #2 positions in 2018
- Representing 5% to 20% of Group sales from 2008 to 2018

## Connected products

### Products enriched by connectivity (Eliot program)

- Many successful connected product launches: Céliane with Netatmo, Living Now with Netatmo, Smarther, Classe 300X, Digital Lighting Management, and more
- Already representing over 10% of Group sales (+28% CAGR<sup>(1)</sup> between 2014 and 2018)
- Acceleration with the acquisition of Netatmo in 2018

## Enriched experiences

### Experiences in distribution, installation and use of products

- Development of new uses for end users: remote control and instant notification for permanent contact with the installation, energy efficiency and security available for all, voice control throughout the building, enhanced autonomy at home for the elderly, and more
- Development of digital capabilities and apps (ergonomics, ratings, use of marketing automation, artificial intelligence, data management, and more.)

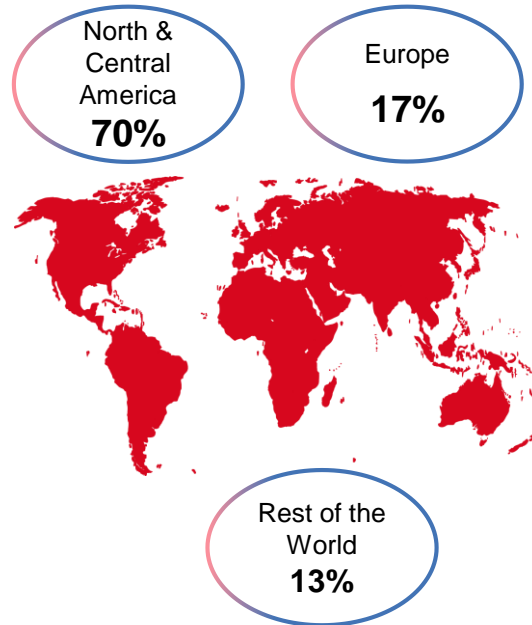
1. CAGR: Compound Annual Growth Rate.

# 2018 DIGITAL INFRASTRUCTURE SALES FOOTPRINT

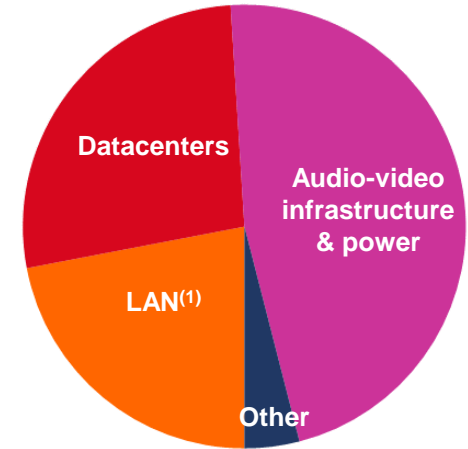
## Digital infrastructure sales



## Geographical exposure



## End-market exposure



1. LAN: Local Area Network.

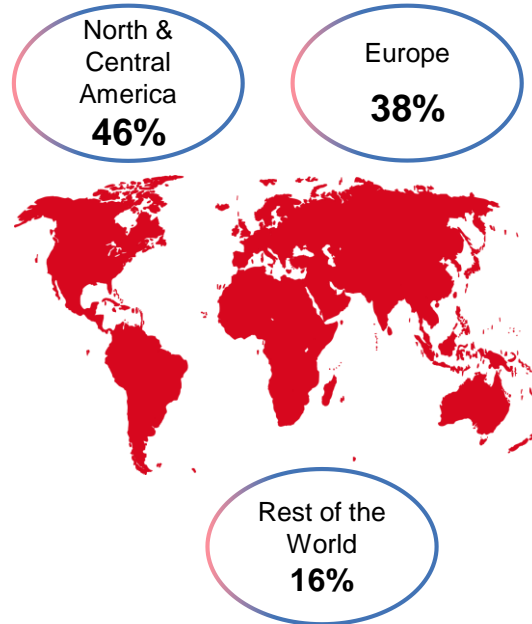


# 2018 ELIOT SALES FOOTPRINT

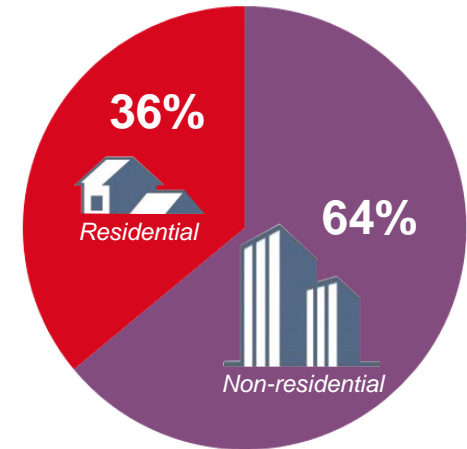
## Connected product sales

€635m

## Geographical exposure



## End-market exposure



# A KEY PLAYER IN THE IOT ECOSYSTEM (1/3)



## SELECTION OF LEGRAND'S LARGE CONNECTED OFFERING FOR BUILDINGS

### COMFORT

Céliane with Netatmo

dooxie

Living Now

Arteor

Radiant smart lighting

Yiyuan

MyHome Up

Smart Home Weather Station

Nuvo sound system

### SAFETY & SECURITY

Connected emergency lighting

Classe 300X Door-entry system

Stop and go

Door-entry system with facial recognition

Smart Outdoor Camera

Smart Indoor Camera

Smart Video Doorbell

### ENERGY EFFICIENCY

Human-centric lighting offerings

Smart PDUs

Connected EV chargers

Keor Mod

Smart thermostats

Smart Radiator Valve

Connected ecometer

Keor SP

### ASSISTED LIVING

Activity monitoring & aid call systems

Novo carephone

Neat Neo

Quiatil easy

Reach digital at-home alarm units

# A KEY PLAYER IN THE IOT ECOSYSTEM (2/3)

A STRATEGY FOR TRANSFORMING OUR PRODUCT CATEGORIES



## DOOR-ENTRY SYSTEM



Generate progressively over 50% of our sales in this category with connected products, up from 25% in 2018 and 0% in 2014.

## USER INTERFACE



Add value to installation, ~ €1,000 per home<sup>(1)</sup> on average.  
Connected ranges deployed in 5 countries in 2018,  
rising to 65 in 2020.

## EMERGENCY LIGHTING



Gain market share by providing connectivity  
to all installations at almost no additional cost.

## NETATMO'S OFFERING



Add consumer-oriented products to our infrastructure portfolio to  
further boost sales of connected products  
(Netatmo's 2013-2018 organic CAGR<sup>(2)</sup> in sales +46%).

1. On the basis of a European "standard" home: 1 living room, 3 bedrooms, 1 kitchen, 1 corridor.  
2. CAGR: Compound Annual Growth Rate.

# A KEY PLAYER IN THE IOT ECOSYSTEM (3/3)



A STRATEGY BUILT ON INTEROPERABILITY, PARTNERSHIPS AND TECHNOLOGY ALLIANCES

## WORKS WITH LEGRAND



Legrand works with over 50 key partners to create innovative experiences through a platform accessible to all

## RESEARCH PARTNERSHIPS & ALLIANCES

- Involvement in numerous interoperability alliances

zigbee alliance

THREAD GROUP

OPEN CONNECTIVITY FOUNDATION™

OPEN CHARGE ALLIANCE

BACnet International

- Research partnerships with renowned players such as CEA Tech and universities

## ACQUISITIONS

- Acquisition of bolt-on companies that strengthen Group positions

Raritan Server Technology CLEVER Quality Rack Power Solutions

CPelectronics IME LUXUL

neat Jontek limited qmotion advanced shading systems Solarfactive

- Acquisition in 2018 of Netatmo with specific expertise and know-how

NETATMO



# LEGRAND HAS FULLY MET ITS FIRST TARGETS FOR ELIOT 2 YEARS IN ADVANCE



Metrics	2014-2020 targets	2018 achievement	
Growth in sales of connected products	Double-digit CAGR <sup>(1)</sup> from 2014 to 2020, i.e., over €413m sales in 2020	+28% CAGR <sup>(1)</sup> from 2014 to 2018, i.e., €635m sales in 2018	✓
Number of connected product families	Doubling from 20 in 2014 to 40 in 2020	More than 40 connected product families <sup>(2)</sup>	✓

1. CAGR: Compound Annual Growth Rate.

2. Including Netatmo (not consolidated in 2018 sales).

# OUR NEXT PRIORITIES IN IOT

## DIGITAL INFRASTRUCTURES

- Strong focus on growth driven by both organic and external developments
- Focus on datacenters:
  - already close to 10%<sup>(1)</sup> of Group sales of which half in digital infrastructure products and half in other Group's products
  - ongoing geographical deployment (2018 sales: over 60% in North America)
  - will continue to actively pursue organic and non-organic growth opportunities

## CONNECTED PRODUCTS (ELIOT)

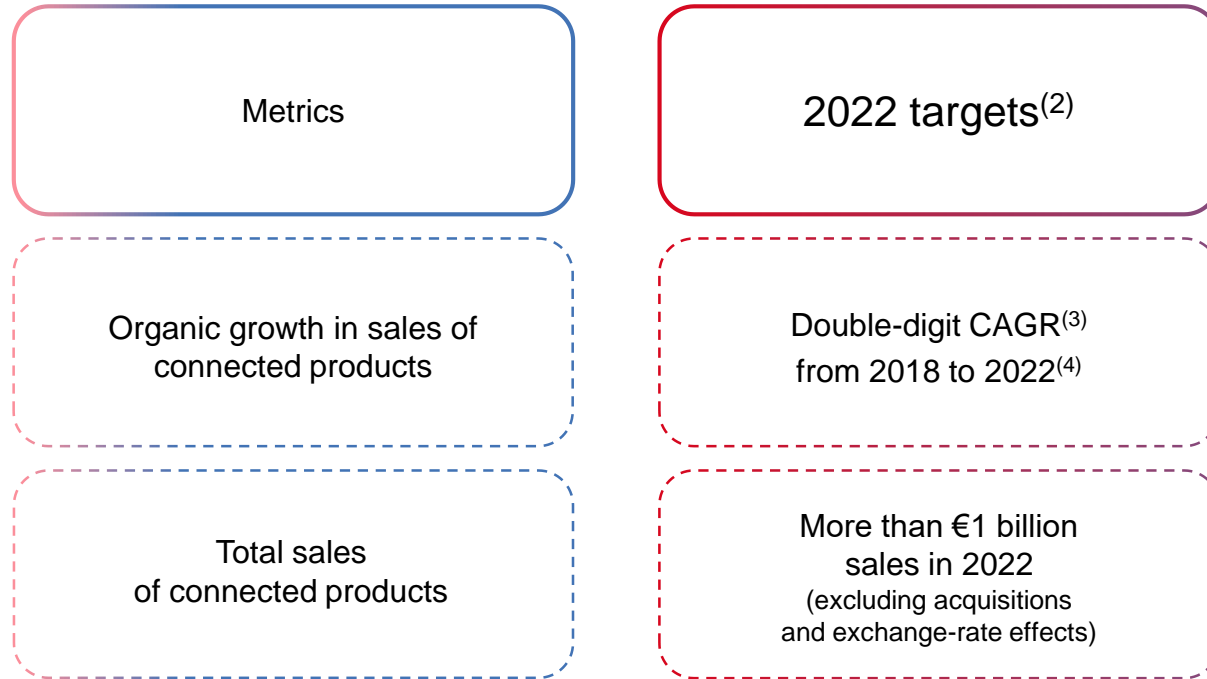
- Our focus will remain on infrastructure products installed in buildings (i.e., aiming for over 80% of Eliot sales)
- Ongoing expansion of Eliot products into new geographies and new families
- Deployment of Netatmo to reach complementary market segments, channels and users

## ENRICHED EXPERIENCES

- Aim is to transform people's experience of products:
  - predictive behaviors with further development of artificial intelligence in products
  - enhanced use of spaces and energy efficiency
  - optimized and predictive maintenance services
  - and more
- Leverage Netatmo's expertise to become an industry benchmark:
  - rating (rated >4)
  - data privacy & security
  - and more

1. 2018 proforma sales including 12-month sales of all 2018 acquisitions and Universal Electric Corporation acquired in 2019.

# SETTING AMBITIOUS NEW TARGETS FOR ELIOT, CONSISTENT WITH LEGRAND'S MEDIUM-TERM MODEL<sup>(1)</sup>



1. For the complete wording of Legrand's medium-term value-creating model, readers are invited to refer to the February 14, 2019 press release announcing full-year 2018 results.

2. Excluding any major economic slowdown.

3. CAGR: Compound Annual Growth Rate.

4. Taking as a basis sales of €690 million in 2018 including 2018 12-month sales of Netatmo and Shenzhen Clever Electronic.



JEROEN HOL  
GROUP VP DIGITAL  
INFRASTRUCTURES

# 2 EXPANDING LEADERSHIPS IN DIGITAL INFRASTRUCTURE



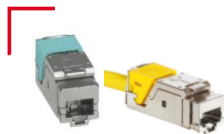
# DIGITAL INFRASTRUCTURE AT A GLANCE

3 MAIN MARKETS TOTALING MORE THAN €15BN



## Local Area Network

IoT objects in buildings are mostly connected via local IP networks requiring a secure, robust and performing infrastructure.



Connectivity



WiFi



Patching



Cabinets

## Datacenter

Datacenters are critical to the fast-growing IoT business, which also feed new models such as Edge.



Connected PDU



KVM



Cabinets



Connectivity

## Audio-Video

AV devices and infrastructure converge in IP-networking. Rapid expansion of networked AV technologies, sharing a common (IT) infrastructure.



Enclosures  
& accessories



Large and  
medium-size flat  
panel mounts



AV connectivity



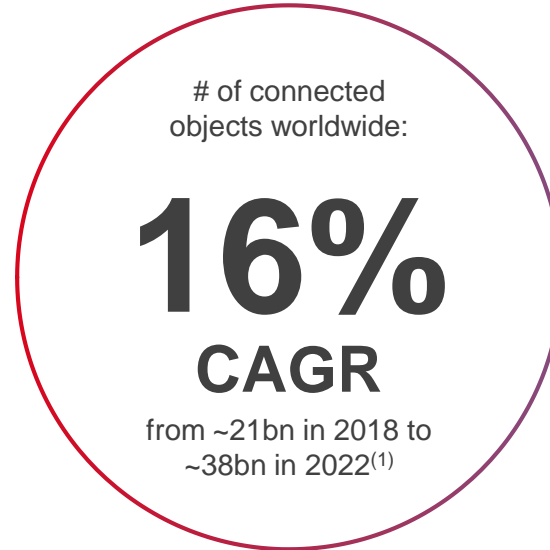
AV power

# ONGOING RISE IN # OF IOT OBJECTS

FAST GROWTH DRIVEN BY SOCIAL MEGATRENDS



- Smart home
- Smart appliances
- Smart building
- Industry 4.0
- Connected vehicles
- Smart Cities
- Connected leisure
- Medical IoT
- and more



1. Source: Rethink research.

# DIGITAL INFRASTRUCTURE IS INSTRUMENTAL FOR IOT



“Internet of everything” will generate zettabytes of data storage in datacenter



**Datacenter  
storage capacity**

**x9**

between 2016 and 2021<sup>(1)</sup>

Indoor connected IoT devices will generate exabytes of IP traffic<sup>(1)</sup>



**LAN capacity  
by IP traffic**

**x2**

between 2019 and 2022<sup>(1)</sup>

Growing part of Audio-Video traffic will be supported by IP networks<sup>(2)</sup>



**Video traffic  
to represent**

**82%**

of all IP traffic  
by 2022<sup>(3)</sup>

1. Source: Cisco 2018.
2. Source: Futuresource Consulting.
3. Source: Cisco Networking Index 2018.

# NEW TECHNOLOGIES BOOST DEPLOYMENT OF IOT & DIGITAL INFRASTRUCTURE



## 5G

- 5G needs a digital infrastructure to work inside buildings
- Cellular IoT could become a front-running technology for wide-area IoT applications



**5G will enrich buildings' network infrastructure**

## 400 Gb Ethernet

- Increasing bandwidth demands from emerging 5G, augmented and virtual reality, cloud and 4K video streaming
- 400Gbps to drive the majority of the datacenter Ethernet switch market in coming years



**Expand demand for high capacity datacenter networking at 400Gbps**

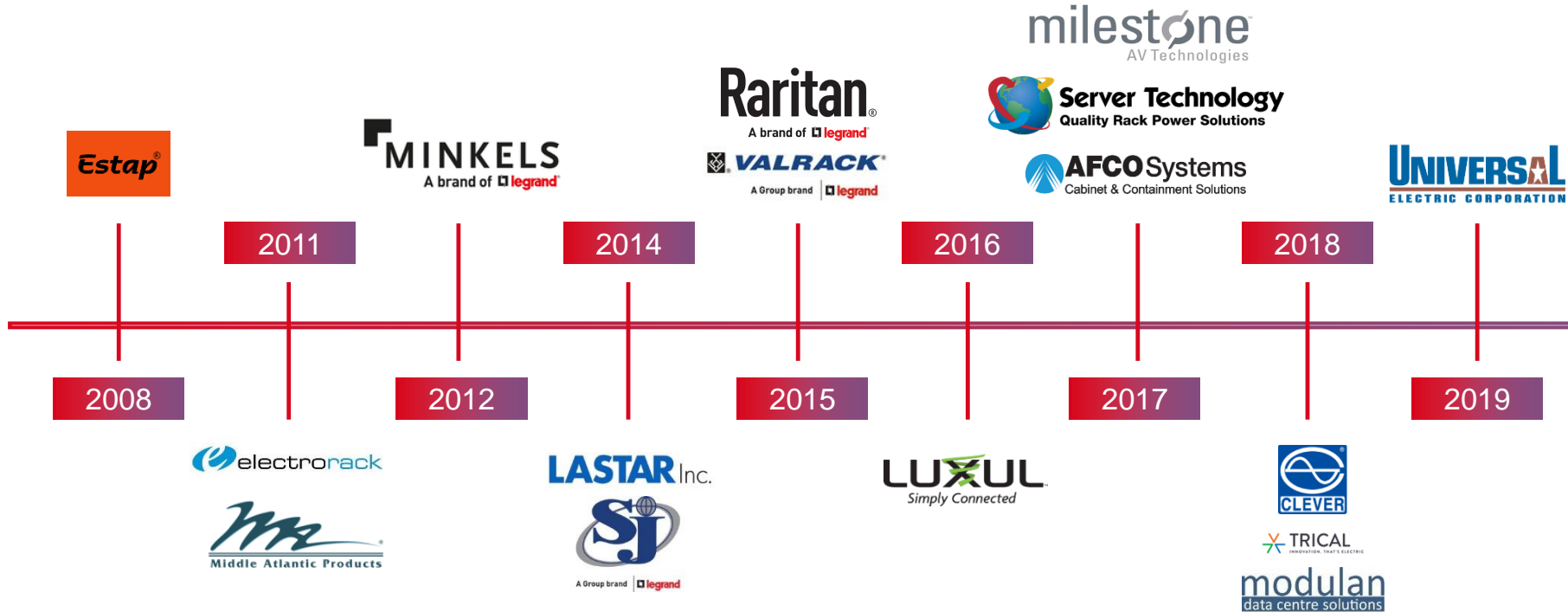
## Single-Pair Ethernet

- Single Pair Ethernet (SPE) to boost the deployment of low-power ethernet devices such as sensors
- Gigabit ethernet performance, optimal handling as well as space and weight savings



**With compact connectors, systems and cabling, SPE to become a cost-effective solution to connect IoT devices**

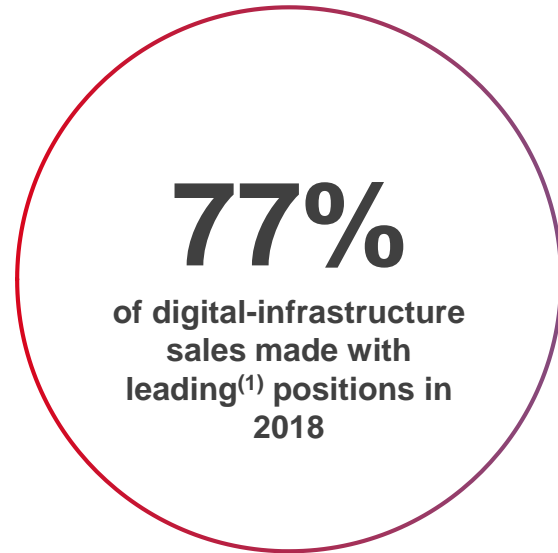
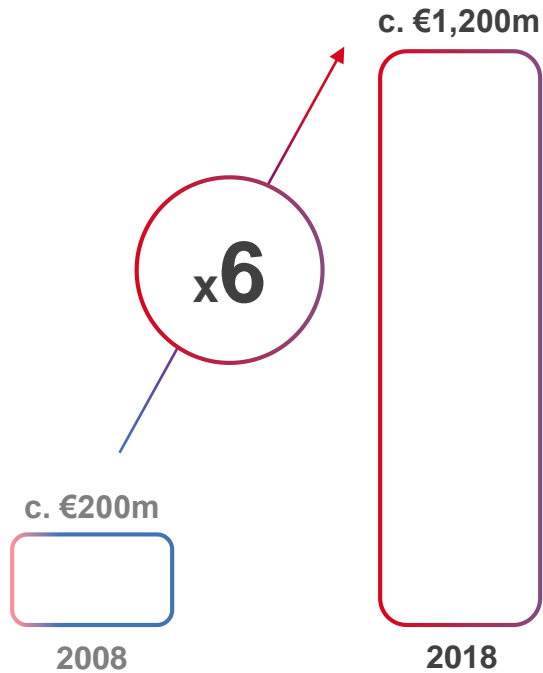
# 16 ACQUISITIONS HAVE CONTRIBUTED TO BUILD OUR POSITIONS IN DIGITAL INFRASTRUCTURE



# MAJOR ACHIEVEMENTS IN DIGITAL INFRASTRUCTURE



## Digital infrastructure sales



1. Products with #1 or #2 positions on their markets.

# STREAMLINING AND UPGRADING INDUSTRIAL AND R&D FOOTPRINT



## R&D

- Over 420 headcount in Digital-Infrastructure R&D in 2018
- More than 15% in additional external R&D through partnerships and subcontractors
- 25% of R&D headcount located in new economies

## Platforms

- Platform deployment in most digital infrastructure portfolios:
  - LAN cabinets
  - Connectivity
  - Server rack & containment
  - Cables ranges
  - PDU (basic + intelligent)
- 56% of sales made with product platforms

## Optimization/Synergies/ Industry 4.0

- Industry 4.0 initiatives now being implemented for cost performance and flexibility
- Data analytics for real time quality control and full traceability
- Ongoing optimization of manufacturing operations through productivity and implementation of Legrand Way

# FOCUS ON SMART POWER DISTRIBUTION UNITS



BUILDING A GLOBAL LEADING POSITION WITHIN 4 YEARS

## STEP 1 – Building US leadership

- #1 position in intelligent PDUs through 2 acquisitions (Raritan and ServerTech)
- Highly complementary to Legrand's offering for datacenters



## STEP 2 – Organic deployment in Europe and Asia

- Raritan and ServerTech global sales teams integrated into Legrand's local datacenter solution teams
- +18% organic growth in Raritan sales in Europe and Asia over 2 years (2017+2018)



## STEP 3 – Bolt-on acquisitions to address promising markets

- Acquisition of Clever, #1 Chinese smart PDU player
- Development of an access PDU offering to tackle all market segments





# FOCUS ON CONNECTIVITY

COVERING ALL MEANINGFUL MARKETS TO BUILD A GLOBAL LEADERSHIP POSITION



## STEP 1 - Segmentation from access to high end

- LCS3, 3<sup>rd</sup> generation of Legrand premium offer for connectivity launched in 2017
- Addition of access capabilities through Linkeo



## STEP 2 - Integration of latest technologies

- Continuous upgrades by integrating new technologies such as CAT8, 400Gbps and Power over Ethernet



## STEP 3 - Global product deployment

- Across multiple channels: electrical distribution, datacom, IT, and more
- Across multiple geographies: being deployed in 91 countries



# DIGITAL-INFRASTRUCTURE LEADERSHIPS SUPPORTED BY IOT DEPLOYMENT



- Very solid market position in digital infrastructures through both organic growth and M&A
- Global presence to support global and local customers
- Instrumental position for IoT and very synergetic with the rest of Legrand's business – both products and channels





JOHN SELLDORFF  
CEO & PRESIDENT  
LNCA

# 3

## CASE STUDY: DATACENTERS IN NORTH AMERICA

# ONE SINGLE DIVISION FORMED TO SERVE THE DATACENTER MARKET



**Cablofil - 2006**



**Ortronics - 1998**



**Electrorack - 2011**



**Wiremold - 2000**



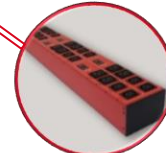
**Universal Electric Corporation - 2019**



**C2G<sup>(1)</sup> - 2014**



**Quiktron<sup>(1)</sup> - 2014**



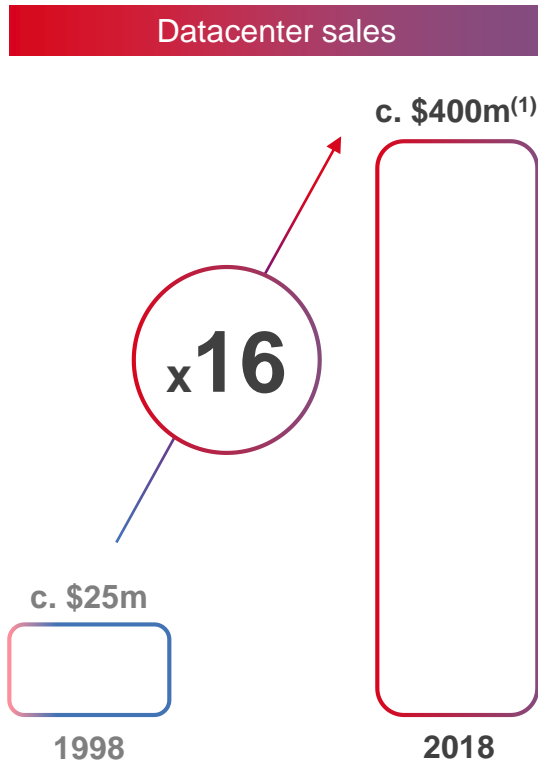
**Raritan - 2015**



**Afco Systems - 2017 Server Tech - 2017**

1. Brands from Lastar.

# LEADING POSITION BUILT IN MULTIPLE CATEGORIES



Category	2018 position
Rack PDUs <sup>(2)</sup>	#1
Overhead busways <sup>(3)</sup>	#1
Preterminated solutions	#1
Cable management	#1
Copper connectivity	#3

1. Includes Universal Electric Corporation 2018 proforma estimated sales towards datacenters.
2. PDU: Power Distribution Units.
3. Busway: electric power distribution systems based on metal busbars.

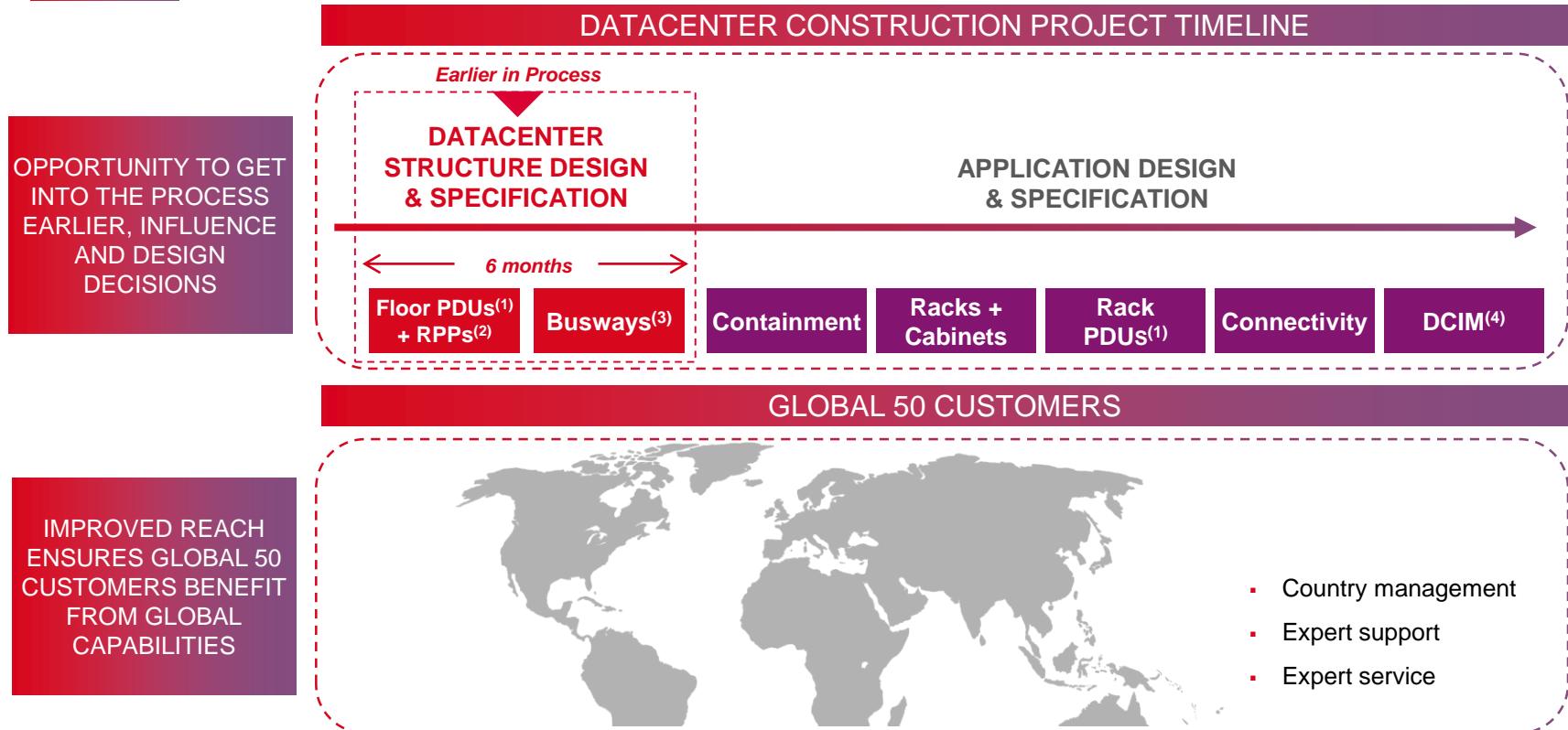
# OUR APPROACH

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<b>For</b>	datacenter infrastructure owners (end users)
<b>Whose</b>	core business depends on a scalable, flexible, reliable, and efficient critical infrastructure
<b>Legrand offers</b>	a complete and premium set of the highest-value whitespace components
<b>That</b>	is optimized to the client's application: semi-custom, consultative / collaborative spec
<b>Unlike</b>	generalist industrial manufacturers ("catalog" based / line cards)
<b>Our solution</b>	comprises only "best-of-breed" lines, each with strong histories of innovation & customer intimacy

# VALUED PARTNER WITH THE END USER



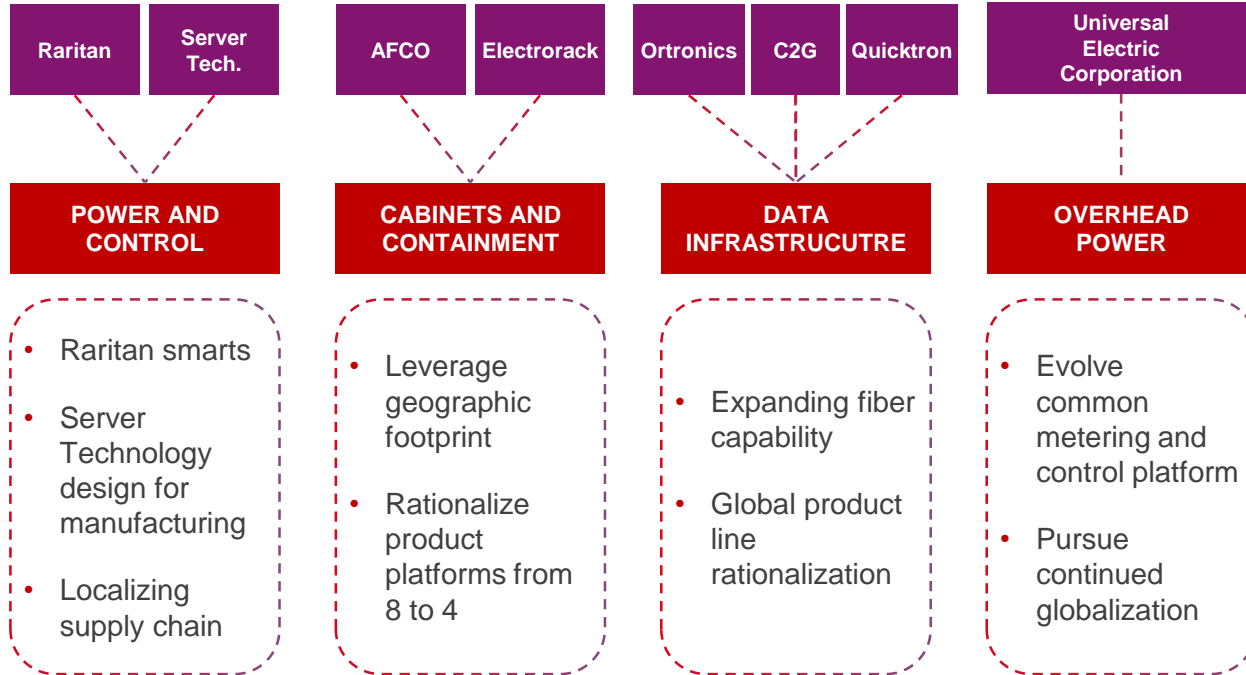
1. PDU: Power Distribution Units.
2. RPP: Remote Power Panel.
3. Busway: electric power distribution systems based on metal busbars.
4. DCIM: Datacenter Infrastructure Management.

# BACK-OFFICE: LEVERAGING SCALE

## 8 companies in one single division with 4 product lines

- Single general management and administration
- Optimization of operations:
  - Make vs Buy
  - Purchasing
  - Productivity
  - Logistics

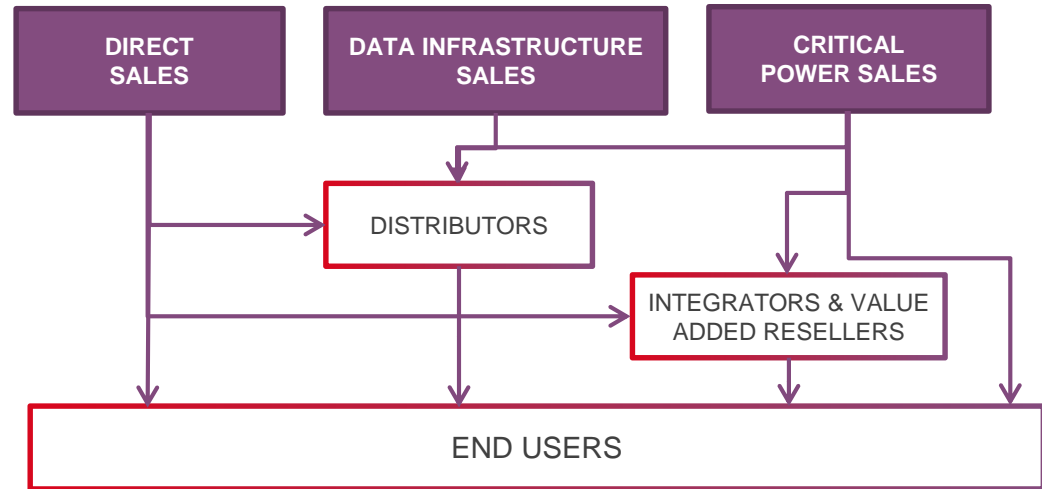
### FUTURE EVOLUTION


















# FRONT OFFICE: ALIGNED BY CUSTOMER

- 8 sales teams consolidated to 3 primary sales organizations
- Focused on specific customer and channel needs and requirements



# DIFFERENT CUSTOMERS WITH SPECIALIZED NEEDS



<b>SUPER 8</b>	Google	amazon	 Microsoft	
	 Baidu 百度	 Alibaba Group	 Tencent 腾讯	
<b>DIGITAL 100</b>	 TECH + APPS	 nvidia.	 IBM Cloud ORACLE	 verizon  comcast. MEDIA
			 Morgan Stanley  AMERICAN EXPRESS FINANCIALS	
<b>REST</b>	Fortune 1000+			

Market = buildings wherever data is consumed, stored, processed



POINT OF PRESENCE



PRODUCTION



LABS



CONTROL ROOM



RETAIL / BRANCH



CONTENT DELIVERY NETWORK



TOWERS



OFFICES

**DATACENTER  
END CUSTOMERS**

**EDGE  
END CUSTOMERS**

# SUPER 8

GLOBAL SCALE AND HIGHLY CUSTOMIZED

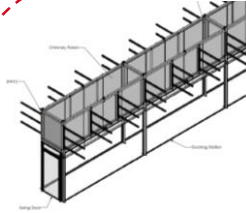


## Customer Requirements



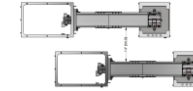
- Fewer and larger relationships
- On-time delivery and quality
- Value engineering through global supply chains
- Vendors implement client-specified designs
- Large quantity manufacturing

## Legrand Solutions



### Custom Containment

- Free-standing (allows cabinets to freely move in-and-out of structure)
- Extension arms specially designed to support cable tray



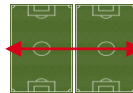
### Overhead Power Distribution

- 400V system in US (where 208V is de facto standard)
- 90-degree parallel / redundant busways<sup>(1)</sup> only 30cm apart



### Example Datacenter

- Quincy, WA, 1.2million sq. ft., 64MW



1 data hall = 2 soccer fields

1. Busway: electric power distribution systems based on metal busbars.

# DIGITAL 100

UNIQUELY DESIGNED FOR PERFORMANCE



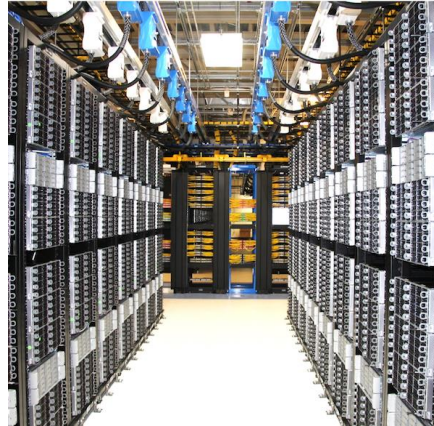
## Customer Requirements



WEB / CONTENT

- Fewer and larger relationships
- On-time delivery and quality
- Vendors collaborate with client to create optimal specifications
- Design for performance

## Legrand Solutions



### Overhead Power Distribution

- Custom marking/color coding on busway<sup>(1)</sup>
- Custom color for A & B designation on Plug-in Boxes
- Custom length of drop cord



### Rack PDU<sup>(2)</sup>

- Extreme quantity of outlets (54)
- Custom chassis colors for A & B designation
- Unique monitoring software scripts

1. Busway: electric power distribution systems based on metal busbars.

2. PDU: Power Distribution Units.

# EDGE

## DATACENTER IN A BOX



### Customer Requirements

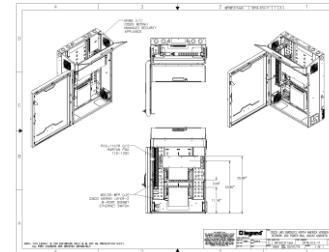
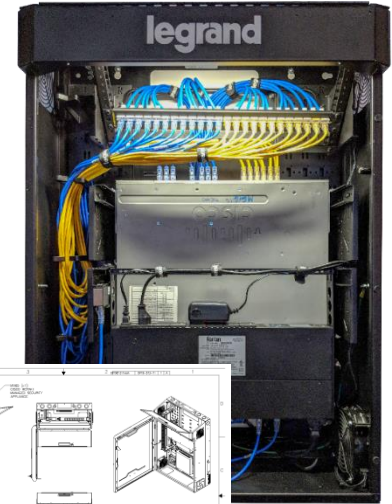


COMMERCIAL OFFICES

- Meraki (IoT) solution
- All global third party Cisco leased offices
- No IT, data closet or racks
- Security, space & deployment concerns

### Legrand Solutions

- Secured custom cabinet with power, cooling and shielded connectivity
- Mount non-rackmount equipment
- Integrated single SKU solution delivered to site
- Install requirements limited to installing wall mount on wall, plugging power and copper cables in



# POISED TO CAPITALIZE ON FUTURE GROWTH OPPORTUNITIES

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- Invest and leverage in rapid design, development and deployment platform
- Continue to increase value and innovate with combined capabilities and business model advantage
- Capitalize on ongoing datacenter demands requiring density, expansion and refurbishment
- Leverage successful business unit relationships to win larger corporate opportunities
- Broad customer reach and successful sales execution



FRED POTTER  
FORMER CEO OF  
NETATMO  
CTO OF LEGRAND'S  
ELIOT PROGRAM

# 4

## FURTHER ENHANCING THE ELIOT OFFERING

FROM 2003...

*free* First Voice over IP (VoIP) PSTN<sup>(1)</sup> line



1. PSTN: Public Switched Telephone Network.



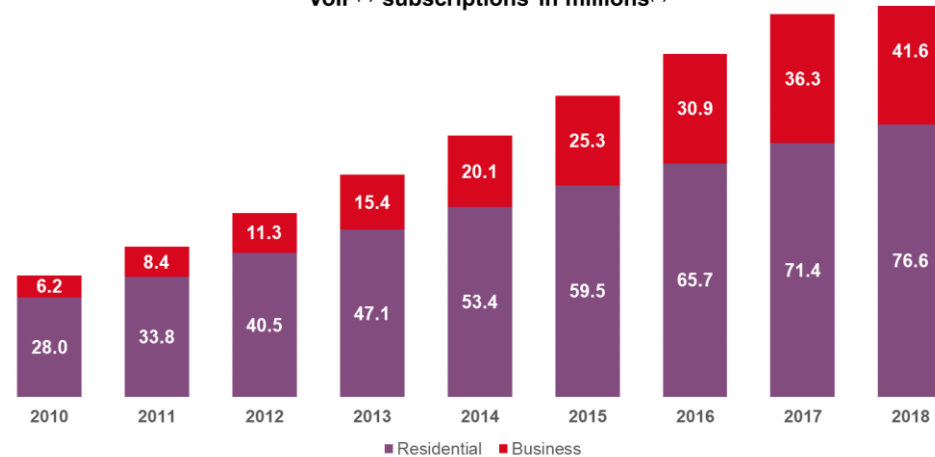
## ... TO 2018

77% of France's 38 million households are VoIP<sup>(1)</sup> subscribers<sup>(2)</sup>



118<sup>(3)</sup> million VoIP<sup>(1)</sup> subscribers in the US in 2018

VoIP<sup>(1)</sup> subscriptions in millions<sup>(3)</sup>



1. VoIP: Voice over IP.
2. Source: French Regulator for Electronic Communications (ARCEP); Q4 2018 & © Point Topic Ltd 2013.
3. Source: USA - Statista 2019; change in number of Voice over IP lines.

## AND WHAT ABOUT THE SMART HOME



It takes 15 years for an innovation to hit the mass market.

Today the smart home has 8%<sup>(1)</sup> market penetration in the USA, 3%<sup>(1)</sup> in France.

The smart home era has just begun.

1. USA & France – Statista 2018 – smart home key figures for Energy Management.

# NETATMO: HOW IT ALL BEGUN

SMART WEATHER STATION – LAUNCHED IN 2012



Temperature



Indoor temperature



Indoor air quality



Sound meter



Barometric pressure



Humidity



Outdoor temperature



Outdoor air quality



Weather



CO<sub>2</sub>

We hand-picked a minor sub-category of home appliances, we applied excellent design principles, and we shipped it.

## WE FOLLOWED SIMPLE RULES

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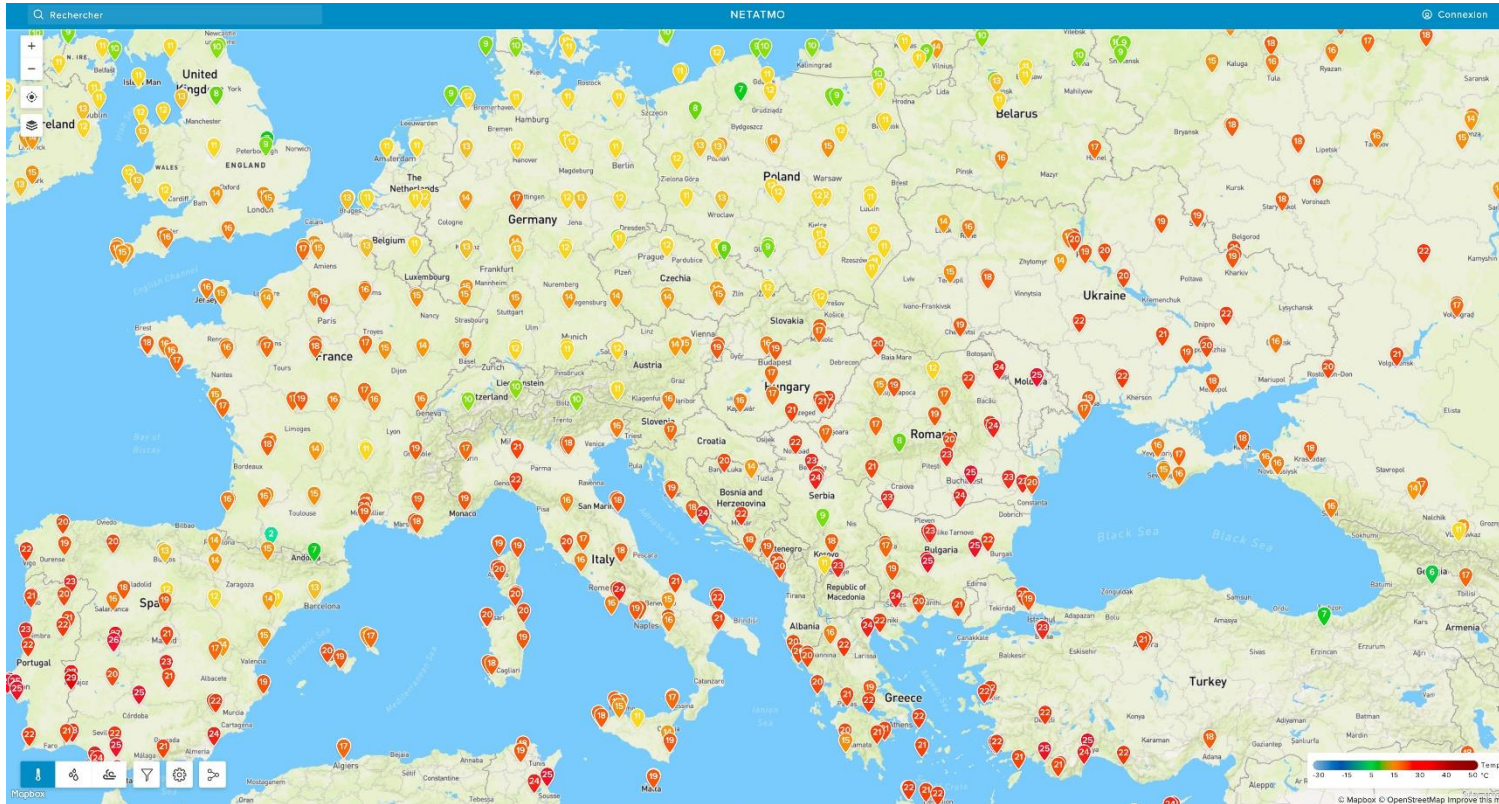


We had read Dieter Rams.

An excellent product must be:

- Innovative
- Useful
- Aesthetic
- Honest
- Understandable
- Unobtrusive
- Long-lasting
- Thorough down to the last detail
- Environmentally friendly
- Minimalist: less is more
- Easy to install
- Easy to operate

# WE OFFERED USEFUL INFORMATION THANKS TO THOUSANDS OF CONNECTED OBJECTS



# RESULTS (1/3): QUALITATIVE

High customer satisfaction



4/5 stars (1,293 reviews)

Smart Weather Station

*"I have the whole collection and love the product. It can become slightly obsessive!!! Love the map showing other users."*

An iconic product that embodies the whole category

Bestseller Nr. 1 <sup>(1)</sup>



Netatmo NWS01-EC  
Wetterstation innen und außen  
mit Außensensor und  
Wettervorhersage, schwarz <sup>(2)</sup>

★★★★☆ ~ 1,830

- #1 in sales.
- Indoor and outdoor weather station with outdoor sensor and weather forecasts, in black.

## RESULTS (2/3): QUANTITATIVE



Wireless Weather Station  
with Outdoor Sensor | Display  
with Blue Light, Indoor Outdoor  
Temperature, Air Humidity,...

£15<sup>95</sup>



Weather Station Indoor Outdoor  
with Wireless Outdoor Sensor –  
Netatmo, Compatible with  
Amazon Alexa

£149<sup>99</sup>

x10 typical public price for  
the category

## RESULTS (3/3): BUT ALSO...



### Operational consequences:

- We have built a valuable and consistent customer experience
- Each of our customers has an account, giving us a direct communication link
- We have created scope for an emotional attachment to the brand
- It enables multiple opportunities for cross-sell / up-sell



## ENERGY & SECURITY: SAME PROCESS

We rolled out these principles for our Smart Thermostat & Radiator Valves and for Smart Outdoor and Indoor Cameras, with the same success.



Plus 10 more products shipped to date.

# TEAMS

PEOPLE ARE KEY



- We have a Marketing and R&D process, as well as 160 persons to implement it:
  - Product selection & design
  - Electronic & mechanical design
  - Embedded software
  - Cloud & infra
  - App
- The average age is 32.
- The Happy at Work<sup>©</sup> study in April 2019, including all employees, gave Netatmo an 80% positive rating and a 4.4/5 global score.

# PRODUCTS

MAKING THE BEST OF BOTH WORLDS: EXCELLENT DESIGN FOR PROFESSIONAL PRODUCTS



We're now rolling out the approach for Legrand products:

- Connected ecometers
- User interfaces
- Switching panel devices
- Smart thermostats
- and more

# ZOOM

## CONNECTED DIN CONTACTOR



- Short-term benefits:
  - 1 reference covers 3 functions
  - Less panel space used
  - Remote control
  - Easy configuration, installation, use
- Longer term benefits:
  - The key to managing electricity demand
  - A Trojan horse for selling complete panels
- To be launched in 2020

# OUR CONVICTIONS

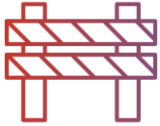
WE CAN MAKE A BIG DIFFERENCE

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- We believe that security, privacy and transparency are as important as electrical safety.
- We believe people will pay a premium for those.
- Some competitors have different beliefs.
- Some competitors are not able to handle operational consequences.

# SECURITY, PRIVACY, TRANSPARENCY: OPERATIONAL CONSEQUENCES



Create distinct positioning.



Require standardization and re-use of software components.



Require long-term maintenance in product life cycle, to adapt to threats and trends that are currently unknown.



Create additional difficulties for small suppliers unable to engage in this a long-term journey.

Also modify the way sourcing from low-cost suppliers can be achieved by our competitors.

## OUR MISSION

Our mission is to develop products that help make buildings safer, more comfortable and more efficient. We are committed to designing products which are:



durable



useful & reliable



easy to use



delivering thoughtful  
notifications





FREDERIC XERRI  
EXECUTIVE VP, EUROPE

# 5

## CASE STUDY: ELIOT IN EUROPE



# CONNECTED DOOR-ENTRY SYSTEMS (1/4)

CLASSE 300X – CASE STUDY



1<sup>st</sup> CONNECTED  
PROFESSIONAL  
DOOR-ENTRY SYSTEM  
EVER LAUNCHED IN  
EUROPE

## ○ Professional door-entry system

- Part of building infrastructure installed by professional contractors
- Compliant with local norms, standards, installation habits and tastes
- Functionalities last throughout the life cycle of the building

## ○ Target audience

- Home owners
- Residential apartments/houses
- New and retrofit

## ○ User experience

- Redirects entrance panel calls to a smartphone
- Intercom between internal units and smartphone
- Activates door opening, staircase light and cameras

## ○ Main benefits for end users

- Visualization of home entrance through external panel
- Remote piloting of entrance
- Display of people ringing at the door

# CONNECTED DOOR-ENTRY SYSTEMS (2/4)

CLASSE 300X – A SUCCESS



Europe zone data, at mid 2019

- **70%** of Legrand door-entry system sales in Europe generated by products in #1 or #2 position
- **26%** of Legrand video door-entry system sales in value in Europe made with connected offerings, rising to 50% in Belgium and 40% in Italy
- **Gain** in market share in the European door-entry system market; Legrand #1 in Europe
- **120,000** products installed in **28** countries since mid 2016

# CONNECTED DOOR-ENTRY SYSTEMS (3/4)

FROM HIGH-END TO CROSS SELLING AND MASS MARKET



## STEP 1 – Classe 300X

- Market breakthrough: 1<sup>st</sup> connected door-entry system for professionals launched on the market
- High-end offering
- Launched mid 2016



## STEP 2 – Cross selling

- Expand functionalities with offering of Netatmo, acquired in November 2018
- Regular upgrade of installed products



## STEP 3 – Segmentation

- Standard product Classe 100X for the mass market
- To be launched mid 2019



# CONNECTED DOOR-ENTRY SYSTEMS (4/4)

CREATING VALUE THROUGH TRADING UP



CONNECTED VIDEO  
CLASSE 300X

**€359**



VIDEO  
CLASSE 300V13E

**€318**



VIDEO CONNECTED  
CLASSE 100X

**€253**



VIDEO  
C100V16E

**€182**



HANDSFREE  
AUDIO  
C100A16B

**€62**



COMBINED  
AUDIO  
C100A16M

**€48**

Internal-unit end-user market price

# CONNECTED USER INTERFACE (1/4)

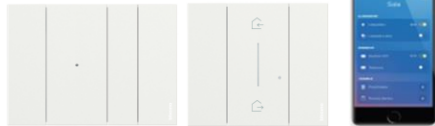
CELIANE WITH NETATMO AND LIVING NOW WITH NETATMO – CASE STUDY



## Bonjour Céliane™ with NETATMO



## LIVING NOW™ with NETATMO



### ○ Target audience

- Home owners
- Residential apartments/houses
- Enlarge scope in new construction, refurbishment, replace/add to existing homes

### ○ User experience

- Intuitive use by touch, app, voice
- Reliable, affordable, scalable
- Interoperable
- Time saving in home management
- Home notification

### ○ Main benefits recognized for installers

- Faster installation estimated at around half the time needed for a traditional home automation
- Simple to install, easy programming and commissioning, no added infrastructure
- Scalable with one-by-one upgrade, easy to propose to end-user

1<sup>st</sup> CONNECTED  
PROFESSIONAL USER  
INTERFACE OFFERING  
EVER LAUNCHED IN  
EUROPE

# CONNECTED USER INTERFACE (2/4)

FROM HIGH-END TO MASS MARKET



## STEP 1 - Céliane/ Living Now with Netatmo

- High-end offering
- Launched in France in Q1 2018 and in Italy in Q3 2018



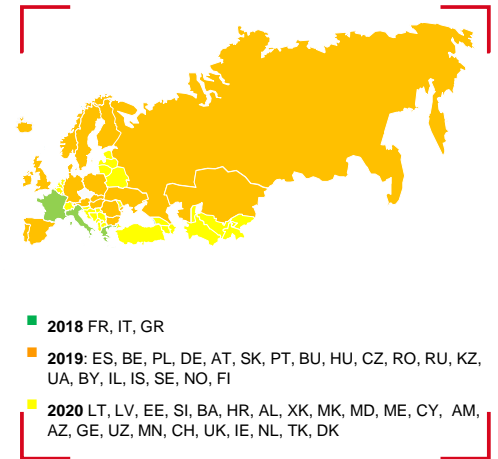
## STEP 2 - Segmentation

- Standard product dooxie with Netatmo for the mass market
- Launched in France in mid 2018



## STEP 3 - Deployment

- Connected user interface deployed in 3 European countries in 2018, 20 new countries in 2019 and 23 more in 2020



# CONNECTED USER INTERFACE (3/4)

## Market position enhanced

Europe zone data, as of mid 2019

- **Close to 200,000** devices already connected
- **10,000** electricians trained in France and Italy since the launch (10 times more than electricians trained for traditional home automation)
- **Over 1,000,000** web pages viewed

 legrand



## Successful trading up

- **9 to 10** connected devices per home, rising constantly
- **x2<sup>(1)</sup>** in Legrand product sales from a non-connected to a connected installation
- **+10%<sup>(1)</sup>** in average value of finishes in connected homes compared to finishes in non-connected ones

1. Legrand estimates.

# CONNECTED USER INTERFACE (4/4)

PARTNERSHIP: ENHANCE VALUE OF REAL-ESTATE INVESTMENT



12,000 housing units specified with connected user interface since the launch of Céliane with Netatmo and Living Now with Netatmo

## France



**BNP Paribas**  
Issy-Les-Moulineaux  
60 connected apartments



**Vinci**  
Cérès à Blagnac  
20 connected villas,  
78 connected apartments

## Italy



**Abitare in Maggiolina,**  
Milan  
125 connected apartments

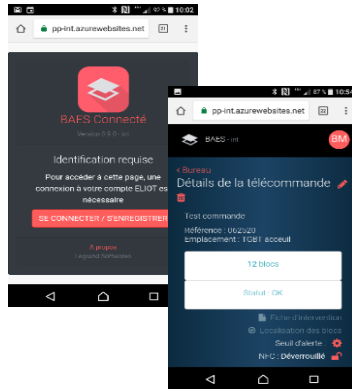


**Cazzaro Costruzioni**  
Treviso  
60 connected apartments





# CONNECTED EMERGENCY LIGHTING (1/2)



## ○ The most recent Legrand IoT roll-out

- First connected offer in the European emergency lighting market
- Launched in France in Q2 19
- Deployment foreseen in other European countries

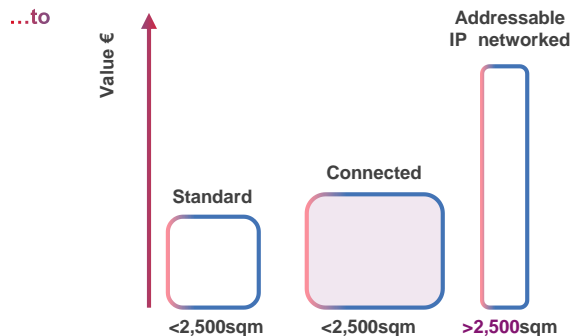
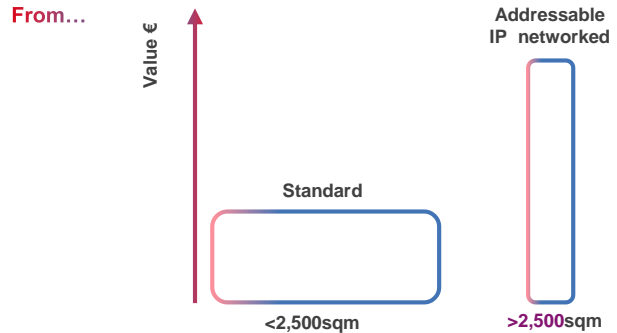
## ○ Target audience

- Public and private, tertiary, industry, residential buildings
- New, retrofit, and maintenance
- Electrical distribution channel
- Specifiers, investors, facility managers, maintenance managers

## ○ Main benefits recognized

- Connected solution through Web application for mobiles and laptop
- Real time control, easy data storage, immediate notification in case of default, remote maintenance
- Optimized on-site intervention, faster return to fully operational installation

# CONNECTED EMERGENCY LIGHTING (2/2)



## ○ Main advantages vs competition and existing solutions

- Affordable connected offering vs high cost IP networked addressable solutions
- Remote and real time check of single and multi-sites
- Automatic status report storage

## ○ Setting a new market segment

- Perfect fit for low/medium-size buildings, i.e., more than 80% of total buildings. Suitable for needs not fully addressed by either
  - IP addressable emergency lighting (highly technical and costly)
  - Standard emergency lighting (regular site visit required, no live monitoring)

## ○ Legrand medium-term aim

- Convert 25% of sales/market for traditional emergency lighting into connected solutions

# ADDING MOMENTUM WITH ELIOT IN KEEPING WITH LEGRAND'S FUNDAMENTALS



## Fundamentals remain

- Infrastructure products chosen and installed by professional contractors
- Professional distribution channels
- Customer support from existing Legrand technical assistance
- Purchasing trigger: safety, reliability, availability, ease of installation/ commissioning
- Quality, security and update ensured

## Additional success factors

- Product rating
- Apps associated with products
- Data hosting, securing and analysis
- Measure of connected products registration
- New marketing channels (marketing automation, social networks, and more)
- Interoperability (Works with Legrand program)

# 6 Q&A

# 7

## *BOOTHS DEMONSTRATIONS: ELIOT EXPERIENCE*



BENOÎT COQUART  
CEO

# 8 TAKEAWAYS

# LEGRAND'S 2019 INVESTOR DAY

## KEY TAKEAWAYS

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- We have built unique leading positions in digital infrastructure and IoT, already representing 28% of Group sales, and we are perfectly fitted to seize the IoT promises.
- On IoT, we target to grow organically<sup>(1)</sup> at least +10% a year and reach €1 billion of sales with connected products by 2022 with our Eliot program<sup>(2)</sup>.
- We are also transforming end-user and professionals experience in building through our digital product offering.

1. At constant scope of consolidation and exchange rates.

2. For more details on Eliot targets for 2022 please refer to page 15 of this presentation.

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