PRESS RELEASE

Limoges, May 7, 2020

2020 first-quarter release

Responsible mobilization to tackle the consequences of the health crisis

Performance showed good resistance in the first quarter of 2020

Organic change in sales: -7.3%

Adjusted operating margin before acquisitions[1]: 18.7%

Solid balance sheet and financial position

Active protection of Legrand's model in a highly deteriorated context

2020 outlook still uncertain

Determined measures to protect profitability and cash generation

Solid fundamentals for the future

Benoît Coquart, Legrand's Chief Executive Officer, commented:

"Responsible mobilization to tackle the consequences of the health crisis

Faced with a global health crisis of unprecedented magnitude, Legrand mobilized very quickly to ensure the health and safety of employees – a priority – while respecting our commitments to all stakeholders.

In a spirit of solidarity and responsible action, the Group has also taken a number of initiatives, among them the priority supply of critical equipment to hospitals and other healthcare institutions, and support for local communities, including the creation of a fund dedicated to nursing homes for the elderly, such as EHPADs in France.

Legrand has also announced[2] reductions in the remuneration of the Chief Executive Officer and the entire Executive Committee for the year as a whole.

Performance showed good resistance in the first quarter of 2020

In the first quarter of 2020, marked by a significant decline in business at the end of the period, Legrand reported:

- *a -2.2% fall in sales, reflecting an organic decline (-7.3%) that was offset in large part by a sustained increase in the scope of consolidation (+4.8%) and a slightly positive currency effect (+0.7%), and*
- *an adjusted operating margin before acquisitions[1] of 18.7%, one point lower than in the first quarter of 2019.*

These trends reflect the good resistance of the Group's performance, despite the deteriorated environment.

Given its solid balance sheet, Legrand also had substantial available cash at March 31, 2020, along with well controlled debt of long maturity, which together guarantee the Group's ability to fully preserve its development model over the long term.

[1] At 2019 scope of consolidation.
[2] For more information, readers are invited to refer to the press release issued April 11, 2020.

Active protection of Legrand's model in a highly deteriorated context

The health crisis has triggered a sharp deterioration in the world economic outlook with a deep recession expected in 2020, leading Legrand to suspend its targets for the year[1] on March 26[2]. An organic fall in sales was confirmed in April 2020, which saw a retreat of -41% for the month. On this basis, Legrand anticipates a marked decline in sales in the second quarter of 2020. Subject to a favorable trend in the global health situation, the second half of the year should see a sequential improvement.

Against this backdrop, Legrand is resolutely deploying a series of measures designed to protect both profitability and cash generation.

The Group enjoys a balanced global presence across a variety of markets and verticals driven by numerous megatrends, and is also maintaining its focus on the fundamentals that underpin a business model built on profitable and sustainable development as it prepares for the future.

In a deterioriated and uncertain environment, Legrand can rely on the adaptability of its solid and proven model, and the unwavering support of its experienced and fully engaged teams."

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[1] Targets announced February 13, 2020, and defined as "excluding any major changes in the economic environment possibly linked to developments in the world health outlook".

[2] For more information, readers are invited to consult the press release issued March 26, 2020.

Responsible mobilization to tackle the consequences of the health crisis

Faced with a sudden worsening in the global health crisis and world economy, and on the strength of its structure's efficiency and responsiveness, Legrand immediately mobilized to focus on **protecting the health and safety of employees,** in particular by strictly applying recommendations from officials and from the World Health Organization, which included rolling out Group-wide guidelines on best practices.

The Group is also working actively to ensure **continuity of service for customers**, whose businesses are critical to keeping the economy functioning. On May 5, 2020, almost all of Legrand's logistics centers were open and customer care operations (including both sales and service teams) were up and running in most of the geographical areas it serves.

In addition, Legrand is honoring all of its payment obligations, particularly to suppliers, and is maintaining its proposed dividend for 2019 at €1.34[1], unchanged from the previous year, compared to the €1.42 initially proposed.

Moreover, the Group has rapidly rolled out a number of **community support measures** in the countries where it operates, including:

- in Europe, delivering respirator parts in France; supplying urgent healthcare provider call solutions in Italy, Spain and the United Kingdom; and donating videoconferencing systems to retirement homes in the Netherlands;
- in the United States, developing cable management systems for field hospitals in New York in four days, and converting a production line to manufacture face masks in Indiana; and
- in the rest of the world, by distributing meals to populations in need in India and in Cambodia, and by supplying emergency UPS systems to a university hospital in Kolkata.

As part of its ongoing support for vulnerable individuals, Legrand also announced the creation of a solidarity fund for nursing homes for the elderly, such as EHPADs in France, to help patients and staff working in these institutions.

Finally, as a gesture of **solidarity by the Group's management and Directors**, Legrand also announced[2]:

- a -25% reduction in the target value of the Chief Executive Officer's total annual compensation, and a freeze in the fixed compensation in respect of 2020 to the Executive Committee, for whom the target value of the annual variable portion of compensation has also been significantly reduced; and
- a freeze of compensation in respect of 2020 to the Board of Directors, who have forgone the increase initially planned.

[1] Dividends will be paid in full out of distributable income. For more information, readers are referred to the press release issued April 11, 2020.
[2] For more information, readers are invited to refer to the press release issued April 11, 2020.

Performance showed good resistance in the first quarter of 2020

Key figures

Consolidated data (€ millions)[1]	**1st quarter 2019**	**1st quarter 2020**	**Change**
Sales	1,550.0	1,515.7	-2.2%
Adjusted operating profit	305.2	282.6	-7.4%
As % of sales	*19.7%*	*18.6%* *18.7% before acquisitions[2]*	
Operating profit	285.9	260.0	-9.1%
As % of sales	*18.4%*	*17.2%*	
Net profit attributable to the Group	190.4	167.1	-12.2%
As % of sales	*12.3%*	*11.0%*	
Normalized free cash flow	240.2	230.4	-4.1%
As % of sales	*15.5%*	*15.2%*	
Free cash flow	60.4	133.8	+121.5%
As % of sales	*3.9%*	*8.8%*	
Net financial debt at March 31	2,553.9	2,872.1	+12.5%

(1) See appendices to this press release for definitions and indicators reconciliation tables.
(2) At 2019 scope of consolidation.

Consolidated sales

In the first quarter of 2020, sales totaled €1,515.7 million, down -2.2% from the first quarter of 2019.

The organic decline was -7.3%, with decreases observed both in mature countries (-5.1%) and in new economies (-13.4%).

The impact of the broader scope of consolidation came to +4.8%. Based on acquisitions made in 2019 and 2020, and on their likely dates of consolidation, the impact should be around +3% in 2020.

The currency effect is a positive +0.7%. Applying average exchange rates observed in April 2020 over the last nine months of the year, and taking into account the exchange-rate effect for the first quarter of 2020, the theoretical impact on sales of currency fluctuations should be about -0.5% for full-year 2020.

Changes in sales by destination at constant scope of consolidation and exchange rates broke down as follows by region:

	1st quarter 2020 / 1st quarter 2019
Europe	-5.1%
North and Central America	-4.2%
Rest of the world	-17.2%
Total	**-7.3%**

These changes at constant scope of consolidation and exchange rates are analyzed below by geographical region:

- **Europe** (42.4% of Group sales): in the first quarter of 2020, sales in Europe were down -5.1% at constant scope of consolidation and exchange rates.

In Europe's mature countries, sales retreated organically by -7.4% in the first quarter of 2020, recording a more marked decline in the month of March as lockdown measures took effect. Although warehouses for finished goods were kept open, this trend was observed in the main countries, including France, Italy, the United Kingdom and Spain. However, sales increased in a limited number of countries, including Germany and the Netherlands.

In Europe's new economies, despite a demanding basis for comparison, sales increased +9.4% from the first quarter of 2019 at constant scope of consolidation and exchange rates, driven by ongoing projects started in 2019, as well as a still limited impact of the health crisis over the quarter, with good showings in Turkey, Hungary, Russia and Poland.

- **North and Central America** (39.8% of Group sales): the organic change in net sales was negative at -4.2% in the first quarter of 2020, with the decline steepening for March alone.

In the United States, sales retreated -3.9%. Good performances in user interfaces and busways for datacenters were not enough to offset the retreat in other ranges such as PDUs or control and lighting solutions.

Sales decreased slightly in Canada and more markedly in Mexico.

- **Rest of the world** (17.8% of Group sales): sales declined -17.2% at constant scope of consolidation and exchange rates compared with the first quarter of 2019.

In Asia-Pacific, sales were down -20.6% in the first quarter of 2020 as business decreased by close to 50% in China over the whole period, and as sales marked a clear decline in India – a market where the increase in the first two months of the year was not enough to offset the strong retreat recorded in March alone. In Australia, sales increased over the period.

In South America, sales declined organically by -12.0% in the first quarter, with many countries, including Brazil, reporting a sequential deterioration in business in March as the first lockdown measures were implemented.

In Africa and the Middle East, sales retreated -12.6%. Business was down in the Middle East, where the first impacts of the health crisis were combined with a persistently difficult geopolitical and economic environment. In Africa, where the 2019 basis for comparison was particularly demanding, sales also declined in a number of countries.

Adjusted operating profit and margin

Adjusted operating margin before acquisitions (at 2019 scope of consolidation) came to 18.7% of first-quarter 2020 sales, one point lower than in the first quarter of 2019. Against the backdrop of a sharp and sudden deterioration in the business environment, this performance reflects good profitability resistance, linked to the Group's early adaptation measures and efficient management of pricing.

The impact of changes in the scope of consolidation on the adjusted operating margin after acquisitions was -0.1 points, setting the latter at 18.6% of sales in the first quarter of 2020. Adjusted operating profit was €282.6 million, down -7.4% from the first quarter of 2019.

Net profit attributable to the Group

Net profit attributable to the Group was €167.1 million, down -12.2% from the first quarter of 2019, i.e. -€23.3 million. This was due primarily to:

- a fall in operating profit (-€26 million);
- an unfavorable trend (-€6 million) in net financial expenses and the foreign-exchange result; and
- a decrease in the absolute value of corporate income tax (+€8 million), linked to the decline in profit before tax, and with the corporate tax rate almost unchanged at 28.5%.

Cash generation

Cash flow from operations amounted to 14.7 % of sales in the first quarter of 2020, down by -2.9 points.

In the first quarter of 2020, normalized free cash flow was down -4.1% to 15.2% of sales. Moreover, working capital requirement came to 8.9% of sales at March 31, 2020[1], -3.1 points lower than in March 31, 2019.

Balance sheet structure

The Group's balance sheet at March 31, 2020 was solid, with key features including:

- cash and cash equivalents of €1.8 billion; and
- net debt of €2.9 billion, an EBITDA[2] ratio of 1.9 and long-term debt maturity.

Legrand also has significant residual financing capacity.

[1] Based on sales for the last 12 months.
[2] Based on EBITDA for the last 12 months.

Active protection of Legrand's model in a highly deteriorated context

2020 outlook still uncertain

The current health crisis is creating a rapid worsening in the global economic outlook for 2020, with a severe recession now anticipated. In this deteriorated and uncertain context, the Group announced on March 26[1] that it was suspending its 2020 targets[2].

Sales continued their organic fall in April 2020, with a retreat of -41% for the month alone that confirmed trends observed in the second half of March in several countries.

On this basis, Legrand anticipates a marked decline in sales in the second quarter of 2020, reflecting the adoption of many lockdown measures. Compared to the second quarter of 2020, and subject to a favorable trend in the global health situation, the second half of the year should see a sequential improvement.

Determined measures to protect profitability and cash generation

Drawing on its experienced and fully engaged teams, a structure that is as close as possible to its markets, and solid performance management processes, Legrand is focused on protecting both profitability and cash generation. Against a backdrop of sharply declining business volumes, initiatives taken to date by Legrand include:

- adapting the Group's production, administrative and commercial cost base;
- stepping up the pace of initiatives linked to its industrial footprint, including in particular changes in the configuration and number of sites;
- postponing non-priority investments;
- adapting and tightening careful management of working capital requirements and treasury.

Solid fundamentals for the future

With operations in nearly 90 countries, Legrand operates in a variety of markets – from residential to commercial and industrial buildings – and in both new construction and renovation. Its business is driven by profound, long-term technological and societal megatrends that include fighting climate change, digitization of buildings, new ways of working, and more. Lastly, Legrand offers a host of essential products that help keep the economy operating smoothly – by ensuring business continuity and efficiency in data centers; by protecting systems, goods and people; and by promoting assisted living.

Backed by a global, balanced presence in critical business areas, plus the commitment of experienced and fully engaged teams, the Group is thus actively addressing the fundamentals that underpin its model of profitable and sustainable development, to prepare for the future. To this end, Legrand continues to:

- develop its leadership positions – which generate around 2/3 of total sales and have secured its place as an industry pace-setter – in particular through ongoing R&D efforts and a stream of new product launches;
- deploy initiatives to incorporate digital technologies into its product offering – through the development of connected products under the Eliot program – and into its processes;

[1] For more information, readers are invited to consult the press release issued March 26, 2020.
[2] Targets announced February 13, 2020, and defined as "excluding any major changes in the economic environment possibly linked to developments in the world health outlook".

- actively dock newly acquired companies within the Group. Examples include Focal Point[1], a front-runner in the United States for specification-grade architectural lighting for non-residential buildings, acquired at the beginning of 2020;
- pursue a demanding, responsible long-term approach: despite the current economic and health crisis, the Group is thus prepared to achieve the 2019-2021 targets announced in its fourth CSR roadmap, focusing on its Business Ecosystem, Human Development and Environment.

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[1] For more information, readers are invited to consult the press release issued February 27, 2020.

The Board adopted consolidated financial statements for first-quarter 2020 at its meeting on May 6, 2020. These consolidated financial statements, a presentation of 2020 first-quarter results and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES:

- General Meeting of Shareholders (*behind closed doors): **May 27, 2020***
- Ex-dividend date: **June 1, 2020**
- Dividend payment: **June 3, 2020**
- 2020 first-half results: **July 31, 2020**
  "Quiet period[1]" starts July 1, 2020
- 2020 nine-month results: **November 5, 2020**
  "Quiet period[1]" starts October 6, 2020

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot connected products with enhanced value in use. Legrand reported sales of close to €6.6 billion in 2019. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 index. (code ISIN FR0010307819).*

https://www.legrandgroup.com

**Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group's innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.*
https://www.legrandgroup.com/en/group/eliot-legrands-connected-objects-program

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[1] Period of time when all communication is suspended in the run-up to publication of results.

Appendices

Glossary

Adjusted operating profit: Adjusted operating profit is defined as operating profit 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.

Busways: electric power distribution systems based on metal busbars.

Cash flow from operations: Cash flow from operations is defined as net cash from operating activities excluding changes in working capital requirement.

CSR: Corporate Social Responsibility.

EBITDA: EBITDA is defined as operating profit plus depreciation and impairment of tangible assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.

Free cash flow: Free cash flow is defined as the sum of net cash from operating activities and net proceeds from sales of fixed and financial assets, less capital expenditure and capitalized development costs.

KVM: Keyboard, Video and Mouse.

Net financial debt: Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

Normalized free cash flow: Normalized free cash flow is defined as the sum of net cash from operating activities—based on a normalized working capital requirement representing 10% of the last 12 months' sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered—and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

Organic growth: Organic growth is defined as the change in sales at constant structure (scope of consolidation) and exchange rates.

Payout: Payout is defined as the ratio between the proposed dividend per share for a given year, divided by the net profit attributable to the Group per share of the same year, calculated on the basis of the average number of ordinary shares at December 31 of that year, excluding shares held in treasury.

PDU: Power Distribution Units.

UPS: Uninterruptible Power Supply.

Working capital requirement: Working capital requirement is defined as the sum of trade receivables, inventories, other current assets, income tax receivables and short-term deferred tax assets, less the sum of trade payables, other current liabilities, income tax payables, short-term provisions and short-term deferred tax liabilities.

Calculation of working capital requirement

In € millions	Q1 2019	Q1 2020
Trade receivables	809.3	716.0
Inventories	911.7	852.4
Other current assets	211.7	210.5
Income tax receivables	79.7	58.1
Short-term deferred taxes assets/(liabilities)	87.4	96.9
Trade payables	(642.0)	(590.0)
Other current liabilities	(589.9)	(584.5)
Income tax payables	(45.7)	(54.0)
Short-term provisions	(89.1)	(120.8)
Working capital required	**733.1**	**584.6**

Calculation of net financial debt

In € millions	Q1 2019	Q1 2020
Short-term borrowings	459.1	1,114.1
Long-term borrowings	3,168.4	3,578.7
Cash and cash equivalents	(1,073.6)	(1,820.7)
Net financial debt	**2,553.9**	**2,872.1**

Reconciliation of adjusted operating profit with profit for the period

In € millions	Q1 2019	Q1 2020
Profit for the period	**190.8**	**167.1**
Share of profits (losses) of equity-accounted entities	0.3	0.6
Income tax expense	75.2	66.8
Exchange (gains) / losses	0.8	5.5
Financial income	(3.2)	(2.5)
Financial expense	22.0	22.5
Operating profit	**285.9**	**260.0**
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	19.3	22.6
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**305.2**	**282.6**

Reconciliation of EBITDA with profit for the period

In € millions	Q1 2019	Q1 2020
Profit for the period	**190.8**	**167.1**
Share of profits (losses) of equity-accounted entities	0.3	0.6
Income tax expense	75.2	66.8
Exchange (gains) / losses	0.8	5.5
Financial income	(3.2)	(2.5)
Financial expense	22.0	22.5
Operating profit	**285.9**	**260.0**
Depreciation and impairment of tangible assets	42.4	46.2
Amortization and impairment of intangible assets (including capitalized development costs)	26.1	31.7
Impairment of goodwill	0.0	0.0
EBITDA	**354.4**	**337.9**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period

In € millions	Q1 2019	Q1 2020
Profit for the period	**190.8**	**167.1**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	69.1	78.6
Changes in other non-current assets and liabilities and long-term deferred taxes	8.8	15.4
Unrealized exchange (gains)/losses	3.4	(19.3)
(Gains)/losses on sales of assets, net	1.1	(16.5)
Other adjustments	0.2	(1.8)
Cash flow from operations	**273.4**	**223.5**
Decrease (Increase) in working capital requirement	(184.0)	(84.9)
Net cash provided from operating activities	**89.4**	**138.6**
Capital expenditure (including capitalized development costs)	(29.3)	(23.5)
Net proceeds from sales of fixed and financial assets	0.3	18.7
Free cash flow	**60.4**	**133.8**
Increase (Decrease) in working capital requirement	184.0	84.9
(Increase) Decrease in normalized working capital requirement	(4.2)	11.7
Normalized free cash flow	**240.2**	**230.4**

Scope of consolidation

2019	Q1	H1	9M	Full year
Full consolidation method				
Debflex	Balance sheet only	6 months	9 months	12 months
Netatmo	Balance sheet only	6 months	9 months	12 months
Trical	Balance sheet only	6 months	9 months	12 months
Universal Electric Corporation		Balance sheet only	6 months	9 months
Connectrac				Balance sheet only
Jobo Smartech				Balance sheet only

2020	Q1	H1	9M	Full year
Full consolidation method				
Debflex	3 months	6 months	9 months	12 months
Netatmo	3 months	6 months	9 months	12 months
Trical	3 months	6 months	9 months	12 months
Universal Electric Corporation	3 months	6 months	9 months	12 months
Connectrac	3 months	6 months	9 months	12 months
Jobo Smartech	Balance sheet only	To be determined	To be determined	To be determined
Focal Point	Balance sheet only	To be determined	To be determined	To be determined

Disclaimer

This press release may contain forward-looking statements which are not historical data. Although Legrand considers these statements to be based on reasonable assumptions at the time of publication of this release, they are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied herein.

Details on risks are provided in the Legrand Registration Document filed with the Autorité des marchés financiers (Financial Markets Authority, AMF), which is available on-line on the websites of both AMF (www.amf-france.org) and Legrand (www.legrandgroup.com).

No forward-looking statement contained in this press release is or should be construed as a promise or a guarantee of actual results, which are liable to differ significantly. Therefore, such statements should be used with caution, taking into account their inherent uncertainty.

Subject to applicable regulations, Legrand does not undertake to update these statements to reflect events or circumstances occurring after the date of publication of this release.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Legrand shares in any jurisdiction.