

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2023



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Consolidated statement of income

<i>(in € millions)</i>	3 months ended	
	March 31, 2023	March 31, 2022
Net sales	2,149.6	1,972.3
Operating expenses		
Cost of sales	(1,010.1)	(993.7)
Administrative and selling expenses	(549.8)	(481.9)
Research and development costs	(92.1)	(84.9)
Other operating income (expenses)	(47.2)	(34.2)
Operating profit	450.4	377.6
Financial expenses	(26.2)	(24.4)
Financial income	22.2	2.0
Exchange gains (losses)	(0.2)	(1.0)
Financial profit (loss)	(4.2)	(23.4)
Profit before tax	446.2	354.2
Income tax expense	(115.8)	(95.7)
Share of profits (losses) of equity-accounted entities	0.0	0.0
Profit for the period	330.4	258.5
Of which:		
- Net profit attributable to the Group	330.5	258.3
- Minority interests	(0.1)	0.2
Basic earnings per share (euros)	1.240	0.968
Diluted earnings per share (euros)	1.232	0.961

Consolidated statement of comprehensive income

<i>(in € millions)</i>	3 months ended	
	March 31, 2023	March 31, 2022
Profit for the period	330.4	258.5
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	(77.6)	126.0
Other	(3.6)	22.3
Income tax relating to components of other comprehensive income	(1.1)	1.5
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	(1.8)	(0.1)
Other	0.0	0.0
Comprehensive income for the period	246.3	408.2
Of which:		
- Comprehensive income attributable to the Group	246.4	408.0
- Minority interests	(0.1)	0.2

Consolidated balance sheet

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Non-current assets		
Intangible assets	2,474.0	2,534.7
Goodwill	5,573.2	5,567.4
Property, plant and equipment	735.0	746.0
Right-of-use assets	291.7	266.2
Other investments	1.9	1.9
Other non-current assets	141.9	62.1
Deferred tax assets	136.4	133.6
TOTAL NON CURRENT ASSETS	9,354.1	9,311.9
Current assets		
Inventories (Note 4)	1,349.9	1,357.4
Trade receivables (Note 5)	1,105.0	958.1
Income tax receivables	122.1	120.5
Other current assets	293.2	255.4
Other current financial assets	61.6	65.1
Cash and cash equivalents	2,498.6	2,346.8
TOTAL CURRENT ASSETS	5,430.4	5,103.3
TOTAL ASSETS	14,784.5	14,415.2

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2023

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Equity		
Share capital (Note 6)	1,067.3	1,067.3
Retained earnings	6,074.5	5,900.3
Translation reserves	(408.0)	(330.4)
Equity attributable to equity holders of Legrand	6,733.8	6,637.2
Minority interests	5.4	5.6
TOTAL EQUITY	6,739.2	6,642.8
Non-current liabilities		
Long-term provisions	221.6	217.4
Provisions for post-employment benefits	126.5	130.1
Long-term borrowings (Note 7)	3,997.6	4,014.4
Deferred tax liabilities	921.7	914.6
TOTAL NON-CURRENT LIABILITIES	5,267.4	5,276.5
Current liabilities		
Trade payables	891.5	852.5
Income tax payables	111.4	48.6
Short-term provisions	150.7	146.4
Other current liabilities	815.6	795.1
Short-term borrowings (Note 7)	806.0	651.3
Other current financial liabilities	2.7	2.0
TOTAL CURRENT LIABILITIES	2,777.9	2,495.9
TOTAL EQUITY AND LIABILITIES	14,784.5	14,415.2

Consolidated statement of cash flows

(in € millions)	3 months ended	
	March 31, 2023	March 31, 2022
Profit for the period	330.4	258.5
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	30.2	29.7
– Amortization and impairment of intangible assets	27.6	25.3
– Amortization and impairment of capitalized development costs	6.4	6.5
– Amortization of right-of-use assets	18.0	17.3
– Amortization of financial expenses	0.8	1.0
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	13.1	16.7
– Changes in other non-current assets and liabilities	6.4	6.7
– Unrealized exchange (gains)/losses	3.2	0.6
– Share of (profits) losses of equity-accounted entities	0.0	0.0
– Other adjustments	(1.3)	0.1
– Net (gains)/losses on sales of assets	(0.2)	0.3
Changes in working capital requirement:		
– Inventories (Note 4)	(4.5)	(75.2)
– Trade receivables (Note 5)	(159.2)	(281.1)
– Trade payables	42.0	41.0
– Other operating assets and liabilities	50.2	23.0
Net cash from operating activities	363.1	70.4
– Net proceeds from sales of fixed and financial assets	0.2	0.4
– Capital expenditure	(24.5)	(18.6)
– Capitalized development costs	(7.3)	(7.8)
– Changes in non-current financial assets and liabilities	(60.3)	(2.0)
– Acquisitions and disposals of subsidiaries, net of cash	(54.3)	(128.4)
Net cash from investing activities	(146.2)	(156.4)
– Proceeds from issues of share capital and premium (Note 6)	0.0	0.0
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(44.6)	(15.6)
– Dividends paid to equity holders of Legrand	0.0	0.0
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing	0.0	100.0
– Repayment of long-term financing* (Note 7)	(18.9)	(31.3)
– Debt issuance costs	0.0	0.0
– Increase (reduction) in short-term financing	6.7	9.3
– Acquisitions of ownership interests with no gain of control	0.0	0.0
Net cash from financing activities	(56.8)	62.4
Translation net change in cash and cash equivalents	(8.3)	13.8
Increase (decrease) in cash and cash equivalents	151.8	(9.8)
Cash and cash equivalents at the beginning of the period	2,346.8	2,788.3
Cash and cash equivalents at the end of the period	2,498.6	2,778.5
Items included in cash flows:		
– Interest paid during the period**	16.4	18.2
– Income taxes paid during the period	45.5	36.0

* Of which €17.8 million corresponding to lease financial liabilities repayment for the 3 months ended March 31, 2023 (€17.1 million for the 3 months ended March 31, 2022).

** Interest paid is included in the net cash from operating activities; of which €2.1 million interests on lease financial liabilities for the 3 months ended March 31, 2023 (€1.7 million for the 3 months ended March 31, 2022).

Notes to the consolidated financial statements

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KEY FIGURES

<i>(in € millions)</i>	1st quarter 2023	1st quarter 2022
Net sales	2,149.6	1,972.3
Adjusted operating profit	477.2	401.2
As % of net sales	22.2%	20.3%
	22.6 % before acquisitions ⁽¹⁾	
Operating profit	450.4	377.6
As % of net sales	21.0%	19.1%
Net profit attributable to the Group	330.5	258.3
As % of net sales	15.4%	13.1%
Normalized free cash flow	389.3	318.1
As % of net sales	18.1%	16.1%
Free cash flow	331.5	44.4
As % of net sales	15.4%	2.3%
Net financial debt at March 31	2,305.0	2,637.8

(1) At 2022 scope of consolidation, excluding Russia and related impacts.

Adjusted operating profit is defined as operating profit adjusted for: i) amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, ii) assets impairment in Russia and, iii) where applicable, for impairment of goodwill.

Normalized free cash flow is defined as the sum of net cash from operating activities - based on a 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.

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.

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

The reconciliation of consolidated key figures with the financial statements is available in the appendices to the first three months 2023 results press release.

NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the three months ended March 31, 2023. It should be read in conjunction with consolidated financial statements for the year ended December 31, 2022 such as established in the Registration Document deposited under visa no D.23-0262 with the French Financial Markets Authority (AMF) on April 12, 2023.

All the amounts are presented in millions of euros unless otherwise indicated. Some totals may include rounding differences.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted by the European Union and applicable or authorized for early adoption from January 1, 2023.

None of the IFRS standards issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

NOTE 2 - SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE PERIOD

Legrand announced in January 2023 its intention to disengage from its Russian operations and is currently reviewing options for transferring their control in a timely and orderly manner.

Legrand's activities in Russia accounted for approximately 1.5% of full-year sales in 2022. As of December 31, 2022, the Group's balance sheet exposure to Russia, including currency translation reserves, amounted to approximately €200 million. Of this amount, €148 million in asset impairment has been recognized in the 2022 consolidated financial statements, mainly in other operating income and expenses.

As of March 31, the remaining net Group's balance sheet exposure includes mainly translation reserves. The translation reserves (unrealized loss of €46 million as of March 31, 2023) will be reclassified in the income statement at the time of the actual disposal, without any cash impact.

NOTE 3 - CHANGES IN THE SCOPE OF CONSOLIDATION

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2021 were as follows:

2022	March 31	June 30	September 30	December 31
Full consolidation method				
Geiger	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Emos	Balance sheet only	Balance sheet only	Balance sheet only	9 months' profit
Usystems		Balance sheet only	Balance sheet only	7 months' profit
Voltadis			Balance sheet only	Balance sheet only
A. & H. Meyer			Balance sheet only	Balance sheet only
Power Control			Balance sheet only	Balance sheet only
Encelium				Balance sheet only

2023	March 31
Full consolidation method	
Geiger	3 months' profit
Emos	3 months' profit
Ussystem	3 months' profit
Voltadis	Balance sheet only
A. & H. Meyer	Balance sheet only
Power Control	Balance sheet only
Encelium	Balance sheet only
Clamper	Balance sheet only

During the first three months of 2023, the Group acquired Clamper, Brazilian leader in surge protection devices, used in particular for photovoltaic infrastructures. Based in Belo Horizonte, Clamper has over 600 employees and annual sales of nearly €40 million.

NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Purchased raw materials and components	627.4	619.2
Sub-assemblies, work in progress	137.0	137.4
Finished products	829.2	842.7
Gross value at the end of the period	1,593.6	1,599.3
Impairment	(243.7)	(241.9)
NET VALUE AT THE END OF THE PERIOD	1,349.9	1,357.4

NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Trade receivables	1,212.6	1,058.7
Impairment	(107.6)	(100.6)
NET VALUE AT THE END OF THE PERIOD	1,105.0	958.1

NOTE 6 - SHARE CAPITAL

Share capital as of March 31, 2023 amounted to €1,067,270,984 represented by 266,817,746 ordinary shares with a par value of €4 each, for 266,817,746 theoretical voting rights and 266,164,935 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

Changes in share capital in the first three months of 2023 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2022	266,817,746	4	1,067,270,984	491,756,928
As of March 31, 2023	266,817,746	4	1,067,270,984	491,756,928

As of March 31, 2023, the Group held 652,811 shares in treasury, versus 149,515 shares as of December 31, 2022, i.e. 503,296 additional shares corresponding to:

- the net acquisition of 567,000 shares outside of the liquidity contract at a cost of €49.9 million;
- the net sale of 63,704 shares under the liquidity contract that led to a cash inflow of €5.3 million.

As of March 31, 2023, among the 652,811 shares held in treasury by the Group, 553,285 shares have been allocated for performance share plans, 52,000 shares have been allocated for reduction of capital, and 47,526 shares are held under the liquidity contract.

As part of its share buyback program, and under the authorization granted by the Ordinary and Extraordinary General Meeting of Shareholders of May 25, 2022, Legrand announced the signing of a contract with an investment services provider as of March 30, 2023 to implement a first tranche for up to €80m. The purchase period agreement began on March 31, 2023 and is expected to end on or before May 19, 2023. Those shares will be cancelled.

NOTE 7 - LONG-TERM AND SHORT-TERM BORROWINGS

7.1 LONG-TERM BORROWINGS

Long-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Negotiable commercial paper	115.0	165.0
Bonds	3,300.0	3,300.0
Yankee bonds	285.9	291.6
Lease financial liabilities	233.4	207.5
Other borrowings	78.1	66.1
Long-term borrowings excluding debt issuance costs	4,012.4	4,030.2
Debt issuance costs	(14.8)	(15.8)
TOTAL	3,997.6	4,014.4

7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	March 31, 2023	December 31, 2022
Negotiable commercial paper	205.0	155.0
Bonds	400.0	400.0
Lease financial liabilities	67.7	68.8
Other borrowings	133.3	27.5
TOTAL	806.0	651.3

7.3 CHANGES IN LONG-TERM AND SHORT-TERM BORROWINGS

Changes in long-term and short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	March 31, 2023	Cash flows	Variations not impacting cash flows				December 31, 2022
			Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	3,997.6	(0.3)	36.9	(92.8)	(8.0)	47.4	4,014.4
Short-term borrowings	806.0	(11.9)	(0.6)	92.8	(1.3)	75.7	651.3
Gross financial debt	4,803.6	(12.2)	36.3	0.0	(9.3)	123.1	4,665.7

NOTE 8 - SEGMENT INFORMATION

In accordance with IFRS 8, operating segments are determined based on the reporting made available to the chief operating decision maker of the Group and to the Group's management.

Given that Legrand activities are carried out locally, the Group is organized for management purposes by countries or groups of countries which have been allocated for internal reporting purposes into three operating segments:

- Europe, including France, Italy and Rest of Europe (mainly including Benelux, Germany, Iberia (including Portugal and Spain), Poland, Russia, Turkey, and the United Kingdom);
- North and Central America, including Canada, Mexico, the United States, and Central American countries; and

- Rest of the world, mainly including Australia, China, India and South America (of which particularly Brazil, Chile and Colombia).

These three operating segments are under the responsibility of three segment managers who are directly accountable to the chief operating decision maker of the Group.

The economic models of subsidiaries within these segments are quite similar. Indeed, their sales are made up of electrical and digital building infrastructure products in particular to electrical installers, sold mainly through third-party distributors.

3 months ended March 31, 2023

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	978.2 ⁽¹⁾	829.2 ⁽²⁾	342.2	2,149.6
Cost of sales	(436.6)	(389.6)	(183.9)	(1,010.1)
Administrative and selling expenses, R&D costs	(287.7)	(271.3)	(82.9)	(641.9)
Other operating income (expenses)	(16.6)	(27.8)	(2.8)	(47.2)
Operating profit	237.3	140.5	72.6	450.4
- of which i/ acquisition-related amortization, expenses and income and ii/ assets impairment in Russia				
· accounted for in administrative and selling expenses, R&D costs	(6.3)	(19.2)	(1.3)	(26.8)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	243.6	159.7	73.9	477.2
- of which depreciation and impairment of tangible assets	(17.9)	(6.3)	(5.9)	(30.1)
- of which amortization and impairment of intangible assets	(2.3)	(0.6)	(0.3)	(3.2)
- of which amortization and impairment of development costs	(6.1)	0.0	(0.3)	(6.4)
- of which amortization and impairment of right-of-use assets	(6.4)	(6.6)	(5.0)	(18.0)
- of which restructuring costs	(5.0)	(4.7)	(3.6)	(13.3)
Capital expenditure	(16.5)	(4.8)	(3.2)	(24.5)
Capitalized development costs	(7.1)	0.0	(0.3)	(7.4)
Net tangible assets	451.8	155.2	128.0	735.0
Total current assets	3,321.5	1,217.9	891.0	5,430.4
Total current liabilities	1,825.3	512.9	439.7	2,777.9

(1) Of which France: €325.0 million.

(2) Of which United States: €763.0 million.

3 months ended March 31, 2022

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	880.8 ⁽¹⁾	759.7 ⁽²⁾	331.8	1,972.3
Cost of sales	(408.2)	(398.9)	(186.6)	(993.7)
Administrative and selling expenses, R&D costs	(255.2)	(237.8)	(73.8)	(566.8)
Other operating income (expenses)	(24.8)	(8.8)	(0.6)	(34.2)
Operating profit	192.6	114.2	70.8	377.6
- of which i/ acquisition-related amortization, expenses and income and ii/ assets impairment in Russia				
· accounted for in administrative and selling expenses, R&D costs	(4.0)	(18.2)	(1.4)	(23.6)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	196.6	132.4	72.2	401.2
- of which depreciation and impairment of tangible assets	(17.2)	(6.5)	(5.9)	(29.6)
- of which amortization and impairment of intangible assets	(1.9)	(0.6)	(0.4)	(2.9)
- of which amortization and impairment of development costs	(6.3)	0.0	(0.2)	(6.5)
- of which amortization and impairment of right-of-use assets	(6.4)	(5.8)	(5.1)	(17.3)
- of which restructuring costs	(3.9)	(1.7)	(1.1)	(6.7)
Capital expenditure	(13.3)	(3.5)	(1.8)	(18.6)
Capitalized development costs	(7.4)	0.0	(0.4)	(7.8)
Net tangible assets	433.1	147.0	129.7	709.8
Total current assets	3,530.0	1,062.4	937.0	5,529.4
Total current liabilities	1,758.4	481.9	445.7	2,686.0

(1) Of which France: €306.5 million.

(2) Of which United States: €699.7 million.

NOTE 9 - SUBSEQUENT EVENTS

No significant events occurred between March 31, 2023 and the date when the consolidated financial statements were prepared.