

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION AS OF MARCH 31, 2020



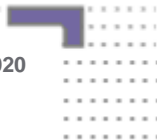
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Consolidated statement of income

<i>(in € millions)</i>	3 months ended	
	March 31, 2020	March 31, 2019
Net sales	1,515.7	1,550.0
Operating expenses		
Cost of sales	(714.1)	(745.7)
Administrative and selling expenses	(438.7)	(422.4)
Research and development costs	(83.1)	(74.7)
Other operating income (expenses)	(19.8)	(21.3)
Operating profit	260.0	285.9
Financial expenses	(22.5)	(22.0)
Financial income	2.5	3.2
Exchange gains (losses)	(5.5)	(0.8)
Financial profit (loss)	(25.5)	(19.6)
Profit before tax	234.5	266.3
Income tax expense	(66.8)	(75.2)
Share of profits (losses) of equity-accounted entities	(0.6)	(0.3)
Profit for the period	167.1	190.8
Of which:		
- Net profit attributable to the Group	167.1	190.4
- Minority interests	0.0	0.4
Basic earnings per share (<i>euros</i>)	0.626	0.714
Diluted earnings per share (<i>euros</i>)	0.620	0.708

Consolidated statement of comprehensive income

<i>(in € millions)</i>	3 months ended	
	March 31, 2020	March 31, 2019
Profit for the period	167.1	190.8
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	(58.5)	105.4
Cash flow hedges	0.1	0.0
Income tax relating to components of other comprehensive income	(0.5)	4.1
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	(0.1)	(0.2)
Other	0.0	0.0
Comprehensive income for the period	108.1	300.1
Of which:		
- Comprehensive income attributable to the Group	108.2	299.7
- Minority interests	(0.1)	0.4



Consolidated balance sheet

<i>(in € millions)</i>	March 31, 2020	December 31, 2019
Non-current assets		
Intangible assets	2,472.5	2,474.4
Goodwill	5,040.5	4,566.2
Property, plant and equipment	677.4	707.7
Right-of-use assets	321.6	312.1
Investments in equity-accounted entities	18.7	18.8
Other investments	1.9	1.9
Other non-current assets	46.2	34.9
Deferred tax assets	113.5	107.6
TOTAL NON CURRENT ASSETS	8,692.3	8,223.6
Current assets		
Inventories (Note 4)	852.4	852.6
Trade receivables (Note 5)	716.0	756.8
Income tax receivables	58.1	60.2
Other current assets	210.5	217.5
Other current financial assets	1.6	1.2
Cash and cash equivalents	1,820.7	1,710.9
TOTAL CURRENT ASSETS	3,659.3	3,599.2
TOTAL ASSETS	12,351.6	11,822.8

<i>(in € millions)</i>	March 31, 2020	December 31, 2019
Equity		
Share capital (Note 6)	1,069.8	1,069.1
Retained earnings	4,651.1	4,486.6
Translation reserves	(511.9)	(453.5)
Equity attributable to equity holders of Legrand	5,209.0	5,102.2
Minority interests	9.8	9.9
TOTAL EQUITY	5,218.8	5,112.1
Non-current liabilities		
Long-term provisions	149.8	146.7
Provisions for post-employment benefits	177.9	181.0
Long-term borrowings (Note 7)	3,578.7	3,575.4
Deferred tax liabilities	760.2	750.8
TOTAL NON-CURRENT LIABILITIES	4,666.6	4,653.9
Current liabilities		
Trade payables	590.0	654.2
Income tax payables	54.0	28.3
Short-term provisions	120.8	104.1
Other current liabilities	584.5	653.0
Short-term borrowings (Note 7)	1,114.1	616.2
Other current financial liabilities	2.8	1.0
TOTAL CURRENT LIABILITIES	2,466.2	2,056.8
TOTAL EQUITY AND LIABILITIES	12,351.6	11,822.8

Consolidated statement of cash flows

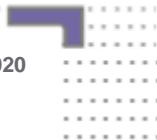
(in € millions)	3 months ended	
	March 31, 2020	March 31, 2019
Profit for the period	167.1	190.8
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	28.3	26.0
– Amortization and impairment of intangible assets	24.8	20.1
– Amortization and impairment of capitalized development costs	6.9	6.0
– Amortization of right-of-use assets	17.9	16.4
– Amortization of financial expenses	0.7	0.6
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	3.7	2.1
– Changes in other non-current assets and liabilities	11.7	6.7
– Unrealized exchange (gains)/losses	(19.3)	3.4
– Share of (profits) losses of equity-accounted entities	0.6	0.3
– Other adjustments	(2.4)	(0.1)
– Net (gains)/losses on sales of assets	(16.5)	1.1
Changes in working capital requirement:		
– Inventories (Note 4)	(17.8)	(12.1)
– Trade receivables (Note 5)	23.5	(129.8)
– Trade payables	(55.5)	(27.7)
– Other operating assets and liabilities	(35.1)	(14.4)
Net cash from operating activities	138.6	89.4
– Net proceeds from sales of fixed and financial assets	18.7	0.3
– Capital expenditure	(16.8)	(21.3)
– Capitalized development costs	(6.7)	(8.0)
– Changes in non-current financial assets and liabilities	5.0	(7.2)
– Acquisitions of subsidiaries, net of cash acquired	(484.8)	(8.7)
Net cash from investing activities	(484.6)	(44.9)
– Proceeds from issues of share capital and premium (Note 6)	9.2	2.0
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(19.9)	11.1
– 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	0.0
– Repayment of long-term financing* (Note 7)	(17.4)	(17.3)
– Debt issuance costs	0.0	0.0
– Increase (reduction) in short-term financing	487.7	0.9
– Acquisitions of ownership interests with no gain of control	0.0	(2.3)
Net cash from financing activities	459.6	(5.6)
Translation net change in cash and cash equivalents	(3.8)	12.2
Increase (decrease) in cash and cash equivalents	109.8	51.1
Cash and cash equivalents at the beginning of the period	1,710.9	1,022.5
Cash and cash equivalents at the end of the period	1,820.7	1,073.6
Items included in cash flows:		
– Interest paid during the period**	21.3	20.5
– Income taxes paid during the period	47.0	54.6

* Of which €16.5 million corresponding to lease financial liabilities repayment for the 3 months ended March 31, 2020 (€16.0 million for the 3 months ended March 31, 2019).

** Interest paid is included in the net cash from operating activities; of which €2.3 million interests on lease financial liabilities for the 3 months ended March 31, 2020 (€2.4 million for the 3 months ended March 31, 2019).

Notes to the consolidated financial statements

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KEY FIGURES

<i>(in € millions)</i>	1st quarter 2020	1st quarter 2019
Net sales	1,515.7	1,550.0
Adjusted operating profit	282.6	305.2
As % of net sales	18.6%	19.7%
	18.7 % before acquisitions ⁽¹⁾	
Operating profit	260.0	285.9
As % of net sales	17.2%	18.4%
Net profit attributable to the Group	167.1	190.4
As % of net sales	11.0%	12.3%
Normalized free cash flow	230.4	240.2
As % of net sales	15.2%	15.5%
Free cash flow	133.8	60.4
As % of net sales	8.8%	3.9%
Net financial debt at March 31	2,872.1	2,553.9

(1) At 2019 scope of consolidation.

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.

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 quarter 2020 results press release.

NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the three months ended March 31, 2020. It should be read in conjunction with consolidated financial statements for the year ended December 31, 2019 such as established in the Registration Document deposited under visa no D.20-0320 with the French Financial Markets Authority (AMF) on April 20, 2020.

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, 2020.

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 is fully mobilized to address the deteriorating world health and economic situation caused by the rapid spread of Covid-19 in many countries:

- the Group's priority is to protect the health and safety of its employees, in particular by rigorously applying the recommendations of local authorities and the World Health Organization;

- the Group is focused on providing the best possible service to customers, whose business is essential to the functioning of the economy;
- backed by a proven model, the Group is working very actively to protect its profitability and free cash flow.

Against this deteriorating and uncertain backdrop, Legrand announced that it is suspending the 2020 targets it published last February.

NOTE 3 - CHANGES IN THE SCOPE OF CONSOLIDATION

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2018 were as follows:

2019	March 31	June 30	September 30	December 31
Full consolidation method				
Debflex	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Netatmo	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Trical	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Universal Electric		Balance sheet only	6 months' profit	9 months' profit
Connectrac				Balance sheet only
Jobo Smartech				Balance sheet only

2020	March 31
Full consolidation method	
Debflex	3 months' profit
Netatmo	3 months' profit
Trical	3 months' profit
Universal Electric	3 months' profit
Connectrac	3 months' profit
Jobo Smartech	Balance sheet only
Focal Point	Balance sheet only

The main acquisition carried out in the first three months of 2020 was Focal point. A front-runner in the United States for specification-grade architectural lighting for non-residential buildings, Focal Point reports annual sales of over \$200 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €484.8 million in in the first three months of 2020.

NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	March 31, 2020	December 31, 2019
Purchased raw materials and components	354.6	342.5
Sub-assemblies, work in progress	109.0	103.3
Finished products	533.1	550.0
Gross value at the end of the period	996.7	995.8
Impairment	(144.3)	(143.2)
Net value at the end of the period	852.4	852.6

NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	March 31, 2020	December 31, 2019
Trade receivables	801.7	842.0
Impairment	(85.7)	(85.2)
NET VALUE AT THE END OF THE PERIOD	716.0	756.8

NOTE 6 - SHARE CAPITAL

Share capital as of March 31, 2020 amounted to €1,069,790,984 represented by 267,447,746 ordinary shares with a par value of €4 each, for 267,447,746 theoretical voting rights and 267,059,660 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 2020 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2018	267,276,128	4	1,069,104,512	546,716,790
Exercise of options under the 2010 plan	436,618	4	1,746,472	7,474,900
Cancellation of shares	(265,000)	4	(1,060,000)	(15,126,920)
As of March 31, 2020	267,447,746	4	1,069,790,984	539,064,770

As of March 31, 2020, the Group held 388,086 shares in treasury, versus 313,406 shares as of December 31, 2019, i.e. 74,680 additional shares corresponding to:

- the net acquisition of 167,509 shares outside of the liquidity contract at a cost of €9.2 million;
- the cancellation of 265,000 shares;

- the net purchase of 172,171 shares under the liquidity contract that led to a cash outflow of €10.7 million.

Among the 388,086 shares held in treasury by the Group, 176,302 shares have been allocated for performance share plans, and 211,784 shares are held under the liquidity contract.

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, 2020	December 31, 2019
Bonds	2,900.0	2,900.0
Yankee bonds	355.8	347.2
Lease financial liabilities	266.0	258.1
Other borrowings	75.3	89.2
Long-term borrowings excluding debt issuance costs	3,597.1	3,594.5
Debt issuance costs	(18.4)	(19.1)
TOTAL	3,578.7	3,575.4

7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	March 31, 2020	December 31, 2019
Negotiable commercial paper	700.0	500.0
Lease financial liabilities	64.2	61.7
Other borrowings*	349.9	54.5
TOTAL	1,114.1	616.2

*Including the Credit Facility drawdown carried out in March 2020 for €296.7 million out of a total available amount of €900.0 million.

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, 2020	Cash _____ Variations not impacting cash flows					December 31, 2019
		Cash flows	Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	3,578.7	0.0	0.2	(30.2)	6.1	27.2	3,575.4
Short-term borrowings	1,114.1	470.3	0.3	30.2	(1.1)	(1.8)	616.2
Gross financial debt	4,692.8	470.3	0.5	0.0	5.0	25.4	4,191.6

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, Saudi Arabia and South America (including 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, 2020

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	663.2 ⁽¹⁾	613.7 ⁽²⁾	238.8	1,515.7
Cost of sales	(288.6)	(295.3)	(130.2)	(714.1)
Administrative and selling expenses, R&D costs	(233.9)	(216.0)	(71.9)	(521.8)
Other operating income (expenses)	(11.9)	(20.4)	12.5	(19.8)
Operating profit	128.8	82.0	49.2	260.0
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(5.3)	(17.6)	(2.4)	(25.3)
· accounted for in other operating income (expenses)		2.7		2.7
- of which goodwill impairment				0.0
Adjusted operating profit	134.1	96.9	51.6	282.6
- of which depreciation expense	(16.4)	(5.9)	(5.9)	(28.2)
- of which amortization expense	(2.3)	(0.5)	(0.1)	(2.9)
- of which amortization of development costs	(6.6)	0.0	(0.3)	(6.9)
- of which amortization of right-of-use assets	(6.8)	(6.2)	(4.9)	(17.9)
- of which restructuring costs	(3.9)	(11.1)	13.8	(1.2)
Capital expenditure	(11.8)	(2.8)	(2.2)	(16.8)
Capitalized development costs	(6.3)	0.0	(0.4)	(6.7)
Net tangible assets	419.9	136.3	121.2	677.4
Total current assets	2,273.8	719.8	665.7	3,659.3
Total current liabilities	1,755.7	357.4	353.1	2,466.2

(1) Of which France: €243.6 million.

(2) Of which United States: €567.7 million.

3 months ended March 31, 2019

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	677.0 ⁽¹⁾	578.0 ⁽²⁾	295.0	1,550.0
Cost of sales	(299.8)	(278.7)	(167.2)	(745.7)
Administrative and selling expenses, R&D costs	(220.7)	(199.1)	(77.3)	(497.1)
Other operating income (expenses)	(7.5)	(11.0)	(2.8)	(21.3)
Operating profit	149.0	89.2	47.7	285.9
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(2.0)	(15.0)	(2.3)	(19.3)
· accounted for in other operating income (expenses)	0.0	0.0	0.0	0.0
- of which goodwill impairment				0.0
Adjusted operating profit	151.0	104.2	50.0	305.2
- of which depreciation expense	(15.0)	(5.4)	(5.5)	(25.9)
- of which amortization expense	(2.1)	(0.5)	(0.2)	(2.8)
- of which amortization of development costs	(5.6)	0.0	(0.4)	(6.0)
- of which amortization of right-of-use assets	(6.2)	(5.7)	(4.5)	(16.4)
- of which restructuring costs	(2.3)	(2.0)	1.0	(3.3)
Capital expenditure	(16.2)	(3.0)	(2.1)	(21.3)
Capitalized development costs	(7.7)	0.0	(0.3)	(8.0)
Net tangible assets	393.2	117.9	127.1	638.2
Total current assets	1,249.5	1,074.5	764.4	3,088.4
Total current liabilities	1,124.4	308.7	393.3	1,826.4

(1) Of which France: €250.5 million.

(2) Of which United States: €531.7 million.

NOTE 9 - SUBSEQUENT EVENTS

Readers should refer to Note 2 on significant events for the period. No significant event occurred between March 31, 2020 and the date when the consolidated financial statements were prepared.