PRESS RELEASE

Limoges, July 30, 2021

2021 first-half results

Strong growth in sales and financial results in first half

Organic rise in sales: +22.6%

Adjusted operating margin: 22.0% of sales

Rise in net profit: +68%

Full-year 2021 targets revised

2 new acquisitions announced[1]

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

"Legrand reported first-half 2021 revenues of €3.5 billion, rising a steep +21.9% year on year and +7.0% over two years. This performance was driven primarily by organic growth in sales of +22.6% from the first half of 2020, or +3.9% over two years, and it confirmed:

- *continued improvements in Legrand's competitive positions in its markets; and*
- *our capacity to take full advantage of opportunities for growth in buoyant segments linked to the buildings of tomorrow.*

Adjusted operating margin came to 22.0% of sales. Net profit also increased by a very good +68% from the first half of 2020.

These high-quality results and the success of initiatives deployed since the beginning of the health crisis testify to the relevance of Legrand's unique model for profitable and responsible value creation.

Our Group has continued to strengthen its fundamentals by investing in innovation – including roll-out of a host of new products since the beginning of the year, among them the Classe 300 EOS with Netatmo connected door entry system and the wireless and battery-less connected switch – and announcing two new acquisitions in our core businesses as well as in electric mobility. We have also confirmed our ESG commitments with the publication of our latest materiality survey results and the SBTi[2]'s recent validation of our carbon emissions reduction trajectory, which is aligned on holding global warming to 1.5°C[3]."

[1] Subject to standard conditions precedent for the acquisition of Ensto Building Systems.
[2] The Science-Based Targets initiative (SBTi) creates a clearly-defined path and ambitious targets for private-sector businesses to limit global warming. For more information, visit https://sciencebasedtargets.org
[3] For more information, readers are referred to the press release dated July 2, 2020.

Full-year 2021 targets revised[1]

Given very good first-half showings, but also a persistently uncertain health environment and strong and rising pressure on upstream supply chains, Legrand is now aiming for the following full-year targets:

- organic growth in sales of at least +10%;
- a scope of consolidation effect of +3%;
- an adjusted operating margin of about 20% of sales (including acquisitions consolidated in 2021).

The Group also aims to achieve at least 100% of its CSR roadmap for 2021, testifying to its ongoing deployment of a bold and exemplary ESG approach, with a particular focus on the fight against global warming and the promotion of diversity.

[1] For more information, readers are referred to the press releases dated May 6, 2021 and February 11, 2021.

Financial performance at June 30, 2021

Key figures

Consolidated data (€ millions)[(1)]	1st half 2020	1st half 2021	Change
Sales	2,832.6	3,453.4	+21.9%
Adjusted operating profit	496.9	761.4	+53.2%
As % of sales	*17.5%*	*22.0%* *22.4% before acquisitions*[(2)]	
Operating profit	449.8	716.2	+59.2%
As % of sales	*15.9%*	*20.7%*	
Net profit attributable to the Group	285.7	481.3	+68.5%
As % of sales	*10.1%*	*13.9%*	
Normalized free cash flow	469.7	577.4	+22.9%
As % of sales	*16.6%*	*16.7%*	
Free cash flow	258.9	571.3	+120.7%
As % of sales	*9.1%*	*16.5%*	
Net financial debt at June 30	3,109.1	2,545.3	-18.1%

(1) See appendices to this press release for definitions and indicator reconciliation tables.

(2) At 2020 scope of consolidation.

Consolidated sales

In the first half of 2021, sales rose +21.9% from the first half of 2020 to total €3,453.4 million.

Organic growth was +22.6% over the period, including +19.4% in mature countries and +32.8% in new economies.

The impact of the broader scope of consolidation was +4.6%. Based on acquisitions completed in 2020 and their dates of consolidation, this effect is expected to reach +2.5% full year.

The exchange-rate effect on sales in the first half of 2021 was -4.9%. Based on average exchange rates in June 2021, the full-year exchange-rate effect on sales should be about -3% in 2021.

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

	1st half 2021 / 1st half 2020	2nd quarter 2021 / 2nd quarter 2020
Europe	+30.6%	+52.4%
North and Central America	+11.7%	+18.7%
Rest of the world	+31.0%	+32.3%
Total	**+22.6%**	**+33.3%**

These changes are analyzed below by geographical region:

- **Europe** (42.5% of Group revenue): organic growth was +30.6% in the first half of 2021.

In Europe's mature countries (36.7% of Group revenue), sales rose +32.1%, with organic growth of +55.6% in the second quarter alone. In the first six months of the year, many countries – in particular France and Italy – reported sales up sharply from 2020. While benefiting from favorable bases for comparison, these gains reflect many commercial successes; including user interfaces and power protection solutions in France, connected offerings in Italy, and, more broadly, datacenter ranges in Europe.

Sales in Europe's new economies were up +23.0% organically from the first half of 2020, and up +36.2% in the second quarter alone, with very good showings in Turkey and in most countries in Eastern Europe.

- **North and Central America** (37.7% of Group revenue): sales increased +11.7% in the first half of 2021 at constant scope of consolidation and exchange rates.

In the United States alone (34.5% of Group revenue), the organic rise in sales was +9.9% over the first half of the year and +15.3% in the second quarter alone. Since the beginning of the year, business has been driven by sustained demand in residential offerings and in datacenters. Sales in other non-residential applications were nearly unchanged over the first half from the first half of 2020.

Sales rose sharply in both Mexico and Canada in the first half.

- **Rest of the world** (19.8% of Group revenue): first-half sales marked an organic rise of +31.0% from the first half of 2020.

In Asia-Pacific (12.4% of Group revenue), 2021 first-half sales rose +27.4%, including +19.1% in the second quarter. Over the six-month period, China saw double-digit growth. In India, sales rose sharply but were nonetheless down over 2 years against a deteriorated pandemic background. Sales rose in Australia.

In Africa and the Middle East (3.7% of Group revenue), sales rose +22.5% from the first half of 2020, and were up +26.2% from the second quarter of 2020. Over the six-month period, sales rose in the Middle East and marked a very steep increase in Africa.

In South America (3.6% of Group revenue), sales increased +55.6% in the first half and were up +126.4% in the second quarter, with significant growth in main countries in the region.

Adjusted operating profit and margin

In the first half of 2021, adjusted operating profit came to €761.4 million, up +53.2%, setting adjusted operating margin at 22.0% of sales over the period.

Before acquisitions (at 2020 scope of consolidation), adjusted operating margin reached 22.4% in the first half of 2021, a +4.9 points rise from the first half of 2020.

This increase in profitability reflected in particular leverage linked to the combined impact of strong sales growth and a selective resumption of costs. At the same time, the rise in raw material and component costs continued to accelerate. It was close to +4% in the first quarter of 2021 and over +9% in the second quarter of 2021.

Net profit attributable to the Group

In the first half of 2021, net profit attributable to the Group increased +68.5% and stood at €481.3 million. This €195.6 million increase from the first half of 2020 came mainly from:

- strong growth in operating profit (+€266 million);
- favorable trends (+€6 million) in financial results; and
- the increase (-€77 million) in the Group's corporate income tax linked to the rise in profit before tax (the corporate tax rate was stable at 28.5% in the first half of 2021).

Cash generation and balance sheet structure

Cash flow from operations – €697.8 million – came to 20.2% of 2021 first-half sales, a rise of +4.5 points from the same period of 2020.

Normalized free cash flow stood at €577.4 million or 16.7% of sales, up +22.9%.

Rising steeply from 2020, free cash flow stood at 16.5% of sales in the first half of 2021.

The balance sheet remained solid with the ratio of net debt to EBITDA[1] at 1.5 at the end of June 2021.

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

2 New acquisitions announced

Following three acquisitions announced in early 2021[1] (Champion One, Compose and Borri), Legrand is continuing its strategy of targeted external growth with two new acquisitions announced today:

- Ensto Building Systems[2], the Finnish leader in low-voltage solutions, offers a comprehensive range of electrical and digital infrastructure products – from enclosures and boxes to user interfaces, heating controls, lighting, cable trays, charging stations for electric vehicles and more. This acquisition significantly strengthens Legrand's presence in Northern Europe, specifically Scandinavia, and rounds out the Group's existing strong positions in Southern and Eastern Europe. Based in Porvoo (Finland), Ensto Building Systems has some 500 employees and annual revenues of around €120 million; and
- Ecotap, a front-running Dutch specialist in alternating and direct-current electric vehicle chargers for homes, businesses and public charging points. Based in Boxtel (Netherlands), Ecotap has a workforce of around 60 and expects to report 2021 revenues of around €40 million, generated primarily in the Netherlands and in Germany.

These two new acquisitions strengthen Group positions both in core businesses and in segments driven by the rise in green mobility and the fight against climate change.

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[1] For more information, readers are referred to the press release dated February 11, 2021.
[2] Subject to standard conditions precedent.

The consolidated financial statements for the first half of 2021 that were subject of a limited review by the Group's auditors were adopted by the Board of Directors at its meeting on July 29, 2021. These consolidated financial statements, a presentation of 2021 first-half results and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES:

- Capital Markets Day: **September 22, 2021**
- 2021 nine-month results: **November 4, 2021**
  "Quiet period[1]" starts October 5, 2021
- 2021 annual results: **February 10, 2022**
  "Quiet period[1]" starts January 11, 2022
- General Meeting of Shareholders*:* **May 25, 2022**

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. The Group harnesses technological and societal trends with lasting impacts on buildings with the purpose of improving life by transforming the spaces where people live, work and meet with electrical, digital infrastructures and connected solutions that are simple, innovative and sustainable. 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 €6.1 billion in 2020. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 and CAC 40 ESG indexes. (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 and right of use assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.

ESG: Environmental, Societal and Governance.

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	H1 2020	H1 2021
Trade receivables	731.1	789.2
Inventories	879.7	987.6
Other current assets	224.9	230.2
Income tax receivables	60.5	63.6
Short-term deferred taxes assets/(liabilities)	90.8	106.7
Trade payables	(549.1)	(763.8)
Other current liabilities	(612.9)	(695.7)
Income tax payables	(41.5)	(43.4)
Short-term provisions	(119.7)	(140.9)
Working capital requirement	**663.8**	**533.5**

Calculation of net financial debt

In € millions	H1 2020	H1 2021
Short-term borrowings	1,625.6	1,641.9
Long-term borrowings	4,154.7	3,869.2
Cash and cash equivalents	(2,671.2)	(2,965.8)
Net financial debt	**3,109.1**	**2,545.3**

Reconciliation of adjusted operating profit with profit for the period

In € millions	H1 2020	H1 2021
Profit for the period	**285.8**	**481.2**
Share of profits (losses) of equity-accounted entities	0.9	0.0
Income tax expense	114.3	191.7
Exchange (gains) / losses	6.5	0.9
Financial income	(3.6)	(3.3)
Financial expense	45.9	45.7
Operating profit	**449.8**	**716.2**
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	47.1	45.2
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**496.9**	**761.4**

Reconciliation of EBITDA with profit for the period

In € millions	H1 2020	H1 2021
Profit for the period	**285.8**	**481.2**
Share of profits (losses) of equity-accounted entities	0.9	0.0
Income tax expense	114.3	191.7
Exchange (gains) / losses	6.5	0.9
Financial income	(3.6)	(3.3)
Financial expense	45.9	45.7
Operating profit	**449.8**	**716.2**
Depreciation and impairment of tangible assets (including right-of-use assets)	92.4	88.9
Amortization and impairment of intangible assets (including capitalized development costs)	65.1	61.6
Impairment of goodwill	0.0	0.0
EBITDA	**607.3**	**866.7**

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

In € millions	H1 2020	H1 2021
Profit for the period	**285.8**	**481.2**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	159.1	152.3
Changes in other non-current assets and liabilities and long-term deferred taxes	34.0	64.3
Unrealized exchange (gains)/losses	(15.7)	3.6
(Gains)/losses on sales of assets, net	(15.9)	(3.4)
Other adjustments	(1.6)	(0.2)
Cash flow from operations	**445.7**	**697.8**
Decrease (Increase) in working capital requirement	(161.6)	(76.1)
Net cash provided from operating activities	**284.1**	**621.7**
Capital expenditure (including capitalized development costs)	(46.0)	(58.7)
Net proceeds from sales of fixed and financial assets	20.8	8.3
Free cash flow	**258.9**	**571.3**
Increase (Decrease) in working capital requirement	161.6	76.1
(Increase) Decrease in normalized working capital requirement	49.2	(70.0)
Normalized free cash flow	**469.7**	**577.4**

Scope of consolidation

2020	Q1	H1	9M	Full year
Full consolidation method				
Jobo Smartech	Balance sheet only	6 months	9 months	12 months
Focal Point	Balance sheet only	Balance sheet only	7 months	10 months
Borri[1]				Balance sheet only
Champion One				Balance sheet only
Compose				Balance sheet only

2021	Q1	H1	9M	Full year
Full consolidation method				
Jobo Smartech	3 months	6 months	9 months	12 months
Focal Point	3 months	6 months	9 months	12 months
Borri[1]	3 months	6 months	9 months	12 months
Champion One	Balance sheet only	6 months	9 months	12 months
Compose	Balance sheet only	6 months	9 months	12 months
Ensto Building Systems[2]			To be determined	To be determined
Ecotap			To be determined	To be determined

[1] Borri, an Italian UPS specialist, which was until 2020 consolidated on the equity method.
[2] Subject to standard conditions precedent.

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 Universal 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.

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