

Limoges, July 29, 2022

2022 first-half results**Strong growth in sales: +18.5%**

including organic growth: +10.9%

**Very solid results despite an unstable
and highly inflationary environment**

Adjusted operating margin: 20.5% of sales

Rise in net profit: +13.9%

2 new bolt-on acquisitions in datacenters announced**2022 full-year target for sales raised**

Total growth at constant exchange rates: +9% to +12%

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

"Over the first six months of the year, Legrand reported good results characterized by sustained growth and high profitability.

Sales, which totaled over €4 billion, grew by +18.5%, buoyed by sustained organic growth (+10.9%). Our adjusted operating margin stood at 20.5% of sales, confirming healthy resistance despite a particularly unstable and inflationary environment. Net profit grew by +13.9%.

In an increasingly uncertain economy, our Group is laying the groundwork to:

- first, seize any growth opportunities that arise by leveraging the quality of our positioning in segments structurally driven by digitalization and energy savings (these include datacenters, energy efficiency solutions and connected products); by continuing to invest in innovation; and by pursuing our bolt-on acquisitions policy;

- second, limit the impact of an economic slowdown on our performance, thanks in particular to an ongoing optimization of our cost base, our intact pricing power, and teams that are quick to respond and fully in tune with their markets."



2022 full-year targets revised¹

In 2022, Legrand is pursuing its strategy of profitable and responsible development laid out in its strategic roadmap².

Taking into account notable achievements in the first half of 2022 and the current macroeconomic outlook, Legrand has revised the full-year targets it set for 2022, and is now aiming for:

- growth in sales at constant exchange rates raised and now anticipated between +9% and +12% (compared to between +5% and +11% previously), with (i) organic growth of between +6% and +9% (compared to between +3% and +7% previously) and (ii) a scope of consolidation effect of around +3% (compared to between +2% and +4% previously);
- an adjusted operating margin of about 20% of sales, with (i) a margin of between 19.9% and 20.7% before acquisitions (at 2021 scope of consolidation) and (ii) dilution from acquisitions of between -20 and -40 basis points.

The Group also aims to reach around 100% of CSR achievement for the first year of its 2022-2024 roadmap, testifying to its bold and exemplary approach to ESG.

¹ For more information, see Legrand press releases dated February 10 and May 5, 2022.

² For more information, see Legrand press release dated September 22, 2021.

Financial performance at June 30, 2022
Key figures

Consolidated data (€ millions)⁽¹⁾	1st half 2021	1st half 2022	Change
Sales	3,453.4	4,092.4	+18.5%
Adjusted operating profit	761.4	837.8	+10.0%
<i>As % of sales</i>	22.0%	20.5%	
		<i>20.8% before acquisitions⁽²⁾</i>	
Operating profit	716.2	789.4	+10.2%
<i>As % of sales</i>	20.7%	19.3%	
Net profit attributable to the Group	481.3	548.1	+13.9%
<i>As % of sales</i>	13.9%	13.4%	
Normalized free cash flow	577.4	688.2	+19.2%
<i>As % of sales</i>	16.7%	16.8%	
Free cash flow	571.3	320.9	-43.8%
<i>As % of sales</i>	16.5%	7.8%	
Net financial debt at June 30	2,545.3	2,861.8	+12.4%

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

(2) At 2021 scope of consolidation.

Consolidated sales

In the first half of 2022, sales rose a total of +18.5% from the same period of 2021, reaching €4,092 million.

Organic growth in sales was +10.9% over the period, including +10.0% in mature countries and +13.6% in new economies. This trend reflects many commercial successes, Legrand's pricing power, and a still very active management of the supply chain, which remained under strong pressure in the second quarter, particularly for electronic components.

The impact of the broader scope of consolidation was +2.4%. Based on acquisitions completed and their likely dates of consolidation, this impact should be around +3% for the full year.

The exchange-rate effect on sales in the first half of 2022 was +4.4%. Based on the monthly average exchange rates of June 2022 alone, the full-year exchange-rate effect on sales should be close to +4.5% in 2022.

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

	1st half 2022 / 1st half 2021	2nd quarter 2022 / 2nd quarter 2021
Europe	+11.3%	+9.7%
North and Central America	+11.2%	+11.2%
Rest of the world	+9.7%	+11.7%
Total	+10.9%	+10.7%

These changes are analyzed below by geographical region:

- **Europe** (41.5% of Group revenue): growth at constant scope of consolidation and exchange rates was +11.3% in the first half of 2022.

In Europe's mature countries (35.9% of Group revenue), sales rose organically by +9.5% in the first half of 2022, including +9.1% in the second quarter alone.

Sales in Europe's new economies rose +22.5% in the first half. In the second quarter alone, sales grew +13.8%, negatively impacted by the conflict between Russia and Ukraine. Together, these two countries accounted for around 2% of Group sales in full-year 2021.

- **North and Central America** (39.1% of Group revenue): sales increased +11.2% from the first half of 2021 at constant scope of consolidation and exchange rates.

In the United States alone (35.8% of Group revenue), sales showed an organic rise of +11.3% in the first six months of the year, including +11.6% in the second quarter alone. The increase throughout the first half remained driven by marked growth in sales of non-residential applications in particular.

Over the first half, sales were almost unchanged in Canada, and up sharply in Mexico.

- **Rest of the world** (19.4% of Group revenue): sales marked an organic rise of +9.7% in the first half of 2022.

In Asia-Pacific (12.6% of Group revenue), sales rose +12.2% in the first half of the year and +16.0% in the second quarter. This good momentum reflects very sustained growth in India, compensating a decline recorded in China.

In Africa and the Middle East (3.5% of Group revenue), sales were up +9.8% in the first six months of the year and +14.6% in the second quarter. Over six months, sales trends were upbeat at comparable levels in Africa and Middle East, with many countries recording strong double-digit growth.

In South America (3.3% of Group revenue), sales edged up +0.9% in the first half, with a -5.9% decline in the second quarter that was linked in particular to Brazil.

Adjusted operating profit and margin

Adjusted operating profit for the first half of 2022 was €838 million, up +10.0% from the first half of 2021. Adjusted operating margin thus stood at 20.5% of sales for the period.

Before acquisitions (at 2021 scope of consolidation), adjusted operating margin reached 20.8% of sales in the first half of 2022, down -1.2 points compared with the first half of 2021.

In a lasting strongly inflationary environment (including a rise of around +17% for raw material and components in the first half of the year), persistently high profitability reflects the Group's efficient management of both expenses and sales pricing.

Net profit attributable to the Group

Net profit attributable to the Group rose +13.9% from the same period of 2021 to total €548 million. This €67 million increase results primarily from:

- a rise in operating profit (+€73 million);
- a favourable trend (+€5 million) in financial and foreign-exchange results; and
- a rise in corporate income tax (-€11 million).

Cash generation and balance sheet structure

Cash flow from operations stood at €787 million, i.e., 19.2% of first-half 2022 sales, down -1.0 point from the first half of 2021.

Representing 16.8% of sales in the first six months of the year, i.e., €688 million, normalized free cash flow grew +19.2% from the first half of 2021.

Free cash flow was equal to 7.8% of sales for the period, including continued strengthened coverage of inventories to serve Group customers best.

The ratio of net debt to EBITDA¹ was 1.6 at June 30, 2022.

2 new bolt-on acquisitions in datacenters announced

Following the acquisition of Emos announced in early 2022², Legrand is continuing its strategy of targeted external growth with two new acquisitions announced today:

- Usystems, a specialist in datacenter solutions. Usystems' portfolio of cooling solutions and racks helps its clients reduce their datacenter energy bills and therefore their carbon footprint. Founded in 2003 and based in Bedford in the United Kingdom, the company has some 70 employees and recorded annual sales of around €11 million, including 50% in the United States; and
- Voltadis³, a French player in datacenter services. From design to commissioning, including equipment supply and installation, Voltadis offers comprehensive support in defining tailored electrical power supply systems for datacenters' grey rooms. Based in Cournon d'Auvergne, France, the company has some 20 employees and annual sales of around €13 million.

These two new acquisitions strengthen Legrand's positions in added-value solutions for datacenters, a field buoyed by the rise in data flows.

¹ Based on EBITDA for the past 12 months.

² For more information, see Legrand press release dated February 10, 2022.

³ Subject to standard conditions precedent.

The consolidated financial statements for the first half of 2022 that were subject of a limited review by the Group's auditors were adopted by the Board of Directors at its meeting on July 28, 2022. These consolidated financial statements, a presentation of 2022 first-half results, and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES:

- 2022 nine-month results: **November 3, 2022**
“Quiet period¹” starts October 4, 2022
- 2022 annual results: **February 9, 2023**
“Quiet period¹” starts January 10, 2023
- General Meeting of Shareholders: **May 31, 2023**

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 responsible growth driven by acquisitions and innovation, with a steady flow of new offerings—including products with enhanced value in use (faster expanding segments: datacenters, connected offerings and energy efficiency programs). Legrand reported sales of €7.0 billion in 2021. 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>

Investor relations

Legrand
Ronan Marc
Tel: +33 (0)1 49 72 53 53
ronan.marc@legrand.com

Press relations

TBWA Corporate
Tiphaine Raffray
Mob: +33 (0)6 58 27 78 98
tiphaine.raffray@tbwa-corporate.com

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 2021	H1 2022
Trade receivables	789.2	1,058.1
Inventories	987.6	1,459.6
Other current assets	230.2	270.5
Income tax receivables	63.6	117.8
Short-term deferred taxes assets/(liabilities)	106.7	102.4
Trade payables	(763.8)	(908.6)
Other current liabilities	(695.7)	(782.5)
Income tax payables	(43.4)	(55.0)
Short-term provisions	(140.9)	(128.9)
Working capital required	533.5	1,133.4

Calculation of net financial debt

In € millions	H1 2021	H1 2022
Short-term borrowings	1,641.9	1,075.0
Long-term borrowings	3,869.2	4,456.7
Cash and cash equivalents	(2,965.8)	(2,669.9)
Net financial debt	2,545.3	2,861.8

Reconciliation of adjusted operating profit with profit for the period

In € millions	H1 2021	H1 2022
Profit for the period	481.2	548.4
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	191.7	202.9
Exchange (gains) / losses	0.9	(0.6)
Financial income	(3.3)	(5.1)
Financial expense	45.7	43.8
Operating profit	716.2	789.4
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	45.2	48.4
Impairment of goodwill	0.0	0.0
Adjusted operating profit	761.4	837.8

Reconciliation of EBITDA with profit for the period

In € millions	H1 2021	H1 2022
Profit for the period	481.2	548.4
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	191.7	202.9
Exchange (gains) / losses	0.9	(0.6)
Financial income	(3.3)	(5.1)
Financial expense	45.7	43.8
Operating profit	716.2	789.4
Depreciation and impairment of tangible assets (including right-of-use assets)	88.9	97.7
Amortization and impairment of intangible assets (including capitalized development costs)	61.6	65.1
Impairment of goodwill	0.0	0.0
EBITDA	866.7	952.2

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

In € millions	H1 2021	H1 2022
Profit for the period	481.2	548.4
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	152.3	164.6
Changes in other non-current assets and liabilities and long-term deferred taxes	64.3	68.7
Unrealized exchange (gains)/losses	3.6	5.2
(Gains)/losses on sales of assets, net	(3.4)	0.0
Other adjustments	(0.2)	0.0
Cash flow from operations	697.8	786.9
Decrease (Increase) in working capital requirement	(76.1)	(406.5)
Net cash provided from operating activities	621.7	380.4
Capital expenditure (including capitalized development costs)	(58.7)	(61.5)
Net proceeds from sales of fixed and financial assets	8.3	2.0
Free cash flow	571.3	320.9
Increase (Decrease) in working capital requirement	76.1	406.5
(Increase) Decrease in normalized working capital requirement	(70.0)	(39.2)
Normalized free cash flow	577.4	688.2

Scope of consolidation

2021	Q1	H1	9M	Full year
Full consolidation method				
Champion One	Balance sheet only	6 months	9 months	12 months
Compose	Balance sheet only	6 months	9 months	12 months
Ecotap			Balance sheet only	6 months
Ensto Building Systems				2 months
Geiger				Balance sheet only

2022	Q1	H1	9M	Full year
Full consolidation method				
Champion One	3 months	6 months	9 months	12 months
Compose	3 months	6 months	9 months	12 months
Ecotap	3 months	6 months	9 months	12 months
Ensto Building Systems	3 months	6 months	9 months	12 months
Geiger	Balance sheet only	6 months	9 months	12 months
Emos	Balance sheet only	Balance sheet only	To be determined	To be determined
Usystems		Balance sheet only	To be determined	To be determined
Voltadis ¹			To be determined	To be determined

¹ 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 most recent version of 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.

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.