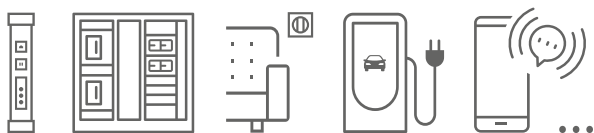


TOGETHER IMPROVING LIVES

2023 Consolidated financial
information
as of December 31



08

Consolidated financial information concerning the Group's assets, liabilities, financial position and results

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8.1 - Consolidated financial statements in accordance with IFRS for the years ended December 31, 2023 and December 31, 2022

8.1.1 - Consolidated statement of income

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Net sales (Notes 2.1 and 2.2)	8,416.9	8,339.4
Operating expenses (Note 2.3)		
Cost of sales	(4,018.0)	(4,192.7)
Administrative and selling expenses	(2,196.2)	(2,054.6)
Research and development costs	(376.3)	(357.4)
Other operating income (expenses)	(234.8)	(288.2)
Operating profit	1,591.6	1,446.5
Financial expenses	(121.0)	(108.6)
Financial income	87.6	45.8
Exchange gains (losses)	(8.6)	(0.4)
Financial profit (loss)	(42.0)	(63.2)
Profit before tax	1,549.6	1,383.3
Income tax expense (Note 2.4)	(401.1)	(383.8)
Share of profits (losses) of equity-accounted entities	0.0	0.0
Profit for the period	1,148.5	999.5
Of which:		
– Net profit attributable to the Group	1,148.5	999.5
– Minority interests	0.0	0.0
Basic earnings per share (<i>euros</i>) (Note 4.1.3)	4.333	3.749
Diluted earnings per share (<i>euros</i>) (Note 4.1.3)	4.304	3.726

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.2 - Consolidated statement of comprehensive income

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Profit for the period	1,148.5	999.5
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	(129.1)	291.5
Other (Note 5.1.1.1)	(6.5)	56.3
Income tax relating to components of other comprehensive income	(2.5)	4.9
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses (Note 4.5.1.1)	(10.1)	26.5
Deferred taxes on items that will not be reclassified to profit or loss	2.7	(6.2)
Other (Note 5.1.1.1)	0.0	0.0
Comprehensive income for the period	1,003.0	1,372.5
Of which:		
– Comprehensive income attributable to the Group	1,002.6	1,372.4
– Minority interests	0.4	0.1

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.3 - Consolidated balance sheet

ASSETS

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Non-current assets		
Intangible assets (Note 3.1)	2,436.9	2,534.7
Goodwill (Note 3.2)	5,476.2	5,567.4
Property, plant and equipment (Note 3.3)	848.3	746.0
Right-of-use assets (Note 3.4)	260.8	266.2
Investments in equity-accounted entities	0.0	0.0
Other investments	27.7	1.9
Other non-current assets	145.5	62.1
Deferred tax assets (Note 4.7)	141.0	133.6
TOTAL NON-CURRENT ASSETS	9,336.4	9,311.9
Current assets		
Inventories (Note 3.5)	1,222.3	1,357.4
Trade receivables (Note 3.6)	969.9	958.1
Income tax receivables	192.7	120.5
Other current assets (Note 3.7)	302.9	255.4
Other current financial assets	1.8	65.1
Cash and cash equivalents (Note 3.8)	2,815.4	2,346.8
TOTAL CURRENT ASSETS	5,505.0	5,103.3
TOTAL ASSETS	14,841.4	14,415.2

The accompanying Notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Equity		
Share capital (Note 4.1)	1,056.1	1,067.3
Retained earnings (Notes 4.2 and 4.3.1)	6,126.5	5,900.3
Translation reserves (Note 4.3.2)	(459.9)	(330.4)
Equity attributable to equity holders of Legrand	6,722.7	6,637.2
Minority interests	12.0	5.6
TOTAL EQUITY	6,734.7	6,642.8
Non-current liabilities		
Long-term provisions (Notes 4.4 and 4.5.2)	176.8	217.4
Provisions for post-employment benefits (Note 4.5.1)	136.2	130.1
Long-term borrowings (Note 4.6.1)	4,089.0	4,014.4
Deferred tax liabilities (Note 4.7)	930.3	914.6
TOTAL NON-CURRENT LIABILITIES	5,332.3	5,276.5
Current liabilities		
Trade payables	936.5	852.5
Income tax payables	61.9	48.6
Short-term provisions (Note 4.4)	153.9	146.4
Other current liabilities (Note 4.8)	888.1	795.1
Short-term borrowings (Note 4.6.2)	732.3	651.3
Other current financial liabilities	1.7	2.0
TOTAL CURRENT LIABILITIES	2,774.4	2,495.9
TOTAL EQUITY AND LIABILITIES	14,841.4	14,415.2

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.4 - Consolidated statement of cash flows

(in € millions)	12 months ended	
	December 31, 2023	December 31, 2022
Profit for the period	1,148.5	999.5
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets (Note 2.3)	126.2	162.4
– Amortization and impairment of intangible assets (Note 2.3)	129.4	114.7
– Amortization and impairment of capitalized development costs (Note 2.3)	36.8	31.9
– Amortization and impairment of right-of-use assets (Note 3.4)	77.7	75.2
– Amortization of financial expenses	3.8	3.6
– Impairment of goodwill (Note 3.2)	0.0	28.2
– Changes in long-term deferred taxes	12.4	12.6
– Changes in other non-current assets and liabilities (Notes 4.4 and 4.5)	2.8	68.3
– Unrealized exchange (gains)/losses	4.8	(7.1)
– Share of (profits) losses of equity-accounted entities	0.0	0.0
– Other adjustments	14.0	(4.1)
– Net (gains)/losses on sales of activities and assets	44.1	(0.6)
Changes in working capital requirement:		
– Inventories (Note 3.5)	123.9	(47.6)
– Trade receivables (Note 3.6)	43.1	(157.8)
– Trade payables	30.0	(13.7)
– Other operating assets and liabilities (Notes 3.7 and 4.8)	38.9	(29.3)
Net cash from operating activities	1,836.4	1,236.2
– Net proceeds from sales of fixed and financial assets	1.7	5.0
– Capital expenditure (Notes 3.1 and 3.3)	(222.5)	(177.6)
– Capitalized development costs	(30.8)	(28.1)
– Changes in non-current financial assets and liabilities	(69.1)	(27.2)
– Acquisitions and disposals of subsidiaries, net of cash (Note 1.4.2)	(92.6)	(235.6)
Net cash from investing activities	(413.3)	(463.5)
– Proceeds from issues of share capital and premium (Note 4.1.1)	0.0	0.0
– Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)	(439.4)	(44.6)
– Dividends paid to equity holders of Legrand (Note 4.1.3)	(504.0)	(439.3)
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing (Note 4.6)	700.0	100.0
– Repayment of long-term financing* (Note 4.6)	(79.6)	(106.9)
– Debt issuance costs	(3.3)	0.0
– Increase / (reduction) in short-term financing (Note 4.6)	(555.7)	(740.3)
– Acquisitions of ownership interests with no gain of control (Note 1.4.2)	(45.0)	(3.3)
Net cash from financing activities	(927.0)	(1,234.4)
Translation net change in cash and cash equivalents	(27.5)	20.2
Increase / (decrease) in cash and cash equivalents	468.6	(441.5)
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 (Note 3.8)	2,815.4	2,346.8
Items included in cash flows:		
– Interest paid during the period**	63.0	79.1
– Income taxes paid during the period	462.8	360.7

* Of which €75.3 million corresponding to lease financial liabilities repayment for the 12 months ended December 31, 2023 (€75.0 million for the 12 months ended December 31, 2022).

** Interest paid is included in the net cash from operating activities; of which €9.0 million interests on lease financial liabilities for the 12 months ended December 31, 2023 (€7.1 million for the 12 months ended December 31, 2022).

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.5 - Consolidated statement of changes in equity

(in € millions)	Equity attributable to the Group					Minority interests	Total equity
	Share capital	Retained earnings	Translation reserves	Actuarial gains and losses*	Total		
As of December 31, 2021	1,069.8	5,336.1	(621.8)	(67.6)	5,716.5	3.8	5,720.3
Profit for the period		999.5			999.5	0.0	999.5
Other comprehensive income		61.2	291.4	20.3	372.9	0.1	373.0
Total comprehensive income		1,060.7	291.4	20.3	1,372.4	0.1	1,372.5
Dividends paid		(439.3)			(439.3)	0.0	(439.3)
Issues of share capital and premium	0.0	0.0			0.0		0.0
Cancellation of shares held in treasury	(2.5)	(47.3)			(49.8)		(49.8)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract		5.2			5.2		5.2
Change in scope of consolidation**		(1.9)			(1.9)	1.7	(0.2)
Current taxes on share buybacks		0.3			0.3		0.3
Share-based payments		33.8			33.8		33.8
As of December 31, 2022	1,067.3	5,947.6	(330.4)	(47.3)	6,637.2	5.6	6,642.8
Profit for the period		1,148.5			1,148.5	0.0	1,148.5
Other comprehensive income		(9.0)	(129.5)	(7.4)	(145.9)	0.4	(145.5)
Total comprehensive income		1,139.5	(129.5)	(7.4)	1,002.6	0.4	1,003.0
Dividends paid		(504.0)			(504.0)	0.0	(504.0)
Issues of share capital and premium (Note 4.1.1)	0.0	0.0			0.0		0.0
Cancellation of shares held in treasury (Note 4.1.1)	(11.2)	(228.5)			(239.7)		(239.7)
Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)		(199.7)			(199.7)		(199.7)
Change in scope of consolidation**		(8.0)			(8.0)	6.0	(2.0)
Current taxes on share buybacks		0.1			0.1		0.1
Share-based payments (Note 4.2)		34.2			34.2		34.2
As of December 31, 2023	1,056.1	6,181.2	(459.9)	(54.7)	6,722.7	12.0	6,734.7

* Net of deferred taxes.

** Corresponds mainly to acquisitions of additional shares in companies already consolidated and to puts on minority interests.

The accompanying Notes are an integral part of these consolidated financial statements.

8.1.6 - Notes to the consolidated financial statements

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KEY FIGURES

Key figures

<i>(in € millions)</i>	2023	2022
Net sales	8,416.9	8,339.4
Adjusted operating profit	1,770.2	1,701.5
As % of net sales	21.0%	20.4%
	21.2 % before ⁽¹⁾ acquisitions	
Operating profit	1,591.6	1,446.5
As % of net sales	18.9%	17.3%
Adjusted net profit attributable to the Group	1,203.1	1,146.6
As % of net sales	14.3%	13.7%
Net profit attributable to the Group	1,148.5	999.5
As % of net sales	13.6%	12.0%
Normalized free cash flow	1,326.7	1,210.4
As % of net sales	15.8%	14.5%
Free cash flow	1,584.8	1,035.5
As % of net sales	18.8%	12.4%
Net financial debt at December 31	2,005.9	2,318.9

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

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/ impacts related to disengagement from Russia (impairment of assets and effective disposal) and, iii/ where applicable, impairment of goodwill.

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.

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.

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 key figures with the financial statements is available in Note 5.8.

NOTE 1 - Basis of preparation of the consolidated financial statements

NOTE 1.1 General information

Legrand ("the Company") along with its subsidiaries (together "Legrand" or "the Group") is the global specialist in electrical and digital building infrastructures.

The Group has manufacturing and/or distribution subsidiaries and offices in close to 90 countries and sells its products in about 170 countries.

The Company is a French *société anonyme* (K65D) incorporated and domiciled in France. Its registered office is located at 128, avenue du Maréchal de Lattre de Tassigny – 87000 Limoges (France).

The 2022 Universal Registration Document was filed with the AMF (French Financial Markets Authority) on April 12, 2023, under no. D. 23-0262.

The consolidated financial statements cover the period from January 1, 2023 to December 31, 2023, they were approved by the Board of Directors on February 14, 2024.

All amounts are presented in millions of euros with a figure after the decimal point, unless otherwise specified. Some totals may include rounding differences.

NOTE 1.2 Accounting policies

As a company incorporated in France, Legrand is governed by French company laws, including the provisions of the Code de commerce (French Commercial Code).

The consolidated financial statements cover the 12 months ended December 31, 2023. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee publications adopted by the European Union and applicable or authorized for early adoption from January 1, 2023.

IFRS issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are not applicable to the Group.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying accounting policies.

The areas involving a specific degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.2.3.

The consolidated financial statements have been prepared using the historical cost convention, except for some classes of assets and liabilities in accordance with IFRS. The classes concerned are mentioned in Note 5.1.1.2.

NOTE 1.2.1 New standards, amendments and interpretations that may impact the Group's financial statements

NOTE 1.2.1.1 New standards, amendments and interpretations with mandatory application from January 1, 2023 that have an impact on the Group's 2023 financial statements

Not applicable.

NOTE 1.2.1.2 New standards, amendments and interpretations with mandatory application from January 1, 2023 that have no impact on the Group's 2023 financial statements

Amendment to IAS 1 – Presentation of Financial Statements – “Disclosure of Accounting Policies”

In February 2021, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements.

This amendment clarifies how material accounting policy information should be determined.

This amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The amendment had no material impact on the Group.

Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – “Definition of Accounting Estimates”

In February 2021, the IASB published an amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

This amendment aims to clarify the distinction between accounting policies and accounting estimates, by setting out how accounting estimates should be established.

This amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The amendment had no material impact on the Group.

Amendment to IAS 12 – Income Taxes

In May 2021, the IASB issued the IAS 12 amendment – Income taxes.

This amendment reduces the scope of application of the exemption from initial recognition of deferred tax on transactions such as decommissioning obligations and leases.

This amendment should be effective for annual periods beginning on or after January 1, 2023 at the latest.

The amendment had no material impact on the Group.

Amendment to IAS 12 – Income Taxes – “International Tax Reform – Pillar Two Model Rules”

In December 2022, the European Union published Directive 2022/2523 to implement the OECD tax reform.

This directive will apply, for the most part, from January 1, 2024.

Accordingly, the IASB has published an amendment to IAS 12 – Income Taxes called “International Tax Reform – Pillar Two Model Rules” effective for financial years beginning on or after January 1, 2023, which introduces a mandatory temporary exemption from accounting for deferred tax assets or liabilities related to this minimum tax.

At this date, the Group estimates that this amendment is not expected to have a material impact.

NOTE 1.2.1.3 New standards, amendments and interpretations adopted by the European Union and not applicable to the Group until future periods

Amendment to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued the IAS 1 amendment – Classification of Liabilities as Current or Non-current.

This amendment clarifies the requirements for classifying liabilities as current or non-current.

This amendment, which has not yet been adopted by the European Union, is expected to be effective for financial years beginning on or after January 1, 2024.

The Group reviewed this amendment, to determine its possible impacts on the consolidated financial statements and related disclosures.

The amendment is not expected to have a material impact on the Group.

Amendments to IFRS 16 – Leases – “Lease Liability in a Sale and Leaseback”

In September 2022, the IASB published amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”.

These amendments clarify how subsequent measurement requirements should be applied to sale and leaseback transactions where the initial sale of the underlying asset meets the IFRS 15 criteria for recognition as a sale. In particular, these amendments specify how to subsequently measure the lease liability arising from these transactions where variable lease payments do not depend on an index or a rate.

This amendment, which has not yet been adopted by the European Union, is expected to be effective for financial years beginning on or after January 1, 2024.

This amendment is not expected to have a material impact on the Group.

NOTE 1.2.1.4 New standards, amendments and interpretations not yet adopted by the European Union and not applicable to the Group until future periods

Amendment to IAS 7/IFRS 7 – “Supplier Finance Arrangements”

In May 2023, the IASB issued its draft “Supplier Finance Arrangements” (Proposed Amendments to IAS 7 and IFRS 7) to add disclosure requirements and “guidance” to existing requirements requiring entities to provide qualitative and quantitative information regarding supplier financing arrangements.

This amendment, which has not yet been adopted by the European Union, is expected to be effective for financial years beginning on or after January 1, 2024.

An entity will need to apply the amendments to IAS 7 for financial years beginning on or after January 1, 2024 (early application is permitted) and the amendments to IFRS 7 when applying those to IAS 7. A number of transitional relief measures have been provided, including relief relating to comparative information and interim information.

This amendment is not expected to have a material impact on the Group.

Amendment to IAS 21 – “Lack of Exchangeability”

In August 2023, the IASB published “Lack of Exchangeability (Amendments to IAS 21)” containing guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

This amendment, which have not yet been adopted by the European Union, are expected to be effective for financial

years beginning on or after January 1, 2025. Earlier application is permitted. If an entity applies the amendment for an earlier period, it must disclose this fact. The date of initial application is the beginning of the financial year in which the entity applies the amendment for the first time.

This amendment is not expected to have a material impact on the Group.

NOTE 1.2.1.5 Standards newly applicable to the Group

Not applicable.

NOTE 1.2.2 Basis of consolidation

Subsidiaries are consolidated if they are controlled by the Group.

The Group has exclusive control over an entity when it has power over the entity, *i.e.*, it has substantive rights to govern the entity's key operations, is exposed to variable returns from its involvement with the entity and has the ability to affect those returns.

Such subsidiaries are fully consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Any entity over which the Group has either:

- significant influence (a situation that occurs when the Group holds more than 20% of the voting rights without providing it with substantive rights to govern the entity's key operations); or

- joint control (a situation where the Group's participation gives it substantive rights to govern the entity's key operations jointly with a partner but does not provide exclusive control to the Group);

is consolidated using the equity method.

Such subsidiaries are initially recognized at acquisition cost and consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

NOTE 1.2.3 Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that are reflected in the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events, and are believed to be reasonable under the circumstances.

NOTE 1.2.3.1 Impairment of goodwill and intangible assets

Trademarks with indefinite useful lives and goodwill are tested for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets with finite useful lives are amortized over their estimated useful lives and are tested for impairment when there is any indication that their recoverable amount may be less than their carrying amount.

Future events could cause the Group to conclude that evidence exists that certain intangible assets acquired in a

business combination are impaired. Any resulting impairment loss could have a material adverse effect on the Group's consolidated financial statements and in particular on the Group's operating profit.

Discounted cash flow estimates (used for impairment tests on goodwill and trademarks with indefinite useful lives) are based on management's estimates of key assumptions, especially discount rates, medium-term growth and profitability rates.

NOTE 1.2.3.2 Accounting for income taxes

As part of the process of preparing the consolidated financial statements, the Group is required to estimate income taxes in each of the jurisdictions in which it operates. This involves estimating the actual current tax exposure and assessing temporary differences resulting from differing treatment of items such as deferred revenue or prepaid expenses for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are reported in the consolidated balance sheet.

The Group must then assess the probability that deferred tax assets will be recovered from future taxable profit.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available, based on management-approved taxable profit forecasts.

The Group has not recognized all of its deferred tax assets because it is not probable that some of them will be recovered before they expire. The amounts involved mainly concern operating losses carried forward and foreign income tax credits. The assessment is based on management's estimates of future taxable profit by jurisdiction in which the Group operates and the period over which the deferred tax assets are recoverable.

NOTE 1.2.3.3 Other assets and liabilities based on estimates

Other assets and liabilities based on estimates include provisions for pensions and other post-employment benefits, impairment of trade receivables, inventories and financial

assets, share-based payments, provisions for contingencies and charges, right-of-use assets, capitalized development costs, and any annual volume rebates offered to customers.

NOTE 1.3 Significant transactions and events for the period

Following its decision to disengage from Russia as communicated on January 25, 2023, and after examining various options, Legrand realized the sale of its Russian operations to a local industrial player, effective October 4, 2023.

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, €(147.9) million in asset impairment has been recognized in the 2022 Group's consolidated financial statements, mainly in other operating income and expenses and without impact on adjusted operating profit.

The impacts related to the sale in 2023 represent a loss of €(54.3) million recognized in the 2023 Group's consolidated financial statements in other operating income and expenses and without impact on adjusted operating profit.

The impacts of the sale on 2023 Group's operating profit break down as follows:

- translation reserves reclassified in the income statement at the time of the actual disposal: €(47.6) million,
- loss on disposal and other costs: €(6.7) million.

The impact of the sale on net profit in 2023 is €(54.6) million.

The impact of the sale is a positive cash impact of around €15 million.

Legrand's activities in Russia accounted for approximately 1.5% of full-year sales in 2022 and for approximately 0.6% of full-year sales in 2023. Following the disposal, Legrand no longer has any operation in the Russian market.

NOTE 1.4 Scope of consolidation

NOTE 1.4.1 List of main consolidated companies

The consolidated financial statements comprise the financial statements of Legrand and its 225 subsidiaries.

The main operating subsidiaries as of December 31, 2023, all of which being 100% owned and fully consolidated, are as follows:

Europe

Legrand Group Belgium	Belgium	Diegem
Emos	Czech republic	Prerov
Ensto Building Systems	Finland	Porvoo
Legrand France	France	Limoges
Legrand SNC	France	Limoges
Netatmo	France	Boulogne Billancourt
Legrand ZRT	Hungary	Szentes
Bticino SpA	Italy	Varese
Borri SpA	Italy	Bibbiena

Legrand Nederland B.V.	Netherlands	Boxtel
Legrand Polska	Poland	Zabkowice
Legrand Group España	Spain	Madrid
Inform Elektronik	Turkey	Pelitli
Legrand Elektrik	Turkey	Gebze
Legrand Electric	United Kingdom	Birmingham

North and Central America

Bticino de Mexico SA de CV	Mexico	Querétaro
Approved Network LLC	United States	Westlake Village
Finelite Inc.	United States	Union City
Focal Point LLC	United States	Chicago
Kenall Manufacturing Co.	United States	Kenosha
Legrand AV Inc.	United States	Eden Prairie
Ortronics Inc.	United States	New London
Pass & Seymour Inc.	United States	Syracuse
Pinnacle Architectural Lighting Inc.	United States	Denver
Raritan Inc.	United States	Somerset
Server Technology Inc.	United States	Reno
Starline Holdings LLC	United States	Canonsburg
The WattStopper Inc.	United States	Santa Clara
The Wiremold Company	United States	West Hartford

Rest of the world

Legrand Group Pty Ltd	Australia	Sydney
GL Eletro-Eletronicos Ltda	Brazil	São Paulo
HDL Da Amazonia Industria Eletronica Ltda	Brazil	Manaus
Electro Andina Ltda	Chile	Santiago
DongGuan Rocom Electric	China	Dongguan
TCL International Electrical	China	Huizhou
TCL Wuxi	China	Wuxi
Legrand Colombia	Colombia	Bogota
Novateur Electrical and Digital Systems	India	Mumbai

NOTE 1.4.2 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	June 30	September 30	December 31
Full consolidation method				
Geiger	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Emos	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Usystems	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Voltadis	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
A. & H. Meyer	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Power Control	Balance sheet only	Balance sheet only	9 months' profit	12 months' profit
Encelium	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Clamper	Balance sheet only	Balance sheet only	Balance sheet only	11 months' profit
Teknica			Balance sheet only	4 months' profit
MSS				Balance sheet only

The main acquisitions of 2023 were as follows:

- 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;
- Teknica, a Chilean specialist notably in UPS (integrated solutions, equipment, services and maintenance) used in particular in datacenter and infrastructure solutions. Based in Santiago de Chile, Teknica has nearly 400 employees and generates annual sales of almost €45 million; and

- MSS, a New Zealand company specialized in cable management. Based in Auckland, MSS has around 100 employees and reports annual sales of more than €10 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €111.3 million in 2023.

As of December 31, 2023, these acquisitions led to the recognition of €43.5 million in intangible assets excluding goodwill, (€1.0) million in other acquired assets net of liabilities, and €68.9 million in provisional goodwill.

NOTE 2 - Results for the year

NOTE 2.1 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, 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 (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.

12 months ended December 31, 2023

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	3,652.2 ⁽¹⁾	3,294.9 ⁽²⁾	1,469.8	8,416.9
Cost of sales	(1,676.0)	(1,549.4)	(792.6)	(4,018.0)
Administrative and selling expenses, R&D costs	(1,095.0)	(1,090.9)	(386.6)	(2,572.5)
Other operating income (expenses)	(114.4)	(94.2)	(26.2)	(234.8)
Operating profit	766.8	560.4	264.4	1,591.6
– of which i/ acquisition-related amortization, expenses and income and ii/ impacts related to disengagement from Russia (impairment of assets and effective disposal)				
– accounted for in administrative and selling expenses, R&D costs	(31.9)	(79.6)	(12.8)	(124.3)
– accounted for in other operating income (expenses)	(54.3) ⁽³⁾	0.0	0.0	(54.3)
– of which goodwill impairment	0.0	0.0	0.0	0.0
Adjusted operating profit	853.0	640.0	277.2	1,770.2
– of which depreciation and impairment expense	(74.9)	(26.3)	(24.7)	(125.9)
– of which amortization and impairment expense	(13.1)	(2.7)	(1.8)	(17.6)
– of which amortization and impairment of development costs	(35.2)	0.0	(1.6)	(36.8)
– of which amortization and impairment of right-of-use assets	(29.6)	(27.7)	(20.4)	(77.7)
– of which restructuring costs	(26.6)	(20.6)	(14.3)	(61.5)
Capital expenditure	(144.1)	(36.0)	(42.5)	(222.6)
Capitalized development costs	(29.3)	0.0	(1.5)	(30.8)
Net tangible assets	535.5	162.1	150.7	848.3
Total current assets	3,564.1	1,079.0	861.9	5,505.0
Total current liabilities	1,734.7	557.3	482.4	2,774.4

(1) Of which France: €1,307.5 million.

(2) Of which United States: €3,043.0 million.

(3) Of which Russia: €(54.3) million.

12 months ended December 31, 2022

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	3,506.4 ⁽¹⁾	3,428.4 ⁽²⁾	1,404.6	8,339.4
Cost of sales	(1,668.7)	(1,743.9)	(780.1)	(4,192.7)
Administrative and selling expenses, R&D costs	(1,034.2)	(1,044.8)	(333.0)	(2,412.0)
Other operating income (expenses)	(222.1)	(49.5)	(16.6)	(288.2)
Operating profit	581.4	590.2	274.9	1,446.5
– of which i/ acquisition-related amortization, expenses and income and ii/ impacts related to disengagement from Russia (impairment of assets and effective disposal)				
accounted for in administrative and selling expenses, R&D costs	(24.8) ⁽³⁾	(78.4)	(5.9)	(109.1)
accounted for in other operating income (expenses)	(117.7) ⁽⁴⁾	0.0	0.0	(117.7)
– of which goodwill impairment	(28.2) ⁽⁵⁾	0.0	0.0	(28.2)
Adjusted operating profit	752.1	668.6	280.8	1,701.5
– of which depreciation and impairment expense	(72.6)	(26.8)	(24.4)	(123.8)
– of which amortization and impairment expense	(8.7)	(2.3)	(1.3)	(12.3)
– of which amortization and impairment of development costs	(30.9)	0.0	(1.0)	(31.9)
– of which amortization and impairment of right-of-use assets	(28.9)	(24.9)	(21.4)	(75.2)
– of which restructuring costs	(25.5)	(18.1)	(6.1)	(49.7)
Capital expenditure	(113.6)	(31.1)	(32.9)	(177.6)
Capitalized development costs	(26.6)	0.0	(1.5)	(28.1)
Net tangible assets	453.6	159.1	133.3	746.0
Total current assets	3,166.4	1,106.7	830.2	5,103.3
Total current liabilities	1,550.5	512.3	433.1	2,495.9

(1) Of which France: €1,297.5 million.

(2) Of which United States: €3,174.6 million.

(3) Of which Russia: €(2.0) million.

(4) Of which Russia: €(117.7) million.

(5) Of which Russia: €(28.2) million.

NOTE 2.2 Net sales

The Group derived the large majority of its revenue from product sales to generalist and specialist distributors. The two largest distributors accounted for less than 17% of consolidated net sales in 2023. The Group estimates that no other distributor accounted for more than 5% of consolidated net sales.

Contracts with distributors are signed for a one-year period. As a general rule, there is only one performance obligation in these contracts, which is to sell and deliver products to the customer (the performance obligation related to delivery is not material within the context of customer contracts).

Within the context of these contracts, the Group owns the main risks and benefits resulting from the product sales, and therefore acts as the principal (and not as an agent).

Net sales are generally recognized at one point in time, corresponding to the date on which the control of the asset (products or, more rarely, services) is transferred to the

customer, usually the date of shipment in the case of product sales. In the specific case of service sales where the customer consumes the service benefits over the period in which they are provided, net sales are recognized over time, *i.e.* spread over the period in which the services are provided to the customer.

Contracts with customers generally include variable payments in their favor, primarily deferred discounts and rebates, and occasionally commercial returns. These variable payments to customers are estimated at their most likely amount and accounted for when net sales are recognized. By default, variable payments to customers are accounted for as a deduction from net sales. Only payments made to customers in exchange for the transfer of products or services by these customers are accounted for as selling expenses, for the portion of these payments corresponding to the transferred products' or services' fair value.

In 2023, the Group's consolidated net sales came to €8,416.9 million, up 0.9% in total compared with 2022 due to an organic growth 2.7%, change in scope 0.9%, of which

1.9% due to acquisitions and (0.9%) of net impact due to disengagement from Russia, and the unfavorable impact of exchange rates (2.7%).

Changes in net sales by destination are as follows:

Net sales (in € million, except %)	12 months ended December 31,					
	2023	2022	Total change	Change in scope	Organic growth ⁽¹⁾	Exchange-rate effect
Europe	3,489.5	3,343.7	4.4 %	(0.2 %)	6.0 %	(1.3 %)
North and Central America	3,246.3	3,378.4	(3.9 %)	0.5 %	(2.0 %)	(2.5 %)
Rest of the World	1,681.1	1,617.3	3.9 %	4.1 %	5.7 %	(5.6 %)
Consolidated total	8,416.9	8,339.4	0.9 %	0.9 %	2.7 %	(2.7 %)

(1) At constant scope of consolidation and exchange rates.

The Group sells its products in mature countries as well as many new economies (Eastern Europe and Turkey in the Europe operating segment, Central America and Mexico in

the North and Central America operating segment, Asia excluding South Korea, South America, Africa and the Middle East in the Rest of the world operating segment).

Net sales by destination in these two geographical areas are as follows:

(in € millions)	12 months ended	
	December 31, 2023	December 31, 2022
Mature countries	6,216.5	6,202.7
New economies	2,200.4	2,136.7
TOTAL	8,416.9	8,339.4

NOTE 2.3 Operating expenses

Operating expenses include the following main categories of costs:

(in € millions)	12 months ended	
	December 31, 2023	December 31, 2022
Raw materials and component costs	(2,795.0)	(3,021.0)
Personnel costs	(1,919.0)	(1,854.6)
Other external costs	(1,506.4)	(1,344.9)
Amortization of right-of-use assets	(77.7)	(75.2)
Depreciation of tangible assets	(126.2)	(162.4)
Amortization of intangible assets	(166.2)	(146.6)
Restructuring costs	(61.5)	(49.7)
Goodwill impairment	0.0	(28.2)
Other	(173.3)	(210.3)
OPERATING EXPENSES	(6,825.3)	(6,892.9)

In 2023, "Other" primarily includes impairment losses and reversals on inventories (Note 3.5), trade receivables (Note 3.6), provisions for contingencies (Note 4.4), and impacts of €(54.3) million related to the effective disposal of Russian operations.

The Group had an average of 37,768 employees in 2023 (versus 37,931 in 2022), of which 30,116 back-office employees and 7,652 front-office employees (versus 30,387 and 7,544, respectively, in 2022).

NOTE 2.4 Income tax expense

Income tax expense consists of the following:

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Current taxes	(401.2)	(378.2)
Deferred taxes	0.1	(5.6)
TOTAL INCOME TAX EXPENSE	(401.1)	(383.8)

The reconciliation of total income tax expense for the period to income tax calculated at the standard tax rate in France is as follows, based on profit before tax of €1,549.6 million in 2023 (versus €1,383.3 million in 2022):

<i>(Tax rate)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Standard French income tax rate	25.8%	25.8%
Increases (reductions):		
– Effect of foreign income tax rates	(1.6%)	(1.8%)
– Non-taxable items	0.9%	2.7%
– Income taxable at specific rates	(0.1%)	(0.2%)
– Other	1.6%	1.0%
	26.6%	27.5%
Impact on deferred taxes of:		
– Changes in tax rates	(0.2%)	0.0%
– Recognition or non-recognition of deferred tax assets	(0.5%)	0.3%
EFFECTIVE TAX RATE	25.9%	27.7%

Adjusted for impacts related to disengagement from Russia (impairment of assets and effective disposal), the effective tax rate would be 25.1% in 2022 and 25.0% in 2023.

NOTE 3 - Details on non-current and current assets

NOTE 3.1 Intangible assets

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Trademarks	1,858.0	1,882.2
Patents	92.9	127.4
Customer relationships	333.3	349.8
Other intangible assets	152.7	175.3
NET VALUE AT THE END OF THE PERIOD	2,436.9	2,534.7

NOTE 3.1.1 Trademarks with indefinite and finite useful lives

The Legrand and Bticino brands represent close to 98% of the total value of trademarks with indefinite useful lives. These trademarks with indefinite useful lives are used internationally, and therefore contribute to all of the Group's cash-generating units.

They should contribute indefinitely to future consolidated cash flows because management plans to continue using them indefinitely. The Group performs periodical reviews of these trademarks' useful lives.

Trademarks with finite useful lives are amortized over their estimated useful lives ranging:

- from 10 years when management plans to gradually replace them by other major trademarks owned by the Group;
- to 20 years when management plans to replace them by other major trademarks owned by the Group only over the long term or when, in the absence of such an intention, management considers that the trademarks may be threatened by a major competitor in the long term.

Amortization of trademarks is recognized in the income statement under administrative and selling expenses.

Trademarks can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Gross value at the beginning of the period	2,362.0	2,264.2
– Acquisitions	32.3	58.3
– Disposals	(5.4)	(0.7)
– Translation adjustments	(23.3)	40.2
Gross value at the end of the period	2,365.6	2,362.0
Accumulated amortization and impairment at the beginning of the period	(479.8)	(414.6)
– Amortization expense	(47.8)	(50.4)
– Reversals	5.4	0.5
– Translation adjustments	14.6	(15.3)
Accumulated amortization and impairment at the end of the period	(507.6)	(479.8)
NET VALUE AT THE END OF THE PERIOD	1,858.0	1,882.2

The carrying value of trademarks with indefinite useful lives amounts to €1,408 million as of December 31, 2023.

To date, no significant impairment has been recognized for these trademarks.

For the purposes of impairment tests, the net book values of trademarks with an indefinite useful life are included in the impairment tests of goodwill at the level of CGU (Note 3.2). These tests are carried out in the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTE 3.1.2 Patents

Patents can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Gross value at the beginning of the period	809.6	780.2
– Acquisitions	0.0	16.7
– Disposals	0.0	0.0
– Translation adjustments	(7.5)	12.7
Gross value at the end of the period	802.1	809.6
Accumulated amortization and impairment at the beginning of the period	(682.2)	(654.7)
– Amortization expense	(31.9)	(20.2)
– Reversals	0.0	0.0
– Translation adjustments	4.9	(7.3)
Accumulated amortization and impairment at the end of the period	(709.2)	(682.2)
NET VALUE AT THE END OF THE PERIOD	92.9	127.4

To date, no impairment has been recognized for these patents.

NOTE 3.1.3 Customer relationships

Customer relationships acquired in business combinations are recognized when they correspond to contractual relationships with key customers. Such customer

relationships are measured using the excess earnings method and are amortized over a period ranging from 3 to 20 years.

Customer relationships can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Gross value at the beginning of the period	560.3	531.6
– Acquisitions	26.6	0.0
– Adjustments	0.0	0.0
– Disposals	0.0	0.0
– Translation adjustments	(19.4)	28.7
Gross value at the end of the period	567.5	560.3
Accumulated amortization and impairment at the beginning of the period	(210.5)	(173.3)
– Amortization expense	(32.7)	(31.2)
– Reversals	0.0	0.0
– Translation adjustments	9.0	(6.0)
Accumulated amortization and impairment at the end of the period	(234.2)	(210.5)
NET VALUE AT THE END OF THE PERIOD	333.3	349.8

To date, no significant impairment has been recognized for these customer relationships.

NOTE 3.1.4 Other Intangible assets

Other intangible assets are recognized at cost less accumulated amortization and impairment. They include in particular:

- costs incurred for development projects (relating to the design and testing of new or improved products). They are amortized from the date of sale of the product on a straight-line basis over the period in which the asset's future economic benefits are consumed, not exceeding 10 years. Costs incurred for projects that do not meet the

IAS 38 definition of an intangible asset are recorded in research and development costs for the year in which they are incurred;

- software, which is generally purchased from an external supplier and amortized over 3 years. The Group reviewed the impacts of the interpretation on IAS 38 "Configuration or Customization Costs in a Cloud Computing Arrangement", impacts which were not material as of December 31, 2023.

Other intangible assets can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Capitalized development costs	521.5	487.1
Software	188.1	174.0
Other	36.5	55.8
Gross value at the end of the period	746.1	716.9
Accumulated amortization and impairment at the end of the period	(593.4)	(541.6)
NET VALUE AT THE END OF THE PERIOD	152.7	175.3

To date, no material impairment has been recognized for these items.

NOTE 3.2 Goodwill

To determine the goodwill for each business combination, the Group applies the partial goodwill method whereby goodwill is calculated as the difference between the consideration paid to acquire the business combination and the portion of the acquisition date fair value of the identifiable net assets acquired and liabilities assumed that is attributable to the Group.

Under this method no goodwill is allocated to minority interests. Changes in the percentage of interest held in a controlled entity are recorded directly in equity without recognizing any additional goodwill.

Goodwill is tested for impairment annually, in the fourth quarter of each year, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Each CGU (cash-generating unit) corresponds to individual countries or to groups of countries, when they either have similar market characteristics or are managed as a single unit. Within the Legrand Group, the level at which the goodwill carrying amount is measured corresponds to groups of CGUs, namely the three operating segments (Note 2.1), these three operating segments corresponding to the level of performance monitoring and allocation of resources by the Management Committee.

Value in use is estimated based on discounted cash flows for the next five years and a terminal value calculated from the final year of the projection period. The cash flow data used

for the calculation is taken from the most recent medium-term business plans approved by Group management. Business plan projections are based on the latest available external forecasts of trends in the Group's markets. Cash flows beyond the projection period of five years are estimated by applying a growth rate to perpetuity.

The discount rates applied derive from the capital asset pricing model. They are calculated for each individual country, based on financial market and/or valuation services firm data (average data over the last three years). The cost of debt used in the calculations is the same for all individual countries (being equal to the Group's cost of debt).

Goodwill can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Europe	1,935.2	1,975.5
North and Central America	2,843.9	2,933.8
Rest of the world	697.1	658.1
NET VALUE AT THE END OF THE PERIOD	5,476.2	5,567.4

The North and Central America group corresponds to a single cash-generating unit (CGU), while the Europe and Rest of the World groups each include several CGUs.

Changes in goodwill can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Gross value at the beginning of the period	5,630.2	5,277.9
– Acquisitions	68.9	163.8
– Adjustments*	(37.7)	(12.2)
– Translation adjustments	(128.3)	200.7
Gross value at the end of the period	5,533.1	5,630.2
Impairment value at the beginning of the period	(62.8)	(36.7)
– Impairment losses	0.0	(28.2)
– Translation adjustments	5.9	2.1
Impairment value at the end of the period	(56.9)	(62.8)
NET VALUE AT THE END OF THE PERIOD	5,476.2	5,567.4

* Adjustments correspond to the difference between provisional and final goodwill, as well as to the impact of IAS 29.

Purchase price allocations, which are performed within one year of each business combination, are as follows (excluding inventory step-up):

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
– Trademarks	32.3	58.2
– Deferred taxes on trademarks	(2.1)	(12.6)
– Patents	0.0	16.7
– Deferred taxes on patents	0.0	(3.3)
– Other intangible assets	26.7	0.0
– Deferred taxes on other intangible assets	(2.1)	0.0

The following impairment testing parameters were used in the period ended December 31, 2023:

<i>(in € millions)</i>	Recoverable amount	Carrying amount of goodwill	Value in use	
			Discount rate (before tax)	Growth rate to perpetuity
Europe		1,935.2	10.4 to 31.2%	2.0 to 11.0%
North and Central America	Value in use	2,843.9	11.3%	2.1%
Rest of the world		697.1	11.7 to 17.2%	2.0 to 4.0%
NET VALUE AT THE END OF THE PERIOD		5,476.2		

No goodwill impairment losses were identified in the period ended December 31, 2023.

Sensitivity tests performed on the discount rates, long-term growth rates and operating margin (rates showed that a

100-basis point unfavorable change in each of these three parameters taken separately) taken at the level of each group of CGUs would not lead to any material impairment of goodwill.

The following impairment testing parameters were used in the period ended December 31, 2022:

<i>(in € millions)</i>	Recoverable amount	Carrying amount of goodwill	Value in use	
			Discount rate (before tax)	Growth rate to perpetuity
Europe		1,975.5	10.3 to 35.2%	2.0 to 15.0%
North and Central America	Value in use	2,933.8	11.3%	2.0%
Rest of the World		658.1	11.4 to 18.8%	2.0 to 5.0%
NET VALUE AT THE END OF THE PERIOD		5,567.4		

An impairment loss of €28.2 million in relation with Russia is recognized in the period ended December 31, 2022.

NOTE 3.3 Property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets; the most commonly adopted useful lives are the following:

Lightweight buildings	25 years
Standard buildings	40 years
Machinery and equipment	8 to 10 years
Tooling	5 years
Building fixtures	15 years

Changes in property, plant and equipment in 2023 are analyzed as follows:

	December 31, 2023				
<i>(in € millions)</i>	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	50.7	683.9	1,938.2	400.7	3,073.5
– Acquisitions	0.1	6.6	45.0	152.3	204.0
– Disposals	0.0	(6.3)	(74.8)	(18.9)	(100.0)
– Transfers and changes in scope of consolidation	3.9	41.6	94.6	(93.3)	46.8
– Translation adjustments	(0.7)	(10.6)	(15.6)	(8.0)	(34.9)
At the end of the period	54.0	715.2	1,987.4	432.8	3,189.4
Depreciation and impairment					
At the beginning of the period	(0.2)	(472.6)	(1,641.1)	(213.6)	(2,327.5)
– Depreciation expense	(0.1)	(21.6)	(86.2)	(18.3)	(126.2)
– Reversals	0.0	5.9	72.8	14.5	93.2
– Transfers and changes in scope of consolidation	0.1	1.7	(7.5)	(0.3)	(6.0)
– Translation adjustments	0.0	9.0	11.3	5.1	25.4
At the end of the period	(0.2)	(477.6)	(1,650.7)	(212.6)	(2,341.1)
Net value					
At the beginning of the period	50.5	211.3	297.1	187.1	746.0
– Acquisitions/Depreciation	0.0	(15.0)	(41.2)	134.0	77.8
– Disposals/Reversals	0.0	(0.4)	(2.0)	(4.4)	(6.8)
– Transfers and changes in scope of consolidation	4.0	43.3	87.1	(93.6)	40.8
– Translation adjustments	(0.7)	(1.6)	(4.3)	(2.9)	(9.5)
At the end of the period	53.8	237.6	336.7	220.2	848.3

Changes in property, plant and equipment in 2022 were analyzed as follows:

	December 31, 2022				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	49.4	630.9	1,918.0	368.8	2,967.1
– Acquisitions	0.0	4.7	33.2	123.8	161.7
– Disposals	(0.2)	(20.3)	(73.6)	(16.3)	(110.4)
– Transfers and changes in scope of consolidation	0.7	62.7	52.9	(83.0)	33.3
– Translation adjustments	0.8	5.9	7.7	7.4	21.8
At the end of the period	50.7	683.9	1,938.2	400.7	3,073.5
Depreciation and impairment					
At the beginning of the period	(0.2)	(435.2)	(1,607.8)	(204.7)	(2,247.9)
– Depreciation expense	(0.2)	(46.8)	(97.2)	(18.2)	(162.4)
– Reversals	0.1	18.3	72.5	15.3	106.2
– Transfers and changes in scope of consolidation	0.1	(7.2)	(3.4)	(1.5)	(12.0)
– Translation adjustments	0.0	(1.7)	(5.2)	(4.5)	(11.4)
At the end of the period	(0.2)	(472.6)	(1,641.1)	(213.6)	(2,327.5)
Net value					
At the beginning of the period	49.2	195.7	310.2	164.1	719.2
– Acquisitions/Depreciation	(0.2)	(42.1)	(64.0)	105.6	(0.7)
– Disposals/Reversals	(0.1)	(2.0)	(1.1)	(1.0)	(4.2)
– Transfers and changes in scope of consolidation	0.8	55.5	49.5	(84.5)	21.3
– Translation adjustments	0.8	4.2	2.5	2.9	10.4
At the end of the period	50.5	211.3	297.1	187.1	746.0

NOTE 3.4 Right-of-use assets and lease contracts

Right-of-use assets are initially measured at an amount equal mainly to the sum of:

- initial values of the lease financial liability;
- prepayments (including the first lease payment in case of lease payments made at the beginning of lease periods); and
- restoration costs.

Right-of-use assets value is subsequently remeasured whenever the lease financial liability value is remeasured.

Right-of-use assets are depreciated using the straight-line method over the estimated lease contract duration. This latter is determined by taking into account the existence of lease renewal options and early termination options whose exercise is subject solely to the Group's decision.

More specifically, regardless of the nature of these options, whenever there is significant capital expenditure on leased buildings, the depreciation period applied to the tangible assets resulting from these expenditures is used to determine the estimated lease contract duration of these buildings.

Lease financial liabilities are initially measured at the present value of future lease payments (excluding variable lease payments and service payments whenever it is possible to identify these payments within total lease payments, while including, when applicable, the purchase option value if the exercise of this option is deemed probable), using as the discount rate the borrowing rate available for a Group entity for both the currency and the maturity corresponding to the estimated duration of the lease contract.

Lease financial liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the lease term (following the subsequent exercise of an extension or an early termination option).

Lease financial liabilities are analyzed in Note 4.6.1.

The Group has elected not to recognize right-of-use assets and lease financial liabilities for short-term leases (not exceeding a one-year period) and/or leases of low-value assets.

Changes in right-of-use assets in 2023 are analyzed as follows:

<i>(in € millions)</i>	December 31, 2023			
	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	575.7	6.2	68.9	650.8
– Increases	104.6	0.8	10.4	115.8
– Decreases	(53.8)	0.0	0.1	(53.7)
– Transfers and changes in scope of consolidation	(8.4)	0.0	7.4	(1.0)
– Translation adjustments	(14.3)	(0.1)	(2.1)	(16.5)
At the end of the period	603.8	6.9	84.7	695.4
Depreciation and impairment				
At the beginning of the period	(340.0)	(4.1)	(40.5)	(384.6)
– Depreciation expense	(67.4)	(0.6)	(9.7)	(77.7)
– Reversals	15.2	0.0	0.0	15.2
– Transfers and changes in scope of consolidation	3.1	0.0	0.5	3.6
– Translation adjustments	7.8	0.0	1.1	8.9
At the end of the period	(381.3)	(4.7)	(48.6)	(434.6)
Net value				
At the beginning of the period	235.7	2.1	28.4	266.2
– Increases/Depreciation	37.2	0.2	0.7	38.1
– Decreases/Reversals	(38.6)	0.0	0.1	(38.5)
– Transfers and changes in scope of consolidation	(5.3)	0.0	7.9	2.6
– Translation adjustments	(6.5)	(0.1)	(1.0)	(7.6)
At the end of the period	222.5	2.2	36.1	260.8

“Buildings” right-of-use assets mainly concern lease contracts for production sites, commercial offices and warehouses. Most of these lease contracts offer both extension and early termination options, while very few of them include purchase options or restoration costs. Therefore, the corresponding right-of-use assets do not include any material amount for purchase options or restoration costs.

“Machinery and equipment” right-of-use assets comprises mainly industrial machinery.

“Other” right-of-use assets mainly concern vehicles, forklifts and some IT equipment. Although most of these lease contracts include purchase options, these options are generally not exercised.

Renewal options not included in lease financial liabilities' value as of December 31, 2023 represent a discounted value of roughly €68 million.

A significant portion of this value corresponds to renewal options related to building lease contracts in the United States, the exercise of which is subject solely to the Group's decision. The exercise of these renewal options, which represent an additional lease period ranging from 5 to 10 years according to lease contracts, is not currently deemed certain by management and would not occur for several years.

Changes in right-of-use assets in 2022 were analyzed as follows:

<i>(in € millions)</i>	December 31, 2022			
	Buildings	Machinery and equipment	Other	Total
Gross value				
At the beginning of the period	504.5	5.5	60.0	570.0
– Increases	56.4	0.6	7.1	64.1
– Decreases	(5.5)	(0.1)	(0.7)	(6.3)
– Changes in scope of consolidation	9.7	0.1	1.2	11.0
– Translation adjustments	10.6	0.1	1.3	12.0
At the end of the period	575.7	6.2	68.9	650.8
Depreciation and impairment				
At the beginning of the period	(265.7)	(3.3)	(32.6)	(301.6)
– Depreciation expense	(67.4)	(0.8)	(7.0)	(75.2)
– Reversals	1.4	0.0	0.2	1.6
– Changes in scope of consolidation	(2.7)	0.0	(0.4)	(3.1)
– Translation adjustments	(5.6)	0.0	(0.7)	(6.3)
At the end of the period	(340.0)	(4.1)	(40.5)	(384.6)
Net value				
At the beginning of the period	238.8	2.2	27.4	268.4
– Increases/Depreciation	(11.0)	(0.2)	0.1	(11.1)
– Decreases/Reversals	(4.1)	(0.1)	(0.5)	(4.7)
– Changes in scope of consolidation	7.0	0.1	0.8	7.9
– Translation adjustments	5.0	0.1	0.6	5.7
At the end of the period	235.7	2.1	28.4	266.2

NOTE 3.5 Inventories

Inventories are measured at the lower of cost (of acquisition or production) and net realizable value, with cost determined principally on a first-in, first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Impairment provisions are recognized when inventories are considered wholly or partially obsolete, and for finished goods inventories when their net realizable value is lower than their net book value.

Inventories can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Purchased raw materials and components	589.5	619.2
Sub-assemblies, work in progress	134.9	137.4
Finished products	736.9	842.7
Gross value at the end of the period	1,461.3	1,599.3
Impairment	(239.0)	(241.9)
NET VALUE AT THE END OF THE PERIOD	1,222.3	1,357.4

NOTE 3.6 Trade receivables

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost.

In accordance with IFRS 9, expected credit losses on trade receivables are estimated based on a provision table, by applying provision rates depending on the receivables aging.

Trade receivables can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Trade receivables	1,065.8	1,058.7
Impairment	(95.9)	(100.6)
NET VALUE AT THE END OF THE PERIOD	969.9	958.1

The Group uses factoring contracts to reduce the risk of late payments.

As of December 31, 2023, these factoring contracts allowed the Group to derecognize trade receivables for an amount of

Past-due trade receivables can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Less than 3 months past due receivables	195.8	214.2
From 3 to 12 months past due receivables	38.6	44.5
More than 12 months past due receivables	40.7	40.3
TOTAL	275.1	299.0

Provisions for impairment of past-due trade receivables amounted to €69.4 million as of December 31, 2023 (€77.5 million as of December 31, 2022). These provisions break down as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Provisions for less than 3 months past due receivables	6.3	9.2
Provisions for 3 to 12 months past due receivables	22.4	28.0
Provisions for more than 12 months past due receivables	40.7	40.3
TOTAL	69.4	77.5

NOTE 3.7 Other current assets

Other current assets can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Employee advances	2.9	2.1
Prepayments	66.4	80.6
Taxes other than income tax	164.7	124.8
Other receivables	68.9	47.9
NET VALUE AT THE END OF THE PERIOD	302.9	255.4

These assets are valued at amortized cost.

Furthermore, a provision can be recognized in the income statement when there is objective evidence of impairment such as:

- when a debtor has defaulted; or
- when a debtor's credit rating has been downgraded or its business environment has deteriorated.

NOTE 3.8 Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term deposits and other liquid financial assets (possibility to realize the assets in less than 3 months at any time), readily convertible to known amounts of cash and are not subject to any material risk of change in value. Some of these other financial assets may have an initial maturity of one year or more, while being very easily convertible.

Cash and cash equivalents that are unavailable in the short term for the Group correspond to the bank accounts of

certain subsidiaries facing complex, short-term fund repatriation conditions due mainly to regulatory reasons.

Cash and cash equivalents totaled €2,815.4 million as of December 31, 2023 (versus €2,346.8 million as of December 31, 2022). Of this amount, €33.2 million was not available to the Group in the short term as of December 31, 2023 (versus €13.4 million as of December 31, 2022).

NOTE 4 - Details on non-current and current liabilities

NOTE 4.1 Share capital and earnings per share

Share capital as of December 31, 2023 amounted to €1,056,125,168 represented by 264,031,292 ordinary shares with a par value of €4 each, for 264,031,292 theoretical voting rights and 262,167,814 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of December 31, 2023, the Group held 1,863,478 shares in treasury, versus 149,515 shares as of December 31, 2022, *i.e.* 1,713,963 additional shares corresponding to:

- the net acquisition of 5,087,013 shares outside of the liquidity contract;

- the transfer of 502,172 shares to employees under performance share plans;
- the cancellation of 2,786,454 shares;
- the net sale of 84,424 shares under the liquidity contract (Note 4.1.2.2).

As of December 31, 2023, among the 1,863,478 shares held in treasury by the Group, 1,836,672 shares have been allocated according to the allocation objectives described in Note 4.1.2.1, and 26,806 shares are held under the liquidity contract.

	Number of shares	of which number of shares held by the Group
As of December 31, 2022	266,817,746	149,515
Transfer to employees		(502,172)
Share buybacks		5,087,013
Liquidity contract		(84,424)
Shares cancellation	(2,786,454)	(2,786,454)
As of December 31, 2023	264,031,292	1,863,478
of which for transfer to employees		51,113
of which liquidity contract		26,806
of which for shares cancellation		1,785,559

NOTE 4.1.1 Changes in share capital

Changes in share capital in 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
Cancellation of shares	(2,786,454)	4	(11,145,816)	(228,547,978)
As of December 31, 2023	264,031,292	4	1,056,125,168	263,208,950

NOTE 4.1.2 Share buybacks and transactions under the liquidity contract

As of December 31, 2023, the Group held 1,863,478 shares in treasury (149,515 as of December 31, 2022, of which

38,285 under the share buyback program and 111,230 under the liquidity contract) which can be analyzed as follows:

NOTE 4.1.2.1 Share buybacks

During 2023, the Group acquired 5,087,013 shares, at a cost of €446.5 million.

The four tranches were implemented for an amount of €399.7 million. Shares related to the first three tranches were cancelled in 2023.

As part of its share buyback program for cancellation, and under the authorization granted by the Ordinary and Extraordinary General Meeting of Shareholders of May 25, 2022 and of May 31, 2023, Legrand announced the signing of contracts with investment services providers as of March 30, June 9, September 14, and November 8, 2023 for four tranches.

As of December 31, 2023, the Group held 1,836,672 shares, acquired at a total cost of €164.4 million. As follows:

- 51 113 shares held for allocation upon exercise of performance share plans acquired for a total amount of €4.4 million,
- 1 785 559 shares for cancellation acquired for a total amount of €160.0 million.

NOTE 4.1.2.2 Liquidity contract

The Group appointed a financial institution to maintain a liquid market for its shares on the Euronext™ Paris market under a liquidity contract. This contract is compliant with the AMF decision on July 2, 2018 relating to the establishment of liquidity contracts on equity securities under accepted market practice.

As of December 31, 2023, the Group held 26,806 shares under this contract, purchased at a total cost of €2.5 million.

During 2023, transactions under the liquidity contract led to a cash inflow of €7.1 million corresponding to the net sales of 84,424 shares.

NOTE 4.1.3 Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the Group by the weighted average number of ordinary shares outstanding (excluding shares held in treasury) during the period.

Group by the weighted average number of ordinary shares outstanding (excluding shares held in treasury) during the period, plus the number of dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding used in these calculations is adjusted for the share buybacks and sales carried out during the period.

Diluted earnings per share are calculated according to the treasury stock method, by dividing profit attributable to the

Basic and diluted earnings per share, calculated on the basis of the average number of ordinary shares outstanding during the period, are as follows:

		12 months ended	
		December 31, 2023	December 31, 2022
Net profit attributable to the Group (<i>in € millions</i>)	A	1,148.5	999.5
Average number of shares (excluding shares held in treasury)	B	265,083,085	266,608,415
<i>Average dilution from:</i>			
<i>Performance shares</i>		1,770,311	1,676,317
Average number of shares after dilution (excluding shares held in treasury)	C	266,853,396	268,284,732
Number of stock options and performance share grants outstanding at the period end		1,907,087	1,877,203
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(5,002,589)	(528,284)
Shares transferred during the period under performance share plans		502,172	426,945
Basic earnings per share (<i>in euros</i>)	A/B	4.333	3.749
Diluted earnings per share (<i>in euros</i>)	A/C	4.304	3.726
Dividend per share (<i>in euros</i>)		1.900	1.650

The adjusted basic earnings per share and adjusted diluted earnings per share (Note 5.8) are as follows:

		12 months ended	
		December 31, 2023	December 31, 2022
Adjusted net profit attributable to the Group (<i>in € millions</i>)	D	1,203.1	1,146.6
Adjusted basic earnings per share (<i>euros</i>)	D/B	4.539	4.301
Adjusted diluted earnings per share (<i>euros</i>)	D/C	4.508	4.274

As mentioned above, during 2023, the Group:

- transferred 502,172 shares under performance share plans, out of the 463,887 shares bought back in the year and 38,285 shares bought back from previous years for this purpose; and
- sold a net 84,424 shares under the liquidity contract.

These movements were taken into account on an accruals basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2023, earnings per share and diluted earnings per share would have amounted to €4.381 and €4.347 respectively for the 12 months ended December 31, 2023.

During 2022, the Group:

- transferred 426,945 shares under performance share plans, out of the 411,715 shares bought back in the year and the 15,230 shares bought back in previous years for this purpose; and
- purchased a net 78,284 shares under the liquidity contract.

These movements were taken into account on an accruals basis in calculating the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2022, basic earnings per share and diluted earnings per share would have amounted to €3.748 and €3.728 respectively for the 12 months ended December 31, 2022.

NOTE 4.2 Stock option plans and performance share plans

The cost of stock options or performance shares is measured at the fair value of the award on the grant date, using the Black & Scholes option pricing model or the binomial model, and is recognized in the income statement under personnel costs on a straight-line basis over the vesting period with a corresponding adjustment to equity. Changes in the fair value of stock options after the grant date are not taken into account.

The expense recognized by crediting equity is adjusted at each period-end during the vesting period to take into account changes in the number of shares that are expected to be delivered to employees when the performance shares vest or the stock options are exercised, except for the number of shares related to stock market performance criteria.

NOTE 4.2.1 Performance share plans

The following performance share plans were approved by the Company's Board of Directors:

	2019 Plans	2020 Plans	2021 Plans	2022 Plans	2023 Plans
Date approved by shareholders	May 30, 2018	May 30, 2018	May 26, 2021	May 26, 2021	May 26, 2021
Grant date	May 29, 2019	May 26, 2020	May 26, 2021	May 25, 2022	May 31, 2023
Total number of performance share rights initially granted	617,818	461,861	491,477	514,981	506,455
<i>o/w to Executive Officer</i>	22,954	11,544	20,544	22,534	20,390
– <i>Benoît Coquart</i>	22,954	11,544	20,544	22,534	20,390
Total IFRS 2 expense (<i>in € millions</i>)	31.0 ⁽¹⁾	22.8 ⁽¹⁾	35.2 ⁽¹⁾	31.9 ⁽¹⁾	34.3 ⁽¹⁾
End of vesting period	June 16, 2022 ⁽²⁾	June 16, 2023 ⁽²⁾	June 14, 2024 ⁽²⁾	June 11, 2025 ⁽⁶⁾	June 10, 2026 ⁽⁶⁾
	June 16, 2023 ⁽³⁾	June 14, 2024 ⁽³⁾	June 12, 2025 ⁽³⁾	June 10, 2026 ⁽⁷⁾	June 9, 2027 ⁽⁷⁾
End of lock-up period	May 31, 2024 ⁽²⁾	May 28, 2025 ⁽²⁾	May 27, 2026 ⁽²⁾	May 26, 2027 ⁽⁶⁾	May 31, 2028 ⁽⁶⁾
	June 16, 2023 ⁽³⁾	June 14, 2024 ⁽³⁾	June 12, 2025 ⁽³⁾	June 11, 2026 ⁽⁷⁾	June 09, 2027 ⁽⁷⁾
Number of performance shares adjusted for the performance criteria fulfillment	(1,728) ⁽⁴⁾	4,789 ⁽⁵⁾	98,045 ⁽⁵⁾		
Number of performance share rights cancelled or forfeited	(74,224)	(40,032)	(43,271)	(29,144)	(3,628)
Number of performance shares acquired as of December 31, 2023	(541,866)	(54,446)			
PERFORMANCE SHARE RIGHTS OUTSTANDING AS OF DECEMBER 31, 2023	0	372,172	546,251	485,837	502,827

(1) Total charge estimated at the grant date assuming 100% achievement for each performance criteria. This charge is spread over the vesting periods.

(2) Date applicable to the Executive Officer and members of the Executive Committee.

(3) Date applicable to beneficiaries other than the Executive Officer and members of the Executive Committee.

(4) Percentage of performance criteria achievement: see Note 4.2.1.2.

(5) Adjustments estimated at the date when the consolidated financial statements were prepared.

(6) Date applicable to the Executive Officer and to some members of the Executive Committee.

(7) Date applicable to some members of the Executive Committee and other beneficiaries.

If all the performance shares from the 2020 to 2023 plans were to vest according to the target allocation (*i.e.*, 1,907,087 shares) and if those shares were transferred

following capital increases, the Company's capital would be diluted by 0.7% as of December 31, 2023.

NOTE 4.2.1.1 2020, 2021, 2022 and 2023 performance share plans

The final number of shares granted to beneficiaries is determined on the condition that the beneficiary is present within the Group at the time the vesting period expires and according to several performance criteria.

For the Executive Officer and members of the Executive Committee, the term of the vesting period is three years, with

an additional two-year holding period; for other beneficiaries, the vesting period is four years, with no holding period.

Starting from 2022 plans, for some members of the Executive Committee living abroad, the vesting period is four years, with no holding period.

Performance criteria applicable to the Executive Officer and members of the Executive Committee

The performance criteria applicable to the Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Target for adjusted operating margin before acquisitions ⁽¹⁾	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned. Comparison between the target and the average achievement over three years.	1/4
Annual rates of achievement of the Group's CSR roadmap	Target: arithmetic mean over 3 years of the annual CSR roadmap achievement rates.	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period.	1/4

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

Performance criteria applicable to beneficiaries other than the Executive Officer and members of the Executive Committee

The performance criteria applicable to beneficiaries other than the Executive Officer and members of the Executive Committee are defined as follows:

Type of performance criteria	Description of performance criteria and target-setting method	Weight of performance criteria
Target for organic sales growth	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Target for adjusted operating margin before acquisitions ⁽¹⁾	The target to be reached for this criterion, set annually corresponds to the lower and upper ranges of the relevant annual target. The annual rate of achievement is measured in relation to the annual target. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of achievement.	1/3
Annual rates of achievement of the Group's CSR roadmap	The annual rate of achievement corresponds to the rate of achievement of the CSR annual roadmap. The final pay-out rate for this criterion corresponds to the arithmetic average over a three-year period of the annual rates of attainment.	1/3

(1) The adjusted operating margin before acquisitions corresponds to the adjusted operating profit (see key figures).

The final pay-out rate for each criterion corresponds to the arithmetic average over a three-year period of the annual achievement rates.

NOTE 4.2.1.2 Monitoring of performance criteria performance share plans

The monitoring of the performance criteria under the 2019 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2019		2020		2021		3-year average		
	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Performance
Organic sales growth	2.0%	2.6%	1.0%	(8.7%)	3.5%	13.6%	2.2%	2.5%	101.5%
Adjusted operating margin before acquisitions ⁽²⁾	20.3%	20.4%	20.0%	19.1%	19.7%	20.8%	20.0%	20.1%	102.3%
Annual rates of achievement of the Group's CSR roadmap	100%	113%	100%	128%	100%	131%	100%	124%	104.8%
Legrand's share price performance relative to the performance of the CAC 40 index							+8.8%	+32.6%	150.0%
Performance									114.7%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2019 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2019			2020			2021			Performance by criterion
	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	
Organic sales growth	2.0%	2.6%	103.0%	1.0%	(8.7%)	0.0%	3.5%	13.6%	150.0%	84.3%
Adjusted operating margin before acquisitions ⁽²⁾	20.3%	20.4%	102.5%	20.0%	19.1%	50.0%	19.7%	20.8%	150.0%	100.8%
Annual rates of achievement of the Group's CSR roadmap	100%	113%	102.6%	100%	128%	106.8%	100%	131%	108.6%	106.0%
Performance by year			102.7%			52.3%			136.2%	97.1%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2020 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2020		2021		2022		3-year average		
	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Performance
Organic sales growth	1.0%	(8.7%)	3.5%	13.6%	5.0%	9.7%	3.2%	4.9%	107.8%
Adjusted operating margin before acquisitions ⁽²⁾	20.0%	19.1%	19.7%	20.8%	20.3%	20.7%	20.1%	20.2%	104.6%
Annual rates of achievement of the Group's CSR roadmap	100%	128%	100%	131%	100%	123%	100%	127%	106.4%
Legrand's share price performance relative to the performance of the CAC 40 index							+8.8%	+0.6%	34.5%
Performance									88.3%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2020 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2020			2021			2022			Performance by criterion
	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	
Organic sales growth	1.0%	(8.7%)	0.0%	3.5%	13.6%	150.0%	5.0%	9.7%	150.0%	100.0%
Adjusted operating margin before acquisitions ⁽²⁾	20.0%	19.1%	50.0%	19.7%	20.8%	150.0%	20.3%	20.7%	110.0%	103.3%
Annual rates of achievement of the Group's CSR roadmap	100%	128%	106.8%	100%	131%	108.6%	100%	123%	104.6%	106.7%
Performance by year			52.3%			136.2%			121.5%	103.3%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2021 plan applicable to the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2021		2022		2023		3-year average		
	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Target ⁽¹⁾	Actual	Performance
Organic sales growth	3.5%	13.6%	5.0%	9.7%	1.0%	2.7%	3.2%	8.7%	150.0%
Adjusted operating margin before acquisitions ⁽²⁾	19.7%	20.8%	20.3%	20.7%	20.0%	21.2%	20.0%	20.9%	147.3%
Annual rates of achievement of the Group's CSR roadmap	100%	131%	100%	123%	100%	118%	100%	124%	104.8%
Legrand's share price performance relative to the performance of the CAC 40 index							+ 8.8%	Not achieved	0.0%
Performance									100.5%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

The monitoring of the performance criteria under the 2021 plan applicable to beneficiaries other than the Executive Officer and members of the Executive Committee can be detailed as follows:

Criteria	2021			2022			2023			Performance by criterion
	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	Target ⁽¹⁾	Actual	Performance	
Organic sales growth	3.5%	13.6%	150.0%	5.0%	9.7%	150.0%	1.0%	2.7%	108.5%	136.2%
Adjusted operating margin before acquisitions ⁽²⁾	19.7%	20.8%	150.0%	20.3%	20.7%	110.0%	20.0%	21.2%	150.0%	136.7%
Annual rates of achievement of the Group's CSR roadmap	100%	131%	108.6%	100%	123%	104.6%	100%	118%	103.6%	105.6%
Performance by year			136.2%			121.5%			120.7%	126.1%

(1) 100% achievement target for the criterion.

(2) The adjusted operating margin before acquisitions corresponds to the adjusted operating income (see key figures).

NOTE 4.2.2 Share-based payments (IFRS 2 expense)

In accordance with IFRS 2, an expense of €34.2 million was recorded in 2023 (€33.8 million in 2022) for all of these plans combined.

NOTE 4.3 Retained earnings and translation reserves

NOTE 4.3.1 Retained earnings

The Group's consolidated retained earnings as of December 31, 2023 amounted to €6,126.5 million.

As of the same date, the Company had retained earnings including profit for the period of €991.9 million available for distribution.

NOTE 4.3.2 Translation reserves

Assets and liabilities of Group entities whose functional currency is different from the presentation currency are translated using the exchange rate at the balance sheet date. Statements of income are translated using the average

exchange rate for the period. Gains or losses arising from the translation of the financial statements of foreign subsidiaries are recognized directly in equity under "Translation reserves", until the potential Group's loss of control over the entity.

Translation reserves record the impact of fluctuations in the following currencies:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
US dollar	88.8	240.3
Other currencies	(548.7)	(570.7)
TOTAL	(459.9)	(330.4)

The Group operates in close to 90 countries. It is mainly exposed to a dozen currencies other than the euro and the US dollar, including the Australian dollar, Brazilian real, British pound, Chilean peso, Chinese yuan, Indian rupee, Mexican peso and Turkish lira.

Under IFRS 9, non-derivative financial instruments may be designated as hedges only when they are used to hedge foreign currency risk and provided that they qualify for hedge accounting. Accordingly, in the case of hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized in equity.

The counterpart of the Yankee debt decrease amounting to €9.5 million in 2023, was recorded as an increase in conversion reserves. As of December 31, 2023, a total balance of €73.6 million was recorded as a decrease in conversion reserves, under the Yankee loan.

In accordance with IAS 21, translation gains and losses on receivables or payables considered as part of a net investment in a foreign Group entity are recognized in translation reserves. Gains recognized in translation reserves in 2023 amounted to €0.3 million, resulting in a net positive balance of €11.8 million as of December 31, 2023.

The Group applies IAS 29 – "Financial Reporting in Hyperinflationary Economies" to companies whose functional currency is that of a hyperinflationary economy. Financial statements of related companies are restated for the effects of inflation (using the historical cost convention) before being converted into the Group's presentation currency at the closing rate. Legrand applies the standard to Turkey and its impact on the translation reserves amounted to €77 million as of December 31, 2023.

NOTE 4.4 Provisions

Changes in provisions in 2023 are as follows:

<i>(in € millions)</i>	December 31, 2023					
	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	53.5	151.3	44.3	39.4	75.3	363.8
Changes in scope of consolidation	0.0	0.1	0.0	0.0	0.8	0.9
Increases	29.0	23.1	5.2	29.5	26.6	113.4
Utilizations	(6.6)	(5.8)	(4.3)	(29.9)	(31.2)	(77.8)
Reversals of surplus provisions	(17.4)	(31.2)	0.0	(2.2)	(10.0)	(60.8)
Reclassifications	1.0	(1.7)	(0.3)	0.3	(3.0)	(3.7)
Translation adjustments	(1.0)	(0.5)	(0.9)	(0.9)	(1.8)	(5.1)
AT THE END OF THE PERIOD	58.5	135.3	44.0	36.2	56.7	330.7
<i>Of which non-current portion</i>	<i>14.4</i>	<i>102.9</i>	<i>13.7</i>	<i>5.0</i>	<i>40.8</i>	<i>176.8</i>

Changes in provisions in 2022 were as follows:

<i>(in € millions)</i>	December 31, 2022					
	Product warranties	Claims and litigation	Tax and employee risks	Restructuring	Other	Total
At the beginning of the period	52.4	126.1	43.6	38.0	72.3	332.4
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Increases	26.3	63.9	7.4	24.7	16.3	138.6
Utilizations	(7.8)	(13.3)	(6.4)	(23.6)	(13.1)	(64.2)
Reversals of surplus provisions	(17.8)	(26.8)	0.0	(1.0)	(1.8)	(47.4)
Reclassifications	0.0	(0.6)	(0.2)	0.3	(0.3)	(0.8)
Translation adjustments	0.4	2.0	(0.1)	1.0	1.9	5.2
AT THE END OF THE PERIOD	53.5	151.3	44.3	39.4	75.3	363.8
<i>Of which non-current portion</i>	<i>13.1</i>	<i>126.1</i>	<i>14.4</i>	<i>4.2</i>	<i>59.6</i>	<i>217.4</i>

NOTE 4.5 Provision for post-employment benefits and other long-term employee benefits

NOTE 4.5.1 Pension and other post-employment benefit obligations

Group companies operate various pension plans. The plans are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Contributions are recognized as an expense for the period of payment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and end-of-career salary.

The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The past service cost arising from changes to pension benefit plans is expensed in full as incurred.

In accordance with IAS 19, the Group recognizes all actuarial gains and losses outside profit or loss, in the consolidated statement of comprehensive income.

Defined benefit obligations are calculated using the projected unit credit method. This method takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of investment grade corporate bonds that are denominated in the currency in

which the benefits will be paid and have terms to maturity approximating the period to payment of the related pension liability.

Some Group companies provide post-employment healthcare benefits to their retirees. Entitlement to these benefits is

usually conditional on the employee remaining with one of these Group companies up to retirement age and completion of a minimum service period. These benefits are treated as post-employment benefits under the defined benefit scheme.

Pension and other post-employment defined benefit obligations can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
France (Note 4.5.1.2)	91.4	84.2
Italy (Note 4.5.1.3)	26.5	27.2
United Kingdom (Note 4.5.1.4)	75.5	81.5
United States (Note 4.5.1.5)	56.9	63.4
Other countries	57.0	54.9
TOTAL PENSION AND OTHER POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS	307.3	311.2

NOTE 4.5.1.1 Analysis of pension and other post-employment defined benefit obligations

The total (current and non-current) obligation under the Group's pension and other post-employment defined benefit

plans, consisting primarily of plans in France, Italy, the United States and United Kingdom, is as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Defined benefit obligation		
Projected benefit obligation at the beginning of the period	311.2	390.3
Service cost	9.0	9.5
Interest cost	13.0	7.7
Benefits paid or unused	(22.7)	(23.2)
Employee contributions	0.4	0.4
Actuarial losses/(gains)	(2.5)	(72.6)
Curtailments, settlements, special termination benefits	0.1	(0.5)
Translation adjustments	(1.9)	(0.3)
Other	0.7	(0.1)
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	307.3	311.2
Fair value of plan assets		
Fair value of plan assets at the beginning of the period	188.6	231.2
Expected return on plan assets	8.3	5.0
Employer contributions	8.6	7.1
Employee contributions	0.9	1.9
Benefits paid	(13.5)	(12.2)
Actuarial (losses)/gains	(12.6)	(46.1)
Translation adjustments	(1.0)	1.7
Other	0.0	0.0
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	179.3	188.6
PROVISION RECOGNIZED IN THE BALANCE SHEET	141.5	135.4
Current liability	5.3	5.3
Non-current liability	136.2	130.1
Non-current asset	13.5	12.8

Actuarial losses recognized in equity in 2023 amounted to €(10.1) million.

These €(10.1) million actuarial losses resulted from:

- €0,3 million in gains from changes in financial assumptions;
- €1,3 million in gains from changes in demographic assumptions; and
- €11,7 million in experience losses.

The discount rates used are determined by reference to the yield on high-quality bonds based on the following benchmark indices:

- Euro zone: iBoxx € Corporates AA 10+;

- United Kingdom: iBoxx £ Corporates AA 15+;
- United States: Citigroup Pension Liability Index.

Sensitivity tests were performed on:

- the discount rate. According to the results of these tests, a 50-basis point reduction in the rate would lead to the recognition of additional actuarial losses of around €24,2 million and would increase the provision as of December 31, 2023 by the same amount; and
- the rate of future salary increases. According to the results of these tests, a 50-basis point increase in the rate would lead to the recognition of additional actuarial losses of around €10,2 million and would increase the provision as of December 31, 2023 by the same amount.

Discounted future payments for the Group's pension and other post-employment benefit plans are as follows:

(in € millions)

2024	18.7
2025	14.9
2026	14.2
2027	14.1
2028 and beyond	245.4
TOTAL	307.3

The impact of service costs and interest costs on profit before tax for the period is as follows:

(in € millions)	12 months ended	
	December 31, 2023	December 31, 2022
Service cost	(9.0)	(9.5)
Net interest cost*	(4.7)	(2.7)
TOTAL	(13.7)	(12.2)

* The expected return on assets and interest costs are presented as a net amount in financial expenses.

The weighted average allocation of pension plan assets is as follows as of December 31, 2023:

(as a percentage)	United Kingdom	United States
Equity instruments	37.1	61.1
Debt instruments	53.9	31.3
Insurance funds	9.0	7.6
TOTAL	100.0	100.0

These assets are marked to market.

NOTE 4.5.1.2 Provisions for retirement benefits and supplementary pension benefits in France

The provisions recorded in the consolidated balance sheet concern the unvested entitlements of active employees. The Group has no obligation with respect to the vested entitlements of former employees, as the benefits were settled at the time of their retirement, either directly or through payments to insurance companies in full discharge of the liability.

The main defined benefit plan applicable in France concerns statutory length-of-service awards, under which all retiring employees are eligible for a lump-sum payment calculated according to their length of service. This payment is defined either in the collective bargaining agreement to which their company is a party or in a separate company-

level agreement, whichever is more advantageous to the employee. The amount generally varies depending on the employee category (manager/non-manager).

In France, provisions recorded in the consolidated balance sheet amounted to €91.4 million as of December 31, 2023 (€84.2 million as of December 31, 2022) corresponding to the difference between the projected benefit obligation of €91.4 million as of December 31, 2023 (€84.2 million as of December 31, 2022), and the fair value of the related plan assets of €0.0 million as of December 31, 2023 (€0.0 million as of December 31, 2022).

The projected benefit obligation is calculated based on staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. In France, the calculation in 2023 was based on a salary increase rate of 3.5% and a discount rate of 3.2% (respectively 3.5% and 3.7% in 2022).

The amending Social Security Financing Act for 2023, enacted on April 14, 2023, raises the legal retirement age from 62 to 64 years. The reform constitutes, within the meaning of IAS 19, a plan amendment, which is recognized immediately as a past service cost in the income statement.

The impact of the reform is not material as of December 31, 2023.

NOTE 4.5.1.3 Provisions for termination benefits in Italy

In Italy, a termination benefit is awarded to employees regardless of the reason for their departure.

Since January 2007, such benefits have been paid either into an independently managed pension fund or to the Italian social security service (INPS). As from that date, the Italian termination benefit plans have been qualified as defined contribution plans under IFRS. Termination benefit obligations arising prior to January 2007 continue to be accounted for under IFRS as defined benefit plans, based on

revised actuarial estimates that exclude the effect of future salary increases.

The resulting provisions for termination benefits, which correspond to the obligation as of December 31, 2006 plus the ensuing actuarial revisions, amounted to €26.5 million as of December 31, 2023 (€27.2 million as of December 31, 2022).

The calculation in 2023 was based on a discount rate of 3.1% (3.6% in 2022).

NOTE 4.5.1.4 Provisions for retirement benefits and other post-employment benefits in the United Kingdom

The UK plan is a trustee-administered plan governed by article 153 of the 2004 Finance Act and is managed in a legal entity outside of the Group.

Benefits are paid directly out of funds consisting of contributions paid by the company and by plan participants.

The plan has been closed to new entrants since May 2004.

Active plan participants account for 1.5% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 35.9% and retired participants for 62.6%.

The provisions recorded in the consolidated balance sheet amounted to €0.0 million as of December 31, 2023 (€0.3 million as of December 31, 2022) reflecting the fact that the fair-value of the plan assets is higher than the value of the projected benefit obligation.

The projected benefit obligation is calculated based on staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation in 2023 was based on a salary increase rate of 4.2% and a discount rate and an expected return on plan assets of 5.1% (respectively 4.3% and 4.5% in 2022).

NOTE 4.5.1.5 Provisions for retirement benefits and other post-employment benefits in the United States

In the United States, the Group provides pension benefits for employees and health care and life insurance for certain retired employees.

The Legrand North America Retirement Plan is covered by a plan document in force since January 2002 that was last amended in January 2008. The minimum funding requirement is determined based on Section 430 of the Internal Revenue Code.

To meet its obligations under the plan, the Group has set up a trust with Prudential Financial, Inc. The trust assets include several different investment funds. The current trustee is

Legrand North America. The Wiremold Company is the Plan Administrator and the Custodian is Prudential Financial, Inc.

The plan has been closed to new entrants since August 2006 for salaried employees and since April 2009 for hourly employees. Since January 1, 2018, active plan participants can no longer cumulate new rights.

Active plan participants account for 9.7% of the projected benefit obligation, other participants who are no longer accumulating benefit entitlements for 20.0% and retired participants for 70.3%.

The funding policy consists of ensuring that the legal minimum funding requirement is met at all times.

The provisions recorded in the consolidated balance sheet amounted to €0.0 million as of December 31, 2023 (€0.0 million as of December 31, 2022) reflecting the fact that

the fair value of the plan assets is higher than the value of the projected benefit obligation.

The calculation in 2023 was based on a discount rate and an expected return on plan assets of 5.2% (4.9% in 2022).

NOTE 4.5.2 Other long-term employee benefits

The Group implemented cash-settled long-term employee benefit plans for employees deemed to be key for the Group, subject to the grantees' continued presence within the Group after a vesting period of three years.

In addition to the grantee still being present within the Group, these plans can, in certain cases, depend on the Group's achievement of future economic performance conditions.

Due to their gradual replacement by equity-settled long-term employee benefit plans detailed in Note 4.2.1, these plans no longer represent material amounts in the Group's financial statements.

NOTE 4.6 Long-term and short-term borrowings

The Group actively manages its debt through diversified sources of financing available to support its medium-term business growth while guaranteeing a robust financial position over the long term.

Negotiable commercial paper

Legrand France has a short-term marketable securities program (NEU CP) whose package was increased from €700.0 million to €1,200.0 million on March 25, 2020.

A complementary medium-term marketable securities program (NEU MTN) was opened on March 18, 2021 with a package of €1,200.0 million.

Bonds

In December 2015, the Group carried out a €300.0 million 1.875% twelve-year bond issue. The bonds will be redeemable at maturity on December 16, 2027.

In July 2017, the Group carried out a bond issue for a total of €1.0 billion, in two tranches of €500.0 million each, with maturities of seven and fifteen years. The respective maturity dates of these two tranches are July 6, 2024 and July 6, 2032 and their annual coupons are respectively 0.750% and 1.875%.

In March 2018, the Group carried out a €400.0 million 1.0% eight-year bond issue. The bonds will be redeemable at maturity on March 6, 2026.

In June 2019, the Group carried out a €400.0 million 0.625% nine-year bond issue. The bonds will be redeemable at maturity on June 24, 2028.

In May 2020, the Group carried out a €600.0 million 0.75% ten-year bond issue. The bonds will be redeemable at maturity on May 20, 2030.

In October 2021, the Group carried out its first sustainability-linked bond issue indexed to its carbon neutrality metrics.

The 0.375% ten-year bonds were issued for a total amount of €600.0 million and will be redeemable at maturity on October 6, 2031.

The issue is indexed to the Group's carbon trajectory by applying a potential additional coupon of 0.50% over the only last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

In May 2023, the Group carried out a sustainability-linked bond issue indexed to CSR engagements of the Group. The 3.5% six-year bonds were issued for a total amount of €700 million and will be redeemable at maturity on May 29, 2029.

The issue is indexed to CSR engagements of the Group by applying a potential additional coupon of 0.125% over the four last year in which the bond reaches maturity, in the event that the related objectives are not achieved.

Yankee bonds

On February 14, 1995, Legrand France issued \$400.0 million worth of 8.5% debentures due February 15, 2025, through a public placement in the United States. Interest on Yankee bonds is payable semi-annually on February 15 and August 15 of each year, beginning August 15, 1995.

A number of Yankee bondholders offered to sell their securities to the Group. Acting on this offer, the Group decided to acquire Yankee bonds:

- in 2013, with an aggregate face value of \$6.5 million,
- in 2020, with an aggregate face value of \$18.6 million,
- In 2021, with an aggregate face value of \$27.5 million,
- In 2022, with an aggregate face value of \$34.6 million,
- In 2023, with an aggregate face value of \$21.4 million.

The acquired debentures were subsequently cancelled.

2011 Credit Facility

In October 2011, the Group signed a Credit Facility with six banks to set up a €900.0 million revolving multicurrency credit line for a five-year period with two successive one-year period renewal options. As per this contract, the margin applied to market rates is determined on the basis of the Group's credit rating.

In July 2014, the Group signed an agreement that amends and extends this Credit Facility with all banks party to this contract. This agreement extends the maximum maturity of the €900.0 million revolving credit line by three years, i.e., up to July 2021, including two successive one-year period extension options, and at improved financing terms compared with October 2011.

In December 2019, the Group signed a new agreement that amends and extends this Credit Facility with all banks party to this contract.

Following this agreement, the maturity of the €900.0 million revolving credit line is extended up to December 2026. The margin applied to market rates is still determined on the basis of the Group's credit rating, but it is increased or decreased each year according to the Group yearly achievement rate on its CSR roadmap.

The 2011 Credit Facility does not contain any covenants.

As of December 31, 2023, the Credit Facility had not been drawn down.

NOTE 4.6.1 Long-term borrowings

Long-term borrowings are initially recognized at fair value, taking into account any transaction costs directly attributable

to the issue, and are subsequently measured at amortized cost, using the effective interest method.

Long-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Negotiable commercial paper	50.0	165.0
Bonds	3,500.0	3,300.0
Yankee bonds	262.7	291.6
Lease financial liabilities	216.3	207.5
Other borrowings	75.3	66.1
Long-term borrowings excluding debt issuance costs	4,104.3	4,030.2
Debt issuance costs	(15.3)	(15.8)
TOTAL	4,089.0	4,014.4

No guarantees have been given with respect to these borrowings.

Long-term borrowings (excluding debt issuance costs) break down by currency as follows, after hedging (see Note 5.1.2.2):

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Euro	3,654.5	3,588.8
US dollar	358.8	375.6
Other currencies	91.0	65.8
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	4,104.3	4,030.2

Long-term borrowings (excluding debt issuance costs) as of December 31, 2023 can be analyzed by maturity as follows:

<i>(in € millions)</i>	Negotiable commercial paper	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	50.0	0.0	262.7	55.3	12.8
Due in two to three years	0.0	400.0	0.0	44.6	36.9
Due in three to four years	0.0	300.0	0.0	33.4	12.1
Due in four to five years	0.0	400.0	0.0	21.9	12.7
Due beyond five years	0.0	2,400.0	0.0	61.1	0.8
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	50.0	3,500.0	262.7	216.3	75.3

Long-term borrowings (excluding debt issuance costs) as of December 31, 2022 can be analyzed by maturity as follows:

<i>(in € millions)</i>	Negotiable commercial paper	Bonds	Yankee bonds	Lease financial liabilities	Other borrowings
Due in one to two years	115.0	500.0	0.0	55.3	38.0
Due in two to three years	50.0	0.0	291.6	39.6	9.5
Due in three to four years	0.0	400.0	0.0	30.2	7.3
Due in four to five years	0.0	300.0	0.0	22.7	11.3
Due beyond five years	0.0	2,100.0	0.0	59.7	0.0
LONG-TERM BORROWINGS EXCLUDING DEBT ISSUANCE COSTS	165.0	3,300.0	291.6	207.5	66.1

Average interest rates on borrowings are as follows:

	12 months ended	
	December 31, 2023	December 31, 2022
Negotiable commercial paper	(0.01%)	(0.06%)
Bonds	1.30%	0.96%
Yankee bonds	8.50%	8.50%
Lease financial liabilities	3.06%	2.50%
Other borrowings	3.67%	3.84%

NOTE 4.6.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Negotiable commercial paper	115.0	155.0
Bonds	500.0	400.0
Lease financial liabilities	68.3	68.8
Other borrowings	49.0	27.5
TOTAL	732.3	651.3

NOTE 4.6.3 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>	December 31, 2023	Variations not impacting cash flows					December 31, 2022
		Cash flows	Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	4,089.0	694.1	30.3	(731.5)	(14.6)	96.3	4,014.4
Short-term borrowings	732.3	(632.7)	(14.3)	731.5	(3.7)	0.2	651.3
Gross financial debt	4,821.3	61.4	16.0	0.0	(18.3)	96.5	4,665.7

NOTE 4.7 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets and deferred tax liabilities are offset when the entity has a legally enforceable right of offset and they relate to income taxes levied by the same taxation authority.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The recognized deferred tax assets are expected to be utilized no later than five years from the period-end.

Deferred taxes recorded in the balance sheet result from temporary differences between the carrying amount of assets and liabilities and their tax base and can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Deferred taxes assets (liabilities) recorded by French companies	(303.5)	(294.5)
Deferred taxes assets (liabilities) recorded by foreign companies	(485.8)	(486.5)
TOTAL	(789.3)	(781.0)
Origin of deferred taxes:		
– Impairment losses on inventories and receivables	77.6	66.8
– Margin on inventories	25.1	28.7
– Recognized operating losses carried forward	3.0	1.3
– Leases	6.0	6.6
– Fixed assets	(321.4)	(300.9)
– Trademarks	(430.8)	(438.6)
– Patents	(10.7)	(16.5)
– Other provisions	(130.6)	(107.6)
– Pensions and other post-employment benefits	31.7	32.0
– Fair value adjustments to derivative instruments	(0.2)	(0.4)
– Other	(39.0)	(52.4)
TOTAL	(789.3)	(781.0)
– Of which deferred tax assets	141.0	133.6
– Of which deferred tax liabilities	(930.3)	(914.6)

The timing of expected reversal of deferred taxes can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Deferred tax assets (liabilities) reversing in the short term	108.4	103.5
Deferred tax assets (liabilities) reversing in the long term	(897.7)	(884.5)
TOTAL	(789.3)	(781.0)

Tax losses carried forward break down as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Recognized operating losses carried forward	16.7	9.0
Recognized deferred tax assets	3.0	1.3
Unrecognized operating losses carried forward	145.5	148.6
Unrecognized deferred tax assets	32.7	33.2
Total net operating losses carried forward	162.2	157.6

NOTE 4.8 Other current liabilities

Other current liabilities can be analyzed as follows:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Taxes other than income tax	111.3	97.1
Accrued employee benefits expense	362.0	339.1
Statutory and discretionary profit-sharing reserve	40.5	35.2
Payables related to fixed asset purchases	41.5	29.2
Accrued expenses	211.4	187.0
Accrued interest	39.9	26.5
Deferred revenue	45.7	42.9
Other current liabilities	35.8	38.1
TOTAL	888.1	795.1

NOTE 5 - Other information

NOTE 5.1 Financial instruments and management of risks

NOTE 5.1.1 Financial instruments

NOTE 5.1.1.1 Impact of financial instruments

<i>(in € millions)</i>	12 months ended				
	December 31, 2023			December 31, 2022	
	Impact on financial profit (loss)	Impact on equity		Impact on financial profit (loss)	Impact on equity
	Fair value	Translation adjustment			
Other investments	0.0			0.0	
Trade receivables	(2.1)			(0.7)	
Cash and cash equivalents	67.5		(27.5)	16.6	20.2
Trade payables	0.0			0.0	
Borrowings	(89.3)		9.5	(76.2)	(19.3)
Derivatives	14.3	(6.5)	0.0	4.2	56.3
TOTAL	(9.6)	(6.5)	(18.0)	(56.1)	57.2

In accordance with IFRS 9, other investments are valued at fair value through equity. Therefore, changes in the fair value of other investments only impact the consolidated balance sheet and the consolidated statement of comprehensive income.

Yankee bonds denominated in US dollars are treated as net investment hedges (see Note 4.3.2).

NOTE 5.1.1.2 Breakdown of balance sheet items by type of financial instrument

(in € millions)	December 31, 2023						December 31, 2022
	Carrying amount	Amortized cost	Fair value	Levels of valuation			Carrying amount
				Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	
ASSETS							
Non-current assets							
Other investments	27.7		27.7			27.7	1.9
Other non-current assets	145.5	132.0	13.5		13.5		62.1
TOTAL NON-CURRENT ASSETS	173.2	132.0	41.2	0.0	13.5	27.7	64.0
Current assets							
Trade receivables	969.9	969.9					958.1
Other current financial assets	1.8		1.8		1.8		65.1
Cash and cash equivalents	2,815.4		2,815.4		2,815.4		2,346.8
TOTAL CURRENT ASSETS	3,787.1	969.9	2,817.2	0.0	2,817.2	0.0	3,370.0
EQUITY AND LIABILITIES							
Non-current liabilities							
Long-term borrowings	4,089.0	4,063.9	25.1			25.1	4,014.4
TOTAL NON-CURRENT LIABILITIES	4,089.0	4,063.9	25.1	0.0	0.0	25.1	4,014.4
Current liabilities							
Short-term borrowings	732.3	732.3					651.3
Trade payables	936.5	936.5					852.5
Other current financial liabilities	1.7		1.7		1.7		2.0
TOTAL CURRENT LIABILITIES	1,670.5	1,668.8	1.7	0.0	1.7	0.0	1,505.8

(1) Level 1: quoted prices on an active market.

(2) Level 2: calculations made from directly observable market data.

(3) Level 3: calculations made from non-observable market data.

In accordance with IFRS 13, fair value measurement takes counterparty default risk into account.

In light of the Group's credit rating, the measurement of other current financial liabilities is subject to insignificant credit risk.

NOTE 5.1.2 Management of financial risks

The Group's cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct any trading in financial instruments, in line with its policy of not carrying out any speculative transactions. All transactions involving derivative financial instruments are conducted with the sole purpose of managing interest rate, exchange rate

and commodity risks and as such are limited in duration and value.

This strategy is centralized at Group level. Its implementation is deployed by the Financing and Treasury Department which recommends appropriate measures and implements them after they have been validated by the Corporate Finance Department and Group management. A detailed reporting system has been set up to enable permanent close tracking of the Group's positions and effective oversight of the management of the financial risks described in this note.

NOTE 5.1.2.1 Interest rate risk

As part of an interest rate risk management policy aimed mainly at managing the risk of a rate increase, the Group has structured its debt into a combination of fixed and variable

rate financing. The Group may be required to subscribe to use hedging instruments for its future funding.

Net debt (excluding debt issuance costs) breaks down as follows between fixed and variable interest rates before the effect of hedging instruments:

(in € millions)	December 31, 2023						December 31, 2022	
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total	Total
Financial assets*								
Fixed rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variable rate	2,815.4	0.0	0.0	0.0	0.0	0.0	2,815.4	2,346.8
Financial liabilities**								
Fixed rate	(588.3)	(328.0)	(480.3)	(345.3)	(434.4)	(2,461.1)	(4,637.4)	(4,339.3)
Variable rate	(144.0)	(52.8)	(1.2)	(0.2)	(0.2)	(0.8)	(199.2)	(342.2)
Net exposure								
Fixed rate	(588.3)	(328.0)	(480.3)	(345.3)	(434.4)	(2,461.1)	(4,637.4)	(4,339.3)
Variable rate	2,671.4	(52.8)	(1.2)	(0.2)	(0.2)	(0.8)	2,616.2	2,004.6

* Financial assets: cash and marketable securities.

** Financial liabilities: borrowings (excluding debt issuance costs).

The following table shows the sensitivity of net debt costs to changes in interest rates, before hedging instruments:

(in € millions)	December 31, 2023		December 31, 2022	
	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
Impact of a 100-bps increase in interest rates	24.5	24.5	18.9	40.4
Impact of a 100-bps decrease in interest rates	(24.5)	(24.5)	(18.9)	(40.4)

The impact on profit before tax of a 100-basis point increase in interest rates would result in a gain of €24.5 million due to a net positive variable-rate exposure. Conversely, the impact

on profit before tax of a 100-basis point decrease in interest rates would result in a loss of €24.5 million.

NOTE 5.1.2.2 Foreign currency risk

The Group operates in international markets and is therefore exposed to risks through its use of several different currencies.

When relevant, "natural" hedges are preferred. If required, when the acquisition of an asset is financed using a currency other than the functional currency of the country concerned, the Group may enter into forward contracts to hedge its foreign currency risk.

As of December 31, 2023, the Group has set up forward contracts in US dollars, Australian dollars Singaporean dollars, British pounds Mexican pesos, Chinese yuan, Polish zloty and Czech koruna which are accounted for in the balance sheet at their fair value.

The following table shows the breakdown of net debt (excluding debt issuance costs) by reporting currency:

(in € millions)	December 31, 2023				December 31, 2022	
	Financial assets*	Financial liabilities**	Net exposure before hedging	Hedging	Net exposure after hedging	Net exposure after hedging
Euro	2,192.0	(4,299.9)	(2,107.9)	(255.8)	(2,363.7)	(2,620.2)
US dollar	337.7	(388.3)	(50.6)	52.4	1.8	(107.4)
Other currencies	285.7	(148.4)	137.3	203.4	340.7	392.9
TOTAL	2,815.4	(4,836.6)	(2,021.2)	0.0	(2,021.2)	(2,334.7)

* Financial assets: cash and marketable securities.

** Financial liabilities: borrowings (excluding debt issuance costs).

The following table shows the sensitivity of gross debt to changes in the exchange rate of the euro against other currencies, before hedging instruments:

	December 31, 2023		December 31, 2022	
	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
<i>(in € millions)</i>	10% increase		10% increase	
US dollar	0.0	38.6	0.0	39.9
Other currencies	(0.1)	14.6	0.2	9.4

	December 31, 2023		December 31, 2022	
	Impact on profit before tax	Impact on equity before tax	Impact on profit before tax	Impact on equity before tax
<i>(in € millions)</i>	10% decrease		10% decrease	
US dollar	0.0	(35.1)	0.0	(36.3)
Other currencies	0.1	(13.3)	(0.2)	(8.5)

Operating assets and liabilities break down as follows by reporting currency:

	December 31, 2023		December 31, 2022	
	Current operating assets excluding taxes	Current operating liabilities excluding taxes	Net exposure	Net exposure
<i>(in € millions)</i>				
Euro	818.8	951.9	(133.1)	(77.6)
US dollar	812.0	523.3	288.7	447.7
Other currencies	864.3	503.3	361.0	406.8
TOTAL	2,495.1	1,978.5	516.6	776.9

The table below presents the breakdown of net sales and operating expenses by reporting currency as of December 31, 2023:

<i>(in € millions)</i>	Net sales		Operating expenses	
Euro	2,961.5	35.2%	2,180.6	32.0%
US dollar	3,197.3	38.0%	2,634.9	38.6%
Other currencies	2,258.1	26.8%	2,009.8	29.4%
TOTAL	8,416.9	100.0%	6,825.3	100.0%

When relevant, natural hedges are also set up by matching costs and revenues in each of the Group's operating currencies. Residual amounts are hedged by options to limit the Group's exposure to fluctuations in the main currencies concerned. These hedges are for periods of less than 18 months.

The Group estimates that, all other things being equal, a 10% increase in the exchange rate of the euro against all other

currencies would have resulted in 2023 in a decrease in net sales of approximately €496 million (€502 million in 2022) and a decrease in operating profit of approximately €74 million (€91 million in 2022), while a 10% decrease would have resulted in 2023 in an increase in net sales of approximately €546 million (€552 million in 2022) and an increase in operating profit of approximately €81 million (€100 million in 2022).

NOTE 5.1.2.3 Commodity risk

The Group is exposed to commodity risk arising from changes in the price of raw materials, mainly plastics and metals (steel, copper, brass, aluminum). Raw materials consumption (except components) amounted to around €712 million in 2023.

A 10% increase in the price of the above-mentioned consumption would theoretically feed through to around a €71 million increase in annual purchasing costs. The Group believes that it could, circumstances permitting, raise the prices of its products to offset the adverse impact of any such increases over the long term.

Additionally, the Group can set up specific derivative financial instruments (options) for limited amounts and periods to hedge part of the risk of an unfavorable change in copper

and certain other raw material prices. The Group did not set up any such hedging contracts in 2023.

NOTE 5.1.2.4 Credit risk

As explained in Note 2.2, a substantial portion of Group revenue is generated with two major distributors. Other revenue is essentially derived from distributors of electrical products but sales are diversified due to the large number of customers and their geographic dispersion. The Group actively manages its credit risk by establishing regularly

reviewed individual credit limits for each customer, constantly monitoring collection of its outstanding receivables and systematically chasing up past due receivables. In addition, the situation is reviewed regularly with the Corporate Finance Department. When the Group is in a position to do so, it can resort to either credit insurance or factoring.

NOTE 5.1.2.5 Counterparty risk

Financial instruments that may potentially expose the Group to counterparty risk are principally cash equivalents, short-term investments and hedging instruments. These assets are placed with well-rated financial institutions or corporates with the aim of fragmenting the exposure to these counterparties.

Those strategies are decided and monitored by the Corporate Finance Department, which ensures a regular follow up of ratings and credit default swap rates of these main counterparties.

NOTE 5.1.2.6 Liquidity risk

The Group considers that managing liquidity risk depends primarily on having access to diversified sources of financing as to their origin and maturity. This approach represents the basis of the Group's financing policy.

The total amount of net financial debt (€2,005.9 million as of December 31, 2023) is fully financed by financing facilities expiring at the earliest in 2024 and at the latest in 2032. The average maturity of gross debt is 4.5 years.

Legrand is rated "A-" with a stable outlook by Standard & Poor's.

Rating agency	Long-term debt	Outlook
S&P	A-	Stable

NOTE 5.2 Climate issues

The Group aims to contribute to the fight against climate change by reducing its carbon footprint and providing its customers with innovative and sustainable solutions. To this end, it leverages a strategy based on four main focus areas:

improving the energy efficiency of its sites, using renewable energies, engaging its suppliers to reduce their greenhouse gas (GHG) emissions, and deploying energy efficiency solutions for its customers.

NOTE 5.2.1 Climate commitments

For many years, the Group has set up ambitions to reduce its environmental impact. In 2021, Legrand committed to achieving carbon neutrality by 2050 and had its targets for reducing greenhouse gas emissions by 2030 (versus 2019) validated by the Science Based Targets initiative (SBTi):

- a 50% reduction in Scope 1 & 2 GHG emissions,
- a 15% reduction in Scope 3 GHG emissions.

To achieve these medium and long-term ambitions, the Group is developing multi-year CSR roadmaps with specific reduction targets, aligned with the medium SBTi trajectory (2030) and its long-term engagement (2050). The roadmaps will spread the target-related costs over time.

The 2022-2024 CSR roadmap, launched in March 2022, includes a climate pillar with specific commitments to reducing greenhouse gas emissions:

- a 10% reduction per year in Scope 1 & 2 greenhouse gas emissions over the duration of the roadmap;
- a commitment by the 250 key suppliers with the greatest carbon impact on the Group (Scope 3) to reduce their CO₂ emissions by an average of 30% by 2030 during the roadmap.

In October 2022, Legrand announced its ambition to reduce Group-level energy consumption at a faster rate, by 15% by the end of 2023 compared to 2021 (on a comparable scope basis). Its initial objective within the 2022-2024 CSR roadmap was to reduce its consumption by 8% compared to 2021.

By the end of 2023, Legrand had achieved this objective with a decrease of 17%.

The Group's financing reflects Legrand's non-financial and climate commitments with:

- a pioneering multi-currency syndicated loan, the margin of which has been partly linked to the CSR roadmaps' yearly success rate since 2019,
- an inaugural, 10-year sustainability-linked bond issue successfully launched in 2021 and indexed to the Group's SBTi-validated 2030 targets for reducing Scope 1, 2 & 3 greenhouse gas emissions. In 2023, Legrand carried out a second bond issue with a 6-year maturity, indexed to its suppliers' commitment on the carbon trajectory and its ambitions in terms of gender diversity by 2024.

NOTE 5.2.2 Climate change challenges faced by the Group

Physical risks

To assess Legrand's exposure to physical climate-related risks more effectively, a scenario analysis was performed for its top 100 sites in 2021. The analysis focused on:

- exposure to extreme events (major coastal, river and surface water flooding),
- the impact of climate change on the ability to work at the sites (e.g., in high temperatures).

The results of the study showed that overall, the exposure of Legrand's strategic real estate assets and activities to physical climate-related risks seems to be minimal. Its business is not sensitive to weather conditions and fewer than 10 sites could be exposed to partial coastal or river flooding as part of a 100-year flooding event.

Mitigation action is and will be considered, to address all relevant points identified.

A new study was launched with AXA Climate to review all of Legrand's physical and financial climate-related risks, for its sites and the main suppliers in its value chain. The findings of

this study will be integrated in 2024 as part of the European corporate sustainability reporting directive (double materiality approach).

Opportunities

In response to the climate emergency and changing needs, the Group provides a wide range of (connected and standard) solutions for controlling energy consumption in all types of buildings.

Sales from energy efficiency programs represented approximately 24% of net sales in 2023.

Regulatory challenges

The regulatory landscape is evolving to integrate climate change, especially the new European corporate sustainability reporting directive.

The regulations to which the Group is subject do not currently entail any risk for its business or financial situation.

Climate change regulations are driving demand for Group products.

NOTE 5.2.3 Accounting and financial implications

The Group's current exposure to the consequences of climate change is limited. Accordingly, the impact of climate change on its financial statements is currently not material.

To meet its climate commitments, the Legrand Group is deploying additional resources, with no material impact on its financial model at this stage.

The short- and medium-term effects have been integrated into the Group's strategic plans, on the basis of which

impairment tests on indefinite life intangible assets are carried out (Note 3.2). The long-term effects of these changes are not quantifiable to date.

The Group's studies and other work have not led to any other impacts on assets and are not likely to call into question the fair value measurement methods or the associated sensitivity tests.

NOTE 5.3 Related-party information

The only individuals qualifying as related parties within the meaning of IAS 24 are the corporate officers who serve on the Executive Committee and the Chairman of the Board of Directors.

Compensation and benefits provided to the members of the Executive Committee and to the Chairman of the Board of Directors for their services are detailed in the following table:

(in € millions)	12 months ended	
	December 31, 2023	December 31, 2022
Compensation (amounts paid during the period)	10.9	11.3
out of which fixed compensation	5.3	5.5
out of which variable compensation	5.4	5.6
out of which other short-term benefits ⁽¹⁾	0.2	0.2
Long-term compensation (charge for the period) ⁽²⁾	5.5	5.1
Termination benefits (charge for the period)	0.0	0.0
Pension and other post-employment benefits (charge for the period) ⁽³⁾	0.1	(0.2)

(1) Other short-term benefits include benefits in kind.

(2) As per the equity-settled benefit plans described in Note 4.2.1, with a 100% pay-out rate assumption.

(3) Change in the obligation's present value (in accordance with IAS 19).

NOTE 5.4 Off-balance sheet commitments

Financial guarantees

(in € millions)	December 31, 2023	December 31, 2022
Guarantees given to banks	92.0	124.4
Guarantees given to other organizations	64.9	64.1
TOTAL	156.9	188.5

Most of these guarantees are given by the Company to banks for Group subsidiaries located outside of France.

NOTE 5.5 Claims and contingent liabilities

The Group is involved in a number of claims and legal proceedings arising in the normal course of business. In the opinion of management, all such matters have been adequately provided for, being specified that no provision is recorded for claims and legal proceedings for which the Group considers that the provision recognition criteria under IFRS are not met.

On July 4, 2022, Legrand received a statement of objections (*notification de griefs*) from the French Competition Authority (*Autorité de la concurrence*), concerning the derogation mechanism with its distributors on the French market. Legrand is committed to strictly complying with all applicable legislation and intends to fully exercise its rights in the upcoming proceedings.

As part of the investigation of the derogation mechanism on the French market, one of Legrand's French entities has been indicted and ordered to provide security in the amount of €80.5 million.

Neither this indictment nor the ordering of this security mean that Legrand will ultimately be found guilty of any wrongdoing.

Legrand rejects that these proceedings have any merit and intends to vigorously demonstrate that its trade policy is in full compliance with the applicable law.

NOTE 5.6 Statutory auditors' fees

The total amount of statutory auditors' fees invoiced to the group in 2023 can be detailed as follows:

<i>(in thousand euros excluding taxes)</i>	PricewaterhouseCoopers Audit SAS		Mazars & associates	
Statutory audit and related services	745	75%	638	81%
Non-audit services	246	25%	145	19%
TOTAL	991	100%	783	100%

NOTE 5.7 Subsequent events

The Group has announced the acquisition of ZPE Systems, Inc. in the United States.

Based in Fremont, California, ZPE Systems employs over 140 people, reporting annual sales of more than \$80 million.

ZPE Systems is a leading American specialist in serial console servers that enable remote access and management of network IT equipment in datacenters.

NOTE 5.8 Key figures reconciliation

Reconciliation of adjusted operating profit with profit for the period:

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Profit for the period	1,148.5	999.5
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	401.1	383.8
Exchange (gains) / losses	8.6	0.4
Financial income	(87.6)	(45.8)
Financial expense	121.0	108.6
Operating profit	1,591.6	1,446.5
i) Amortization & depreciation of revaluation of assets at the time of acquisitions, other P&L impacts relating to acquisitions and ii) impacts related to disengagement from Russia (impairment of assets and effective disposal)	178.6	226.8
Impairment of goodwill	0.0	28.2
Adjusted operating profit	1,770.2	1,701.5

Reconciliation of adjusted net profit attributable to the Group with net profit attributable to the Group:

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Adjusted net profit attributable to the Group	1,203.1	1,146.6
Impacts related to impairment of assets in Russia		(147.1)
Impacts related to the effective disposal of Russian operations	(54.6)	
Net profit attributable to the Group	1,148.5	999.5

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

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Profit for the period	1,148.5	999.5
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	373.9	416.0
Changes in other non-current assets and liabilities and long-term deferred taxes	15.2	80.9
Unrealized exchange (gains)/losses	4.8	(7.1)
(Gains)/losses on sales of assets, net	44.1	(0.6)
Other adjustments	14.0	(4.1)
Cash flow from operations	1,600.5	1,484.6
Decrease (Increase) in working capital requirement	235.9	(248.4)
Net cash provided from operating activities	1,836.4	1,236.2
Capital expenditure (including capitalized development costs)	(253.3)	(205.7)
Net proceeds from sales of fixed and financial assets	1.7	5.0
Free cash flow	1,584.8	1,035.5
Increase (Decrease) in working capital requirement	(235.9)	248.4
(Increase) Decrease in normalized working capital requirement	(22.2)	(73.5)
Normalized free cash flow	1,326.7	1,210.4

Reconciliation of EBITDA with profit for the period:

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Profit for the period	1,148.5	999.5
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	401.1	383.8
Exchange (gains) / losses	8.6	0.4
Financial income	(87.6)	(45.8)
Financial expense	121.0	108.6
Operating profit	1,591.6	1,446.5
Depreciation and impairment of tangible assets	203.9	237.6
Amortization and impairment of intangible assets (including capitalized development costs)	166.2	146.6
Impairment of goodwill	0.0	28.2
EBITDA	1,961.7	1,858.9

Calculation of net financial debt:

<i>(in € millions)</i>	12 months ended	
	December 31, 2023	December 31, 2022
Short-term borrowings	732.3	651.3
Long-term borrowings	4,089.0	4,014.4
Cash and cash equivalents	(2,815.4)	(2,346.8)
Net financial debt	2,005.9	2,318.9

Calculation of working capital requirement:

<i>(in € millions)</i>	December 31, 2023	December 31, 2022
Trade receivables	969.9	958.1
Inventories	1,222.3	1,357.4
Other current assets	302.9	255.4
Income tax receivables	192.7	120.5
Deferred tax assets / (liabilities) reversing in the short term	108.4	103.5
Trade payables	(936.5)	(852.5)
Other current liabilities	(888.1)	(795.1)
Income tax payables	(61.9)	(48.6)
Short-term provisions	(153.9)	(146.4)
Working capital required	755.8	952.3

Company Headquarters

128, avenue de Lattre de Tassigny

87045 Limoges Cedex, France

+33 (0) 5 55 06 87 87

@ www.legrandgroup.com

🐦 @legrand