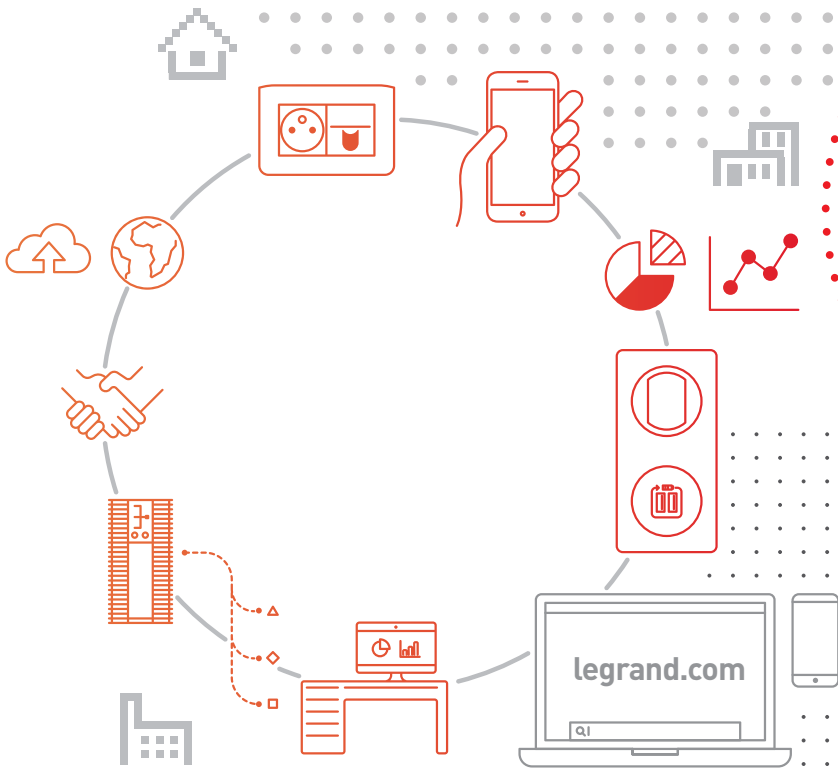


INTEGRATED REPORT

2018





2018

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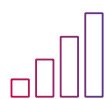
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MESSAGE

FROM THE CHIEF EXECUTIVE OFFICER



Benoît Coquart,
CEO



Sales

€5,997 million



More than

38,000 employees
worldwide



Operations in almost

90 countries
and products distributed in almost
180 countries



Market capitalization of around

€15.5 billion

at February 28, 2019

Member of the CAC 40 index and
of various benchmark ESG indices

2018: STRONG GROWTH IN MAIN INDICATORS AND TARGETS FULLY MET

Excluding the exchange-rate effect, Group sales were up +13% in 2018, the highest rise since 2006. This healthy performance was on the one hand driven by organic growth in sales of +4.9%, coming from successful new product launches and commercial initiatives, and on the other hand from the effect of the increased scope of consolidation at +7.8%, reflecting a very active external growth strategy.

Adjusted operating profit increased by +9.7% to more than €1.2 billion and adjusted operating margin before acquisitions reached 20.2% of sales.

2018 also marked the final year for the 2014-2018 CSR roadmap, whose achievement rate reached 122%. The Group more than exceeded its ambitions in some areas, for example as regards reducing energy intensity and improving health and safety at work.

As a result, Legrand fully met its targets in 2018. We achieved a very strong overall performance, reflecting our ability to create value for all our stakeholders over the long term through a clear strategy, a robust business model and our highly committed teams.

“ In 2018, Legrand undertook many initiatives aimed at fueling its development in keeping with the solid fundamentals that have made it successful.”

A VALUE-CREATING BUSINESS MODEL

Legrand will continue to develop, driven in particular by the technological and social changes that are having a lasting and profound impact on buildings, such as digitalization, longer life expectancy, urbanization, efforts to control energy consumption, fiber optics and voice control.

Building on this, Legrand will maintain its value-creating strategy, driven by:

- organic and external **growth**, and **innovation** to accelerate its development,
- **optimized performance**, particularly through industrial initiatives,
- **digital transformation** of its offering, in order to increase the value in use of its products, and of its organization,
- a **new CSR roadmap** to define and monitor its extra-financial performance targets in connection with the UN's Sustainable Development Goals, around three focal areas: Business Ecosystem, People and Environment.

This clear strategy is underpinned by the Group's robust market positions and the fundamentals that have made its success: demanding governance, acknowledged financial discipline, the accountability and commitment of its teams, simplicity in dealings with others, rapid decision-making and strong values. More than ever, the strategy also consists of having customer-centric thoughts, processes and decisions!

INTEGRATED STRATEGY AND PERFORMANCE

I believe that we must consider the Group's overall performance in terms of the expectations of all stakeholders: its customers and workforce obviously, but also its suppliers, shareholders, public authorities and the communities in which the Group operates, while also making sure to respect natural resources and the environment.

This is why, for more than 10 years now, we have adopted sustainability targets through multi-year roadmaps.

This is also why we made a materiality survey, which allows us to understand what matters to each of our stakeholders. Likewise, performance can only be sustainable if major risks are correctly identified and mitigated, which we strive to do every day through our risk management approach.

Finally, this integrated report charts the Group's ability to make the most of opportunities for value creation in a sustainable, responsible and profitable manner. It is based on the framework defined by the International Integrated Reporting Council (IIRC), and it complements our other publications.

Benoît Coquart,
CEO

LEGRAND:

THE GLOBAL SPECIALIST IN ELECTRICAL AND DIGITAL BUILDING INFRASTRUCTURE

► A market driven by megatrends

Legrand is a global player in electrical and digital infrastructure for residential, tertiary and industrial buildings.

Its accessible market is worth more than €100 billion.

Social and technological megatrends, and those relating to customer habits, offer the Group long-term growth prospects. Indeed, buildings lie at the heart of these developments.

SOCIAL MEGATRENDS



- Growing and ageing populations
- Rise of the middle class in new economies
- Climate change and energy-saving
- Health and wellbeing
- Growing urbanization

CUSTOMER- RELATED MEGATRENDS



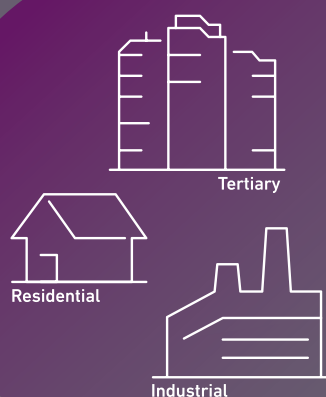
- Mobility
- Connected living
- E-commerce
- Internet of Me
- Collaborative and remote working
- Personal data protection

TECHNOLOGICAL MEGATRENDS



- Wireless
- Voice control
- Sensors
- Fiber optics
- Big Data and blockchain
- Artificial intelligence

SECTORS



legrand®

New applications
and innovating
services

Connected home

High-performance
infrastructure

Intelligent buildings

Smart cities

Industry 4.0

1/8

of the world's population
has no access to energy*

* Source: International Energy Agency (IEA).

** Source: United Nations Organization.

The number of people
aged over 80 is **expected to triple**
between now and 2050**

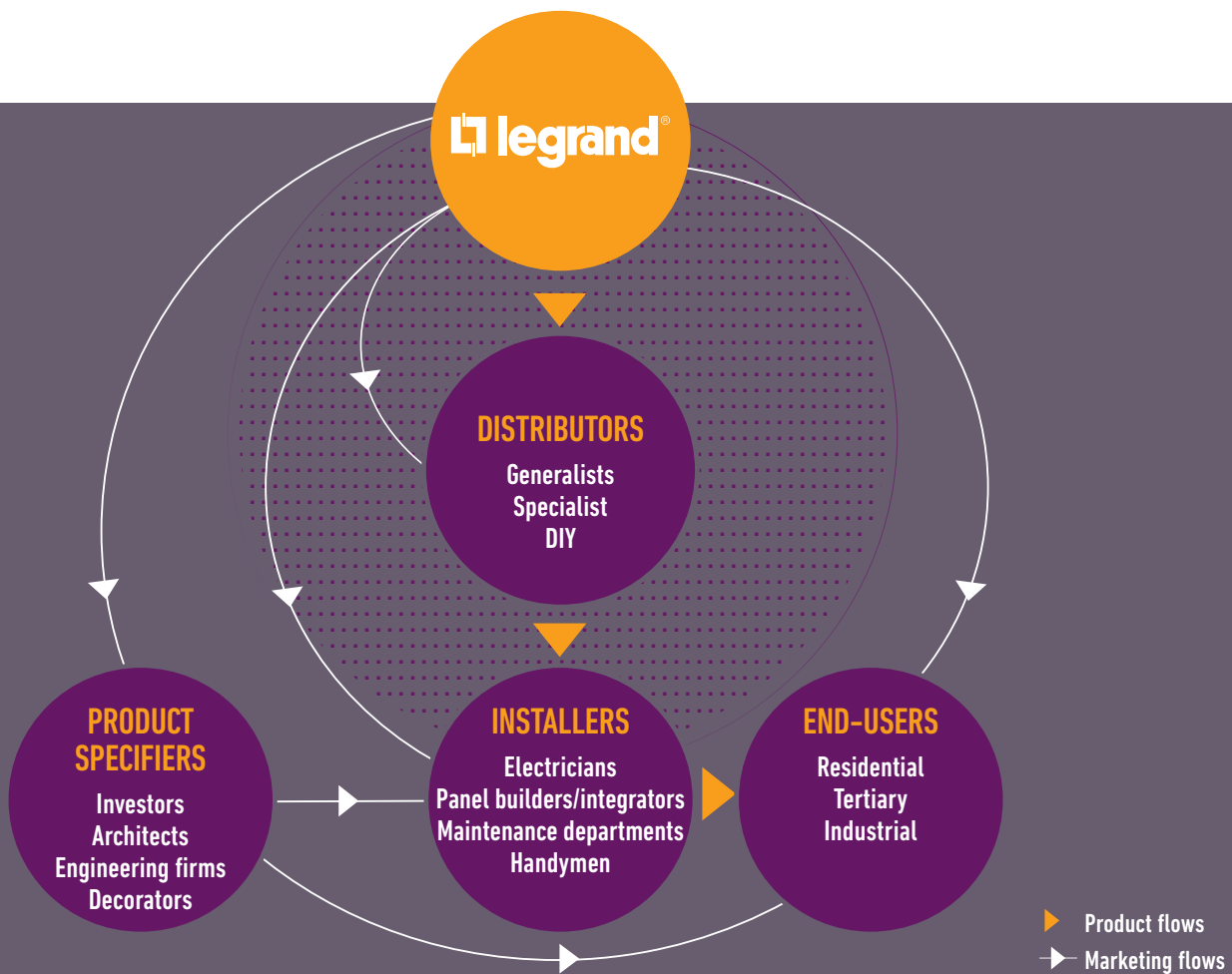
Buildings are responsible
for **35%** of energy
consumption*

**AN ACCESSIBLE MARKET WORTH OVER €100 BILLION,
DRIVEN BY MEGATRENDS**

**► Present across
all parts of the economic chain**

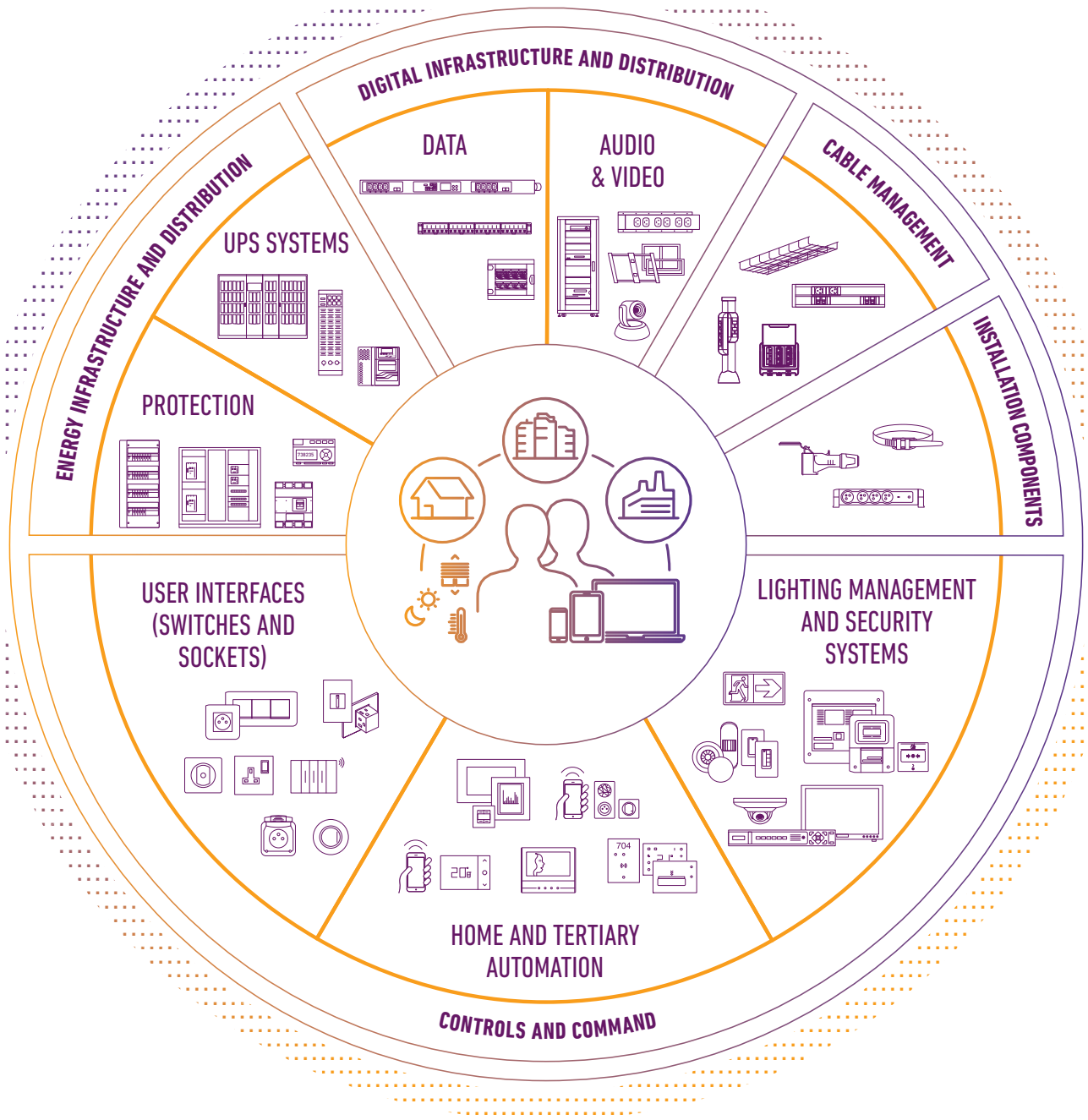
The depth of Legrand’s offering, geared towards low-voltage applications in tertiary, residential and industrial buildings, makes the Group a global benchmark for all the players in its economic chain:

- **distributors**, to which Legrand sells its products,
- **electrical contractors**, who install Legrand’s solutions in buildings,
- **product specifiers** (architects and engineering firms), which recommend the Group’s solutions,
- **end-users** (individuals, companies and building managers).



► **A broad product range**

Legrand offers more than
300,000 product lines



► **An organization that supports the Group's strategy and customers**

THE GROUP'S ORGANIZATIONAL STRUCTURE IS BASED ON **TWO DISTINCT ROLES:**

THE FRONT OFFICE

is organized by country and consists of sales (in a broad sense) and operational marketing, aimed at meeting the specific needs of each market.

THE BACK OFFICE

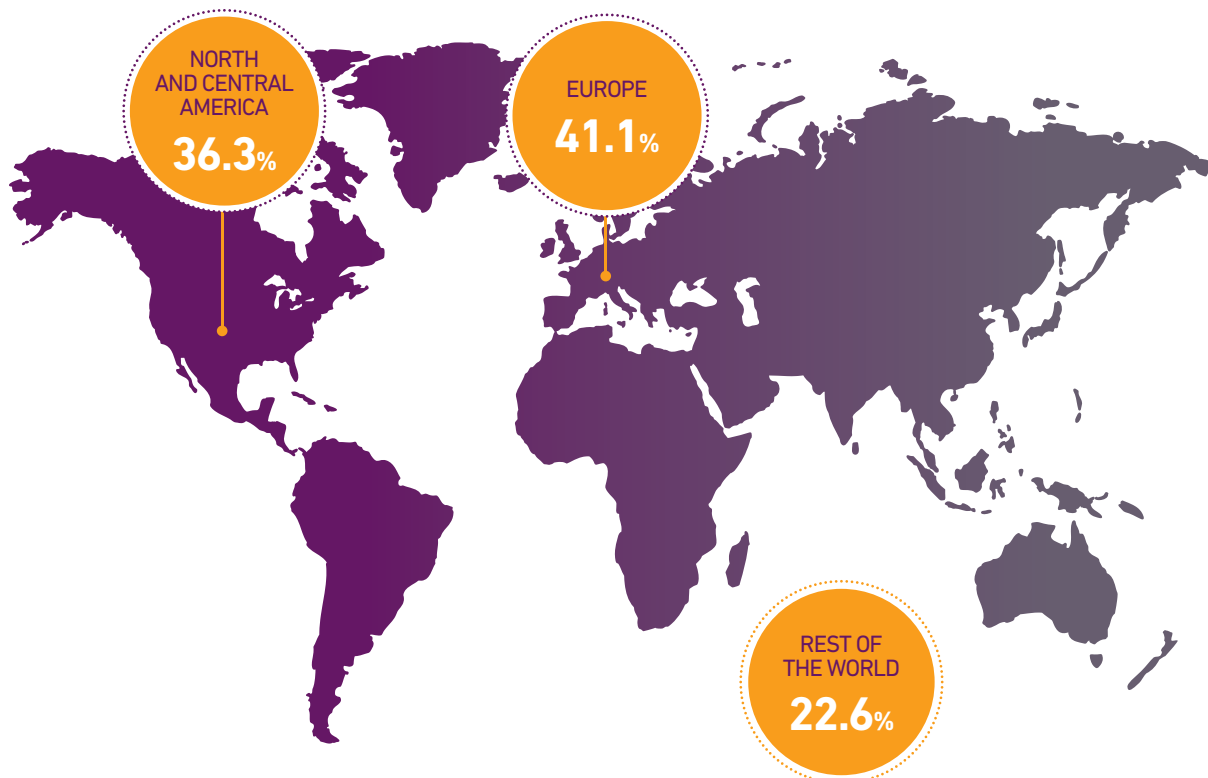
brings together industrial activities (innovation, R&D, production, purchasing and supply chain) with strategy-related activities and general administration, centralized at the Group level.

► Global presence

Legrand's products are sold under more than **70 brands** and across close to 180 countries. The Group has sales and manufacturing operations in nearly **90 countries**. **Almost 85%** of its sales come from outside France.

2018 SALES

BY GEOGRAPHICAL REGION



2018 SALES

BY END-MARKET



55%

TERTIARY



40%

RESIDENTIAL



5%

INDUSTRIAL

BUSINESS MODEL

PROFITABLE, SUSTAINABLE, VALUE-CREATING GROWTH

2018 Data

HUMAN CAPITAL

- More than **38,000** people
- Almost **2,400** people working in R&D in more than 20 countries
- Loyal and committed teams

INDUSTRIAL CAPITAL

- More than **130** manufacturing and logistics sites in 31 countries
- **90%** of sites ISO 9001-certified
- **90%** of sites ISO 14001-certified

FINANCIAL CAPITAL

- Solid balance sheet structure
- Net debt equal to **1.7x** EBITDA
- Investment-grade credit rating

INTELLECTUAL CAPITAL

- About **3,700** patents
- More than **70** trademarks
- More than **300,000** product references

SOCIAL CAPITAL

- **60%** of purchases from suppliers that embrace Global Compact principles
- Corporate sponsorship (Electriciens Sans Frontières, Fondation Agir Contre l'Exclusion), technological alliances, commercial partnerships

NATURAL CAPITAL

- Land
- Raw materials
- Other natural resources

A global presence in electrical and digital building infrastructure, a market driven by megatrends

EXTERNAL GROWTH

48 acquisitions
from 2008 to 2018

€3.9 billion invested

ORGANIC GROWTH

Innovation

- 4.8% of sales invested on R&D in 2018
- More than 40 families of connected products (Eliot)
- Sales of connected products growing in total at an average annual rate of 28%⁽¹⁾

Commercial excellence

- 96% of sales covered by CRM
- 121 million web pages viewed
- Digital initiatives: e-marketing, data analytics
- More than 100 showrooms and concept stores

(1) Between 2014 and 2018.

LEADERSHIP POSITIONS

69% of revenue from leading products⁽¹⁾

At least one leadership position in **more than 45 countries**

LONG-TERM VALUE CREATION

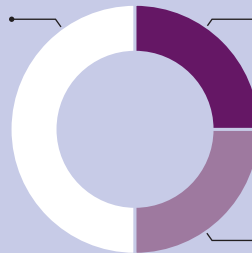
€6.0 billion of sales, including €635 million from connected products

20.2% adjusted operating margin (in % of sales)

€893.5 million of normalized free cash flow

BREAKDOWN OF VALUE ADDED BY STAKEHOLDER (2007-2018)

Employees



Growth investments

- R&D investments
- Industrial investments
- Acquisitions

Other stakeholders

- Shareholders and lenders
- Governments (corporate income tax)
- Civil society



BUSINESS ECOSYSTEM (2014-2018)

- 45 partnerships
- Training provided to 794,000 customers
- Support given to 100% of at-risk suppliers
- Business ethics training provided to more than 3,300 staff members



PEOPLE (2014-2018)

- 1.2 million people benefiting from electricity supply projects carried out with Electriciens sans Frontières
- 4.22: accident frequency rate with work stoppage halved
- 32% increase in the number of women in key positions



ENVIRONMENT (2014-2018)

- 91% of waste recovered
- -26.4% reduction in energy intensity
- 4.5 million metric tons of CO₂ emissions avoided through our energy efficiency products

Legrand, the sixth CAC 40 company to be recognized by the Sciences Based Target Initiative for its commitment to reducing greenhouse gas emissions

(1) Percentage of sales coming from products that rank first or second in their respective markets.

STRATEGY AND GROWTH DRIVERS

2 GROWTH DRIVERS: ORGANIC GROWTH AND ACQUISITIONS

► Organic growth

Organic growth is driven by innovation, through regular **new product** launches and ongoing sales and marketing initiatives. Legrand also establishes technological **partnerships** – for example with CEA Tech, universities and other industrial players – and commercial partnerships, such as the collaboration with Lumileds to speed up adoption of dimmable LED lighting in the United States.

EXAMPLES OF NEW PRODUCTS IN 2018:

- User interfaces: dooxie in France, Living Now in Italy, Yiyuan in China, and connected products (Céliane with Netatmo in France, Valena with Netatmo in Greece and Smart lighting control in the United States)
- Automation for tertiary buildings: digital control interface for hotel rooms
- Protection: DX3 and DMX circuit-breakers, Practibox S cabinets and XL3 power enclosures
- Security systems: Galaxy connected security lighting
- Lighting management: Human Centric Lighting solutions
- Audio/video: app-controlled and Alexa™-interoperable Nuvo player audio systems, Milestone display mounts
- Intelligent UPS Systems
- Data: Infinium fiber enclosures for datacenters
- Logix universal modular floor boxes

FOCUS ON CONNECTED OBJECTS

The development of the Internet of Things is a major development for Legrand.

The Group has decided to step up its investments in this area.

- Innovation: in 2015, Legrand launched the Eliot program, which aimed at doubling the number of connected product families and achieving double-digit average annual total sales growth for connected products by 2020. Those targets were met as early as 2018.
- Partnerships: the Works with Legrand program enables third parties to connect to the Group's solutions in order to offer new services and functions.



“ Combined with our IoT expertise, the acquisition of Netatmo, a leading French smart home company, will enable us speed up development of high value in use connected products ”

Benoît Coquart

► External growth: A bolt-on acquisitions strategy

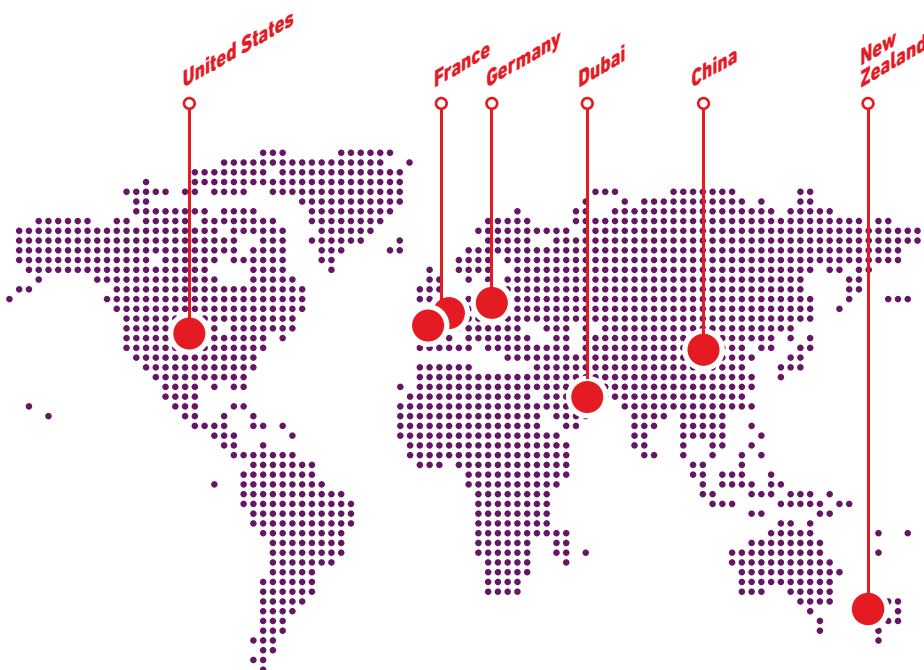
Legrand’s targeted acquisitions strategy focuses on small- and medium sized companies, referred to as bolt-on acquisitions, that complement the Group’s existing activities, strengthen its positions and expand its accessible market year after year.

The Group has made 170 acquisitions since 1954 and invested an average of €382 million per year over the last 10 years.

In 2018, Legrand acquired more specifically seven companies:

- **Netatmo**, a leading French producer of connected objects for the home
- **Debflex**, a French frontrunner in electrical equipment for DIY (Do-It-Yourself) activities
- **Kenall**, the American leader in lighting solutions dedicated to specialized applications and to critical non-residential environments
- **Shenzhen Clever Electronic**, Chinese leader in intelligent Power Distribution Units for datacenters
- **Modulan**, the German specialist in custom cabinets for datacenters
- **Gemnet**, a Uninterruptible Power Supply systems specialist based in Dubai
- **Trical**, a local front-runner in electrical and digital enclosures and switchboards for residential and commercial buildings in New Zealand

7
acquisitions
in 2018



FOCUS

Acquisitions help Legrand to expand its accessible market and strengthen its leading positions.

Between 2006 and 2018:

- the value of Legrand’s accessible market more than doubled to over €100 billion;
- the proportion of sales coming from products, which rank first or second on their market rose from around 53% to over 69%

In the last 10 years, the Group’s acquisitions strategy has enabled it to achieve:

- A number 1 position in audio/video infrastructure and power in the United States with the acquisitions of Milestone and Middle Atlantic Products, which have now been combined within a single division,
- A leading position in smart power distribution units in the United States with the acquisitions of Raritan and Server Technology, and in China with the acquisition of Shenzhen Clever Electronic,
- A leading position in specification-grade lighting solutions for commercial buildings in the United States with the acquisitions of Pinnacle, Finelite, Kenall and OCL, and
- A number-two position in Europe in the assisted living market with the acquisitions of Intervox in France, Neat in Spain, Sweden and Germany, and Tynetec and Jontek in the United Kingdom.

CSR STRATEGY

FOR LONG-TERM GROWTH

**MAKE OUR COMMITMENT
A LEVER OF PROGRESS
FOR SOCIETY, PEOPLE AND
ENVIRONMENT**

► A strategy integrated in the business model and aligned with global issues

For many years, the Group's CSR approach has been an integral part of the Legrand business model and has supported its sustainable, profitable growth. The CSR roadmap, first published in 2007,

is a place where the Group's business activities, strategy and global challenges meet. It represents a commitment by the whole organization: all subsidiaries and entities are stakeholders in the CSR strategy and they implement it globally.

► Developed jointly with stakeholders

The CSR strategy, which is formalized in the CSR roadmap, addresses the Group's main Environmental, Social and Governance (ESG) issues risks and issues, identified partly through a materiality survey carried out among stakeholders (3,700 respondents) and partly through the Group's risk mapping efforts.

► Performance management and oversight

CSR performance is managed and overseen by the CSR Department, which relies on a network of 300 correspondents working in the Group's subsidiaries.

CSR priorities are applied by the Group's various entities.

A specific governance structure is in place and the social responsibility committee is in charge of ensuring consistency between the CSR priorities and Group strategy.

There is a quantitative target for each roadmap priority, measured using consolidated indicators on which an independent third-party organization provides a reasoned opinion.

The Group reports on its extra-financial performance every year, and it is one of the criteria determining the compensation of Group executives and decision-makers (CEO, members of the Executive Committee, country managers, Strategic Business Unit managers etc.).



► A strategy aligned with international standards

To learn more :
2018 Registration document
Chapter 4

Legrand applies international CSR standards:

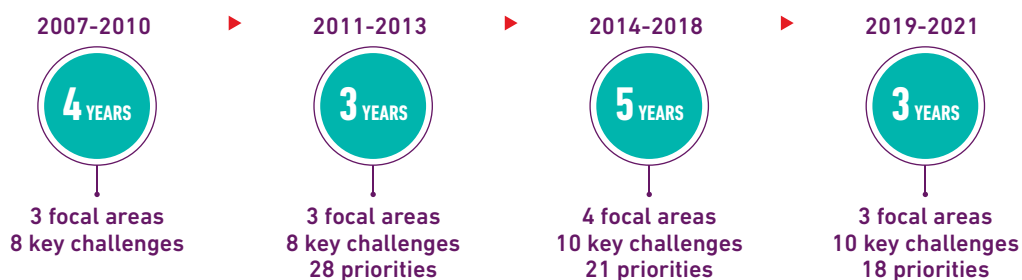
- the Universal Declaration of Human Rights
- the Declaration of the International Labour Organization (ILO)
- the GRI (Global Reporting Initiative) and ISO 26000 standards
- the 10 Principles of the United Nations Global Compact
- the United Nations Sustainable Development Goals (SDGs) for 2030
- Legrand is also part of the Science Based Targets initiative (backed by the WWF, the United Nations Global Compact, the World Resources Institute and the Carbon Disclosure Project)



► A strategy defined by clear objectives

Multi-year CSR roadmaps set out the priorities and targets for the Group and each subsidiary.

They are supplemented by medium-term targets related to the United Nations Sustainable Development Goals.



► 2019-2021 roadmap: issues and priorities

The 2019-2021 CSR roadmap was published in February 2019 and is Legrand's fourth.

It reasserts the Group's commitment to sustainability in its business activities while being more ambitious than previous roadmaps.

It is based around 10 key challenges and 18 priorities, consistent with the UN's Sustainable Development Goals (SDGs).

To make the Group more agile and responsive in this area, the 2019-2021 roadmap covers a three-year period instead of four years for the previous roadmap.

Quantitative targets are calculated with respect to end-2018 levels and are to be achieved by the end of 2021.

3 FOCAL AREAS OF THE COMMITMENT TO SUSTAINABILITY

Legrand's CSR is based on three focal areas⁽¹⁾ that guide and structure its commitments.

The focal areas break down into 10 key challenges that take priority for both the Group's stakeholders and the development of its activities:



BUSINESS ECOSYSTEM

Legrand interacts with its whole business ecosystem in an ethical way.

PEOPLE

Legrand commits for respect of all its staff members and stakeholders.

ENVIRONMENT

Legrand intends to limit the Group's impact on the environment.

3 TARGETS FOR 2030



BUSINESS ECOSYSTEM

INCREASE THE SHARE OF SUSTAINABLE INCOME

Derive 80% of the Group's sales from sustainable products



PEOPLE

STRENGTHEN THE POSITION OF WOMEN AT LEGRAND

Ensure that at least one third of the Group's key roles are occupied by women
Reach gender parity in the workforce



ENVIRONMENT

CONTINUE REDUCING THE GROUP'S ENERGY FOOTPRINT

Achieve a 30% reduction in CO₂ emissions directly related to the Group's activities (target validated by Science Based Targets)

► Challenges and priorities for 2021



BUSINESS ECOSYSTEM

All along the value chain, Legrand aims to address the expectations of business stakeholders, suppliers, users and partners, in order to ensure progress for all in strict compliance with ethical rules.

PROVIDE SUSTAINABLE SOLUTIONS



- Protect the health and safety of users
- Stimulate innovation through partnerships

ENSURE SUSTAINABLE PURCHASING



- Raise awareness and provide training about responsible purchasing
- Measure the progress of suppliers identified as at-risk in CSR terms

ACT ETHICALLY



- Continue to train employees and raise their awareness about business ethics
- Monitor the application of the compliance program



PEOPLE

All over the world, Legrand is committed to ensuring the greatest respect for human rights, diversity, safety, wellbeing, health and talent among its employees and communities.

RESPECT HUMAN RIGHTS AND COMMUNITIES



- Comply with the Group's commitment to human rights
- Contribute to communities

PROMOTE HEALTH, SAFETY AND WELL-BEING AT WORK



- Deploy best practice on health and safety at work
- Strengthen the commitment of Group employees

DEVELOP SKILLS



- Develop the skills and talents of all employees

PROMOTE EQUAL OPPORTUNITIES AND DIVERSITY



- Encourage diversity at work



ENVIRONMENT

It is Legrand's responsibility to limit the environmental impact of its activities, particularly by reducing CO₂ emissions.

LIMIT GREENHOUSE GAZ EMISSIONS



- Reduce the Group's carbon footprint
- Avoid CO₂ emissions through the Group's energy efficiency offers

INNOVATE FOR CIRCULAR ECONOMY



- Integrate circular economy principles into the development of new products
- Provide environmental information on the Group's products
- Ensure waste recovery

COMBAT POLLUTION



- Reduce Volatile Organic Compound (VOC) emissions

RISK MANAGEMENT FOR PERFORMANCE

► Risk mapping

As the Group and its operating environment changes, risk mapping aims to identify risks and opportunities that are likely to significantly impact the Group's strategy, operations, financial position or reputation, and to mitigate them.

Risk factors may be external (regulatory changes, cybercrime, technological developments, market trends, climate change, natural catastrophes etc.) or internal (equipment or human failure, fraud, non-compliance with regulations, etc.).

Risk management is an ongoing exercise for which all Group managers are responsible.

A dedicated governance framework is in place, involving:

- a risk manager in charge of overseeing the process,
- a risk committee chaired by the Chief Executive Officer,
- operational risk committees in some departments,
- the Audit Committee, charged with assessing the organization and effectiveness of the mechanism.

The approach is based on identifying and ranking risks on the basis of their impact, probability and estimated level of control.

► Dedicated governance framework



RISK MANAGEMENT IS A KEY FEATURE OF THE GROUP'S OPERATIONS AND SAFEGUARDING ITS INTEGRATED PERFORMANCE

► Major risks and opportunities

The risk mapping and materiality analysis work carried out with our stakeholders enables us to identify the risks and opportunities relating to our business model.

ASPECTS OF THE BUSINESS MODEL	ASSOCIATED RISKS AND OPPORTUNITIES
Organic growth and innovation - Particularly related to the Internet of Things	<ul style="list-style-type: none"> • Technological disruption and digital transformation • Personal data protection • Failure in launching a major project
Acquisitions	<ul style="list-style-type: none"> • Detecting acquisition targets, acquiring them and integrating them within Legrand
Leadership positions	<ul style="list-style-type: none"> • Changes in product standards and regulations • Ability to adjust prices • Product quality and safety • Brand and reputational damage
Human capital	<ul style="list-style-type: none"> • Attracting and retaining talent • Adapting skills to requirements • Engaging staff
Intellectual capital	<ul style="list-style-type: none"> • Intellectual property, patent protection, infringement of third-party rights, counterfeiting
Industrial capital	<ul style="list-style-type: none"> • Raw materials and component shortages • Failure of a strategic supplier • Unavailability of a production, storage or logistics site
Social capital	<ul style="list-style-type: none"> • Poor practice among suppliers • Environmental impact • Employment practices • Business ethics • Tax risks
Financial capital	<ul style="list-style-type: none"> • Financing and liquidity risk • Counterparty risk • Value of brands and goodwill
Natural capital	<ul style="list-style-type: none"> • Risks related to climate change
Creation of financial value added	<ul style="list-style-type: none"> • Failure to achieve the expected financial performance • Reliability of accounts and internal control • Foreign currency risk • Customer credit risk
Global presence	<ul style="list-style-type: none"> • Country risk

To learn more :
2018 Registration document
Chapter 3

GOVERNANCE

CENTRAL TO ALL ISSUES

► Board of Directors: independence, diversity and variety of skills

Legrand is listed on Euronext Paris and is a member of the CAC 40⁽¹⁾.

Its shareholder base is international, and is mainly located in the United States, France, the United Kingdom and various other European countries. Its free float is 96%. Legrand pays a particular attention to its governance, ensuring that it meets the highest standards, not only to comply with legal requirements but to act in the interests of all stakeholders.

The Company abides by the principles of corporate governance for listed companies set out in the Afep-Medef

Code of Corporate Governance, which can be consulted on Medef's website at www.medef.com

The Board of Directors exercises the powers vested in it by law to act in the company's interest in all circumstances. The Board's decisions are made within the context of the Group's sustainable development approach. The Board of Directors therefore contains people with varied and complementary profiles, with strategic, financial and specific skills such as financial communication, CSR, talent management and marketing.

THE MEMBERS OF THE BOARD OF DIRECTORS ARE AS FOLLOWS:

To learn more :
2018 Registration document
Chapter 6, paragraph 6.1.1



Gilles SCHNEPP,
Chairman of the Board of Directors,
French



Olivier BAZIL,
Director,
French



Isabelle BOCCON-GIBOD,
Independent Director,
French



Christel BORIES,
Independent Director,
French



Angeles GARCIA-POVEDA,
Lead independent Director,
Spanish



Edward A. GILHULY,
Independent Director,
American



Philippe JEULIN,
Director representing employees,
French



Patrick KOLLER,
Independent Director,
German-French



Annalisa LOUSTAU-ELIA,
Independent Director,
Italian



Eliane ROUYER-CHEVALIER,
Independent Director,
French

PROPORTION OF INDEPENDENT
DIRECTORS*

78%

GENDER BALANCE
ON THE BOARD OF DIRECTORS*

56%  44% 

NATIONALITIES REPRESENTED
ON THE BOARD OF DIRECTORS

5

* These figures do not include the director representing employees.

(1) On the date this registration document was registered.

“ Legrand’s governance is consistent with market best practice, particularly through the composition and functioning of its Board and committees and the quality of its interaction with management. ”



Gilles SCHNEPP (*Chairman of the Board of Directors and Member of the Strategy and Social Responsibility Committee*)



In 2017 and 2018, Legrand ranked in the top quartile of CAC 40 companies in terms of governance practices according to the “CAC 40 governance” index launched by Euronext in partnership with Vigeo Eiris.



► The Executive Committee: a multi-disciplinary and experienced team

To learn more :
2018 Registration document
Chapter 6, paragraph 6.1.4.4

The Executive Committee is made up of a close-knit eight-member team that has a varied and complementary range of expertise. All members of the committee understand the core business of the Group and its development issues.

This Committee brings together representatives of country management teams and of operational support departments in those countries. On the date the 2018 registration document was filed, the Executive Committee, which included two women, was made up as follows:

Name	Duties	Date of joining the Group
Mr. Benoît COQUART	Chief Executive Officer	1997
Mrs. Karine ALQUIER-CARO	Executive VP Purchasing	2001
Mrs. Bénédicte BAHIER	Executive VP Human Resources	2007
Mr. Antoine BUREL	Deputy Chief Executive Officer, Executive VP Group Operations	1993
Mr. Jean-Luc CARTET	Executive VP Asia-Pacific, Middle East & Africa and South America	1992
Mr. Franck LEMERY	Chief Financial Officer	1994
Mr. John SELLDORFF	President and Chief Executive Officer of Legrand North & Central America	2002
Mr. Frédéric XERRI	Executive VP Europe	1993

INTEGRATED PERFORMANCE

► Financial performance

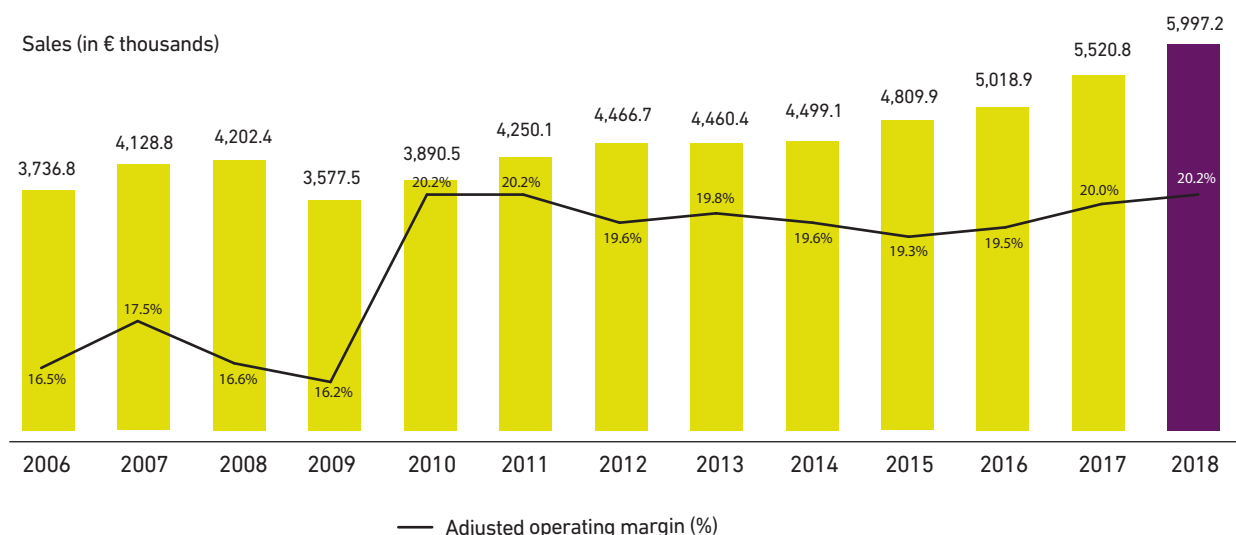
FINANCIAL PERFORMANCE IN 2018

With +4.9% of organic growth in sales in 2018, Legrand outperformed the target that it set itself for the year and continued to expand its positions. The effect of the increased scope of consolidation was also substantial at +7.8%. Excluding the exchange-rate effect, sales were up +13% in 2018 – the highest rise since 2006.

Adjusted operating profit increased +9.7%, to over €1.2bn, and adjusted operating margin before acquisitions reached 20.2% of sales, in line with the 2018 target.

Net profit attributable to the Group was up a strong +23.3%⁽¹⁾ and normalized free cash flow rose +21.5%, to represent 14.9% of sales.

2006-2018 PERFORMANCE



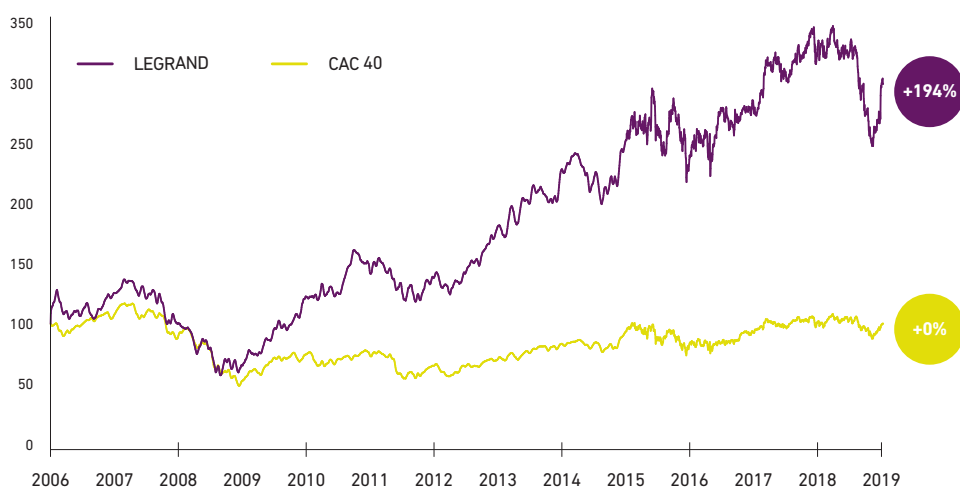
(1) 2018 net profit attributable to the Group compared with 2017 net profit attributable to the Group adjusted for the favorable net impact of significant non-recurring corporate taxation gains and expenses. For more details, readers are invited to consult pages 14, 15 and 20 of the press release issued February 8, 2018.

“ I am convinced that maximizing value creation is driven by results from a combination of financial and extra-financial performance.”

Benoît Coquart

SHARE PRICE PERFORMANCE

(between April 6, 2006 and February 28, 2019)



2019 TARGETS

In 2019, the Group will pursue its value-creating strategy of profitable and sustainable growth. Based on macroeconomic forecasts for 2019 that are favorable overall but that have become more uncertain, Legrand has set a target for organic growth in sales of between 0% and +4% in 2019. Additionally, the Group has retained a target for adjusted operating margin before acquisitions (at 2018 scope of consolidation) of between 19.9%⁽¹⁾ and 20.7%⁽¹⁾ of sales in 2019. Legrand will also pursue its acquisition strategy and its CSR approach by launching a new roadmap for 2019-2021.

LEGRAND'S MEDIUM-TERM VALUE-CREATING MODEL

Confident in the soundness of its model and its ability to fuel lasting profitable growth, Legrand confirms its medium-term model:

- assuming a buoyant economic backdrop and excluding exchange-rate effects, the Group intends to achieve annual growth in sales and adjusted operating profit of around +10%;
- assuming a lackluster or unfavorable economic backdrop, Legrand will focus on protecting its model, profitability and generation of free cash flow.

Over a full economic cycle, and excluding any major economic slowdown, this model would result in average annual total growth in sales above that of the Group's reference markets, adjusted operating margin averaging around 20% of sales⁽²⁾, normalized free cash flow ranging on average between 13% and 14% of sales⁽²⁾, and an attractive dividend.

Legrand also intends to continue rolling out an ambitious approach to CSR, driven by demanding roadmaps.

(1) After taking into account an estimated positive impact of around +0.1 points from the application of IFRS 16 from January 1, 2019.

(2) Without major acquisition and taking into account the implementation of IFRS 16 standard.

► Extra-financial performance

2014–2018 ROADMAP RESULTS



2014–2018 HIGHLIGHTS

► **2014: creation of the Legrand Foundation**

The Legrand Foundation aims to help people live independently, combat exclusion linked with a loss of independence and electricity poverty, and promote education and access to employment in the electrical sector.

► **2015: Legrand obtains ISO 50001 certification**

This certification of Legrand's Energy Management System covers 24 European sites and shows the Group's desire to address energy transition issues. Legrand is the first French industrial group to obtain ISO 50001 certification for multiple sites across a broad European platform.

► **2016: Legrand receives the CSR Trophy in the "Grand Prix de l'AG" shareholder meeting awards**

This award recognizes the way in which the Group has made CSR

an integral part of its strategy in its Shareholders' General Meetings, particularly through the publication of its first integrated report.

► **2017: Legrand signs up to a new partnership with Electriciens sans Frontières and the French foreign affairs ministry**

Legrand, which has been a partner of Electriciens sans Frontières since 2007, signed a partnership agreement with the French foreign affairs ministry, Electriciens sans Frontières and nine other companies to help deal with humanitarian emergencies. All of these partners worked together for the first time after the Indonesian earthquake in 2018.

► **2017: Legrand launches a global employee welfare program**

This program, called Serenity On, has three parts: parenthood, health and death and disability cover. The program is set to be rolled out across all Group subsidiaries by 2021.

► **2018: Legrand ranked ninth in the CAC 40 positivity survey**

Legrand was ranked ninth in the first CAC 40 positivity survey, the results of which were published in 2018 by Positive Economy Advocacy. The survey analyzed companies' ability to put altruism and the interests of future generations at the heart of their priorities.

► **2018: Legrand becomes the sixth CAC 40 company recognized by the Science Based Targets initiative (SBTi) for its climate commitment**

Continuing its efforts to limit its environmental impact, Legrand undertook in 2018 to achieve a 30% reduction in its greenhouse gas emissions by 2030. Its targets were validated by the SBTi.

MAIN ACHIEVEMENTS BY STRAND DURING 2014-2018

OVERALL ACHIEVEMENT RATE OF 122%



USERS

Users of the Legrand Group's products and their needs are the Group's main focus and concern. It relies on innovation to offer users sustainable solutions and to drive progress in the electrical sector.

- 4.5 million metric tons of CO₂ emissions avoided through our installed products
- PEPs (Product Environmental Profiles) available for products making up 70% of Group sales
- 45 partnerships initiated over the 5-year period
- training provided to 794,609 customers
- 96% of Group sales covered by a CRM (Customer Relationship Management) tool

“PEPs (Product Environmental Profiles) now cover products making up 70% of Legrand's sales. This illustrates our eco-design approach, which is based on lifecycle analysis. It gives the Group a crucial advantage in meeting Sustainable Building requirements.”

Jean Michel Rossignol *Environmental Manager*



COMPANY

Interaction with business partners takes place with the utmost respect for ethical principles, particularly in terms of business practices and purchasing policy.

- Business ethics training provided to 3,370 people.
- Compliance program rolled out across more than 50 countries.
- Support given to 100% of higher-risk suppliers and more than 200 action plans initiated in around 20 countries.
- Working with Electriciens Sans Frontières, improved access to energy provided to 1.2 million people.
- 42 projects supported by the Foundation since 2014.

“The roadmap led to the creation, across more than 25 countries, of a community of trained purchasers, supported by environmental and health and safety specialists applying a common methodology to assess and help suppliers exposed to CSR risks to achieve progress in the field.”

Karine Alquier-Caro *Executive VP Purchasing*



EMPLOYEES

The Group seeks to ensure respect for human rights all over the world. It is also committed to health and safety for all.

- Respect for human rights assessed for 100% of exposed employees.
- More than 98% of employees covered by occupational risk management plans.
- 94% of employees receiving training each year on average.
- 90% of managers receiving an individual appraisal.

“The adoption of best practice regarding Health and Safety at Work halved the accident frequency rate during the roadmap period.”

Philippe Bastard *Group VP Operating Performance*



ENVIRONMENT

Environmental protection applies not only to the Group's sites but also the design of its products. The challenge is to innovate in order to limit the environmental impact of Legrand's operations. This includes promoting the development of a circular economy.

- 90% of main industrial and logistics sites ISO-14001 certified.
- 26.4% reduction in energy intensity.
- 91% of waste sent for recycling.
- 98% of the Group's sales compliant with the requirements of the RoHS directive.

Targets for reducing greenhouse gas emissions, aimed at limiting global warming to 2°C, were also approved by the Science Based Targets initiative. Legrand was one of the very first CAC 40 companies to obtain such approval.

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