SHAPING THE CONNECTED BUILDINGS
JUNE 12, 2019
# AGENDA

1. SHAPING THE CONNECTED BUILDINGS  
2. EXPANDING LEADERSHIPS IN DIGITAL INFRASTRUCTURE  
3. CASE STUDY: DATACENTERS IN NORTH AMERICA  
4. FURTHER ENHANCING THE ELIOT OFFERING  
5. CASE STUDY: ELIOT IN EUROPE  
6. Q&A  
7. **BOOTHS DEMONSTRATIONS: ELIOT EXPERIENCE**  
8. TAKEAWAYS
1 SHAPING THE CONNECTED BUILDINGS
STRENGTHENED GROUP’S PROFILE (1/2)
ENHANCED GROWTH POTENTIAL…

Accessible market expansion

Re-balanced sales by geography

Developing in digital infrastructure & IoT

- New complementary businesses
- Market at 2014 scope

- Europe
- North and Central America
- Rest of the World

- Electrical infrastructures (excl. IoT)
- Digital infrastructures & Elliot
STRENGTHENED GROUP’S PROFILE (2/2) ... WITH STRONG VALUE CREATION

1. Adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.
# IOT: A KEY DRIVER FOR THE WORLD ECONOMY AND NEW TRENDS IN BUILDINGS

<table>
<thead>
<tr>
<th>Metrics</th>
<th>2018</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total worldwide revenues derived from IoT(^{(1)})</td>
<td>$1.6 trillion</td>
<td>$3.0 trillion</td>
</tr>
<tr>
<td>Average # of IoT devices per person(^{(1)})</td>
<td>2.75</td>
<td>4.86</td>
</tr>
<tr>
<td>Units of connected devices deployed in commercial buildings(^{(2)})</td>
<td>151 million</td>
<td>483 million</td>
</tr>
</tbody>
</table>

**Source:**
1. Rethink research.
2. Berg Insight.
LEGRAND’S STRATEGY FOR IOT DEVELOPMENT BUILT ON THREE PILLARS

<table>
<thead>
<tr>
<th>Digital infrastructures</th>
<th>Connected products</th>
<th>Enriched experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datacom products for LAN, datacenters and Audio-Video</td>
<td>Products enriched by connectivity (Eliot program)</td>
<td>Experiences in distribution, installation and use of products</td>
</tr>
<tr>
<td>• Key enabler for the deployment of IoT technology</td>
<td>• Many successful connected product launches: Céliane with Netatmo, Living Now with Netatmo, Smarther, Classe 300X, Digital Lighting Management, and more</td>
<td>• Development of new uses for end users: remote control and instant notification for permanent contact with the installation, energy efficiency and security available for all, voice control throughout the building, enhanced autonomy at home for the elderly, and more</td>
</tr>
<tr>
<td>• Growth through innovation and acquisitions</td>
<td>• Already representing over 10% of Group sales (+28% CAGR(1) between 2014 and 2018)</td>
<td>• Development of digital capabilities and apps (ergonomics, ratings, use of marketing automation, artificial intelligence, data management, and more.)</td>
</tr>
<tr>
<td>• Strong local leadership positions, in Local Area Networks (LANs), datacenters and audio-video: 77% of sales in digital infrastructure made with #1 or #2 positions in 2018</td>
<td>• Acceleration with the acquisition of Netatmo in 2018</td>
<td></td>
</tr>
<tr>
<td>• Representing 5% to 20% of Group sales from 2008 to 2018</td>
<td></td>
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</tr>
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1. CAGR: Compound Annual Growth Rate.
2018 DIGITAL INFRASTRUCTURE SALES FOOTPRINT

Digital infrastructure sales

€1.2bn

Geographical exposure

North & Central America 70%
Europe 17%
Rest of the World 13%

End-market exposure

Datacenters
Audio-video infrastructure & power
LAN
Other

1. LAN: Local Area Network.
2018 ELIOT SALES FOOTPRINT

Connected product sales: €635m

Geographical exposure:
- North & Central America: 46%
- Europe: 38%
- Rest of the World: 16%

End-market exposure:
- Residential: 64%
- Non-residential: 36%
A KEY PLAYER IN THE IOT ECOSYSTEM (1/3)
SELECTION OF LEGRAND’S LARGE CONNECTED OFFERING FOR BUILDINGS

COMFORT
- Céliane with Netatmo
- dooxie
- Living Now
- Arteor
- Radiant smart lighting

SAFETY & SECURITY
- Connected emergency lighting
- Classe 300X Door-entry system
- Stop and go

ENERGY EFFICIENCY
- Yiyuan
- MyHome Up
- Smart Home Weather Station
- Nuvo sound system

ASSISTED LIVING
- Human-centric lighting offerings
- Smart PDUs
- Connected EV chargers
- Keor Mod
- Connected electrometer
- Keor SP

- Activity monitoring & aid call systems
- Novo carephone
- Neat Neo

- Smart thermostats
- Smart Radiator Valve
- Connected electrometer
- Quiatil easy
- Reach digital at-home alarm units

- Connected EV chargers
- Nuvo sound system
- Smart Home Weather Station
- MyHome Up
- Yiyuan
A KEY PLAYER IN THE IOT ECOSYSTEM (2/3)
A STRATEGY FOR TRANSFORMING OUR PRODUCT CATEGORIES

**DOOR-ENTRY SYSTEM**

Generate progressively over 50% of our sales in this category with connected products, up from 25% in 2018 and 0% in 2014.

**USER INTERFACE**

Add value to installation, ~ €1,000 per home\(^{(1)}\) on average. Connected ranges deployed in 5 countries in 2018, rising to 65 in 2020.

**EMERGENCY LIGHTING**

Gain market share by providing connectivity to all installations at almost no additional cost.

**NETATMO’S OFFERING**

Add consumer-oriented products to our infrastructure portfolio to further boost sales of connected products (Netatmo’s 2013-2018 organic CAGR\(^{(2)}\) in sales +46%).

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1. On the basis of a European “standard” home: 1 living room, 3 bedrooms, 1 kitchen, 1 corridor.
2. CAGR: Compound Annual Growth Rate.
A KEY PLAYER IN THE IOT ECOSYSTEM (3/3)
A STRATEGY BUILT ON INTEROPERABILITY, PARTNERSHIPS AND TECHNOLOGY ALLIANCES

WORKS WITH LEGRAND

- Involvement in numerous interoperability alliances
- Research partnerships with renowned players such as CEA Tech and universities

RESEARCH PARTNERSHIPS & ALLIANCES

- Acquisition of bolt-on companies that strengthen Group positions
- Acquisition in 2018 of Netatmo with specific expertise and know-how

ACQUISITIONS

Legrand works with over 50 key partners to create innovative experiences through a platform accessible to all
LEGRAND HAS FULLY MET ITS FIRST TARGETS FOR ELIOT 2 YEARS IN ADVANCE

<table>
<thead>
<tr>
<th>Metrics</th>
<th>2014-2020 targets</th>
<th>2018 achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in sales of connected products</td>
<td>Double-digit CAGR(^{(1)}) from 2014 to 2020, i.e., €413m sales in 2020</td>
<td>+28% CAGR(^{(1)}) from 2014 to 2018, i.e., €635m sales in 2018</td>
</tr>
<tr>
<td>Number of connected product families</td>
<td>Doubling from 20 in 2014 to 40 in 2020</td>
<td>More than 40 connected product families(^{(2)})</td>
</tr>
</tbody>
</table>

1. CAGR: Compound Annual Growth Rate.
2. Including Netatmo (not consolidated in 2018 sales).
OUR NEXT PRIORITIES IN IOT

**DIGITAL INFRASTRUCTURES**

- Strong focus on growth driven by both organic and external developments

- Focus on datacenters:
  - already close to 10% \(^{(1)}\) of Group sales of which half in digital infrastructure products and half in other Group’s products
  - ongoing geographical deployment (2018 sales: over 60% in North America)
  - will continue to actively pursue organic and non-organic growth opportunities

**CONNECTED PRODUCTS (ELIOT)**

- Our focus will remain on infrastructure products installed in buildings (i.e., aiming for over 80% of Eliot sales)

- Ongoing expansion of Eliot products into new geographies and new families

- Deployment of Netatmo to reach complementary market segments, channels and users

**ENRICHED EXPERIENCES**

- Aim is to transform people’s experience of products:
  - predictive behaviors with further development of artificial intelligence in products
  - enhanced use of spaces and energy efficiency
  - optimized and predictive maintenance services
  - and more

- Leverage Netatmo’s expertise to become an industry benchmark:
  - rating (rated >4)
  - data privacy & security
  - and more

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SETTING AMBITIOUS NEW TARGETS FOR ELIOT, CONSISTENT WITH LEGRAND’S MEDIUM-TERM MODEL (1)

1. For the complete wording of Legrand’s medium-term value-creating model, readers are invited to refer to the February 14, 2019 press release announcing full-year 2018 results.
2. Excluding any major economic slowdown.
3. CAGR: Compound Annual Growth Rate.
4. Taking as a basis sales of €690 million in 2018 including 2018 12-month sales of Netatmo and Shenzhen Clever Electronic.

Metrics

Organic growth in sales of connected products

Total sales of connected products

2022 targets (2)

Double-digit CAGR (3) from 2018 to 2022 (4)

More than €1 billion sales in 2022 (excluding acquisitions and exchange-rate effects)
EXPANDING LEADERSHIPS IN DIGITAL INFRASTRUCTURE

JEROEN HOL
GROUP VP DIGITAL INFRASTRUCTURES
Datacenters are critical to the fast-growing IoT business, which also feed new models such as Edge.

AV devices and infrastructure converge in IP-networking. Rapid expansion of networked AV technologies, sharing a common (IT) infrastructure.
ongoing rise in # ofiot objects
fast growth driven by social megatrends

- Smart home
- Smart appliances
- Smart building
- Industry 4.0
- Connected vehicles
- Smart Cities
- Connected leisure
- Medical IoT
- and more

# of connected objects worldwide:

16% CAGR
from ~21bn in 2018 to ~38bn in 2022

1. Source: Rethink research.
“Internet of everything” will generate zettabytes of data storage in datacenter

Indoor connected IoT devices will generate exabytes of IP traffic

Growing part of Audio-Video traffic will be supported by IP networks

2. Source: Futuresource Consulting.
NEW TECHNOLOGIES BOOST DEPLOYMENT OF IOT & DIGITAL INFRASTRUCTURE

5G

- 5G needs a digital infrastructure to work inside buildings
- Cellular IoT could become a front-running technology for wide-area IoT applications

400 Gb Ethernet

- Increasing bandwidth demands from emerging 5G, augmented and virtual reality, cloud and 4K video streaming
- 400Gbps to drive the majority of the datacenter Ethernet switch market in coming years

Single-Pair Ethernet

- Single Pair Ethernet (SPE) to boost the deployment of low-power ethernet devices such as sensors
- Gigabit ethernet performance, optimal handling as well as space and weight savings

5G will enrich buildings’ network infrastructure

Expand demand for high capacity datacenter networking at 400Gbps

With compact connectors, systems and cabling, SPE to become a cost-effective solution to connect IoT devices
16 ACQUISITIONS HAVE CONTRIBUTED TO BUILD OUR POSITIONS IN DIGITAL INFRASTRUCTURE
MAJOR ACHIEVEMENTS IN DIGITAL INFRASTRUCTURE

Digital infrastructure sales

- Products with #1 or #2 positions on their markets.

2008

- c. €200m

2018

- c. €1,200m

x6

77% of digital-infrastructure sales made with leading\(^1\) positions in 2018

1. Products with #1 or #2 positions on their markets.
### STREAMLINING AND UPGRADING INDUSTRIAL AND R&D FOOTPRINT

<table>
<thead>
<tr>
<th>R&amp;D</th>
<th>Platforms</th>
<th>Optimization/Synergies/Industry 4.0</th>
</tr>
</thead>
</table>
| • Over 420 headcount in Digital-Infrastructure R&D in 2018 | • Platform deployment in most digital infrastructure portfolios:  
  • LAN cabinets  
  • Connectivity  
  • Server rack & containment  
  • Cables ranges  
  • PDU (basic + intelligent)  
  • 56% of sales made with product platforms | • Industry 4.0 initiatives now being implemented for cost performance and flexibility  
• Data analytics for real time quality control and full traceability  
• Ongoing optimization of manufacturing operations through productivity and implementation of Legrand Way |

- More than 15% in additional external R&D through partnerships and subcontractors
- 25% of R&D headcount located in new economies
FOCUS ON SMART POWER DISTRIBUTION UNITS
BUILDING A GLOBAL LEADING POSITION WITHIN 4 YEARS

STEP 1 – Building US leadership
- #1 position in intelligent PDUs through 2 acquisitions (Raritan and ServerTech)
- Highly complementary to Legrand’s offering for datacenters

STEP 2 – Organic deployment in Europe and Asia
- Raritan and ServerTech global sales teams integrated into Legrand’s local datacenter solution teams
- +18% organic growth in Raritan sales in Europe and Asia over 2 years (2017+2018)

STEP 3 – Bolt-on acquisitions to address promising markets
- Acquisition of Clever, #1 Chinese smart PDU player
- Development of an access PDU offering to tackle all market segments
FOCUS ON CONNECTIVITY
COVERING ALL MEANINGFUL MARKETS TO BUILD A GLOBAL LEADERSHIP POSITION

**STEP 1 - Segmentation from access to high end**
- LCS3, 3rd generation of Legrand premium offer for connectivity launched in 2017
- Addition of access capabilities through Linkeo

**STEP 2 - Integration of latest technologies**
- Continuous upgrades by integrating new technologies such as CAT8, 400Gbps and Power over Ethernet

**STEP 3 - Global product deployment**
- Across multiple channels: electrical distribution, datacom, IT, and more
- Across multiple geographies: being deployed in 91 countries
DIGITAL-INFRASTRUCTURE LEADERSHIPS SUPPORTED BY IOT DEPLOYMENT

- Very solid market position in digital infrastructures through both organic growth and M&A
- Global presence to support global and local customers
- Instrumental position for IoT and very synergetic with the rest of Legrand’s business – both products and channels
CASE STUDY: DATACENTERS IN NORTH AMERICA

JOHN SELLDORFF
CEO & PRESIDENT
LNCA
ONE SINGLE DIVISION FORMED TO SERVE THE DATACENTER MARKET

1. Brands from Lastar.
LEADING POSITION BUILT IN MULTIPLE CATEGORIES

Datacenter sales

1998 2018

c. $25m c. $400m

x16

Category

2018 position

Rack PDUs

#1

Overhead busways

#1

Preterminated solutions

#1

Cable management

#1

Copper connectivity

#3

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1. Includes Universal Electric Corporation 2018 proforma estimated sales towards datacenters.
2. PDU: Power Distribution Units.
3. Busway: electric power distribution systems based on metal busbars.
## OUR APPROACH

<table>
<thead>
<tr>
<th>For</th>
<th>datacenter infrastructure owners (end users)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whose</td>
<td>core business depends on a scalable, flexible, reliable, and efficient critical infrastructure</td>
</tr>
<tr>
<td>Legrand offers</td>
<td>a complete and premium set of the highest-value whitespace components</td>
</tr>
<tr>
<td>That</td>
<td>is optimized to the client’s application: semi-custom, consultative / collaborative spec</td>
</tr>
<tr>
<td>Unlike</td>
<td>generalist industrial manufacturers (“catalog” based / line cards)</td>
</tr>
<tr>
<td>Our solution</td>
<td>comprises only “best-of-breed” lines, each with strong histories of innovation &amp; customer intimacy</td>
</tr>
</tbody>
</table>
CASE STUDY: DATACENTERS IN NORTH AMERICA

1. PDU: Power Distribution Units.
2. RPP: Remote Power Panel.
3. Busway: electric power distribution systems based on metal busbars.
4. DCIM: Datacenter Infrastructure Management.

OPPORTUNITY TO GET INTO THE PROCESS EARLIER, INFLUENCE AND DESIGN DECISIONS

DATACENTER STRUCTURE DESIGN & SPECIFICATION

APPLICATION DESIGN & SPECIFICATION

Earlier in Process

6 months

GLOBAL 50 CUSTOMERS

- Country management
- Expert support
- Expert service

IMPROVED REACH ENSURES GLOBAL 50 CUSTOMERS BENEFIT FROM GLOBAL CAPABILITIES

1. Floor PDUs + RPPs
2. Busways
3. Containment
4. Racks + Cabinets
5. Rack PDUs
6. Connectivity
7. DCIM

GLOBAL 50 CUSTOMERS
BACK-OFFICE: LEVERAGING SCALE

8 companies in one single division with 4 product lines

- Single general management and administration
- Optimization of operations:
  - Make vs Buy
  - Purchasing
  - Productivity
  - Logistics

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**POWER AND CONTROL**
- Raritan
- Server Tech.

**CABINETS AND CONTAINMENT**
- AFCO
- Electrorack

**DATA INFRASTRUCTURE**
- Ortronics
- C2G
- Quicktron

**OVERHEAD POWER**
- Universal Electric Corporation

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**FUTURE EVOLUTION**
- Raritan smarts
- Server Technology design for manufacturing
- Localizing supply chain
- Leverage geographic footprint
- Rationalize product platforms from 8 to 4
- Expanding fiber capability
- Global product line rationalization
- Evolve common metering and control platform
- Pursue continued globalization
• 8 sales teams consolidated to 3 primary sales organizations

• Focused on specific customer and channel needs and requirements
## DIFFERENT CUSTOMERS WITH SPECIALIZED NEEDS

<table>
<thead>
<tr>
<th>SUPER 8</th>
<th>DIGITAL 100</th>
<th>REST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>LinkedIn</td>
<td>Fortune 1000+</td>
</tr>
<tr>
<td>Amazon</td>
<td>IBM Cloud</td>
<td></td>
</tr>
<tr>
<td>Microsoft</td>
<td>Oracle</td>
<td></td>
</tr>
<tr>
<td>Facebook</td>
<td>verizon</td>
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<tr>
<td>Alibaba</td>
<td>Morgan Stanley</td>
<td></td>
</tr>
<tr>
<td>Tencent</td>
<td>Stanley</td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>comcast</td>
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</tr>
</tbody>
</table>

**Market** = buildings wherever data is consumed, stored, processed

- **POINT OF PRESENCE**
- **PRODUCTION**
- **LABS**
- **CONTROL ROOM**
- **RETAIL / BRANCH**
- **TOWERS**
- **OFFICES**

**DATACENTER END CUSTOMERS**

**EDGE END CUSTOMERS**
Customer Requirements

- Fewer and larger relationships
- On-time delivery and quality
- Value engineering through global supply chains
- Vendors implement client-specified designs
- Large quantity manufacturing

Legrand Solutions

Custom Containment
- Free-standing (allows cabinets to freely move in-and-out of structure)
- Extension arms specially designed to support cable tray

Overhead Power Distribution
- 400V system in US (where 208V is de facto standard)
- 90-degree parallel / redundant busways\(^\text{(1)}\) only 30cm apart

Example Datacenter
- Quincy, WA, 1.2million sq. ft, 64MW

1. Busway: electric power distribution systems based on metal busbars.
**DIGITAL 100**
UNIQUELY DESIGNED FOR PERFORMANCE

**Customer Requirements**
- Fewer and larger relationships
- On-time delivery and quality
- Vendors collaborate with client to create optimal specifications
- Design for performance

**Legrand Solutions**

**Overhead Power Distribution**
- Custom marking/color coding on busway$^{(1)}$
- Custom color for A & B designation on Plug-in Boxes
- Custom length of drop cord

**Rack PDU$^{(2)}$**
- Extreme quantity of outlets (54)
- Custom chassis colors for A & B designation
- Unique monitoring software scripts

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1. Busway: electric power distribution systems based on metal busbars.
2. PDU: Power Distribution Units.
EDGE
DATACENTER IN A BOX

Customer Requirements

- Secured custom cabinet with power, cooling and shielded connectivity
- Mount non-rackmount equipment
- Integrated single SKU solution delivered to site
- Install requirements limited to installing wall mount on wall, plugging power and copper cables in

Legrand Solutions

- Meraki (IoT) solution
- All global third party Cisco leased offices
- No IT, data closet or racks
- Security, space & deployment concerns

CASE STUDY: DATACENTERS IN NORTH AMERICA

DATACENTER IN A BOX

COMMERCIAL OFFICES

- Cisco

Customer Requirements

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POISED TO CAPITALIZE ON FUTURE GROWTH OPPORTUNITIES

- Invest and leverage in rapid design, development and deployment platform
- Continue to increase value and innovate with combined capabilities and business model advantage
- Capitalize on ongoing datacenter demands requiring density, expansion and refurbishment
- Leverage successful business unit relationships to win larger corporate opportunities
- Broad customer reach and successful sales execution
FURTHER ENHANCING THE ELIOT OFFERING

FRED POTTER
FORMER CEO OF NETATMO
CTO OF LEGRAND’S ELIOT PROGRAM
FROM 2003…

First Voice over IP (VoIP) PSTN\(^{(1)}\) line

1. PSTN: Public Switched Telephone Network.
77% of France’s 38 million households are VoIP\(^{(1)}\) subscribers\(^{(2)}\)

118\(^{(3)}\) million VoIP\(^{(1)}\) subscribers in the US in 2018

1. VoIP: Voice over IP.
2. Source: French Regulator for Electronic Communications (ARCEP); Q4 2018 & © Point Topic Ltd 2013.
3. Source: USA - Statista 2019; change in number of Voice over IP lines.
AND WHAT ABOUT THE SMART HOME

It takes 15 years for an innovation to hit the mass market. Today the smart home has 8%\(^{(1)}\) market penetration in the USA, 3%\(^{(1)}\) in France.

The smart home era has just begun.

We hand-picked a minor sub-category of home appliances, we applied excellent design principles, and we shipped it.
We had read Dieter Rams. An excellent product must be:

- Innovative
- Useful
- Aesthetic
- Honest
- Understandable
- Unobtrusive
- Long-lasting
- Thorough down to the last detail
- Environmentally friendly
- Minimalist: less is more
- Easy to install
- Easy to operate
WE OFFERED USEFUL INFORMATION
THANKS TO THOUSANDS OF CONNECTED OBJECTS
FURTHER ENHANCING THE ELIOT OFFERING

RESULTS (1/3): QUALITATIVE

High customer satisfaction

An iconic product that embodies the whole category

4/5 stars (1,293 reviews)

Smart Weather Station

“I have the whole collection and love the product. It can become slightly obsessive!!! Love the map showing other users.”

1. #1 in sales.
2. Indoor and outdoor weather station with outdoor sensor and weather forecasts, in black.
RESULTS (2/3): QUANTITATIVE

x10 typical public price for the category
RESULTS (3/3): BUT ALSO…

Operational consequences:

- We have built a valuable and consistent customer experience
- Each of our customers has an account, giving us a direct communication link
- We have created scope for an emotional attachment to the brand
- It enables multiple opportunities for cross-sell / up-sell
ENERGY & SECURITY: SAME PROCESS

We rolled out these principles for our Smart Thermostat & Radiator Valves and for Smart Outdoor and Indoor Cameras, with the same success.

Plus 10 more products shipped to date.
• We have a Marketing and R&D process, as well as 160 persons to implement it:
  ▪ Product selection & design
  ▪ Electronic & mechanical design
  ▪ Embedded software
  ▪ Cloud & infra
  ▪ App

• The average age is 32.

• The Happy at Work© study in April 2019, including all employees, gave Netatmo an 80% positive rating and a 4.4/5 global score.
FURTHER ENHANCING THE ELIOT OFFERING

MAKING THE BEST OF BOTH WORLDS: EXCELLENT DESIGN FOR PROFESSIONAL PRODUCTS

We’re now rolling out the approach for Legrand products:

• Connected ecometers
• User interfaces
• Switching panel devices
• Smart thermostats
• and more
CONNECTED DIN CONTactor

ZOOM

FURTHER ENHANCING THE ELIOT OFFERING

• Short-term benefits:
  ▪ 1 reference covers 3 functions
  ▪ Less panel space used
  ▪ Remote control
  ▪ Easy configuration, installation, use

• Longer term benefits:
  ▪ The key to managing electricity demand
  ▪ A Trojan horse for selling complete panels

• To be launched in 2020
We believe that security, privacy and transparency are as important as electrical safety.

We believe people will pay a premium for those.

Some competitors have different beliefs.

Some competitors are not able to handle operational consequences.
Create distinct positioning.

Require standardization and re-use of software components.

Require long-term maintenance in product life cycle, to adapt to threats and trends that are currently unknown.

Create additional difficulties for small suppliers unable to engage in this a long-term journey. Also modify the way sourcing from low-cost suppliers can be achieved by our competitors.
OUR MISSION

Our mission is to develop products that help make buildings safer, more comfortable and more efficient. We are committed to designing products which are:

- durable
- useful & reliable
- easy to use
- delivering thoughtful notifications
CASE STUDY: ELIOT IN EUROPE

FREDERIC XERRI
EXECUTIVE VP, EUROPE
CONNECTED DOOR-ENTRY SYSTEMS (1/4)
CLASSE 300X – CASE STUDY

- **Professional door-entry system**
  - Part of building infrastructure installed by professional contractors
  - Compliant with local norms, standards, installation habits and tastes
  - Functionalities last throughout the life cycle of the building

- **Target audience**
  - Home owners
  - Residential apartments/houses
  - New and retrofit

- **User experience**
  - Redirects entrance panel calls to a smartphone
  - Intercom between internal units and smartphone
  - Activates door opening, staircase light and cameras

- **Main benefits for end users**
  - Visualization of home entrance through external panel
  - Remote piloting of entrance
  - Display of people ringing at the door
CONNECTED DOOR-ENTRY SYSTEMS (2/4)
CLASSE 300X – A SUCCESS

Europe zone data, at mid 2019

• **70%** of Legrand door-entry system sales in Europe generated by products in #1 or #2 position

• **26%** of Legrand video door-entry system sales in value in Europe made with connected offerings, rising to 50% in Belgium and 40% in Italy

• **Gain** in market share in the European door-entry system market; Legrand #1 in Europe

• **120,000** products installed in **28** countries since mid 2016
CONNECTED DOOR-ENTRY SYSTEMS (3/4)
FROM HIGH-END TO CROSS SELLING AND MASS MARKET

STEP 1 – Classe 300X
• Market breakthrough: 1st connected door-entry system for professionals launched on the market
• High-end offering
• Launched mid 2016

STEP 2 – Cross selling
• Expand functionalities with offering of Netatmo, acquired in November 2018
• Regular upgrade of installed products

STEP 3 – Segmentation
• Standard product Classe 100X for the mass market
• To be launched mid 2019

CASE STUDY: ELIOT IN EUROPE
FROM HIGH-END TO CROSS SELLING AND MASS MARKET

Smart Outdoor Camera + Smart Indoor Camera + Smart Video Doorbell
CONNECTED DOOR-ENTRY SYSTEMS (4/4)
CREATING VALUE THROUGH TRADING UP

Internal-unit end-user market price
CONNECTED USER INTERFACE (1/4)

CELIANE WITH NETATMO AND LIVING NOW WITH NETATMO – CASE STUDY

○ Target audience

• Home owners
• Residential apartments/houses
• Enlarge scope in new construction, refurbishment, replace/add to existing homes

○ User experience

• Intuitive use by touch, app, voice
• Reliable, affordable, scalable
• Interoperable
• Time saving in home management
• Home notification

○ Main benefits recognized for installers

• Faster installation estimated at around half the time needed for a traditional home automation
• Simple to install, easy programming and commissioning, no added infrastructure
• Scalable with one-by-one upgrade, easy to propose to end-user
CONNECTED USER INTERFACE (2/4)
FROM HIGH-END TO MASS MARKET

STEP 1 - Céliane/ Living Now with Netatmo
• High-end offering
• Launched in France in Q1 2018 and in Italy in Q3 2018

STEP 2 - Segmentation
• Standard product dooxie with Netatmo for the mass market
• Launched in France in mid 2018

STEP 3 - Deployment
• Connected user interface deployed in 3 European countries in 2018, 20 new countries in 2019 and 23 more in 2020

CASE STUDY: ELIOT IN EUROPE
FROM HIGH-END TO MASS MARKET

- 2018 FR, IT, GR
- 2019: ES, BE, PL, DE, AT, SK, PT, BU, HU, CZ, RO, RU, KZ, UA, BY, IL, IS, SE, NO, FI
- 2020 LT, LV, EE, SI, BA, HR, AL, XK, MK, MD, ME, CY, AM, AZ, GE, UZ, MN, CH, UK, IE, NL, TK, DK
CONNECTED USER INTERFACE (3/4)

Market position enhanced

Europe zone data, as of mid 2019

• Close to 200,000 devices already connected
• 10,000 electricians trained in France and Italy since the launch (10 times more than electricians trained for traditional home automation)
• Over 1,000,000 web pages viewed

Successful trading up

• 9 to 10 connected devices per home, rising constantly
• x2\(^{(1)}\) in Legrand product sales from a non-connected to a connected installation
• +10\%\(^{(1)}\) in average value of finishes in connected homes compared to finishes in non-connected ones

1. Legrand estimates.
CONNECTED USER INTERFACE (4/4)
PARTNERSHIP: ENHANCE VALUE OF REAL-ESTATE INVESTMENT

12,000 housing units specified with connected user interface since the launch of Celiane with Netatmo and Living Now with Netatmo

France

- BNP Paribas
  - Issy-Les-Moulineaux
  - 60 connected apartments

- Vinci
  - Cérès à Blagnac
  - 20 connected villas, 78 connected apartments

Italy

- Abitare in Maggiolina,
  - Milan
  - 125 connected apartments

- Cazzaro Costruzioni
  - Treviso
  - 60 connected apartments
CASE STUDY: ELIOT IN EUROPE

The most recent Legrand IoT roll-out

- First connected offer in the European emergency lighting market
- Launched in France in Q2 19
- Deployment foreseen in other European countries

Target audience

- Public and private, tertiary, industry, residential buildings
- New, retrofit, and maintenance
- Electrical distribution channel
- Specifiers, investors, facility managers, maintenance managers

Main benefits recognized

- Connected solution through Web application for mobiles and laptop
- Real time control, easy data storage, immediate notification in case of default, remote maintenance
- Optimized on-site intervention, faster return to fully operational installation
Main advantages vs competition and existing solutions

- Affordable connected offering vs high cost IP networked addressable solutions
- Remote and real time check of single and multi-sites
- Automatic status report storage

Setting a new market segment

- Perfect fit for low/medium-size buildings, i.e., more than 80% of total buildings. Suitable for needs not fully addressed by either
  - IP addressable emergency lighting (highly technical and costly)
  - Standard emergency lighting (regular site visit required, no live monitoring)

Legrand medium-term aim

- Convert 25% of sales/market for traditional emergency lighting into connected solutions
Fundamentals remain

- Infrastructure products chosen and installed by professional contractors
- Professional distribution channels
- Customer support from existing Legrand technical assistance
- Purchasing trigger: safety, reliability, availability, ease of installation/commissioning
- Quality, security and update ensured

Additional success factors

- Product rating
- Apps associated with products
- Data hosting, securing and analysis
- Measure of connected products registration
- New marketing channels (marketing automation, social networks, and more)
- Interoperability (Works with Legrand program)
7 BOOTHs DEMONSTRATIONS: ELIOT EXPERIENCE
TAKEAWAYS
LEGRAND’S 2019 INVESTOR DAY
KEY TAKEAWAYS

- We have built unique leading positions in digital infrastructure and IoT, already representing 28% of Group sales, and we are perfectly fitted to seize the IoT promises.

- On IoT, we target to grow organically⁽¹⁾ at least +10% a year and reach €1 billion of sales with connected products by 2022 with our Eliot program⁽²⁾.

- We are also transforming end-user and professionals experience in building through our digital product offering.

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⁽¹⁾ At constant scope of consolidation and exchange rates.
⁽²⁾ For more details on Eliot targets for 2022 please refer to page 15 of this presentation.
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