

Limoges, May 5, 2022

2022 first-quarter results**Strong growth in sales: +17.8%**

including organic growth: +11.2%

**Results hold firm amid strong inflationary trends****Adjusted operating margin: 20.3% of sales****Rise in net profit: +13%****2022 full-year targets confirmed****Benoît Coquart, Legrand's Chief Executive Officer, commented:***"Legrand reported solid results in the first quarter of 2022.**Sales rose a total of +17.8%. This increase was driven mainly by organic growth of +11.2%, a strong showing that reflected successful sales and marketing initiatives as well as effective management of supply chain pressures.**In a widespread inflationary context, adjusted operating margin held firm at 20.3% of sales, while net profit rose +13%.**The environment early this year has been particularly unstable. It is characterized by factors that predate 2022 and continue to apply, including inflation in production and operating expenses, reduced availability of raw materials and components, and continued pandemic restrictions in some countries. These are now amplified by fallout from the conflict between Russia and Ukraine. Yet despite these rising uncertainties, first-quarter results testify once again to the effectiveness of our business model aimed at creating profitable and responsible value. It is on this basis that Legrand has confirmed the annual targets announced in February<sup>1</sup>.**The Group also recently published its fifth CSR<sup>2</sup> roadmap which sets out Legrand's commitment to achieving ambitious and concrete ESG targets."***2022 full-year targets confirmed<sup>1</sup>**

In 2022, Legrand is pursuing its strategy of profitable and responsible development laid out in its strategic roadmap<sup>3</sup>.

Taking into account achievements in the first quarter of 2022 and the current macroeconomic outlook, Legrand has confirmed the full-year targets it set for 2022:

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

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

<sup>1</sup> For more information, see Legrand press release dated February 10, 2022.

<sup>2</sup> For more information, see Legrand press release dated March 29, 2022.

<sup>3</sup> For more information, see Legrand press release dated September 22, 2021.



**Financial performance at March 31, 2022**
**Key figures**

<b>Consolidated data (€ millions)<sup>(1)</sup></b>	<b>1<sup>st</sup> quarter 2021</b>	<b>1<sup>st</sup> quarter 2022</b>	<b>Change</b>
Sales	1,674.1	1,972.3	+17.8%
Adjusted operating profit	361.1	401.2	+11.1%
<i>As % of sales</i>	21.6%	20.3%	
		<i>20.6% before acquisitions<sup>(2)</sup></i>	
Operating profit	339.9	377.6	+11.1%
<i>As % of sales</i>	20.3%	19.1%	
Net profit attributable to the Group	228.0	258.3	+13.3%
<i>As % of sales</i>	13.6%	13.1%	
Normalized free cash flow	276.3	318.1	+15.1%
<i>As % of sales</i>	16.5%	16.1%	
Free cash flow	245.9	44.4	-81.9%
<i>As % of sales</i>	14.7%	2.3%	
Net financial debt at March 31	2,400.2	2,637.8	+9.9%

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

(2) At 2021 scope of consolidation.

**Consolidated sales**

In the first quarter of 2022, sales rose a total of +17.8% from the same period of 2021 to reach €1,972 million.

Organic growth in sales was +11.2% for the quarter, including +10.1% in mature countries and +14.4% in new economies. This trend reflects active management of the supply chain, which has been under strong pressure since the third quarter of 2021, along with the success of various development initiatives and the Group's pricing power.

The impact of the broader scope of consolidation was +3.2%. Based on acquisitions completed and their likely dates of consolidation, this impact should be close to +3% for the full year.

The exchange-rate effect on sales in the first quarter of 2022 was +2.6%. Based on average exchange rates in April 2022, the full-year exchange-rate effect on sales should be close to +3.5% in 2022.

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

	<b>1<sup>st</sup> quarter 2022 / 1<sup>st</sup> quarter 2021</b>
Europe	+12.9%
North and Central America	+11.2%
Rest of the world	+7.5%
<b>Total</b>	<b>+11.2%</b>

These changes are analyzed below by geographical region:

- **Europe** (42.9% of Group revenue): organic growth was +12.9% in the first quarter of 2022.

In Europe's mature countries (36.9% of Group revenue), sales rose +10.0% organically.

Sales in Europe's new economies rose +31.2%, with the conflict between Russia and Ukraine having only a limited impact over the quarter. Together, these two countries accounted for around 2% of Group sales in full-year 2021.

- **North and Central America** (37.9% of Group revenue): sales increased +11.2% from the first quarter of 2021 at constant scope of consolidation and exchange rates.

In the United States alone (34.7% of Group revenue), sales rose +11.1%. This increase was more particularly driven by marked growth in sales of non-residential applications.

Sales were also on the rise in both Canada and Mexico.

- **Rest of the world** (19.2% of Group revenue): sales marked an organic rise of +7.5% in the first quarter of 2022.

In Asia-Pacific (12.1% of Group revenue), the rise in sales was +8.1%. This reflects in particular a very significant increase in India, growth in Australia, and a decline in China.

In Africa and the Middle East (3.6% of Group revenue), sales were up +5.2%, linked to solid achievements in many African countries and a very slight uptick in the Middle East.

In South America (3.5% of Group revenue), sales rose +7.9%. With the exception of Brazil, where business declined, all main countries in the region reported strong growth in sales.

### **Adjusted operating profit and margin**

Adjusted operating profit for the first quarter of 2022 stood at €401 million, up +11.1% from the first three months of 2021. This corresponds to an adjusted operating margin representing 20.3% of sales for the period.

Before acquisitions (at 2021 scope of consolidation), adjusted operating margin for the first quarter of 2022 was equal to 20.6% of sales, down -1.0 point compared with the first quarter of 2021, which was a demanding basis for comparison.

Amid a widespread inflationary environment (including a rise of around +18% for raw material and components in the first quarter of the year), this resistance reflects the Group's mastery of its expenses and sales pricing.

### **Net profit attributable to the Group**

Net profit attributable to the Group for the period was up +13.3% from the first quarter of 2021, totalling €258 million. This €30 million increase results primarily from:

- a rise in operating profit (+€38 million);
- an unfavourable trend (-€3 million) in financial and foreign-exchange results; and
- a rise in corporate income tax (-€5 million).

### Cash generation and balance sheet structure

Cash flow from operations (€363 million) stood at 18.4% of first-quarter 2022 sales, down -0.4 points from the same period of 2021.

Normalized free cash flow came to 16.1% of sales or €318 million, a rise in value of +15.1% from the first quarter of 2021.

Free cash flow was 2.3% of sales for the three-month period, including in particular continued strengthened coverage of inventories to serve Group customers best.

The ratio of net debt to EBITDA<sup>1</sup> was 1.6 at March 31, 2022, and Standard and Poor's confirmed Legrand's A- rating with stable outlook in March 2022.

### ESG commitment and ambitions: fifth CSR roadmap unveiled, covering 2022-2024

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On March 29, 2022, Legrand held a virtual ESG event for investors<sup>2</sup>.

On this occasion, the Group unveiled more particularly its fifth CSR roadmap, aimed at amplifying its impact through a four-pillar action plan with 15 strategic priorities<sup>3</sup> that contribute to 10 of the UN's Sustainable Development Goals (SDG). Key topics in this new 2022-2024 roadmap are aimed at (i) reducing Legrand's carbon footprint, (ii) promoting diversity and inclusion, (iii) developing the circular economy, and (iv) pursuing initiatives as a responsible business.

Buoyed by an integrated approach to performance, starting with executive and management compensation, and backed by exemplary governance, Legrand's approach to ESG is in keeping with its strategic roadmap<sup>4</sup> and medium-term financial targets.

### Governance

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#### Changes to the Board of Directors<sup>5</sup>

At the proposal of the Nomination and Governance Committee and following the approval of the Board of Directors, the nomination of Florent Menegaux as independent Director will be put to shareholders at the annual Combined Ordinary and Extraordinary General Meeting of Shareholders to be held on May 25, 2022. Mr. Menegaux is Chief Executive Officer of Michelin and is backed by a proven track record as head of a major listed industrial company.

The Board of Directors would thus be made up of 83% independent Directors and 42% women, as well as five different nationalities, remaining one of the Boards with the industry's best practices.

#### Proposed dividend

As announced on February 10, 2022, Legrand's Board of Directors will ask the General Meeting of Shareholders to be held on May 25, 2022 to approve the payment of a dividend of €1.65 per share in respect of 2021. This represents a rise of +16.2% from 2020 and a payout ratio, in line with the Group's mid-term targets, of nearly 50%. The ex-dividend date is May 30, 2022, with payment<sup>6</sup> on June 1, 2022.

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<sup>1</sup> Based on EBITDA for the past 12 months.

<sup>2</sup> The presentation and replay are available in full on [www.legrandgroup.com](http://www.legrandgroup.com) at this link: <https://www.legrandgroup.com/en/investors-and-shareholders/capital-markets-days/esg-capital-markets-day-2022>.

<sup>3</sup> For more information on targets set in the fifth CSR roadmap, readers should consult the media kit published on [legrandgroup.com](http://legrandgroup.com) at this link: [https://www.legrandgroup.com/sites/default/files/Documents\\_PDF\\_Legrand/RSE/2022/DP\\_CSR\\_2022\\_1649314469.pdf](https://www.legrandgroup.com/sites/default/files/Documents_PDF_Legrand/RSE/2022/DP_CSR_2022_1649314469.pdf).

<sup>4</sup> For more information, see the press release dated September 22, 2021.

<sup>5</sup> Subject to the approval of the General Meeting of Shareholders on May 25, 2022.

<sup>6</sup> This distribution will be made in full out of distributable income.

The Board adopted consolidated financial statements for first-quarter 2022 at its meeting on May 4, 2022. These consolidated financial statements, a presentation of 2022 first-quarter results, and the related teleconference (live and replay) are available at [www.legrandgroup.com](http://www.legrandgroup.com).

**KEY FINANCIAL DATES:**

- General Meeting of Shareholders: **May 25, 2022**
- Ex-dividend date: **May 30, 2022**
- Dividend payment: **June 1, 2022**
- 2022 first-half results: **July 29, 2022**  
“Quiet period<sup>1</sup>” starts June 29, 2022
- 2022 nine-month results: **November 3, 2022**  
“Quiet period<sup>1</sup>” starts October 4, 2022

**ABOUT LEGRAND**

*Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. The Group harnesses technological and societal trends with lasting impacts on buildings with the purpose of improving life by transforming the spaces where people live, work and meet with electrical, digital infrastructures and connected solutions that are simple, innovative and sustainable. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and responsible growth driven by acquisitions and innovation, with a steady flow of new offerings—including products with enhanced value in use (faster expanding segments: datacenters, connected offerings and energy efficiency programs). Legrand reported sales of €7.0 billion in 2021. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 and CAC 40 ESG indexes. (code ISIN FR0010307819).*

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<sup>1</sup> Period of time when all communication is suspended in the run-up to publication of results.

## Appendices

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### Glossary

**Adjusted operating profit:** Adjusted operating profit is defined as operating profit adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

**Busways:** electric power distribution systems based on metal busbars.

**Cash flow from operations:** Cash flow from operations is defined as net cash from operating activities excluding changes in working capital requirement.

**CSR:** Corporate Social Responsibility.

**EBITDA:** EBITDA is defined as operating profit plus depreciation and impairment of tangible and right of use assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.

**ESG:** Environmental, Societal and Governance.

**Free cash flow:** Free cash flow is defined as the sum of net cash from operating activities and net proceeds from sales of fixed and financial assets, less capital expenditure and capitalized development costs.

**KVM:** Keyboard, Video and Mouse.

**Net financial debt:** Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

**Normalized free cash flow:** Normalized free cash flow is defined as the sum of net cash from operating activities—based on a normalized working capital requirement representing 10% of the last 12 months' sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered—and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

**Organic growth:** Organic growth is defined as the change in sales at constant structure (scope of consolidation) and exchange rates.

**Payout:** Payout is defined as the ratio between the proposed dividend per share for a given year, divided by the net profit attributable to the Group per share of the same year, calculated on the basis of the average number of ordinary shares at December 31 of that year, excluding shares held in treasury.

**PDU:** Power Distribution Units.

**UPS:** Uninterruptible Power Supply.

**Working capital requirement:** Working capital requirement is defined as the sum of trade receivables, inventories, other current assets, income tax receivables and short-term deferred tax assets, less the sum of trade payables, other current liabilities, income tax payables, short-term provisions and short-term deferred tax liabilities.

**Calculation of working capital requirement**

In € millions	Q1 2021	Q1 2022
Trade receivables	796.0	1,020.9
Inventories	900.7	1,345.0
Other current assets	220.8	258.0
Income tax receivables	66.9	98.5
Short-term deferred taxes assets/(liabilities)	102.7	98.4
Trade payables	(674.7)	(863.2)
Other current liabilities	(684.3)	(768.7)
Income tax payables	(70.9)	(68.0)
Short-term provisions	(137.1)	(149.1)
<b>Working capital required</b>	<b>520.1</b>	<b>971.8</b>

**Calculation of net financial debt**

In € millions	Q1 2021	Q1 2022
Short-term borrowings	1,092.6	836.4
Long-term borrowings	4,061.8	4,579.9
Cash and cash equivalents	(2,754.2)	(2,778.5)
<b>Net financial debt</b>	<b>2,400.2</b>	<b>2,637.8</b>

**Reconciliation of adjusted operating profit with profit for the period**

In € millions	Q1 2021	Q1 2022
<b>Profit for the period</b>	<b>228.2</b>	<b>258.5</b>
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	90.8	95.7
Exchange (gains) / losses	(0.4)	1.0
Financial income	(1.7)	(2.0)
Financial expense	23.0	24.4
<b>Operating profit</b>	<b>339.9</b>	<b>377.6</b>
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	21.2	23.6
Impairment of goodwill	0.0	0.0
<b>Adjusted operating profit</b>	<b>361.1</b>	<b>401.2</b>

**Reconciliation of EBITDA with profit for the period**

In € millions	Q1 2021	Q1 2022
<b>Profit for the period</b>	<b>228.2</b>	<b>258.5</b>
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	90.8	95.7
Exchange (gains) / losses	(0.4)	1.0
Financial income	(1.7)	(2.0)
Financial expense	23.0	24.4
<b>Operating profit</b>	<b>339.9</b>	<b>377.6</b>
Depreciation and impairment of tangible assets (including right-of-use assets)	43.8	47.0
Amortization and impairment of intangible assets (including capitalized development costs)	29.2	31.8
Impairment of goodwill	0.0	0.0
<b>EBITDA</b>	<b>412.9</b>	<b>456.4</b>

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

In € millions	Q1 2021	Q1 2022
<b>Profit for the period</b>	<b>228.2</b>	<b>258.5</b>
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	73.9	79.8
Changes in other non-current assets and liabilities and long-term deferred taxes	18.8	23.4
Unrealized exchange (gains)/losses	(1.7)	0.6
(Gains)/losses on sales of assets, net	(4.2)	0.3
Other adjustments	0.0	0.1
<b>Cash flow from operations</b>	<b>315.0</b>	<b>362.7</b>
Decrease (Increase) in working capital requirement	(51.4)	(292.3)
<b>Net cash provided from operating activities</b>	<b>263.6</b>	<b>70.4</b>
Capital expenditure (including capitalized development costs)	(25.7)	(26.4)
Net proceeds from sales of fixed and financial assets	8.0	0.4
<b>Free cash flow</b>	<b>245.9</b>	<b>44.4</b>
Increase (Decrease) in working capital requirement	51.4	292.3
(Increase) Decrease in normalized working capital requirement	(21.0)	(18.6)
<b>Normalized free cash flow</b>	<b>276.3</b>	<b>318.1</b>



Scope of consolidation

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

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

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Details on risks are provided in the most recent version of Legrand Universal Registration Document filed with the Autorité des marchés financiers (Financial Markets Authority, AMF), which is available on-line on the websites of both AMF ([www.amf-france.org](http://www.amf-france.org)) and Legrand ([www.legrandgroup.com](http://www.legrandgroup.com)).

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