



# 2022 First-quarter results

May 5<sup>th</sup>, 2022



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# 1

Highlights

# Highlights

## Strong growth in sales

**+17.8%**

- Including organic growth

+11.2%

## Results hold firm amid strong inflationary trends

- Adjusted operating margin
- Rise in net profit

20.3% of sales

+13%

## 2022 full-year targets confirmed





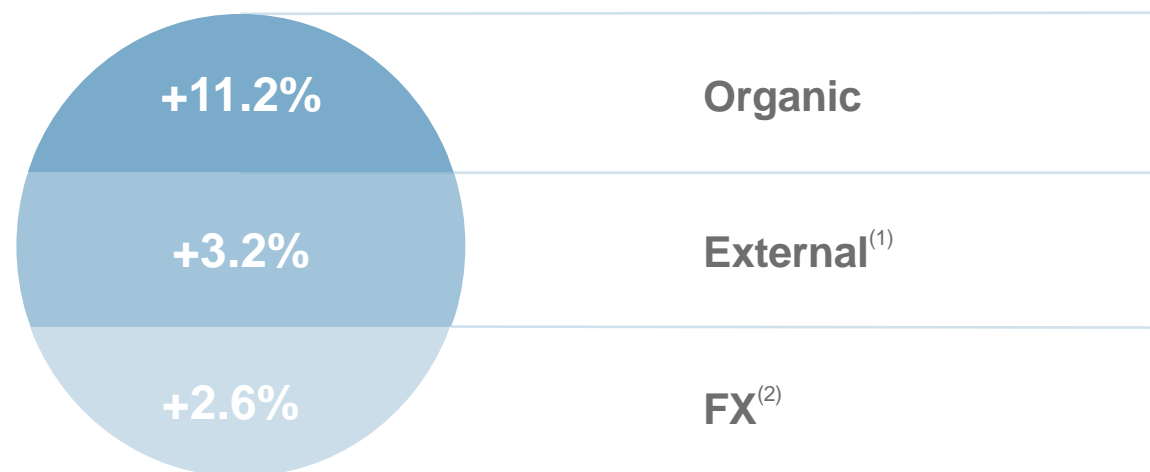
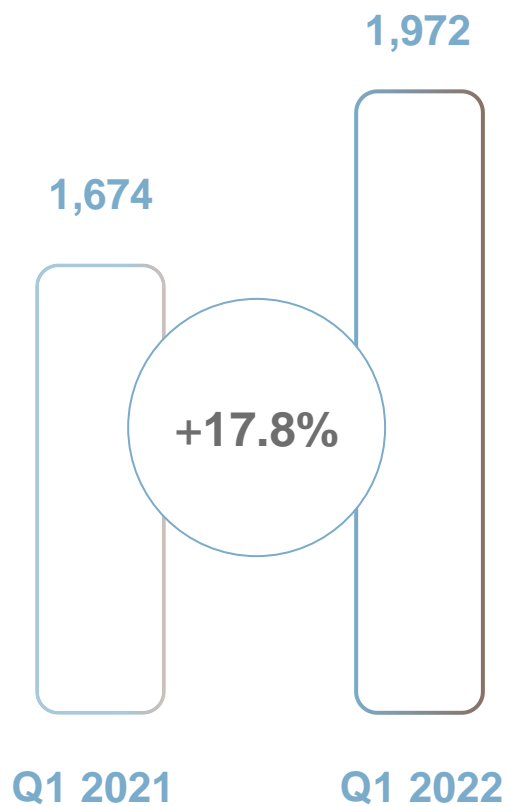
# 2

Strong growth in sales

# Strong growth in sales

## Q1 2022 change in net sales

€ millions

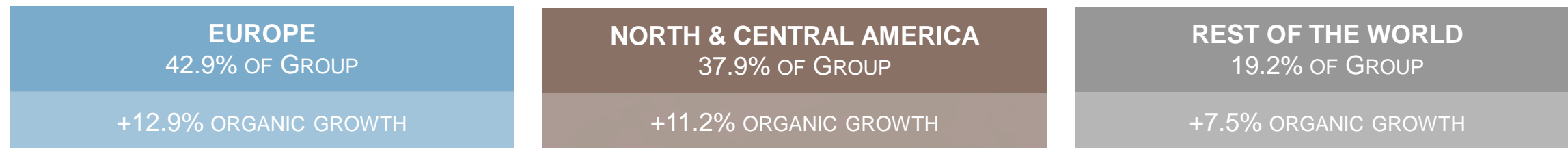


1. Based on acquisitions completed, and their probable dates of consolidation, the impact of the scope of consolidation should be close to +3% of full-year 2022 sales.

2. Based on average exchange rates in April 2022, the full-year exchange rate effect on sales for 2022 should be close to +3.5%.

# Strong growth in sales

## Q1 2022 sales by destination



**MATURE COUNTRIES** (36.9% of Group): **+10.0%**

**NEW ECONOMIES: +31.2%**

- Over Q1, limited impact linked to the conflict between Ukraine & Russia
- Ukraine & Russia together: ~2% of FY 2021 Group sales

**UNITED STATES** (34.7% of Group): **+11.1%**

- Marked growth in non-residential

**MEXICO & CANADA**

- Sales on the rise

**ASIA-PACIFIC** (12.1% of Group): **+8.1%**

- Significant increase in India
- Growth in Australia
- Decline in China

**AFRICA & MIDDLE EAST** (3.6% of Group): **+5.2%**

- Solid achievements in many African countries
- Very slight uptick in the Middle East

**SOUTH AMERICA** (3.5% of Group): **+7.9%**

- Decline in business in Brazil
- Strong growth in other main countries

Active management of the supply chain  
Success of various development initiatives and Group's pricing power



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Results hold firm amid strong inflationary trends



# Results hold firm amid strong inflationary trends

## Q1 2022 adjusted operating margin

<b>Q1 2021</b>	<b>Adjusted operating margin</b>	<b>21.6%</b>
	<ul style="list-style-type: none"> <li>• Demanding basis for comparison</li> <li>• Widespread inflationary environment (including around +18% on raw material and components)</li> <li>• Profitability resistance reflecting mastery of expenses &amp; sales pricing</li> </ul>	<b>-1.0 pt</b>
<b>Q1 2022</b>	<b>Adjusted operating margin before acquisitions<sup>(1)</sup></b>	<b>20.6%</b>
	<ul style="list-style-type: none"> <li>• Impact of acquisitions</li> </ul>	<b>-0.3 pts</b>
<b>Q1 2022</b>	<b>Adjusted operating margin</b>	<b>20.3%</b>

1. At 2021 scope of consolidation.

# Results hold firm amid strong inflationary trends

## Q1 2022 net profit attributable to the group

### NET PROFIT ATTRIBUTABLE TO THE GROUP

**€258mm**  
up **+13.3%**

### ... KEY FACTORS

Rise in operating profit  
(+€38mm)

Unfavorable trend in financial & foreign-exchange results  
(-€3mm)

Rise in corporate income tax  
(-€5mm)

# Results hold firm amid strong inflationary trends

## Q1 2022 free cash flow generation and balance sheet structure

### FREE CASH FLOW

Normalized  
free cash flow<sup>(1)</sup>

**€318mm**

**16.1%** of sales

#### Cash flow from operations

- 18.4% of sales (€363 million), down -0.4 points

#### Free cash flow

- 2.3% of sales
- Continued strengthened inventories coverage to serve Group customers best

### BALANCE SHEET STRUCTURE

Net debt  
to EBITDA

**X1.6**<sup>(2)</sup>

#### Stable rating

- A- rating with stable outlook  
confirmed by Standard & Poor's in March 2022

1. For more details on the reconciliation of free cash flow with normalized free cash flow, readers are invited to consult page 30.

2. Based on EBITDA in the last twelve months.



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2022 full-year targets confirmed

# 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>(2)</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.

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

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





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ESG commitment and ambitions: 5<sup>th</sup> CSR roadmap unveiled, covering 2022-2024

# ESG commitment and ambitions: 5<sup>th</sup> CSR roadmap 2022-2024

## Ambitious and consistent mid-term targets

EXEMPLARY AND AMBITIOUS ESG APPROACH  
FOR THE MID- AND LONG-TERM ...

... UNDERPINNED IN THE SHORTER TERM  
BY A 5<sup>TH</sup> CSR ROADMAP

### 2030 ambitions built on 3 pillars

- Act for the climate by reducing direct carbon emissions **(Scopes 1 & 2) by -50%** and indirect emissions **(Scope 3) by -15%** compared with 2019, respecting a 1.5°C scenario in terms of global warming
- Promote diversity at work by targeting **1/3 of key positions held by women** and **gender parity in the workforce**
- **~80% of sales** made with **eco-responsible** offerings

### 2050 carbon neutrality

A new roadmap for **2022-2024** deployed through **4 pillars** and **15 priorities** centered on what truly matters

- Promote diversity & inclusion
- Reduce our carbon footprint
- Develop a circular economy
- Be a responsible business

**Amplifying our impact through a structured action plan** contributing to **10 UN Sustainable Development Goals (SDG)**

**ESG approach is in keeping with Legrand's strategic roadmap  
and medium-term financial targets<sup>(1)</sup>**

1. For more information, see Legrand press releases dated September 22, 2021 and March 29, 2022.

# ESG commitment and ambitions: 5<sup>th</sup> CSR roadmap 2022-2024

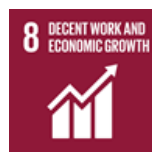
## CSR Roadmap pillars and targets (1/2)

### PROMOTE DIVERSITY & INCLUSION

- **Gender diversity**  
30% of management positions held by women
- **“Diversity & Inclusion” labeling**  
80% of total workforce employed at an entity holding the “Diversity & Inclusion” label
- **Employability of early-in-careers**  
4,000 new opportunities each year
- **Diversity & Inclusion among suppliers**  
200 additional businesses with suppliers qualified as “Diversity & Inclusion”

### REDUCE OUR CARBON FOOTPRINT

- **CO<sub>2</sub> emissions avoided for our customers**  
12 million tons of CO<sub>2</sub> avoided
- **Direct and indirect CO<sub>2</sub> emissions (Scopes 1 & 2)**  
-10% each year on Scopes 1 & 2 (manufacturing energy efficiency improvements & renewable energy deployment)
- **Indirect CO<sub>2</sub> emissions (Scope 3)**  
≥ 250 key Legrand suppliers encouraged to set an official CO<sub>2</sub> reduction target of -30% on average by 2030



# ESG commitment and ambitions: 5<sup>th</sup> CSR roadmap 2022-2024

## CSR Roadmap pillars and targets (2/2)



### DEVELOP A CIRCULAR ECONOMY

- **Use of recycled materials**  
15% recycled plastics & 40% recycled metals in Group products
- **Phase out single-use plastic**  
100% of single-use plastics eliminated in flow pack & expanded polystyrene packaging
- **Environmental declarations**  
72% of Group sales covered by Product Sustainable Profiles



### BE A RESPONSIBLE BUSINESS

- **Customer satisfaction**  
90% of sales made to satisfied clients (satisfaction surveys)
- **Business ethics/compliance**  
Supervise, provide training and ensure compliance in relation to commitments in the area of business ethics
- **Employability and skills development**  
85% of employees trained each year and 7 hours of annual training for each employee
- **Safe workplace**  
Cut workplace accidents by -20% (FR2)
- **Expanded social coverage**  
100% of employees covered by Serenity On



# 6

## Governance



# Governance

## Change in Governance proposed / next General Meeting of Shareholders <sup>(1)</sup>

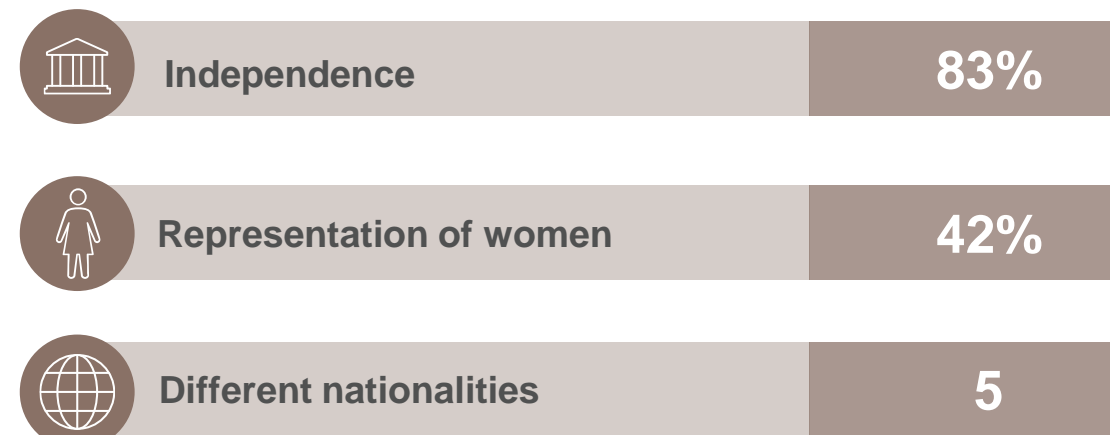
### APPOINTMENT <sup>(1)</sup> OF FLORENT MENEGAUX AS INDEPENDENT DIRECTOR



#### CEO of Michelin

Recognized experience as head of a large, listed industrial group

### INDEPENDENT AND DIVERSE BOARD COMPOSITION <sup>(1)</sup>

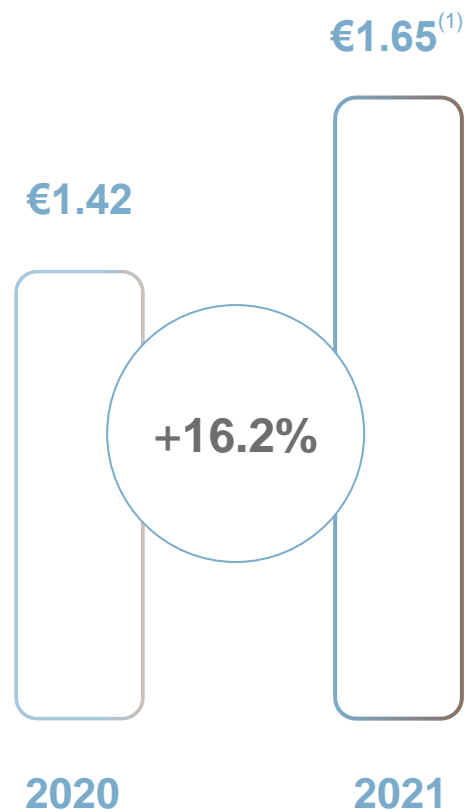


Continuously among industry's best practices

1. Subject to approval by the General Meeting of Shareholders on May 25, 2022.

# Governance

## 2021 proposed dividend per share



**2021 payout of nearly 50%**  
In line with the Group's mid-term targets

1. Subject to the approval of shareholders at General Meeting on May 25, 2022 and scheduled for payment on June 1, 2022.  
This distribution will be made in full out of distributable income.



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Appendices

# Appendices

## Glossary

**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** are electric power distribution systems based on metal busbars.

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

**CSR** stands for Corporate Social Responsibility.

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

**ESG** stands for Environmental, Societal and Governance.

**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** stands for Keyboard, Video and Mouse.

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

**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.

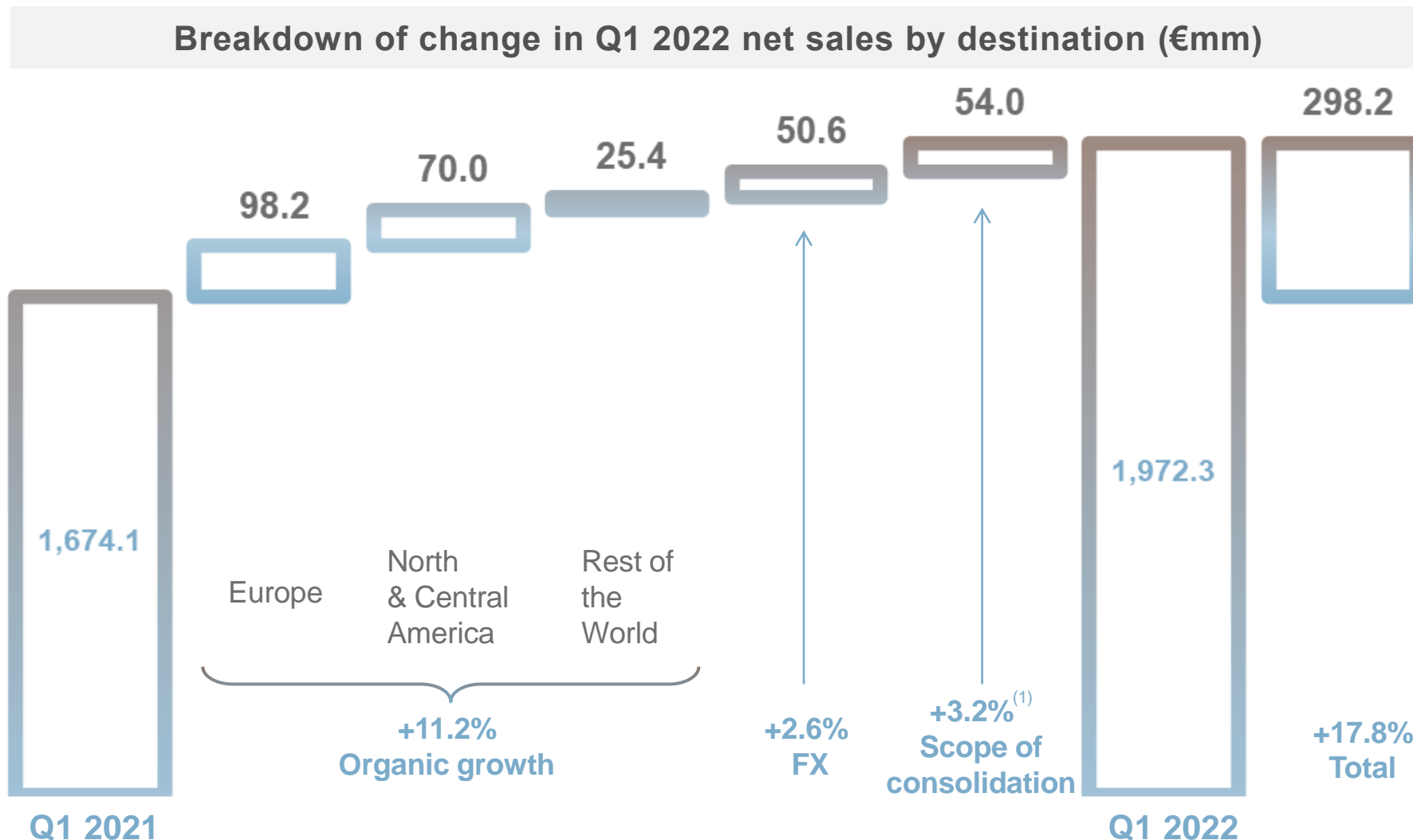
**PDU** stands for Power Distribution Unit.

**UPS** stands for Uninterruptible Power Supply.

**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.

# Appendices

## Change in net sales



1. Due to the consolidation of Champion One, Compose, Ecotap and Ensto Building Systems.



# Appendices

## 2022 First quarter – net sales by destination<sup>(1)</sup>

In € millions	Q1 2021	Q1 2022	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
Europe	723.2	845.9	17.0%	5.6%	12.9%	-1.9%
North and Central America	614.8	748.1	21.7%	2.0%	11.2%	7.3%
Rest of the World	336.1	378.3	12.6%	0.4%	7.5%	4.3%
<b>Total</b>	<b>1,674.1</b>	<b>1,972.3</b>	<b>17.8%</b>	<b>3.2%</b>	<b>11.2%</b>	<b>2.6%</b>

1. Market where sales are recorded.

# Appendices

## 2022 First quarter – net sales by origin<sup>(1)</sup>

In € millions	Q1 2021	Q1 2022	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
Europe	754.2	880.8	16.8%	5.4%	13.0%	-1.9%
North and Central America	625.5	759.7	21.5%	2.2%	10.7%	7.4%
Rest of the World	294.4	331.8	12.7%	0.0%	7.4%	4.9%
<b>Total</b>	<b>1,674.1</b>	<b>1,972.3</b>	<b>17.8%</b>	<b>3.2%</b>	<b>11.2%</b>	<b>2.6%</b>

1. Zone of origin of the product sold.

# Appendices

## 2022 First quarter – P&L

In € millions	Q1 2021	Q1 2022	% change
<b>Net sales</b>	<b>1,674.1</b>	<b>1,972.3</b>	<b>+17.8%</b>
Gross profit	881.2	978.6	+11.1%
<i>as % of sales</i>	52.6%	49.6%	
<b>Adjusted<sup>(1)</sup> operating profit</b>	<b>361.1</b>	<b>401.2</b>	<b>+11.1%</b>
<i>as % of sales</i>	<b>21.6%</b>	<b>20.3%<sup>(2)</sup></b>	
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	(21.2)	(23.6)	
Operating profit	339.9	377.6	+11.1%
<i>as % of sales</i>	20.3%	19.1%	
Financial income (costs)	(21.3)	(22.4)	
Exchange gains (losses)	0.4	(1.0)	
Income tax expense	(90.8)	(95.7)	
Share of profits (losses) of equity-accounted entities	0.0	0.0	
Profit	228.2	258.5	+13.3%
<b>Net profit attributable to the Group</b>	<b>228.0</b>	<b>258.3</b>	<b>+13.3%</b>

1. 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 (€21.2 million in Q1 2021 and €23.6 million in Q1 2022) and, where applicable, for impairment of goodwill (€0 in Q1 2021 and Q1 2022).

2. 20.6% excluding acquisitions (at 2021 scope of consolidation).

# Appendices

## 2022 First quarter – adjusted operating profit before and after other operating income (expense) by geographical region

Q1 2022 (in € millions)	Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>880.8</b>	<b>759.7</b>	<b>331.8</b>	<b>1,972.3</b>
Cost of sales	(408.2)	(398.9)	(186.6)	(993.7)
Administrative and selling expenses, R&D costs	(255.2)	(237.8)	(73.8)	(566.8)
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in administrative, selling expenses and R&D costs	(4.0)	(18.2)	(1.4)	(23.6)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>221.4</b>	<b>141.2</b>	<b>72.8</b>	<b>435.4</b>
<b>as % of sales</b>	<b>25.1%</b>	<b>18.6%</b>	<b>21.9%</b>	<b>22.1%</b>
Other operating income (expense)	(24.8)	(8.8)	(0.6)	(34.2) <sup>(1)</sup>
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>196.6</b>	<b>132.4</b>	<b>72.2</b>	<b>401.2</b>
<b>as % of sales</b>	<b>22.3%</b>	<b>17.4%</b>	<b>21.8%</b>	<b>20.3%</b>

1. Restructuring (€6.7m) and other miscellaneous items (€27.5m).

# Appendices

## 2021 First quarter – adjusted operating profit before and after other operating income (expense) by geographical region

Q1 2021 (in € millions)	Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>754.2</b>	<b>625.5</b>	<b>294.4</b>	<b>1,674.1</b>
Cost of sales	(325.3)	(299.6)	(168.0)	(792.9)
Administrative and selling expenses, R&D costs	(228.5)	(210.0)	(70.5)	(509.0)
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in administrative, selling expenses and R&D costs	(3.4)	(16.5)	(1.3)	(21.2)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>203.8</b>	<b>132.4</b>	<b>57.2</b>	<b>393.4</b>
<b>as % of sales</b>	<b>27.0%</b>	<b>21.2%</b>	<b>19.4%</b>	<b>23.5%</b>
Other operating income (expense)	(16.6)	(9.7)	(6.0)	(32.3) <sup>(1)</sup>
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>187.2</b>	<b>122.7</b>	<b>51.2</b>	<b>361.1</b>
<b>as % of sales</b>	<b>24.8%</b>	<b>19.6%</b>	<b>17.4%</b>	<b>21.6%</b>

1. Restructuring (€8.9m) and other miscellaneous items (€23.4m).



# Appendices

## 2022 First-quarter – reconciliation of cash flow from operations with profit

In € millions	Q1 2021	Q1 2022
<b>Profit</b>	<b>228.2</b>	<b>258.5</b>
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>

## Appendices

### 2022 First quarter – reconciliation of free cash flow and normalized free cash flow with cash flow from operations

In € millions	Q1 2021	Q1 2022	% change
<b>Cash flow from operations</b>	<b>315.0</b>	<b>362.7</b>	<b>+15.1%</b>
<i>as % of sales</i>	<i>18.8%</i>	<i>18.4%</i>	
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>	<b>-73.3%</b>
<i>as % of sales</i>	<i>15.7%</i>	<i>3.6%</i>	
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>	<b>-81.9%</b>
<i>as % of sales</i>	<i>14.7%</i>	<i>2.3%</i>	
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>	<b>+15.1%</b>
<i>as % of sales</i>	<i>16.5%</i>	<i>16.1%</i>	

# Appendices

## Scope of consolidation (1/2)

2021	Q1	H1	9M	FY
Full consolidated method				
CHAMPION ONE	Balance sheet only	6 months	9 months	12 months
COMPOSE	Balance sheet only	6 months	9 months	12 months
ECOTAP			Balance sheet only	6 months
ENSTO BUILDING SYSTEMS				2 months
GEIGER				Balance sheet only

# Appendices

## Scope of consolidation (2/2)

2022	Q1	H1	9M	FY
<b>Full consolidated method</b>				
<b>CHAMPION ONE</b>	3 months	6 months	9 months	12 months
<b>COMPOSE</b>	3 months	6 months	9 months	12 months
<b>ECOTAP</b>	3 months	6 months	9 months	12 months
<b>ENSTO BUILDING SYSTEMS</b>	3 months	6 months	9 months	12 months
<b>GEIGER</b>	Balance sheet only	To be determined	To be determined	To be determined
<b>EMOS</b>	Balance sheet only	To be determined	To be determined	To be determined

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