

Limoges, May 6, 2021

2021 first-quarter results**Strong growth in sales and financial results****Organic rise in sales: +13.1%****Adjusted operating margin before acquisitions¹:
21.9% of sales****Net profit attributable to the Group: +36.4%****Full-year 2021 targets raised****Benoît Coquart, Legrand's Chief Executive Officer, commented:**

"In the first quarter of 2021, our revenues showed a steep rise in all regions. At constant scope of consolidation and exchange rates, sales were up +13.1% from the first quarter of 2020, which represents a +4.9% increase over two years² and reflects Legrand's stronger positions in our markets.

This growth momentum was driven by buoyant demand in residential and datacenter markets, as well as by the moves made in 2020. These included in particular the decision to maintain services to our customers throughout the year's lockdowns; sales and marketing initiatives; our vigorous and ongoing program of new-product development and launches; and stepped-up investment in digital technologies.

Our first-quarter results reflect a good start to the current year, with adjusted operating margin (before acquisitions¹) equal to 21.9% of sales, net profit attributable to the Group up +36.4%, and normalized free cash flow at 16.5% of sales.

Drawing on fundamentals that were strengthened during the crisis (leadership positions, excellent customer relations, innovation, financial and ESG performance), Legrand is well positioned to take full advantage of the next economic cycle, particularly in the growing segments of the buildings of tomorrow."

¹ At 2020 scope of consolidation.

² Two-year compounded result of published organic changes in the first quarter of 2020 and the first quarter of 2021.



Full-year 2021 Targets Raised

Given its first-quarter achievements, and despite a persistently uncertain environment due to the pandemic situation and increasing pressure on supply chains, Legrand is raising its targets for 2021 and is now aiming for:

- organic growth in full-year sales of between +4% and +7%;
- a scope of consolidation effect of at least +3%;
- an adjusted operating margin before acquisitions (at 2020 scope of consolidation) of between 19.6% and 20.4% of sales.

The basis for comparison for both sales and margin will be very favorable in the second quarter of 2021, and challenging in the second half of the year, particularly in the third quarter.

Legrand also aims to achieve at least 100% of its CSR roadmap for 2021, testifying to the ongoing deployment of a bold and exemplary ESG approach, with a particular focus on the fight against global warming and the promotion of diversity.

These annual targets are fully in line with the Group's mid-term targets released in February 2021¹.

¹ Over a full economic cycle and excluding a major economic slowdown, the Group aims for:

- an average annual growth in sales, excluding exchange-rate effects, of between +5% and +10%;
- an average adjusted operating margin (Including restructuring costs) of approximately 20% of sales;
- a normalized free cash flow of between 13% and 15% of sales on average.

At the same time, Legrand will continue to deploy a bold and exemplary ESG approach, driven by demanding roadmaps, with a particular focus on the fight against global warming and the promotion of diversity.

Financial performance at March 31, 2021
Key figures

Consolidated data (€ millions)⁽¹⁾	1st quarter 2020	1st quarter 2021	Change
Sales	1,515.7	1,674.1	+10.5%
Adjusted operating profit	282.6	361.1	+27.8%
<i>As % of sales</i>	18.6%	21.6%	
		<i>21.9% before acquisitions⁽²⁾</i>	
Operating profit	260.0	339.9	+30.7%
<i>As % of sales</i>	17.2%	20.3%	
Net profit attributable to the Group	167.1	228.0	+36.4%
<i>As % of sales</i>	11.0%	13.6%	
Normalized free cash flow	230.4	276.3	+19.9%
<i>As % of sales</i>	15.2%	16.5%	
Free cash flow	133.8	245.9	+83.8%
<i>As % of sales</i>	8.8%	14.7%	
Net financial debt at March 31	2,872.1	2,400.2	-16.4%

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

(2) At 2020 scope of consolidation.

Consolidated sales

In the first quarter of 2021, sales rose +10.5% from the first quarter of 2020 to total €1,674.1 million.

Organic growth was +13.1% over the period, including +8.8% in mature countries and +26.9% in new economies.

The impact of the broader scope of consolidation was +3.4%. Based on acquisitions completed in 2020 and their likely dates of consolidation, this effect is expected to reach +2.5% in 2021.

The exchange-rate effect on sales in the first quarter of 2021 was -5.5%. Based on average exchange rates in April 2021, the full-year exchange-rate effect on sales for 2021 should be about -3%.

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

	1st quarter 2021 / 1st quarter 2020
Europe	+14.0%
North and Central America	+4.9%
Rest of the world	+29.8%
Total	+13.1%

These changes are analyzed below by geographical region:

- **Europe** (43.2% of Group revenue): sales in Europe grew +14.0% at constant scope of consolidation and exchange rates in the first quarter of 2021.

In Europe's mature countries (37.2% of Group revenue), sales rose a steep +14.3% over the period. This was linked to very strong performances in the region's main countries, as in France and Italy, and fueled in particular by many commercial successes.

Sales in Europe's new economies were up +12.4% in the first quarter of 2021, reflecting continued solid momentum in Eastern Europe and Turkey.

- **North and Central America** (36.7% of Group revenue): sales increased +4.9% in the first quarter of 2021 at constant scope of consolidation and exchange rates.

In the United States alone (33.6% of Group revenue), the organic rise in sales was +4.4% over the first three months of the year. Growth was driven by continued buoyant business in datacenters and by solid achievements in residential offerings. Sales in non-residential applications continued to decline, though less than in the fourth quarter of 2020.

Sales increased in Mexico and fell slightly in Canada.

- **Rest of the world** (20.1% of Group revenue): first-quarter sales were up +29.8% at constant scope of consolidation and exchange rates.

In Asia-Pacific (12.5% of Group revenue), first-quarter sales rose a steep +37.1%. They more than doubled in China, with double-digit growth over two years, and also showed very strong growth in India, in deteriorating conditions linked to the pandemic.

In South America (3.7% of Group revenue), sales grew +20.4%. This included a very significant rebound in sales in Brazil, along with sustained increases in many other countries in the region.

In Africa and the Middle East (3.9% of Group revenue), sales rose +19.1%. This included very significant growth in Africa and an increase in the Middle East.

Adjusted operating profit and margin

In the first quarter of 2021, adjusted operating profit was €361.1 million, up +27.8%, setting adjusted operating margin at 21.6% of sales over the period.

Before acquisitions (at 2020 scope of consolidation), adjusted operating margin reached 21.9% in the first quarter of 2021, a +3.3-point rise from the first quarter of 2020.

This increase in profitability was mainly driven by:

- operating leverage linked to strong sales growth and the still-limited rise in costs;
- increased sales prices that offset, in value, a rise in raw materials and components costs that accelerated over the quarter.

Net profit attributable to the Group

Net profit attributable to the Group increased +36.4% from the first quarter of 2020 and stood at €228.0 million. This performance reflects mainly:

- strong growth in operating profit (+€80 million);
- favorable trends (+€5 million) in financial results; and
- the increase (-€24 million) in the Group's corporate income tax linked to the rise in profit before tax (the corporate tax rate was stable at 28.5% in the first quarter of 2021).

Cash generation and balance sheet structure

At €315.0 million, cash flow from operations came to 18.8% of first-quarter sales, a rise of +4.1 points.

Normalized free cash flow stood at 16.5% of sales, up +19.9% and +1.3 points higher than in the first quarter of 2020.

At 8.3% of sales¹, the working capital requirement remained under control.

Free cash flow stood at 14.7% of sales, with a steep increase over the quarter.

For the three-month period, the balance sheet remained solid with a ratio of net debt to EBITDA² of 1.6, and cash and cash equivalents of close to €2.8 billion.

¹ Based on sales for the last 12 months.

² Based on EBITDA for the last 12 months.

Governance

Changes in Board of Directors¹

At the proposal of the Nominating and Governance Committee and following the approval of the Board of Directors, the nomination of Jean-Marc Chéry as Independent Director will be put to shareholders at the annual Combined Ordinary and Extraordinary General Meeting on May 26, 2021. As chairman and CEO of STMicroelectronics, Mr. Chéry has solid experience in senior management in a field of strategic interest.

With his appointment, the composition of the Board of Directors¹ would remain in line with best practices in the sector, including 75% independent directors, 42% women and 5 nationalities.

Proposed dividend

As announced on February 11, 2021², Legrand's Board of Directors will ask the General Meeting of shareholders to be held on May 26, 2021 to approve the payment of a dividend of €1.42 per share in respect of 2020.

The ex-dividend date is May 28, 2021, with payment³ on June 1, 2021.

¹ Subject to approval by the General Meeting of Shareholders on May 26, 2021.

² For more information, readers are invited to consult the press release dated February 11, 2021.

³ This distribution will be made in full out of distributable income.

The Board adopted consolidated financial statements for first-quarter 2021 at its meeting on May 4, 2021. These consolidated financial statements, a presentation of 2021 first-quarter results, and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES:

- General Meeting of Shareholders (*behind closed doors*): **May 26, 2021**
- Ex-dividend date: **May 28, 2021**
- Dividend payment: **June 1, 2021**
- 2021 first-half results: **July 30, 2021**
“Quiet period¹” starts June 30, 2021
- Capital Markets Day: **September 22, 2021**
- 2021 nine-month results: **November 4, 2021**
“Quiet period¹” starts October 5, 2021

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 sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot connected products with enhanced value in use. Legrand reported sales of €6.1 billion in 2020. 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).*

<https://www.legrandgroup.com>



**Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group’s innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.*

<https://www.legrandgroup.com/en/group/eliot-legrands-connected-objects-program>

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

Appendices

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 2020	Q1 2021
Trade receivables	716.0	796.0
Inventories	852.4	900.7
Other current assets	210.5	220.8
Income tax receivables	58.1	66.9
Short-term deferred taxes assets/(liabilities)	96.9	102.7
Trade payables	(590.0)	(674.7)
Other current liabilities	(584.5)	(684.3)
Income tax payables	(54.0)	(70.9)
Short-term provisions	(120.8)	(137.1)
Working capital required	584.6	520.1

Calculation of net financial debt

In € millions	Q1 2020	Q1 2021
Short-term borrowings	1,114.1	1,092.6
Long-term borrowings	3,578.7	4,061.8
Cash and cash equivalents	(1,820.7)	(2,754.2)
Net financial debt	2,872.1	2,400.2

Reconciliation of adjusted operating profit with profit for the period

In € millions	Q1 2020	Q1 2021
Profit for the period	167.1	228.2
Share of profits (losses) of equity-accounted entities	0.6	0.0
Income tax expense	66.8	90.8
Exchange (gains) / losses	5.5	(0.4)
Financial income	(2.5)	(1.7)
Financial expense	22.5	23.0
Operating profit	260.0	339.9
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	22.6	21.2
Impairment of goodwill	0.0	0.0
Adjusted operating profit	282.6	361.1

Reconciliation of EBITDA with profit for the period

In € millions	Q1 2020	Q1 2021
Profit for the period	167.1	228.2
Share of profits (losses) of equity-accounted entities	0.6	0.0
Income tax expense	66.8	90.8
Exchange (gains) / losses	5.5	(0.4)
Financial income	(2.5)	(1.7)
Financial expense	22.5	23.0
Operating profit	260.0	339.9
Depreciation and impairment of tangible assets (including right-of-use assets)	46.2	43.8
Amortization and impairment of intangible assets (including capitalized development costs)	31.7	29.2
Impairment of goodwill	0.0	0.0
EBITDA	337.9	412.9

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

In € millions	Q1 2020	Q1 2021
Profit for the period	167.1	228.2
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	78.6	73.9
Changes in other non-current assets and liabilities and long-term deferred taxes	15.4	18.8
Unrealized exchange (gains)/losses	(19.3)	(1.7)
(Gains)/losses on sales of assets, net	(16.5)	(4.2)
Other adjustments	(1.8)	0.0
Cash flow from operations	223.5	315.0
Decrease (Increase) in working capital requirement	(84.9)	(51.4)
Net cash provided from operating activities	138.6	263.6
Capital expenditure (including capitalized development costs)	(23.5)	(25.7)
Net proceeds from sales of fixed and financial assets	18.7	8.0
Free cash flow	133.8	245.9
Increase (Decrease) in working capital requirement	84.9	51.4
(Increase) Decrease in normalized working capital requirement	11.7	(21.0)
Normalized free cash flow	230.4	276.3

Scope of consolidation

2020	Q1	H1	9M	Full year
Full consolidation method				
Jobo Smartech	Balance sheet only	6 months	9 months	12 months
Focal Point	Balance sheet only	Balance sheet only	7 months	10 months
Borri ¹				Balance sheet only
Champion One				Balance sheet only
Compose				Balance sheet only

2021	Q1	H1	9M	Full year
Full consolidation method				
Jobo Smartech	3 months	6 months	9 months	12 months
Focal Point	3 months	6 months	9 months	12 months
Borri ¹	3 months	6 months	9 months	12 months
Champion One	Balance sheet only	To be determined	To be determined	To be determined
Compose	Balance sheet only	To be determined	To be determined	To be determined

¹ Borri, an Italian UPS specialist, which until was 2020 consolidated on the equity method.

Disclaimer

This press release may contain forward-looking statements which are not historical data. Although Legrand considers these statements to be based on reasonable assumptions at the time of publication of this release, they are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied herein.

Details on risks are provided in the 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) and Legrand (www.legrandgroup.com).

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