

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021



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Consolidated statement of income

<i>(in € millions)</i>	9 months ended	
	September 30, 2021	September 30, 2020
Net sales	5,168.7	4,493.9
Operating expenses		
Cost of sales	(2,507.0)	(2,159.2)
Administrative and selling expenses	(1,296.7)	(1,229.8)
Research and development costs	(238.3)	(235.0)
Other operating income (expenses)	(85.0)	(99.4)
Operating profit	1,041.7	770.5
Financial expenses	(67.9)	(69.7)
Financial income	5.3	4.8
Exchange gains (losses)	(1.8)	(8.2)
Financial profit (loss)	(64.4)	(73.1)
Profit before tax	977.3	697.4
Income tax expense	(278.5)	(202.1)
Share of profits (losses) of equity-accounted entities	0.0	(1.7)
Profit for the period	698.8	493.6
Of which:		
- Net profit attributable to the Group	699.0	493.3
- Minority interests	(0.2)	0.3
Basic earnings per share <i>(euros)</i>	2.618	1.847
Diluted earnings per share <i>(euros)</i>	2.600	1.832

Consolidated statement of comprehensive income

<i>(in € millions)</i>	9 months ended	
	September 30, 2021	September 30, 2020
Profit for the period	698.8	493.6
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	252.3	(351.7)
Cash flow hedges	0.0	0.0
Income tax relating to components of other comprehensive income	6.1	(8.7)
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	11.6	(2.3)
Other	0.0	0.0
Comprehensive income for the period	968.8	130.9
Of which:		
- Comprehensive income attributable to the Group	968.9	130.7
- Minority interests	(0.1)	0.2

Consolidated balance sheet

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Non-current assets		
Intangible assets	2,491.8	2,441.6
Goodwill	4,986.9	4,803.7
Property, plant and equipment	673.9	680.9
Right-of-use assets	268.8	268.3
Other investments	1.3	1.5
Other non-current assets	58.4	49.4
Deferred tax assets	134.7	112.4
TOTAL NON CURRENT ASSETS	8,615.8	8,357.8
Current assets		
Inventories (Note 4)	1,125.5	837.3
Trade receivables (Note 5)	780.1	644.5
Income tax receivables	83.7	70.1
Other current assets	240.7	204.8
Other current financial assets	2.0	1.5
Cash and cash equivalents	2,670.0	2,791.7
TOTAL CURRENT ASSETS	4,902.0	4,549.9
TOTAL ASSETS	13,517.8	12,907.7

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Equity		
Share capital (Note 6)	1,069.8	1,069.8
Retained earnings	5,050.4	4,788.3
Translation reserves	(710.1)	(962.3)
Equity attributable to equity holders of Legrand	5,410.1	4,895.8
Minority interests	8.3	10.2
TOTAL EQUITY	5,418.4	4,906.0
Non-current liabilities		
Long-term provisions	201.5	200.2
Provisions for post-employment benefits	171.3	181.8
Long-term borrowings (Note 7)	3,870.0	4,073.8
Deferred tax liabilities	878.2	791.2
TOTAL NON-CURRENT LIABILITIES	5,121.0	5,247.0
Current liabilities		
Trade payables	799.3	612.9
Income tax payables	59.0	30.3
Short-term provisions	138.2	127.9
Other current liabilities	725.8	661.8
Short-term borrowings (Note 7)	1,256.0	1,320.7
Other current financial liabilities	0.1	1.1
TOTAL CURRENT LIABILITIES	2,978.4	2,754.7
TOTAL EQUITY AND LIABILITIES	13,517.8	12,907.7

Consolidated statement of cash flows

(in € millions)	9 months ended	
	September 30, 2021	September 30, 2020
Profit for the period	698.8	493.6
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	82.6	86.8
– Amortization and impairment of intangible assets	69.2	78.2
– Amortization and impairment of capitalized development costs	20.6	20.4
– Amortization of right-of-use assets	50.4	52.5
– Amortization of financial expenses	2.7	2.5
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	65.6	40.2
– Changes in other non-current assets and liabilities	25.5	36.5
– Unrealized exchange (gains)/losses	3.3	(15.0)
– Share of (profits) losses of equity-accounted entities	0.0	1.7
– Other adjustments	(0.1)	(2.4)
– Net (gains)/losses on sales of assets	(2.3)	(14.4)
Changes in working capital requirement:		
– Inventories (Note 4)	(250.1)	(8.6)
– Trade receivables (Note 5)	(79.5)	(34.3)
– Trade payables	151.0	(47.9)
– Other operating assets and liabilities	19.9	(12.4)
Net cash from operating activities	857.6	677.4
– Net proceeds from sales of fixed and financial assets	8.8	20.7
– Capital expenditure	(67.7)	(58.1)
– Capitalized development costs	(24.4)	(19.2)
– Changes in non-current financial assets and liabilities	(9.0)	5.7
– Acquisitions of subsidiaries, net of cash acquired	(95.8)	(470.7)
Net cash from investing activities	(188.1)	(521.6)
– Proceeds from issues of share capital and premium (Note 6)	0.0	9.2
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(96.0)	(31.0)
– Dividends paid to equity holders of Legrand	(377.9)	(357.4)
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing	207.9	600.9
– Repayment of long-term financing* (Note 7)	(55.4)	(50.9)
– Debt issuance costs	0.0	(4.2)
– Increase (reduction) in short-term financing	(490.4)	693.1
– Acquisitions of ownership interests with no gain of control	0.0	(0.6)
Net cash from financing activities	(811.8)	859.1
Translation net change in cash and cash equivalents	20.6	(23.0)
Increase (decrease) in cash and cash equivalents	(121.7)	991.9
Cash and cash equivalents at the beginning of the period	2,791.7	1,710.9
Cash and cash equivalents at the end of the period	2,670.0	2,702.8
Items included in cash flows:		
– Interest paid during the period**	68.8	69.7
– Income taxes paid during the period	194.9	163.9

* Of which €50.2 million corresponding to lease financial liabilities repayment for the 9 months ended September 30, 2021 (€50.3 million for the 9 months ended September 30, 2020).

** Interest paid is included in the net cash from operating activities; of which €5.2 million interests on lease financial liabilities for the 9 months ended September 30, 2021 (€6.3 million for the 9 months ended September 30, 2020).

Notes to the consolidated financial statements

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KEY FIGURES

<i>(in € millions)</i>	9 months 2021	9 months 2020
Net sales	5,168.7	4,493.9
Adjusted operating profit	1,106.7	841.4
As % of net sales	21.4%	18.7%
	21.6 % before ⁽¹⁾ acquisitions	
Operating profit	1,041.7	770.5
As % of net sales	20.2%	17.1%
Net profit attributable to the Group	699.0	493.3
As % of net sales	13.5%	11.0%
Normalized free cash flow	858.9	773.4
As % of net sales	16.6%	17.2%
Free cash flow	774.3	620.8
As % of net sales	15.0%	13.8%
Net financial debt at September 30	2,456.0	2,730.2

(1) At 2020 scope of consolidation.

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.

Normalized free cash flow is defined as the sum of net cash from operating activities - based on a 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.

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.

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

The reconciliation of consolidated key figures with the financial statements is available in the appendices to the first nine months 2021 results press release.

NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the nine months ended September 30, 2021. It should be read in conjunction with consolidated financial statements for the year ended December 31, 2020 such as established in the Registration Document deposited under visa no D.21-0292 with the French Financial Markets Authority (AMF) on April 12, 2021.

All the amounts are presented in millions of euros unless otherwise indicated. Some totals may include rounding differences.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted by the European Union and applicable or authorized for early adoption from January 1, 2021.

None of the IFRS standards issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

NOTE 2 - SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE PERIOD

Apart from the points mentioned in this document, no significant transactions or events are to be reported over the period.

NOTE 3 - CHANGES IN THE SCOPE OF CONSOLIDATION

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2019 were as follows:

2020	March 31	June 30	September 30	December 31
Full consolidation method				
Jobo Smartech	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Focal Point	Balance sheet only	Balance sheet only	7 months' profit	10 months' profit
Borri				Balance sheet only
Champion One				Balance sheet only
Compose				Balance sheet only

2021	March 31	June 30	September 30
Full consolidation method			
Jobo Smartech	3 months' profit	6 months' profit	9 months' profit
Focal Point	3 months' profit	6 months' profit	9 months' profit
Borri	3 months' profit	6 months' profit	9 months' profit
Champion One	Balance sheet only	6 months' profit	9 months' profit
Compose	Balance sheet only	6 months' profit	9 months' profit
Ecotap			Balance sheet only

During the first nine months of 2021, the Group acquired Ecotap, a front-running Dutch player, specialist in alternating and direct-current charging stations for electric

vehicles, offers for homes, businesses and public charging points. Ecotap reports annual sales of approximately €40 million in 2021.

NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Purchased raw materials and components	470.9	340.4
Sub-assemblies, work in progress	131.2	101.0
Finished products	664.7	530.3
Gross value at the end of the period	1,266.8	971.7
Impairment	(141.3)	(134.4)
NET VALUE AT THE END OF THE PERIOD	1,125.5	837.3

NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Trade receivables	873.9	722.5
Impairment	(93.8)	(78.0)
NET VALUE AT THE END OF THE PERIOD	780.1	644.5

NOTE 6 - SHARE CAPITAL

Share capital as of September 30, 2021 amounted to €1,069,790,984 represented by 267,447,746 ordinary shares with a par value of €4 each, for 267,447,746 theoretical voting rights and 266,726,616 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

Changes in share capital in the first nine months of 2021 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2020	267,447,746	4	1,069,790,984	539,064,770
As of September 30, 2021	267,447,746	4	1,069,790,984	539,064,770

As of September 30, 2021, the Group held 721,130 shares in treasury, versus 125,407 shares as of December 31, 2020, i.e. 595,723 additional shares corresponding to:

- the net acquisition of 1,200,000 shares outside of the liquidity contract at a cost of €97.7 million ;
- the transfer of 582,450 shares to employees under performance share plans;
- the net sale of 21,827 shares under the liquidity contract that led to a cash inflow of €1.7 million.

Among the 721,130 shares held in treasury by the Group, 15,230 shares have been allocated for performance share plans, 630,000 shares are held for cancellation and 75,900 shares are held under the liquidity contract.

NOTE 7 - LONG-TERM AND SHORT-TERM BORROWINGS**7.1 LONG-TERM BORROWINGS**

Long-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Negotiable commercial paper	220.0	0.0
Bonds	3,100.0	3,500.0
Yankee bonds	310.6	302.7
Lease financial liabilities	219.0	219.3
Other borrowings	37.6	71.7
Long-term borrowings excluding debt issuance costs	3,887.2	4,093.7
Debt issuance costs	(17.2)	(19.9)
TOTAL	3,870.0	4,073.8

7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	September 30, 2021	December 31, 2020
Negotiable commercial paper	710.0	1,200.0
Bonds	400.0	0.0
Lease financial liabilities	60.6	59.0
Other borrowings	85.4	61.7
TOTAL	1,256.0	1,320.7

7.3 CHANGES IN LONG-TERM AND SHORT-TERM BORROWINGS

Changes in long-term and short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	September 30, 2021	Cash flows	Variations not impacting cash flows				December 31, 2020
			Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	3,870.0	216.4	1.4	(490.2)	24.7	43.9	4,073.8
Short-term borrowings	1,256.0	(554.3)	6.0	490.2	3.1	(9.7)	1,320.7
Gross financial debt	5,126.0	(337.9)	7.4	0.0	27.8	34.2	5,394.5

NOTE 8 - SEGMENT INFORMATION

In accordance with IFRS 8, operating segments are determined based on the reporting made available to the chief operating decision maker of the Group and to the Group's management.

Given that Legrand activities are carried out locally, the Group is organized for management purposes by countries or groups of countries which have been allocated for internal reporting purposes into three operating segments:

- Europe, including France, Italy and Rest of Europe (mainly including Benelux, Germany, Iberia (including Portugal and Spain), Poland, Russia, Turkey, and the United Kingdom);
- North and Central America, including Canada, Mexico, the United States, and Central American countries; and

- Rest of the world, mainly including Australia, China, India and South America (of which particularly Brazil, Chile and Colombia).

These three operating segments are under the responsibility of three segment managers who are directly accountable to the chief operating decision maker of the Group.

The economic models of subsidiaries within these segments are quite similar. Indeed, their sales are made up of electrical and digital building infrastructure products in particular to electrical installers, sold mainly through third-party distributors.

9 months ended September 30, 2021

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	2,208.8 ⁽¹⁾	2,044.3 ⁽²⁾	915.6	5,168.7
Cost of sales	(972.9)	(1,003.2)	(530.9)	(2,507.0)
Administrative and selling expenses, R&D costs	(661.2)	(658.6)	(215.2)	(1,535.0)
Other operating income (expenses)	(38.3)	(34.3)	(12.4)	(85.0)
Operating profit	536.4	348.2	157.1	1,041.7
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(11.1)	(49.8)	(4.1)	(65.0)
· accounted for in other operating income (expenses)	0.0	0.0	0.0	0.0
- of which goodwill impairment				0.0
Adjusted operating profit	547.5	398.0	161.2	1,106.7
- of which depreciation and impairment of tangible assets	(47.4)	(18.7)	(16.2)	(82.3)
- of which amortization and impairment of intangible assets	(5.6)	(1.9)	(0.7)	(8.2)
- of which amortization and impairment of development costs	(19.9)	0.0	(0.7)	(20.6)
- of which amortization and impairment of right-of-use assets	(19.6)	(16.6)	(14.2)	(50.4)
- of which restructuring costs	(9.8)	(6.8)	1.8	(14.8) ⁽³⁾
Capital expenditure	(44.0)	(11.8)	(12.0)	(67.8)
Capitalized development costs	(23.3)	0.0	(1.0)	(24.3)
Net tangible assets	417.9	140.8	115.2	673.9
Total current assets	3,172.4	878.6	851.0	4,902.0
Total current liabilities	2,044.7	479.5	454.2	2,978.4

(1) Of which France: €884.7 million.

(2) Of which United States: €1,894.2 million.

(3) €(17.1) million excluding net gains on sales of assets.

9 months ended September 30, 2020

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	1,801.2 ⁽¹⁾	1,932.7 ⁽²⁾	760.0	4,493.9
Cost of sales	(808.7)	(940.0)	(410.5)	(2,159.2)
Administrative and selling expenses, R&D costs	(613.3)	(642.5)	(209.0)	(1,464.8)
Other operating income (expenses)	(59.0)	(40.9)	0.5	(99.4)
Operating profit	320.2	309.3	141.0	770.5
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(10.7)	(53.1)	(9.8)	(73.6)
· accounted for in other operating income (expenses)	0.0	2.7	0.0	2.7
- of which goodwill impairment				0.0
Adjusted operating profit	330.9	359.7	150.8	841.4
- of which depreciation and impairment of tangible assets	(50.0)	(19.2)	(17.3)	(86.5)
- of which amortization and impairment of intangible assets	(6.5)	(1.7)	(0.6)	(8.8)
- of which amortization and impairment of development costs	(19.6)	0.0	(0.8)	(20.4)
- of which amortization and impairment of right-of-use assets	(20.4)	(17.6)	(14.5)	(52.5)
- of which restructuring costs	(32.3)	(11.0)	2.3	(41.0) ⁽³⁾
Capital expenditure	(38.6)	(9.9)	(9.7)	(58.2)
Capitalized development costs	(18.3)	0.0	(0.9)	(19.2)
Net tangible assets	406.1	141.8	109.2	657.1
Total current assets	2,981.1	904.1	668.2	4,553.4
Total current liabilities	1,930.1	400.4	380.6	2,711.1

(1) Of which France: €702.7 million.

(2) Of which United States: €1,819.5 million.

(3) €(55.4) million excluding net gains on sales of assets.

NOTE 9 - SUBSEQUENT EVENTS

After September 30, 2021, the Group has closed:

- its first sustainability-linked bond issue indexed on its carbon neutrality trajectory. This issue totaled €600.0 million, at a fixed rate, with a 10-year maturity and an annual coupon of 0.375%; and
- the acquisition of Ensto Building Systems, a Finnish leader in low-voltage which reports an annual sales of about €120 million.