

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2022



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Consolidated statement of income

<i>(in € millions)</i>	3 months ended	
	March 31, 2022	March 31, 2021
Net sales	1,972.3	1,674.1
Operating expenses		
Cost of sales	(993.7)	(792.9)
Administrative and selling expenses	(481.9)	(428.7)
Research and development costs	(84.9)	(80.3)
Other operating income (expenses)	(34.2)	(32.3)
Operating profit	377.6	339.9
Financial expenses	(24.4)	(23.0)
Financial income	2.0	1.7
Exchange gains (losses)	(1.0)	0.4
Financial profit (loss)	(23.4)	(20.9)
Profit before tax	354.2	319.0
Income tax expense	(95.7)	(90.8)
Share of profits (losses) of equity-accounted entities	0.0	0.0
Profit for the period	258.5	228.2
Of which:		
- Net profit attributable to the Group	258.3	228.0
- Minority interests	0.2	0.2
Basic earnings per share <i>(euros)</i>	0.968	0.853
Diluted earnings per share <i>(euros)</i>	0.962	0.847

Consolidated statement of comprehensive income

<i>(in € millions)</i>	3 months ended	
	March 31, 2022	March 31, 2021
Profit for the period	258.5	228.2
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	126.0	193.3
Cash flow hedges	22.3	0.0
Income tax relating to components of other comprehensive income	1.5	5.5
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	(0.1)	(0.1)
Other	0.0	0.0
Comprehensive income for the period	408.2	426.9
Of which:		
- Comprehensive income attributable to the Group	408.0	426.6
- Minority interests	0.2	0.3

Consolidated balance sheet

<i>(in € millions)</i>	March 31, 2022	December 31, 2021
Non-current assets		
Intangible assets	2,503.2	2,485.3
Goodwill	5,444.4	5,241.2
Property, plant and equipment	709.8	719.2
Right-of-use assets	269.2	268.4
Investments in equity-accounted entities	0.0	0.0
Other investments	2.4	2.4
Other non-current assets	65.4	62.6
Deferred tax assets	124.1	116.3
TOTAL NON CURRENT ASSETS	9,118.5	8,895.4
Current assets		
Inventories (Note 4)	1,345.0	1,252.7
Trade receivables (Note 5)	1,020.9	728.5
Income tax receivables	98.5	115.1
Other current assets	258.0	240.4
Other current financial assets	28.5	6.4
Cash and cash equivalents	2,778.5	2,788.3
TOTAL CURRENT ASSETS	5,529.4	5,131.4
TOTAL ASSETS	14,647.9	14,026.8

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2022

<i>(in € millions)</i>	March 31, 2022	December 31, 2021
Equity		
Share capital (Note 6)	1,067.3	1,069.8
Retained earnings	5,544.8	5,268.5
Translation reserves	(495.8)	(621.8)
Equity attributable to equity holders of Legrand	6,116.3	5,716.5
Minority interests	6.5	3.8
TOTAL EQUITY	6,122.8	5,720.3
Non-current liabilities		
Long-term provisions	201.9	196.6
Provisions for post-employment benefits	167.5	170.7
Long-term borrowings (Note 7)	4,579.9	4,485.9
Deferred tax liabilities	889.7	866.5
TOTAL NON-CURRENT LIABILITIES	5,839.0	5,719.7
Current liabilities		
Trade payables	863.2	810.5
Income tax payables	68.0	39.6
Short-term provisions	149.1	135.8
Other current liabilities	768.7	774.3
Short-term borrowings (Note 7)	836.4	826.6
Other current financial liabilities	0.7	0.0
TOTAL CURRENT LIABILITIES	2,686.1	2,586.8
TOTAL EQUITY AND LIABILITIES	14,647.9	14,026.8

Consolidated statement of cash flows

(in € millions)	3 months ended	
	March 31, 2022	March 31, 2021
Profit for the period	258.5	228.2
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	29.7	27.2
– Amortization and impairment of intangible assets	25.3	22.8
– Amortization and impairment of capitalized development costs	6.5	6.4
– Amortization of right-of-use assets	17.3	16.6
– Amortization of financial expenses	1.0	0.9
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	16.7	15.9
– Changes in other non-current assets and liabilities	6.7	2.9
– Unrealized exchange (gains)/losses	0.6	(1.7)
– Share of (profits) losses of equity-accounted entities	0.0	0.0
– Other adjustments	0.1	0.0
– Net (gains)/losses on sales of assets	0.3	(4.2)
Changes in working capital requirement:		
– Inventories (note 4)	(75.2)	(31.1)
– Trade receivables (note 5)	(281.1)	(102.1)
– Trade payables	41.0	33.5
– Other operating assets and liabilities	23.0	48.3
Net cash from operating activities	70.4	263.6
– Net proceeds from sales of fixed and financial assets	0.4	8.0
– Capital expenditure	(18.6)	(17.4)
– Capitalized development costs	(7.8)	(8.3)
– Changes in non-current financial assets and liabilities	(2.0)	(5.3)
– Acquisitions of subsidiaries, net of cash acquired	(128.4)	6.2
Net cash from investing activities	(156.4)	(16.8)
– Proceeds from issues of share capital and premium (note 6)	0.0	0.0
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (note 6)	(15.6)	(16.2)
– Dividends paid to equity holders of Legrand	0.0	0.0
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing	100.0	0.0
– Repayment of long-term financing* (note 7)	(31.3)	(21.3)
– Debt issuance costs	0.0	0.0
– Increase (reduction) in short-term financing	9.3	(263.3)
– Acquisitions of ownership interests with no gain of control	0.0	0.0
Net cash from financing activities	62.4	(300.8)
Translation net change in cash and cash equivalents	13.8	16.5
Increase (decrease) in cash and cash equivalents	(9.8)	(37.5)
Cash and cash equivalents at the beginning of the period	2,788.3	2,791.7
Cash and cash equivalents at the end of the period	2,778.5	2,754.2
Items included in cash flows:		
– Interest paid during the period**	18.2	18.4
– Income taxes paid during the period	36.0	25.3

* Of which €17.1 million corresponding to lease financial liabilities repayment for the 3 months ended March 31, 2022 (€16.1 million for the 3 months ended March 31, 2021).

** Interest paid is included in the net cash from operating activities; of which €1.7 million interests on lease financial liabilities for the 3 months ended March 31, 2022 (€1.8 million for the 3 months ended March 31, 2021).

Notes to the consolidated financial statements

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KEY FIGURES

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

(1) At 2021 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 three months 2022 results press release.

NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the three months ended March 31, 2022. It should be read in conjunction with consolidated financial statements for the year ended December 31, 2021 such as established in the Registration Document deposited under visa no D.22-0245 with the French Financial Markets Authority (AMF) on April 06, 2022.

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, 2022.

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

In addition, in view of the current situation regarding Russia and Ukraine, the Group would point out that its economic exposure is not material in those two countries, which accounted for around 2% of its revenue in the full year 2021.

NOTE 3 - CHANGES IN THE SCOPE OF CONSOLIDATION

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2020 were as follows:

2021	March 31	June 30	September 30	December 31
Full consolidation method				
Champion One	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Compose	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Ecotap			Balance sheet only	6 months' profit
Ensto Building Systems				2 months' profit
Geiger				Balance sheet only

2022	March 31
Full consolidation method	
Champion One	3 months' profit
Compose	3 months' profit
Ecotap	3 months' profit
Ensto Building Systems	3 months' profit
Geiger	Balance sheet only
Emos	Balance sheet only

During the first three months of 2022, the Group acquired Emos, the leader in Central and Eastern Europe in electrical installation components. Based in the Czech Republic, Emos has annual sales of around €85 million.

NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	March 31, 2022	December 31, 2021
Purchased raw materials and components	579.3	529.3
Sub-assemblies, work in progress	147.8	145.7
Finished products	774.7	727.4
Gross value at the end of the period	1,501.8	1,402.4
Impairment	(156.8)	(149.7)
NET VALUE AT THE END OF THE PERIOD	1,345.0	1,252.7

NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	March 31, 2022	December 31, 2021
Trade receivables	1,118.8	826.6
Impairment	(97.9)	(98.1)
NET VALUE AT THE END OF THE PERIOD	1,020.9	728.5

NOTE 6 - SHARE CAPITAL

Share capital as of March 31, 2022 amounted to €1,067,270,984 represented by 266,817,746 ordinary shares with a par value of €4 each, for 266,817,746 theoretical voting rights and 266,591,539 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

Changes in share capital in the first three months of 2022 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2021	267,447,746	4	1,069,790,984	539,064,770
Cancellation of shares	(630,000)	4	(2,520,000)	(47,307,842)
As of March 31, 2022	266,817,746	4	1,067,270,984	491,756,928

As of March 31, 2022, the Group held 226,207 shares in treasury, versus 678,176 shares as of December 31, 2021, i.e. 451,969 fewer shares corresponding to:

- the net acquisition of 125,000 shares outside of the liquidity contract at a cost of €10.9 million;
- the cancellation of 630,000 shares;
- the net purchase of 53,031 shares under the liquidity contract led to a cash outflow of €4.7 million.

Among the 226,207 shares held in treasury by the Group, 140,230 shares have been allocated for performance share plans, and 85,977 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>	March 31, 2022	December 31, 2021
Negotiable commercial paper	320.0	220.0
Bonds	3,700.0	3,700.0
Yankee bonds	297.4	304.1
Lease financial liabilities	216.8	217.0
Other borrowings	64.0	64.1
Long-term borrowings excluding debt issuance costs	4,598.2	4,505.2
Debt issuance costs	(18.3)	(19.3)
TOTAL	4,579.9	4,485.9

7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	March 31, 2022	December 31, 2021
Negotiable commercial paper	330.0	320.0
Bonds	400.0	400.0
Lease financial liabilities	63.7	62.2
Other borrowings	42.7	44.4
TOTAL	836.4	826.6

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>	March 31, 2022	Cash flows	Variations not impacting cash flows				December 31, 2021
			Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	4,579.9	86.5	0.0	(17.5)	10.2	14.8	4,485.9
Short-term borrowings	836.4	(8.6)	0.0	17.5	0.9	0.0	826.6
Gross financial debt	5,416.3	77.9	0.0	0.0	11.1	14.8	5,312.5

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.

3 months ended March 31, 2022

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	880.8 ⁽¹⁾	759.7 ⁽²⁾	331.8	1,972.3
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)
Other operating income (expenses)	(24.8)	(8.8)	(0.6)	(34.2)
Operating profit	192.6	114.2	70.8	377.6
- of which acquisition-related amortization, expenses and income				
- accounted for in administrative and selling expenses, R&D costs	(4.0)	(18.2)	(1.4)	(23.6)
- accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	196.6	132.4	72.2	401.2
- of which depreciation and impairment expense	(17.2)	(6.5)	(5.9)	(29.6)
- of which amortization and impairment expense	(1.9)	(0.6)	(0.4)	(2.9)
- of which amortization and impairment of development costs	(6.3)	0.0	(0.2)	(6.5)
- of which amortization and impairment of right-of-use assets	(6.4)	(5.8)	(5.1)	(17.3)
- of which restructuring costs	(3.9)	(1.7)	(1.1)	(6.7)
Capital expenditure	(13.3)	(3.5)	(1.8)	(18.6)
Capitalized development costs	(7.4)	0.0	(0.4)	(7.8)
Net tangible assets	433.1	147.0	129.7	709.8
Total current assets	3,530.0	1,062.4	937.0	5,529.4
Total current liabilities	1,758.4	481.9	445.7	2,686.0

(1) Of which France: €306.5 million.

(2) Of which United States: €699.7 million.

3 months ended March 31, 2021

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	754.2 ⁽¹⁾	625.5 ⁽²⁾	294.4	1,674.1
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)
Other operating income (expenses)	(16.6)	(9.7)	(6.0)	(32.3)
Operating profit	183.8	106.2	49.9	339.9
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(3.4)	(16.5)	(1.3)	(21.2)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	187.2	122.7	51.2	361.1
- of which depreciation and impairment expense	(15.4)	(6.3)	(5.4)	(27.1)
- of which amortization and impairment expense	(1.7)	(0.6)	(0.3)	(2.6)
- of which amortization and impairment of development costs	(6.2)	0.0	(0.2)	(6.4)
- of which amortization and impairment of right-of-use assets	(6.5)	(5.4)	(4.7)	(16.6)
- of which restructuring costs	(9.5)	(0.1)	0.7	(8.9) ⁽³⁾
Capital expenditure	(11.9)	(3.2)	(2.3)	(17.4)
Capitalized development costs	(8.0)	0.0	(0.3)	(8.3)
Net tangible assets	421.8	143.6	115.2	680.6
Total current assets	3,169.0	810.2	761.9	4,741.1
Total current liabilities	1,871.2	381.2	407.5	2,659.9

(1) Of which France: €297.5 million.

(2) Of which United States: €579.9 million.

(3) €(13.1) million excluding net gains on sales of assets.

NOTE 9 - SUBSEQUENT EVENTS

No significant events occurred between March 31, 2022 and the date when the financial consolidated statements were prepared.