

# UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2021



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## Consolidated statement of income

<i>(in € millions)</i>	3 months ended	
	March 31, 2021	March 31, 2020
<b>Net sales</b>	<b>1,674.1</b>	<b>1,515.7</b>
<b>Operating expenses</b>		
Cost of sales	(792.9)	(714.1)
Administrative and selling expenses	(428.7)	(438.7)
Research and development costs	(80.3)	(83.1)
Other operating income (expenses)	(32.3)	(19.8)
<b>Operating profit</b>	<b>339.9</b>	<b>260.0</b>
Financial expenses	(23.0)	(22.5)
Financial income	1.7	2.5
Exchange gains (losses)	0.4	(5.5)
<b>Financial profit (loss)</b>	<b>(20.9)</b>	<b>(25.5)</b>
<b>Profit before tax</b>	<b>319.0</b>	<b>234.5</b>
Income tax expense	(90.8)	(66.8)
<b>Share of profits (losses) of equity-accounted entities</b>	<b>0.0</b>	<b>(0.6)</b>
<b>Profit for the period</b>	<b>228.2</b>	<b>167.1</b>
Of which:		
- Net profit attributable to the Group	228.0	167.1
- Minority interests	0.2	0.0
Basic earnings per share <i>(euros)</i>	0.853	0.626
Diluted earnings per share <i>(euros)</i>	0.847	0.620

## Consolidated statement of comprehensive income

<i>(in € millions)</i>	3 months ended	
	March 31, 2021	March 31, 2020
Profit for the period	228.2	167.1
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	193.3	(58.5)
Cash flow hedges	0.0	0.1
Income tax relating to components of other comprehensive income	5.5	(0.5)
<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
<b>Comprehensive income for the period</b>	<b>426.9</b>	<b>108.1</b>
Of which:		
- Comprehensive income attributable to the Group	426.6	108.2
- Minority interests	0.3	(0.1)

## Consolidated balance sheet

<i>(in € millions)</i>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Non-current assets</b>		
Intangible assets	2,470.0	2,441.6
Goodwill	4,911.2	4,803.7
Property, plant and equipment	680.6	680.9
Right-of-use assets	271.7	268.3
Other investments	1.3	1.5
Other non-current assets	50.6	49.4
Deferred tax assets	123.8	112.4
<b>TOTAL NON CURRENT ASSETS</b>	<b>8,509.2</b>	<b>8,357.8</b>
<b>Current assets</b>		
Inventories (Note 4)	900.7	837.3
Trade receivables (Note 5)	796.0	644.5
Income tax receivables	66.9	70.1
Other current assets	220.8	204.8
Other current financial assets	2.5	1.5
Cash and cash equivalents	2,754.2	2,791.7
<b>TOTAL CURRENT ASSETS</b>	<b>4,741.1</b>	<b>4,549.9</b>
<b>TOTAL ASSETS</b>	<b>13,250.3</b>	<b>12,907.7</b>

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2021

<i>(in € millions)</i>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Equity</b>		
Share capital (Note 6)	1,069.8	1,069.8
Retained earnings	5,009.9	4,788.3
Translation reserves	(769.1)	(962.3)
Equity attributable to equity holders of Legrand	5,310.6	4,895.8
Minority interests	11.5	10.2
<b>TOTAL EQUITY</b>	<b>5,322.1</b>	<b>4,906.0</b>
<b>Non-current liabilities</b>		
Long-term provisions	200.1	200.2
Provisions for post-employment benefits	184.0	181.8
Long-term borrowings (Note 7)	4,061.8	4,073.8
Deferred tax liabilities	822.4	791.2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,268.3</b>	<b>5,247.0</b>
<b>Current liabilities</b>		
Trade payables	674.7	612.9
Income tax payables	70.9	30.3
Short-term provisions	137.1	127.9
Other current liabilities	684.3	661.8
Short-term borrowings (Note 7)	1,092.6	1,320.7
Other current financial liabilities	0.3	1.1
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,659.9</b>	<b>2,754.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,250.3</b>	<b>12,907.7</b>

## Consolidated statement of cash flows

(in € millions)	3 months ended	
	March 31, 2021	March 31, 2020
<b>Profit for the period</b>	<b>228.2</b>	<b>167.1</b>
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	27.2	28.3
– Amortization and impairment of intangible assets	22.8	24.8
– Amortization and impairment of capitalized development costs	6.4	6.9
– Amortization of right-of-use assets	16.6	17.9
– Amortization of financial expenses	0.9	0.7
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	15.9	3.7
– Changes in other non-current assets and liabilities	2.9	11.7
– Unrealized exchange (gains)/losses	(1.7)	(19.3)
– Share of (profits) losses of equity-accounted entities	0.0	0.6
– Other adjustments	0.0	(2.4)
– Net (gains)/losses on sales of assets	(4.2)	(16.5)
Changes in working capital requirement:		
– Inventories (Note 4)	(31.1)	(17.8)
– Trade receivables (Note 5)	(102.1)	23.5
– Trade payables	33.5	(55.5)
– Other operating assets and liabilities	48.3	(35.1)
<b>Net cash from operating activities</b>	<b>263.6</b>	<b>138.6</b>
– Net proceeds from sales of fixed and financial assets	8.0	18.7
– Capital expenditure	(17.4)	(16.8)
– Capitalized development costs	(8.3)	(6.7)
– Changes in non-current financial assets and liabilities	(5.3)	5.0
– Acquisitions of subsidiaries, net of cash acquired	6.2	(484.8)
<b>Net cash from investing activities</b>	<b>(16.8)</b>	<b>(484.6)</b>
– 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)	(16.2)	(19.9)
– 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	0.0	0.0
– Repayment of long-term financing* (Note 7)	(21.3)	(17.4)
– Debt issuance costs	0.0	0.0
– Increase (reduction) in short-term financing	(263.3)	487.7
– Acquisitions of ownership interests with no gain of control	0.0	0.0
<b>Net cash from financing activities</b>	<b>(300.8)</b>	<b>459.6</b>
Translation net change in cash and cash equivalents	16.5	(3.8)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(37.5)</b>	<b>109.8</b>
Cash and cash equivalents at the beginning of the period	2,791.7	1,710.9
<b>Cash and cash equivalents at the end of the period</b>	<b>2,754.2</b>	<b>1,820.7</b>
Items included in cash flows:		
– Interest paid during the period**	18.4	21.3
– Income taxes paid during the period	25.3	47.0

\* Of which €16.1 million corresponding to lease financial liabilities repayment for the 3 months ended March 31, 2021 (€16.5 million for the 3 months ended March 31, 2020).

\*\* Interest paid is included in the net cash from operating activities; of which €1.8 million interests on lease financial liabilities for the 3 months ended March 31, 2021 (€2.3 million for the 3 months ended March 31, 2020).

## Notes to the consolidated financial statements

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## KEY FIGURES

<i>(in € millions)</i>	1st quarter 2021	1st quarter 2020
<b>Net sales</b>	<b>1,674.1</b>	<b>1,515.7</b>
Adjusted operating profit	361.1	282.6
As % of net sales	21.6%	18.6%
	21.9 % before <sup>(1)</sup> acquisitions	
Operating profit	<b>339.9</b>	<b>260.0</b>
As % of net sales	20.3%	17.2%
Net profit attributable to the Group	<b>228.0</b>	<b>167.1</b>
As % of net sales	13.6%	11.0%
Normalized free cash flow	<b>276.3</b>	<b>230.4</b>
As % of net sales	16.5%	15.2%
Free cash flow	<b>245.9</b>	<b>133.8</b>
As % of net sales	14.7%	8.8%
<b>Net financial debt at March 31</b>	<b>2,400.2</b>	<b>2,872.1</b>

(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 three months 2021 results press release.

## NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the three months ended March 31, 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
<b>Full consolidation method</b>				
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
Champion One				Balance sheet only
Borri				Balance sheet only
Compose				Balance sheet only

2021	March 31
<b>Full consolidation method</b>	
Jobo Smartech	3 months' profit
Focal Point	3 months' profit
Borri	3 months' profit
Champion One	Balance sheet only
Compose	Balance sheet only

No significant acquisition was finalized by the Group during the first quarter of 2021.



**NOTE 4 - INVENTORIES**

Inventories are as follows:

<i>(in € millions)</i>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Purchased raw materials and components	384.7	340.4
Sub-assemblies, work in progress	106.4	101.0
Finished products	548.1	530.3
<b>Gross value at the end of the period</b>	<b>1,039.2</b>	<b>971.7</b>
Impairment	(138.5)	(134.4)
<b>NET VALUE AT THE END OF THE PERIOD</b>	<b>900.7</b>	<b>837.3</b>

**NOTE 5 - TRADE RECEIVABLES**

Trade receivables are as follows:

<i>(in € millions)</i>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Trade receivables	879.9	722.5
Impairment	(83.9)	(78.0)
<b>NET VALUE AT THE END OF THE PERIOD</b>	<b>796.0</b>	<b>644.5</b>

**NOTE 6 - SHARE CAPITAL**

Share capital as of March 31, 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 267,111,978 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 2021 were as follows:

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

As of March 31, 2021, the Group held 335,768 shares in treasury, versus 125,407 shares as of December 31, 2020, i.e. 210,361 additional shares corresponding to:

- the net acquisition of 223,611 shares outside of the liquidity contract at a cost of €16.9 million;
- the transfer of 4,765 shares to employees under performance share plans;

- the net sale of 8,485 shares under the liquidity contract that led to a cash inflow of €0.7 million.

Among the 335,768 shares held in treasury by the Group, 246,526 shares have been allocated for performance share plans, and 89,242 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>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Bonds	3,500.0	3,500.0
Yankee bonds	317.4	302.7
Lease financial liabilities	222.4	219.3
Other borrowings	41.0	71.7
<b>Long-term borrowings excluding debt issuance costs</b>	<b>4,080.8</b>	<b>4,093.7</b>
Debt issuance costs	(19.0)	(19.9)
<b>TOTAL</b>	<b>4,061.8</b>	<b>4,073.8</b>

**7.2 SHORT-TERM BORROWINGS**

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Negotiable commercial paper	934.5	1,200.0
Lease financial liabilities	60.5	59.0
Other borrowings	97.6	61.7
<b>TOTAL</b>	<b>1,092.6</b>	<b>1,320.7</b>

**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>	<b>March 31, 2021</b>	<b>Cash</b>					<b>December 31, 2020</b>
		<b>flows</b>	<b>Variations not impacting cash flows</b>				
		<b>Acquisitions</b>	<b>Reclassifications</b>	<b>Translation adjustments</b>	<b>Other</b>		
Long-term borrowings	4,061.8	0.0	0.9	(46.4)	20.5	13.0	4,073.8
Short-term borrowings	1,092.6	(284.6)	5.7	46.4	2.7	1.7	1,320.7
<b>Gross financial debt</b>	<b>5,154.4</b>	<b>(284.6)</b>	<b>6.6</b>	<b>0.0</b>	<b>23.2</b>	<b>14.7</b>	<b>5,394.5</b>

**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, 2021**

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
<b>Net sales to third parties</b>	754.2 <sup>(1)</sup>	625.5 <sup>(2)</sup>	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)
<b>Operating profit</b>	<b>183.8</b>	<b>106.2</b>	<b>49.9</b>	<b>339.9</b>
- 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	0.0	0.0	0.0
- of which goodwill impairment				0.0
<b>Adjusted operating profit</b>	<b>187.2</b>	<b>122.7</b>	<b>51.2</b>	<b>361.1</b>
- of which depreciation and impairment of tangible assets	(15.4)	(6.3)	(5.4)	(27.1)
- of which amortization and impairment of intangible assets	(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) <sup>(3)</sup>
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.

**3 months ended March 31, 2020**

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
<b>Net sales to third parties</b>	<b>663.2</b> <sup>(1)</sup>	<b>613.7</b> <sup>(2)</sup>	<b>238.8</b>	<b>1,515.7</b>
Cost of sales	(288.6)	(295.3)	(130.2)	(714.1)
Administrative and selling expenses, R&D costs	(233.9)	(216.0)	(71.9)	(521.8)
Other operating income (expenses)	(11.9)	(20.4)	12.5	(19.8)
<b>Operating profit</b>	<b>128.8</b>	<b>82.0</b>	<b>49.2</b>	<b>260.0</b>
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(5.3)	(17.6)	(2.4)	(25.3)
· accounted for in other operating income (expenses)		2.7		2.7
- of which goodwill impairment				0.0
<b>Adjusted operating profit</b>	<b>134.1</b>	<b>96.9</b>	<b>51.6</b>	<b>282.6</b>
- of which depreciation and impairment of tangible assets	(16.4)	(5.9)	(5.9)	(28.2)
- of which amortization and impairment of intangible assets	(2.3)	(0.5)	(0.1)	(2.9)
- of which amortization and impairment of development costs	(6.6)	0.0	(0.3)	(6.9)
- of which amortization and impairment of right-of-use assets	(6.8)	(6.2)	(4.9)	(17.9)
- of which restructuring costs	(3.9)	(11.1)	13.8	(1.2) <sup>(3)</sup>
Capital expenditure	(11.8)	(2.8)	(2.2)	(16.8)
Capitalized development costs	(6.3)	0.0	(0.4)	(6.7)
Net tangible assets	419.9	136.3	121.2	677.4
Total current assets	2,273.8	719.8	665.7	3,659.3
Total current liabilities	1,755.7	357.4	353.1	2,466.2

(1) Of which France: €243.6 million.

(2) Of which United States: €567.7 million.

(3) €(17.7) million excluding net gains on sales of assets.

**NOTE 9 - SUBSEQUENT EVENTS**

No significant events occurred between March 31, 2021 and the date when the consolidated financial statements were prepared.