



2019 First-Quarter Results

May 2, 2019

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HIGHLIGHTS

HIGHLIGHTS

- **Q1 2019 results**
 - Total growth in sales: +7.3%
 - Adjusted operating profit: +5.1%
 - Net profit attributable to the Group: +8.6%

- **Pursuit of innovation and acquisition strategy and of operational initiatives**
 - Many new product launches
 - Acquisition of Universal Electric Corporation⁽¹⁾
 - Ongoing active deployment of initiatives as announced in February

- **Launch of the new 2019-2021 CSR roadmap**

- **2019 targets confirmed**

1. Acquisition announced on February 19, 2019 and completed on April 1, 2019.

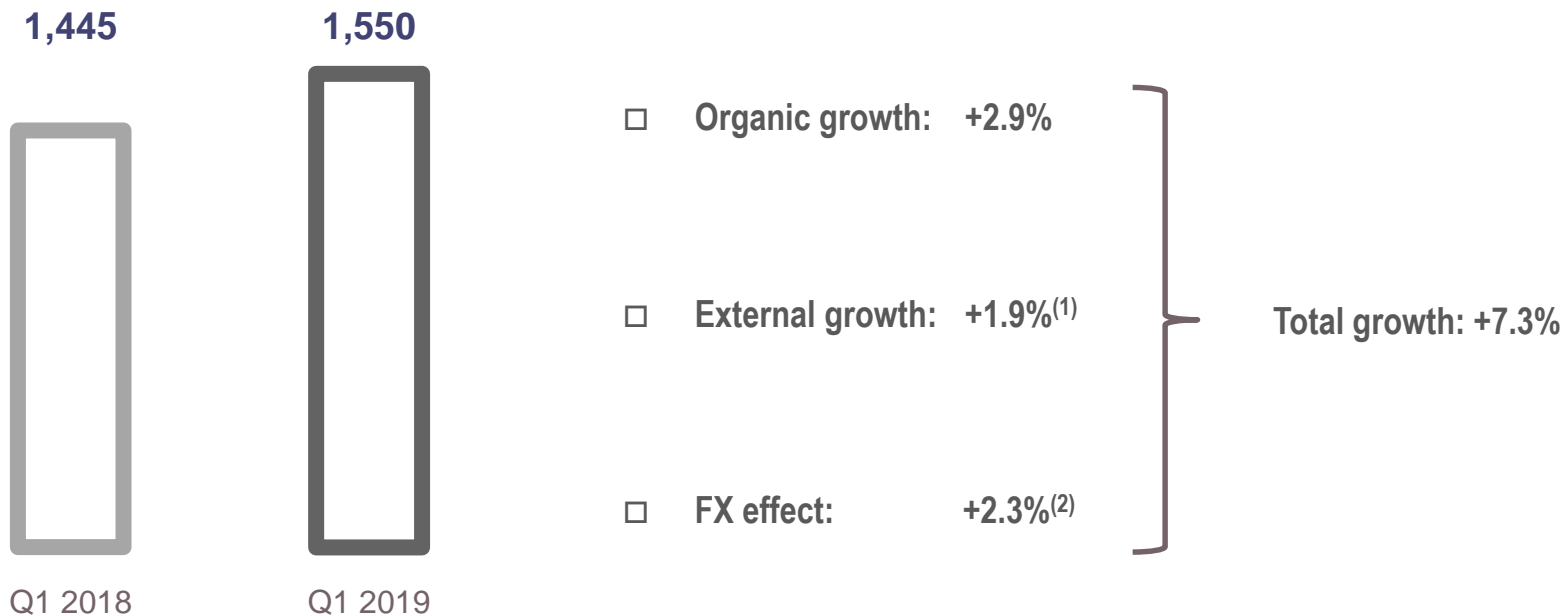
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Q1 2019 RESULTS

Q1 2019
RESULTS

Q1 2019 CHANGE IN NET SALES

€ million



1. Based on acquisitions completed in 2018 and 2019 and their likely date of consolidation, the impact of the change in scope of consolidation should come to close to +5% for full-year 2019.
2. Applying average exchange rates in March 2019 to the last nine months of the year and taking into account the exchange-rate effect for Q1 2019, the full-year 2019 impact on sales of changes in currency rates should be close to +2%.

Q1 2019 ORGANIC CHANGE IN NET SALES (1/3) EUROPE (42.1% OF TOTAL GROUP SALES)



- +2.3% organic growth.
- In Europe's mature countries, sales grew +1.7% over the period. This increase was driven by sustained growth in Italy, where sales of connected products continued to rise steeply, as well as in Germany, Greece, Portugal and the United Kingdom. In France, in a market that remained lackluster overall, sales retreated because of destocking by some distributors. Sales also declined in Spain— after double-digit growth in Q4 2018—and in the Netherlands.
- In Europe's new economies, growth stood at +5.7%. This solid performance was driven in particular by strong growth in Russia, Turkey, Hungary and the Czech Republic.

Q1 2019 ORGANIC CHANGE IN NET SALES (2/3) NORTH AND CENTRAL AMERICA (36.6% OF TOTAL GROUP SALES)



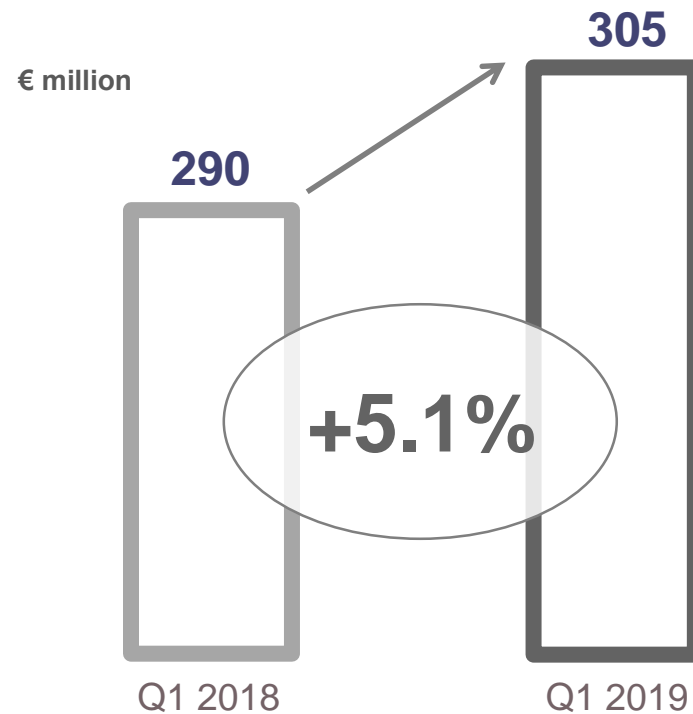
- +2.4% organic growth.
- In the United States, the increase in sales was +3.3%, reflecting good showings in both lighting control and intelligent PDUs for datacenters. The rise in sales over the period was also driven by healthy performances in cable management and user interface solutions.
- Business was nearly stable in Mexico compared with Q1 2018 and retreated in Canada

Q1 2019 ORGANIC CHANGE IN NET SALES (3/3) REST OF THE WORLD (21.3% OF TOTAL GROUP SALES)



- +4.9% organic growth.
- In Asia-Pacific, sales were up +6.2%, driven by double-digit growth in India and Thailand, and by healthy showings in China.
- Sales grew +3.1% in Latin America, with the sustained increase in revenue in Brazil and Peru partially offset by retreating sales in Colombia.
- Sales rose +3.3% in Africa and the Middle East. There were very strong increases in many African countries, including Algeria, Egypt and Côte d'Ivoire. In the Middle East, sales retreated in the United Arab Emirates and Saudi Arabia.

Q1 2019 ADJUSTED OPERATING PROFIT



Q1 2019 ADJUSTED OPERATING MARGIN

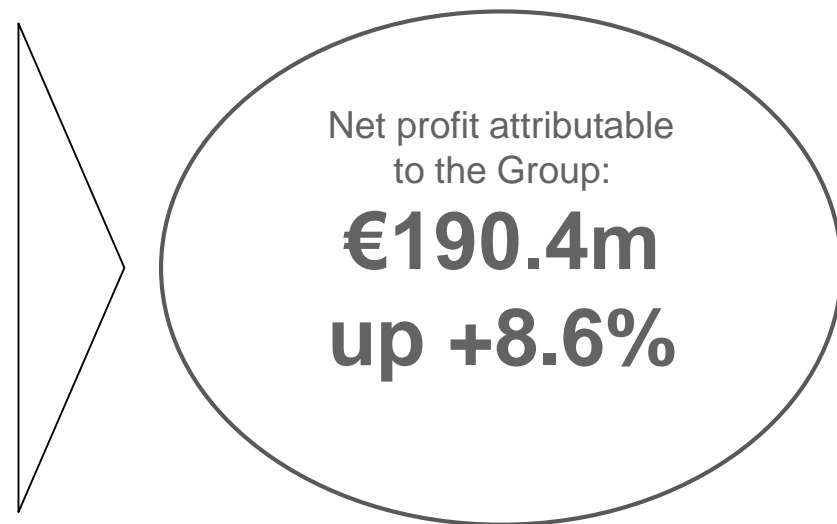
Q1 2018	adjusted operating margin	20.1%
	demanding basis for comparison and a decline in gross margin linked in particular to the rise in raw material and component prices over the quarter; while the rise in US customs duties was fully offset by pricing and adaptation initiatives.	-0.3 pts
Q1 2019	adjusted operating margin before acquisitions⁽¹⁾	19.8%⁽²⁾
	impact of acquisitions	-0.1 pts
Q1 2019	adjusted operating margin	19.7%⁽²⁾

1. At 2018 scope of consolidation.

2. Including a favorable impact of around +0.1 points linked to implementation of the IFRS 16 standard.

Q1 2019 NET PROFIT ATTRIBUTABLE TO THE GROUP

- Increase in operating profit
- Favorable change in FX results
- 2-point decrease—due to favorable one-off items—in the corporate tax rate to 28%



Q1 2019 FREE CASH FLOW⁽¹⁾ GENERATION

- Cash flow from operations increased +9.8%, to 17.6% of sales of Q1 2019 sales, compared with 17.2% in Q1 2018
- Free cash flow stood at 3.9% of sales with working capital requirement at 12.0% of sales⁽²⁾ at March 31, 2019, mainly due to a temporary rise in non-operating working capital requirement

Normalized free cash flow:

up +9.5%

at

15.5%

of sales

1. For more details on the reconciliation of free cash flow with normalized free cash flow, readers are invited to refer to page 32.

2. Based on sales in the last twelve months.

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**PURSUIT OF INNOVATION AND
ACQUISITION STRATEGY
AND OF OPERATIONAL
INITIATIVES**

SAMPLE OF NEW PRODUCTS LAUNCHED IN Q1 2019



Valena Next with Netamo
Spain & Belgium



Radiant hospitality furniture
power center
North America



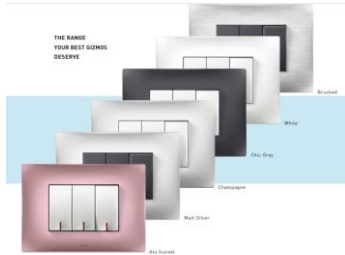
Kontour KXC Monitor arms
North America



Finelite's HP-4 Circle
architectural lighting
North America



LCS3
Area distribution box &
10" patch panel
Worldwide



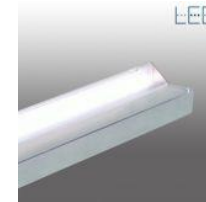
Lyncus
India



Trimod MCS
Italy



Parallax Stratos 1.0 screen
North America



Pinnacle's Cove LED
architectural lighting
North America



Pre-equipped fiber cassettes
Worldwide



Rivia
Vietnam



AV mini-bridge
North America



Reach Digital At-Home Alarm Units
United Kingdom



UHD 8-fiber cassettes
Worldwide

ACQUISITION⁽¹⁾ OF UNIVERSAL ELECTRIC CORPORATION

- Undisputed #1 in the United States in busways – electric power distribution systems based on metal busbars
- Solutions that have long been known for their quality, ease of installation and use, and that are mostly sold under the Starline brand – a true benchmark for the market
- Annual sales of around \$175 million
- More than 450 employees



- Legrand is pursuing its development in the buoyant digital infrastructures market, sustained by the ongoing rise in data flows around the world
- The Group is strengthening its front-runner positions in datacenters in the United States (Voice-Data-Image cabinets, structured cabling, PDUs, KVM and pre-terminated solutions)

1. Acquisition announced on February 19, 2019 and completed on April 1, 2019.

OPERATIONAL INITIATIVES

Legrand is also pursuing its initiatives announced when publishing its FY 2018 results in February. These include in particular:

- organizing its front office in three regions, fully up and running from the end of 2018;
- optimizing its industrial footprint, for example in Turkey and Saudi Arabia;
- targeted digitalization of its operations and front office.

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LAUNCH OF THE NEW 2019-2021 CSR ROADMAP

2019-2021 CSR ROADMAP: 3 MAIN FOCAL AREAS AIMED AT CONTRIBUTING TO UNITED NATIONS' DEVELOPMENT GOALS



BUSINESS ECOSYSTEM

- Improvement of overall value chain
- Development of sustainable solutions in the Group's offering

2030 target



- 80% of total products revenue are sustainable by design and/or by usage



PEOPLE

- Respect for human rights
- People development in respect of diversity
- Local involvement with communities

2030 target



- 1/3 of key positions held by women
- Gender-balanced workforce



ENVIRONMENT

- Decrease in carbon footprint of Group activities
- Innovating for a circular economy
- Inclusion of CSR priorities in industrial processes

2030 target



- Reduce CO₂ emissions by 30% for scope 1 & 2 emissions

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**2019 TARGETS
CONFIRMED**

2019 TARGETS⁽¹⁾ CONFIRMED

Based on its first-quarter 2019 performance, Legrand confirms its 2019 target⁽¹⁾ for organic growth in sales of between 0% and +4%, and its 2019 target⁽¹⁾ for adjusted operating margin before acquisitions (at 2018 scope of consolidation) of between 19.9%⁽²⁾ and 20.7%⁽²⁾ of sales.

Legrand will also pursue its strategy of value-creating acquisitions.

1. See appendix on page 24 for the complete wording of Legrand's 2019 targets.
2. After an estimated favorable impact of around +0.1 point linked to the implementation of IFRS 16 standard from January 1, 2019.

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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 assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.
- **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.

2019 TARGETS

Excerpt of 2018 full-year results presentation

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2019 TARGETS

2019 TARGETS



In 2019, the Group will pursue its value-creating strategy of profitable and sustainable growth.

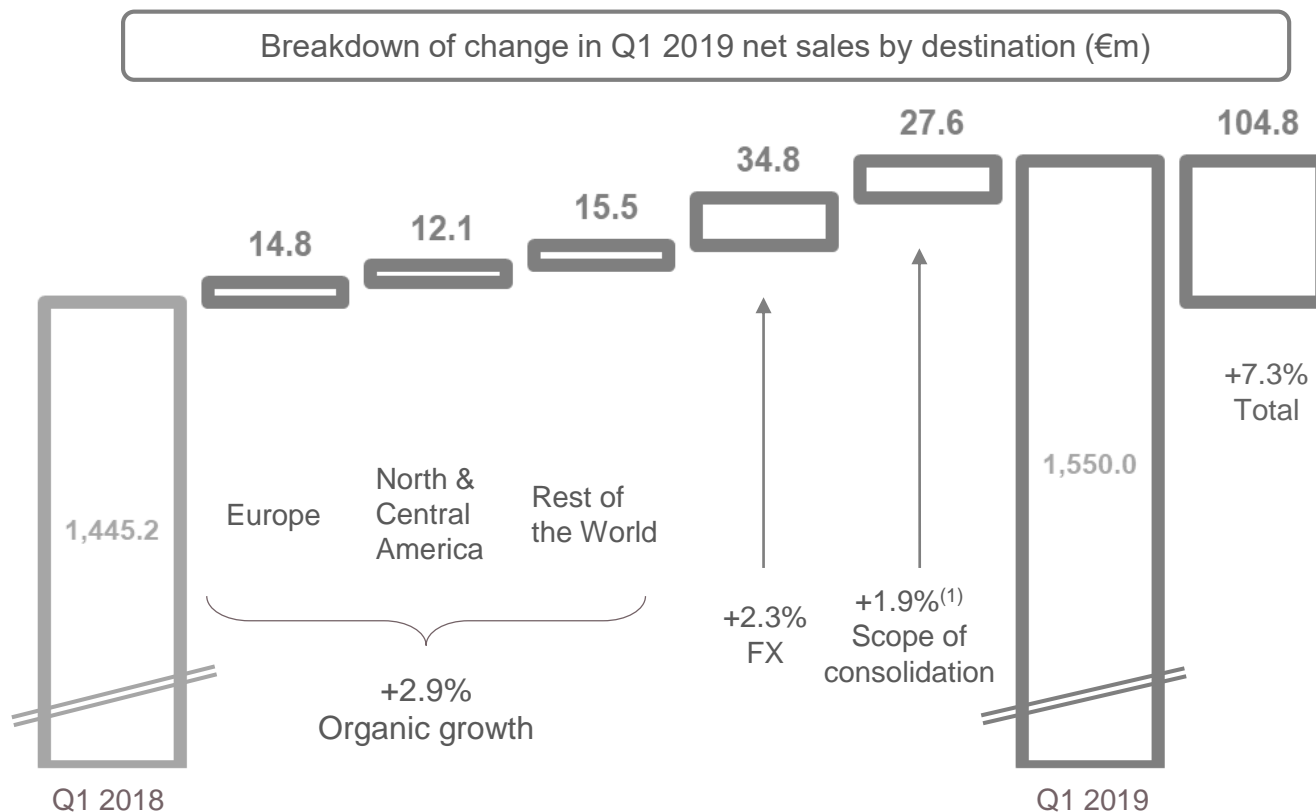
Based on macroeconomic forecasts for 2019 that are favorable overall but that have become more uncertain, Legrand has set a target for organic growth in sales of between 0% and +4% in 2019.

Additionally, the Group has retained a target for adjusted operating margin before acquisitions (at 2018 scope of consolidation) of between 19.9%⁽¹⁾ and 20.7%⁽¹⁾ of sales in 2019.

Legrand will also pursue its acquisition strategy and its CSR approach by launching a new roadmap for 2019-2021.

1. After an estimated favorable impact of around +0.1 point linked to the implementation of IFRS 16 standard from January 1, 2019 on.

CHANGE IN NET SALES



1. Due to the consolidation of Modulana, Gemnet, Shenzhen Clever Electronic & Kenall.

2019 FIRST QUARTER – NET SALES BY DESTINATION⁽¹⁾

In € millions	Q1 2018	Q1 2019	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
Europe	643.0	652.3	1.4%	0.4%	2.3%	-1.2%
North and Central America	493.6	567.1	14.9%	4.0%	2.4%	8.0%
Rest of the World	308.6	330.6	7.1%	1.8%	4.9%	0.3%
Total	1,445.2	1,550.0	7.3%	1.9%	2.9%	2.3%

1. Market where sales are recorded.

2019 FIRST QUARTER – NET SALES BY ORIGIN⁽¹⁾

In € millions	Q1 2018	Q1 2019	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
Europe	669.3	677.0	1.2%	0.2%	2.2%	-1.3%
North and Central America	504.6	578.0	14.5%	3.8%	2.2%	8.0%
Rest of the World	271.3	295.0	8.7%	2.5%	5.8%	0.3%
Total	1,445.2	1,550.0	7.3%	1.9%	2.9%	2.3%

1. Zone of origin of the product sold.

2019 FIRST QUARTER – P&L

In € millions	Q1 2018	Q1 2019	% change
Net sales	1,445.2	1,550.0	+7.3%
Gross profit	767.9	804.3	+4.7%
<i>as % of sales</i>	53.1%	51.9%	
Adjusted operating profit⁽¹⁾	290.4	305.2	+5.1%
<i>as % of sales</i>	20.1%	19.7%⁽²⁾	
Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions	(18.8)	(19.3)	
Operating profit	271.6	285.9	+5.3%
<i>as % of sales</i>	18.8%	18.4%	
Financial income (costs)	(18.7)	(18.8)	
Exchange gains (losses)	(1.2)	(0.8)	
Income tax expense	(75.6)	(75.2)	
Share of profits (losses) of equity-accounted entities	(0.2)	(0.3)	
Profit	175.9	190.8	+8.5%
Net profit attributable to the Group	175.3	190.4	+8.6%

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 (€18.8 million in Q1 2018 and €19.3 million in Q1 2019) and, where applicable, for impairment of goodwill (€0 in Q1 2018 and Q1 2019).
2. 19.8% excluding acquisitions (at 2018 scope of consolidation).

2019 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q1 2019 (in € millions)	Europe	North and Central America	Rest of the World	Total
Net sales	677.0	578.0	295.0	1,550.0
Cost of sales	(299.8)	(278.7)	(167.2)	(745.7)
Administrative and selling expenses, R&D costs	(220.7)	(199.1)	(77.3)	(497.1)
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in administrative, selling expenses and R&D costs	(2.0)	(15.0)	(2.3)	(19.3)
Adjusted operating profit before other operating income (expense)	158.5	115.2	52.8	326.5
as % of sales	23.4%	19.9%	17.9%	21.1%
Other operating income (expense)	(7.5)	(11.0)	(2.8)	(21.3) ⁽¹⁾
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0
Adjusted operating profit	151.0	104.2	50.0	305.2
as % of sales	22.3%	18.0%	16.9%	19.7%

1. Restructuring (€3.3m) and other miscellaneous items (€18.0m).

2018 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q1 2018 (in € millions)	Europe	North and Central America	Rest of the World	Total
Net sales	669.3	504.6	271.3	1,445.2
Cost of sales	(285.3)	(244.6)	(147.4)	(677.3)
Administrative and selling expenses, R&D costs	(219.4)	(177.0)	(74.5)	(470.9)
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in administrative, selling expenses and R&D costs	(2.3)	(11.7)	(2.6)	(16.6)
Adjusted operating profit before other operating income (expense)	166.9	94.7	52.0	313.6
as % of sales	24.9%	18.8%	19.2%	21.7%
Other operating income (expense)	(14.9)	(4.2)	(6.3)	(25.4) ⁽¹⁾
Reversal of acquisition-related amortization, depreciation, expense and income accounted for in other operating income (expense)	(2.2)	0.0	0.0	(2.2)
Adjusted operating profit	154.2	90.5	45.7	290.4
as % of sales	23.0%	17.9%	16.8%	20.1%

1. Restructuring (€1.5m) and other miscellaneous items (€23.9m).

2019 FIRST QUARTER – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

In € millions	Q1 2018	Q1 2019
Profit	175.9	190.8
Depreciation, amortization and impairment	53.6	69.1
Changes in other non-current assets and liabilities and long-term deferred taxes	16.8	8.8
Unrealized exchange (gains)/losses	2.5	3.4
(Gains)/losses on sales of assets, net	0.0	1.1
Other adjustments	0.2	0.2
Cash flow from operations	249.0	273.4

2019 FIRST QUARTER – RECONCILIATION OF FREE CASH FLOW AND NORMALIZED FREE CASH FLOW WITH CASH FLOW FROM OPERATIONS

APPENDICES

In € millions	Q1 2018	Q1 2019	% change
Cash flow from operations⁽¹⁾	249.0	273.4	+9.8%
<i>as % of sales</i>	<i>17.2%</i>	<i>17.6%</i>	
Decrease (Increase) in working capital requirement	(154.9)	(184.0)	
Net cash provided from operating activities	94.1	89.4	-5.0%
<i>as % of sales</i>	<i>6.5%</i>	<i>5.8%</i>	
Capital expenditure (including capitalized development costs)	(28.3)	(29.3)	
Net proceeds from sales of fixed and financial assets	4.0	0.3	
Free cash flow	69.8	60.4	-13.5%
<i>as % of sales</i>	<i>4.8%</i>	<i>3.9%</i>	
Increase (Decrease) in working capital requirement	154.9	184.0	
(Increase) Decrease in normalized working capital requirement	(5.3)	(4.2)	
Normalized free cash flow⁽²⁾	219.4	240.2	+9.5%
<i>as % of sales</i>	<i>15.2%</i>	<i>15.5%</i>	

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

2. 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 quarter.

SCOPE OF CONSOLIDATION (1/2)

2018	Q1	H1	9M	FY
Full consolidation method				
Modulan	Balance sheet only	Balance sheet only	6 months	9 months
Gemnet		Balance sheet only	Balance sheet only	7 months
Shenzhen Clever Electronic			Balance sheet only	6 months
Debflex				Balance sheet only
Netatmo				Balance sheet only
Kenall				Balance sheet only
Trical				Balance sheet only

SCOPE OF CONSOLIDATION (2/2)

2019	Q1	H1	9M	FY
Full consolidation method				
Modulan	3 months	6 months	9 months	12 months
Gemnet	3 months	6 months	9 months	12 months
Shenzhen Clever Electronic	3 months	6 months	9 months	12 months
Debflex	Balance sheet only	To be determined	To be determined	To be determined
Netatmo	Balance sheet only	To be determined	To be determined	To be determined
Kenall	3 months	6 months	9 months	12 months
Trical	Balance sheet only	To be determined	To be determined	To be determined
Universal Electric Corporation		To be determined	To be determined	To be determined

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