

# UNAUDITED CONSOLIDATED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2020



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## Consolidated statement of income

<i>(in € millions)</i>	9 months ended	
	September 30, 2020	September 30, 2019
<b>Net sales</b>	<b>4,493.9</b>	<b>4,888.9</b>
<b>Operating expenses</b>		
Cost of sales	(2,159.2)	(2,345.4)
Administrative and selling expenses	(1,229.8)	(1,313.9)
Research and development costs	(235.0)	(232.9)
Other operating income (expenses)	(99.4)	(65.4)
<b>Operating profit</b>	<b>770.5</b>	<b>931.3</b>
Financial expenses	(69.7)	(67.7)
Financial income	4.8	9.5
Exchange gains (losses)	(8.2)	0.9
<b>Financial profit (loss)</b>	<b>(73.1)</b>	<b>(57.3)</b>
<b>Profit before tax</b>	<b>697.4</b>	<b>874.0</b>
Income tax expense	(202.1)	(246.9)
<b>Share of profits (losses) of equity-accounted entities</b>	<b>(1.7)</b>	<b>(1.3)</b>
<b>Profit for the period</b>	<b>493.6</b>	<b>625.8</b>
Of which:		
- Net profit attributable to the Group	493.3	625.0
- Minority interests	0.3	0.8
Basic earnings per share <i>(euros)</i>	1.847	2.343
Diluted earnings per share <i>(euros)</i>	1.832	2.322

## Consolidated statement of comprehensive income

<i>(in € millions)</i>	9 months ended	
	September 30, 2020	September 30, 2019
Profit for the period	493.6	625.8
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	(351.7)	188.6
Cash flow hedges	0.0	0.2
Income tax relating to components of other comprehensive income	(8.7)	6.7
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	(2.3)	(14.2)
Other	0.0	0.0
<b>Comprehensive income for the period</b>	<b>130.9</b>	<b>807.1</b>
Of which:		
- Comprehensive income attributable to the Group	130.7	806.2
- Minority interests	0.2	0.9

## Consolidated balance sheet

<i>(in € millions)</i>	September 30, 2020	December 31, 2019
<b>Non-current assets</b>		
Intangible assets	2,509.2	2,474.4
Goodwill	4,637.3	4,566.2
Property, plant and equipment	657.1	707.7
Right-of-use assets	280.8	312.1
Investments in equity-accounted entities	19.1	18.8
Other investments	1.7	1.9
Other non-current assets	43.9	34.9
Deferred tax assets	114.1	107.6
<b>TOTAL NON CURRENT ASSETS</b>	<b>8,263.2</b>	<b>8,223.6</b>
<b>Current assets</b>		
Inventories (Note 4)	825.0	852.6
Trade receivables (Note 5)	755.6	756.8
Income tax receivables	56.9	60.2
Other current assets	211.9	217.5
Other current financial assets	1.2	1.2
Cash and cash equivalents	2,702.8	1,710.9
<b>TOTAL CURRENT ASSETS</b>	<b>4,553.4</b>	<b>3,599.2</b>
<b>TOTAL ASSETS</b>	<b>12,816.6</b>	<b>11,822.8</b>

<i>(in € millions)</i>	September 30, 2020	December 31, 2019
<b>Equity</b>		
Share capital (Note 6)	1,069.8	1,069.1
Retained earnings	4,603.4	4,486.6
Translation reserves	(805.1)	(453.5)
Equity attributable to equity holders of Legrand	4,868.1	5,102.2
Minority interests	9.9	9.9
<b>TOTAL EQUITY</b>	<b>4,878.0</b>	<b>5,112.1</b>
<b>Non-current liabilities</b>		
Long-term provisions	159.5	146.7
Provisions for post-employment benefits	177.3	181.0
Long-term borrowings (Note 7)	4,110.9	3,575.4
Deferred tax liabilities	779.8	750.8
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,227.5</b>	<b>4,653.9</b>
<b>Current liabilities</b>		
Trade payables	587.0	654.2
Income tax payables	38.7	28.3
Short-term provisions	121.5	104.1
Other current liabilities	641.6	653.0
Short-term borrowings (Note 7)	1,322.1	616.2
Other current financial liabilities	0.2	1.0
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,711.1</b>	<b>2,056.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,816.6</b>	<b>11,822.8</b>

## Consolidated statement of cash flows

(in € millions)	9 months ended	
	September 30, 2020	September 30, 2019
<b>Profit for the period</b>	<b>493.6</b>	<b>625.8</b>
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	86.8	81.6
– Amortization and impairment of intangible assets	78.2	71.1
– Amortization and impairment of capitalized development costs	20.4	16.1
– Amortization of right-of-use assets	52.5	52.0
– Amortization of financial expenses	2.5	2.0
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	40.2	2.6
– Changes in other non-current assets and liabilities	36.5	25.8
– Unrealized exchange (gains)/losses	(15.0)	(1.9)
– Share of (profits) losses of equity-accounted entities	1.7	1.3
– Other adjustments	(2.4)	(0.1)
– Net (gains)/losses on sales of assets	(14.4)	3.2
Changes in working capital requirement:		
– Inventories (Note 4)	(8.6)	(13.8)
– Trade receivables (Note 5)	(34.3)	(49.4)
– Trade payables	(47.9)	(56.1)
– Other operating assets and liabilities	(12.4)	22.7
<b>Net cash from operating activities</b>	<b>677.4</b>	<b>782.9</b>
– Net proceeds from sales of fixed and financial assets	20.7	6.5
– Capital expenditure	(58.1)	(93.0)
– Capitalized development costs	(19.2)	(24.8)
– Changes in non-current financial assets and liabilities	5.7	(4.4)
– Acquisitions of subsidiaries, net of cash acquired	(470.7)	(389.1)
<b>Net cash from investing activities</b>	<b>(521.6)</b>	<b>(504.8)</b>
– Proceeds from issues of share capital and premium (Note 6)	9.2	4.9
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(31.0)	(17.1)
– Dividends paid to equity holders of Legrand	(357.4)	(357.1)
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing	600.9	402.7
– Repayment of long-term financing* (Note 7)	(50.9)	(54.3)
– Debt issuance costs	(4.2)	(5.4)
– Increase (reduction) in short-term financing	693.1	155.4
– Acquisitions of ownership interests with no gain of control	(0.6)	(2.3)
<b>Net cash from financing activities</b>	<b>859.1</b>	<b>126.8</b>
Translation net change in cash and cash equivalents	(23.0)	21.9
<b>Increase (decrease) in cash and cash equivalents</b>	<b>991.9</b>	<b>426.8</b>
Cash and cash equivalents at the beginning of the period	1,710.9	1,022.5
<b>Cash and cash equivalents at the end of the period</b>	<b>2,702.8</b>	<b>1,449.3</b>
Items included in cash flows:		
– Interest paid during the period**	69.7	66.8
– Income taxes paid during the period	163.9	177.0

\* Of which €50.3 million corresponding to lease financial liabilities repayment for the 9 months ended September 30, 2020 (€50.4 million for the 9 months ended September 30, 2019).

\*\* Interest paid is included in the net cash from operating activities; of which €6.3 million interests on lease financial liabilities for the 9 months ended September 30, 2020 (€7.3 million for the 9 months ended September 30, 2019).

## Notes to the consolidated financial statements

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## KEY FIGURES

<i>(in € millions)</i>	9 months 2020	9 months 2019
<b>Net sales</b>	<b>4,493.9</b>	<b>4,888.9</b>
<b>Adjusted operating profit</b>	<b>841.4</b>	<b>998.5</b>
As % of net sales	18.7%	20.4%
	18.8 % before acquisitions <sup>(1)</sup>	
<b>Operating profit</b>	<b>770.5</b>	<b>931.3</b>
As % of net sales	17.1%	19.0%
<b>Net profit attributable to the Group</b>	<b>493.3</b>	<b>625.0</b>
As % of net sales	11.0%	12.8%
<b>Normalized free cash flow</b>	<b>773.4</b>	<b>757.0</b>
As % of net sales	17.2%	15.5%
<b>Free cash flow</b>	<b>620.8</b>	<b>671.6</b>
As % of net sales	13.8%	13.7%
<b>Net financial debt at September 30</b>	<b>2,730.2</b>	<b>2,769.1</b>

(1) At 2019 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 2020 results press release.

## NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the nine months ended September 30, 2020. It should be read in conjunction with consolidated financial statements for the year ended December 31, 2019 such as established in the Registration Document deposited under visa no D.20-0320 with the French Financial Markets Authority (AMF) on April 20, 2020.

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, 2020.

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

Legrand is fully mobilized to address the deteriorating world health and economic situation caused by the spread of Covid-19 in many countries:

- the Group's priority is to protect the health and safety of its employees, in particular by rigorously applying the recommendations of local authorities and the World Health Organization;
- the Group is focused on providing the best possible service to customers, whose business is essential to the functioning of the economy;
- backed by a proven model, the Group is working actively to protect its profitability and its cash generation.

In this very uncertain context, Legrand has announced that it is suspending the 2020 targets it published last February.

As at the publication date of the consolidated financial statements as of September 30, 2020, taking into account a persistently difficult and very uncertain environment – due in particular to new health measures in a number of markets – and given the demanding basis for comparison recorded in the fourth quarter of 2019, Legrand anticipates an organic decrease in sales in the fourth quarter of 2020.

The Group is confident in its ability to keep developing its market share and will continue to actively protect its adjusted operating margin.

As during the first half of 2020, there are no significant accounting impacts to be noted in the third quarter of 2020.

## NOTE 3 - CHANGES IN THE SCOPE OF CONSOLIDATION

The contributions to the Group's consolidated financial statements of companies acquired since the end of 2018 were as follows:

2019	March 31	June 30	September 30	December 31
<b>Full consolidation method</b>				
Debflex	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Netatmo	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Trical	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Universal Electric		Balance sheet only	6 months' profit	9 months' profit
Connectrac				Balance sheet only
Jobo Smartech				Balance sheet only



2020	March 31	June 30	September 30
<b>Full consolidation method</b>			
Debflex	3 months' profit	6 months' profit	9 months' profit
Netatmo	3 months' profit	6 months' profit	9 months' profit
Trical	3 months' profit	6 months' profit	9 months' profit
Universal Electric	3 months' profit	6 months' profit	9 months' profit
Connectrac	3 months' profit	6 months' profit	9 months' profit
Jobo Smartech	Balance sheet only	6 months' profit	9 months' profit
Focal Point	Balance sheet only	Balance sheet only	7 months' profit

The main acquisition carried out in the first nine months of 2020 was Focal point. A front-runner in the United States for specification-grade architectural lighting for non-residential buildings, Focal Point reports annual sales of over \$200 million.

Acquisitions of subsidiaries (net of cash acquired) came to a total of €470.7 million in the first nine months of 2020 (plus €0.6 million for acquisitions of ownership interests without gain of control).

#### NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	September 30, 2020	December 31, 2019
Purchased raw materials and components	350.4	342.5
Sub-assemblies, work in progress	106.7	103.3
Finished products	514.3	550.0
<b>Gross value at the end of the period</b>	<b>971.4</b>	<b>995.8</b>
Impairment	(146.4)	(143.2)
<b>Net value at the end of the period</b>	<b>825.0</b>	<b>852.6</b>

#### NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	September 30, 2020	December 31, 2019
Trade receivables	844.4	842.0
Impairment	(88.8)	(85.2)
<b>NET VALUE AT THE END OF THE PERIOD</b>	<b>755.6</b>	<b>756.8</b>

## NOTE 6 - SHARE CAPITAL

Share capital as of September 30, 2020 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 267,343,016 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 2020 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2018	267,276,128	4	1,069,104,512	546,716,790
Exercise of options under the 2010 plan	436,618	4	1,746,472	7,474,900
Cancellation of shares	(265,000)	4	(1,060,000)	(15,126,920)
<b>As of September 30, 2020</b>	<b>267,447,746</b>	<b>4</b>	<b>1,069,790,984</b>	<b>539,064,770</b>

As of September 30, 2020, the Group held 104,730 shares in treasury, versus 313,406 shares as of December 31, 2019, i.e. 208,676 fewer shares corresponding to:

- the net acquisition of 515,000 shares outside of the liquidity contract at a cost of €29.7 million;
- the transfer of 496,532 shares to employees under performance share plans;
- the cancellation of 265,000 shares;
- the net purchase of 37,856 shares under the liquidity contract that led to a cash outflow of €1.3 million.

Among the 104,730 shares held in treasury by the Group, 27,261 shares have been allocated for performance share plans, and 77,469 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, 2020	December 31, 2019
Bonds	3,500.0	2,900.0
Yankee bonds	333.5	347.2
Lease financial liabilities	226.7	258.1
Other borrowings	71.5	89.2
<b>Long-term borrowings excluding debt issuance costs</b>	<b>4,131.7</b>	<b>3,594.5</b>
Debt issuance costs	(20.8)	(19.1)
<b>TOTAL</b>	<b>4,110.9</b>	<b>3,575.4</b>

### 7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	September 30, 2020	December 31, 2019
Negotiable commercial paper	1,200.0	500.0
Lease financial liabilities	61.9	61.7
Other borrowings*	60.2	54.5
<b>TOTAL</b>	<b>1,322.1</b>	<b>616.2</b>

\*The €296.7 million Credit Facility drawdown carried out in March 2020 was refunded in September 2020.

### 7.3 CHANGES IN LONG-TERM AND SHORT-TERM BORROWINGS

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

(in € millions)	September 30, 2020	Cash	Variations not impacting cash flows			December 31, 2019	
		flows	Acquisitions	Reclassifications	Translation adjustments		Other
Long-term borrowings	4,110.9	599.8	0.3	(72.7)	(25.0)	33.1	3,575.4
Short-term borrowings	1,322.1	639.1	0.4	72.7	(5.4)	(0.9)	616.2
<b>Gross financial debt</b>	<b>5,433.0</b>	<b>1,238.9</b>	<b>0.7</b>	<b>0.0</b>	<b>(30.4)</b>	<b>32.2</b>	<b>4,191.6</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.

**9 months ended September 30, 2020**

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
<b>Net sales to third parties</b>	<b>1,801.2</b> <sup>(1)</sup>	<b>1,932.7</b> <sup>(2)</sup>	<b>760.0</b>	<b>4,493.9</b>
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)
<b>Operating profit</b>	<b>320.2</b>	<b>309.3</b>	<b>141.0</b>	<b>770.5</b>
- 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
<b>Adjusted operating profit</b>	<b>330.9</b>	<b>359.7</b>	<b>150.8</b>	<b>841.4</b>
- of which depreciation expense	(50.0)	(19.2)	(17.3)	(86.5)
- of which amortization expense	(6.5)	(1.7)	(0.6)	(8.8)
- of which amortization of development costs	(19.6)	0.0	(0.8)	(20.4)
- of which amortization 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) <sup>(3)</sup>
Capital expenditure	(38.5)	(9.9)	(9.7)	(58.1)
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.

**9 months ended September 30, 2019**

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
<b>Net sales to third parties</b>	<b>2,033.9</b> <sup>(1)</sup>	<b>1,935.0</b> <sup>(2)</sup>	<b>920.0</b>	<b>4,888.9</b>
Cost of sales	(896.7)	(933.3)	(515.4)	(2,345.4)
Administrative and selling expenses, R&D costs	(660.3)	(640.2)	(246.3)	(1,546.8)
Other operating income (expenses)	(27.2)	(30.3)	(7.9)	(65.4)
<b>Operating profit</b>	<b>449.7</b>	<b>331.2</b>	<b>150.4</b>	<b>931.3</b>
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(10.0)	(47.4)	(9.8)	(67.2)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
<b>Adjusted operating profit</b>	<b>459.7</b>	<b>378.6</b>	<b>160.2</b>	<b>998.5</b>
- of which depreciation expense	(46.6)	(16.8)	(17.9)	(81.3)
- of which amortization expense	(6.5)	(1.6)	(0.6)	(8.7)
- of which amortization of development costs	(15.1)	0.0	(1.0)	(16.1)
- of which amortization of right-of-use assets	(19.9)	(17.6)	(14.5)	(52.0)
- of which restructuring costs	(9.3)	(2.4)	(6.2)	(17.9)
Capital expenditure	(65.2)	(13.3)	(14.5)	(93.0)
Capitalized development costs	(23.6)	0.0	(1.2)	(24.8)
Net tangible assets	411.2	137.5	127.2	675.9
Total current assets	1,704.6	1,002.1	718.2	3,424.9
Total current liabilities	1,231.3	377.4	415.0	<b>2,023.7</b>

(1) Of which France: €814.9 million.

(2) Of which United States: €1,793.0 million.

**NOTE 9 - SUBSEQUENT EVENTS**

Readers should refer to Note 2 on significant events for the period. No significant events occurred between September 30, 2020 and the date when the consolidated financial statements were prepared.