# PRESS RELEASE

Limoges, February 10, 2022

## 2021 full-year results

## Legrand reports record results in 2021

Total growth in sales: +14.7%

Adjusted operating margin: 20.5% of sales

Rise in net profit attributable to the Group: +32.8%

Normalized free cash flow: 15.4% of sales

## Solid extra-financial performance

CSR achievement rate: 131% in 2021

Reduction in $CO_2$ emissions: -28% over 3 years (constant)

## Continued deployment of strategic roadmap

Including announcement of 2 new acquisitions: a total of 4 over one year

## 2022 full-year targets

Growth in sales excluding exchange rate impacts: +5% to +11%

Adjusted operating margin: ~20% of sales

**On the closing of full-year accounts for 2021, Benoît Coquart, Legrand's Chief Executive Officer, commented:**

*"In 2021, Legrand reported record results reflecting, once again, the Group's agility and resilience in a moving environment (volatile pandemic situation, strong and rising pressure on supply chains). Full-year 2021 sales of nearly €7 billion were up +14.7%, with a rise of +5.6% over two years. This performance was driven by a marked +13.6% organic growth year on year, and +3.7% over two years. It reflects in particular the Group's stronger competitive positions in its markets.*

*Adjusted operating margin for the year came to 20.5% of sales, net profit was up +32.8% from 2020, i.e., +8.3% from 2019, and normalized free cash flow stood at 15.4% of 2021 sales.*

*These showings confirm Legrand's position as an industry's benchmark.*

*In 2021, our Group actively pursued its investments and initiatives for growth, focusing in particular on faster expanding segments (datacenters, connected products, and energy efficiency programs). Legrand thus launched a number of new products, rolled out offerings geographically, stepped up digital commercial relationship, and acquired bolt-on companies – 4 over one year, including 2 announced today. These acquisitions expand Legrand's leadership positions in different countries and strengthen its presence in faster expanding segments as well as in promising channels to markets.*

*The Group also turned in a very good CSR performance. At the end of its fourth roadmap, covering 2019-2021, Legrand had reached a 131% achievement rate, with strong achievements in all three areas – Environment, People and Business Ecosystem. We are particularly proud to have reduced scopes 1 and 2 $CO_2$ emissions by -28% and to have raised the share of women among our managers by +18% over these three years. Our fifth CSR roadmap runs over the 2022-2024 period and marks a bold new departure. It will be unveiled at a Capital Markets Day dedicated to the Group's ESG strategy on March 29, 2022.*

*We owe these strong showings to our customers, our partners and our own teams, who have demonstrated unwavering commitment since the very start of the pandemic – employees engagement rate was 80% in 2021, significantly higher than in 2017.*

*These 2021 achievements and 2022 targets are an integral part of Group's strategic roadmap and mid-term targets for accelerating value-creating growth[1]. Legrand is a unique and perfectly positioned player, with a fine-tuned strategy designed to make the most of the acceleration in the trends that structurally drive its market – from electrification to a focus on comfort and energy efficiency, along with digitalization."*

**Proposed dividend**

Legrand's Board of Directors will ask the General Meeting of Shareholders to be held on May 25, 2022 to approve the payment of a dividend of €1.65 per share in respect of 2021. This represents a rise of +16.2% from 2020, and a payout ratio of nearly 50%, in line with the Group's mid-term targets.
The ex-dividend date is May 30, 2022 with payment[2] on June 1, 2022.

**2022 full-year targets**

In 2022, Legrand will pursue its strategy of profitable and responsible development laid out in its strategic roadmap[1].

Taking into account current macroeconomic outlook and assuming no marked worsening in supply chains, Legrand is aiming for the following full-year targets in 2022:

- growth in sales at constant exchange rates of between +5% and +11%, with (i) organic growth of between +3% and +7% and (ii) a scope of consolidation effect of between +2% and +4%;
- an adjusted operating margin of about 20% of sales, with (i) a margin of between 19.9% and 20.7% before acquisitions (at 2021 scope of consolidation) and (ii) dilution from acquisitions of between -20 and -40 basis points.

The Group also aims to reach around 100% of CSR achievement for the first year of its 2022-2024 roadmap, testifying to its bold and exemplary approach to ESG.

[1] For more information, readers are referred to the press release dated September 22, 2021.
[2] This distribution will be made in full out of the distributable income.

## Financial performance at December 31, 2021

### Key figures

| Consolidated data (€ millions)[1] | 2019 | 2020 | 2021 | Change 1 year | Change 2 years |
|---|---|---|---|---|---|
| Sales | 6,622.3 | 6,099.5 | 6,994.2 | +14.7% | +5.6% |
| Adjusted operating profit | 1,326.1 | 1,156.0 | 1,434.0 | +24.0% | +8.1% |
| *As % of sales* | *20.0%* | *19.0%* | *20.5%*<br>*20.8% before acquisitions*[2] | | |
| Operating profit | 1,237.4 | 1,065.4 | 1,344.1 | +26.2% | +8.6% |
| *As % of sales* | *18.7%* | *17.5%* | *19.2%* | | |
| Net profit attributable to the Group | 834.8 | 681.2 | 904.5 | +32.8% | +8.3% |
| *As % of sales* | *12.6%* | *11.2%* | *12.9%* | | |
| Normalized free cash flow | 1,009.8 | 1,034.2 | 1,074.1 | +3.9% | +6.4% |
| *As % of sales* | *15.2%* | *17.0%* | *15.4%* | | |
| Free cash flow | 1,044.3 | 1,029.1 | 952.4 | -7.5% | -8.8% |
| *As % of sales* | *15.8%* | *16.9%* | *13.6%* | | |
| Net financial debt at December 31 | 2,480.7 | 2,602.8 | 2,524.2 | -3.0% | +1.8% |

(1) See appendices to this press release for definitions and indicator reconciliation tables.
(2) At 2020 scope of consolidation.

### Consolidated sales

In 2021, full-year sales rose +14.7% from 2020 to total €6,994 million.

Organic growth in sales was +13.6%, including +11.6% in mature countries and +19.6% in new economies. This growth reflects the Group's stronger competitive positions as well as the success of its development and pricing initiatives, and came despite pressure on supply chains that gathered strength from the third quarter 2021 on.

The impact of broader scope of consolidation was +3.0%. Based on acquisitions announced, excluding that of Emos[1], whose date of consolidation will be set once the operation has been finalized, this impact should be around +2% full year in 2022.

The exchange-rate effect on sales was -2.0% for the year. Based on average exchange rates in January 2022, the full-year exchange-rate effect on sales would be around +2% in 2022.

**Changes in sales by destination at constant scope of consolidation and exchange rates by region:**

| | 2021 / 2020 | 4th quarter 2021 / 4th quarter 2020 |
|---|---|---|
| Europe | +17.1% | +5.2% |
| North and Central America | +8.7% | +11.2% |
| Rest of the world | +16.9% | +3.5% |
| **Total** | **+13.6%** | **+7.0%** |

[1] Subject to standard conditions precedent.

These changes are analyzed below by geographical region[1]:

- **Europe** (40.9% of Group revenue): organic growth was +17.1% from 2020.

In Europe's mature countries (35.0% of Group revenue), sales rose +16.5% over the year, including +2.6% in the fourth quarter alone. Drivers of the year's performance included strong showings in France and Italy, linked to many commercial successes, notably in faster expanding segments (connected products, solutions for datacenters, and energy efficiency).

Sales in Europe's new economies rose +20.0% in 2021, including +22.7% in the fourth quarter alone, with significant increases in Turkey and in Eastern Europe over full year.

- **North and Central America** (38.6% of Group revenue): sales increased +8.7% at constant scope of consolidation and exchange rates in 2021.

In the United States alone (35.4% of Group revenue), sales rose +7.4% in 2021 and were also up +12.1% in the fourth quarter alone. Full year, sales in solutions for datacenters increased strongly and did still well in residential spaces, while demand from other non-residential spaces grew as well, without going back to the 2019 level.

Sales showed a substantial rise over the year in both Mexico and Canada.

- **Rest of the world** (20.5% of Group revenue): sales marked an organic rise of +16.9% from 2020.

In Asia-Pacific (13.1% of Group revenue), sales rose +14.3% in 2021 and +3.4% in the fourth quarter alone. Strong growth over the 12-month period came in particular from double-digit increases in many countries, including China and India, and a less marked rise in Australia.

In Africa and the Middle East (3.7% of Group revenue), sales rose +13.2% from 2020 and gained +4.6% in the fourth quarter alone. Full year, the region's performance was buoyed by strong momentum in Africa, while business declined in the Middle East.

In South America (3.7% of Group revenue), sales increased +31.0% in 2021, including +2.8% in the fourth quarter alone. All main countries in the region reported double-digit growth over the year.

[1] For more information on organic trends in sales over two years (compared with 2019), readers are invited to consult the appendix on page 11 of this press release.

**Adjusted operating profit and margin**

Adjusted operating profit for 2021 stood at €1,434 million, up +24.0% from 2020 and +8.1% from 2019. This sets the adjusted operating margin for the period at 20.5% of sales.

Before acquisitions (at 2020 scope of consolidation), adjusted operating margin for the year came to 20.8% in 2021, which represents a +1.8-point rise from 2020.

This rise in profitability came despite an inflation of over +11% on raw material and components during the year (including nearly +17% in the fourth quarter alone), and reflects the Group's very selective and targeted management of production, administrative and commercial expenses, as well as its pricing initiatives.

**Net profit attributable to the Group**

At December 31, 2021, net profit attributable to the Group was up +32.8% at €904 million. This €223 million rise on 2020 came primarily from:

- strong rise in operating profit (+€279 million);
- favorable change (+€16 million) in financial results; and
- the rise in corporate income tax (-€73 million on the net profit; the 28.0% corporate tax rate in 2021 was one point lower than in 2020).

**Cash generation and balance sheet structure**

Cash flow from operations (€1,318 million) stood at 18.8% of 2021 full-year sales, representing a +0.6-point rise from the previous year.

Normalized free cash flow came to 15.4% of sales or €1,074.1 million, a +3.9% rise in value compared with 2020.

Free cash flow was 13.6% of 2021 sales, including strengthened coverage of inventories amid supply-chain pressure.

The ratio of net debt to EBITDA was 1.5 for the year.

Group financing reflects Legrand's extra-financial and climate commitments with:

- a pioneering multi-currency syndicated loan; since 2019, this loan's cost has been partly linked to the CSR roadmaps' yearly achievement rate;
- the successful launch of a first Sustainability-Linked 10-year bond[1] in 2021. The issue is indexed on the Group's carbon neutrality trajectory and its 2030 targets for reducing greenhouse gas emissions that were validated by SBTi.

[1] For more information, readers are invited to read the press release dated September 29, 2021, as well as other documentation linked to this sustainability-linked bond issue – including the Sustainability-Linked Financing Framework – which are available at https://www.legrandgroup.com/en/endettement-investisseurs-obligataires.

## Solid extra-financial performance

**Legrand's 4th CSR roadmap: 131% achievement rate**

At the end of its fourth CSR roadmap, covering 2019-2021, Legrand had overall reached a 131% achievement rate, scoring over 100% in each of the three areas that underpin its commitments.

Key achievements over this three-year period included:

- a -28% reduction in carbon emissions directly related to its business (scopes 1 & 2) at constant perimeter and compared with 2018. This was done through improved energy efficiency of the Group's sites and increased use of sustainable sources of energy;
- a -22% reduction in emissions of Volatile Organic Compounds (VOC) from 2018;
- a +18% rise in the ratio of women amongst employed managers (Hay Grade 14 and up), which stood at 26.7% at the end of 2021;
- 97% of employees now covered by Legrand's "Serenity On" welfare program, which offers guaranteed standard cover for health insurance, parental leave, and death and disability benefits;
- a -46% decline in accidents frequency rate with and without lost time (FR2) compared with 2018;
- training of over 21,000 employees in business ethics; and
- an employees commitment rate of 80%, a steep increase from the last survey, taken in 2017.

Also in 2021, Legrand pursued its long-term sustainability programs:

- fighting global warming by intensifying its efforts to reduce the Group's carbon footprint (Scopes 1, 2 & 3) and targeting full neutrality by 2050. The Group also aligned on a 1.5°C rise trajectory, setting 2030 objectives in keeping with the Paris Agreement and validated by the SBTi[1];
- promoting the circular economy and energy transition by designing eco-responsible products that accounted for around 75% of sales in 2021;
- supporting communities suffering from power insecurity, one example being the ongoing partnership that began in 2007 with *Electriciens sans Frontières*, thus favoring access to an electrical infrastructure for 2.9 million people since 2007, including 190,000 in 2021 alone; and
- promoting an ever more inclusive workplace environment, with inhouse networks to promote diversity and inclusion regardless of gender (Elle@Legrand), sexual orientation (Legrand Rainbow) and ethnic minorities (Black Professional Network).

**ESG Capital Markets Day on March 29, 2022**

Legrand is stepping up its commitment to ESG, which began in 2004. The main areas of this engagement will be the focus of an online Capital Markets Day on March 29, 2022, including a presentation of the Group's 2022-2024 fifth CSR roadmap.

[1] For more information, readers are referred to the press release dated July 30, 2021.

## Continued deployment of strategic roadmap

**Leveraging growth actively**

Legrand has built a reputation for innovative, reliable, well-designed products, and is constantly adding solutions offering greater value in use to its catalogs. Each year, the Group devotes around 5% of revenue to R&D on average, contributing to nearly 2/3 of sales made through leadership[1] positions. In 2021, offerings roll-outs included a number of new solutions dedicated to:

- energy efficiency, including Nemo Easy Connect to measure energy consumption of buildings, and new busbar lines marketed under the Starline brand;
- digital infrastructures for datacenters, with Infinium Fiber Solutions for optic fiber networks;
- flexible & remote working, with Koncis mobile monitor mounts for office use, sold under the Chief brand, and Vaddio Intellishot and ConferenceSHOT ePTZ cameras;
- healthcare, with Indigo-Clean EGT & MGT Series disinfectant lighting solutions to maintain sterile environments in non-residential spaces of all types – from hospitals to schools;
- safety and comfort, with the new Classe 300 EOS smart door entry system, designed to operate manually, on voice command, or through an app, as well as new user interface lines such as Adorne & Radiant with Netatmo connected offers and the Suno range.

The Group also continued to digitize its commercial relationship and stepped up its presence in buoyant distribution channels and markets such as e-commerce and Africa.

**Faster expanding segments gaining momentum**

In addition to its traditional growth levers, Legrand has taken a targeted approach to its faster expanding segments[2]: datacenters, connected products in the Eliot program, and energy efficiency programs.

Underpinned by this strategy, sales in these segments rose from around 18% in 2015 and 31% in 2020 to 33% in 2021. Total growth was driven by each of the three segments.

Together, these marked increases reflect:

- Legrand's ideal positioning for growth at the heart of structural trends. These are both historical (electrification, demographics, the emergence of middle-class populations, etc.) and more recent (climate change, growth in working from everywhere, rising standards of comfort, access to increased independent living, and more);
- value-in-use of solutions offered by the Group in all three segments, and their ongoing geographical deployment – connected user interfaces, for example, are now sold in 69 countries compared with 5 in 2018.

Thanks to this strategy, Legrand intends to raise the share of faster expanding segments in its total sales to around 50% in the medium term.

[1] Ranked number 1 or 2 in a given geographical market and market segment.
[2] For more information, readers are referred to the press release dated September 22, 2021.

**Announcement of 2 new acquisitions: a total of 4 over one year**

In keeping with its policy of bolt-on[1] acquisitions, Legrand has announced two new acquisitions:

- Emos[2], a Central and Eastern European leader in electrical installation components, with particularly strong ties to DIY distributors and local e-commerce players. This acquisition strengthens Legrand's presence in Europe's buoyant new economies and growing distribution channels. Based in Prerov in the Czech Republic, Emos has around 400 employees and annual sales of some €85 million, primarily in Eastern and Central Europe;
- Geiger, a German specialist in structured cable systems used in datacenters. The company is based in Irschenberg in Germany and has around 25 employees. Its annual sales total some €5 million.

These two new acquisitions round out those of Ensto Bulding Systems and Ecotap announced last July[3]. Together the four companies acquired over a year represent annual sales of around €250 million, and strengthen the Group's leadership positions in promising European markets – in traditional and new faster expanding segments, as well as in particularly dynamic distribution channels.

**Approach to operational excellence**

The record results reported in 2021 were also underpinned, once again, by an operational excellence-driven approach.

Legrand focused on strengthening the pillars of its industrial efficiency. This was achieved thanks to the Legrand Way program[4] promoting best practice at 81% of Group sites; Industry 4.0 technologies, now covering 57% of main sites; and agile application of "make or buy" and "redesign to cost & supply" principles, particularly suitable for extreme conditions of price inflation and pressure on supply chains.

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[1] Acquisitions that complement Legrand's activities.
[2] Subject to standard conditions precedent.
[3] For more information, readers are referred to the press release dated July 30, 2021.
[4] Program dedicated to the implementation of best practices throughout the Group, covering in particular the management of operational performance, new-product development, rules for health and safety, and quality.

*Consolidated financial statements for 2021 were adopted by the Board of Directors at its meeting on February 9, 2022[1]. These consolidated financial statements, a presentation of full-year results for 2021, and the related teleconference (live and replay) are available at www.legrandgroup.com.*

## KEY FINANCIAL DATES:

- ESG Digital Capital Markets Day: **March 29, 2022**
- 2022 first-quarter results: **May 5, 2022**
  "Quiet period[2]" starts April 5, 2022
- General Meeting of Shareholders: **May 25, 2022**
- Ex-dividend date: **May 30, 2022**
- Dividend payment: **June 1, 2022**
- 2022 first-half results: **July 29, 2022**
  "Quiet period[2]" starts June 29, 2022

## ABOUT LEGRAND

*Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. The Group harnesses technological and societal trends with lasting impacts on buildings with the purpose of improving life by transforming the spaces where people live, work and meet with electrical, digital infrastructures and connected solutions that are simple, innovative and sustainable. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and responsible growth driven by acquisitions and innovation, with a steady flow of new offerings—including products with enhanced value in use (faster expanding segments: datacenters, connected offerings and energy efficiency programs). Legrand reported sales of €7.0 billion in 2021. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 and CAC 40 ESG indexes. (code ISIN FR0010307819).*
***https://www.legrandgroup.com***

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[1] The Group's consolidated accounts as of December 31, 2021 were approved by the Board of Directors on February 9, 2022. The statutory auditors' audit procedures on the consolidated financial statements have been performed. The certification report will be issued after finalization of the verification relating to the management report and on the presentation in the format provided for by the ESEF Regulation (European Single Electronic Format) of the accounts to be included in the annual financial report.
[2] Period of time when all communication is suspended in the run-up to publication of results.

## Appendices

### Glossary

**Adjusted operating profit:** 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:** electric power distribution systems based on metal busbars.

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

**CSR:** Corporate Social Responsibility.

**EBITDA:** EBITDA is defined as operating profit plus depreciation and impairment of tangible and right of use assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.

**ESG:** Environmental, Societal and Governance.

**Free cash flow:** 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:** Keyboard, Video and Mouse.

**Net financial debt:** 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:** 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:** Organic growth is defined as the change in sales at constant structure (scope of consolidation) and exchange rates.

**Payout:** 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:** Power Distribution Units.

**UPS:** Uninterruptible Power Supply.

**Working capital requirement:** 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.

## Organic sales trends by geographical area of destination over one and two years

| **Organic sales trends in percentage (%)** | **2020 Change 1 year** | **2021 Change 1 year** | **2021 Change 2 years** |
|---|---|---|---|
| **Group** | **-8.7%** | **+13.6%** | **+3.7%** |
| Europe | -7.9% | +17.1% | +7.8% |
| *Of which Mature Europe* | *-9.7%* | *+16.5%* | *+5.3%* |
| *Of which Europe New Economies* | *+1.9%* | *+20.0%* | *+22.3%* |
| North and Central America | -8.7% | +8.7% | -0.7% |
| *Of which United States* | *-7.8%* | *+7.4%* | *-1.0%* |
| Rest of the World | -10.3% | +16.9% | +4.9% |
| *Of which Asia-Pacific* | *-7.1%* | *+14.3%* | *+6.2%* |
| *Of which South America* | *-14.3%* | *+31.0%* | *+12.2%* |
| *Of which Africa and Middle East* | *-16.6%* | *+13.2%* | *-5.5%* |

## Calculation of working capital requirement

| **In € millions** | **2020** | **2021** |
|---|---|---|
| Trade receivables | 644.5 | 728.5 |
| Inventories | 837.3 | 1,252.7 |
| Other current assets | 204.8 | 240.4 |
| Income tax receivables | 70.1 | 115.1 |
| Short-term deferred taxes assets/(liabilities) | 92.8 | 90.8 |
| Trade payables | (612.9) | (810.5) |
| Other current liabilities | (661.8) | (774.3) |
| Income tax payables | (30.3) | (39.6) |
| Short-term provisions | (127.9) | (135.8) |
| **Working capital requirement** | **416.6** | **667.3** |

## Calculation of net financial debt

| **In € millions** | **2020** | **2021** |
|---|---|---|
| Short-term borrowings | 1,320.7 | 826,6 |
| Long-term borrowings | 4,073.8 | 4,485.9 |
| Cash and cash equivalents | (2,791.7) | (2,788.3) |
| **Net financial debt** | **2,602.8** | **2,524.2** |

### Reconciliation of adjusted operating profit with profit for the period

| In € millions | 2020 | 2021 |
|---|---|---|
| **Profit for the period** | **682.0** | **905.1** |
| Share of profits (losses) of equity-accounted entities | 0.7 | 0.0 |
| Income tax expense | 279.2 | 351.9 |
| Exchange (gains) / losses | 10.3 | 1.5 |
| Financial income | (6.1) | (6.8) |
| Financial expense | 99.3 | 92.4 |
| **Operating profit** | **1,065.4** | **1,344.1** |
| Amortization & depreciation of revaluation of assets at the time of acquisitions and other P&L impacts relating to acquisitions | 90.6 | 89.9 |
| Impairment of goodwill | 0.0 | 0.0 |
| **Adjusted operating profit** | **1,156.0** | **1,434.0** |

### Reconciliation of EBITDA with profit for the period

| In € millions | 2020 | 2021 |
|---|---|---|
| **Profit for the period** | **682.0** | **905.1** |
| Share of profits (losses) of equity-accounted entities | 0.7 | 0.0 |
| Income tax expense | 279.2 | 351.9 |
| Exchange (gains) / losses | 10.3 | 1.5 |
| Financial income | (6.1) | (6.8) |
| Financial expense | 99.3 | 92.4 |
| **Operating profit** | **1,065.4** | **1,344.1** |
| Depreciation and impairment of tangible assets (including right-of-use assets) | 187.4 | 179.4 |
| Amortization and impairment of intangible assets (including capitalized development costs) | 146.9 | 127.0 |
| Impairment of goodwill | 0.0 | 0.0 |
| **EBITDA** | **1,399.7** | **1,650.5** |

## Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period

| **In € millions** | **2020** | **2021** |
|---|---|---|
| **Profit for the period** | **682.0** | **905.1** |
| Adjustments for non-cash movements in assets and liabilities: | | |
| Depreciation, amortization and impairment | 337.7 | 310.1 |
| Changes in other non-current assets and liabilities and long-term deferred taxes | 119.2 | 90.5 |
| Unrealized exchange (gains)/losses | (1.5) | 11.5 |
| (Gains)/losses on sales of assets, net | (11.6) | 0.7 |
| Other adjustments | (17.1) | 0.2 |
| **Cash flow from operations** | **1,108.7** | **1,318.1** |
| Decrease (Increase) in working capital requirement | 53.2 | (205.4) |
| **Net cash provided from operating activities** | **1,161.9** | **1,112.7** |
| Capital expenditure (including capitalized development costs) | (155.1) | (170.5) |
| Net proceeds from sales of fixed and financial assets | 22.3 | 10.2 |
| **Free cash flow** | **1,029.1** | **952.4** |
| Increase (Decrease) in working capital requirement | (53.2) | 205.4 |
| (Increase) Decrease in normalized working capital requirement | 58.3 | (83.7) |
| **Normalized free cash flow** | **1,034.2** | **1,074.1** |

## Scope of consolidation

| 2020 | Q1 | H1 | 9M | Full year |
|---|---|---|---|---|
| **Full consolidation method** | | | | |
| Jobo Smartech | Balance sheet only | 6 months | 9 months | 12 months |
| Focal Point | Balance sheet only | Balance sheet only | 7 months | 10 months |
| Borri[1] | | | | Balance sheet only |
| Champion One | | | | Balance sheet only |
| Compose | | | | Balance sheet only |

| 2021 | Q1 | H1 | 9M | Full year |
|---|---|---|---|---|
| **Full consolidation method** | | | | |
| Jobo Smartech | 3 months | 6 months | 9 months | 12 months |
| Focal Point | 3 months | 6 months | 9 months | 12 months |
| Borri[1] | 3 months | 6 months | 9 months | 12 months |
| Champion One | Balance sheet only | 6 months | 9 months | 12 months |
| Compose | Balance sheet only | 6 months | 9 months | 12 months |
| Ecotap | | | Balance sheet only | 6 months |
| Ensto Building Systems | | | | 2 months |
| Geiger | | | | Balance sheet only |

[1] Borri, an Italian UPS specialist, which was until 2020 consolidated on the equity method.

**Disclaimer**

This press release may contain forward-looking statements which are not historical data. Although Legrand considers these statements to be based on reasonable assumptions at the time of publication of this release, they are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied herein.

Details on risks are provided in the Legrand Universal Registration Document filed with the Autorité des marchés financiers (Financial Markets Authority, AMF), which is available on-line on the websites of both AMF (www.amf-france.org) and Legrand (www.legrandgroup.com).

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