

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022



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Consolidated statement of income

<i>(in € millions)</i>	9 months ended	
	September 30, 2022	September 30, 2021
Net sales	6,153.7	5,168.7
Operating expenses		
Cost of sales	(3,109.6)	(2,507.0)
Administrative and selling expenses	(1,513.4)	(1,296.7)
Research and development costs	(261.0)	(238.3)
Other operating income (expenses)	(105.0)	(85.0)
Operating profit	1,164.7	1,041.7
Financial expenses	(63.6)	(67.9)
Financial income	9.3	5.3
Exchange gains (losses)	2.0	(1.8)
Financial profit (loss)	(52.3)	(64.4)
Profit before tax	1,112.4	977.3
Income tax expense	(300.4)	(278.5)
Share of profits (losses) of equity-accounted entities	0.0	0.0
Profit for the period	812.0	698.8
Of which:		
- Net profit attributable to the Group	811.7	699.0
- Minority interests	0.3	(0.2)
Basic earnings per share <i>(euros)</i>	3.045	2.618
Diluted earnings per share <i>(euros)</i>	3.024	2.600

Consolidated statement of comprehensive income

<i>(in € millions)</i>	9 months ended	
	September 30, 2022	September 30, 2021
Profit for the period	812.0	698.8
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	763.0	252.3
Cash flow hedges	58.5	0.0
Income tax relating to components of other comprehensive income	11.4	6.1
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses after deferred taxes	17.9	11.6
Other	0.0	0.0
Comprehensive income for the period	1,662.8	968.8
Of which:		
- Comprehensive income attributable to the Group	1,662.2	968.9
- Minority interests	0.6	(0.1)

Consolidated balance sheet

<i>(in € millions)</i>	September 30, 2022	December 31, 2021
Non-current assets		
Intangible assets	2,568.0	2,485.3
Goodwill	5,950.8	5,241.2
Property, plant and equipment	740.5	719.2
Right-of-use assets	282.5	268.4
Other investments	1.6	2.4
Other non-current assets	60.8	62.6
Deferred tax assets	147.6	116.3
TOTAL NON CURRENT ASSETS	9,751.8	8,895.4
Current assets		
Inventories (Note 4)	1,550.0	1,252.7
Trade receivables (Note 5)	1,032.4	728.5
Income tax receivables	138.7	115.1
Other current assets	275.6	240.4
Other current financial assets	65.2	6.4
Cash and cash equivalents	2,223.7	2,788.3
TOTAL CURRENT ASSETS	5,285.6	5,131.4
TOTAL ASSETS	15,037.4	14,026.8

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022

<i>(in € millions)</i>	September 30, 2022	December 31, 2021
Equity		
Share capital (Note 6)	1,067.3	1,069.8
Retained earnings	5,710.0	5,268.5
Translation reserves	140.9	(621.8)
Equity attributable to equity holders of Legrand	6,918.2	5,716.5
Minority interests	6.9	3.8
TOTAL EQUITY	6,925.1	5,720.3
Non-current liabilities		
Long-term provisions	224.8	196.6
Provisions for post-employment benefits	139.3	170.7
Long-term borrowings (Note 7)	4,467.6	4,485.9
Deferred tax liabilities	962.2	866.5
TOTAL NON-CURRENT LIABILITES	5,793.9	5,719.7
Current liabilities		
Trade payables	878.1	810.5
Income tax payables	77.2	39.6
Short-term provisions	128.1	135.8
Other current liabilities	818.3	774.3
Short-term borrowings (Note 7)	416.1	826.6
Other current financial liabilities	0.6	0.0
TOTAL CURRENT LIABILITIES	2,318.4	2,586.8
TOTAL EQUITY AND LIABILITIES	15,037.4	14,026.8

Consolidated statement of cash flows

(in € millions)	9 months ended	
	September 30, 2022	September 30, 2021
Profit for the period	812.0	698.8
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets (Note 2.3)	93.3	82.6
– Amortization and impairment of intangible assets (Note 2.3)	79.1	69.2
– Amortization and impairment of capitalized development costs (Note 2.3)	20.2	20.6
– Amortization and impairment of right-of-use assets (Note 3.4)	54.4	50.4
– Amortization of financial expenses	2.7	2.7
– Impairment of goodwill (Note 3.2)	0.0	0.0
– Changes in long-term deferred taxes	45.9	65.6
– Changes in other non-current assets and liabilities (Notes 4.4 and 4.5)	46.6	25.5
– Unrealized exchange (gains)/losses	2.4	3.3
– Share of (profits) losses of equity-accounted entities	0.0	0.0
– Other adjustments	(0.9)	(0.1)
– Net (gains)/losses on sales of assets	0.1	(2.3)
Changes in working capital requirement:		
– Inventories (Note 3.5)	(196.6)	(250.1)
– Trade receivables (Note 3.6)	(229.5)	(79.5)
– Trade payables	24.0	151.0
– Other operating assets and liabilities (Notes 3.7 and 4.8)	(36.4)	19.9
Net cash from operating activities	717.3	857.6
– Net proceeds from sales of fixed and financial assets	2.4	8.8
– Capital expenditure (Notes 3.1 and 3.3)	(82.1)	(67.7)
– Capitalized development costs	(20.7)	(24.4)
– Changes in non-current financial assets and liabilities	1.5	(9.0)
– Acquisitions of subsidiaries, net of cash acquired (Note 1.3.2)	(233.2)	(95.8)
Net cash from investing activities	(332.1)	(188.1)
– Proceeds from issues of share capital and premium (Note 4.1.1)	0.0	0.0
– Net sales / (buybacks) of treasury shares and transactions under the liquidity contract (Note 4.1.2)	(45.9)	(96.0)
– Dividends paid to equity holders of Legrand (Note 4.1.3)	(439.3)	(377.9)
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from long-term financing (Note 4.6)	100.0	207.9
– Repayment of long-term financing* (Note 4.6)	(474.7)	(55.4)
– Debt issuance costs	0.0	0.0
– Increase / (reduction) in short-term financing (Note 4.6)	(176.2)	(490.4)
– Acquisitions of ownership interests with no gain of control (Note 1.3.2)	0.0	0.0
Net cash from financing activities	(1,036.1)	(811.8)
Translation net change in cash and cash equivalents	86.3	20.6
Increase / (decrease) in cash and cash equivalents	(564.6)	(121.7)
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 (Note 3.8)	2,223.7	2,670.0
Items included in cash flows:		
– Interest paid during the period**	69.2	68.8
– Income taxes paid during the period	226.9	194.9

* Of which €54.7 million corresponding to lease financial liabilities repayment for the 9 months ended September 30, 2022 (€50.2 million for the 9 months ended September 30, 2021).

** Interest paid is included in the net cash from operating activities; of which €5.3 million interests on lease financial liabilities for the 9 months ended September 30, 2022 (€5.2 million for the 9 months ended September 30, 2021).

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KEY FIGURES

<i>(in € millions)</i>	9 months 2022	9 months 2021
Net sales	6,153.7	5,168.7
Adjusted operating profit	1,240.3	1,106.7
As % of net sales	20.2% 20.4 % before ⁽¹⁾ acquisitions	21.4%
Operating profit	1,164.7	1,041.7
As % of net sales	18.9%	20.2%
Net profit attributable to the Group	811.7	699.0
As % of net sales	13.2%	13.5%
Normalized free cash flow	1,000.0	858.9
As % of net sales	16.3%	16.6%
Free cash flow	616.9	774.3
As % of net sales	10.0%	15.0%
Net financial debt at September 30	2,660.0	2,456.0

(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 nine months 2022 results press release.

NOTE 1 - INTRODUCTION

This unaudited consolidated financial information is presented for the nine months ended September 30, 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

Legrand's activities in Russia and Ukraine accounted for around 2% of sales for full-year 2021.

As of December 31, 2021, the value of the Group's assets in Russia excluding translation reserves, represented approximately 1% of the Group's total assets.

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	June 30	September 30
Full consolidation method			
Champion One	3 months' profit	6 months' profit	9 months' profit
Compose	3 months' profit	6 months' profit	9 months' profit
Ecotap	3 months' profit	6 months' profit	9 months' profit
Ensto Building Systems	3 months' profit	6 months' profit	9 months' profit
Geiger	Balance sheet only	6 months' profit	9 months' profit
Emos	Balance sheet only	Balance sheet only	Balance sheet only
Usystems		Balance sheet only	Balance sheet only
A.H.Meyer			Balance sheet only
Power Control			Balance sheet only
Voltadis			Balance sheet only

During the first nine 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;
- Usystems, a specialist in datacenter solutions. Usystems' portfolio of cooling solutions and racks helps its clients reduce their datacenter energy bills and therefore their carbon footprint. Founded in 2003 and based in Bedford in the United Kingdom, the company has some 70 employees and recorded annual sales of around €11 million, including 50% stemming in the United States;
- A. & H. Meyer, Germany's leading player in "power in furniture" connectivity solutions for commercial buildings. Based in Dörentrop (Germany), A. & H. Meyer has nearly 200 employees and annual sales of over €20 million;
- Power Control, a British specialist in UPS systems (equipment, services and maintenance). Based in Sheffield (United Kingdom), the company has annual sales of around €15 million and a workforce of over 70;
- Voltadis, a French player in datacenter services. From design to commissioning, including equipment supply and installation, Voltadis offers comprehensive support in defining tailored electrical power supply systems for datacenters' grey rooms. Based in Cournon d'Auvergne, France, the company has some 20 employees and annual sales of around €13 million.

NOTE 4 - INVENTORIES

Inventories are as follows:

<i>(in € millions)</i>	September 30, 2022	December 31, 2021
Purchased raw materials and components	678.6	529.3
Sub-assemblies, work in progress	156.8	145.7
Finished products	907.7	727.4
Gross value at the end of the period	1,743.1	1,402.4
Impairment	(193.1)	(149.7)
NET VALUE AT THE END OF THE PERIOD	1,550.0	1,252.7

NOTE 5 - TRADE RECEIVABLES

Trade receivables are as follows:

<i>(in € millions)</i>	September 30, 2022	December 31, 2021
Trade receivables	1,132.8	826.6
Impairment	(100.4)	(98.1)
NET VALUE AT THE END OF THE PERIOD	1,032.4	728.5

NOTE 6 - SHARE CAPITAL

Share capital as of September 30, 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 266,651,033 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 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 September 30, 2022	266,817,746	4	1,067,270,984	491,756,928

As of September 30, 2022, the Group held 166,713 shares in treasury, versus 678,176 shares as of December 31, 2021, i.e. 511,463 fewer shares corresponding to:

- the net acquisition of 450,000 shares outside of the liquidity contract at a cost of €38.1 million ;
- the transfer of 426,945 shares to employees under performance share plans;
- the cancellation of 630,000 shares;
- the net purchase of 95,482 shares under the liquidity contract that led to a cash outflow of €7.8 million.

As of September 30, 2022, among the 166,713 shares held in treasury by the Group, 38,285 shares have been allocated for performance share plans, and 128,428 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, 2022	December 31, 2021
Negotiable commercial paper	165.0	220.0
Bonds	3,700.0	3,700.0
Yankee bonds	330.4	304.1
Lease financial liabilities	223.5	217.0
Other borrowings	65.4	64.1
Long-term borrowings excluding debt issuance costs	4,484.3	4,505.2
Debt issuance costs	(16.7)	(19.3)
TOTAL	4,467.6	4,485.9

7.2 SHORT-TERM BORROWINGS

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	September 30, 2022	December 31, 2021
Negotiable commercial paper	305.0	320.0
Bonds	0.0	400.0
Lease financial liabilities	71.1	62.2
Other borrowings	40.0	44.4
TOTAL	416.1	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>	September 30, 2022	Cash flows	Variations not impacting cash flows				December 31, 2021
			Acquisitions	Reclassifications	Translation adjustments	Other	
Long-term borrowings	4,467.6	89.5	0.9	(222.3)	65.0	48.6	4,485.9
Short-term borrowings	416.1	(640.3)	0.2	222.3	7.8	(0.5)	826.6
Gross financial debt	4,883.7	(550.8)	1.1	0.0	72.8	48.1	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.

9 months ended September 30, 2022

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	2,561.2 ⁽¹⁾	2,537.4 ⁽²⁾	1,055.1	6,153.7
Cost of sales	(1,205.1)	(1,306.0)	(598.5)	(3,109.6)
Administrative and selling expenses, R&D costs	(753.0)	(777.5)	(243.9)	(1,774.4)
Other operating income (expenses)	(70.7)	(23.8)	(10.5)	(105.0)
Operating profit	532.4	430.1	202.2	1,164.7
- of which acquisition-related amortization, expenses and income				
· accounted for in administrative and selling expenses, R&D costs	(13.7)	(57.5)	(4.4)	(75.6)
· accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	546.1	487.6	206.6	1,240.3
- of which depreciation and impairment of tangible assets	(54.4)	(20.1)	(18.5)	(93.0)
- of which amortization and impairment of intangible assets	(5.4)	(1.8)	(0.9)	(8.1)
- of which amortization and impairment of development costs	(19.4)	0.0	(0.8)	(20.2)
- of which amortization and impairment of right-of-use assets	(20.0)	(18.5)	(15.9)	(54.4)
- of which restructuring costs	(16.1)	(5.2)	(4.6)	(25.9)
Capital expenditure	(52.6)	(15.9)	(13.6)	(82.1)
Capitalized development costs	(19.7)	0.0	(1.0)	(20.7)
Net tangible assets	444.0	165.1	131.4	740.5
Total current assets	2,874.4	1,414.5	996.7	5,285.6
Total current liabilities	1,292.6	547.5	478.2	2,318.3

(1) Of which France: €933.6 million.

(2) Of which United States: €2,349.5 million.

9 months ended September 30, 2021

<i>(in € millions)</i>	Europe	North and Central America	Rest of the world	Total
Net sales to third parties	2,208.8 ⁽¹⁾	2,044.3 ⁽²⁾	915.6	5,168.7
Cost of sales	(972.9)	(1,003.2)	(530.9)	(2,507.0)
Administrative and selling expenses, R&D costs	(661.2)	(658.6)	(215.2)	(1,535.0)
Other operating income (expenses)	(38.3)	(34.3)	(12.4)	(85.0)
Operating profit	536.4	348.2	157.1	1,041.7
- of which acquisition-related amortization, expenses and income				
- accounted for in administrative and selling expenses, R&D costs	(11.1)	(49.8)	(4.1)	(65.0)
- accounted for in other operating income (expenses)				0.0
- of which goodwill impairment				0.0
Adjusted operating profit	547.5	398.0	161.2	1,106.7
- of which depreciation and impairment of tangible assets	(47.4)	(18.7)	(16.2)	(82.3)
- of which amortization and impairment of intangible assets	(5.6)	(1.9)	(0.7)	(8.2)
- of which amortization and impairment of development costs	(19.9)	0.0	(0.7)	(20.6)
- of which amortization and impairment of right-of-use assets	(19.6)	(16.6)	(14.2)	(50.4)
- of which restructuring costs	(9.8)	(6.8)	1.8	(14.8)
Capital expenditure	(44.0)	(11.8)	(12.0)	(67.8)
Capitalized development costs	(23.3)	0.0	(1.0)	(24.3)
Net tangible assets	417.9	140.8	115.2	673.9
Total current assets	3,172.4	878.6	851.0	4,902.0
Total current liabilities	2,044.7	479.5	454.2	2,978.4

(1) Of which France: €884.7 million.

(2) Of which United States: €1,894.2 million.

NOTE 9 - SUBSEQUENT EVENTS

As part of the investigation of the derogation mechanism on the French market, one of Legrand's French entities has been indicted and ordered to provide security in the amount of €80.5 million.

Neither this indictment nor the ordering of this security mean that Legrand will ultimately be found guilty of any wrongdoing. Legrand rejects that these proceedings have any merit and intends to vigorously demonstrate that its trade policy is in full compliance with the applicable law.