PRESS RELEASE

Limoges, May 3, 2024

<u>2024 first-quarter results</u>

In a building market in retreat,
Legrand reports lower sales and good margin resilience in Q1

Sales: -5.6%, i.e. -3.7% excluding exchange rates and Russia
Adjusted operating margin: 20.5% of sales
Net profit attributable to the Group: 13.6% of sales

3 acquisitions announced since the beginning of the year

2024 full-year targets unchanged

Benoît Coquart, Legrand's Chief Executive Officer, commented:

"Our first quarter results for 2024 are in line with our expectations in terms of both revenue and margins, as well as free cash flow. In Q1, the building market that represents approximately 80% of Legrand's revenue experienced a marked slowdown across most geographies, as expected. Against this backdrop, our limited decline in revenue and the resilience of our margins and free cash flow highlight the strength of our business model, the solidity of our market positions, and the execution capabilities of our teams.

In this context, we are continuing with our strategic investments in order to fully benefit from our markets' recovery. Thus far this year, we have announced three acquisitions, and will keep up the strong pace of external growth in coming quarters. On the innovation side, we will be launching a large number of iconic product lines this year, including the Céliane range of wiring devices in France.

Moreover, the remarkable success of Legrand's first international employee share ownership plan testifies to the Group's investment in its teams and to the confidence and full commitment of its employees."

2024 full-year targets unchanged[1]

In 2024, the Group is pursuing the profitable and responsible development laid out in its strategic roadmap.

Taking into account the world's current macroeconomic outlook, with confidence in its model for creating integrated value, Legrand has set the following full-year targets for 2024:

- low single-digit sales growth (organic and through acquisitions[2]);
- an adjusted operating margin before acquisitions between 20.0% and 20.8%;
- at least 100% CSR achievement rate for the third year of the 2022-2024 roadmap.

[1] For more information, see Legrand press release dated February 15, 2024
[2] Excluding exchange-rate effect and impacts linked to the Group's disengagement from Russia

Financial performance at March 31, 2024

Key figures

Consolidated data (€ millions)[1]		1st quarter 2023	1st quarter 2024	Change
Sales		2,149.6	2,028.2	-5.6%
Adjusted operating profit		477.2	415.9	-12.8%
	As % of sales	*22.2%*	*20.5%*	
			20.6% before acquisitions[2]	
Operating profit		450.4	387.5	-14.0%
	As % of sales	*21.0%*	*19.1%*	
Net profit attributable to the Group		330.5	275,9	-16,5%
	As % of sales	*15.4%*	*13,6%*	
Normalized free cash flow		389.3	362.6	-6.9%
	As % of sales	*18.1%*	*17.9%*	
Free cash flow		331.5	146.1	-55.9%
	As % of sales	*15.4%*	*7.2%*	
Net financial debt at March 31		2,305.0	2,270.3	-1.5%

(1) See appendices to this press release for definitions and indicator reconciliation tables
(2) At 2023 scope of consolidation

Consolidated sales

In the first quarter of 2024, sales fell -5.6% from the same period of 2023 to reach €2,028.2 million.

In a building market in retreat, sales decreased organically by -5.4% for the quarter, including -5.0% in mature countries and -6.5% in new economies.

The impact of broader scope of consolidation was +0.7%, including +1.8% linked to acquisitions and -1.1% to the impact of the Group’s disengagement from Russia. Based on acquisitions made and their likely dates of consolidation, their overall impact should be close to +1.0% full year, of which nearly +1.5% linked to acquisitions and -0.6% to the impact of disengagement from Russia as of October 4, 2023.

The exchange-rate effect on sales in the first quarter of 2024 was -1.0%. Based on average exchange rates in April 2024, the full-year effect should be close to 0% in 2024.

Changes in sales by destination at constant scope of consolidation and exchange rates broke down as follows by region:

	1st quarter 2024 / 1st quarter 2023
Europe	-4.7%
North and Central America	-6.0%
Rest of the world	-5.8%
Total	**-5.4%**

These changes are analyzed below by geographical region:

- **Europe** (43.7% of Group revenue): with the building market still severely impacted in most countries, sales at constant scope of consolidation and exchange rates were down -4.7% in the first quarter of 2024, reflecting in particular the high basis of comparison in 2023.

  Europe's mature countries (37.8% of Group revenue) reported sales down -5.1% organically in the first quarter, with solid resilience in Italy, the UK or Spain.

  Sales in Europe's new economies were down -2.4% in the first quarter, with growth in Turkey.

- **North and Central America** (37.4% of Group revenue): sales decreased -6.0% from the first quarter of 2023 at constant scope of consolidation and exchange rates.

  In the United States alone (33.8% of Group revenue), sales decreased -6.1%, in contracting markets excluding datacenters.

  Sales rose in Canada and saw a sharp decline in Mexico.

- **Rest of the world** (18.9% of Group revenue): sales marked an organic decline of -5.8% in the first quarter of 2024.

  In Asia-Pacific (11.5% of Group revenue), the drop in sales was -5.8%. Growth in India failed to offset a marked decrease in China.

  In Africa and the Middle East (3.2% of Group revenue), revenue fell -6.5%, reflecting a significant decrease in Africa that was not offset by a robust growth in the Middle East.

  In South America (4.2% of the Group's revenue), sales were down by -5.1% despite a rebound in Brazil.

Adjusted operating profit and margin

Adjusted operating profit for the first quarter of 2024 stood at €415.9 million, down -12.8% from the first three months of 2023. This corresponds to an adjusted operating margin equal to 20.5% of sales for the period.

Before acquisitions, adjusted operating margin for the first quarter of 2024 was equal to 20.6% of sales, down -1.6 points from the first quarter of 2023.

In the first quarter of 2024, the level of profitability of the Group once again demonstrates Legrand's ability to protect its margins in a context of declining sales, thanks to its intact pricing power and solid cost control.

Value creation and solid balance sheet

Net profit attributable to the Group came to €275.9 million, down -16.5% from the first quarter of 2023 and equal to 13.6% of sales. This trend is due primarily to a decrease in operating profit, the negative impact of financial and exchange-rate results, and a corporate income tax rate of 26.0%, stable compared to the first quarter of 2023.

Net earnings per share stood at €1.05, for a decrease of -15.1% from the first quarter of 2023.

Free cash flow came to 7.2% of sales over the period at a total of €146.1 million.

The ratio of net debt to EBITDA[1] stood at 1.2 on March 31, 2024.

[1] Based on EBITDA for the past 12 months.

Ongoing acquisitions strategy

Legrand is actively implementing its development strategy with, since the beginning of the year, the announcement of the acquisitions of **MSS**[1], a New Zealand-based specialist in cable management (with annual sales of more than €10 million); **Enovation**[2], the Dutch leader in healthcare software in the market for connected health and assisted living (with annual sales of more than €60 million); and **Netrack**, an Indian specialist in server and network rack manufacturing, notably for datacenters (with annual sales of around €10 million).

The Group has today announced a minority stake acquisition in **UIOT**, one of the leading Chinese players in wireless IoT smart-home solutions with strong innovation capabilities, which will allow Legrand to strengthen its positions in the connected building segment.

These acquisitions in the promising areas of datacenters, assisted living and connected solutions further strengthen Legrand Group's leadership in its faster expanding segments.

SBTi Net Zero commitment for 2050

2024 marks an important milestone in the Group's decarbonization trajectory, with SBTi (Science Based Target initiative) validating Legrand's Net Zero 2050 commitment.

This commitment involves reducing the Group's GHG emissions by 90% across its entire value chain by 2050, and neutralizing emissions that cannot be avoided.

The Group's 2030 objectives have thus been revised, more demanding, with now:

- a 42% reduction in Scopes 1&2 emissions in current data based on 2022,
- a 25% reduction in Scope 3 emissions in current data based on 2022, incorporating emissions related to purchased goods and services and the use phase of Group's products.

Combined General Meeting of Shareholders on May 29, 2024

Board of Directors[3]

Jean-Marc Chéry's term of office as director expires this year. He will be proposed for re-election at the next General Meeting of shareholders.

In addition, upon recommendation of the Nominating and Governance Committee and after approval by the Board of Directors, the General Meeting will also vote on the nomination of Rekha M. Menon as an independent director.

Rekha M. Menon has nearly 20 years of experience at Accenture in India, including over 7 years as Senior Managing Director and Chair. Her skills (especially in digital, strategy, and CSR) and her in-depth knowledge of Asia and particularly India, will be a valuable asset for the Board of Directors.

Following these appointments the Board of Directors, with 75% independent Directors, 42% women and seven nationalities represented, would continue to reflect the industry's best practices.

Proposed changes to the composition of Board Committees are set out in chapter 6.1.3.1 of the universal registration document - Legrand_URD_2023_ENGLISH (legrandgroup.com).

Proposed dividend

As announced on February 15, 2024, Legrand's Board of Directors will ask the General Meeting of Shareholders to be held on May 29, 2024 to approve the payment of a dividend of €2.09 per share in respect of 2023, representing a rise of +10.0% from 2022.

The ex-dividend date is May 31, 2024, with payment[4] on June 4, 2024.

[1] For more information, see Legrand press release dated February 15, 2024

[2] For more information, see Legrand press release dated April 23, 2024, subject to standard conditions precedent

[3] Subject to the approval of the General Meeting of shareholders to be held on May 29, 2024

[4] This distribution will be made in full out of distributable income

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Success of the first international share ownership plan for employees

To recognize and promote employee engagement at all levels in rolling out the Group's strategy, Legrand launched its first international employee share ownership program from March to May 2024, proposed to approximately 63% of the Group's employees.

This plan, which is non-dilutive since it is funded through share buybacks, was over 36% subscribed, reflecting the full confidence of Legrand teams in the Group's development model.

The Board adopted consolidated financial statements for first-quarter 2024 at its meeting on May 2, 2024. These consolidated financial statements, a presentation of 2024 first-quarter results, and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES

• General Meeting of Shareholders:	May 29, 2024
• Ex-dividend date:	May 31, 2024
• Dividend payment:	June 4, 2024
• 2024 first-half results:	July 31, 2024
"Quiet period[1]" start	July 1, 2024
• 2024 Capital Markets Day:	September 24, 2024 – London (UK)

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 €8.4 billion in 2023. The company is listed on Euronext Paris and is notably a component stock of the CAC 40, CAC 40 ESG and CAC SBT 1.5 indexes. (code ISIN FR0010307819).
https://www.legrandgroup.com

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[1] 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 (i) amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions, (ii) assets impairment in Russia and, (iii) 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.

Calculation of working capital requirement

In € millions	Q1 2023	Q1 2024
Trade receivables	1,105.0	1,125.2
Inventories	1,349.9	1,288.1
Other current assets	293.2	297.7
Income tax receivables	122.1	187.8
Short-term deferred taxes assets/(liabilities)	110.0	111.9
Trade payables	(891.5)	(921.9)
Other current liabilities	(815.6)	(856.7)
Income tax payables	(111.4)	(107.3)
Short-term provisions	(150.7)	(155.1)
Working capital required	**1,011.0**	**969.7**

Calculation of net financial debt

In € millions	Q1 2023	Q1 2024
Short-term borrowings	806.0	1,005.0
Long-term borrowings	3,997.6	3,974.6
Cash and cash equivalents	(2,498.6)	(2,709.3)
Net financial debt	**2,305.0**	**2,270.3**

Reconciliation of adjusted operating profit with profit for the period

In € millions	Q1 2023	Q1 2024
Profit for the period	**330.4**	**276.1**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	115.8	97.0
Exchange (gains) / losses	0.2	9.0
Financial income	(22.2)	(29.0)
Financial expense	26.2	34.4
Operating profit	**450.4**	**387.5**
i) Amortization & depreciation of revaluation of assets at the time of acquisitions, other P&L impacts relating to acquisitions and ii) impacts related to disengagement from Russia (impairment of assets and effective disposal)	26.8	28.4
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**477.2**	**415.9**

Reconciliation of EBITDA with profit for the period

In € millions	Q1 2023	Q1 2024
Profit for the period	**330.4**	**276.1**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	115.8	97.0
Exchange (gains) / losses	0.2	9.0
Financial income	(22.2)	(29.0)
Financial expense	26.2	34.4
Operating profit	**450.4**	**387.5**
Depreciation and impairment of tangible assets (including right-of-use assets)	48.3	51.7
Amortization and impairment of intangible assets (including capitalized development costs)	33.9	31.9
Impairment of goodwill	0.0	0.0
EBITDA	**532.6**	**471.1**

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

In € millions	Q1 2023	Q1 2024
Profit for the period	**330.4**	**276.1**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	83.0	84.7
Changes in other non-current assets and liabilities and long-term deferred Taxes	19.5	11.3
Unrealized exchange (gains)/losses	3.2	2.9
(Gains)/losses on sales of assets, net	(0.2)	2.4
Other adjustments	(1.3)	6.4
Cash flow from operations	**434.6**	**383.8**
Decrease (Increase) in working capital requirement	(71.5)	(205.0)
Net cash provided from operating activities	**363.1**	**178.8**
Capital expenditure (including capitalized development costs)	(31.8)	(32.9)
Net proceeds from sales of fixed and financial assets	0.2	0.2
Free cash flow	**331.5**	**146.1**
Increase (Decrease) in working capital requirement	71.5	205.0
(Increase) Decrease in normalized working capital requirement	(13.7)	11.5
Normalized free cash flow	**389.3**	**362.6**

Scope of consolidation

2023	Q1	H1	9M	Full-year
Full consolidation method				
Geiger	3 months	6 months	9 months	12 months
Emos	3 months	6 months	9 months	12 months
Usystems	3 months	6 months	9 months	12 months
Voltadis	Balance sheet only	6 months	9 months	12 months
A. & H. Meyer	Balance sheet only	6 months	9 months	12 months
Power Control	Balance sheet only	Balance sheet only	9 months	12 months
Encelium	Balance sheet only	6 months	9 months	12 months
Clamper	Balance sheet only	Balance sheet only	Balance sheet only	11 months
Teknica			Balance sheet only	4 months
MSS				Balance sheet only

2024	Q1	H1	9M	Full-year
Full consolidation method				
Voltadis	3 months	6 months	9 months	12 months
A. & H. Meyer	3 months	6 months	9 months	12 months
Power Control	3 months	6 months	9 months	12 months
Encelium	3 months	6 months	9 months	12 months
Clamper	3 months	6 months	9 months	12 months
Teknica	3 months	6 months	9 months	12 months
MSS	Balance sheet only	To be determined	To be determined	To be determined
ZPE Systems	Balance sheet only	To be determined	To be determined	To be determined

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 most recent version of 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).

Investors and holders of Legrand securities are reminded that no forward-looking statement contained in this press release is or should be construed as a promise or a guarantee of actual results, which are liable to differ significantly. Therefore, such statements should be used with caution, taking into account their inherent uncertainty.

Subject to applicable regulations, Legrand does not undertake to update these statements to reflect events or circumstances occurring after the date of publication of this release.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Legrand securities in any jurisdiction.