PRESS RELEASE

Limoges, November 7, 2024

Release for the first nine months of 2024

Legrand recorded a quarterly sales increase of +2.4% (excluding exchange rates and Russia) driven by acquisitions and datacenters

Performance at end of September

9M sales trends: +0.3% excluding exchange rates and Russia
Adjusted operating margin: 20.5%
Net profit attributable to the Group: 13.4% of sales

7 acquisitions announced since the beginning of the year, including 4 in datacenters

Around €350 million additional revenue on an annual basis

2024 full-year targets specified

2030 ambitions: 2030 sales of between €12bn and €15bn, buoyed by offers linked to the energy and digital transition

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

"For the first nine months of the year, sales (excluding currency effects and our exit from Russia) were stable, in a building market that remains in decline in most of our geographies. In the third quarter alone, sales growth (+2.4% excluding currency effects and Russia) was driven in particular by sustained growth in datacenters in the United States.

Our financial indicators remain solid, in terms of both margins and free cash flow.

Our external growth has been very dynamic this year, with 7 acquisitions announced, including 4 in the buoyant datacenter sector, demonstrating Legrand's ongoing ability to strengthen its leadership positions through value-creating operations.

Fully confident in our strategy, we are specifying our annual targets as communicated at the beginning of February, and are resolutely pursuing the implementation of our 2030 roadmap, as presented at our Capital Markets Day on September 24. This roadmap is supported in particular by the buoyant field of energy and digital transition, which already represented 46% of sales in 2023."

2024 full-year targets specified[1]

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

Taking into account the achievements on the first nine months of the year as well as the world's current macroeconomic outlook, and with confidence in its model for creating integrated value, Legrand has specified its full-year targets for 2024:

- low single-digit sales growth (organic and through acquisitions[2] - unchanged);
- an adjusted operating margin after acquisitions of between 20.0% and 20.4% (vs. between 20.0% and 20.8% before acquisitions previously);
- at least 100% CSR achievement rate for the third year of the 2022-2024 roadmap (unchanged).

[1] For more information, see Legrand press releases dated February 15, May 3, and July 31, 2024

[2] Excluding exchange-rate effect and impacts linked to the Group's disengagement from Russia

Financial performance at September 30, 2024

Key figures

Consolidated data (€ millions)[1]	9 months 2023	9 months 2024	Change
Sales	6,307.3	6,229.0	-1.2%
Adjusted operating profit	1,363.5	1,276.1	-6.4%
As % of sales	*21.6%*	*20.5%* *20.6% before acquisitions* [2]	
Operating profit	1,273.8	1,189.7	-6.6%
As % of sales	*20.2%*	*19.1%*	
Net profit attributable to the Group	937.2	833.7	-11.0%
As % of sales	*14.9%*	*13.4%*	
Normalized free cash flow	1,112.9	1,046.5	-6.0%
As % of sales	*17.6%*	*16.8%*	
Free cash flow	1,214.1	749.2	-38.3 %
As % of sales	*19.2%*	*12.0%*	
Net financial debt at September 30	2,153.7	3,204.8	+48.8%

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

Consolidated sales

In the first nine months of 2024, sales were down a total of -1.2% from the same period of 2023, at €6,229.0 million.

In a building market which remains depressed in many geographies, the organic decline in sales was -0.8% over the period, including -0.1% in mature countries and -2.8% in new economies.

The impact of a broader scope of consolidation was +0.3%, including +1.1% linked to acquisitions and -0.8% due 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 +2% full year, of which nearly +2.5% 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 nine months of 2024 was -0.7%. Based on average exchange rates in October 2024 alone, the full-year effect should be around -1% in 2024.

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

	9 months 2024 / 9 months 2023	3rd quarter 2024 / 3rd quarter 2023
Europe	-3.4%	-4.1%
North and Central America	+2.0%	+6.0%
Rest of the world	-0.9%	+3.9%
Total	**-0.8%**	**+1.7%**

These changes are analyzed below by geographical region:

- **Europe** (40.1% of Group revenue): in a building market that remains difficult in most countries, sales at constant scope of consolidation and exchange rates fell by -3.4% over the first nine months of 2024, and by -4.1% over the third quarter alone. These trends reflect a particularly deteriorated context in mature countries during the quarter, and do not point to a recovery in the construction market in the very short term.

Sales in Europe's mature economies (35.0% of Group sales) fell organically by -3.7% over the first nine months of 2024, of which -5.3% in the third quarter alone. Italy and the UK held up well over the first nine months, but failed to offset a decline in sales in France, Spain, Germany and the Netherlands in particular.

Sales in Europe’s new economies were down -1.3% over the first nine months of the year. In the third quarter alone, sales rose by a healthy +4.7%, with a growth in Eastern European sales.

- **North and Central America** (40.1% of Group revenue): sales were up +2.0% from the first nine months of 2023 at constant scope of consolidation and exchange rates.

In the United States alone (36.8% of Group revenue), sales rose +3.1% in the first nine months of the year, including a steep +7.2% rise in the third quarter alone. The 9-month performance was mostly driven by offers dedicated to the datacenter segment.

Over the first nine months, sales declined in Canada and Mexico.

- **Rest of the world** (19.8% of Group revenue): sales marked an organic decline of -0.9% in the first nine months of 2024.

In Asia-Pacific (12.2% of Group revenue), sales declined by -3.8% over the 9-month period and by -3.2% in the third quarter alone. Over the first nine months, growth in India was unable to offset the sharp fall in China, where the construction market continues experiencing a marked decrease.

In Africa and the Middle East (3.6% of Group revenue), sales were up +4.4% in the first nine months of the year and +25.7% in the third quarter alone. Over nine months, sales trends were sustained in the Middle East and showed a slight decline in Africa, which saw a strong recovery in the third quarter alone.

In South America (4.0% of Group revenue), sales were up +3.8 % in the nine first months, with marked growth in Brazil, and advanced a strong +7.6% in the third quarter alone.

Adjusted operating profit and margin

Adjusted operating profit for the first nine months of 2024 stood at €1,276.1 million, down -6.4% from the first nine 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 nine months of 2024 stood at 20.6% of sales, down -1.0 point from the first nine months of 2023.

Over this period, Group profitability confirmed Legrand’s ability to maintain high margins despite a decrease in sales.

Value creation and solid balance sheet

Net profit attributable to the Group came to €833.7 million, down -11.0% from the first nine months of 2023 and equal to 13.4% of sales. This trend was due primarily to a decline in operating profit, the negative impact of financial results and exchange-rate effects, and a corporate income tax rate of 27.0% for the first nine months of 2024.

Free cash flow came to 12.0% of sales over the period, to total €749.2 million.

The ratio of net debt to EBITDA[1] stood at 1.7 on September 30, 2024, a level that reflects the pace of acquisitions since the beginning of the year as well as a solid free cash flow generation.

In addition, as previously announced[2], Legrand will have to pay an amount of €43 million following the decision by the French Competition Authority regarding the application of derogated prices on the French market between 2012 and 2015. Legrand categorically rejects the allegation made against it and reserves the right to appeal this decision.

Strong acquisition momentum

This year, Legrand pursued external acquisitions at a robust pace. The 7 operations announced in 2024 represent acquired annual sales of almost €350 million and include:

- in the buoyant datacenters segment, the acquisition of **Netrack** (Indian specialist in racks), **Davenham** (Irish specialist in low-voltage power distribution systems), **Vass** (Australian leader in busbars) and **UPSistemas** (Colombian specialist in the integration, commissioning, maintenance and monitoring of technical infrastructures);
- in the assisted living and connected health segment: **Enovation,** the Dutch leader in connected health software;
- lastly, in the essential infrastructures segment: **MSS in** New Zealand and **APP** in Australia.

Legrand intends to continue strengthening its leadership positions with value-creating acquisitions.

2030 ambitions and growth pillars

Legrand hosted a Capital Markets Day in London on September 24, 2024.

This event was an opportunity for the Group to present its strategy both for essential infrastructures products (54% of its 2023 revenue) and for solutions that support the energy and digital transition (46% of its 2023 revenue, including products for datacenters, energy transition, and digital lifestyles).

Legrand detailed its 2030 ambitions, with:

- Sales in 2030 in a range of €12 to 15 billion, including sales growth excluding the impact of exchange rates of between +6% to +10% in CAGR. This includes +3% to +5% organic CAGR and +3% to +5% CAGR related to acquisitions,
- Average adjusted operating margin of around 20% of revenue, including +30 to +50 basis points of annual organic improvement and -30 to -50 basis points of annual dilution from acquisitions,
- Free cash flow generation of nearly €10 billion from 2025 to 2030, with average free cash flow ranging between 13% and 15% of sales, an average Capex to sales ratio of 3% to 3.5%, and an average working capital requirement ratio of 10% of sales or less,
- A capital allocation policy prioritizing acquisitions (at least 50% of average free cash flow) and an attractive dividend payment (with a distribution ratio of around 50%). Over the period, a total of around €5 billion will thus be dedicated to acquiring companies to round out the Group's products and geographical range,
- 80% of total sales qualifying as eco-responsible sales, and reducing Scope 1, 2 and 3 emissions in line with Legrand's Net Zero 2050 commitment.

The presentation and webcast can be found on Legrand's website at www.legrandgroup.com through the following link: [Capital Markets Day 2024 - Legrand (legrandgroup.com)](http://www.legrandgroup.com)

----

[1] Based on EBITDA for the past 12 months

[2] For more information, see Legrand's press release dated October 30, 2024

Consolidated financial statements for the first nine months of 2024, a presentation, and the related teleconference (live and replay) are available at www.legrandgroup.com.

KEY FINANCIAL DATES

- 2024 annual results : February 13, 2025
  "Quiet period[1]" starts : January 14, 2025
- 2025 first-quarter results: : May 7, 2025
  "Quiet period[1]" starts : April 7, 2025
- General Meeting of Shareholders : May 27, 2025

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for residential, commercial, and datacenter 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 a strategy of profitable and responsible growth driven by acquisitions and innovation, with a steady flow of new offerings that include products with enhanced value in use (energy and digital transition solutions: datacenters, digital lifestyles and energy transition offerings).

Legrand reported sales of €8.4 billion in 2023. The company is listed on Euronext Paris and is a component stock of the CAC 40, CAC 40 ESG and CAC SBT 1.5 indexes. (code ISIN FR0010307819).

https://www.legrandgroup.com

INVESTOR RELATIONS & FINANCIAL COMMUNICATION

Ronan MARC (Legrand) +33 1 49 72 53 53. ronan.marc@legrand.com

PRESS RELATIONS

Lucie DAUDIGNY (TBWA) +33 6 77 20 71 11. lucie.daudigny@tbwa-corporate.com

[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/ impacts related to disengagement from Russia (impairment of assets and effective disposal) and, iii/ where applicable, 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	9M 2023	9M 2024
Trade receivables	1,015.2	1,059.9
Inventories	1,305.1	1,360.8
Other current assets	291.1	274.0
Income tax receivables	152.7	223.2
Short-term deferred taxes assets/(liabilities)	109.1	104.2
Trade payables	(885.2)	(923.7)
Other current liabilities	(846.0)	(873.7)
Income tax payables	(79.1)	(70.1)
Short-term provisions	(147.0)	(160.7)
Working capital required	**915.9**	**993.9**

Calculation of net financial debt

In € millions	9M 2023	9M 2024
Short-term borrowings	1,187.1	412.3
Long-term borrowings	4,138.8	4,627.1
Cash and cash equivalents	(3,172.2)	(1,834.6)
Net financial debt	**2,153.7**	**3,204.8**

Reconciliation of adjusted operating profit with profit for the period

In € millions	9M 2023	9M 2024
Profit for the period	**937.5**	**833.9**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	329.8	307.8
Exchange (gains) / losses	(0.4)	16.4
Financial income	(59.1)	(79.0)
Financial expense	66.0	110.6
Operating profit	**1,273.8**	**1,189.7**
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)	89.7	86.4
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**1,363.5**	**1,276.1**

Reconciliation of EBITDA with profit for the period

In € millions	9M 2023	9M 2024
Profit for the period	**937.5**	**833.9**
Share of profits (losses) of equity-accounted entities	0.0	0.0
Income tax expense	329.8	307.8
Exchange (gains) / losses	(0.4)	16.4
Financial income	(59.1)	(79.0)
Financial expense	66.0	110.6
Operating profit	**1,273.8**	**1,189.7**
Depreciation and impairment of tangible assets (including right-of-use assets)	148.3	161.9
Amortization and impairment of intangible assets (including capitalized development costs)	109.2	100.5
Impairment of goodwill	0.0	0.0
EBITDA	**1,531.3**	**1,452.1**

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

In € millions	9M 2023	9M 2024
Profit for the period	**937.5**	**833.9**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	260.3	266.3
Changes in other non-current assets and liabilities and long-term deferred Taxes	51.6	56.9
Unrealized exchange (gains)/losses	16.3	(6.7)
(Gains)/losses on sales of assets, net	1.4	0.9
Other adjustments	0.2	12.2
Cash flow from operations	**1,267.3**	**1,163.5**
Decrease (Increase) in working capital requirement	79.5	(292.2)
Net cash provided from operating activities	**1,346.8**	**871.3**
Capital expenditure (including capitalized development costs)	(133.7)	(127.3)
Net proceeds from sales of fixed and financial assets	1.0	5.2
Free cash flow	**1,214.1**	**749.2**
Increase (Decrease) in working capital requirement	(79.5)	292.2
(Increase) Decrease in normalized working capital requirement	(21.7)	5.1
Normalized free cash flow	**1,112.9**	**1,046.5**

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	6 months	9 months	12 months
ZPE Systems	Balance sheet only	Balance sheet only	Balance sheet only	To be determined
Enovation		Balance sheet only	Balance sheet only	To be determined
Netrack		Balance sheet only	Balance sheet only	To be determined
Davenham		Balance sheet only	Balance sheet only	To be determined
Vass		Balance sheet only	Balance sheet only	To be determined
UPSistemas			Balance sheet only	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.