

## 2020 Key Financial Indicators

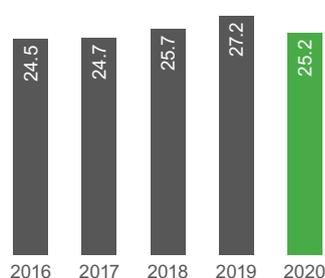
# Strong execution and resilient business model driving quick rebound from crisis

2020 has been a signature year with intensive and agile execution ending with a record high Gross Margin and Free Cash Flow while maintaining the same profit margin level as the previous non-crisis year. To be future ready, the Group accelerated its transformational acquisitions in both business portfolios and presence in India, with a step-change in sustainability, and focused its investment in innovation, services, and cybersecurity. The step-change seen in customer adoption of digitization and sustainability accelerated and supported software and services growth, despite lockdowns. The Group remains committed to its strategic priorities of more products, more software, more services, and more sustainability.

## Revenue

In billions of euros

# €25.2B



Revenues were down -7.4% (-4.7% organic), a net scope effect of -0.2%, mostly due to disposal of Pelco and Converse Energy Projects, and deconsolidation of Electroshield Samara, offset by consolidation of L&T E&A, RIB Software, and ProLeiT, and a negative exchange rate effect of -2.5% mainly driven by the appreciation of the Euro against USD.

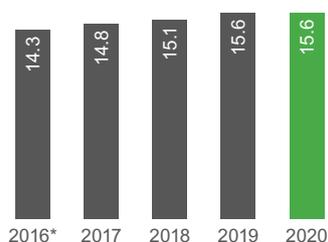
2020 delivered resilient results, with Energy Management down -4.5% organic, with strong revenue growth in residential, data center, utilities, and consumer packaged goods, and Industrial Automation down -5.3%, with discrete markets being resilient while process and hybrid markets remained challenged. Across those two businesses, Software and Services now account for around 17% of turnover, showing resilience versus Group performance and bringing both recurring revenue and customer stickiness.

Most geographies were strongly impacted by the COVID-19 pandemic over the year: North America -4.9%, Asia Pacific -4.1%, Western Europe -5.3%, and Rest of the World -4.1%.

## Adjusted EBITA

In % of consolidated revenues

# 15.6%

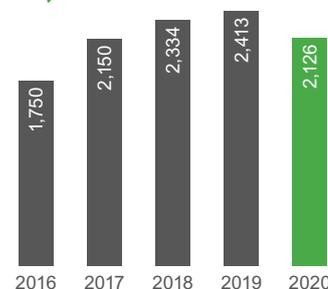


2020 delivered very solid profitability by maintaining Adjusted EBITA at the same level as 2019, despite the crisis, at 15.6%, with organic expansion of 20 bps versus 2019, thanks to pricing actions, RMI tailwind, strong productivity, and strong delivery of savings. This represents the fifth consecutive year of Adjusted EBITA margin expansion, increasing by +300 bps organic over the period covering both lower- and higher-growth years.

## Net Income

In millions of euros

# €2,126M



Net Income (Group share) was EUR 2,126 million, -12% from 2019. Restructuring charges were -EUR 421 million in 2020, EUR 166 million higher than last year due to the Group's structural savings and cost efficiency plan.

Other operating income and expenses were -EUR 210 million, mainly consisting of M&A and integration costs, versus -EUR 411 million in 2019. Increase of the amortization and impairment of intangibles (-EUR 207 million in 2020) was mainly linked to recent acquisitions.

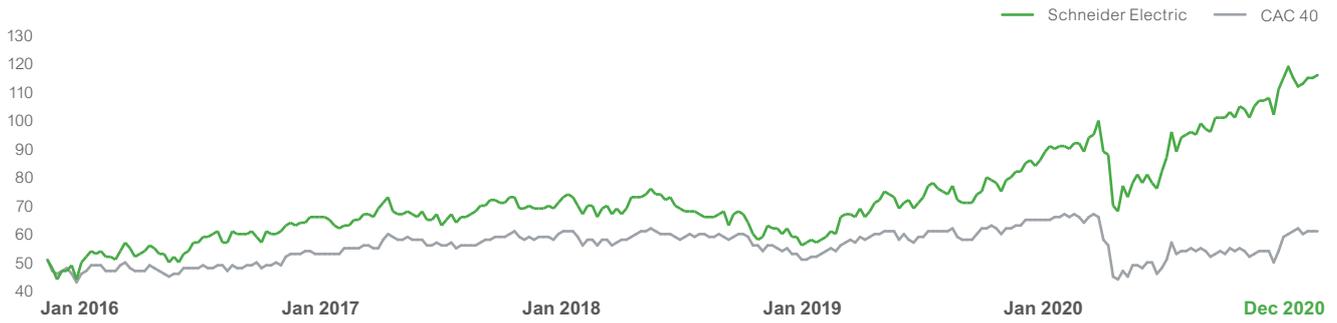
Net financial expenses were -EUR 278 million, EUR 17 million higher than in 2019, mainly driven by the cost of net debt decrease, offset by a write-off of a subsidiary loan and lower dividends from equity investments.

Income tax amounted to -EUR 638 million. The effective tax rate was 22.7%, in line with expectations.

Share of profit on associates decreased slightly to EUR 66 million, from EUR 78 million last year. The Group share of Delixi net income was €73m, up c. EUR 8 million year-on-year.

\* 2016 figures restated due to the deconsolidation of the Group's solar activity.

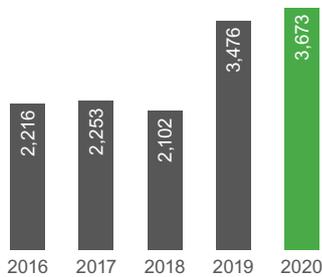
### Share price against CAC 40 index over five years



### Free Cash Flow

In millions of euros

€3,673M



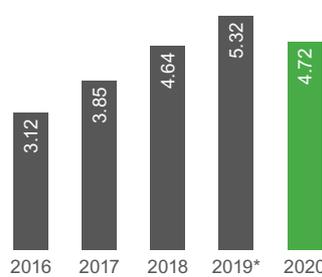
Free Cash Flow was exceptionally strong at EUR 3,673 million, a record cash performance and the second successive year above EUR 3 billion. The performance was supported by favorable working capital evolution, typical of a lower growth environment, and accentuated by certain favorable timing impacts from COVID-19. As indicated previously, the Group expects to have an average across the cycle Free Cash Flow of around EUR 3 billion (excluding impacts from IFRS 16). Net capital expenditure of EUR 762 million remained stable at ~3% of Revenue.

Cash conversion was 159% in 2020 (before the impact of IFRS 16) compared to 133% in 2019. Taken on a normalized basis, adjusting the Net Income (Group share) for one-off non-cash items, cash conversion in 2019 was 121%.

### Adjusted Earnings Per Share\*

In euros

€4.72

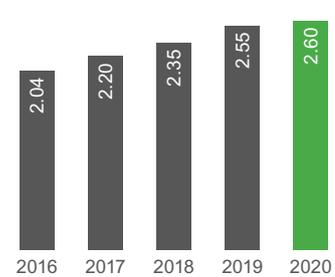


Earnings per Share were down -11%, mostly driven by sales decrease, higher M&A integration and restructuring costs, and higher amortization of purchase price accounting intangibles.

### Dividend per Share

In euros

€2.60



The proposed dividend is EUR 2.60 per share, up 2.0% versus 2019, subject to Shareholders' approval at Annual Meeting of April 28, 2021, for payment on May 12, 2021. The Group maintains its progressive dividend policy despite the impacts of COVID-19 on the Adjusted Net Income generated in the year. As a result, and due to the importance which the Group places on its commitment to a progressive dividend, the dividend payout ratio for 2020 will reach 55%, above the c.50% which has been typical in the recent past.

\* In 2019, the Group changed its definition of Adjusted Net Income, which includes the Adjusted EBITA, amortization expenses of purchase accounting intangible assets (excluding impairment), net financial income and loss, income tax expense on the above at the effective tax rate (excluding non-recurring items), discontinued operations net income and share of profit and loss of associates, deducting impact of non-controlling interests. This definition of Adjusted Net Income was created to be more transparently derived from the financial statements.