Rexel

Q4 & FY 2016 RESULTS

February 13, 2017

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Consolidated financial statements as of December 31, 2016 were authorized for issue by the Board of Directors held on February 10, 2017.
They have been audited by statutory auditors.

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Q4 & FY 2016 AT A GLANCE

- **Q4 2016:**
  Sequential improvement in organic sales in all three geographies
- **FY 2016:**
  Performance in line with guidance

Q4 2016: Sequential improvement in organic* sales in all three geographies

- **Organic sales stabilized in Q4, after three quarters of decline**
  - They also improved sequentially excluding the copper effect, which lessened significantly in Q4

Group	Q3 2016	Q4 2016
Constant & same-day	**-3.7%**	**0.0%**
o/w copper effect	*-0.9%*	*-0.1%*
excl. copper effect	*-2.9%*	*+0.1%*

- **All three geographies improved sequentially**
  - **Europe grew by 1.7%** (vs. a 1.6% decline in Q3), mainly driven by France (c. 1/3 of the zone), which returned to growth with a 3.6% increase, reflecting improved performance in all 3 segments (non-residential, residential and industry)
  - **North America dropped by only 2.0%** (vs. a 6.0% decline in Q3), mainly driven by a sequential improvement in the USA (80% of the zone), which decreased by a limited 1.5% (vs. a 6.6% decline in Q3), reflecting good construction activity and improved trends in O&G in the US
  - **Asia-Pacific dropped by only 1.9%** (vs. a 5.6% decline in Q3), mainly driven by a sequential improvement in China (c. 1/3 of the zone), which decreased by a limited 1.9% (vs. an 11.2% decline in Q3), reflecting improved trends in industrial automation products and solutions

**Constant and same-day sales*

FY 2016: Performance in line with guidance

- **Sales of €13,162.1m in an environment that was challenging throughout most of the year**
  - Down 1.9% on a constant and same-day basis, **in line with guidance**
  - This organic drop included negative effects from copper (-0.9%) and O&G (-0.9%)
  - Down 2.8% on a reported basis, including a negative effect of 1.6% from currencies
- **Adjusted EBITA[1] of €549.8m**
  - Representing 4.2% of sales (down 27bps year-on-year), **in line with guidance**
  - Improved gross margin at 24.2% of sales (up 14bps year-on-year)
  - Opex at 20.0% of sales (up 41bps year-on-year), reflecting increased depreciation due to a rise in investment, as well as a lesser absorption of fixed costs due to lower sales
- **Solid free cash-flow generation**
  - FCF before interest & tax of €439.1m, i.e. 69% of EBITDA, **in line with guidance**
  - FCF after interest & tax of €265.6m, i.e. 42% of EBITDA, **in line with guidance**
- **Sound financial structure**
  - Stable indebtedness ratio[2] at 3.0x at year-end, well below bank covenants
- **Net income from continuing operations of €134.3m, up 58%**

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[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price
[2] Net-debt-to-EBITDA ratio as calculated under the Senior Credit Agreement terms

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REVIEW BY GEOGRAPHY

- **Europe:**
  Back to organic sales growth in Q4, mainly driven by France
- **North America:**
  Sequential improvement in Q4 sales, driven by the USA
- **Asia-Pacific:**
  Sequential sales improvement in China and growth in Australia in Q4

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Europe: Back to organic sales growth in Q4, mainly driven by France

- **Q4 sales of €1,839.4m**
  - **Down 2.8% on a reported basis,** o/w -2.7% from currencies (mainly GBP vs. €) and -1.1% from calendar
  - **Up 1.7% on a constant and same-day basis**
- **Back to growth on a constant and same-day basis, after two quarters of sales decline**
  - **France** (35% of the region's sales) **drove most of the sequential improvement in European sales:** up 3.6%, mainly reflecting improved performance in all 3 segments (non-residential, residential and industry)
  - **Scandinavia** (14% of the region's sales) **continued to post solid growth, driven by strong activity in Sweden:** up 3.2%, o/w Sweden up 10.0%
  - **Germany** (11% of the region's sales) **continued to improve sequentially since the beginning of the year:** up 1.2%
  - **UK** (11% of the region's sales) **continued to be impacted by adverse market conditions since the Brexit vote and lower PV sales since the end of feed-in tariffs on Dec. 31, 2015:** down 7.9%, o/w -6.1 percentage points due to a sharp 92% drop in PV sales
  - **Benelux** (8% of the region's sales) **posted strong growth:** up 10.4%, driven by Belgium (+5.5%) and The Netherlands (+18.4%)
  - **Switzerland** (6% of the region's sales) **continued to be impacted by unfavorable market conditions** (down 2.0%) **while Austria** (5% of the region's sales) **continued to grow** (+1.5%)
  - **Southern Europe** (5% of the region's sales) **posted sales drops in all countries:** Spain down 8.0% (mainly impacted by export activity, while domestic activity was down only 2.2%), Italy down 3.5% and Portugal down 2.4%

Europe: Solid gross margin in FY 2016; rise in opex reflecting higher depreciation and lower cost absorption

- **In the full-year, sales were broadly flat:** +0.2% on a constant and actual-day basis and -0.1% on a constant and same-day basis
- **Gross margin was solid at 26.7% (-5bps year-on-year)**
- **Opex + depreciation rose by 2.8% or 53bps as % of sales; out of these 53bps:**
  - 6bps came from higher depreciation reflecting a rise in investment, notably in digital
  - 6bps came from the integration of Cordia
  - 31bps came from salaries & benefits, reflecting both wage inflation and base effects from 2015

(€m)	Q4 2016	YoY	FY 2016	YoY
Sales	**1,839.4**	**+0.6%**	**7,168.5**	**+0.2%**
same-day		*+1.7%*		*-0.1%*
Gross margin	**487.5**		**1,912.8**	
% of sales	*26.5%*	*-58bps*	*26.7%*	*-5bps*
Opex + depr.	**-385.0**		**-1,528.5**	
% of sales	*-20.9%*	*-68bps*	*-21.3%*	*-53bps*
Adj. EBITA[1]	**102.5**		**384.3**	
% of sales	*5.6%*	*-126bps*	*5.4%*	*-57bps*

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[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price

North America: Sequential sales improvement in Q4, driven by the USA

- **Q4 sales of €1,280.9m**
  - **Up 0.5% on a reported basis,** o/w +1.4% from currencies (USD and CAD vs. €) and +0.7% from calendar
  - **Down 2.0% on a constant and same-day basis**
- **Strong sequential improvement in constant and same-day sales (vs. the 6.0% drop posted in Q3)**
  - **USA** (80% of the region's sales) **posted significant sequential improvement:** down only 1.5% (vs. -6.6% in Q3)
    - -1.5 percentage points were attributable to lower O&G sales; nevertheless, for the first time in Q4, O&G sales started to improve sequentially (-23% vs. -31% in Q3)
    - -1.6 percentage points were attributable to branch network optimization
    - Excluding both impacts, sales were up 1.6% in Q4, reflecting contrasting performance:
      - Solid construction activity contributed to sales growth at both Rexel C&I and Platt
      - Capitol Light posted double-digit growth, boosted by new projects
      - Automation activity improved sequentially, while remaining down year-on-year
      - Other businesses (mostly Gexpro operations) posted a combined drop in sales in the mid-single digits, due to continued weak industrial activity
  - **Canada** (20% of the region's sales) **was stable sequentially:** down 4.0%
    - -1.7 percentage points were attributable to lower O&G sales (down 23% yoy)
    - -1.5 percentage points were attributable to lower wind sales (down 89% yoy)
    - Excluding both impacts, sales were down 0.8% in Q4, reflecting weak sales to industry

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North America: Improved gross margin in FY 2016 and resilient profitability, despite strong O&G impact on sales

- **In the full-year, sales were down 4.1% or €202.1m, o/w the drop in O&G represented 2.0 percentage points or €97.8m**
- **Gross margin improved at 22.1% (+13bps year-on-year), mainly driven by the USA**
- **Opex + depreciation dropped by 2.3% or €20.3m, but they were up 34bps as % of sales, as the drop did not fully offset the adverse effect of lower industrial (mainly O&G) activity in both the USA and Canada**

O&G sales	Q4 2015	Q4 2016	FY 2015	FY 2016
USA (€m)	**66.6**	**51.0**	**281.1**	**194.2**
YoY change	*-37%*	*-23%*	*-28%*	*-31%*
Canada (€m)	**20.9**	**16.2**	**84.9**	**73.9**
YoY change	*-34%*	*-23%*	*-29%*	*-13%*
North Am (€m)	**87.5**	**67.2**	**366.0**	**268.1**
YoY change	*-36%*	*-23%*	*-28%*	*-27%*

(€m)	Q4 2016	YoY	FY 2016	YoY
Sales	**1,280.9**	**-1.3%**	**4,689.1**	**-4.1%**
same-day		*-2.0%*		*-4.1%*
Gross margin	**281.8**		**1,036.3**	
% of sales	*22.0%*	*+36bps*	*22.1%*	*+13bps*
Opex+depr.	**-233.4**		**-857.9**	
% of sales	*-18.2%*	*-47bps*	*-18.3%*	*-34bps*
Adj. EBITA[1]	**48.5**		**178.4**	
% of sales	*3.8%*	*-10bps*	*3.8%*	*-21bps*

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[1] *At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price*

Asia-Pacific: Sequential sales improvement in China and growth in Australia in Q4

- **Q4 sales of €337.5m**
  - **Down 1.6% on a reported basis,** o/w +1.1% from currencies (AUD+NZD offsetting CNY vs. €) and -0.8% from calendar
  - **Down 1.9% on a constant and same-day basis**
- **Sequential improvement in constant and same-day sales in both regions (vs. the 5.6% drop posted in Q3)**
  - **Asia** (52% of the region's sales)**, driven by China, improved sequentially:** down 4.1% (vs. -9.0% in Q3), of which:
    - **China** (67% of Asia) was down only 1.9% (vs. double-digit declines in the two previous quarters), reflecting strong improvement in industrial automation products and solutions
    - **South-East Asia** (22% of Asia) continued to be impacted by the 32% sharp drop in O&G activity and was down 16.8% (vs. -13.3% in Q3)
    - **Rest of Asia** (11% of Asia) continued to grow by double digits (+17.2%), with sales up 19.9% in India and 14.3% in the Middle East
  - **Pacific** (48% of the region's sales)**, driven by Australia, also improved sequentially:** up 0.6% (vs. -1.9% in Q3), of which:
    - **Australia** (80% of Pacific) was up 0.7% (vs. -2.6% in Q3), despite more challenging comparables
    - **New Zealand** (20% of Pacific) was broadly stable (+0.1%), project activity in the Auckland region offsetting the slowdown of rebuilding activity in the Christchurch region, now close to completion

Asia-Pacific: Improved gross margin and profitability in FY 2016, driven by Pacific

- **Throughout the year, sales were down c. 3% reflecting contrasting situations between Asia down c. 6% (o/w China down c. 9%) and Pacific slightly up (below 1%)**
- **Gross margin improved at 18.0% (+63bps year-on-year), mainly driven by Pacific**
- **Opex + depreciation dropped by 0.6% or €1.3m, but they were up 37bps as % of sales, as the drop did not fully offset the sales decrease in Asia**

(€m)	Q4 2016	YoY	FY 2016	YoY
Sales	**337.5**	**-2.7%**	**1,304.6**	**-2.8%**
same-day		*-1.9%*		*-2.7%*
Gross margin	**60.0**		**235.1**	
% of sales	*17.8%*	*+89bps*	*18.0%*	*+63bps*
Opex+depr.	**-56.5**		**-220.8**	
% of sales	*-16.8%*	*+67bps*	*-16.9%*	*-37bps*
Adj. EBITA[1]	**3.5**		**14.3**	
% of sales	*1.0%*	*+156bps*	*1.1%*	*+25bps*

[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price

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GROUP FINANCIAL REVIEW

- FY 2016 sales impacted by negative effects from currency and copper; improved organic sales in Q4
- Improved gross margin and profitability in line with guidance in FY 2016
- Strong 58% increase in net income from continuing operations
- Solid free cash-flow generation
- Stable net debt and indebtedness ratio
- Sound financial structure
- Stable proposed dividend of €0.40 per share, payable in cash

FY 2016 sales impacted by negative effects from currency and copper; improved organic sales in Q4

- **FY 2016 sales of €13,162.1m, down 2.8% on a reported basis, impacted by a negative currency effect of -1.6% that has been gradually improving since Q2**
- **Actual-day organic sales were down 1.7%, with a significant improvement in Q4. This full-year drop included:**
  - A negative copper effect of -0.9% over the year that has been gradually improving since Q2
  - A positive calendar effect of 0.2%

Q1	Q2	Q3		Q4	FY
3,221.6	**3,423.5**	**3,382.6**	**Sales 2015 (from continuing op.)**	**3,509.8**	**13,537.6**
-1.1%	-2.8%	-1.6%	+/- Net currency effect	-0.8%	-1.6%
+1.2%	+0.6%	+0.3%	+/- Net scope effect	-0.2%	+0.4%
3,224.7	**3,348.0**	**3,337.8**	**= Comparable sales 2015**	**3,473.6**	**13,384.1**
-2.0%	**0.1%**	**-4.3%**	**+/- Actual-day organic growth, of which:**	**-0.5%**	**-1.7%**
-0.2%	*-1.0%*	*-2.9%*	*Constant-same day excl. copper*	*+0.1%*	*-1.0%*
-1.2%	*-1.3%*	*-0.9%*	*Copper effect*	*-0.1%*	*-0.9%*
-1.4%	**-2.3%**	**-3.7%**	**Constant-same day incl. copper**	**0.0%**	**-1.9%**
-0.6%	+2.4%	-0.6%	Calendar effect	-0.5%	+0.2%
3,160.6	**3,349.9**	**3,193.9**	**= Reported sales 2016**	**3,457.7**	**13,162.1**
-1.9%	-2.2%	-5.6%	YoY change	-1.5%	-2.8%

Improved gross margin and profitability in line with guidance in FY 2016

- **At Group level and in the FY 2016:**
  - Gross margin improved by 14bps to 24.2% of sales, reflecting:
    - Broadly stable gross margin in Europe (-5bps)
    - Improvements in North America and Asia-Pacific, by respectively 13bps and 63bps
  - Opex incl. depreciation were slightly up (+0.4%) but deteriorated by 41bps to 20.0% of sales:
    - In Europe, they were up 2.8%, mainly reflecting higher depreciation related to increased investment and higher salaries and benefits, while sales were flat on a constant and actual-day basis
    - In North America and Asia-Pacific, they were down 2.3% and 0.6% respectively but these decreases did not offset drops in sales of 4.1% and 2.8% respectively on a constant and actual-day basis
    - Corporate Holdings and Other costs were reduced by 25% from €36.6m in FY 2015 to €27.3m in FY 2016
  - As a result, adj. EBITA[1] margin stood at €549.8m, down 27bps to 4.2% of sales, in line with guidance

FY 2016 (€m)	Europe	YoY change	North Am	YoY change	Asia-Pac	YoY change	Holdings	YoY change	GROUP	YoY change
Sales	**7,168.5**	**+0.2%**	**4,689.1**	**-4.1%**	**1,304.6**	**-2.8%**			**13,162.1**	**-1.7%**
Constant and same-day		*-0.1%*		*-4.1%*		*-2.7%*				*-1.9%*
Gross margin	**1,912.8**	**+0.1%**	**1,036.3**	**-3.5%**	**235.1**	**+0.7%**	**0.1**		**3,184.3**	**-1.1%**
% of sales	*26.7%*	*-5bps*	*22.1%*	*+13bps*	*18.0%*	*+63bps*			*24.2%*	*+14bps*
Opex + depreciation	**-1,528.5**	**+2.8%**	**-857.9**	**-2.3%**	**-220.8**	**-0.6%**	**-27.3**	**-25.5%**	**-2,634.5**	**+0.4%**
% of sales	*-21.3%*	*-53bps*	*-18.3%*	*-34bps*	*-16.9%*	*-37bps*			*-20.0%*	*-41bps*
Adj. EBITA[1]	**384.3**	**-9.5%**	**178.4**	**-9.1%**	**14.3**	**+26.6%**	**-27.2**	**-25.8%**	**549.8**	**-7.6%**
% of sales	*5.4%*	*-57bps*	*3.8%*	*-21bps*	*1.1%*	*+25bps*			*4.2%*	*-27bps*

[1] *At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price*

Strong 58% increase in net income from continuing operations

- **Strong reduction in "Other income and expense" from €(176.5)m in 2015 to €(124.0)m in 2016; this included:**
  - Restructuring expenses of €(59.3)m, broadly stable vs. €(58.7)m in 2015
  - A goodwill impairment charge of €46.8m (mostly China for €38.3m), significantly down vs. €(84.4)m in 2015
- **Strong reduction in "Net financial expenses" from €(210.0)m in FY 2015 to €(146.3)m in FY 2016; this 30.3% decrease reflected:**
  - The change in one-off charges related to refinancing operations that amounted to €(16.3)m in 2016 vs. €(52.5)m in 2015
  - The reduction in interest expense on gross debt from €(125.5)m in 2015 to €(108.9)m in 2016; average effective interest rate decreased by 35bps from 3.89% in 2015 to 3.54% in 2016, as a result of recent debt refinancing operations

(€m)	FY 2015	FY 2016	Change
EBITA	**573.0**	**539.6**	**-5.8%**
Amortization resulting from PPA	-17.0	-18.7	
Other income and expense	-176.5	-124.0	
Operating income	**379.4**	**397.0**	**+4.6%**
Net financial expenses	-210.0	-146.3	
Profit before tax	**169.4**	**250.7**	**+48.0%**
Income tax	-84.4	-116.4	
Net income from continuing op.	**85.0**	**134.3**	**+58.0%**
Net income from discontinued op.	-69.3	0.0	
Net income	**15.7**	**134.3**	**8.5x**

Solid free cash-flow generation

- **Rexel's business model is highly cash generating**
  - In 2016, EBITDA conversion rates into FCF before I&T and after I&T were in line with guidance
  - On average, EBITDA conversion rates into FCF over the last five years are 77% before I&T and 43% after I&T
- **Strict management of WCR as % sales**
  - It stood at 10.2% at Dec. 31, 2016 (vs. 9.9% at Dec. 31, 2015); this slight increase on a constant and adjusted basis is mainly attributable to an increase in inventories and receivables at year-end, partly offset by payables
  - This increase in inventories and receivables at Dec. 31, 2016 resulted from the recovery in sales recorded in Q4; this effect was amplified by sales acceleration in the last two months of the year, whereas sales in Q3 posted the biggest decline in the year

(€m)	FY 2015	FY 2016
EBITDA	**663.7**	**636.7**
Other operating revenues & costs	-91.4	-72.9
o/w Restructuring outflow	*-68.0*	*-49.1*
Change in working capital	103.8	-26.1
Net capital expenditure	-113.5	-98.6
o/w Gross capital expenditure	*-119.5*	*-115.8*
Free cash-flow before I&T	**562.6**	**439.1**
as % of EBITDA	*85%*	*69%*

Stable net debt and indebtedness ratio

- **Net debt was broadly stable at €2.2bn** (down €26.1m year-on-year)
- **Indebtedness ratio** (Net debt/EBITDA ratio as calculated under the Senior Credit Agreement terms) **was stable at 3.0x at year-end, well below bank covenants**

(€m)	FY 2015	FY 2016
Free cash-flow before I&T from continuing op.	**562.6**	**439.1**
as % of EBITDA	*85%*	*69%*
Net interest paid	-141.0	-118.8
Income tax paid	-108.4	-54.6
Free cash-flow after I&T from continuing op.	**313.3**	**265.6**
as % of EBITDA	*47%*	*42%*
Free cash-flow from discontinued op.	-18.5	0
Net financial investment	-27.3	-91.6
Dividend paid	-91.3	-120.3
Other	-31.1	-11.6
Net debt variation before currency effect	**145.1**	**42.2**
Currency change	-130.7	-16.1
Net debt variation after currency effect	**14.4**	**26.1**
Debt at the beginning of the period	2,213.1	2,198.7
Debt at the end of the period	**2,198.7**	**2,172.6**

Sound financial structure

• **Breakdown of net debt at Dec. 31, 2016:**	**€2,172.6m**
– Senior unsecured notes	€1,480.9m
– USD Bond issued April 2013 (maturity: June 2020) @ 5.250%	€316.8m
– EUR Bond issued May 2015 (maturity: June 2022) @ 3.250%	€514.1m
– EUR Bond issued May 2016 (maturity: June 2023) @ 3.500%	€650.0m
– Senior Credit Agreement (SCA)	undrawn
– €1.0bn facility (maturity: Nov. 2021)	
– Securitization (4 programs for a compound commitment of €1.3bn)	€1,086.0m
– Commercial paper	€131.7m
– Other debt & cash	€(526.0)m

- **Strong financial flexibility, with a €1.5bn liquidity at Dec. 31, 2016**
- **Average effective interest rate on gross debt was reduced by c.35bps** (3.5%in FY 2016 vs. 3.9% in FY 2015)
- **Stable average maturity of around 4 years**
- **No significant repayment before June 2020**
- **Rexel remains attentive to market opportunities to further enhance its financial structure**

Stable proposed dividend of €0.40 per share, payable in cash

- **Rexel will propose to shareholders a dividend of €0.40 per share, payable in cash early July 2017, subject to approval at the Annual Shareholders' Meeting to be held in Paris on May 23, 2017**
- **This dividend:**
  - Is in line with policy of paying out at least 40% of recurring net income
  - Offers a yield of 2.56%, based on the share price at Dec. 30, 2016 (€15.635)

2012	2013	2014	2015		2016
0.75	0.75	0.75	0.40	**Dividend per share (€)**	**0.40**
318.6	211.0	200.0	15.7	**Net income (€m)**	**134.3**
386.7	328.1	289.9	269.4	**Recurring net income* (€m)**	**250.3**
53%	64%	75%	45%	**Pay-out as % of recurring net income**	**48%**

**cf. appendix 2*

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2017 Outlook

- **Sales:**
  Growth in the low single digits (on a constant and same-day basis)
- **Adjusted EBITA:**
  Growth in the mid to high single-digits
- **Indebtedness ratio:**
  Below 3x at year-end

2017 Outlook

- **In an environment that will likely continue to be impacted by economic and political uncertainty, we aim at achieving the following full-year 2017 targets, which are fully consistent with the medium-term ambitions and strategy that we will outline today at our Capital Markets Day (CMD):**
  - After two years of decline, **we target resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis);
    - this target takes into consideration market prospects prevailing as of today and the first effects of measures detailed during today's CMD to accelerate organic growth over the medium-term;
  - In addition, **we target a mid to high single-digit increase in adjusted EBITA[1]**;
    - this target reflects the expected growth in sales combined with the first effects of measures detailed during today's CMD to improve operational and financial performance over the medium-term;
  - Lastly, **we target an indebtedness ratio** (net-debt-to-EBITDA as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017**.

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[1] *At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price*

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Appendices

- Segment reporting
- Consolidated financial data
- Working capital analysis
- Headcount & branches by geography
- Calendar, scope and change effects on sales
- Historical copper price evolution

Appendix 1 : Segment reporting – Constant and adjusted basis[1]

GROUP

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	3,473.6	**3,457.7**	**-0.5%**	13,384.1	**13,162.1**	**-1.7%**
on a constant basis and same days			***+0.0%***			***-1.9%***
Gross profit	834.8	**829.4**	**-0.6%**	3,219.2	**3,184.3**	**-1.1%**
as a % of sales	*24.0%*	*24.0%*	*-4 bps*	*24.1%*	*24.2%*	*14 bps*
Distribution & adm. expenses (incl. depreciation)	(669.8)	(679.5)	+1.4%	(2,623.9)	(2,634.5)	+0.4%
EBITA	165.0	**149.9**	**-9.1%**	595.3	**549.8**	**-7.6%**
as a % of sales	*4.7%*	*4.3%*	*-41 bps*	*4.4%*	*4.2%*	*-27 bps*
Headcount (end of period)	-	-	-	27,538	**27,309**	**-0.8%**

[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price.
The non-recurring effect related to changes in copper-based cable price was, at EBITA level and in €m:

Q4 2015	Q4 2016	FY 2015	FY 2016
(7.0)	4.1	(20.3)	(10.1)

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Appendix 1 : Segment reporting – Constant and adjusted basis[1]

EUROPE

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	1,829.2	**1,839.4**	**+0.6%**	7,151.0	**7,168.5**	**+0.2%**
on a constant basis and same days			***+1.7%***			***-0.1%***
France	655.1	**668.5**	*+2.0%*	2,497.7	**2,539.9**	*+1.7%*
on a constant basis and same days			*+3.6%*			*+1.3%*
United Kingdom	226.5	**208.6**	*-7.9%*	982.3	**933.5**	*-5.0%*
on a constant basis and same days			*-7.9%*			*-5.3%*
Germany	203.5	**203.3**	*-0.1%*	802.7	**801.4**	*-0.2%*
on a constant basis and same days			*+1.2%*			*-0.9%*
Scandinavia	246.6	**254.5**	*+3.2%*	906.9	**930.8**	*+2.6%*
on a constant basis and same days			*+3.2%*			*+2.1%*
Gross profit	495.4	**487.5**	**-1.6%**	1,911.3	**1,912.8**	**+0.1%**
as a % of sales	*27.1%*	*26.5%*	*-58 bps*	*26.7%*	*26.7%*	*-5 bps*
Distribution & adm. expenses (incl. depreciation)	(370.5)	(385.0)	+3.9%	(1,486.9)	(1,528.5)	+2.8%
EBITA	125.0	**102.5**	**-18.0%**	424.4	**384.3**	**-9.5%**
as a % of sales	*6.8%*	*5.6%*	*-126 bps*	*5.9%*	*5.4%*	*-57 bps*
Headcount (end of period)	-	-	-	15,805	**15,778**	**-0.2%**

[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price.

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Appendix 1 : Segment reporting – Constant and adjusted basis[1]

NORTH AMERICA

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	1,297.7	**1,280.9**	**-1.3%**	4,891.2	**4,689.1**	**-4.1%**
on a constant basis and same days			***-2.0%***			***-4.1%***
United States	1,022.1	**1,020.3**	*-0.2%*	3,827.7	**3,684.9**	*-3.7%*
on a constant basis and same days			*-1.5%*			*-3.7%*
Canada	275.7	**260.6**	*-5.5%*	1,063.5	**1,004.2**	*-5.6%*
on a constant basis and same days			*-4.0%*			*-5.6%*
Gross profit	280.8	**281.8**	**+0.4%**	1,074.4	**1,036.3**	**-3.5%**
as a % of sales	*21.6%*	*22.0%*	*36 bps*	*22.0%*	*22.1%*	*13 bps*
Distribution & adm. expenses (incl. depreciation)	(230.4)	(233.4)	+1.3%	(878.2)	(857.9)	-2.3%
EBITA	50.4	**48.5**	**-3.9%**	196.2	**178.4**	**-9.1%**
as a % of sales	*3.9%*	*3.8%*	*-10 bps*	*4.0%*	*3.8%*	*-21 bps*
Headcount (end of period)	-	-	-	8,259	**8,003**	**-3.1%**

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[1] *At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price.*

Appendix 1 : Segment reporting – Constant and adjusted basis[1]

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	346.7	**337.5**	**-2.7%**	1,342.0	**1,304.6**	**-2.8%**
on a constant basis and same days			***-1.9%***			***-2.7%***
China	120.1	**117.8**	*-1.9%*	497.4	**450.8**	*-9.4%*
on a constant basis and same days			*-1.9%*			*-9.4%*
Australia	130.7	**130.0**	*-0.5%*	506.1	**503.9**	*-0.4%*
on a constant basis and same days			*+0.7%*			*-0.2%*
New Zealand	32.4	**32.0**	*-1.4%*	122.0	**126.0**	*+3.3%*
on a constant basis and same days			*+0.1%*			*+3.3%*
Gross Profit	58.6	**60.0**	**+2.5%**	233.4	**235.1**	**+0.7%**
as a % of sales	*16.9%*	*17.8%*	*89 bps*	*17.4%*	*18.0%*	*63 bps*
Distribution & adm. expenses (incl. depreciation)	(60.4)	(56.5)	-6.4%	(222.1)	(220.8)	-0.6%
EBITA	(1.8)	**3.5**	**-287.7%**	11.3	**14.3**	**+26.6%**
as a % of sales	*-0.5%*	*1.0%*	*156 bps*	*0.8%*	*1.1%*	*25 bps*
Headcount (end of period)	-	-	-	3,227	**3,287**	**1.8%**

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[1] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price.

Appendix 2 : Consolidated Income statement

Reported basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	**3,509.8**	**3,457.7**	**-1.5%**	**13,537.6**	**13,162.1**	**-2.8%**
Gross profit	**831.5**	**833.3**	**0.2%**	**3,222.6**	**3,172.8**	**-1.5%**
as a % of sales	*23.7%*	*24.1%*		*23.8%*	*24.1%*	
Distribution & adm. expenses (excl. depreciation)	(649.5)	(653.9)	0.7%	(2,558.9)	(2,536.1)	-0.9%
EBITDA	**182.1**	**179.4**	**-1.5%**	**663.7**	**636.7**	**-4.1%**
as a % of sales	*5.2%*	*5.2%*		*4.9%*	*4.8%*	
Depreciation	(24.3)	(25.5)		(90.7)	(97.1)	
EBITA	**157.8**	**153.9**	**-2.4%**	**573.0**	**539.6**	**-5.8%**
as a % of sales	*4.5%*	*4.5%*		*4.2%*	*4.1%*	
Amortization of intangibles resulting from purchase price allocation	(4.2)	(5.0)		(17.0)	(18.7)	
Operating income bef. other inc. and exp.	**153.5**	**148.9**	**-3.0%**	**555.9**	**521.0**	**-6.3%**
as a % of sales	*4.4%*	*4.3%*		*4.1%*	*4.0%*	
Other income and expenses	(101.3)	(79.0)		(176.5)	(124.0)	
Operating income	**52.2**	**69.9**	**33.8%**	**379.4**	**397.0**	**4.6%**
Financial expenses (net)	(32.5)	(32.2)		(210.0)	(146.3)	
Net income (loss) before income tax	**19.7**	**37.7**	**90.8%**	**169.4**	**250.7**	**48.0%**
Income tax	(25.4)	(36.7)		(84.4)	(116.4)	
Net income (loss) from continuing operations	**(5.7)**	**1.0**	**n.m.**	**85.0**	**134.3**	**58.0%**
Net income (loss) from discontinued operations	0.0	0.0		(69.3)	0.0	
Net income (loss)	**(5.7)**	**1.0**	**n.m.**	**15.7**	**134.3**	**n.m.**

Appendix 2 : Adjusted EBITA bridge and Recurring net income

BRIDGE BETWEEN OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES AND ADJUSTED EBITA

in €m	Q4 2015	Q4 2016	FY 2015	FY 2016
Operating income before other income and other expenses	**153.5**	**148.9**	**555.9**	**521.0**
Change in scope of consolidation	1.9	0.0	11.3	0.0
Foreign exchange effects	(1.6)	0.0	(9.3)	0.0
Non-recurring effect related to copper	7.0	(4.1)	20.3	10.1
Amortization of intangibles assets resulting from PPA	4.2	5.0	17.0	18.7
Adjusted EBITA on a constant basis	**165.0**	**149.9**	**595.3**	**549.8**

BRIDGE BETWEEN REPORTED NET INCOME AND RECURRING NET INCOME

in €m	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Reported net income	(5.7)	**1.0**	**-116.8%**	85.0	**134.3**	**+58.0%**
Non-recurring copper effect	7.0	**(4.0)**		20.6	**10.1**	
Other expense & income	101.3	**79.0**		176.5	**124.0**	
Financial expense		**(0.8)**		52.5	**16.3**	
Tax expense	(31.1)	**(12.4)**		(65.2)	**(34.4)**	
Recurring net income	71.5	**62.8**	**-12.2%**	269.4	**250.3**	**-7.1%**

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Appendix 2 : Sales and profitability by segment – reported basis

Reported basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	**3,509.8**	**3,457.7**	**-1.5%**	**13,537.6**	**13,162.1**	**-2.8%**
Europe	1,892.4	1,839.4	-2.8%	7,289.3	7,168.5	-1.7%
North America	1,274.6	1,280.9	+0.5%	4,898.1	4,689.1	-4.3%
Asia-Pacific	342.8	337.5	-1.6%	1,350.3	1,304.6	-3.4%
Gross profit	**831.5**	**833.3**	**+0.2%**	**3,222.6**	**3,172.8**	**-1.5%**
Europe	502.7	493.6	-1.8%	1,921.7	1,915.1	-0.3%
North America	272.0	279.6	+2.8%	1,066.0	1,022.4	-4.1%
Asia-Pacific	56.9	60.0	+5.5%	234.9	235.1	+0.1%
EBITA	**157.8**	**153.9**	**-2.4%**	**573.0**	**539.6**	**-5.8%**
Europe	123.0	108.5	-11.7%	413.7	386.9	-6.5%
North America	46.2	46.4	+0.4%	188.3	165.6	-12.0%
Asia-Pacific	(2.2)	3.5	n.m.	10.4	14.3	+37.6%

Appendix 2 : Consolidated balance sheet[1]

Assets (€m)	December 31, 2015	December 31, 2016
Goodwill	4,266.6	4,300.2
Intangible assets	1,108.0	1,109.5
Property, plant & equipment	288.7	282.4
Long-term investments	33.8	41.8
Deferred tax assets	159.0	128.4
Total non-current assets	**5,856.2**	**5,862.3**
Inventories	1,535.0	1,579.3
Trade receivables	2,129.4	2,187.3
Other receivables	542.8	513.1
Assets classified as held for sale	53.8	0.3
Cash and cash equivalents	804.8	619.3
Total current assets	**5,065.8**	**4,899.3**
Total assets	**10,922.1**	**10,761.6**

Liabilities (€m)	December 31, 2015	December 31, 2016
Total equity	**4,352.9**	**4,383.3**
Long-term debt	2,342.1	2,195.1
Deferred tax liabilities	211.2	240.0
Other non-current liabilities	415.6	423.2
Total non-current liabilities	**2,968.9**	**2,858.3**
Interest bearing debt & accrued int.	668.5	610.0
Trade payables	2,138.3	2,179.0
Other payables	742.7	730.9
Liabilities rel. to assets held for sale	50.7	0.0
Total current liabilities	**3,600.2**	**3,519.9**
Total liabilities	**6,569.1**	**6,378.3**
Total equity & liabilities	**10,922.1**	**10,761.6**

[1] *Net debt includes Debt hedge derivatives for €(12.3)m at December 31, 2016 and €(6.4)m at December 31, 2015.*
It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(0.7)m at December 31, 2015.

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Appendix 2 : Change in net debt

€m	Q4 2015	Q4 2016	FY 2015	FY 2016
EBITDA	**182.1**	**179.4**	**663.7**	**636.7**
Other operating revenues & costs[(1)]	(20.8)	(20.3)	(91.4)	(72.9)
Operating cash-flow	**161.2**	**159.1**	**572.3**	**563.8**
Change in working capital	398.6	274.1	103.8	(26.1)
Net capital expenditure, of which:	(36.3)	(18.5)	(113.5)	(98.6)
Gross capital expenditure	*(45.5)*	*(31.0)*	*(119.5)*	*(115.8)*
Disposal of fixed assets & other	*9.2*	*12.5*	*6.0*	*17.2*
Free cash-flow from continuing op. before int. & tax	**523.6**	**414.7**	**562.6**	**439.1**
Net interest paid / received	(31.1)	(26.8)	(141.0)	(118.8)
Income tax paid	(12.0)	(8.2)	(108.4)	(54.6)
Free cash-flow from continuing op. after int. & tax	**480.4**	**379.7**	**313.3**	**265.6**
FCF from discontinued operations	(0.0)	0.0	(18.5)	0.0
Net financial investment	(3.7)	2.1	(27.3)	(91.6)
Dividends paid	0.0	0.0	(91.3)	(120.3)
Net change in equity	2.9	4.7	1.8	6.2
Other	(7.2)	(0.6)	(32.9)	(17.8)
Currency exchange variation	(48.5)	(47.4)	(130.7)	(16.1)
Decrease (increase) in net debt	**423.9**	**338.4**	**14.4**	**26.1**
Net debt at the beginning of the period	**2,622.6**	**2,511.0**	**2,213.1**	**2,198.7**
Net debt at the end of the period	**2,198.7**	**2,172.6**	**2,198.7**	**2,172.6**

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(1) *Includes restructuring outflows of €16.5m in Q4 2016 vs. €12.9m in Q4 2015 and €49.1m in 2016 vs. €68.0m in 2015*

Appendix 3 : Working capital

Constant basis	December 31, 2015	December 31, 2016
Net inventories		
as a % of sales 12 rolling months	***11.5%***	***11.8%***
as a number of days	*51.0*	*51.9*
Net trade receivables		
as a % of sales 12 rolling months	***15.8%***	***16.4%***
as a number of days	*50.2*	*50.0*
Net trade payables		
as a % of sales 12 rolling months	***15.7%***	***16.4%***
as a number of days	*61.6*	*62.8*
Trade working capital		
as a % of sales 12 rolling months	***11.5%***	***11.8%***
Total working capital		
as a % of sales 12 rolling months	***9.9%***	***10.2%***

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Appendix 4 : Headcount and branch evolution

FTEs at end of period comparable	31/12/2015	31/12/2016	Year-on-Year Change
Europe	**15,805**	**15,778**	**-0.2%**
USA	*6,046*	*5,935*	-1.8%
Canada	*2,213*	*2,068*	-6.6%
North America	**8,259**	**8,003**	**-3.1%**
Asia-Pacific	**3,227**	**3,287**	**1.8%**
Other	**246**	**241**	**-2.2%**
Group	**27,538**	**27,309**	**-0.8%**

Branches comparable	31/12/2015	31/12/2016	Year-on-Year Change
Europe	**1,205**	**1,196**	**-0.7%**
USA	*377*	*372*	-1.3%
Canada	*197*	*188*	-4.6%
North America	**574**	**560**	**-2.4%**
Asia-Pacific	**263**	**267**	**1.5%**
Group	**2,042**	**2,023**	**-0.9%**

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Appendix 5 : Calendar, scope and change effects on sales

- **Based on the assumption of the following average exchange rates:**
  - 1€ = 1.10USD
  - 1€ = 1.50CAD
  - 1€ = 1.50AUD
  - 1€ = 0.85GBP
- **and based on acquisitions to date, 2016 sales from continuing operations should take into account the following estimated impacts to be comparable to 2017:**

	Q1e	Q2e	Q3e	Q4e	FYe
Scope effect	**€(25.7)m**	**€(11.3)m**	**€0.0m**	**€0.0m**	**€(36.9)m**
As a % of 2016 sales	*-0.8%*	*-0.3%*	*0.0%*	*0.0%*	*-0.3%*
Change effect	**€(19.4)m**	**€(0.4)m**	**€4.9m**	**€(27.9)m**	**€(42.8)m**
As a% of 2016 sales	*-0.6%*	*0.0%*	*+0.2%*	*-0.8%*	*-0.3%*
Calendar effect	**+4.1%**	**-2.5%**	**-1.0%**	**-2.5%**	**-0.6%**

Appendix 6 : Historical copper price evolution

USD/t	Q1	Q2	Q3	Q4	FY
2014	6,999	6,762	6,975	6,573	**6,827**
2015	5,801	6,058	5,275	4,882	**5,493**
2016	**4,669**	**4,730**	**4,793**	**5,291**	**4,870**
2015 vs. 2014	-17%	-10%	-24%	-26%	**-20%**
2016 vs. 2015	**-20%**	**-22%**	**-9%**	**+8%**	**-11%**

€/t	Q1	Q2	Q3	Q4	FY
2014	5,111	4,932	5,263	5,261	**5,142**
2015	5,154	5,483	4,751	4,455	**4,951**
2016	**4,237**	**4,187**	**4,293**	**4,911**	**4,407**
2015 vs. 2014	1%	11%	-10%	-15%	**-4%**
2016 vs. 2015	**-18%**	**-24%**	**-10%**	**+10%**	**-11%**

Financial Calendar

April 28, 2017
First-quarter 2017 results

May 23, 2017
Annual Shareholder Meeting

July 31, 2017
Second-quarter 2017 results

October 27, 2017
Third-quarter 2017 results

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Disclaimer

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- *the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales;*
- *the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.*

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 7, 2016 under number D.16-0299. These forward-looking statements are not guarantees of Rexel's future performance. Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on April 7, 2016 under number D.16-0299 , as well as the consolidated financial statements and activity report for the 2015 fiscal year, which may be obtained from Rexel's website (www.rexel.com).