J.P. Morgan Cazenove Pan-European Capital Goods CEO Conference

London, June 11, 2015

Plenary session

Rudy PROVOOST, Chairman and CEO

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1. REXEL AT A GLANCE

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Rexel is a global leader in the professional distribution of products and services for the energy world

Mapping of Rexel's 19 biggest countries
(2014 sales > €50m)

MARKET CONCENTRATION

TOP 3 > 50%

c.60% of Group sales

Mkt share above 30%	Mkt share 20%<30%	Mkt share below 20%
France	UK	The NL
Switzerland	Belgium	
Austria	Norway	
Ireland	Finland	
	Spain	
	Canada	
	Australia	
	NZ	
	Sweden	

TOP 3 < 50%

c.30% of Group sales

Italy
Poland
USA
China

c.5% of Group sales

Germany

Nr. 4 or below

Nr. 1, Nr. 2 or Nr. 3 player

REXEL'S POSITION

- **Global market share of 8%**
- **Market share above 20% in 15 countries**
- **Strong partnerships with top 25 strategic suppliers representing more than 50% of purchase value**

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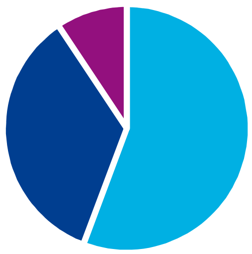
Rexel has a well-balanced business profile[1]

By geography[2]



Europe	over 50%
North America	over 33%
Asia-Pacific	c.10%

By customers

Small & medium contractors	36%
Large contractors	22%
Industrial companies	22%
Other	11%
Commercial companies	9%

By end-market

Commercial	44%
Industrial	35%
Residential	21%

Creating a world of energy tailored and designed around the end-user

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[1] Figures as a % of FY 2014 sales

[2] Excluding Latin America divested as of April 30, 2015

2. 2015 BUSINESS PRIORITIES

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2015 business priorities

1. Drive profitable growth through continued investment in high-growth initiatives

2. Enhance core business through a customer-centric digitally-powered and multi-channel business model

3. Focus on gross margin optimization while differentiating cost-to-serve across customer segments

4. Accelerate growth through targeted acquisitions

5. Drive operational excellence through logistics network optimization

6. Establish a strong IT backbone and digital platform for better productivity and customer service

1. Drive profitable organic growth through continued investment in high-growth initiatives

Sales (in €m)	FY 2013	**FY 2014**	Change
HIGH-POTENTIAL BUSINESS CATEGORIES, of which:	1,096	**1,277**	+16%
• **Energy efficiency**	725	**863**	+19%
• **Renewable energies**	270	**311**	+15%
• **Building automation**	101	**103**	+1%
INTERNATIONAL CUSTOMERS & PROJECTS (IKA and IPG)	817	**824**	+1%
VERTICAL MARKETS (Oil & Gas and Mining)	560	**589**	+5%
TOTAL	2,473	**2,689**	**+9%**

- **High-growth initiatives:**
  - **9% growth in 2014, while Group sales grew by 1% on a constant and actual-day basis**
  - **21% of Group sales in 2014 (vs. 19% in 2013)**
- **Enhanced investment in commercial capabilities:**
  - **1,400 FTEs at Dec. 31, 2014**

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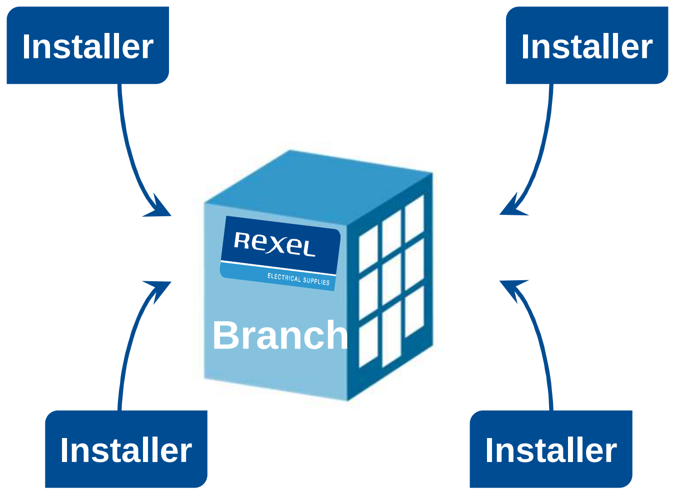
2. Enhance core business through a customer-centric digitally-powered and multi-channel business model

Evolution from a branch-focused model…



…to a multi-channel customer-centric model

3. Focus on gross margin optimization while differentiating cost-to-serve across customer segments

- **Drive commercial effectiveness**
  - Advanced customer/product segmentation to enhance commercial margins
  - New CRM / IT tools enabling tighter margin monitoring and pricing discipline
  - Price and margin achievement embedded in incentive schemes
- **Optimize category management**
  - Focused marketing initiatives to upgrade product range and price positioning
  - Strategic alignment with key suppliers for more efficient rebate schemes
  - Sourcing in low cost countries for specific product families
- **Enhance the integral profitability of project business**
  - Leverage best practices in specification and quotation procedures
  - Balance gross margin and cost-to-serve profile
  - Offer customized services to enhance value creation

4. Accelerate growth through targeted acquisitions

- **M&A strategy is focused on bolt-on acquisitions, with 3 priorities:**
  - **Leverage market share to drive profitability** (top of the list: USA)
  - **Increase presence in fast-growing markets** (top of the list: Asian countries)
  - **Boost value-added services and vertical segments** (Energy efficiency, Automation,…)
- **Around €1bn of sales (on an annualized basis) acquired over the last three years:**
  - **2012 acquired sales: c. €830m on annualized basis, of which 50% in the USA, through the acquisitions of Platt and Munro**
  - **2013 + 2014 acquired sales: c. €140m on an annualized basis, of which 70% in Asia, strengthening presence in China and building a strong platform in South-East Asia**
- **Rexel remains committed to boosting growth through targeted acquisitions**
  - **Annual budget of up to c. €500m on average, consistent with the Group's cash allocation policy**
  - **Strict financial criteria including solid IRR** (close or above 10%)**, strong synergies** (>1.5% of acquired sales) **and EPS accretion** (within 24 months)

5. Drive operational excellence through logistics network optimization

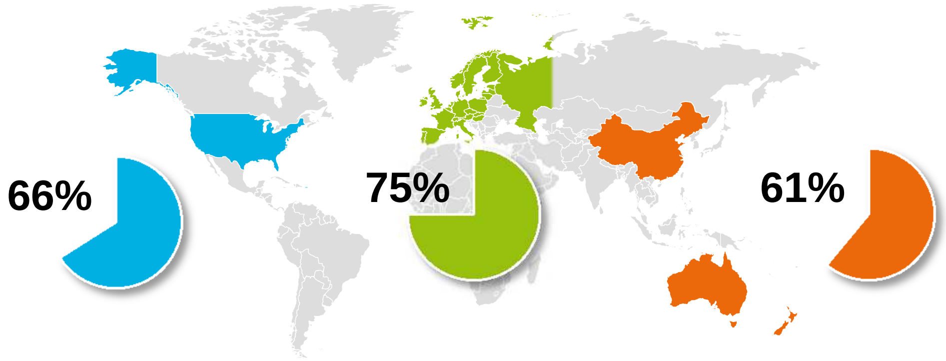
- **Europe: completed projects in Germany, Sweden, The Netherlands**
- **US: Reconfiguring the logistics DC footprint, to be completed by end 2015**
  - 11 operating DCs at the end of 2014
  - Improved sales efficiency and gradual productivity gains
- **Australia: reorganizing around 3 main DCs, to be completed by mid-2017**
  - Sydney already operational and covering New South Wales & Victoria (c. 50% of sales)
  - Enhanced sales and improved efficiency
- **China: rationalizing 9 warehouses to 2 large DCs with centralized procurement, to be completed by end 2015**
  - One DC covering Eastern China and one DC covering Northern China
  - Support further expansion, create value for customers and suppliers and increase sales and margins

6. Establish a strong IT backbone and digital platform for better productivity and customer service

ERP rationalization on track

- Global application roadmap to reduce systems diversity
- Key enablers for Transport and Logistics Transformation
- M3 ERP implemented in the UK
- Implementation of Eclipse ERP in the US
  - Rexel Inc.: fully completed
  - Gexpro: to be completed by the end of 2015

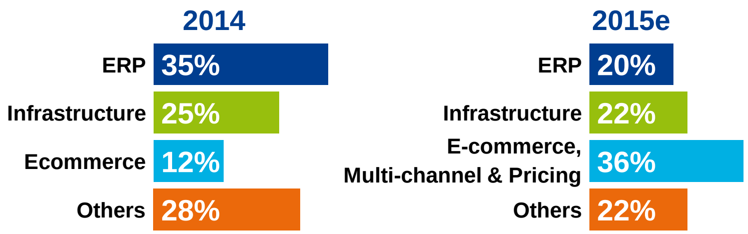
Percentage of progress to plan



Better allocate investment

- Capex allocation fostering Digital Transformation
- New digital services accelerating customer value creation
- Focusing on agile and scalable architectures

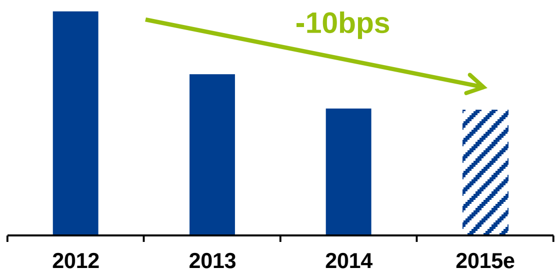
Breakdown of capex by category



Optimize costs

- Infrastructure consolidation
- Application landscape simplification and regional synergies
- Structured sourcing and vendor management

IT expenses as % of sales, before depreciation



3. SHAREHOLDING STRUCTURE AND ORGANIZATION

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A streamlined Executive Committee

- **As from July 1, Executive Committee will comprise 9 members, reflecting diversity of nationality and gender**
  - 5 of 9 non-French
  - 3 of 9 are women
- **Streamlined zone responsibilities entrusted to 3 Executive VPs:**
  - Patrick Berard will be in charge of Europe,
    increasing his current scope of responsibilities to the entire zone
  - Brian McNally, in charge of North America
  - Mitch Williams, in charge of Asia-Pacific


P. Berard


B. McNally


M. Williams

- **In addition to the 6 Group representatives:**
  - Rudy Provoost, Chairman and Group CEO
  - Catherine Guillouard, Deputy CEO and Group CFO
  - Pascal Martin, SVP Corp. Strategy and overseeing Latin America
  - Peter Hakanson, SVP Operations
  - Pascale Giet, SVP Communication and Sustainable Development
  - Sharon MacBeath, SVP Human Resources


R. Provoost


C. Guillouard


P. Martin


P. Hakanson


P. Giet


S. MacBeath

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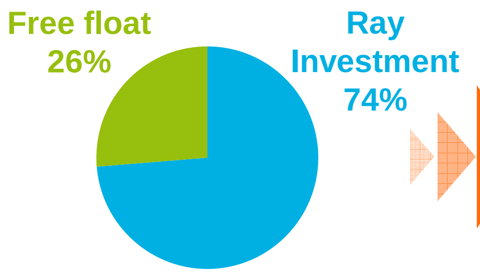
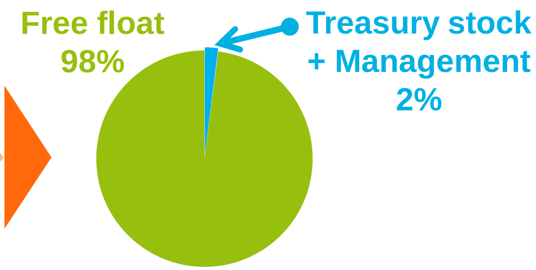
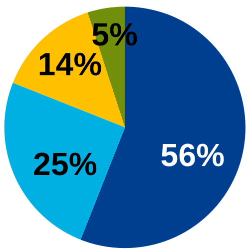
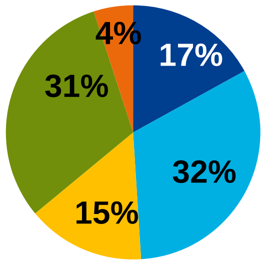
Shareholding structure characterized by a broad free float

	2011		2015
CHANGE IN FREE FLOAT		**7 placements** between March 2012 and Sept. 2014	
GOVERNANCE	**Management Board + Supervisory Board** (8 of 12 members = Ray representatives)		**Board of Directors** (9 members o/w 8 independent members)
FREE FLOAT BY GEOGRAPHY		France United Kingdom Europe (excl. France) North America Rest of the world	

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4. PORTFOLIO REVIEW

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Framework

Portfolio review objectives

- **Determine the key actions to be implemented with regards to underperforming operations and countries**
- **Focus on the Group's core end-markets and most promising countries**
- **Reallocate investment to countries offering the best opportunities and outlook**

Criteria applied to a bottom-up approach

Competitive positioning	Financial performance	Turnaround potential
Rexel's market share Scale / Critical size Competition / Market structure	Growth profile versus other countries and relative to Group's average Profitability	Underlying end-market trend Clear path to profitability and returns Investment requirements

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Update and expected impacts

- **Disposal process underway will primarily target underperforming countries, in which Rexel is sub-scale, and is expected to be completed by end of 2016**
- **On April 30, Rexel announced the disposal of its operations in Latin America (representing about 40% of the total plan)[1]. In 2014, Latin America contributed (based on FY 2014 consolidated financial statements):**
  - €256.8m of consolidated sales (down 3.8% on a constant and actual-day basis vs. 2013)
  - €(3.3)m to Rexel's adjusted EBITA (vs. a profit of €0.8m in 2013)
  - Brazil: value-creation prospects no longer in line with Rexel objectives
  - Chile and Peru: small markets and limited scope
- **Total divestments, once fully completed, should have the following financial impacts, based on FY 2014 consolidated financial statements:**

-5% in the sales	+20bps in EBITA margin	Moderate increase in the FCF before interest and tax

> **Refocus on three main geographies (Europe, North America and Asia Pacific) and continued targeted acquisition policy in these regions**

[1] Subject to approval by relevant anti-trust authorities

5. 2015 PROGRESS UPDATE

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Q1 2015 highlights

- **Sales of €3,286.2m**
  - **Up 7.1% on a reported basis, boosted by a strong positive currency effect of 8.0%**
  - **Broadly stable on a constant and same-day basis:** down 0.4%, including the negative impact due to the change in copper-based cable prices, and stable, restated for this impact
- **Resilient gross margin of 24.7%, down only 10bps year-on-year**
  - **Europe and North America proved resilient with limited drops of less than 10bps**
  - **Asia-Pacific and Latin America posted drops of 49bps and 122bps respectively**
- **Adjusted EBITA margin of 4.0%, down 45bps year-on-year**
  - **Solid profitability in Europe with adjusted EBITA margin at 5.9%, stable year-on-year**
  - **Profitability in North America still impacted by the ongoing business transformation program in the US**
- **Active financing management**
- **Divestment of operations in Latin America**

Active financing management

- **In March, Rexel redeemed its 7.000% EUR Senior notes due Dec. 2018**
  - **Nominal redeemed: €488.8m**
  - **Net charge of €19.6m recognized in Q1 2015 financial expenses, of which:**
    - “Make whole” premium representing a charge of €25.4m
    - Accelerated amortization of the remaining financing fees representing a charge of €3.9m
    - Fair value adjustments representing a profit of €9.7m
  - **Savings on financial expenses of c. €34m per annum from 2016 to 2018**
  - **Net Present Value (NPV) of €100m**

- **In May, Rexel issued a 3.250% 7-year EUR Senior notes to redeem its 6.125% USD Senior notes due Dec. 2019**
  - **Amount issued: €500m**
  - **Extension of the maturity from Dec. 2019 to Jun. 2022**
  - **Significant reduction of coupon**

> **Continuous improvement in financing structure and reduction in financial expenses**

Recent business trends (April + May)

- **Sequential improvement in Europe**
  - Even if the market environment remains tough in France, our operations continue to be very resilient and are favored by easier comps from Q2 2014
  - Improving performance in Germany while UK and the rest of Europe are more or less in line with Q1 run rates
- **Sequential deterioration in North America, mainly driven by higher negative impact from O&G activity (representing c. 10% of sales in the region) and slowdown in industrial activity**
- **Slight sequential improvement in Asia-Pacific**
- **Average copper prices of:**
  - 6,163 USD/t vs. 5,801 USD/t in Q1 2015, but still down 9% vs. last year
  - 5,617 €/t vs. 5,154 €/t in Q1 2015, up 15% vs. last year
- **USD vs. €**
  - Q1 2015 = 1.09 vs. Q1 2014 = 1.38
  - FY 2014 average = 1.33

Full-year 2015 financial targets confirmed

- **In an environment that remains uncertain and challenging, Rexel confirms its full-year 2015 financial targets, as announced in February** (at 2014 constant structure):
  - **Organic sales growth of between -2% and +2%** *(on a constant and same-day basis)*
  - **Adjusted EBITA margin of between 4.8% and 5.2%** *(vs. 5.0% recorded in 2014)*
  - **Solid free cash-flow of:**
    - At least 75% of EBITDA before interest and tax
    - Around 40% of EBITDA after interest and tax
- **As indicated during the Q1 results announcement conference call (April 30) and considering the base effects of last year's quarterly performance pattern, our full-year 2015 targets assume the following profile throughout the year:**
  - **A lower adjusted EBITA margin in H1, year-on-year**
  - **An improved adjusted EBITA margin in H2, year-on-year**

Value creation at the heart of Rexel's business model

A clear and attractive dividend policy

At least 40%
of recurring net income

**FOCUSED CASH
&
CAPITAL ALLOCATION**

Continued and sustained M&A activity

Average annual budget of €500m

A sound and balanced financial structure

Net debt/EBITDA ratio ≤ 3x