a world of energy

PRESS RELEASE

Paris, October 27, 2017

THIRD-QUARTER & NINE-MONTH 2017 RESULTS
ACCELERATING SAME-DAY SALES IN Q3, UP 5.2%
IMPROVING PROFITABILITY IN Q3 WHILE INVESTING IN THE US
FULL YEAR TARGETS CONFIRMED

→ SALES OF €3.239bn IN Q3, UP 1.4% ON A REPORTED BASIS

- **Organic growth of 4.1% including -1.1% from calendar and +1.5% from copper**
- **On a constant and same-day basis, sales up 5.2% of which:**
    - Europe: +6.5%, benefiting from accelerating sales across most European countries
    - North America: +3.3%, supported by Proximity business in the US
    - Asia-Pacific: +5.1%, driven by China and Australia

→ ADJUSTED EBITA MARGIN OF 4.2% IN Q3

- **Solid gross margin, up 18 bps at 24.1%, driven by North America**
- **Adj. EBITA margin up 17bps, while accelerating investments in the US**

→ STRONG INCREASE BOTH IN ADJUSTED EBITA (+8.5%) AND IN RECURRING NET INCOME (+28.8%) IN Q3

→ ALL THREE FULL-YEAR FINANCIAL TARGETS CONFIRMED, WITH ADJUSTED EBITA INCREASE AT THE LOW END OF THE FEBRUARY GUIDANCE

Key figures[1]	Q3 2017	YoY change	9m 2017	YoY change
Sales	**€3,238.8m**		**€9,904.7m**	
On a reported basis		+1.4%		+2.1%
On a constant and actual-day basis		+4.1%		+2.9%
On a constant and same-day basis		+5.2%		+2.8%
Adjusted EBITA	**€135.8m**	**+8.5%**	**€420.8m**	**+5.1%**
As a percentage of sales	4.2%		4.2%	
Change in bps as a % of sales	+17bps		+9bps	
Reported EBITA	**€139.8m**	**+12.0%**	**€431.8m**	**+11.9%**
Operating income	**€128.6m**	**+19.7%**	**€361.1m**	**+10.4%**
Net income	**€67.1m**	**+78.7%**	**€163.6m**	**+22.6%**
Recurring net income	**€68.8m**	**+28.8%**	**€208.2m**	**+11.0%**
FCF before interest and tax	**€96.0m**	**vs. €31.2m**	**€19.6m**	**vs. €24.4m**
Net debt at end of period			**€2,353.3m**	**6.3% reduction**

[1] See definition in the Glossary section of this document

Patrick BERARD, Chief Executive Officer, said:

"Rexel's sales growth in the third quarter accelerated for the fourth consecutive quarter, thanks notably to positive trends in France, the Nordic countries and the US. We are clearly seeing the benefits of our first strategic actions implemented in the US in terms of logistics organization and branch network expansion.

Our gross margin and adjusted EBITA margin improved year-on-year despite cost inflation in the UK and costs related to investments in future growth in the US, as presented at our Capital Markets Day in February.

Based on our performance over the first nine months of the year and our expectations for the last quarter, we confirm our full-year financial targets, with adjusted EBITA increase at the low end of the February guidance.

Looking ahead, we remain focused on our key priorities: investment in the US, IT and digitalization, turnaround in Germany and execution of the divestment program."

FINANCIAL REVIEW FOR THE PERIOD ENDED SEPTEMBER 30, 2017

- *Financial statements as of September 30, 2017 were authorized for issue by the Board of Directors on October 26, 2017. They were not audited by statutory auditors.*
- *The following terms: Reported EBITA, Adjusted EBITA, EBITDA, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q3, sales were up 1.4% year-on-year on a reported basis and up 5.2% on a constant and same day basis, reflecting sequential improvement in all three geographies.

In 9m, sales were up 2.1% year-on-year on a reported basis and up 2.8% on a constant and same day basis

In the third quarter, Rexel posted sales of €3,238.8 million, up 1.4% on a reported basis. On a constant and same-day basis, sales were up 5.2%, including a 1.5% positive effect due to the change in copper-based cable prices.

The 1.4% increase in sales on a reported basis included:

- A negative currency effect of €77.3 million (i.e. -2.4% of Q3 2016 sales), mainly due to the depreciation of the US dollar and the British pound against the euro,
- A negative net scope effect of €4.0 million (i.e. -0.1% of Q3 2016 sales), mainly resulting from the recent divestments in South East Asia,
- A negative calendar effect of 1.1 percentage points.

In 9 months, Rexel posted sales of €9,904.7 million, up 2.1% on a reported basis. On a constant and same-day basis, sales were up 2.8%, including a 1.2% positive impact due to the change in copper-based cable prices.

The 2.1% increase in sales on a reported basis included:

- A negative currency effect of €38.0 million (i.e. -0.4% of 9m 2016 sales), mainly due to the depreciation of the US dollar and the British pound against the euro,
- A negative net scope effect of €42.9 million (i.e. -0.4% of 9m 2016 sales), mainly resulting from recent divestments (Poland, Slovakia, Baltics and South East Asia), partly offset by the acquisition of Brohl & Appell in the US,
- A positive calendar effect of 0.1 percentage points.

Europe (54% of Group sales): +6.5% in Q3 and +3.7% in 9m on a constant and same-day basis

In the third quarter, sales in Europe increased by 3.8% on a reported basis, including a negative currency effect of €16.2m (mainly due to the depreciation of the British pound against the euro). On a constant and same-day basis, sales were up 6.5%.

Sales in most of Rexel's markets were in positive territory, supported by a broadly favorable environment and a favorable base effect.

- Sales in **France** (35% of the region's sales) were up 9.1%, with trends improving over the quarter in the three end-markets (residential, non-residential and industry);
- Sales in **Scandinavia** (13% of the region's sales) were up 9.4%, notably thanks to strong 15.5% growth in **Sweden,** where we gained market share in a favorable environment in the three end-markets.
- Sales in **Germany** (12% of the region's sales) were up 5.5%, mainly driven by the non-residential and industrial end-markets (notably cables, with a +3.2% contribution);

- **Benelux** (8% of the region's sales) posted solid growth, with **Belgium** up 7.3% and **The Netherlands** up 14.4%, thanks to sales of photovoltaic equipment (PV), contributing for 8.5% to growth in the quarter;
- In **Switzerland** (6% of the region's sales), sales were up 6.5%, mainly thanks to Rexel's strategy of focusing on larger projects in an environment that remains competitive.

However, sales dropped by 2.4% in the **UK** (12% of the region's sales) in a challenging environment related to uncertainty around Brexit.

North America (36% of Group sales): +3.3% in Q3 and +2.1% in 9m on a constant and same-day basis

<u>In the third quarter</u>, sales in North America were down 1.7% on a reported basis, including a negative currency effect of €50.6m (mainly due to the depreciation of the US dollar against the euro). On a constant and same-day basis, sales were up 3.3%.

- In **the US** (78% of the region's sales), sales were up 4.3% on a same-day basis, despite a negative 1.2% effect from hurricanes Irma and Harvey. The sales evolution was driven by:
    - faster organic sales growth, especially in the Proximity business, with Platt and Rexel C&I up in the high-single digits, offsetting lower growth in the Project business, still impacted by the non-renewal of a wind contract with a large contractor and by disruptions in the supply chain of a large supplier;
    - a continued improving trend in the Oil & Gas business, up 30%, contributing for 1.4% to growth in the US;
    - a positive impact of 0.7% percentage points, attributable to branch network and counter expansion. At the end of September, 11 new branches have been opened, of which 5 in Q3 2017. For FY 2017, 17 branch openings (of which 4 Platt branches in California) and 20 Platt-like counters in Gexpro branches are forecasted, with a combined annualized sales contribution of around USD50m or 1.25% of additional sales;
    - a favorable base effect (Q3 2016 was down 6.6%).

- In **Canada** (22% of the region's sales), sales were down 0.4% on a same-day basis, despite a better O&G business environment (up low to mid-single digit) mainly due to maintenance activity in the midstream market. This slight decrease is mainly due to a more challenging base effect. On a sequential basis, it is worth noting the absence in the quarter of large wind contract that boosted Q2 2017 sales (3.0% of the 5.3% sales growth in Q2 2017).

Asia-Pacific (10% of Group sales): +5.1% in Q3 and +0.6% in 9m on a constant and same-day basis

<u>In the third quarter</u>, sales in Asia-Pacific were down 0.1% on a reported basis, including a negative scope effect of €3.9m and a negative currency effect of €10.5m. On a constant and same-day basis, sales were up 5.1%, mainly reflecting strong growth in China and Australia, which offset South East Asia's poor performance.

- In <u>Asia</u> (49% of the region's sales), sales were up 3.4%:
    - In **China** (75% of Asia), sales grew by 9.6% on a constant and same-day basis, helped by favorable comps (-11.2% in Q3 2016) and reflecting increased sales of industrial automation products and solutions. It is also worth noting that the comparable effect will become less favorable in Q4 (-1.9% in Q4 16);
    - In **South East Asia** (15% of Asia), sales dropped by 19.0%, mainly due to the O&G market that remains very challenging, contributing for -10% of sales evolution in the quarter.

- In the Pacific (51% of the region's sales), sales were up 6.8% on a constant and same-day basis:
  - In **Australia** (82% of Pacific), sales were up 10.2%, mainly reflecting good momentum in the non-residential end-market (Proximity business);
  - In **New Zealand** (18% of Pacific), sales were down 6.2% due to lower project sales.

PROFITABILITY

Continued improvement in gross margin: +18bps in Q3 and +8bps in 9m
Adjusted EBITA margin of 4.2% in Q3, up 17bps, and of 4.2% in 9m, up 9bps

In the third quarter, gross margin was up 18 bps year-on-year, at 24.1% of sales and opex (including depreciation) amounted to 19.9% of sales, stable year-on-year.

- In **Europe**, gross margin stood at 26.2% of sales, down 16bps year-on-year, mainly due to unfavorable cable margin contribution for -27bps, partly offset by the benefits stemming from supplier concentration across Europe and better gross margin, despite cost inflation, in the UK, thanks to Rexel's transformation strategy, which includes the move to one banner.

  Opex (including depreciation) amounted to 21.1% of sales, improving by 39bps due to strict cost control.
- In **North America**, gross margin stood at 22.8% of sales. This represented a 76bps improvement year-on-year, coming from both the US (stronger margin in the Proximity business, supplier concentration and pricing strategy) and Canada (lower direct sales). This improvement was more than offset by opex (including depreciation) that increased by 91bps (to 18.7% of sales), impacted by investments in future growth in the US, including branch openings, counter resets, commercial actions and logistic initiatives.
- In **Asia-Pacific**, gross margin stood at 17.7% of sales. It represented a 18bps deterioration year-on-year, impacted by the poor performance in South East Asia. Opex (including depreciation) amounted to 16.4% of sales, improving by 41bps, mainly thanks to strict credit management.
- At **Corporate holding** level, opex amounted to €5.4m, compared to €7.6m a year ago, thanks to strict cost control. The normative level of spending at corporate level remains unchanged at around €30m per annum.

As a result, adjusted EBITA margin in Q3 stood at 4.2% of sales vs. 4.0% in Q3 2016, reflecting an improved adjusted EBITA margin in Europe (5.1% of sales vs. 4.9% in Q3 2016) and in Asia-Pacific (1.3% of sales compared to 1.0% in Q3 2016) offsetting the lower adjusted EBITA margin in North America (4.1% of sales vs. 4.3% in Q3 2016);

In the Q3, reported EBITA stood at €139.8 million (including a €4.0m positive one-off copper effect), up 12.0% year-on-year.

In the nine months, gross margin stood at 24.4% of sales, up 8bps year-on-year, thanks to North America (up 39bps at 22.5% of sales) offsetting the deterioration in Europe (down 5bps at 26.8% of sales) and Asia-Pacific (down 45bps at 17.9% of sales).

Opex (incl. depreciation) were broadly stable year-on-year at 20.1% of sales.

As a result, adjusted EBITA stood at €420.8m at 4.2% of sales, up 9bps year-on-year.

Reported EBITA stood at €431.8m in 9m (including a €11.1m negative one-off copper effect) up 11.9%.

NET INCOME

Increase of 22.6% in net income in 9m, mainly driven by lower net financial expenses

Operating income in 9m stood at €361.1 million, vs. €327.1m in 9m 2016.

- Amortization of intangibles resulting from purchase price allocation amounted to €14.3 million (vs. €13.7 million in 9m 2016).
- Other income and expenses amounted to a net charge of €56.4 million (vs. a net charge of €44.9 million in 9m 2016). They included €20.5 million of restructuring costs (vs. €32.4 million in 9m 2016). They also included charges, already booked in H1 2017, from goodwill impairment in Finland (€12.8 million) and loss on asset disposals and termination of business in South East Asia (€20.2 million), as previously disclosed.

Net financial expenses in 9m amounted to €90.8 million (vs. €114.1 million in 9m 2016). Both periods included charges related to refinancing operations:

- 9m 2017 included a net charge of €6.3 million, related to early redemption of the remaining outstanding USD330m from the Senior notes issued in April 2013;
- 9m 2016 included a net charge of €17.1 million related to (i) the early repayment of a €650m Senior notes issued in 2013 and maturing in June 2020 and (ii) the early repayment of USD170m (c. €150m) from the Senior notes issued in April 2013 and maturing in June 2020.

Restated for those net charges, net financial expenses decreased from €97.0 million in 9m 2016 to €84.5 million in 9m 2017. This largely reflected lower average debt year-on-year and lower average effective interest rate, thanks to the various refinancing operations. The average effective interest rate on gross debt decreased by 45bps year-on-year in 9m 2017 to 3.17% (vs. 3.62% in 9m 2016).

Income tax in 9m represented a charge of €106.7 million (vs. €79.7 million in 9m 2016), a rise of 34.0%, mainly reflecting a 26.9% increase in profit before tax. The effective tax rate stood at 39.5% (vs. 37.4% in 9m 2016).

Net income in 9m rose by 22.6% to €163.6 million (vs. €133.4 million in 9m 2016).

Recurring net income in 9m amounted to €208.2 million, up 11.0% year-on-year (see appendix 2).

FINANCIAL STRUCTURE

Net debt reduced by 6.3% year-on-year at September 30, 2017

In 9m, free cash flow before interest and tax was an inflow of €19.6 million (vs. an inflow of €24.4 million in 9m 2016). This net inflow included:

- Net capital expenditure of €77.6 million (vs. €80.1 million in 9m 2016),
- An outflow of €353.5 million from change in working capital on a reported basis (vs. an outflow of €300.2 million in 9m 2016). On a constant and adjusted basis, trade working capital increased by 51bps as a percentage of the last 12-month sales, from 13.8% at September 30, 2016 to 14.3% at September 30, 2017, compared to a 100bps increase at June 30th, 2017. This increase reflected the rise in inventories to support a deeper and larger offer and the opening of branches/counters in the US, as presented at the Capital Markets Day.

At September 30, 2017, net debt stood at €2,353.3 million, down 6.3% year-on-year (vs. €2,511.0 million at September 30, 2016).

It took into account:

- €120.8 million of dividend paid early July,
- €77.3 million of net interest paid in 9m (€25.5 million paid in Q3),
- €91.3 million of income tax paid in 9m (€27.8 million paid in Q3),
- €97.7 million of positive currency effect in 9m (positive effect of €33.8 million in Q3).

OUTLOOK

Taking into consideration the performance of the first nine months and expectations for the last quarter, Rexel confirms its 2017 full-year financial targets, with adjusted EBITA[1] increase at the low end of the February guidance:

- **resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis) after two years of decline*;*
- **a mid- to high single-digit increase in adjusted EBITA;**
- **an indebtedness ratio** (net-debt-to-EBITDA, as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017***.*

[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 (unchanged)*

NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 5.

CALENDAR

February 14, 2018	Fourth-quarter and full-year results 2017

FINANCIAL INFORMATION

The financial report for the period ended September 30, 2017 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.

A slideshow of the third-quarter and 9-month 2017 results is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, worldwide expert in the multichannel professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its residential, commercial and industrial customers by providing a tailored and scalable range of products and services in energy management for construction, renovation, production and maintenance.
Rexel operates through a network of some 2,000 branches in 32 countries, with more than 27,000 employees. The Group's sales were €13.2 billion in 2016.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, STOXX® Global ESG Leaders, Ethibel Sustainability Index Excellence Europe, Euronext Vigeo Eiris Eurozone 120 and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR).
For more information, visit Rexel's web site at www.rexel.com

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GLOSSARY

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation.*

The non-recurring effect related to changes in copper-based cables price was, at the EBITA level:

Q3 2016	Q3 2017	YTD 2016	YTD 2017
(2.6)	4.0	(14.2)	11.1

GROUP

Constant and adjusted basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	3,112.6	**3,238.8**	**+4.1%**	9,623.5	**9,904.7**	**+2.9%**
on a constant basis and same days			***+5.2%***			***+2.8%***
Gross profit	745.4	**781.5**	**+4.8%**	2,339.3	**2,415.4**	**+3.2%**
as a % of sales	*23.9%*	*24.1%*	*18 bps*	*24.3%*	*24.4%*	*8 bps*
Distribution & adm. expenses (incl. depreciation)	(620.1)	(645.6)	+4.1%	(1,939.1)	(1,994.6)	+2.9%
EBITA	125.2	**135.8**	**+8.5%**	400.2	**420.8**	**+5.1%**
as a % of sales	*4.0%*	*4.2%*	*17 bps*	*4.2%*	*4.2%*	*9 bps*
Headcount (end of period)	-	-	-	27,278	**27,763**	**1.8%**

EUROPE

Constant and adjusted basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	1,671.5	**1,752.5**	**+4.9%**	5,226.5	**5,379.5**	**+2.9%**
on a constant basis and same days			***+6.5%***			***+3.7%***
France	571.3	**613.2**	*+7.3%*	1,871.4	**1,936.5**	*+3.5%*
on a constant basis and same days			*+9.1%*			*+4.6%*
United Kingdom	217.3	**208.6**	*-4.0%*	666.6	**648.5**	*-2.7%*
on a constant basis and same days			*-2.4%*			*-2.2%*
Germany	208.5	**216.6**	*+3.9%*	598.1	**617.7**	*+3.3%*
on a constant basis and same days			*+5.5%*			*+3.8%*
Scandinavia	217.2	**233.8**	*+7.6%*	671.6	**709.7**	*+5.7%*
on a constant basis and same days			*+9.4%*			*+6.2%*
Gross profit	440.8	**459.4**	**+4.2%**	1,403.3	**1,441.7**	**+2.7%**
as a % of sales	*26.4%*	*26.2%*	*-16 bps*	*26.9%*	*26.8%*	*-5 bps*
Distribution & adm. expenses (incl. depreciation)	(359.2)	(369.8)	+3.0%	(1,122.3)	(1,144.1)	+1.9%
EBITA	81.6	**89.6**	**+9.8%**	281.0	**297.6**	**+5.9%**
as a % of sales	*4.9%*	*5.1%*	*23 bps*	*5.4%*	*5.5%*	*16 bps*
Headcount (end of period)	-	-	-	15,901	**15,856**	**-0.3%**

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NORTH AMERICA

Constant and adjusted basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	1,121.1	**1,152.2**	**+2.8%**	3,426.8	**3,553.5**	**+3.7%**
on a constant basis and same days			***+3.3%***			***+2.1%***
United States	860.9	**896.9**	*+4.2%*	2,672.9	**2,797.1**	*+4.6%*
on a constant basis and same days			*+4.3%*			*+2.5%*
Canada	260.2	**255.3**	*-1.9%*	753.8	**756.5**	*+0.3%*
on a constant basis and same days			*-0.4%*			*+0.9%*
Gross profit	247.4	**263.0**	**+6.3%**	758.4	**800.3**	**+5.5%**
as a % of sales	*22.1%*	*22.8%*	*76 bps*	*22.1%*	*22.5%*	*39 bps*
Distribution & adm. expenses (incl. depreciation)	(199.5)	(215.5)	+8.0%	(627.9)	(671.6)	+7.0%
EBITA	47.9	**47.5**	**-0.8%**	130.5	**128.7**	**-1.4%**
as a % of sales	*4.3%*	*4.1%*	*-15 bps*	*3.8%*	*3.6%*	*-19 bps*
Headcount (end of period)	-	-	-	7,917	**8,414**	**6.2%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	320.0	**334.1**	**+4.4%**	970.3	**971.6**	**+0.1%**
on a constant basis and same days			***+5.1%***			***+0.6%***
China	112.4	**123.2**	*+9.6%*	323.0	**354.0**	*+9.6%*
on a constant basis and same days			*+9.6%*			*+9.6%*
Australia	128.8	**140.1**	*+8.8%*	387.0	**402.0**	*+3.9%*
on a constant basis and same days			*+10.2%*			*+4.3%*
New Zealand	33.4	**30.8**	*-7.6%*	97.5	**89.6**	*-8.0%*
on a constant basis and same days			*-6.2%*			*-7.5%*
Gross Profit	57.2	**59.1**	**+3.4%**	177.6	**173.5**	**-2.3%**
as a % of sales	*17.9%*	*17.7%*	*-18 bps*	*18.3%*	*17.9%*	*-45 bps*
Distribution & adm. expenses (incl. depreciation)	(53.9)	(54.9)	+1.8%	(166.2)	(167.7)	+0.9%
EBITA	3.3	**4.2**	**+28.4%**	11.3	**5.7**	**-49.5%**
as a % of sales	*1.0%*	*1.3%*	*24 bps*	*1.2%*	*0.6%*	*-58 bps*
Headcount (end of period)	-	-	-	3,215	**3,269**	**1.7%**

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Appendix 2: Consolidated Financial Statement

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	**3,193.9**	**3,238.8**	**1.4%**	**9,704.4**	**9,904.7**	**2.1%**
Gross profit	**760.0**	**785.4**	**3.3%**	**2,339.5**	**2,426.7**	**3.7%**
as a % of sales	*23.8%*	*24.2%*		*24.1%*	*24.5%*	
Distribution & adm. expenses (excl. depreciation)	(611.0)	(621.1)	1.6%	(1,882.2)	(1,920.9)	2.1%
EBITDA	**148.9**	**164.2**	**10.3%**	**457.3**	**505.8**	**10.6%**
as a % of sales	*4.7%*	*5.1%*		*4.7%*	*5.1%*	
Depreciation	(24.0)	(24.4)		(71.5)	(74.0)	
EBITA	**124.9**	**139.8**	**12.0%**	**385.8**	**431.8**	**11.9%**
as a % of sales	*3.9%*	*4.3%*		*4.0%*	*4.4%*	
Amortization of intangibles resulting from purchase price allocation	(4.5)	(4.6)		(13.7)	(14.3)	
Operating income bef. other inc. and exp.	**120.4**	**135.1**	**12.2%**	**372.1**	**417.4**	**12.2%**
as a % of sales	*3.8%*	*4.2%*		*3.8%*	*4.2%*	
Other income and expenses	(12.9)	(6.5)		(44.9)	(56.4)	
Operating income	**107.4**	**128.6**	**19.7%**	**327.1**	**361.1**	**10.4%**
Financial expenses (net)	(37.2)	(27.5)		(114.1)	(90.8)	
Net income (loss) before income tax	**70.2**	**101.1**	**43.9%**	**213.0**	**270.2**	**26.9%**
Income tax	(32.7)	(34.0)		(79.7)	(106.7)	
Net income (loss)	**37.6**	**67.1**	**78.7%**	**133.4**	**163.6**	**22.6%**

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

in €m	Q3 2016	Q3 2017	YTD 2016	YTD 2017
Operating income before other income and other expenses	**120.4**	**135.1**	**372.1**	**417.4**
Change in scope of consolidation	0.1	0.0	1.3	0.0
Foreign exchange effects	(2.3)	0.0	(1.0)	0.0
Non-recurring effect related to copper	2.6	(4.0)	14.2	-11.1
Amortization of intangibles assets resulting from PPA	4.5	4.6	13.7	14.3
Adjusted EBITA on a constant basis	**125.2**	**135.8**	**400.2**	**420.8**

RECURRING NET INCOME

in €m	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Reported net income	37.6	**67.1**	**+78.7%**	133.4	**163.6**	**+22.6%**
Non-recurring copper effect	2.7	**(4.0)**		14.1	**(11.1)**	
Other expense & income	12.9	**6.5**		44.9	**56.4**	
Financial expense	7.1	**0.0**		17.1	**6.3**	
Tax expense	(6.8)	**(0.9)**		(22.0)	**(7.1)**	
Recurring net income	53.5	**68.8**	**+28.8%**	187.5	**208.2**	**+11.0%**

SALES AND PROFITABILITY BY SEGMENT

Reported basis (€m)	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Sales	**3,193.9**	**3,238.8**	**+1.4%**	**9,704.4**	**9,904.7**	**+2.1%**
Europe	1,687.7	1,752.5	+3.8%	5,329.1	5,379.5	+0.9%
North America	1,171.8	1,152.2	-1.7%	3,408.2	3,553.5	+4.3%
Asia-Pacific	334.5	334.1	-0.1%	967.1	971.6	+0.5%
Gross profit	**760.0**	**785.4**	**+3.3%**	**2,339.5**	**2,426.7**	**+3.7%**
Europe	445.6	461.6	+3.6%	1,421.5	1,449.3	+2.0%
North America	255.0	264.7	+3.8%	742.9	803.9	+8.2%
Asia-Pacific	59.3	59.1	-0.4%	175.1	173.5	-0.9%
EBITA	**124.9**	**139.8**	**+12.0%**	**385.8**	**431.8**	**+11.9%**
Europe	83.0	91.8	+10.6%	278.3	305.0	+9.6%
North America	46.1	49.2	+6.8%	119.2	132.3	+11.0%
Asia-Pacific	3.3	4.2	26.6%	10.8	5.7	-47.2%

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2016	September 30, 2017
Goodwill	4,300.2	4,097.8
Intangible assets	1,109.5	1,062.8
Property, plant & equipment	282.4	269.8
Long-term investments	41.8	39.0
Deferred tax assets	128.4	91.5
Total non-current assets	**5,862.3**	**5,561.0**
Inventories	1,579.3	1,589.8
Trade receivables	2,187.3	2,264.8
Other receivables	513.1	535.0
Assets classified as held for sale	0.3	0.0
Cash and cash equivalents	619.3	396.6
Total current assets	**4,899.3**	**4,786.2**
Total assets	**10,761.6**	**10,347.2**

Liabilities (€m)	December 31, 2016	September 30, 2017
Total equity	**4,383.3**	**4,265.3**
Long-term debt	2,195.1	2,113.7
Deferred tax liabilities	240.0	198.8
Other non-current liabilities	423.2	384.4
Total non-current liabilities	**2,858.3**	**2,696.9**
Interest bearing debt & accrued int.	610.0	670.1
Trade payables	2,179.0	2,017.1
Other payables	37.5	27.4
Liabilities rel. to assets held for sale	693.5	670.4
Total current liabilities	**3,519.9**	**3,385.0**
Total liabilities	**6,378.3**	**6,081.8**
Total equity & liabilities	**10,761.6**	**10,347.2**

1 *Net debt includes Debt hedge derivatives for €(32.1)m at September 30, 2017 and €(12.3)m at December 31, 2016. It also includes accrued interest receivables for €(1.8)m at September 30, 2017 and for €(0.9)m at December 31, 2016.*

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CHANGE IN NET DEBT

€m	Q3 2016	Q3 2017	YTD 2016	YTD 2017
EBITDA	**148.9**	**164.2**	**457.3**	**505.8**
Other operating revenues & costs[(1)]	(18.7)	(10.3)	(52.6)	(55.1)
Operating cash-flow	**130.2**	**153.9**	**404.7**	**450.7**
Change in working capital	(75.8)	(33.3)	(300.2)	(353.5)
Net capital expenditure, of which:	(23.3)	(24.6)	(80.1)	(77.6)
Gross capital expenditure	*(31.4)*	*(25.3)*	*(84.8)*	*(76.7)*
Disposal of fixed assets & other	*4.9*	*1.1*	*10.8*	*2.5*
Free cash-flow from continuing op. before int. & tax	**31.2**	**96.0**	**24.4**	**19.6**
Net interest paid / received	(28.5)	(25.5)	(92.0)	(77.3)
Income tax paid	(12.1)	(27.8)	(46.4)	(91.3)
Free cash-flow from continuing op. after int. & tax	**(9.4)**	**42.7**	**(114.0)**	**(149.0)**
Net financial investment	(4.2)	(2.8)	(93.6)	1.4
Dividends paid	(120.3)	(120.8)	(120.3)	(120.8)
Net change in equity	1.7	2.4	1.5	1.9
Other	(8.7)	(2.0)	(17.2)	(11.9)
Currency exchange variation	10.0	33.8	31.4	97.7
Decrease (increase) in net debt	**(130.8)**	**(46.6)**	**(312.3)**	**(180.7)**
Net debt at the beginning of the period	**2,380.2**	**2,306.7**	**2,198.7**	**2,172.6**
Net debt at the end of the period	**2,511.0**	**2,353.3**	**2,511.0**	**2,353.3**

1 *Includes restructuring outflows of €9.9m in Q3 2017 and €14.1m in Q3 2016 and of €38.8m in 9m 2017 and €32.6m in 9m 2016.*
2 *Excluding settlement of fair value hedge derivatives.*

Appendix 3: Working Capital Analysis

Constant basis	September 30, 2016	September 30, 2017
Net inventories		
as a % of sales 12 rolling months	***11.7%***	***12.2%***
as a number of days	*54.8*	*56.8*
Net trade receivables		
as a % of sales 12 rolling months	***17.1%***	***17.3%***
as a number of days	*54.6*	*54.1*
Net trade payables		
as a % of sales 12 rolling months	***15.0%***	***15.2%***
as a number of days	*62.0*	*61.0*
Trade working capital		
as a % of sales 12 rolling months	***13.8%***	***14.3%***
Total working capital		
as a % of sales 12 rolling months	***12.4%***	***12.8%***

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Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	30/09/2016	31/12/16	30/09/17	Year-on-Year Change
Europe	**15,901**	**15,778**	**15,856**	**-0.3%**
USA	*5,852*	*5,935*	*6,350*	8.5%
Canada	*2,065*	*2,068*	*2,064*	0.0%
North America	**7,917**	**8,003**	**8,414**	**6.2%**
Asia-Pacific	**3,215**	**3,260**	**3,269**	**1.7%**
Other	**245**	**241**	**223**	**-9.0%**
Group	**27,278**	**27,282**	**27,763**	**1.8%**

Branches comparable	30/09/2016	31/12/16	30/09/17	Year-on-Year Change
Europe	**1,198**	**1,196**	**1,186**	**-1.0%**
USA	*369*	*372*	*380*	3.0%
Canada	*191*	*188*	*189*	-1.0%
North America	**560**	**3**	**569**	**1.6%**
Asia-Pacific	**274**	**276**	**272**	**-0.7%**
Group	**2,032**	**2,032**	**2,027**	**-0.2%**

Appendix 5: Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.12	USD
1 €	=	1.51	CAD
1 €	=	1.51	AUD
1 €	=	0.87	GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017 :

	Q1 actual	Q2 actual	Q3 actual	Q4 est	FY est
Scope effect at Group level	**-26.0**	**-12.9**	**-4.0**	**-6.4**	**-49.3**
as% of 2016 sales	*-0.8%*	*-0.4%*	*-0.1%*	*-0.2%*	*-0.4%*
Currency effect at Group level*	**37.2**	**2.2**	**-77.3**	**-126.8**	**-164.8**
as% of 2016 sales	*1.2%*	*0.1%*	*-2.4%*	*-3.7%*	*-1.3%*
Calendar effect at Group level	**4.1%**	**-2.6%**	**-1.1%**	**-2.5%**	**-0.6%**
Europe	3.6%	-4.3%	-1.7%	-0.6%	-0.7%
USA	*6.8%*	*0.2%*	*-0.2%*	*-7.4%*	*-0.4%*
Canada	*1.6%*	*-1.6%*	*-1.5%*	*0.0%*	*-0.4%*
North America	5.6%	-0.2%	-0.5%	-6.0%	-0.4%
Asia	*0.4%*	*-1.6%*	*0.6%*	*-0.8%*	*-0.4%*
Pacific	*3.3%*	*-2.9%*	*-1.4%*	*-0.1%*	*-0.4%*
Asia-Pacific	1.7%	-2.3%	-0.7%	-0.4%	-0.4%

** estimations made at Aug. 31, 2017 closing exchange rate*

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Appendix 6: analysis of change in Q3 and 9m revenues (€m)

Q3	Europe	North America	Asia-Pacific	Group
Reported sales 2016	**1,687.7**	**1,171.8**	**334.5**	**3,193.9**
+/- Net currency effect	-1.0%	-4.3%	-3.1%	-2.4%
+/- Net scope effect	0.0%	0.0%	-1.2%	-0.1%
= Comparable sales 2016	**1,671.5**	**1,121.1**	**320.0**	**3,112.6**
Constant-same day	6.5%	3.3%	5.1%	5.2%
Calendar effect	-1.7%	-0.5%	-0.7%	-1.1%
= Reported sales 2017	**1,752.5**	**1,152.2**	**334.1**	**3,238.8**
YoY change	3.8%	-1.7%	-0.1%	+1.4%

9m	Europe	North America	Asia-Pacific	Group
Reported sales 2016	**5,329.1**	**3,408.2**	**967.1**	**9,704.4**
+/- Net currency effect	-1.2%	0.5%	0.9%	-0.4%
+/- Net scope effect	-0.8%	0.1%	-0.5%	-0.4%
= Comparable sales 2016	**5,226.5**	**3,426.8**	**970.3**	**9,623.5**
Constant-same day	3.7%	2.1%	0.6%	2.8%
Calendar effect	-0.8%	1.6%	-0.4%	0.1%
= Reported sales 2017	**5,379.5**	**3,553.5**	**971.6**	**9,904.7**
YoY change	0.9%	4.3%	0.5%	+2.1%

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: i) 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; ii) 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 March 31, 2017 under number D.17-0272. 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 March 31, 2017 under number D.17-0272, as well as the consolidated financial statements and activity report for the 2016 fiscal year which may be obtained from Rexel's website (www.rexel.com).