Rexel
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PRESS RELEASE

Paris, July 31, 2018

SECOND-QUARTER & HALF YEAR 2018 RESULTS

SALES GROWTH FOR THE 7th CONSECUTIVE QUARTER, SAME-DAY SALES UP 5.1%

ADJUSTED EBITA UP +10.2% IN Q2 18

FULL-YEAR FINANCIAL TARGETS CONFIRMED

→ SALES OF €3.374bn IN Q2, UP IN EVERY GEOGRAPHY

- **On a constant and same-day basis, sales up 5.1%, of which:**
  - Europe: +4.0%, with a positive trend in our key countries, excluding the UK
  - North America: +6.5%, supported by both the US and Canada
  - Asia-Pacific: +6.3%, benefiting from strong sales growth across most Asian countries
- **Organic actual-day growth of 5.7%, including +0.6% from calendar and +0.7% from copper**
- **Reported sales growth up 1.0%, including unfavorable currency (3.6%) and scope (0.9%) effects**

→ ADJUSTED EBITA UP A STRONG 10.2% IN Q2 18 WITH MARGIN UP 20bps YEAR-ON-YEAR AT 4.8%

- **Stable gross margin at 24.6%,**
- **Adj. EBITA margin up 20bps, mainly driven by North America**

→ NET INCOME UP 19.6% IN Q2 18 INCLUDING RESTRUCTURING COSTS OF €52.7m, MAINLY IN GERMANY AND SPAIN

→ RECURRING NET INCOME UP 28% TO €91.5m IN Q2 18

→ POSITIVE FREE CASH FLOW BEFORE INTEREST AND TAX OF €17.8m IN H1 18

→ FULL-YEAR TARGETS CONFIRMED

Key figures[1]	Q2 2018	YoY change[3]	H1 2018	YoY change[3]
Sales	**€3,373.6m**		**€6,555.8m**	
On a reported basis		+1.0%		-1.6%
On a constant and actual-day basis		+5.7%		+4.2%
On a constant and same-day basis		+5.1%		+4.5%
Adjusted EBITA[2]	**€161.0m**	**+10.2%**	**€288.2m**	**+3.1%**
As a percentage of sales	4.8%		4.4%	
Change in bps as a % of sales[2]	+20bps		-5bps	
Reported EBITA	**€161.5m**	**+9.7%**	**€287.0m**	**-1.8%**
Operating income	**€104.3m**	**+1.9%**	**€217.9m**	**-6.3%**
Net income	**€40.2m**	**19.6%**	**€100.8m**	**+4.2%**
Recurring net income	**€91.5m**	**+28.0%**	**€157.7m**	**+13.0%**
FCF before interest and tax	**€137.0m**	**+€7.0m**	**€17.8m**	**+€94.5m**
Net debt at end of period			**€2,112.4m**	**8.4% reduction**

[1] See definition in the Glossary section of this document [2] 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 [3] Q2&H1 2017 restated for IFRS 9 and 15

Patrick BERARD, Chief Executive Officer, said:

"Our first half results are further proof that the key elements of the strategic plan announced in February 2017 are delivering improved results and are making us commercially stronger in major markets.

We are accelerating our digital transformation, both in our offer and our customer relationship. At the same time, we are addressing Rexel's few remaining pockets of underperformance.

The first half gives us confidence in further improvement over the year, as well as in the medium-term. We confirm our financial targets for the full year, as announced in February 2018."

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FINANCIAL REVIEW FOR THE PERIOD ENDED JUNE 30, 2018

- *Financial statements as of June 30, 2018 were authorized for issue by the Board of Directors on July 30, 2018. They have been subjected to a limited review by statutory auditors.*
- *Financial statements as of June 30, 2017 have been restated for changes in accounting policies, following the adoption of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers"; this restatement represented a €0.1 million positive impact on operating income (H1 2017 operating income stood at €232.4 million as reported on July 31, 2017 and stands at €232.5 million after restatement).*
- *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 Q2, sales were up 1.0% year-on-year on a reported basis (restated for IFRS 9 & 15 impact) and up 5.1% on a constant and same-day basis, reflecting sales growth in all three geographies

In the second quarter, Rexel posted sales of €3,373.6 million, up 1.0% on a reported basis, including:

- A negative currency effect of €118.7 million (i.e. -3.6% of Q2 2017 sales), mainly due to the depreciation of the US dollar, the Australian dollar, the Swiss Franc and the Canadian dollar against the euro,
- A negative net scope effect of €29.8 million (i.e. -0.9% of Q2 2017 sales), resulting from the divestments in South East Asia,
- A positive calendar effect of 0.6 percentage points.

On a constant and same-day basis, sales were up 5.1%, including an 0.7% positive effect due to the change in copper-based cable prices.

In H1, Rexel posted sales of €6,555.8 million, down 1.6% on a reported basis. On a constant and same day basis, sales were up 4.5%, including a positive impact of 0.8% from the change in copper-based cable prices.

The 1.6% decrease in sales on a reported basis included:

- A negative currency effect of €317.3 million (i.e. -4.8% of H1 2017 sales), mainly due to the depreciation of the US dollar, the Australian dollar, the Swiss Franc and the Canadian dollar against the euro,
- A negative net scope effect of €57.0 million (i.e. -0.9% of H1 2017 sales), mainly resulting from divestments in South East Asia,
- A negative calendar effect of 0.3 percentage points.

Europe (55% of Group sales): +4.0% in Q2 and +3.4% in H1 on a constant and same-day basis

In the second quarter, sales in Europe increased by 3.4% on a reported basis, including a negative currency effect of €21.8m (mainly due to the depreciation of the Swiss Franc and the Swedish Krona against the euro). On a constant and same-day basis, sales were up 4.0%, reflecting good momentum across most countries, excluding the UK.

- Sales in **France** (37% of the region's sales) were up 3.7%, as the efficiency of the model allowed us to gain market share, notably in the residential and industrial segments, which were up in mid-single digits;
- Sales in **Scandinavia** (13% of the region's sales) were up 6.8%, with positive momentum in all 3 countries: Finland up +10.1%, Sweden up +6.7% due to utility and large C&I business and Norway up 4.6%;

- In **the UK** (11% of the region's sales) sales dropped by 4.2%, mainly due to lower business with 4 large C&I accounts (-1.8% impact) and the temporary effect of our sales force reorganization, which continued to affect us in a declining market;
- Sales in **Germany** (11% of the region's sales) were up 1.3%, mainly fueled by the copper-based cable business. Our transformation plan is underway with the refocusing of the business on the more profitable industrial segment on a national basis and on C&I in the southern part of the country. We are adapting our network with the closure of 17 branches in C&I in the North;
- **Benelux** (10% of the region's sales) posted solid growth, with good momentum in Belgium up +6.5% and in the Netherlands up 14.4%, notably thanks to photovoltaic sales (+3.1% and +6.8% contribution respectively);
- Sales in **Switzerland** (6% of the region's sales) grew by 10.8%, with positive momentum in the project business (large contract awarded – 3.9% contribution) in an environment that remains competitive.

North America (36% of Group sales): +6.5% in Q2 and +5.1% in H1 on a constant and same-day basis

In the second quarter, sales in North America were down 0.4% on a reported basis, including a negative currency effect of €82.5m (mainly due to the depreciation of the US dollar and the Canadian dollar against the euro). On a constant and same-day basis, sales were up 6.5%, driven by Canada and the US.

- In **the US** (78% of the region's sales), sales were up 7.3% on a same-day basis. The sales growth was mainly driven by commercial and industrial (up in mid- to high-single-digits):
  - Initiatives are paying off with 8,000+ new customers and a 1.9% sales growth contribution from branch openings;
  - Good commercial impact from our new regional organization, with market share gains in Gulf Central (up 22%), Northwest (up +12%) and Florida (up +12%) offsetting slower growth in Northeast.
  - +0.5% contribution from demand in Oil & Gas, up 8% in the quarter;
  - Project business continues to be affected by lower wind and power projects (-1.3% contribution).

- In **Canada** (22% of the region's sales), sales were up 4.0% on a same-day basis, mainly driven by strong commercial sales. We confirm the ongoing recovery in our O&G business (up 21.7%, contributing for 1.4%).

Asia-Pacific (9% of Group sales): +6.3% in Q2 and 9.4% in H1 on a constant and same-day basis

In the second quarter, sales in Asia-Pacific were down 6.9% on a reported basis, including a negative scope effect of €29.8m following the disposal of our business in South East Asia and a negative currency effect of €14.3m, mainly due to the depreciation of the Australian dollar against the euro. On a constant and same-day basis, sales were up 6.3%.

- In the Pacific (51% of the region's sales), sales were up 2.1% on a constant and same-day basis:
  - In **Australia** (81% of Pacific), sales were up 4.6%, before the impact of the disposal of our Rockwell automation business in the country (-3.3% impact). The underlying performance is good in our residential and industrial markets, up in the high single digits;
  - In **New Zealand** (19% of Pacific), sales were up 5.6% with a revitalization of the commercial approach.

- In Asia (49% of the region's sales), sales were up 11.1%:
  - In China (84% of Asia), sales grew by 3.4% on a more difficult base effect (+16,9% in Q2 2017), reflecting good performance in industrial automation products and solutions;
  - Middle East and India (16% of Asia) posted a strong performance thanks to a large project in the Middle East (+€6.3m) and strong automation business in India.

PROFITABILITY
Adjusted EBITA margin at 4.8% in Q2, up 20bps

In the second quarter, gross margin was stable (up 2bps) year-on-year, at 24.6% of sales, and opex (including depreciation) amounted to 19.8% of sales, representing an 18bps improvement year-on-year, mainly due to positive volume contribution offsetting the carryover effect of investments in the US and digital as well as cost and wage inflation in some markets:

- In **Europe**, gross margin stood at 26.6% of sales, down 37bps year-on-year in Q2 18 due to a more competitive environment in Switzerland, the Nordics and Germany, notably in the cable business. In the quarter, distribution and administrative expenses (including depreciation) improved by 33bps at 20.9% of sales, mainly thanks to positive volume effect which more than offset cost inflation;
- In **North America**, gross margin stood at 23.1% of sales. This represented a 66bps improvement year-on-year, mainly thanks to pricing initiatives and supplier concentration, especially in our proximity business in the US. Opex (including depreciation) improved by 4bps (to 18.6% of sales) thanks to volume effect offsetting higher wages and freight costs as well as investments in people and branch openings;
- In **Asia-Pacific**, gross margin stood at 18.1% of sales, an improvement of 22bps year-on-year and opex (including depreciation) improved by 38bps. The positive volume contribution in the region and pricing in China offset the competitive environment in Australia (notably on project business) and the disposal of our Rockwell automation business;
- At corporate holding level, opex amounted to €6.3 million, compared to €3.6 million a year ago, mainly because of additional Group investment in IT and Digital as well as the non-recurring impact of long-term incentives.

As a result, adjusted EBITA stood at €161.0m, up 10.2% in Q2.

Adjusted EBITA margin was up by 20bps to 4.8% of sales, reflecting:

- a lower adjusted EBITA margin in Europe at 5.7% of sales, down 3bps;
- an improved adjusted EBITA margin in North America at 4.5% of sales, up 70bps and
- an improved adjusted EBITA margin in Asia-Pacific at 2.0% of sales, up 60bps.

In Q2 18, reported EBITA stood at €161.5 million (including a €0.5 million positive one-off copper effect), up 9.7% year-on-year.

In the first half, gross margin stood at 24.8% of sales, stable year-on-year, thanks to North America (up +50bps at 23.0%) which offset Europe (down 18bps at 27.1%) and Asia Pacific (down 24bps at 18.1%)

Opex (including depreciation) increased by 5 bps at 20.4% of sales.

As a result, adjusted Ebita stood at €288.2 million, up +3.1% at 4.4% of sales, globally stable (down 5bps year-on-year).

Reported EBITA stood at €287.0 million (including a €1.3m negative one-off copper effect), down 1.8% year-on-year.

NET INCOME

Net income of €100.8m in H1 2018 up 4.2%
Recurring net income up 13.0% at €157.7 million in H1

Operating income in the first half stood at €217.9 million, vs. €232.5 million in H1 2017.

- Amortization of intangibles resulting from purchase price allocation amounted to €8.3 million (vs. €9.7 million in H1 2017);
- Other income and expenses amounted to a net charge of €60.7 million (vs. a net charge of €49.9 million in H1 2017). They included €59.5 million of restructuring costs (vs. €13.9 million in 2017) mainly in Germany and in Spain.

Net financial expenses in the first half amounted to €50.2 million (vs. €63.1 million in H1 2017). Both periods included charges related to refinancing operations:

- H1 2018 included a net charge of €1.1 million, related to the renegotiation of our Senior Credit Agreement in January 2018;
- H1 2017 included a net charge of €6.3 million related to the early redemption of the USD330 million (c. €302 million) Senior notes issued in April 2013.

Restated for those net charges, net financial expenses decreased from €56.8 million in H1 2017 to €49.1 million in H1 2018. This largely reflected lower average debt year-on-year and lower average effective interest rate, thanks to the various refinancing operations in 2017. The average effective interest rate on gross debt decreased by 40bps year-on-year in H1 2018 to 2.85% (vs. 3.25% in H1 2017).

Income tax in the first half represented a charge of €66.9 million (vs. €72.8 million in H1 2017), a decrease of 8.1%, reflecting a lower tax rate (39.9% vs 43.0% in H1 2017) following the positive impact of the US tax reform.

Net income in the first half is up 4.2% to €100.8 million (vs. €96.7 million in H1 2017).

Recurring net income in the first half amounted to €157.7 million, up 13% compared to H1 2017 (see appendix 2).

FINANCIAL STRUCTURE

Positive free cash-flow before interest and tax of €17.8 million in the first half
Net debt reduced by 8% year-on-year at June 30, 2018

In the first half, free cash flow before interest and tax was an inflow of €17.8 million (vs. an outflow of €76.7 million in H1 2017). This net inflow included:

- Lower capital expenditure, including disposal of assets in Australia (€32.1 million vs. €53.0 million in H1 2017). Gross capital expenditure stood at €50.4 million in H1 18;
- An outflow of €249.6 million from change in working capital on a reported basis (vs. an outflow of €320.6 million in H1 2017).

At June 30, 2018, net debt stood at €2,112.4 million, down 8.4% year-on-year (vs. €2,306.7 million at June 30, 2017).

It took into account:

- €41.8 million of net interest paid during the first half (vs €51.6 million paid in H1 2017),
- €24.0 million of income tax paid during the first half (vs €63.5 million paid in H1 2017). This lower income tax paid is due to France 2017 income tax overpayment for €22million and to the reimbursement of €8 million following the decision on the 3% dividend tax,
- €9.7 million of negative currency effect during the first half (vs a positive effect of €63.9 million in H1 2017).

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UPDATE ON OUR DISPOSAL PROGRAM

Following detailed work in each country, we have updated our strategic portfolio review. As a result, we have revised the figure of sales to be disposed to €650 million from €800 million previously. Currently, we have disposed of €530 million in sales. We expect the remaining disposals or downsizings for €120 million of sales to be completed by mid-2019.

We confirm that the disposal plan will have a positive impact on adjusted Ebita margin of 25bps (compared to FY 2016), once completed.

OUTLOOK

Our first half is in line with our expectations and allows us to confirm our financial targets for the full year, as announced in February.

We target at comparable scope of consolidation and exchange rates:

- **sales up in the low single digits** (on a same-day basis);
- **a mid- to high-single-digit increase in adjusted EBITA[1]**;
- **a further improvement of the indebtedness ratio** (net debt-to-EBITDA[2]).

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

[2] *as calculated under the Senior Credit Agreement terms*

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.

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CALENDAR

October 31, 2018	Third-quarter and nine-month results
February 13, 2019	Fourth-quarter and full-year results

FINANCIAL INFORMATION

The financial report for the period ended June 30, 2018 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 second-quarter 2018 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 26 countries, with more than 27,000 employees. The Group's sales were €13.3 billion in 2017.
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:

Constant basis (€m)	Q2 2017	Q2 2018	H1 2017	H1 2018
Non-recurring copper effect at EBITA level	**(2.3)**	**0.5**	**6.8**	**(1.3)**

GROUP

Constant and adjusted basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	3,192.0	**3,373.6**	**+5.7%**	6,288.7	**6,555.8**	**+4.2%**
on a constant basis and same days			***+5.1%***			***+4.5%***
Gross profit	784.4	**829.8**	**+5.8%**	1,561.9	**1,628.2**	**+4.2%**
as a % of sales	*24.6%*	*24.6%*	*2 bps*	*24.8%*	*24.8%*	*0 bps*
Distribution & adm. expenses (incl. depreciation)	(638.4)	(668.7)	+4.8%	(1,282.2)	(1,340.0)	+4.5%
EBITA	146.1	**161.0**	**+10.2%**	279.7	**288.2**	**+3.1%**
as a % of sales	*4.6%*	*4.8%*	*20 bps*	*4.4%*	*4.4%*	*-5 bps*
Headcount (end of period)	27,148	**27,155**	**0.0%**	27,148	**27,155**	**0.0%**

EUROPE

Constant and adjusted basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	1,775.5	**1,858.6**	**+4.7%**	3,575.9	**3,681.0**	**+2.9%**
on a constant basis and same days			***+4.0%***			***+3.4%***
France	655.9	**679.9**	+3.7%	1,324.5	**1,363.4**	+2.9%
on a constant basis and same days			*+3.7%*			*+3.8%*
United Kingdom	204.7	**199.5**	-2.5%	431.3	**410.2**	-4.9%
on a constant basis and same days			*-4.2%*			*-4.9%*
Germany	195.8	**200.4**	+2.3%	401.1	**404.3**	+0.8%
on a constant basis and same days			*+1.3%*			*+1.5%*
Scandinavia	228.1	**246.1**	+7.9%	449.7	**468.0**	+4.1%
on a constant basis and same days			*+6.8%*			*+4.3%*
Gross profit	479.4	**495.0**	**+3.2%**	974.0	**996.1**	**+2.3%**
as a % of sales	*27.0%*	*26.6%*	*-37 bps*	*27.2%*	*27.1%*	*-18 bps*
Distribution & adm. expenses (incl. depreciation)	(377.0)	(388.4)	+3.0%	(768.7)	(789.9)	+2.8%
EBITA	102.4	**106.6**	**+4.1%**	205.3	**206.2**	**+0.4%**
as a % of sales	*5.8%*	*5.7%*	*-3 bps*	*5.7%*	*5.6%*	*-14 bps*
Headcount (end of period)	15,851	**15,898**	**0.3%**	15,851	**15,898**	**0.3%**

NORTH AMERICA

Constant and adjusted basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	1,127.5	**1,205.0**	**+6.9%**	2,170.0	**2,280.6**	**+5.1%**
on a constant basis and same days			**+6.5%**			**+5.1%**
United States	881.1	**945.0**	+7.3%	1,701.4	**1,791.5**	+5.3%
on a constant basis and same days			+7.3%			+5.3%
Canada	246.5	**260.0**	+5.5%	468.6	**489.1**	+4.4%
on a constant basis and same days			+4.0%			+4.4%
Gross profit	253.3	**278.6**	**+10.0%**	488.2	**524.5**	**+7.4%**
as a % of sales	*22.5%*	*23.1%*	*66 bps*	*22.5%*	*23.0%*	*50 bps*
Distribution & adm. expenses (incl. depreciation)	(210.1)	(224.1)	+6.6%	(414.6)	(439.1)	+5.9%
EBITA	43.2	**54.6**	**+26.4%**	73.7	**85.4**	**+15.9%**
as a % of sales	*3.8%*	*4.5%*	*70 bps*	*3.4%*	*3.7%*	*35 bps*
Headcount (end of period)	8,304	**8,432**	**1.5%**	8,304	**8,432**	**1.5%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	289.0	**310.0**	**+7.3%**	542.9	**594.1**	**+9.4%**
on a constant basis and same days			**+6.3%**			**+9.4%**
China	123.8	**128.0**	+3.4%	223.0	**237.5**	+6.5%
on a constant basis and same days			+3.4%			+6.5%
Australia	124.6	**128.3**	+2.9%	240.7	**253.2**	+5.2%
on a constant basis and same days			+1.3%			+5.1%
New Zealand	27.7	**29.7**	+7.2%	53.2	**55.1**	+3.5%
on a constant basis and same days			+5.6%			+3.5%
Gross Profit	51.8	**56.2**	**+8.6%**	99.7	**107.7**	**+8.0%**
as a % of sales	*17.9%*	*18.1%*	*22 bps*	*18.4%*	*18.1%*	*-24 bps*
Distribution & adm. expenses (incl. depreciation)	(47.6)	(49.9)	+4.8%	(93.2)	(97.8)	+4.9%
EBITA	4.1	**6.3**	**+52.1%**	6.5	**9.9**	**+52.9%**
as a % of sales	*1.4%*	*2.0%*	*60 bps*	*1.2%*	*1.7%*	*47 bps*
Headcount (end of period)	2,770	**2,662**	**-3.9%**	2,770	**2,662**	**-3.9%**

Appendix 2: Consolidated Financial Statement

Consolidated Income Statement

Reported basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	**3,340.6**	**3,373.6**	**1.0%**	**6,663.0**	**6,555.8**	**-1.6%**
Gross profit	**813.3**	**830.2**	**2.1%**	**1,650.2**	**1,626.9**	**-1.4%**
as a % of sales	*24.3%*	*24.6%*		*24.8%*	*24.8%*	
Distribution & adm. expenses (excl. depreciation)	(641.3)	(644.2)	0.5%	(1,308.6)	(1,291.4)	-1.3%
EBITDA	**172.0**	**186.0**	**8.2%**	**341.6**	**335.4**	**-1.8%**
as a % of sales	*5.1%*	*5.5%*		*5.1%*	*5.1%*	
Depreciation	(24.7)	(24.5)		(49.5)	(48.5)	
EBITA	**147.3**	**161.5**	**9.7%**	**292.1**	**287.0**	**-1.8%**
as a % of sales	*4.4%*	*4.8%*		*4.4%*	*4.4%*	
Amortization of intangibles resulting from purchase price allocation	(4.8)	(3.9)		(9.7)	(8.3)	
Operating income bef. other inc. and exp.	**142.5**	**157.7**	**10.7%**	**282.4**	**278.6**	**-1.3%**
as a % of sales	*4.3%*	*4.7%*		*4.2%*	*4.3%*	
Other income and expenses	(40.1)	(53.3)		(49.9)	(60.7)	
Operating income	**102.4**	**104.3**	**1.9%**	**232.5**	**217.9**	**-6.3%**
Net financial expenses	(29.5)	(25.3)		(63.1)	(50.2)	
Net income (loss) before income tax	**72.9**	**79.1**	**8.5%**	**169.5**	**167.7**	**-1.0%**
Income tax	(39.3)	(38.9)		(72.8)	(66.9)	
Net income (loss)	**33.6**	**40.2**	**19.5%**	**96.7**	**100.8**	**4.2%**

Bridge Between Operating Income Before Other Income And Other Expenses And Adjusted EBITA

in €m	Q2 2017	Q2 2018	H1 2017	H1 2018
Operating income before other income and other expenses on a reported basis	**142.5**	**157.7**	**282.4**	**278.6**
Change in scope of consolidation	1.4	-	5.3	-
Foreign exchange effects	(4.9)	-	(10.9)	-
Non-recurring effect related to copper	2.3	(0.5)	(6.8)	1.3
Amortization of intangibles assets resulting from PPA	4.8	3.9	9.7	8.3
Adjusted EBITA on a constant basis	**146.1**	**161.0**	**279.7**	**288.2**

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RECURRING NET INCOME

in €m	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Reported net income	33.6	**40.2**	**+19.5%**	96.7	**100.8**	**+4.2%**
Non-recurring copper effect	2.3	**(0.5)**		(7.1)	**1.3**	
Other expense & income	40.1	**53.3**		49.9	**60.7**	
Financial expense	(0.4)	**-**		6.3	**1.1**	
Tax expense	(4.1)	**(1.4)**		(6.2)	**(6.2)**	
Recurring net income	71.5	**91.5**	**+28.0%**	139.6	**157.7**	**+13.0%**

SALES AND PROFITABILITY BY SEGMENT

Reported basis (€m)	Q2 2017	Q2 2018	Change	H1 2017	H1 2018	Change
Sales	**3,340.6**	**3,373.6**	**+1.0%**	**6,663.0**	**6,555.8**	**-1.6%**
Europe	1,797.4	1,858.6	+3.4%	3,623.7	3,681.0	+1.6%
North America	1,210.1	1,205.0	-0.4%	2,400.7	2,280.6	-5.0%
Asia-Pacific	333.1	310.0	-6.9%	638.6	594.1	-7.0%
Gross profit	**813.3**	**830.2**	**+2.1%**	**1,650.2**	**1,626.9**	**-1.4%**
Europe	482.4	495.5	+2.7%	992.2	994.7	+0.3%
North America	272.5	278.5	+2.2%	542.3	524.5	-3.3%
Asia-Pacific	58.4	56.2	-3.8%	115.7	107.7	-7.0%
EBITA	**147.3**	**161.5**	**+9.7%**	**292.1**	**287.0**	**-1.8%**
Europe	100.9	107.2	+6.2%	213.2	204.9	-3.9%
North America	47.1	54.5	+15.6%	83.2	85.4	+2.6%
Asia-Pacific	2.9	6.3		1.5	9.9	
Other	(3.6)	(6.4)		(5.8)	(13.2)	

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Consolidated Balance Sheet[1]

Assets (Reported basis in €m)	December 31, 2017	June 30, 2018
Goodwill	3,914.9	3,912.7
Intangible assets	1,049.7	1,045.9
Property, plant & equipment	272.0	267.7
Long-term investments	38.0	43.5
Deferred tax assets	96.6	57.3
Total non-current assets	**5,371.2**	**5,327.1**
Inventories	1,544.9	1,623.5
Trade receivables	2,074.4	2,287.2
Other receivables	560.7	526.6
Assets classified as held for sale	(0.0)	(0.0)
Cash and cash equivalents	563.6	452.7
Total current assets	**4,743.7**	**4,890.0**
Total assets	**10,114.9**	**10,217.1**

Liabilities (Reported basis in €m)	December 31, 2017	June 30, 2018
Total equity	**4,157.6**	**4,153.7**
Long-term debt	2,450.5	2,291.0
Deferred tax liabilities	172.8	163.0
Other non-current liabilities	376.3	380.1
Total non-current liabilities	**2,999.6**	**2,834.1**
Interest bearing debt & accrued int.	161.8	285.7
Trade payables	2,034.8	2,097.3
Other payables	761.1	846.3
Total current liabilities	**2,957.7**	**3,229.3**
Total liabilities	**5,957.3**	**6,063.4**
Total equity & liabilities	**10,114.9**	**10,217.1**

[1] Net debt includes Debt hedge derivatives for €(6.5)m at December 31, 2017 and €(10.2)m at June 30, 2018.
It also includes accrued interest receivables for €(1.0)m at December 31, 2017 and for €(1.3)m at June 30, 2018.

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Change in Net Debt

Reported basis (€m)	Q2 2017	Q2 2018	H1 2017	H1 2018
EBITDA	**172.0**	**186.0**	**341.6**	**335.4**
Other operating revenues & costs[1]	(23.2)	(16.7)	(44.8)	(35.9)
Operating cash-flow	**148.8**	**169.3**	**296.9**	**299.6**
Change in working capital	8.6	(23.3)	(320.6)	(249.6)
Net capital expenditure, of which:	(27.4)	(9.0)	(53.0)	(32.1)
Gross capital expenditure	*(30.4)*	*(26.2)*	*(51.4)*	*(50.4)*
Disposal of fixed assets & other	*1.1*	*18.7*	*1.4*	*19.6*
Free cash-flow from continuing op. before int. & tax	**130.0**	**137.0**	**(76.7)**	**17.8**
Net interest paid / received	(25.9)	(20.6)	(51.6)	(41.8)
Income tax paid	(39.3)	(1.5)	(63.5)	(24.0)
Free cash-flow from continuing op. after int. & tax	**64.8**	**114.9**	**(191.8)**	**(48.0)**
Net financial investment	6.1	2.6	4.2	0.0
Dividends paid	(0.0)	0.0	(0.0)	0.0
Net change in equity	(2.7)	(9.7)	(0.6)	(8.7)
Other	(1.5)	(2.2)	(9.9)	(4.9)
Currency exchange variation	60.0	(34.1)	63.9	(9.7)
Decrease (increase) in net debt	**126.8**	**71.5**	**(134.1)**	**(71.2)**
Net debt at the beginning of the period	**2,433.4**	**2,183.9**	**2,172.6**	**2,041.2**
Net debt at the end of the period	**2,306.7**	**2,112.4**	**2,306.7**	**2,112.4**

1 *Includes restructuring outflows of:*

- *€9.8m in Q2 2018 vs. €12.4m in Q2 2017 and*
- *€18.8m in H1 2018 vs. €29.3m in H1 2017.*

Appendix 3: Working Capital Analysis

Constant basis	June 30, 2017	June 30, 2018
Net inventories		
as a % of sales 12 rolling months	***12.0%***	***12.3%***
as a number of days	*54.9*	*55.4*
Net trade receivables		
as a % of sales 12 rolling months	***17.5%***	***17.3%***
as a number of days	*52.2*	*52.1*
Net trade payables		
as a % of sales 12 rolling months	***15.6%***	***15.7%***
as a number of days	*63.3*	*61.4*
Trade working capital		
as a % of sales 12 rolling months	***13.8%***	***13.9%***
Total working capital		
as a % of sales 12 rolling months	***11.4%***	***11.3%***

Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	June 30, 2017	December 31, 2017	June 30, 2018	Year-on-Year Change
Europe	**15,851**	**15,789**	**15,898**	**0.3%**
USA	*6,237*	*6,358*	*6,337*	**1.6%**
Canada	*2,067*	*2,093*	*2,095*	**1.4%**
North America	**8,304**	**8,451**	**8,432**	**1.5%**
Asia-Pacific	**2,770**	**2,701**	**2,662**	**-3.9%**
Other	**223**	**219**	**163**	**-26.9%**
Group	**27,148**	**27,161**	**27,155**	**0.0%**

Branches comparable	June 30, 2017	December 31, 2017	June 30, 2018	Year-on-Year Change
Europe	**1,189**	**1,183**	**1,166**	**-1.9%**
USA	*375*	*384*	*384*	**2.4%**
Canada	*189*	*190*	*190*	**0.5%**
North America	**564**	**574**	**574**	**1.8%**
Asia-Pacific	**249**	**255**	**250**	**0.4%**
Group	**2,002**	**2,012**	**1,990**	**-0.6%**

Appendix 5: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.19	USD
1 €	=	1.54	CAD
1 €	=	1.57	AUD
1 €	=	0.88	GBP

and based on aquisitions/divestments to date, 2017 sales should take into account the following estimated impacts to be comparable to 2018 :

	Q1 actual	Q2 actual	Q3e	Q4e	FYe
Scope effect at Group level	**(27.2)**	**(29.8)**	**(23.8)**	**(17.8)**	**(98.6)**
as% of 2017 sales	*-0.8%*	*-0.9%*	*-0.7%*	*-0.5%*	*-0.7%*
Currency effect at Group level	**(198.6)**	**(118.7)**	**(22.6)**	**(13.0)**	**(352.9)**
as% of 2017 sales	*-6.0%*	*-3.6%*	*-0.7%*	*-0.4%*	*-2.7%*
Calendar effect at Group level	**-1.1%**	**0.6%**	**0.4%**	**1.0%**	**0.2%**
Europe	-1.6%	0.7%	0.7%	0.7%	0.1%
USA	*0.0%*	*0.0%*	*0.0%*	*1.7%*	*0.4%*
Canada	*-1.7%*	*1.5%*	*0.0%*	*1.5%*	*0.4%*
North America	-0.4%	0.4%	0.0%	1.6%	0.4%
Asia	*0.0%*	*0.1%*	*0.2%*	*0.8%*	*0.3%*
Pacific	*-1.7%*	*1.7%*	*-0.1%*	*1.5%*	*0.4%*
Asia-Pacific	-1.0%	1.0%	0.0%	1.1%	0.4%

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

Q2	Europe	North America	Asia-Pacific	Group
Reported sales 2017	**1,797.4**	**1,210.1**	**333.1**	**3,340.6**
+/- Net currency effect	-1.2%	-6.8%	-4.3%	-3.6%
+/- Net scope effect	0.0%	0.0%	-8.9%	-0.9%
= Comparable sales 2017	**1,775.5**	**1,127.5**	**289.0**	**3,192.0**
+/- Actual-day organic growth, of which:	**4.7%**	**6.9%**	**7.3%**	**+5.7%**
Constant-same day excl. copper	*3.4%*	*5.5%*	*6.2%*	*+4.4%*
Copper effect	*0.7%*	*1.0%*	*0.1%*	*+0.7%*
Constant-same day incl. copper	**4.0%**	**6.5%**	**6.3%**	**+5.1%**
Calendar effect	0.7%	0.3%	1.0%	0.6%
= Reported sales 2018	**1,858.6**	**1,205.0**	**310.0**	**3,373.6**
YoY change	3.4%	-0.4%	-6.9%	1.0%

H1	Europe	North America	Asia-Pacific	Group
Reported sales 2017	**3,623.7**	**2,400.7**	**638.6**	**6,663.0**
+/- Net currency effect	-1.3%	-9.6%	-6.1%	-4.8%
+/- Net scope effect	0.0%	0.0%	-8.9%	-0.9%
= Comparable sales 2017	**3,575.9**	**2,170.0**	**542.9**	**6,288.7**
+/- Actual-day organic growth, of which:	**2.9%**	**5.1%**	**9.4%**	**+4.2%**
Constant-same day excl. copper	*2.7%*	*4.0%*	*9.2%*	*+3.8%*
Copper effect	*0.7%*	*1.1%*	*0.2%*	*+0.7%*
Constant-same day incl. copper	**3.4%**	**5.1%**	**9.4%**	**+4.5%**
Calendar effect	-0.5%	0.0%	0.1%	-0.3%
= Reported sales 2018	**3,681.0**	**2,280.6**	**594.1**	**6,555.8**
YoY change	1.6%	-5.0%	-7.0%	-1.6%

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 April 4, 2018 under number D.18-0263. 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.

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