

Q1 2020 sales

April 23rd, 2020



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Consolidated financial statements as of March 31, 2020 were authorized for issue by the Board of Directors held on April 22, 2020



Adapting to unprecedented disruption

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Health & safety of our employees is our main priority

- Protection of our more than 26,000 employees is an absolute priority
- Key activities, from logistics centers to branches, are functioning in full compliance with applicable safety measures
- In the US, capitalizing on our European experience, we anticipated the lockdown, implementing sanitary measures before they became mandatory
- In less than 10 days, complete shift in operating methods thanks to strong IT capability and the broad use of digital interfaces
 - c.33% of Group employees working from home
 - Call centers and sales force teams fully operational from home
 - Track & trace, self-check-out, drive-in services, lockers allow business continuity while respecting sanitary measures

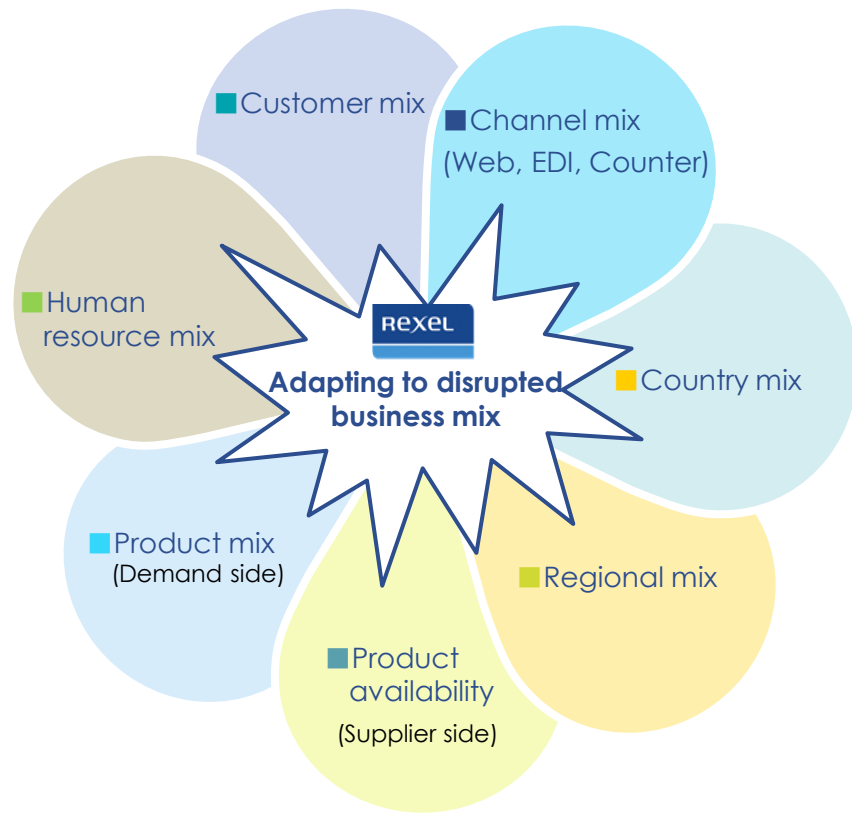
Employees at Group level

> 26,000

Home Office

33%

Real-time adaptation to mix variation in an unprecedented disruption



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Strong proximity with our customers & suppliers to
ensure continuity in the value chain

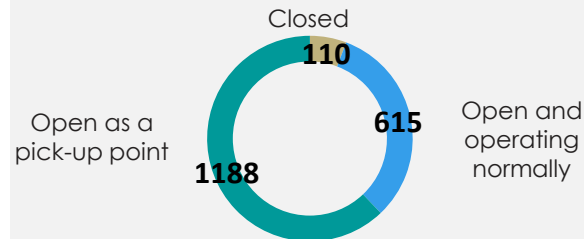
Rexel up and running amid the Covid-19 crisis

- Electrical distribution considered an **essential activity** in most countries
 - Our continuity plans allow the availability of products and services for essential, and sometimes vital, needs in a world which cannot run without electrical usage
 - Maintenance & Repair Operations, hospitals or retirement homes
- **Business continuity plans** in all countries
 - Our organization is up and running
 - 94% of branches & all Distribution Centers are operating, respecting sanitary measures
 - In this crisis mode, **digital is a key business** enabler and a game changer through data and transaction layers:
 - **Data structuring** / IT capability offering new functionalities
 - Use of data (Power BI) to monitor daily activity proactively and take appropriate measures
 - Enhanced cyberattack protection
 - **Transaction module** (Web & EDI) improving customer experience
 - Web interface adapted to customer needs
 - Web platform used to support/maintain contact with our customers and help them navigate government measures

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Number of open branches



Web account creation in France in 3 weeks late March

+1,888 vs 100 per week

Europe digital sales above 30% for the first time in March 2020

31.2% (vs 25% in March 19)

Sales by phone last week of March

c. 50%

Rexel demonstrates agility and reactivity

- **Key decisions taken on a weekly basis (FTE resource, inventory management)**
- Focus on cost management and cash generation to adapt to an unprecedented situation :
 - Liquidity is our key performance indicator
 - Daily monitoring focusing on our customer financing capability
 - Capex suspended pending case-by-case reassessment
 - Dividend cancelation proposed by the Board
 - Action plans implemented to actively manage opex such as:
 - Employee measures ; reduction of c. 27% of Salary & Benefits
 - All projects with no short-term impact on business put on hold
 - Focus on Working Capital management
 - Dynamic inventory adaptation by product/customer category, geography
- Our commitments remain unchanged :
 - No branch closures
 - No compromise on digital transformation ambition

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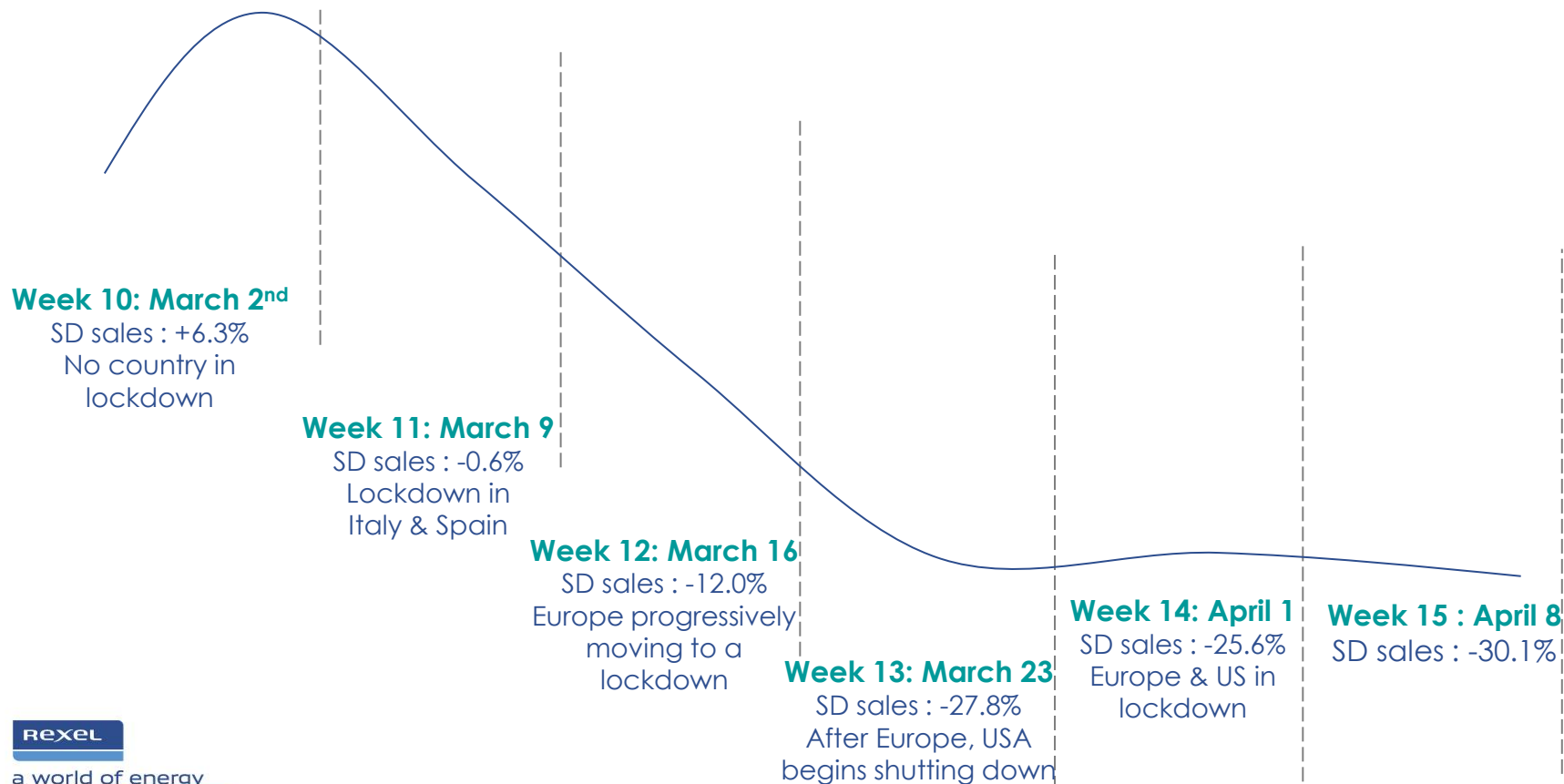
Same-day sales in
the first 15 days of April

-27.7%

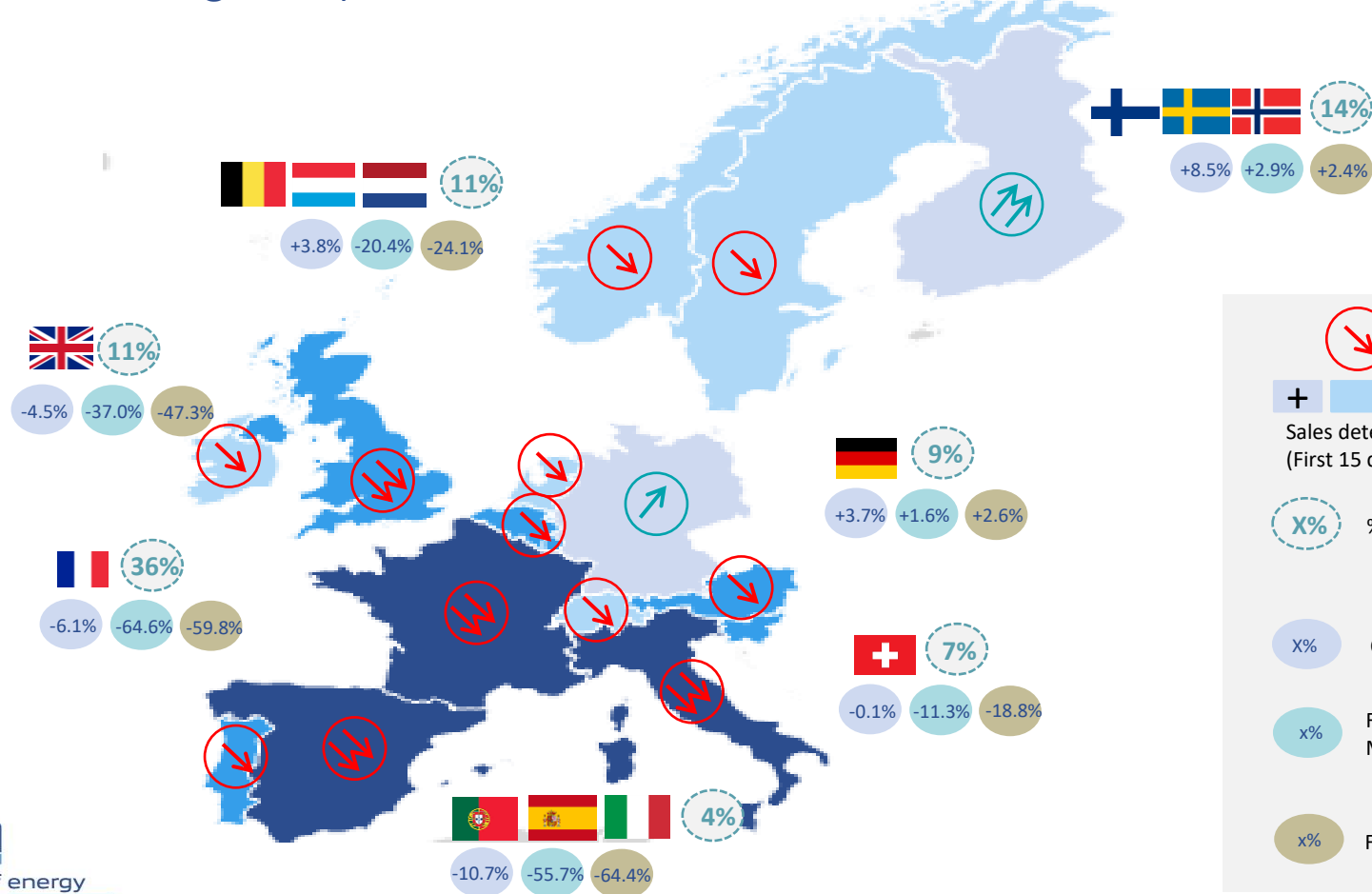
Reduction in Salary & Benefits in April

-27%

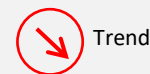
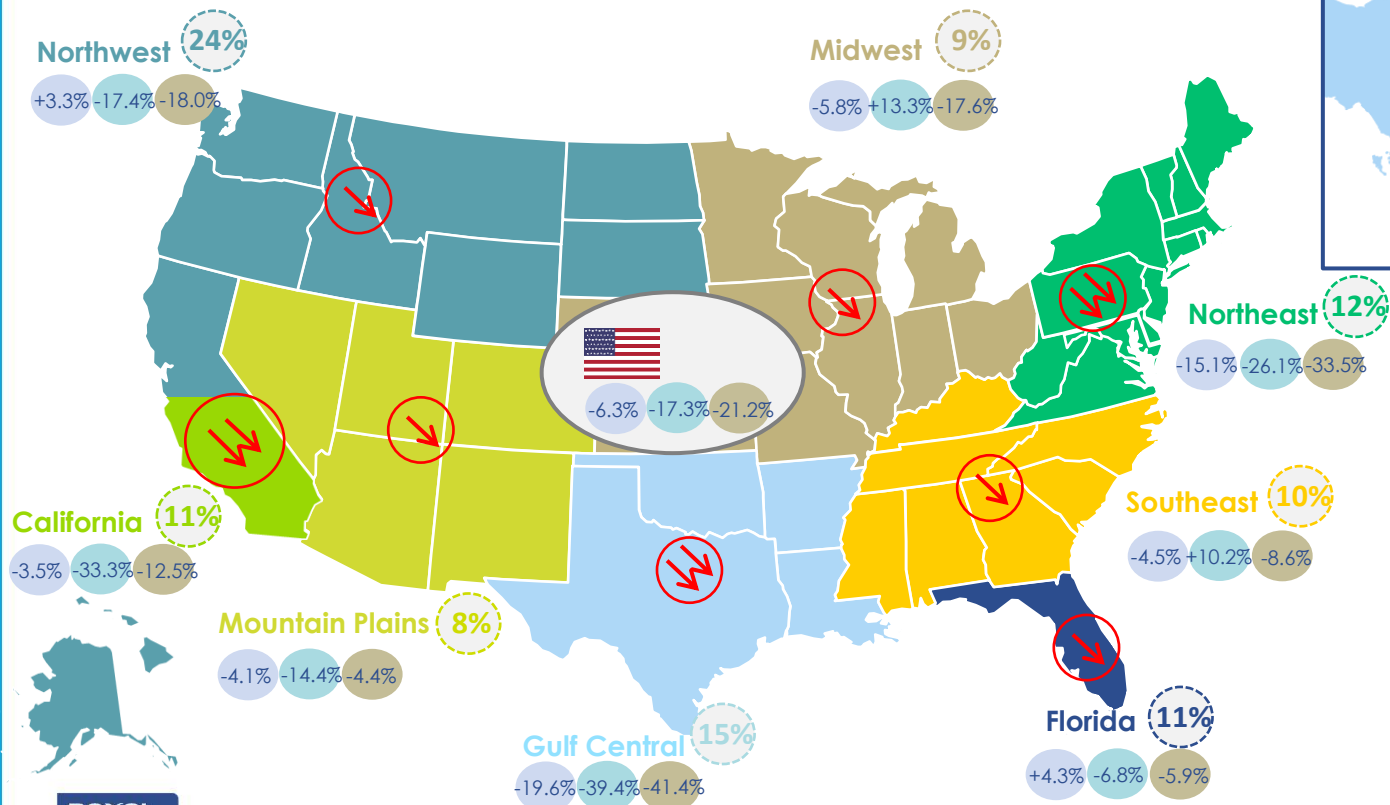
Same-day sales reflect the impact of progressive lockdown in Europe and North America



Europe : Stronger impact in the South than in the North



North America : Uneven shutdown measures in states in the US



Trend



Sales deterioration
(First 15 days of April)

x% % of US ED sales

x% Q1 2020 vs. Q1 2019

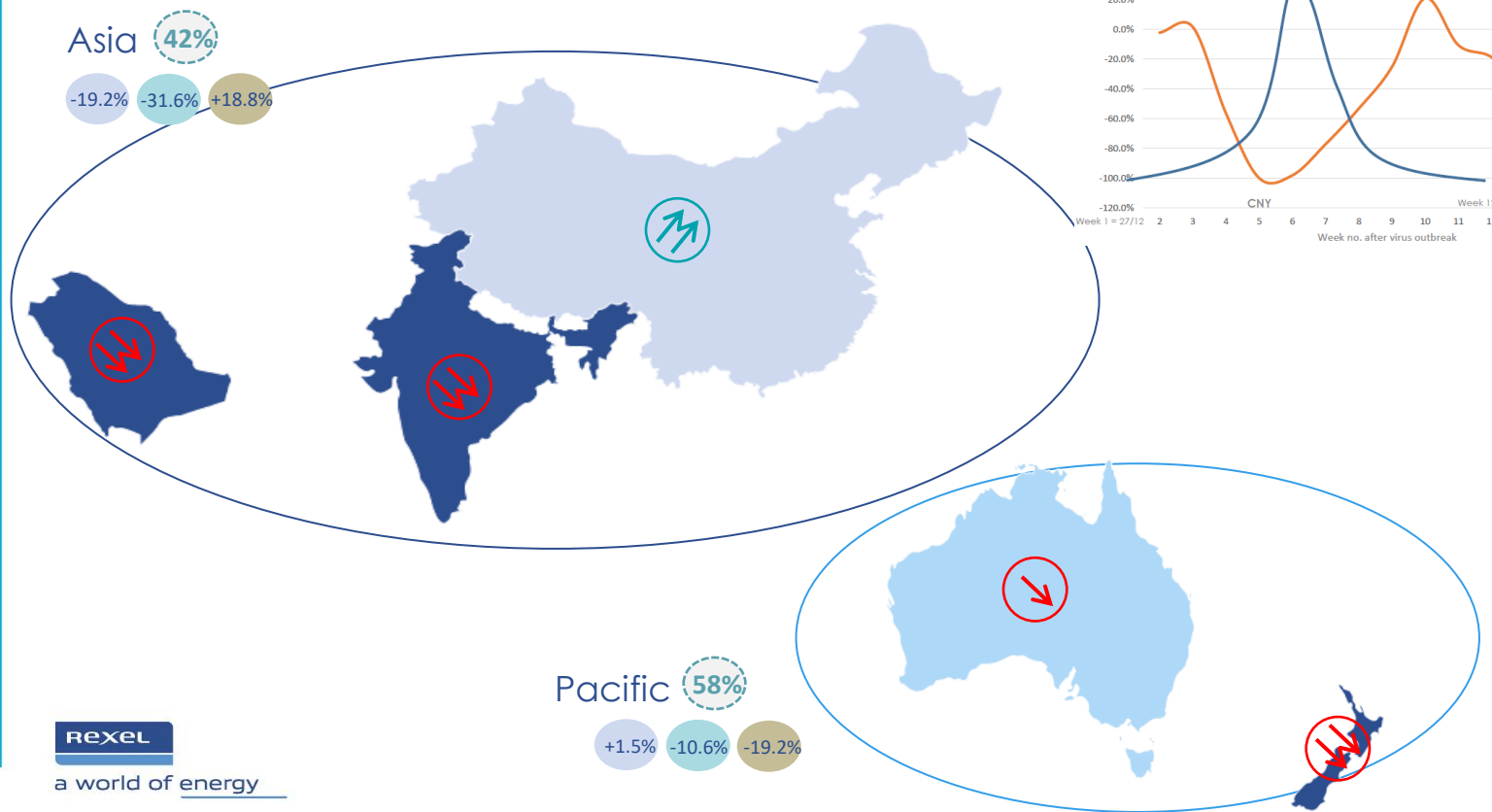
-x% From March 23rd to
March 31st

x% First 15 days of April

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Asia-Pacific: Pacific entering lockdown while China is bouncing back



Trend



Sales deterioration
(First 15 days of April)



% of Asia-Pac Sales



Q1 2020 vs. Q1 2019



From March 23rd to
March 31st)



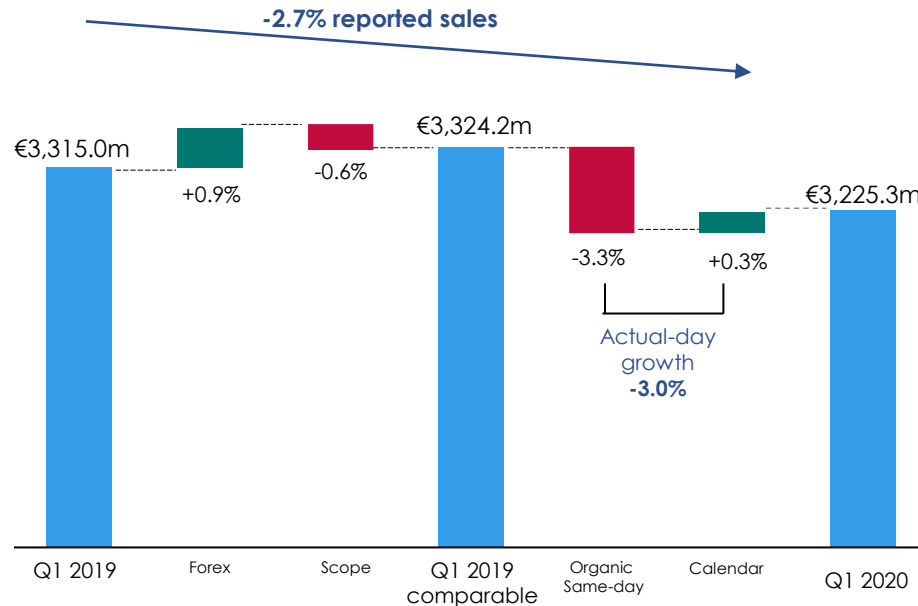
First 15 days of April

A large white number 2 is overlaid on a photograph of a wind farm. The wind turbines are silhouetted against a bright sunset sky with orange and yellow hues. The landscape is hilly and grassy, with a path leading through the turbines. The sky transitions from a deep blue at the top to a lighter blue near the horizon.

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Q1 20 Sales review & priorities in COVID-19 environment

Q1 20 sales : Down 3.3% on a same-day basis and -2.7% on a reported basis



- Q1 2020 same day sales down 3.3%
 - Europe (56% of Group sales) : -1.5%
 - North America (37% of Group sales) : -4.8%
 - APAC (7% of Group sales) : -8.3%
- Organic same day sales growth impacted by negative copper impact in the quarter (-0.4% contribution)
- Scope effect mainly related to the sale of Gexpro Services
 - Deconsolidation as of February 23rd, 2020
 - Annual sales of circa \$260m
 - Higher profitability than country average
 - Indebtedness ratio reduced by 10 bps

Good start to Q1 2020; activity strongly impacted by Covid-19 since mid-March

- Same-day sales grow through February and drop sharply in March
 - **Ytd through February** at +0.9% or +2.0% restated for China (impacted earlier by Covid-19)
 - **Week of March 23rd** : Same-day sales were down -27.8% following progressive lockdown in most European countries and North America
- Same-day sales down -27.7% in the first 15 days of April, with most of Europe and North America under lockdown
 - Europe down -37.0%
 - North America down -21.5%
 - APAC down -0.4%

Q1 2020 sales

3,225 € million

Q1 2020 same-day sales growth

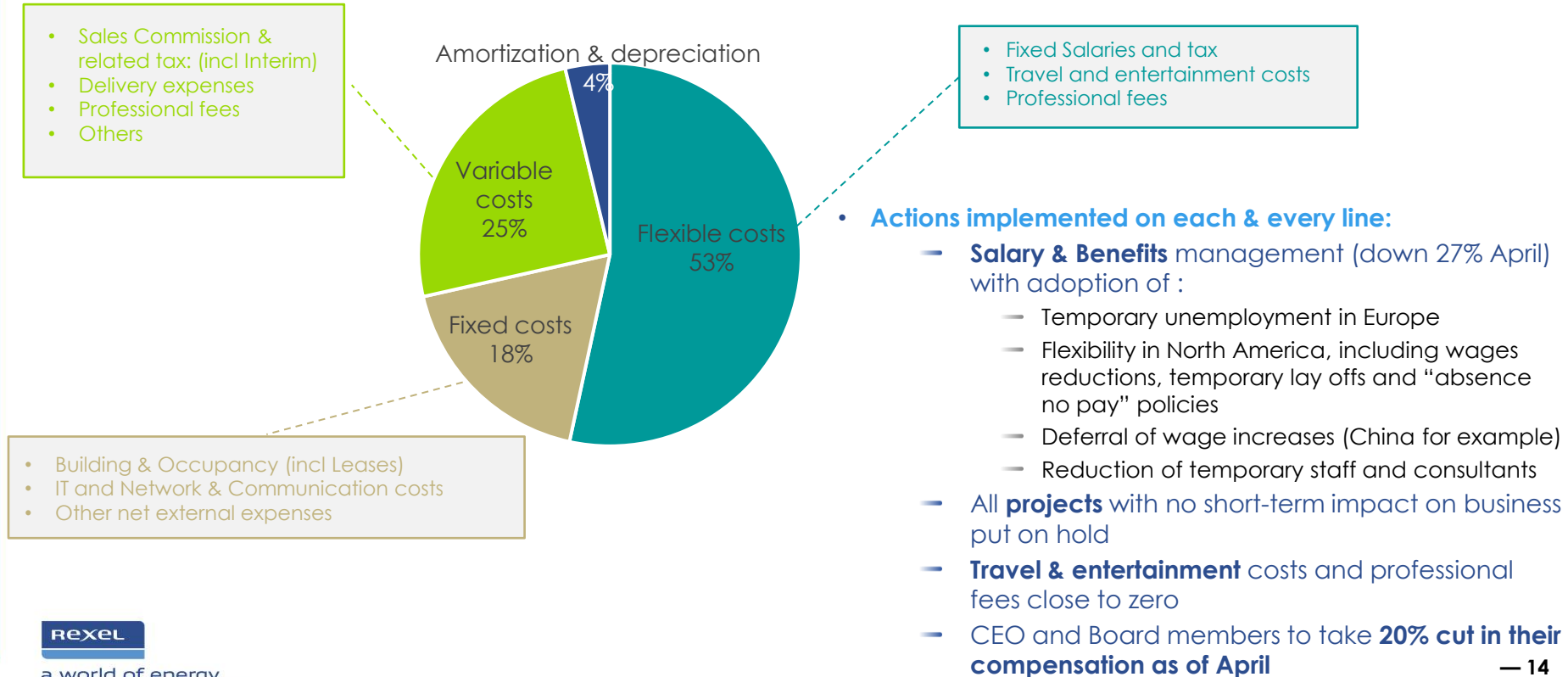
-3.3%

Same-day sales growth in the first 15 days of April

-27.7 %

Active opex reduction with actions on every cost category

NATURE OF OPEX BY CATEGORY [€2.7b IN 2019]



Cash generation, our key priority

- **Daily monitoring to better manage liquidity:**
 - Weekly level of inventory & bottom-up modelling over 3 months
- **Active cash management**
 - Strong monitoring of cash collection on Receivables: Stable bad debt level at 0.3% of sales at this stage
 - Dynamic Inventory adaptation by product/customer category, geography
 - Tight management of payables
 - Social tax deferral authorized by governments in most countries
 - Lower Capex expected as most projects put on hold
 - Current opex measures require limited restructuring costs
- **Dividend cancellation proposed by the Board would further protect liquidity**
- **Debt covenant**
 - **SCA:** Calculated twice a year, at end-June and end-December
 - Covenants at 3.5x with three spikes authorized
 - Once between 3.75 and 3.9x
 - Two times between 3.5 and 3.75x
 - Only 2 spikes can be consecutive

2.37x

Indebtedness at December 31, 2019, post sale of Gexpro Services

3.9x

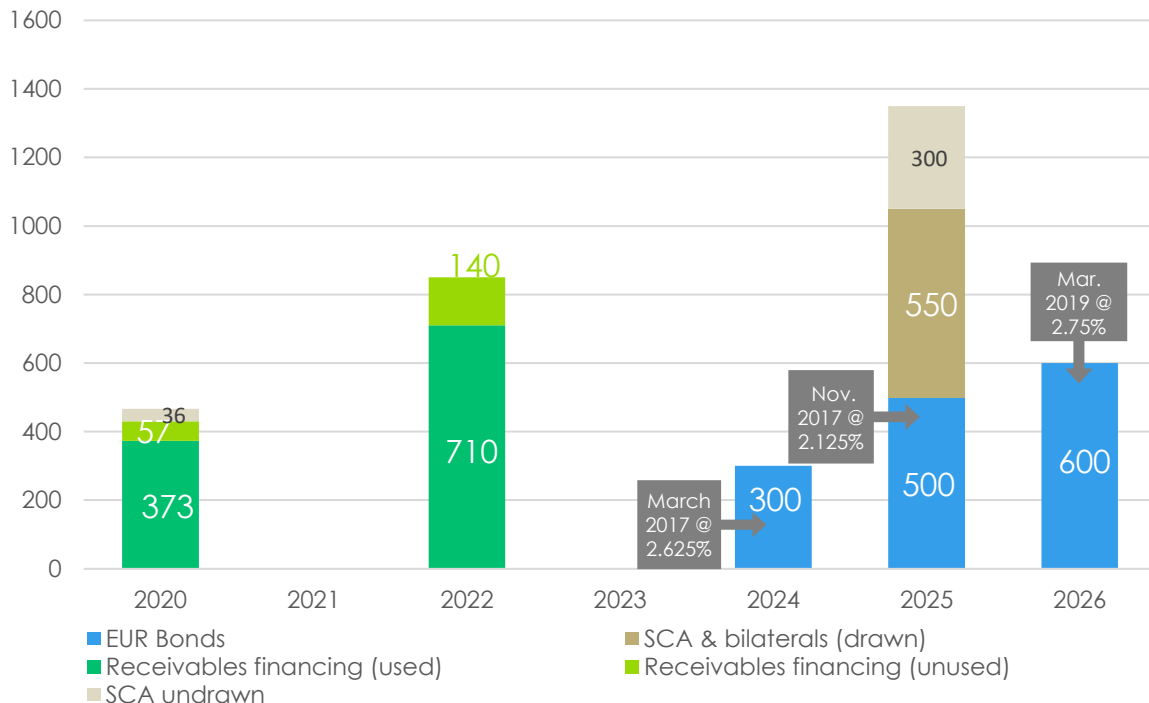
One-time spike authorized in covenant between 3.75x and 3.9x

€145m

Cash saving from possible dividend cancellation

No short-term liquidity issues

- Debt maturity breakdown at March. 31, 2020



Anticipated reduction in securitization of receivables covered by available liquidity

c. €1.13bn

Liquidity as of March 31, 2020
including €300m of undrawn SCA

€700m

Potential additional liquidity
available without requesting any
waiver.

Including :

€200m

Overdraft available

€500m

To be negotiated with core banks



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Key takeaways

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COVID-19 underscores relevance of focused digital transformation

Data

Power BI, CRM



Enhanced reactivity
Daily monitoring
(sales, margins, receivables...)



Live. To be rolled out in all countries

Transaction

Web & EDI platforms,
Track & Trace, Email to
EDI, Digital customer
invoicing



- Improved customer experience
- Accelerate digital adoption in Covid-19 environment



Live. Rollout to be continued

Predictive

(AI Modules)

Customer churn, branch
assortment, pricing, NBO...



Covid-19 will force Rexel to
accelerate structural adaptation
of its model



- Live proven module to be rolled out
- New analytics tool postponed

Update on 2020 priorities and actions

- **Our priorities :**

- Preserve health and safety of our employees and customers
- Ensure business and process continuity
- Focus on liquidity as key performance indicator
- Protect the company; focus on opex and cash management
- Roll out all digital capabilities systematically

- **Our actions :**

- Outlook : 2020 guidance suspended on March 25th
- The Board of Directors has decided not to propose the payment of a dividend in respect of 2019 at the next Annual General Meeting, which has been postponed to 25 June 2020



Appendix



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Appendix 1 : Segment reporting – Constant and adjusted basis¹

GROUP

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
Sales	3,324.2	3,225.3	-3.0%
<i>on a constant basis and same days</i>			-3.3%

EUROPE

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
Sales	1,815.6	1,810.0	-0.3%
<i>on a constant basis and same days</i>			-1.5%
France	691.1	659.3	-4.6%
<i>on a constant basis and same days</i>			-6.1%
United Kingdom	199.6	193.8	-2.9%
<i>on a constant basis and same days</i>			-4.5%
Germany	163.4	170.7	+4.5%
<i>on a constant basis and same days</i>			+3.7%
Scandinavia	224.4	244.5	+8.9%
<i>on a constant basis and same days</i>			+8.5%

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 cable prices.

Appendix 1 : Segment reporting – Constant and adjusted basis¹

NORTH AMERICA

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
Sales	1,248.1	1,176.5	-5.7%
<i>on a constant basis and same days</i>			-4.8%
United States	999.7	921.4	-7.8%
<i>on a constant basis and same days</i>			-6.3%
Canada	248.3	255.1	+2.7%
<i>on a constant basis and same days</i>			+1.1%

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
Sales	260.6	238.8	-8.4%
<i>on a constant basis and same days</i>			-8.3%
China	107.0	79.6	-25.6%
<i>on a constant basis and same days</i>			-24.4%
Australia	109.8	114.4	+4.2%
<i>on a constant basis and same days</i>			+2.5%
New Zealand	24.8	24.4	-1.6%
<i>on a constant basis and same days</i>			-3.2%

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 cable prices.

Appendix 2 : Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.10	USD
1 €	=	1.54	CAD
1 €	=	1.77	AUD
1 €	=	0.88	GBP

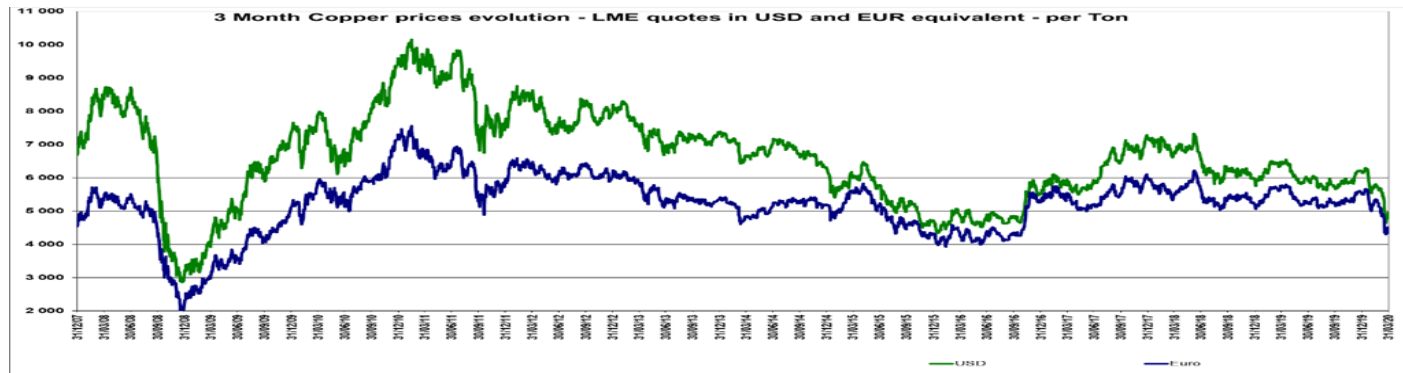
and based on acquisitions/divestments to date, 2019 sales should take into account the following estimated impacts to be comparable to 2020 :

	Q1 actual	Q2e	Q3e	Q4e	FYe
Scope effect at Group level	(20.5)	(58.1)	(57.8)	(55.4)	(191.7)
<i>as% of 2019 sales</i>	<i>-0.6%</i>	<i>-1.7%</i>	<i>-1.7%</i>	<i>-1.6%</i>	<i>-1.4%</i>
Currency effect at Group level	29.8	(10.2)	(22.6)	(36.1)	(39.2)
<i>as% of 2019 sales</i>	<i>0.9%</i>	<i>-0.3%</i>	<i>-0.7%</i>	<i>-1.0%</i>	<i>-0.3%</i>
Calendar effect at Group level	0.3%	0.1%	0.4%	1.6%	0.6%
Europe	1.2%	0.1%	0.7%	1.3%	0.8%
USA	-1.5%	0.0%	0.0%	3.4%	0.4%
Canada	1.6%	0.1%	0.0%	0.0%	0.4%
North America	-0.9%	0.0%	0.0%	2.6%	0.4%
Asia	-1.5%	-0.6%	1.4%	-1.2%	-0.5%
Pacific	1.6%	1.0%	0.0%	-0.2%	0.6%
Asia-Pacific	-0.1%	0.2%	0.7%	-0.7%	0.1%

Appendix 3 : Analysis of change in revenues (€m)

Q1	Europe	North America	Asia-Pacific	Group
Reported sales 2019	1,814.0	1,233.4	267.7	3,315.0
+/- Net currency effect	0.1%	2.8%	-2.6%	0.9%
+/- Net scope effect	-0.1%	-1.6%	0.0%	-0.6%
= Comparable sales 2019	1,815.6	1,248.1	260.6	3,324.2
+/- Actual-day organic growth, of which:	-0.3%	-5.7%	-8.4%	-3.0%
<i>Constant-same day excl. copper</i>	-1.2%	-4.2%	-8.5%	-2.9%
<i>Copper effect</i>	-0.3%	-0.6%	0.2%	-0.4%
Constant-same day incl. copper	-1.5%	-4.8%	-8.3%	-3.3%
<i>Calendar effect</i>	1.2%	-0.9%	-0.1%	0.3%
= Reported sales 2020	1,810.0	1,176.5	238.8	3,225.3
YoY change	-0.2%	-4.6%	-10.8%	-2.7%

Appendix 4 : Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2018	6,997	6,907	6,139	6,158	6,544
2019	6,219	6,129	5,829	5,916	6,020
2020	5,651				
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
2020 vs. 2019	-9%				

€/t	Q1	Q2	Q3	Q4	FY
2018	5,693	5,797	5,279	5,395	5,538
2019	5,476	5,454	5,243	5,343	5,377
2020	5,124				
2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
2020 vs. 2019	-6%				

Financial Calendar

June 25, 2020

Annual Shareholders' Meeting

July 28, 2020

Second-quarter sales and
first half 2020 results

Contacts

- **INVESTORS & ANALYSTS**

Ludovic DEBAILLEUX - ludovic.debailleux@rexel.com

Tel: +33 1 42 85 76 12

- **PRESS**

Brunswick - Thomas KAMM - tkamm@brunswickgroup.com

Tel: +33 1 53 96 83 92

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 Universal Registration Document registered with the French Autorité des Marchés Financiers (AMF) on March 9, 2020 under number D.20-0111. 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.

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This document includes only summary information and must be read in conjunction with Rexel's Universal Registration Document registered with the AMF on March 9, 2020 under number D.20-0111, as well as the consolidated financial statements and activity report for the 2019 fiscal year, which may be obtained from Rexel's website (www.rexel.com).