

## FIRST-HALF 2020 RESULTS

**SAME-DAY SALES DOWN -17.7% IN Q2 20, WITH GRADUAL RECOVERY SINCE APRIL  
ACTIVE OPEX MANAGEMENT IN Q2, WITHOUT COMPROMISING OUR MEDIUM-TERM DIGITAL AMBITION  
STRONG FCF GENERATION WITH A 77.7% CONVERSION RATE IN H1 2020**

→ SALES OF €2,820.4m IN Q2 2020, REFLECTING BUSINESS CONTINUITY TO SERVE OUR CUSTOMERS WHILE PRESERVING THE HEALTH AND SAFETY OF OUR EMPLOYEES

- On a constant and same-day basis, sales down 17.7% in Q2 20. Even as the COVID-19 pandemic spread in most geographies, the dedication of our employees and digital transformation allowed us to gain market share
- Gradual improvement since April, with progressive recovery in Europe and Pacific, while North America is lagging
- Same-day sales down 5.6% in the first 2 weeks of July

→ FOCUS ON PROFITABILITY WITH REAL-TIME ADAPTATION TO EVERY LOCAL SITUATION; SALARY & BENEFITS CUT BY 19.7% IN Q2, MOSTLY THROUGH TEMPORARY MEASURES AND STRUCTURAL ACTIONS

→ SOLID FREE CASH FLOW OF €176.8m IN H1 2020 THANKS TO ACTIVE MANAGEMENT OF INVENTORIES AND RECEIVABLES

→ LOWEST LEVEL OF FINANCIAL NET DEBT SINCE 2008; INDEBTEDNESS RATIO AT 2.59X, LOWER THAN JUNE 30, 2019

→ RECURRING NET INCOME DOWN IN H1 2020 AND NET INCOME AT €(439.8)m FOLLOWING A €486m GOODWILL IMPAIRMENT, MAINLY TO REFLECT LOWER VOLUME RELATED TO COVID-19

→ VISIBILITY FOR H2 REMAINS LOW; CONTINUED FOCUS ON CASH GENERATION AND OPEX MANAGEMENT

Key figures <sup>1</sup>	Q2 2020	YoY change	H1 2020	YoY change <sup>3</sup>
<b>Sales</b>	<b>€2,820.4m</b>		<b>€6,045.6m</b>	
On a reported basis		-19.1%		-11.1%
On a constant and actual-day basis		-17.7%		-10.4%
On a constant and same-day basis		-17.7%		-10.6%
<b>Adjusted EBITA<sup>2</sup></b>			<b>€199.3m</b>	<b>-36.6%</b>
As a percentage of sales			3.3%	
Change in bps as a % of sales <sup>2</sup>			-136bps	
<b>Reported EBITA</b>			<b>€192.3m</b>	<b>-39.9%</b>
<b>Operating income (loss)</b>			<b>€(296.8)m</b>	
<b>Net income (loss)</b>			<b>€(439.8)m</b>	
<b>Recurring net income</b>			<b>€82.5m</b>	<b>-50.7%</b>
<b>FCF before interest and tax</b>			<b>€176.8m</b>	<b>+€194.1m</b>
<b>Net debt at end of period</b>			<b>€1,690.3m</b>	<b>22.2% decrease</b>

<sup>1</sup> See definition in the Glossary section of this document <sup>2</sup> 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 <sup>3</sup> Adjusted for IFRS 16 first time application retrospective changes

**Patrick BERARD, Chief Executive Officer, said:**

“In the last months, Rexel demonstrated its ability to adapt and respond to a challenging business environment globally. Rexel was able to do so by taking advantage of all the investments it made in its network and digital transformation over the past three years.

We posted strong positive cash flow and resilient sales and profitability, and the credit goes to our very united and committed teams that acted as one company, sharing best practices across the organization. Our customers have welcomed our multiple initiatives and I also thank them for this trust.

We are emerging from this crisis as a stronger company committed to continuing on our journey of growth and profitability while focusing on our fundamentals.”

**FINANCIAL REVIEW FOR THE PERIOD ENDED JUNE 30, 2020**

- ▶ *Interim Consolidated Financial statements as of June 30, 2020 were authorized for issue by the Board of Directors on July 27<sup>th</sup>, 2020. They have been subjected to a limited review by statutory auditors.*
- ▶ *The following terms: Reported EBITA, Adjusted EBITA, EBITDA, EBITDAaL, 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 down 19.1% year-on-year on a reported basis and down 17.7% on a constant and same-day basis, reflecting the impact of the lockdown in all geographies, with a gradual recovery since mid-April**

In the second quarter, Rexel posted sales of €2,820.4 million, down 19.1% on a reported basis, including:

- A positive currency effect of €6.0 million (i.e. +0.2% of Q2 2019 sales), mainly due to the appreciation of the US dollar against the euro;
- A negative net scope effect of €65.0 million (i.e. -1.9% of Q2 2019 sales), mainly resulting from the disposal of Gexpro Services in the US;
- A neutral calendar effect.

On a constant and same-day basis, sales were down 17.7%, including a negative effect from the change in copper-based cable prices (-0.7% in Q2 20 vs -0.2% in Q2 19).

In H1 2020, Rexel posted sales of €6,045.6 million, down 11.1% on a reported basis. On a constant and same-day basis, sales were down 10.6%, including a negative impact of 0.5% from the change in copper-based cable prices.

A strong online performance, as illustrated by the 7.2% increase in digital sales in the first half, allowed us to contain the drop in total H1 same-day sales to -10.6%. Digital sales reached almost 21% of sales at Group level in H1 and represented 31% of sales in Europe.

The 11.1% decrease in sales on a reported basis included:

- A positive currency effect of €35.8 million (i.e. +0.5% of H1 2019 sales), mainly due to the appreciation of the US dollar against the euro;
- A negative net scope effect of €85.5 million (i.e. -1.3% of H1 2019 sales), mainly resulting from the disposal of Gexpro Services in the US;
- A positive calendar effect of 0.2 percentage points.

**Europe (54% of Group sales): -16.7% in Q2 and -9.1% in H1 on a constant and same-day basis**

In the second quarter, sales in Europe decreased by 16.9% on a reported basis, with non-material currency and scope effects. On a constant and same-day basis, sales were down 16.7% as a result of lockdown policies followed by gradual deconfinement since May.

- Sales in **France** (34% of the region's sales) were down 25.2%, mainly as a result of the lockdown from March 17<sup>th</sup> to May 11<sup>th</sup>. Sales dropped up to -64% in the last week of March before gradually recovering, mainly as a result of positive momentum in the residential and industrial end-markets. Commercial business lagged in the recovery phase, mainly due to sanitary measures in large projects and lower public spending, partly related to the three-month postponement of municipal elections. The combination of business continuity for our customers and our digital offering translated into market share gains of c. 2 points in the first 6 months of 2020.

- Sales in **Scandinavia** (16% of the region's sales) were up 2.3%, supported by good underlying demand from utilities in Finland and Norway, offsetting the lower level of business in Sweden (-2.5%).
- **Benelux** (12% of the region's sales) was down 8.1%, mainly due to a 12.7% drop in sales in Belux in Q2 20, impacted by the lockdown, with a gradual recovery since May 11<sup>th</sup>. Momentum was good in residential business while commercial has lagged. The Netherlands were resilient and benefited from the absence of lockdown measures. Sales were down 1.8%, mainly due to a difficult base effect in the photovoltaic business.
- Sales in **Germany** (11% of the region's sales) were up 3.9%, thanks to the limited lockdown measures and our improved sales organization that benefited the construction-related business, while industry continued to suffer from lower export business and lack of demand in the automotive business.
- Sales in **Switzerland** (8% of the region's sales) dropped by 6.2%, with better resilience in the Germanic part, which is highly digitalized (above the country penetration rate of 71%).
- In **the UK** (7% of the region's sales), sales dropped by 41.7%, largely impacted by the lockdown that lasted until beginning of July, coupled with the Brexit effect and, to a lesser extent, branch closures (1.1% impact – 12 branch closures compared to March 2019, including one closure in Q1 2020).

#### North America (36% of Group sales): -23.0% in Q2 and -14.1% in H1 on a constant and same-day basis

In the second quarter, sales in North America were down 25.5% on a reported basis, including a negative scope effect of 4.6% (-€62.3m) from the disposal of Gexpro Services and a positive currency effect of 1.4% (+€18.7m), mainly due to the appreciation of the US dollar against the euro. On a constant and same-day basis, sales dropped by 23.0%.

- In **the US** (79% of the region's sales), sales were down 22.8% with a three to four-week lag versus Europe. The Western part of the country (California and Northwest) were the first regions to lock down before gradually recovering. In regions like the Midwest or the Gulf, we anticipate activity to remain depressed in heavy industries (automotive, aerospace) and Oil & Gas. In the Northeast (New York area), the pandemic impact has been significant, and we are adjusting costs and taking the opportunity to adapt the organization. Recovery will largely depend on whether some regions see a second wave of lockdown.
- In **Canada** (21% of the region's sales), sales dropped by 23.6% on a same-day basis. Sales recovered since mid-May, driven by the Western part of the country, notably helped by more positive Oil & Gas activity (downstream).

#### Asia-Pacific (10% of Group sales): -0.6% in Q2 and -4.2% in H1 on a constant and same-day basis

In the second quarter, sales in Asia-Pacific were down 3.4% on a reported basis, including a negative currency effect of -3.1% (-€9.3m), mainly due to the depreciation of the Chinese renminbi and Australian dollar against the euro. On a constant and same-day basis, sales were down 0.6% (or -2.7% excluding the large aerospace contract in China).

- In the Pacific (47% of the region's sales), sales were down 6.7% on a constant and same-day basis:
  - In **Australia** (86% of Pacific's sales), sales were down 0.9% with a limited Covid-19 impact until end-May. While we saw good momentum in construction-related business, we faced a difficult base effect in the industrial project business (lower EPC activity).
  - In **New Zealand** (14% of Pacific's sales), sales dropped by 31.1%, with a complete lockdown leading to a drop in sales of between 63% and 83% in April before gradually recovering.
- In Asia (53% of the region's sales), sales were up 5.6% on a constant and same-day basis:

- In **China** (92% of Asia's sales), sales posted solid 13.9% growth, with a strong recovery in OEM, systems integration and projects (including an aerospace contract that contributed +3.6%)
- In **India** (which saw a severe lockdown) and the **Middle East**, sales were down respectively by 55% and 26.8%.

## PROFITABILITY

### Adjusted EBITA margin at 3.3% in H1 2020, down 136bps compared to H1 2019

In the first half, gross margin was down 36 bps year-on-year, at 24.6% of sales, and opex (including depreciation) amounted to 21.3% of sales, representing a deterioration of 100 bps year-on-year.

- In **Europe**, gross margin stood at 26.8% of sales, down 60bps year-on-year from negative country mix (mainly France and Germany), customer mix (the Nordics) and lower volume leading to lower rebates. In the first half, opex (including depreciation) represented 22.8% of sales (-133bps), underscoring reactive and agile opex management in Q2 mainly thanks to temporary unemployment measures and other internal efforts;
- In **North America**, gross margin stood at 22.9% of sales, stable compared to a year ago (+1 bps), showing strong discipline and positive pricing impact. Excellent opex management (-75bps at 19.7%) thanks to decisive actions on Salary & Benefits (S&B reduced by 16%, more than the drop in sales) with all employees contributing to the productivity gains through temporary layoffs, furloughs or reduction of wages (-10% to -20%);
- In **Asia-Pacific**, gross margin stood at 17.5% of sales, a deterioration of 69bps year-on-year mainly due to country mix (strong growth in China) and negative product mix (PV, Lighting) in the Pacific. Opex (including depreciation) deteriorated by 20bps at 16.7% of sales with salary increase frozen in Asia and "absence no pay" policy implemented in the Pacific;
- At **corporate level**, opex amounted to €9.5 million, below last year's level of €12.9 million, as a result of partial unemployment and lower projects at HQ level.

As a result, adjusted EBITA stood at €199.3m, down 36.6%, in the first half 2020.

Adjusted EBITA margin was down 136bps at 3.3% of sales, reflecting:

- a drop in adjusted EBITA margin in Europe at 4.0% of sales, down 193bps;
- a lower adjusted EBITA margin in North America at 3.2% of sales, down 73 bps and
- a lower adjusted EBITA margin in Asia-Pacific down 89bps, at 0.8% of sales.

In H1 20, reported EBITA stood at €192.3 million (including a negative one-off copper effect of €6.9m), down 39.9% year-on-year.

**NET INCOME****Net income (loss) of €(439.8)m in H1 2020****Recurring net income down 50.7% to €82.5 million in H1 2020**

Operating income (loss) in the first half stood at €(296.8) million vs. €290.2 million<sup>3</sup> in H1 2019.

- Amortization of intangible assets resulting from purchase price allocation amounted to €6.6 million (vs. €7.1 million in H1 2019);
- Other income and expenses amounted to a net charge of €482.5 million (vs. a net charge of €22.8 million<sup>3</sup> in H1 2019). They included:
  - a charge of €486.0 million from goodwill impairment, mainly reflecting lower volume related to Covid-19 crisis and higher Wacc (increased risk premium in the Covid-19 environment).  
This impairment concerns various countries including the UK (€162m), US (€108m), Canada (€75m), Germany (€75m), Australia (€41m) and Norway (€18m) carrying historical high level of goodwill from the LBO step-up in 2005 and Hagemeyer acquisition in 2008.
  - €1.9 million of restructuring costs (vs. €13.5 million in H1 2019)
  - €6.0 million gain on disposals of Gexpro Services and Spanish export business.

Net financial expenses in the first half amounted to €63.1 million (vs. €94.3 million<sup>3</sup> in H1 2019).

Excluding a €20.8m one-off expense recognized in the first half of 2019 related to the cost of the early repayment of the €650 million senior notes due 2023, net financial expenses were down €10.4m, thanks to lower effective interest rate at 2.43% in H1 2020 (vs. 2.82% in H1 2019).

Net financial expenses include a charge of €22.1m of interest on lease liabilities in H1 2020 (vs €22.5m<sup>3</sup> in H1 2019).

Income tax in the first half represented a charge of €79.9 million in H1 2020 (vs. €32.6 million in H1), mainly due to a €(33.8)m deferred tax asset depreciation recognized mainly in UK and Germany. H1 2019 included a release of a €29.5 million reserve on disputed interest expenses tax deductibility following the decision of the Appeal Court favorable for Rexel.

Net income in the first half was negative at -€439.8 million (vs. a positive €163.3 million<sup>3</sup> in H1 2019).

Recurring net income in the first half amounted to €82.5 million, down 50.7% compared to H1 2019 (see appendix 3).

<sup>3</sup>Adjusted for IFRS 16 first time application retrospective changes

**FINANCIAL STRUCTURE****Inflow of free cash-flow before interest and tax of €176.8 million in first half 2020****Indebtedness ratio of 2.59x at June 30, 2020**

In the first half, free cash flow before interest and tax was an inflow of €176.8 million (vs. an outflow of €17.3 million in H1 2019), **representing a Free Cash flow conversion rate (EBITDAaL into FCF before interest and taxes) of 77.7%. This net inflow included:**

- An inflow of €17.8 million from change in working capital (compared to an outflow of €271.1 million<sup>3</sup> in H1 2019), mainly from active management of working capital;
- Lower cash outflow from restructuring (€7.3m in Germany, Spain & US vs. €28.7m in H1 2019)
- A stable level of capital expenditure (€53.1 million vs. €53.5 million in H1 2019). Gross capital expenditure stood at €53.4 million in H1 2020 compared to €55.9m in H1 2019, with a reduction in capex in Q2 20 (-€9m) following a strong start with Q1 20 up +€6m.

At June 30, 2020, net debt stood at €1,690.3 million, down 22.2% year-on-year (vs. €2,172.6 million at June 30, 2019). This represents the lowest level of financial net debt since 2008.

It took into account:

- €35.3 million of net interest paid in H1 2020 (vs €44.4 million paid in H1 2019)
- €24.9 million of income tax paid in the first half compared to €62.5 million paid in H1 2019, mainly from lower taxable income
- €148.1 million of proceeds from the disposal of Gexpro Services and the Spanish export business
- €4.9 million of negative currency effects during the first half (vs a negative effect of €8.4 million in H1 2019).

At June 30, 2020, the indebtedness ratio (Net financial debt/ EBITDAaL), as calculated under the Senior Credit Agreement terms, stood at 2.59x, lower than the June 30, 2019 level of 2.86x.

**PRIORITIES FOR THE COMING QUARTERS**

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All investments made in the past three years in people, inventories, branch openings, IT and digital have proven their relevance and contributed to transform Rexel into a much more robust company, able to navigate the current turmoil without compromising its medium-term ambition.

The current environment remains volatile and visibility on H2 20 and 2021 is low, notably considering the increasing risk of a second wave of the Covid-19 pandemic in several countries. The uncertainty, both on the shape of the recovery and its timing, leads us to continue withholding full-year guidance.

Rexel has demonstrated its ability to adapt its organization to very different situations from country to country, leveraging its investments over the past three years. Rexel will keep focusing on its fundamentals in order to preserve profitability and FCF generation.

In that context, while Rexel will manage its business with internal KPIs and objectives on a six-month basis, the Group will reaccelerate its medium-term digital transformation roadmap and leverage its digital tools to reinforce its multichannel approach and customer service.

**CALENDAR**October 29<sup>th</sup>, 2020

Third-quarter 2020 sales

**FINANCIAL INFORMATION**

The financial report for the period ended June 30, 2020 is available on the Group's website ([www.rexel.com](http://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 sales and half-year 2020 results publication 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 more than 1,900 branches in 26 countries, with more than 26,000 employees. The Group's sales were €13.74 billion in 2019.

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, Ethibel Sustainability Index Excellence Europe, Euronext VigeoEiris Europe 120 Index, Dow Jones Sustainability Index Europe and STOXX® Global Climate Change Leaders, in recognition of its performance in corporate social responsibility (CSR). Rexel is on the CDP "Climate A List".

For more information, visit Rexel's web site at [www.rexel.com/en](http://www.rexel.com/en)

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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.

**EBITDAaL** is defined as EBITDA after deduction of lease payment following the adoption of IFRS16.

**RECURRING NET INCOME** is defined as net income restated 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.

**APPENDIX**
**Appendix 1: Q2 and H1 2020 sales and adjusted Ebita bridge**
**SALES BRIDGE**

Q2	North			Group
	Europe	America	Asia-Pacific	
<b>Reported sales 2019</b>	<b>1,830.9</b>	<b>1,350.4</b>	<b>303.2</b>	<b>3,484.4</b>
+/- Net currency effect	-0.2%	1.4%	-3.1%	0.2%
+/- Net scope effect	-0.1%	-4.6%	0.0%	-1.9%
<b>= Comparable sales 2019</b>	<b>1,825.0</b>	<b>1,306.7</b>	<b>293.9</b>	<b>3,425.5</b>
<b>+/- Actual-day organic growth, of which:</b>	<b>-16.6%</b>	<b>-23.0%</b>	<b>-0.4%</b>	<b>-17.7%</b>
<i>Constant-same day excl. copper</i>	-16.0%	-22.0%	-1.1%	-17.0%
<i>Copper effect</i>	-0.7%	-1.0%	0.5%	-0.7%
<b>Constant-same day incl. copper</b>	<b>-16.7%</b>	<b>-23.0%</b>	<b>-0.6%</b>	<b>-17.7%</b>
Calendar effect	0.1%	0.0%	0.2%	0.0%
<b>= Reported sales 2020</b>	<b>1,521.3</b>	<b>1,006.3</b>	<b>292.8</b>	<b>2,820.4</b>
YoY change	-16.9%	-25.5%	-3.4%	-19.1%

H1	North			Group
	Europe	America	Asia-Pacific	
<b>Reported sales 2019</b>	<b>3,644.9</b>	<b>2,583.7</b>	<b>570.9</b>	<b>6,799.5</b>
+/- Net currency effect	0.0%	2.0%	-2.9%	0.5%
+/- Net scope effect	-0.1%	-3.2%	0.0%	-1.3%
<b>= Comparable sales 2019</b>	<b>3,640.5</b>	<b>2,554.7</b>	<b>554.5</b>	<b>6,749.7</b>
<b>+/- Actual-day organic growth, of which:</b>	<b>-8.5%</b>	<b>-14.6%</b>	<b>-4.1%</b>	<b>-10.4%</b>
<i>Constant-same day excl. copper</i>	-8.6%	-13.3%	-4.6%	-10.1%
<i>Copper effect</i>	-0.5%	-0.8%	0.4%	-0.5%
<b>Constant-same day incl. copper</b>	<b>-9.1%</b>	<b>-14.1%</b>	<b>-4.2%</b>	<b>-10.6%</b>
Calendar effect	0.6%	-0.5%	0.1%	0.2%
<b>= Reported sales 2020</b>	<b>3,331.3</b>	<b>2,182.8</b>	<b>531.5</b>	<b>6,045.6</b>
YoY change	-8.6%	-15.5%	-6.9%	-11.1%

**EBITA BRIDGES:**
**FROM H1 19 ADJUSTED EBITA AS REPORTED TO H1 19 ON A COMPARABLE BASIS**

	2019 adjusted EBITA	US restatement	2019 copper effect	2019 reported EBITA	2020 FX impact	2020 scope impact	2019 copper effect @2020 FX	2019 comparable EBITA
Rexel Group	319.2	0.5	0.4	320.1	2.5	-7.8	-0.3	314.5

**ADJUSTED EBITA FROM H1 19 TO H1 20**

	2019 comparable EBITA	Organic growth	2020 adjusted EBITA	2020 copper effect	2020 reported EBITA
Rexel Group	314.5	-115.2	199.3	-6.9	192.3



**Appendix 2: 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 cable prices and before amortization of purchase price allocation.

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

Constant basis (€m)	H1 2019	H1 2020
Non-recurring copper effect at EBITA level	0.3	(6.9)

**GROUP**

Constant and adjusted basis (€m)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
<b>Sales</b>	3,425.5	<b>2,820.4</b>	<b>-17.7%</b>	6,749.7	<b>6,045.6</b>	<b>-10.4%</b>
<i>on a constant basis and same days</i>			<b>-17.7%</b>			<b>-10.6%</b>
<b>Gross profit</b>				1,684.2	<b>1,486.7</b>	<b>-11.7%</b>
<i>as a % of sales</i>				25.0%	24.6%	-36 bps
Distribution & adm. expenses (incl. depreciation)				(1,369.7)	(1,287.4)	-6.0%
<b>EBITA</b>				314.5	<b>199.3</b>	<b>-36.6%</b>
<i>as a % of sales</i>				4.7%	3.3%	-136 bps
<b>FTE (end of period)</b>				26,235	<b>22,024</b>	<b>-16.0%</b>

**EUROPE**

Constant and adjusted basis (€m)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
<b>Sales</b>	1,825.0	<b>1,521.3</b>	<b>-16.6%</b>	3,640.5	<b>3,331.3</b>	<b>-8.5%</b>
<i>on a constant basis and same days</i>			<b>-16.7%</b>			<b>-9.1%</b>
France	697.4	<b>522.2</b>	-25.1%	1,388.6	<b>1,181.4</b>	-14.9%
<i>on a constant basis and same days</i>			-25.2%			-15.6%
United Kingdom	177.6	<b>103.4</b>	-41.8%	377.2	<b>297.1</b>	-21.2%
<i>on a constant basis and same days</i>			-41.7%			-21.9%
Germany	155.9	<b>162.1</b>	+4.0%	319.3	<b>332.9</b>	+4.3%
<i>on a constant basis and same days</i>			+3.9%			+3.8%
Scandinavia	233.7	<b>242.2</b>	+3.7%	458.1	<b>486.7</b>	+6.2%
<i>on a constant basis and same days</i>			+2.3%			+5.4%
<b>Gross profit</b>				998.0	<b>893.2</b>	<b>-10.5%</b>
<i>as a % of sales</i>				27.4%	26.8%	-60 bps
Distribution & adm. expenses (incl. depreciation)				(780.7)	(758.8)	-2.8%
<b>EBITA</b>				217.2	<b>134.4</b>	<b>-38.1%</b>
<i>as a % of sales</i>				6.0%	4.0%	-193 bps
<b>FTE (end of period)</b>				15,228	<b>12,694</b>	<b>-16.6%</b>

**NORTH AMERICA**

Constant and adjusted basis (€m)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
<b>Sales</b>	1,306.7	<b>1,006.3</b>	<b>-23.0%</b>	2,554.7	<b>2,182.8</b>	<b>-14.6%</b>
<i>on a constant basis and same days</i>			<b>-23.0%</b>			<b>-14.1%</b>
United States	1,031.6	<b>796.0</b>	-22.8%	2,031.3	<b>1,717.4</b>	-15.5%
<i>on a constant basis and same days</i>			-22.8%			-14.8%
Canada	275.1	<b>210.3</b>	-23.6%	523.4	<b>465.4</b>	-11.1%
<i>on a constant basis and same days</i>			-23.6%			-11.8%
<b>Gross profit</b>				585.2	<b>500.3</b>	<b>-14.5%</b>
<i>as a % of sales</i>				22.9%	22.9%	1 bps
Distribution & adm. expenses (incl. depreciation)				(484.7)	(430.4)	-11.2%
<b>EBITA</b>				100.5	<b>69.9</b>	<b>-30.5%</b>
<i>as a % of sales</i>				3.9%	3.2%	-73 bps
<b>FTE (end of period)</b>				8,337	<b>6,734</b>	<b>-19.2%</b>

**ASIA-PACIFIC**

Constant and adjusted basis (€m)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
<b>Sales</b>	293.9	<b>292.8</b>	<b>-0.4%</b>	554.5	<b>531.5</b>	<b>-4.1%</b>
<i>on a constant basis and same days</i>			<b>-0.6%</b>			<b>-4.2%</b>
China	125.6	<b>142.9</b>	+13.8%	232.6	<b>222.5</b>	-4.4%
<i>on a constant basis and same days</i>			+13.9%			-3.6%
Australia	117.9	<b>118.4</b>	+0.4%	227.7	<b>232.7</b>	+2.2%
<i>on a constant basis and same days</i>			-0.9%			+0.7%
New Zealand	28.3	<b>19.5</b>	-31.0%	53.1	<b>43.9</b>	-17.3%
<i>on a constant basis and same days</i>			-31.1%			-17.9%
<b>Gross Profit</b>				101.0	<b>93.2</b>	<b>-7.8%</b>
<i>as a % of sales</i>				18.2%	17.5%	-69 bps
Distribution & adm. expenses (incl. depreciation)				(91.5)	(88.7)	-3.0%
<b>EBITA</b>				9.6	<b>4.4</b>	<b>-53.8%</b>
<i>as a % of sales</i>				1.7%	0.8%	-89 bps
<b>FTE (end of period)</b>				2,512	<b>2,466</b>	<b>-1.8%</b>

**Appendix 3: Consolidated Financial Statement**
**CONSOLIDATED INCOME STATEMENT**

Reported basis (€m)	H1 2019	H1 2020	Change
<b>Sales</b>	<b>6,799.5</b>	<b>6,045.6</b>	<b>-11.1%</b>
<b>Gross profit</b>	<b>1,699.1</b>	<b>1,479.6</b>	<b>-12.9%</b>
as a % of sales	25.0%	24.5%	
Operating expenses (excl. depreciation)	(1,240.2)	(1,145.8)	-7.6%
Depreciation	(138.7)	(141.5)	
<b>EBITA</b>	<b>320.1</b>	<b>192.3</b>	<b>-39.9%</b>
as a % of sales	4.7%	3.2%	
Amortization of intangibles resulting from purchase price allocation	(7.1)	(6.6)	
<b>Operating income bef. other inc. and exp.</b>	<b>313.0</b>	<b>185.7</b>	<b>-40.7%</b>
as a % of sales	4.6%	3.1%	
Other income and expenses	(22.8)	(482.5)	
<b>Operating income</b>	<b>290.2</b>	<b>(296.8)</b>	<b>N/A</b>
Net financial expenses	(94.3)	(63.1)	
<b>Net income (loss) before income tax</b>	<b>195.9</b>	<b>(360.0)</b>	<b>N/A</b>
Income tax	(32.6)	(79.9)	
Net income (loss)	<b>163.3</b>	<b>(439.8)</b>	<b>N/A</b>

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

in €m	H1 2019	H1 2020
<b>Operating income before other income and other expenses on a reported basis</b>	<b>313.0</b>	<b>185.7</b>
Change in scope of consolidation	(7.8)	-
Foreign exchange effects	2.5	-
Non-recurring effect related to copper	(0.3)	6.9
Amortization of intangibles assets resulting from PPA	7.1	6.6
<b>Adjusted EBITA on a constant basis</b>	<b>314.5</b>	<b>199.3</b>

**RECURRING NET INCOME**

in €m	H1 2019	H1 2020	Change
<b>Net income (as reported)</b>	<b>163.3</b>	<b>(439.8)</b>	<b>N/A</b>
Non-recurring copper effect	(0.4)	<b>6.9</b>	
Other expense & income	22.8	<b>482.5</b>	
Financial expense	20.8	-	
Tax expense	(39.1)	<b>32.9</b>	
<b>Recurring net income</b>	<b>167.4</b>	<b>82.5</b>	<b>-50.7%</b>

**SALES AND PROFITABILITY BY SEGMENT**

Reported basis (€m)	H1 2019	H1 2020	Change
<b>Sales</b>	<b>6,799.5</b>	<b>6,045.6</b>	<b>-11.1%</b>
Europe	3,644.9	3,331.3	-8.6%
North America	2,583.7	2,182.8	-15.5%
Asia-Pacific	570.9	531.5	-6.9%
<b>Gross profit</b>	<b>1,699.1</b>	<b>1,479.6</b>	<b>-12.9%</b>
Europe	999.9	886.4	-11.3%
North America	594.6	500.0	-15.9%
Asia-Pacific	104.6	93.2	-10.9%
<b>EBITA</b>	<b>320.1</b>	<b>192.3</b>	<b>-39.9%</b>
Europe	218.2	127.8	-41.4%
North America	104.8	69.6	-33.6%
Asia-Pacific	9.9	4.4	-55.5%
Other	(12.9)	(9.5)	+26.3%

**CONSOLIDATED BALANCE SHEET<sup>1</sup>**

Assets (Reported basis in €m)	December 31, 2019	June 30, 2020
Goodwill	3,785.5	3,265.3
Intangible assets	1,027.5	1,014.0
Property, plant & equipment	273.3	264.1
Right-of-use assets	898.2	880.2
Long-term investments	49.2	47.7
Deferred tax assets	60.1	22.8
<b>Total non-current assets</b>	<b>6,093.8</b>	<b>5,494.1</b>
Inventories	1,696.9	1,528.3
Trade receivables	2,059.3	1,918.8
Other receivables	541.0	448.9
Assets classified as held for sale	169.4	(0.0)
Cash and cash equivalents	514.3	531.5
<b>Total current assets</b>	<b>4,980.9</b>	<b>4,427.5</b>
<b>Total assets</b>	<b>11,074.8</b>	<b>9,921.6</b>

Liabilities (Reported basis in €m)	December 31, 2019	June 30, 2020
<b>Total equity</b>	<b>4,235.3</b>	<b>3,691.8</b>
Long-term debt	1,733.1	1,832.0
Lease liabilities (non-current part)	846.5	829.8
Deferred tax liabilities	184.6	188.1
Other non-current liabilities	352.9	382.7
<b>Total non-current liabilities</b>	<b>3,117.1</b>	<b>3,232.6</b>
Interest bearing debt & accrued int.	748.8	409.5
Lease liabilities (current part)	163.5	165.4
Trade payables	2,021.7	1,685.9
Other payables	753.0	736.4
Liabilities rel. to assets held for sale	35.3	-
<b>Total current liabilities</b>	<b>3,722.3</b>	<b>2,997.2</b>
<b>Total liabilities</b>	<b>6,839.4</b>	<b>6,229.8</b>
<b>Total equity &amp; liabilities</b>	<b>11,074.8</b>	<b>9,921.6</b>

<sup>1</sup> Net debt includes Debt hedge derivatives for €(24.5)m at June 30, 2019 and €(18.7)m at June 30, 2020

It also includes accrued interest receivables for €(2.5)m at June 30, 2019 and for €(1.0)m at June 30, 2020

**CHANGE IN NET DEBT**

<b>Reported basis (€m)</b>	<b>H1 2019</b>	<b>H1 2020</b>
<b>EBITDA</b>	<b>458.8</b>	<b>333.8</b>
Lease payments	(109.9)	(106.1)
<b>EBITDAaL</b>	<b>348.9</b>	<b>227.7</b>
Other operating revenues & costs <sup>(1)</sup>	(41.6)	(15.6)
<b>Operating cash-flow</b>	<b>307.3</b>	<b>212.1</b>
Change in working capital	(271.1)	17.8
Net capital expenditure, of which:	(53.5)	(53.1)
<i>Gross capital expenditure</i>	(55.9)	(53.4)
<i>Disposal of fixed assets &amp; other</i>	6.3	1.7
<b>Free cash-flow before int. &amp; tax</b>	<b>(17.3)</b>	<b>176.8</b>
<b>Free cash flow conversion (% of EBITDAaL)</b>	<b>-5.0%</b>	<b>77.7%</b>
Net interest paid / received	(44.4)	(35.3)
Income tax paid	(62.5)	(24.9)
<b>Free cash-flow after int. &amp; tax</b>	<b>(124.2)</b>	<b>116.6</b>
Net financial investment	(3.5)	148.1
Dividends paid	0.0	0.0
Net change in equity	1.6	(1.1)
Other	(23.5)	(3.1)
Currency exchange variation	(8.4)	(4.9)
<b>Decrease (increase) in net debt</b>	<b>(157.9)</b>	<b>255.6</b>
<b>Net debt at the beginning of the period</b>	<b>2,014.7</b>	<b>1,945.9</b>
<b>Net debt at the end of the period</b>	<b>2,172.6</b>	<b>1,690.3</b>

<sup>1</sup> Includes restructuring outflows of:

- €7.3m in H1 2020 vs. €28.7m in H1 2019.

**Appendix 4: Working Capital Analysis**

<b>Constant basis</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>
<b>Net inventories</b>		
<i>as a % of sales 12 rolling months</i>	<b>12.6%</b>	<b>12.0%</b>
<i>as a number of days</i>	57.3	62.7
<b>Net trade receivables</b>		
<i>as a % of sales 12 rolling months</i>	<b>16.7%</b>	<b>15.0%</b>
<i>as a number of days</i>	52.0	50.1
<b>Net trade payables</b>		
<i>as a % of sales 12 rolling months</i>	<b>15.0%</b>	<b>13.1%</b>
<i>as a number of days</i>	60.7	66.1
<b>Trade working capital</b>		
<i>as a % of sales 12 rolling months</i>	<b>14.2%</b>	<b>13.9%</b>
<b>Total working capital</b>		
<i>as a % of sales 12 rolling months</i>	<b>11.8%</b>	<b>11.7%</b>

**Appendix 5: Headcount and branches by geography**

FTEs at end of period comparable	June 30, 2019	December 31, 2019	June 30, 2020	Year-on-Year Change
<b>Europe</b>	<b>15,228</b>	<b>15,078</b>	<b>12,694</b>	<b>-16.6%</b>
USA	6,187	5,971	5,024	-18.8%
Canada	2,150	2,125	1,710	-20.4%
<b>North America</b>	<b>8,337</b>	<b>8,096</b>	<b>6,734</b>	<b>-19.2%</b>
<b>Asia-Pacific</b>	<b>2,512</b>	<b>2,507</b>	<b>2,466</b>	<b>-1.8%</b>
<b>Other</b>	<b>158</b>	<b>172</b>	<b>130</b>	<b>-17.7%</b>
<b>Group</b>	<b>26,235</b>	<b>25,853</b>	<b>22,024</b>	<b>-16.0%</b>

Branches comparable	June 30, 2019	December 31, 2019	June 30, 2020	Year-on-Year Change
<b>Europe</b>	<b>1,112</b>	<b>1,100</b>	<b>1,100</b>	<b>-1.1%</b>
USA	378	382	383	1.3%
Canada	191	191	191	0.0%
<b>North America</b>	<b>569</b>	<b>573</b>	<b>574</b>	<b>0.9%</b>
<b>Asia-Pacific</b>	<b>241</b>	<b>238</b>	<b>240</b>	<b>-0.4%</b>
<b>Group</b>	<b>1,922</b>	<b>1,911</b>	<b>1,914</b>	<b>-0.4%</b>

**Appendix 6: Calendar, scope and currency effects on sales**

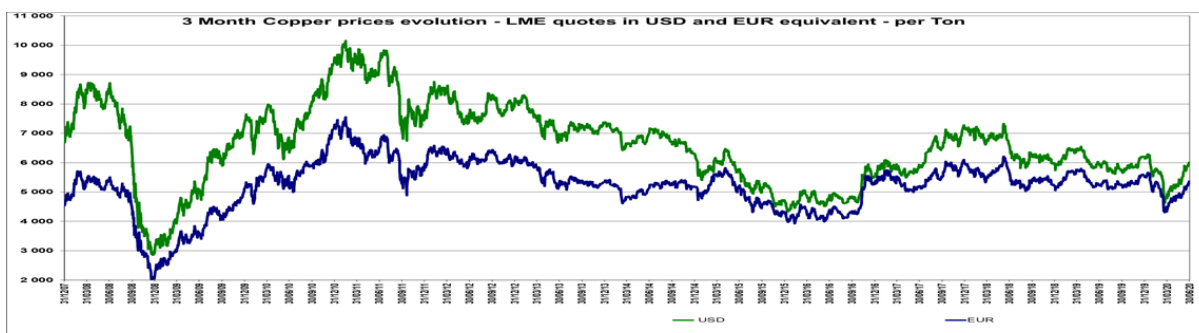
Based on the assumption of the following average exchange rates:

1 €	=	1.12	USD
1 €	=	1.52	CAD
1 €	=	1.66	AUD
1 €	=	0.89	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	Q2 actual	Q3e	Q4e	FYe
<b>Scope effect at Group level</b>	<b>(20.5)</b>	<b>(65.0)</b>	<b>(59.3)</b>	<b>(58.6)</b>	<b>(203.4)</b>
<i>as% of 2019 sales</i>	-0.6%	-1.9%	-1.7%	-1.7%	-1.5%
<b>Currency effect at Group level</b>	<b>29.8</b>	<b>6.0</b>	<b>(39.9)</b>	<b>(60.5)</b>	<b>(64.6)</b>
<i>as% of 2019 sales</i>	0.9%	0.2%	-1.2%	-1.7%	-0.5%
<b>Calendar effect at Group level</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.4%</b>	<b>1.6%</b>	<b>0.6%</b>
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%	0.0%	0.0%	0.0%	0.4%
North America	-0.9%	0.0%	0.0%	2.6%	0.4%
Asia	-1.5%	-0.7%	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 7: 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
<b>2020</b>	<b>5,651</b>	<b>5,389</b>			
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
<b>2020 vs. 2019</b>	<b>-9%</b>	<b>-12%</b>			

€/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
<b>2020</b>	<b>5,124</b>	<b>4,889</b>			
2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
<b>2020 vs. 2019</b>	<b>-6%</b>	<b>-10%</b>			

**DISCLAIMER**

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*The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 15% 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 cable 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, and its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-A01. 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 Universal Registration Document registered with the AMF on March 9, 2020 under number D.20-0111, its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-A01, 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](http://www.rexel.com)).*