
FY 2020 trading update:
2020 adjusted EBITA margin expected to be around 4.1%
Strong FCF driving lower-than-anticipated 2020 financial expenses
€300m early bond reimbursement to further optimize financial expenses in 2021
Updated strategic roadmap to be communicated along with FY 2020 results

Rexel is today providing a trading update on its outlook for full-year 2020 and announces the early repayment of its 2024 bond, enabled by stronger-than-anticipated cash generation.

Better-than-expected business activity during the second wave of the Covid-19 crisis, combined with Rexel's strong focus on cost discipline, make us confident that we can achieve an adjusted EBITA margin of 4.1% in FY 2020, while limiting the drop in full-year actual day sales to circa -7% .

This robust performance in an unprecedented pandemic context reflects the direct benefit of the investments made in digital, people and footprint over the last 3 years, enabling Rexel to ensure best-in-class customer service. It also demonstrates our agility and ability to further improve our operating cost flexibility, even in the midst of a serious crisis.

In addition, the better-than-expected EBITDAaL¹ and the focus on Working Capital management will lead to higher-than-expected Free Cash Flow generation. We now anticipate that our FCF before Interest and Tax will be at least €500m in FY 2020, implying a minimum FCF conversion of 90% and a Net debt/EBITDAaL² ratio of c. 2.5x in December 2020. As previously communicated, Rexel expects to be in a position to resume its dividend policy with a payment in 2021.

The significant reduction of our average debt, combined with the optimization of our cost of debt, will also lead to lower-than-expected net financial expenses³ in 2020, which we now estimate at circa €80m (excluding €45.5m of interest on lease liabilities) compared to an initial indication of €88m in FY 20 and €96m reported in FY 2019.

Early reimbursement of €300m bond

With more than €1.7bn of liquidity now expected in December 2020 (vs €1.28bn in December 2019), we have decided to reimburse ahead of time our €300m bond maturing in 2024 with a 2.625% coupon. This will lead to a reduction in our recurring net financial expenses of circa €8m on an annualized basis.

Updated strategic roadmap to be communicated alongside FY 2020 results on February 11, 2021

Rexel's 2020 performance validates the strategic choices made by the company to strengthen its multichannel offer through continued investments in digital transformation and its branch network. Rexel is well positioned to seize new growth opportunities as global electrical usage increases, driven by the need for more sustainable and energy-efficient solutions to fight climate change and build a smart future.

With improved prospects in line with progress on a vaccine against Covid-19, we will communicate an updated strategic roadmap, initially planned in 2020, as well as medium-term guidance, along with FY 2020 results on February 11, 2021.

¹ EBITDAaL : EBITDA after Leases

² As calculated under the Senior Credit Agreement terms

³ Excluding one-off items, forex & change in fair value of interest rate derivatives

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

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