

FIRST QUARTER 2021 SALES

Strong start to the year with same-day sales up +8.6%
Growth driven by robust business model, healthy demand and accelerating recovery
Positive pricing environment to accelerate in coming quarters

→ Sales of €3,331.2m in Q1 2021, up +8.6% on a same-day basis

- Positive momentum in all geographies, leveraging our multichannel set-up, increasing demand for electrical products and the improving health situation in many markets
- China up +60.1% (+140bps contribution to group same-day sales growth), first country to recover from COVID-19 crisis, paving the way for other geographies
- Positive pricing contribution in cable (+290bps) and non-cable (+240bps) products; trend expected to accelerate in coming quarters

→ Activity above pre-crisis level for the first time: same-day sales growth +5.4% above Q1 2019

→ Full capacity to capture the recovery thanks to our agile business model leveraging our intact branch network and further boost in digital adoption

→ Digital revenue in Q1 2021 represented 22.6% of total sales, up +242 bps despite tough base effect as digital activity surged in the pandemic last year

→ FY 2021 guidance confirmed

Key figures (€m)	Q1 2021	YoY change	Q1 2021 vs Q1 2019
Sales	3,331.2		
On a reported basis		+3.3 %	+0.5 %
On a constant and actual-day basis		+6.5 %	+3.7 %
On a constant and same-day basis		+8.6 %	+5.4 %
Same-day sales growth by geography			
Europe	1,977.1	+10.8 %	+9.2 %
France	775.9	+20.1 %	+12.8 %
Scandinavia	246.6	(1.0)%	+7.4 %
Benelux	217.0	+10.7 %	+14.8 %
Germany	190.6	+13.5 %	+17.7 %
UK	181.2	(3.7)%	(8.0)%
Austria	109.0	+29.9 %	+27.8 %
Southern Europe	69.6	(1.8)%	(12.3)%
North America	1,053.4	+1.2 %	(3.1)%
USA	784.0	(0.4)%	(6.2)%
Canada	269.4	+6.0 %	+7.5 %
Asia-Pacific	300.6	+23.7 %	+13.8 %
China	125.6	+60.1 %	+21.2 %
Australia	125.4	+3.5 %	+6.1 %

Patrick BERARD, Chief Executive Officer, said:

"I am extremely pleased with the strong start to the year, demonstrating the relevance of the strategy we presented at our Capital Market Day and reflecting robust underlying demand from increasing electrical usage and the energy transition. The strong quarter also demonstrates the continuing increased effects of our deep digital transformation, as substantiated by the growth in digital sales penetration, now at 22.6% of sales.

Our teams further demonstrated their agility and ability to adapt to a constantly changing environment, to react and deal with certain end-markets still deeply affected by the pandemic as well as sudden price increases and scarcity of products. In this context, the role of the distributor in the value chain is again reinforced as we support customers in better managing the situation.

Our Q1 sales together with trends we have seen in April reinforce our confidence in achieving our full-year targets and medium-term ambition."

SALES REVIEW FOR THE PERIOD ENDED MARCH 31, 2021

- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q1, sales were up +3.3% year-on-year on a reported basis and up +8.6% on a constant and same-day basis, showing a solid improvement over Q4 2020.

In the first-quarter, Rexel posted sales of €3,331.2 million, up +3.3% on a reported basis, including:

- A negative currency effect of €(73.4) million (i.e. (2.3)% of Q1 2020 sales), mainly due to the depreciation of the US dollar against the euro;
- A negative net scope effect of €(24.1) million (i.e. (0.7)% of Q1 2020 sales), mainly resulting from the disposal of Gexpro Services in the US and the recent acquisition of the former Wesco Utility business in Canada;
- A negative calendar effect of (2.1) percentage points.

On a constant and same-day basis, sales were up +8.6%, including a positive effect from the change in copper-based cable prices (+2.9% in Q1 2021 vs (0.4)% in Q1 2020). This robust Q1 2021 sales performance was the result of :

- Our robust business model and our capacity to capture the recovery, notably thanks to an intact branch network and strong boost in digital penetration;
- Healthy underlying demand with increased electrical usage and greater complexity of installed solutions, offsetting the low level of spending in end-markets still deeply affected by the pandemic;
- A favorable pricing environment on cable (+290 bps) and non-cable (+240 bps) products. We anticipate this positive contribution will accelerate in coming quarters due to increasing raw material prices and continued scarcity of components/products. This “scarcity issue” represents an opportunity for Rexel, thanks to our ability to offer customers alternative brands.

At Group level, this is the first time that activity is above the pre-crisis level as reflected by same-day sales growth **of +5.4% versus Q1 2019**, largely thanks to Europe at +9.2% and Asia-Pacific at +13.8%, while North America is still lagging, down **(3.1)% versus Q1 2019, below its pre-crisis level.**

More specifically, the quarter benefited from further growth in digitalization, with digital sales now representing 22.6% of Group sales, up +242 bps compared to Q1 2020. This comes despite a challenging base effect, as digital sales surged in the pandemic, especially in China in Q1 2020 and in other countries from March 2020 onwards. Trends in Asia-Pacific (3.9% of sales down (88)bps) were largely offset by very favorable growth in digital sales in Europe, where they accounted for 32.7% of sales, up +353bps and further progress in North America up to 8.9% of sales, an increase of +37 bps.

France saw its digital penetration grow by a strong +489bps, representing 25% of sales in Q1, with sales improving in both Web (+339bps) & EDI (+149bps). This notably reflects an increased conversion from “search to cart”, with the conversion rate now over 10% of connected customers, helped by several factors:

- The increase in connected customers, up 24%;
- The improved navigation from better search engine and better personalization of web pages;
- A higher value of digital basket, 37% higher than the value of an offline basket in Q1 2021. This is an increase when compared to the difference of 24% in Q1 2020.

We saw growing demand in digital in all segments in France in Q1 2021, with a clear acceleration in residential, with visits up 43% and orders up 35%.

Europe (59% of Group sales): +10.8% in Q1 on a constant and same-day basis

In the first-quarter, sales in Europe increased by +9.2% on a reported basis, with non-material currency and scope effects. On a constant and same-day basis, sales were up +10.8%.

- Sales in **France** (39% of the region’s sales) posted solid +20.1% growth, driven by a clear boost in digital business in the quarter and by all end-markets up in strong double digits. Demand increased by almost 25% in residential, benefiting from the renovation market.
- Sales in **Scandinavia** (12% of the region’s sales) were down (1.0)%, due to a challenging base effect from lower sanitary restrictions in 2020, a build-up in inventories by utilities ahead of Covid and a mild winter in Q1 2020, mainly in Finland (6.8)% and Norway +2.6%. Sweden was down (0.4)% due to the non-renewal of a public contract (contribution. -290bps) while underlying demand is robust, supported by small and medium contractors.
- **Benelux** (11% of the region’s sales) grew by +10.7%, with Belux at +13.3%, largely benefiting from residential and the recovery of industrial markets (metals, extraction and chemicals). The Netherlands were up +7.3%, despite a challenging comparable base, driven by residential and commercial.
- Sales in **Germany** (10% of the region’s sales) posted strong +13.5% growth thanks to positive trends both in industry and residential.
- In the **UK** (9% of the region’s sales), sales dropped by (3.7)%, improving over Q4 20 (-8.2%) despite worsening sanitary restrictions. The improvement was driven by a contract with the Justice Ministry (contribution +450bps) and the benefits of reorganization, focusing on digitalization and proximity (Denmans banner up +9.4% in Q1 2021).
- In **Southern Europe** (4% of the region’s sales), sales were down (1.8)% with a situation that remains difficult in Spain offset by improving trends in Italy.

North America (32% of Group sales): +1.2% in Q1 on a constant and same-day basis

In the first-quarter, sales in North America dropped by (10.5)% on a reported basis, including a negative currency effect of (7.0)%, or €(82.7)m, mainly due to the depreciation of the US dollar against the euro and a negative scope effect of (1.9)%, or €(22.6)m from the disposal of Gexpro Services and the recent acquisition of the former Wesco Utility business in Canada. On a constant and same-day basis, sales were up +1.2%, driven by Canada.

- In the **US** (74% of the region's sales), sales were down (0.4)% on a same-day basis, with good resilience in six regions (Northwest, Northeast, Mountain Plains, Southeast, California and Florida), driven by a strong growth in the Northwest, with market share gains and positive momentum in our proximity business. Overall, this is the result of a favorable pricing contribution mainly from metal products (on commodity products such as conduits) and an improvement of the business environment from a better health situation with the acceleration of vaccine deployment. This offset the slower recovery in our two regions largely exposed to the project business (Midwest and Gulf Central).
- In **Canada** (26% of the region's sales), sales grew by +6.0% on a same-day basis, and are now +7.5% above their Q1 2019 level from positive pricing on cable and non-cable products as well as better commercial activity offsetting lower demand in industry (Oil & Gas, transportation...). The integration of the former Wesco Utility is well on track.

Asia-Pacific (9% of Group sales): +23.7% in Q1 on a constant and same-day basis

In the first-quarter, sales in Asia-Pacific were up +25.9% on a reported basis, including a positive currency effect of +2.8% or +€6.7m, due to the appreciation of the Australian dollar against the euro. On a constant and same-day basis, sales were up +23.7%.

- In the **Pacific** (50% of the region's sales), sales were up +2.8% on a constant and same-day basis:
 - In **Australia** (84% of Pacific's sales), sales were up +3.5% supported by small and medium contractors offsetting the loss of an industrial contract in mining (impact -2.7%).
 - In **New Zealand** (16% of Pacific's sales), sales are slightly down by (0.6)%.
- In **Asia** (50% of the region's sales), sales posted solid +55.3% growth on a constant and same-day basis:
 - In **China** (83% of Asia's sales), sales grew by +60.1%, from strong underlying demand (up +21.2% compared to Q1 2019) thanks to a better macro environment and government spending in infrastructure and automation. China also benefited from a favorable base effect as the pandemic started earlier there last year.
 - **India and Middle East** (17% of Asia's sales): **India** grew by +35.0%, showing a recovery. The **Middle East** is up +34.5%.

2021 GUIDANCE CONFIRMED

Leveraging our continuous efforts, we target for 2021, at comparable scope of consolidation and exchange rates*:

- **Same-day sales growth of between 5% and 7%**
- **An adjusted Ebita¹ margin of circa 5%**
- **Free cash flow conversion² above 60%**

* Assuming an improvement in the sanitary situation as vaccines become available.

¹ Excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices.

² FCF Before interest and tax/EBITDAaL

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 2.

CALENDAR

July 28, 2021

October 21, 2021

Second-quarter sales and half-year 2021 results

Third-quarter 2021 sales

FINANCIAL INFORMATION

A slideshow of the first-quarter 2021 sales 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 25 countries, with more than 24,000 employees.

The Group's sales were €12.6 billion in 2020. 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, Dow Jones Sustainability Index Europe, Euronext Vigeo Europe 120, STOXX® Global ESG Environmental Leaders, 2021 Global 100 Index, S&P Global Sustainability Yearbook 2021, in recognition of its performance in terms of corporate social responsibility (CSR). Rexel is rated A- in the 2020 CDP Climate Change assessment and ranked in the 2020 CDP Supplier Engagement Leaderboard.

For more information, visit 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 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.

APPENDIX

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 cable prices and before amortization of purchase price allocation.

GROUP

Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	3,127.7	3,331.2	6.5 %
on a constant basis and same days			8.6 %

EUROPE

Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	1,811.1	1,977.1	9.2 %
on a constant basis and same days			10.8 %
France	657.8	775.9	18.0 %
on a constant basis and same days			20.1 %
United Kingdom	191.2	181.2	(5.2)%
on a constant basis and same days			(3.7)%
Germany	170.7	190.6	11.6 %
on a constant basis and same days			13.5 %
Scandinavia	253.1	246.6	(2.6)%
on a constant basis and same days			(1.0)%

NORTH AMERICA

Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	1,071.2	1,053.4	(1.7)%
on a constant basis and same days			1.2 %
United States	813.0	784.0	(3.6)%
on a constant basis and same days			(0.4)%
Canada	258.2	269.4	4.3 %
on a constant basis and same days			6.0 %

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	245.5	300.6	22.5 %
on a constant basis and same days			23.7 %
China	78.4	125.6	60.1 %
on a constant basis and same days			60.1 %
Australia	123.1	125.4	1.9 %
on a constant basis and same days			3.5 %
New Zealand	25.3	24.7	(2.3)%
on a constant basis and same days			(0.6)%

Appendix 2: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.20	USD
1 €	=	1.50	CAD
1 €	=	1.56	AUD
1 €	=	0.87	GBP

and based on acquisitions/divestments to date, 2020 sales should take into account the following estimated impacts to be comparable to 2021 :

	Q1 actual	Q2e	Q3e	Q4e	FYe
Scope effect at Group level	(24.1)	3.9	3.1	2.1	(15.0)
as% of 2020 sales	(0.7)%	0.1 %	0.1 %	0.1 %	(0.1)%
Currency effect at Group level	(73.4)	(44.0)	8.4	14.0	(95.0)
as% of 2020 sales	(2.3)%	(1.6)%	0.3 %	0.4 %	(0.8)%
Calendar effect at Group level	(2.1)%	1.4 %	(0.1)%	0.5 %	(0.1)%
Europe	(1.6)%	2.5 %	(0.1)%	0.2 %	0.1 %
USA	(3.2)%	0.3 %	- %	1.5 %	(0.4)%
Canada	(1.7)%	0.2 %	- %	- %	(0.4)%
North America	(2.9)%	0.3 %	- %	1.1 %	(0.4)%
Asia	(0.3)%	0.2 %	(0.1)%	- %	- %
Pacific	(1.6)%	(0.4)%	0.1 %	(0.1)%	(0.5)%
Asia-Pacific	(1.2)%	(0.1)%	- %	(0.1)%	(0.3)%

Appendix 3: Analysis of change in revenues

Q1	Europe	North America	Asia-Pacific	Group
Reported sales 2020	1,810.0	1,176.5	238.8	3,225.3
+/- Net currency effect	0.1 %	(7.0)%	2.8 %	(2.3)%
+/- Net scope effect	(0.1)%	(1.9)%	- %	(0.7)%
=Comparable sales 2020	1,811.1	1,071.2	245.5	3,127.7
+/- Actual-day organic growth, of which:	9.2 %	(1.7)%	22.5 %	6.5 %
Constant-same day excl. copper	8.6 %	(3.5)%	23.1 %	5.7 %
Copper effect	2.2 %	4.7 %	0.6 %	2.9 %
Constant-same day incl. copper	10.8 %	1.2 %	23.7 %	8.6 %
Calendar effect	(1.6)%	(2.9)%	(1.2)%	(2.1)%
= Reported sales 2021	1,977.1	1,053.4	300.6	3,331.2
YoY change	9.2 %	(10.5)%	25.9 %	3.3 %

Appendix 4: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY	€/t	Q1	Q2	Q3	Q4	FY
2019	6,219	6,129	5,829	5,916	6,020	2019	5,476	5,454	5,243	5,343	5,377
2020	5,651	5,389	6,513	7,192	6,197	2020	5,124	4,889	5,574	6,027	5,410
2021	8,492					2021	7,052				
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%	2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
2020 vs. 2019	-9%	-12%	+12%	+22%	+3%	2020 vs. 2019	-6%	-10%	+6%	+13%	+1%
2021 vs. 2020	+50%					2021 vs. 2020	+38%				

DISCLAIMER

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 11, 2021 under number D.21-0111, and its amendment filed with the AMF, on March 29, 2021 under number D.21-0111-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 11, 2021 under number D.21-0111, its amendment filed with the AMF, on March 29, 2021 under number D.21-0111-A01, as well as the consolidated financial statements and activity report for the 2020 fiscal year which may be obtained from Rexel's website (www.rexel.com).