Rexel

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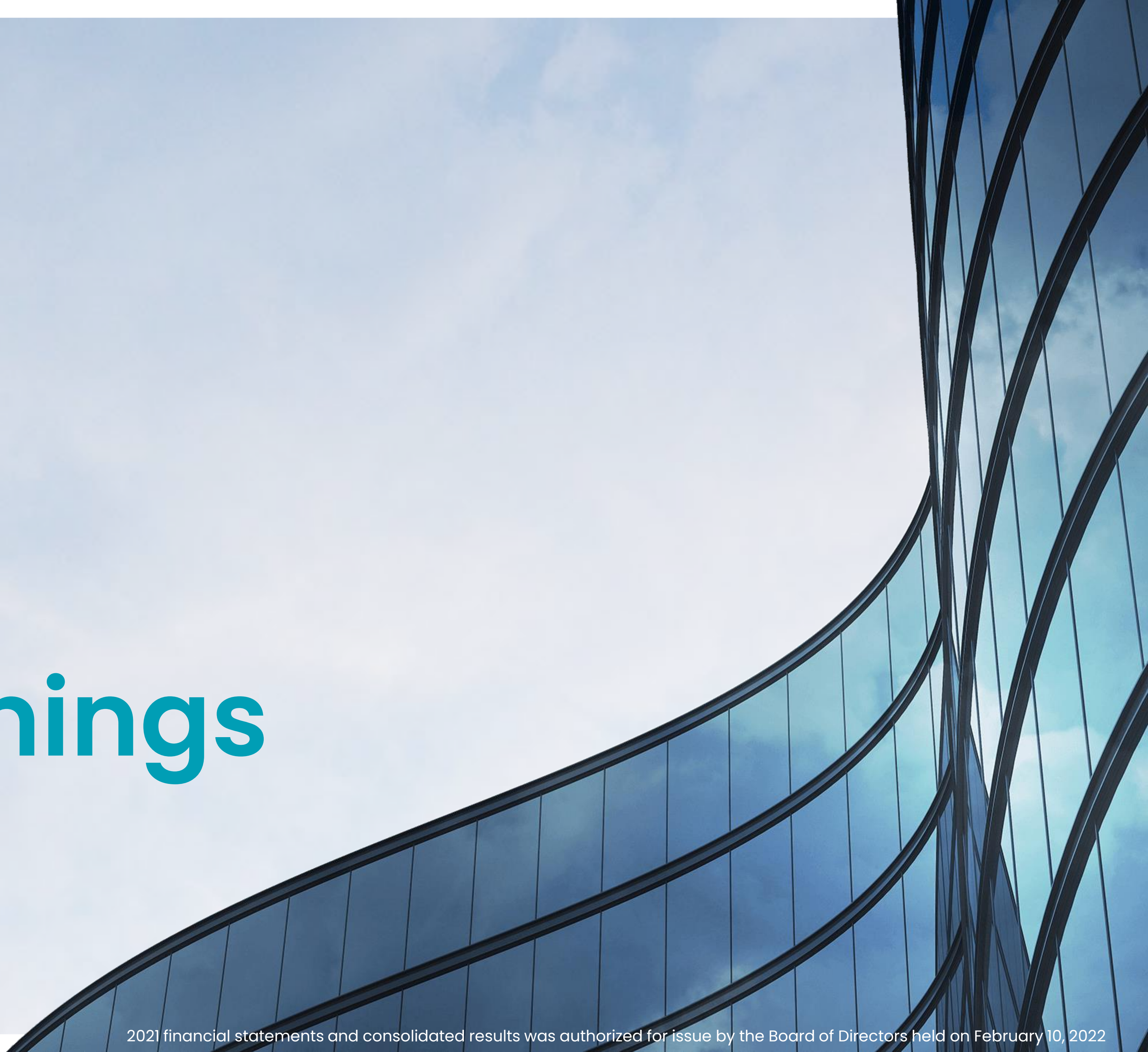
Leading the bright future of electrical distribution

Q4 sales & FY 2021 earnings

11 February 2022



2021 financial statements and consolidated results was authorized for issue by the Board of Directors held on February 10, 2022

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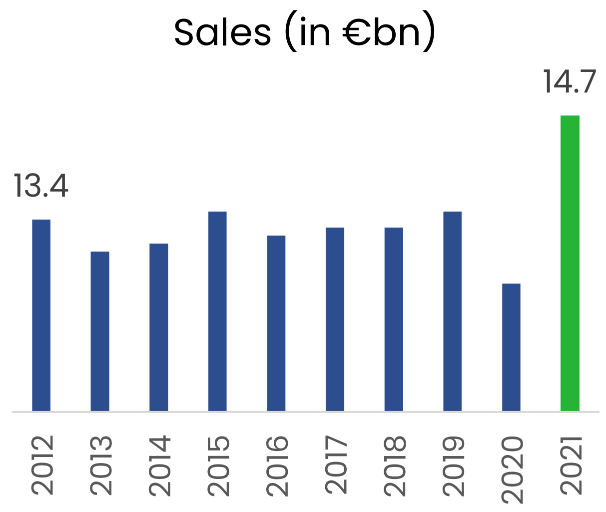
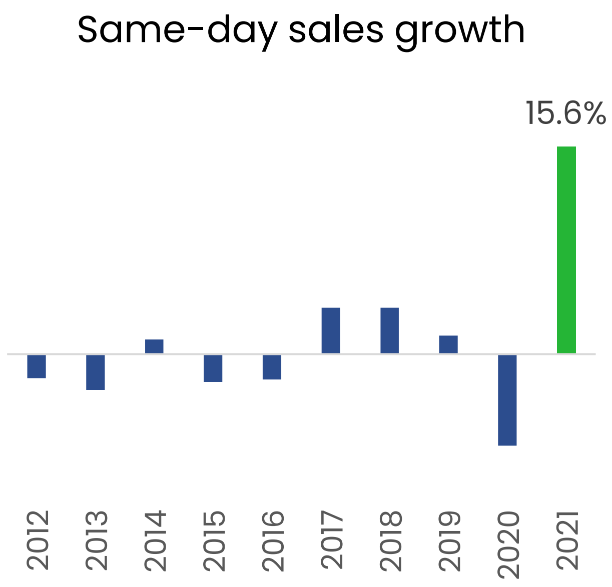
Key Highlights

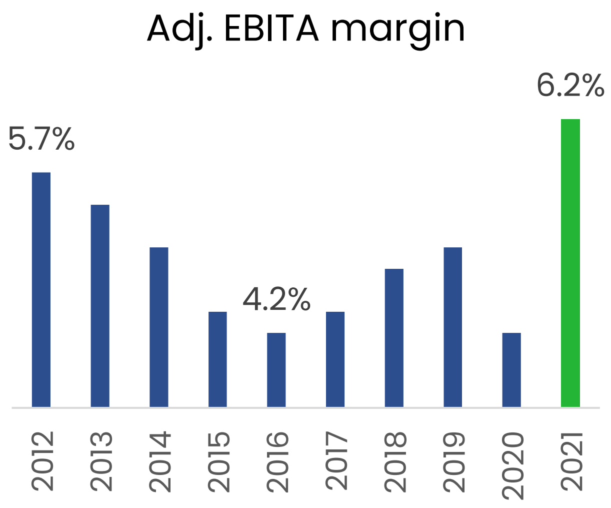
01

2021: A record year

Leveraging our transformation to capture short-term factors and longer-term trends







Strong market
- Post-Covid rebound
- Electrification trends
- Return of inflation

Internal transformation
- Commercial successes
- Margin enhancement
- Powered by digital

2021 highlights

Captured high demand in most countries

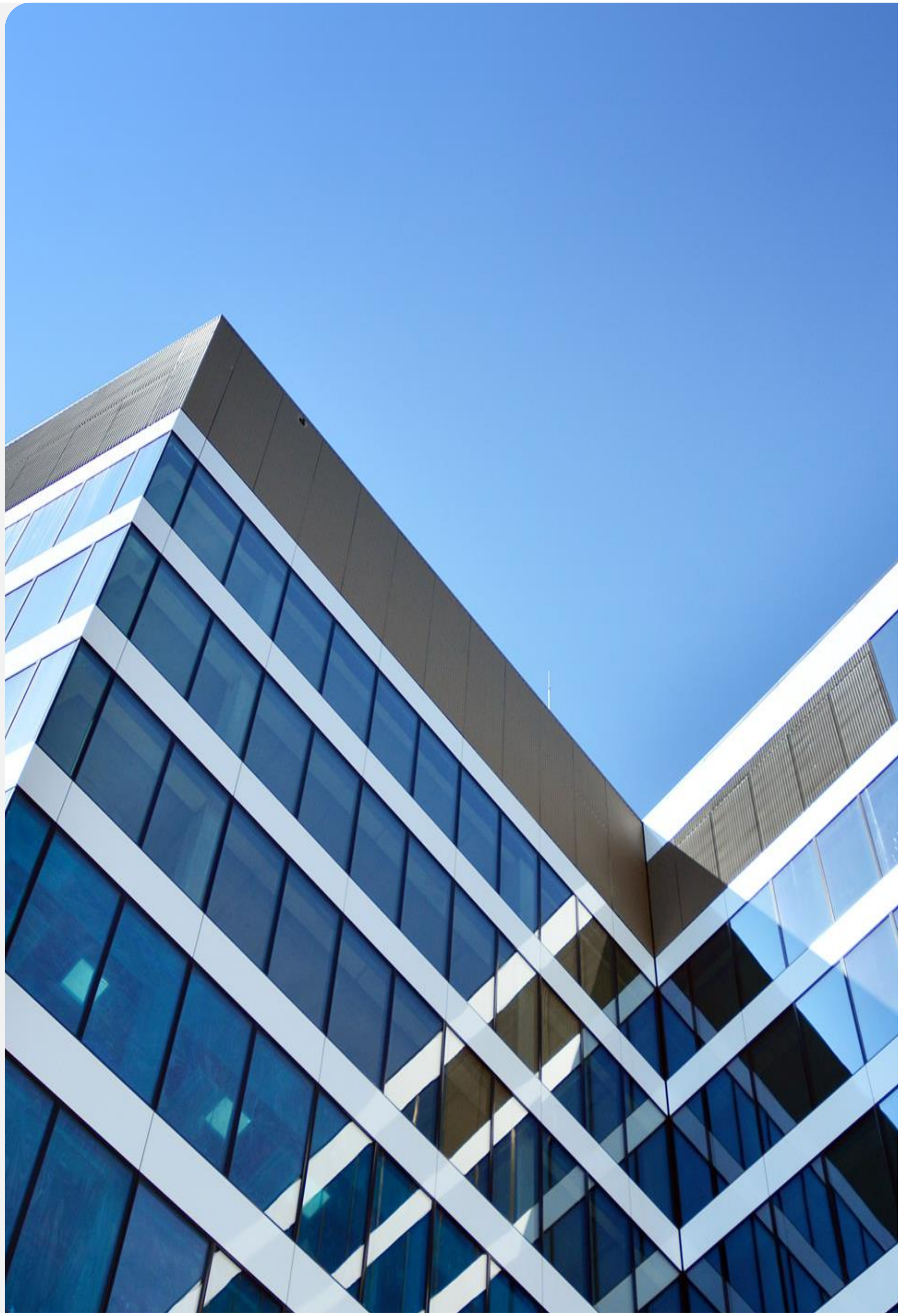
- Volumes above 2019, a very strong year, in 7 of our top 10 countries
- Growth accompanied by further productivity gains

Successfully managed the strong inflationary environment

- H1 : North America and cable, H2 : Europe
- Leveraged our disciplined pricing processes to pass-through to price
- Took full advantage of our digital pricing tools, while maintaining positive volume contribution

Demonstrated agility in a volatile market

- Navigated the remaining Covid constraints, building on our 2020 experience
- Used our expertise and supplier relationships to minimize supply chain tensions, with a stabilization in Q4
- Continued to help our customers deal with labor availability by unlocking productivity gains for them



Sharp rise in FCF and lowest-ever indebtedness ratio

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Free Cash Flow before Interest & Tax

€681m

vs €613m in 2020
vs €462m in 2019

Net Financial debt

€1,551m

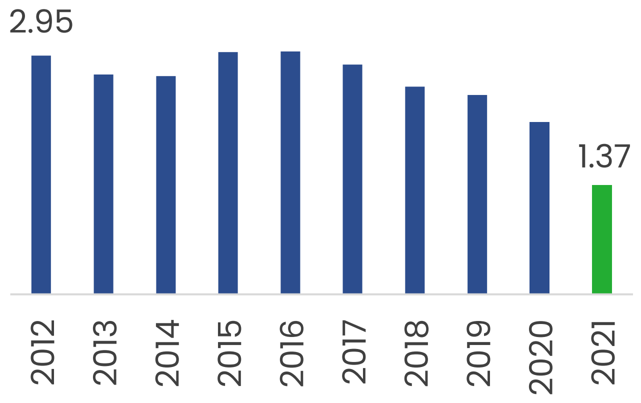
vs €1,335m in 2020
vs €1,946 m in 2019

Indebtedness ratio

1.37x

vs 2.14x in 2020 & 2.47x in 2019
with 5 acquisitions completed
and 2020 dividend paid in cash

Net financial debt / EBITDAaL (x time)



02 A powerful business model

Well positioned in accelerating markets, supported by strong electrification trends

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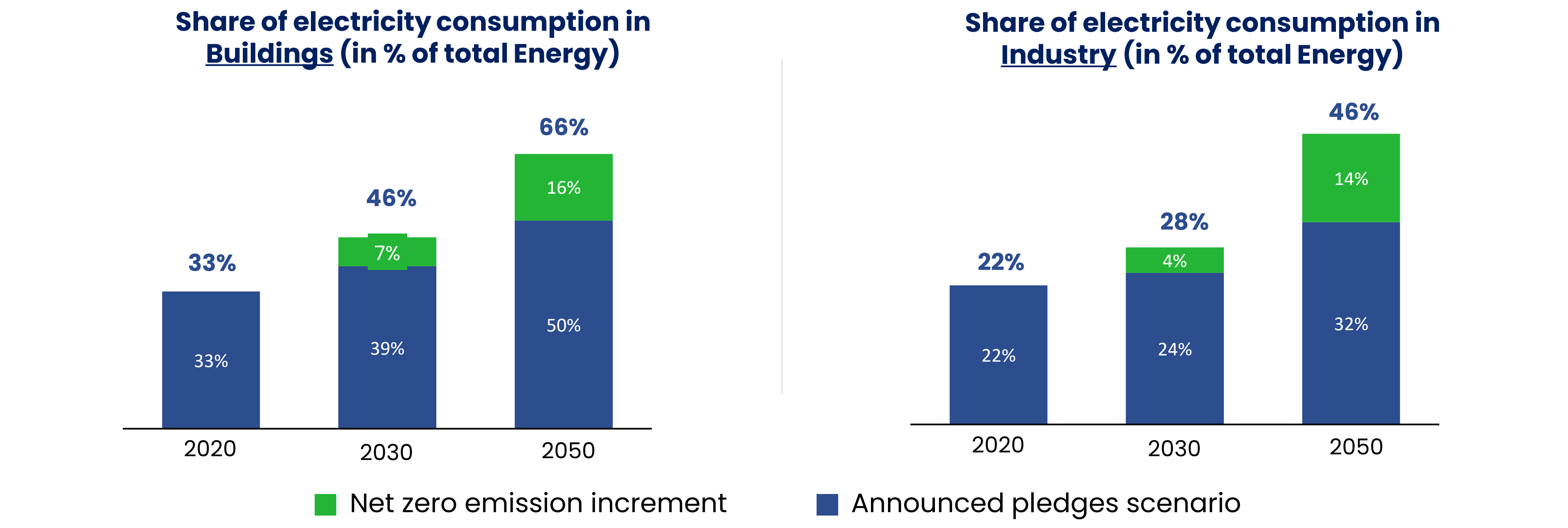
Mass electrification



Sources: IEA World Energy Outlook Oct. 2021, IEA Net Zero by 2050 A Roadmap for the Global Energy Sector Oct. 2021

All product categories
benefiting from structural growth drivers

- Categories of products including **new innovative solutions** driven by **sustainability**
- Supported by regulations and stimulus plans
- Complexity and connectivity of those solutions also driving higher content in **services**
- Examples: Photovoltaic panels, Heat Pumps, EV charging systems, building and industrial automation…

- Categories of products benefitting from **sustained volumes** as electrification continues
- Mid-term **inflation** trends driven by scarcity of raw materials, potentially adding to growth
- Examples: cables, conduits

- Categories **indirectly impacted** by the push towards electrification and sustainability as new solutions trigger a need to also **replace and modernize** electrical management systems
- Examples: Electrical distribution, building controls, industrial process equipment

A unique omnichannel value proposition

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Addressing all dimensions of customer needs

	Network	Logistics	Expertise	Digital
	• c. 1,970 points of sale • Advice, training and last mile delivery services • 30% of Digital orders in Click & Collect in France	• Past investment in centralized logistics • Next-day delivery with evening cut-off • Ex: Two-hour delivery in Paris	• Expertise in technical solutions: lighting, industrial automation • Project management support	• Ambition: Around one - third of our sales vs 24% in 2021 • Web orders, EDI, e-mail to EDI
Proximity Residential, small commercial & industrial maintenance	+++	+++	++	+++
Project & specialty Large commercial & industrial	+	+++	+++	++

Helping our customers focus on their core business in a world of labor scarcity

Digital enhancing all aspects of our business model

Growth

- **Keep** existing customers (churn prevention)
- Improve **share of wallet** (next best offer, branch assortment optimization)
- Improve customer **« stickiness »** (making life easier and more efficient through our e-tools)
- Address **new customer categories** (« digital branch », SEA)

Service

- Understand the **specificities of our clients** (segmentation, CRM)
- Offer truly **personalized** service (information on home page, logistics)
- Build a **true omnichannel** experience (wide range of delivery options and additional services)
- Help our **suppliers** be more efficient through data (supplier portal)

Efficiency

- Improve our customers' **productivity** (EDI)
- Improve our **cost to serve** (productivity of the web sales, EDI, Email to EDI)
- Optimize our **pricing** (AI-enhanced tools)

A differentiator on multiple aspects, for distributors with scale

Strongly committed to sustainability
Best-in-class B2B distributor

- **Only distributor with SBTI-validated targets** on scopes 1, 2 and 3
- **Ahead of plan in 2021.** On track to **meet or exceed our goals.**
- Added intermediate 2023 ESG targets to our long-term objectives through two Sustainability-Linked Bonds issued in 2021 - All outstanding bonds now **linked to sustainability targets**

Ability to influence beyond this scope:

- Work with **suppliers:** sustainability charters, dedicated offers
- Help our **customers** choose green offers: training, expertise
- Help our **employees** drive this transformation: training, LTI criteria

Contributing to the green transformation of cities

The example of Rexel Express in Paris

Robotized proximity logistics

+ 

Green delivery

+ 

24/7 lockers

=

30%
CO2 savings

28,000 km
by bike

Unique service value proposition

Ambition to accelerate our contribution on sustainability

03

Consistently delivering on transformation

Ahead of plan
on 2021 CMD objectives

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Mid-term ambitions

> 6% adj. EBITA margin in 2023	Grow 50-100bps faster than market	Towards 1/3 of digital sales penetration	Cash conversion* > 60%	Active M&A strategy

2021 achievements

6.2% adj. EBITA margin (incl. 40 bps of one-off items)	**Above high end of the target** (compared to a representative sample of suppliers)	**Digital sales up +27% in 2021, now at 24% of Group sales**	**66%**	**5 acquisitions including Mayer**

* FCF before interest & tax / EBITDA after lease

Overall market outperformance driven by Europe

North America

In line with market while increasing business selectivity

Market share gains in several key US regions (Northwest, California Mountain Plains, Southeast) and Proximity in Canada, as well as increased selectivity in Midwest and Gulf Central

Europe

Market outperformance

Significant market share gains in France and Germany, increased selectivity in the UK and stable market share elsewhere

Asia Pacific

In line with market.

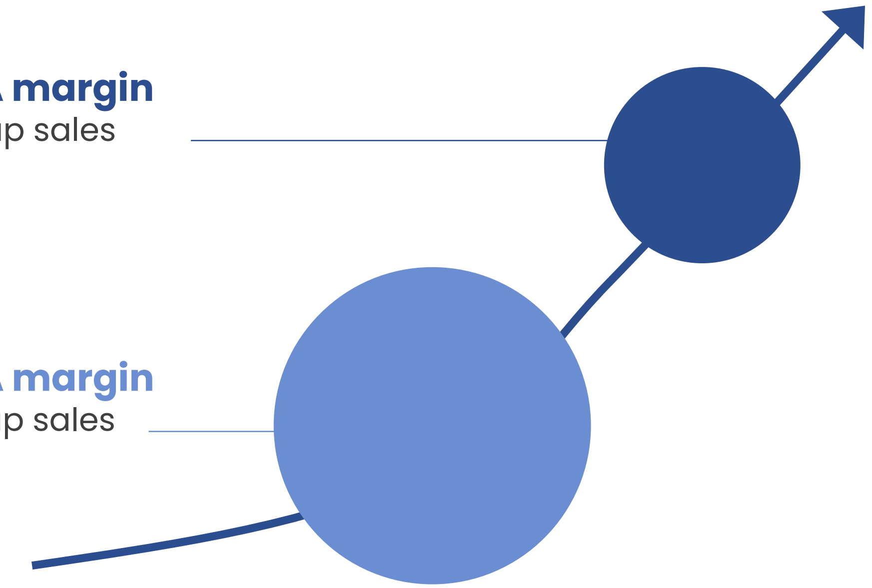
Stable market share in key countries

Majority of countries now above target profitability level

FY 2020

>6% EBITA margin
38% of Group sales

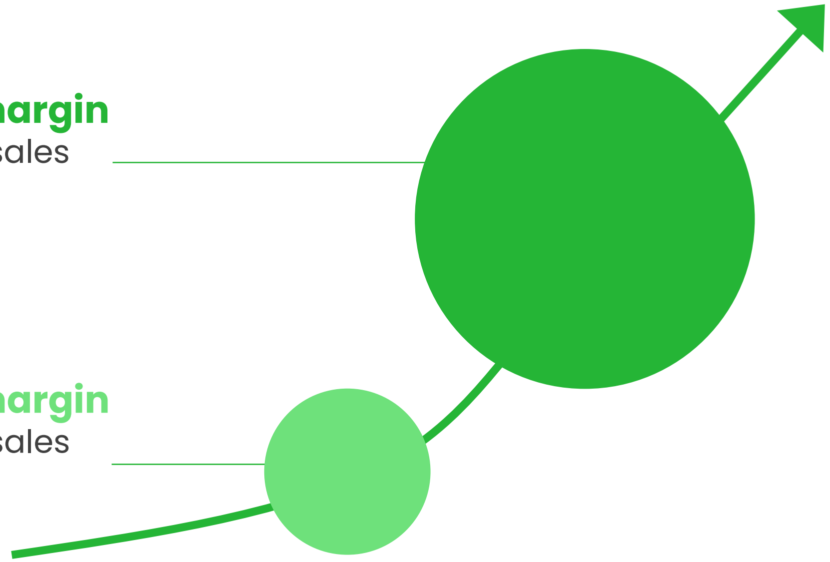
<6% EBITA margin
62% of Group sales



FY 2021

>6% EBITA margin
67% of Group sales

<6% EBITA margin
33% of Group sales



Maintaining our edge
by rolling out our digital solutions

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Digital Sales

c. €3.5bn sales in FY 2021,
up from c.€2.6bn in FY20

Reaching c. 24% of digital sales in Q4 21

- 35% of sales in Europe
- c.12% of sales in North America (or c.14% excl. Mayer)

8 countries above 30% of digital sales

Data-Driven Solutions

Customer churn
Live in 9 countries

AI-enhanced pricing
Live in 2 countries at end 2022

Next Best Offer
Live in 3 countries at end 2022

Branch assortment
Live in our 450 branches in France

Harmonized customer segmentation
17 segments in 10 countries

Digital supply chain solutions

Track & Trace: 90% of core countries covered

Lead times for non-stocked items: Information available from suppliers in 80% of core countries

Supplier portal goes live, with all strategic suppliers connected, reinforcing our partnership

Email to EDI Supplier live in 24 countries

Consistently demonstrating robust and resilient cash generation

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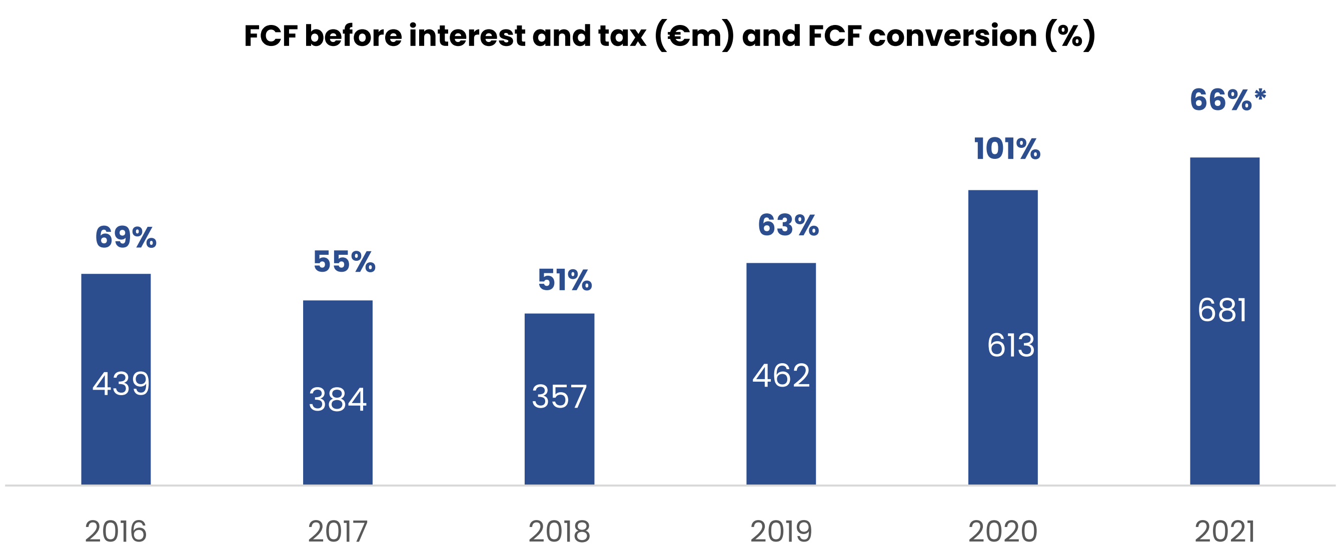

Strong FCF resilience over time, with 2017 and 2018 impacted by investment in inventories to improve product availability for our customers, notably in the US

2020 conversion rate reflects pandemic-related exceptional inflow from WCR evolution, demonstrating resilience of cash-generating model

* FCF before interest & tax / EBITDA after lease

Creating additional value through more active M&A

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	2021 acquisitions : €1.2bn added sales / €0.5b EV	Key highlights
Reinforce Core ED Positions	MAYER, Winkle*	• Reinforced presence in the Southeast and Mid-Atlantic regions, with specific focus on high growth areas • Faster integration process than expected
Expand to Adjacent Specialists	WESCO UTILITY	• Fully integrated within 10 months: ahead of plan • Better-than-expected customer acceptance • Exceeding 2021 sales and Ebita business case
Distributor **Develop Value-Added Models**	freshmile, tracesoftware	• New software and service solutions offered to customers in Electrical Vehicle and Building space

* An industrial automation business in Eastern Ohio, Western Pennsylvania and Western New York- c. USD30m of annualized sales

Mayer integration proceeding fast

Better than expected Q4 2021 results

First integration steps ahead of expectations

- First rate teams and strong brand recognition
- Merging support functions and optimizing logistic routes
- Adopting Rexel's margin strategies

Strong complementary business and suppliers, leveraging customer base, transportation and logistics

Future upside expected from digitization, new services and enhanced operational efficiency

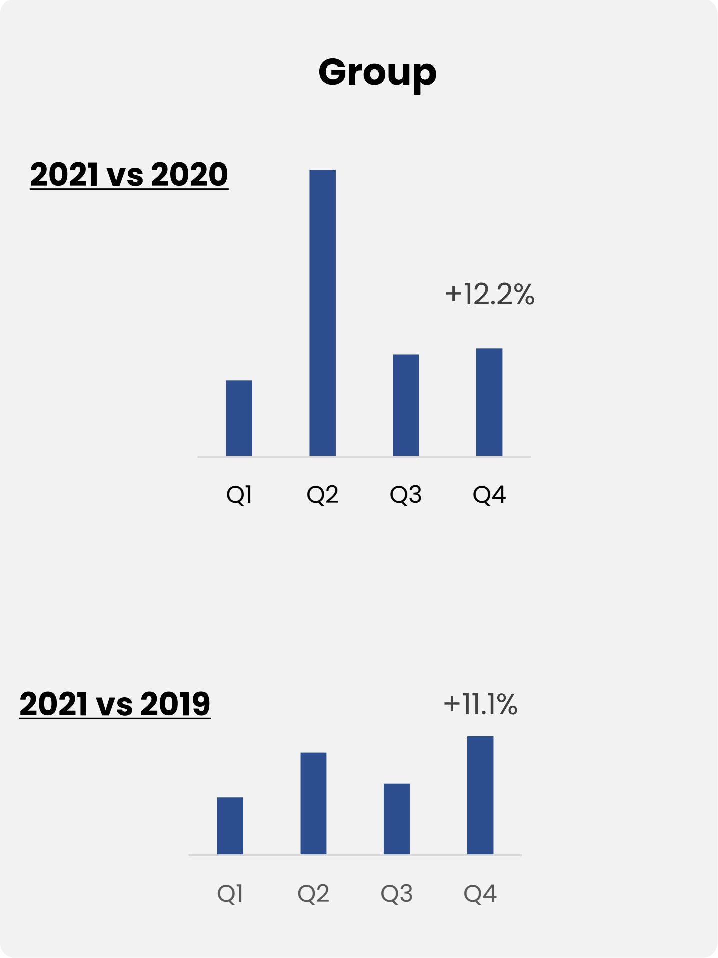
Faster and deeper synergies than initially expected

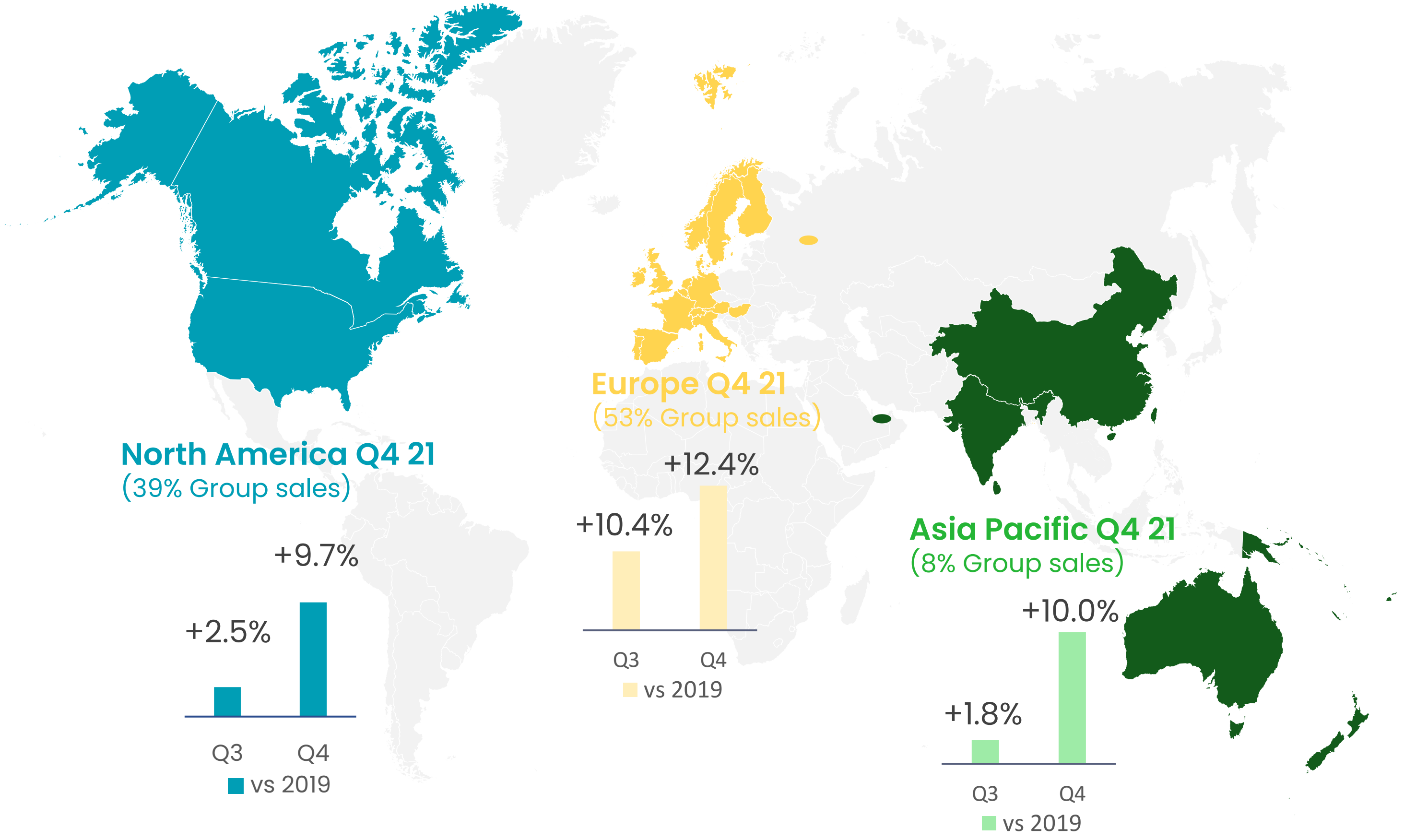
- **1.5% of sales synergies to be reached in 2022,** one year ahead of plan
- Mid-term (years 3) synergies raised to **above 2.5% of sales**

Q4 & FY 21 financial review

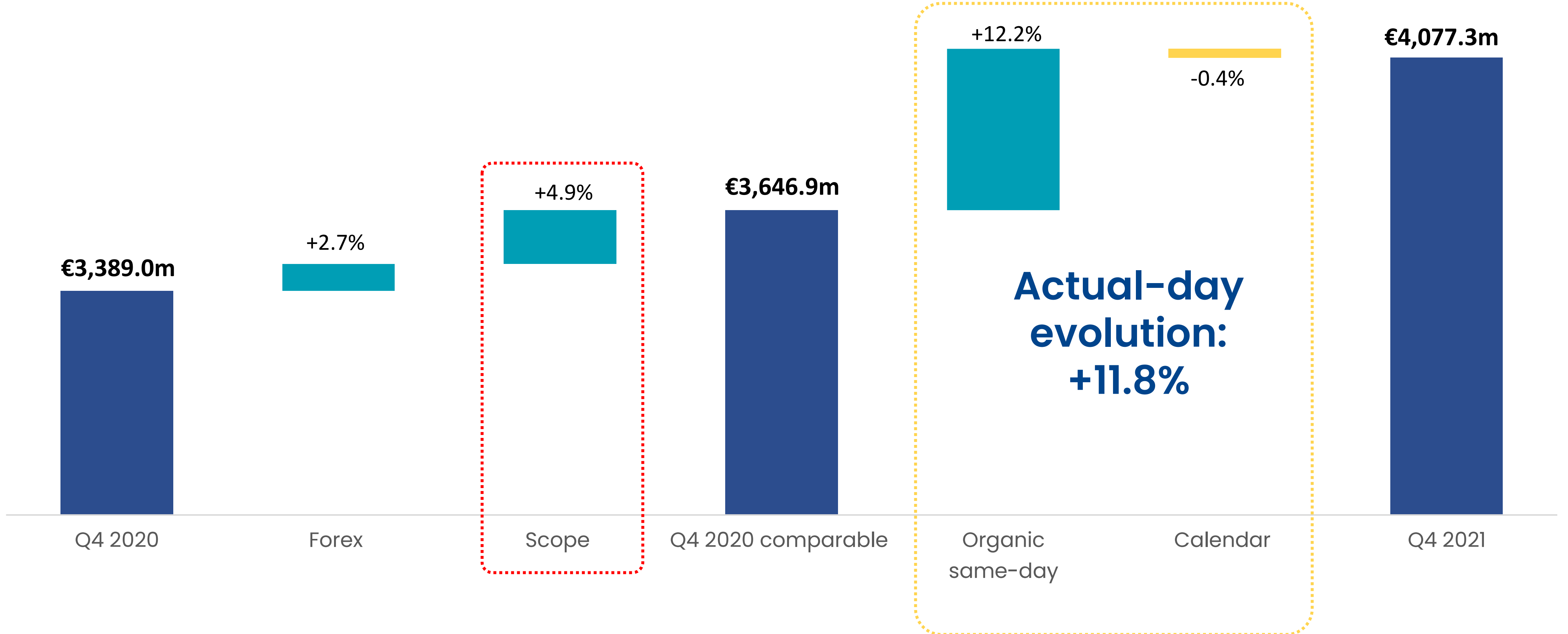
04

Sales above pre-crisis level for the fourth consecutive quarter



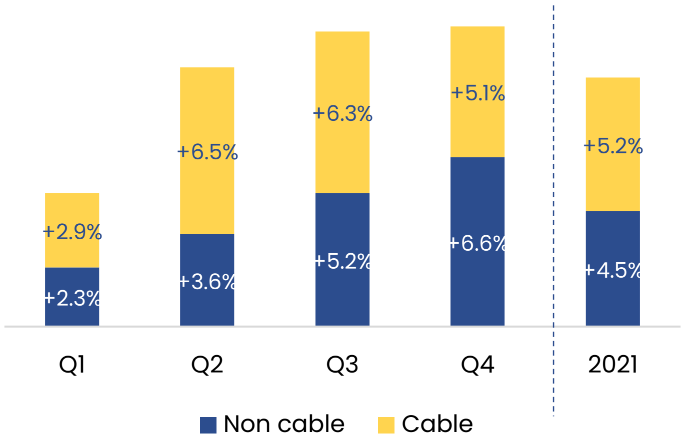


Reported sales up +20.3% in Q4 21 including +12.2% on same-day basis

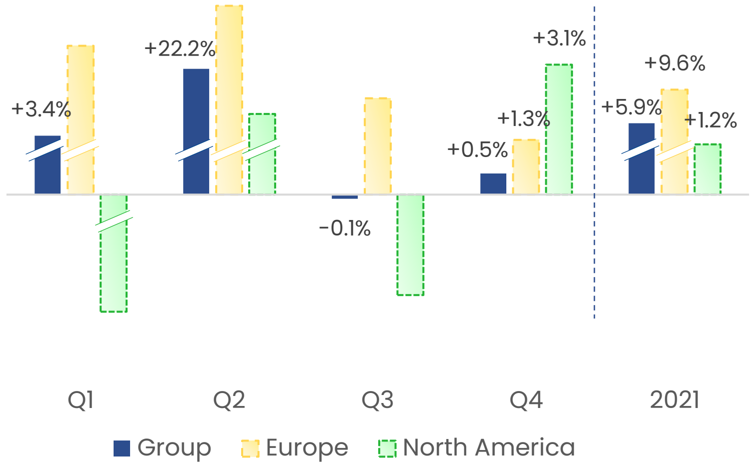


Sustained inflation, positive momentum on volumes

Inflation non-cable & cable vs. 2020



Volume vs. 2020



- Cable price rise in Q2
- Non-cable price rise in Q2 in US and in Q3 at Group level
- Inflation from raw material rise, logistics& salaries

Volumes up +0.5% in Q4 21 vs Q4 20 or +1.2% restated for large aerospace contract in China

Acceleration in volume (Q4 21 vs Q4 19), despite selectivity and supply chain limitations:

- Europe up on challenging base effect
- Significant sequential improvement in the US

Sequential same-day sales growth acceleration in Q4 21 on a two-year stack

Europe
+12.4% in Q4 21 vs Q4 19
(vs +10.4% in Q3 21 on two-year stack)

Acceleration driven by further price increases on non-cable products

Positive volume momentum in Q4 21 mainly in UK, Belux, Sweden and Austria

North America
+9.7% in Q4 21 vs Q4 19
(vs +2.5% in Q3 21 on two-year stack)

Acceleration in the US in Q4, up 11.4% compared to Q4 19, driven by:

Strong proximity business and better activity in projects & Specialty

Significant volume recovery: c. 10% below Q4 19 (from c. 20% below in Q3).

Our 3 end-markets are above the 2019 level for the first time in Q4

Commercial segment significantly improved in Q4 21.

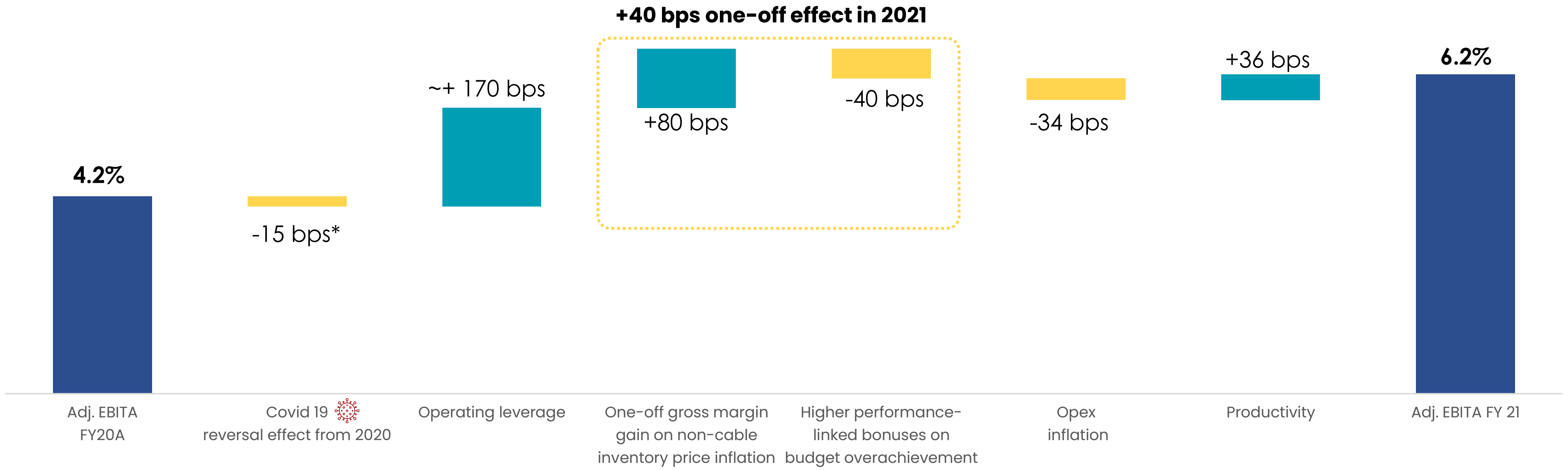
Asia-Pacific
+10.0% in Q4 21 vs Q4 19
(vs +1.8% in Q3 21 on two-year stack)

End of the lockdown in large cities in Pacific

Recovery in Australia driven by industry and small & medium installers activity

In China, restated for the aerospace contract, Q4 21 is up +2.5% vs Q4 20, similar to Q3

Record adjusted Ebita margin leveraging price increase & opex base optimization



* including 60bps of government subsidies net of 45bps of lower volume related rebates

Strong profitability improvement in all geographies

Europe
Gross margin: 27.5% (+68bps)
Adj. EBITA margin: 7.1% (+174bps, including c. 20bps of non-recurring items)

Gross margin leveraging strong pricing management and positive country mix (France, Belux, Austria)

Adjusted Ebita benefiting from robust sales growth and digital productivity (c. 300 fewer people than pre-crisis in February 2020)

North America
Gross margin: 25.6% (+279bps)
Adj. EBITA margin: 6.5% (+278bps, including c. 100bps of non-recurring items)

Gross margin benefiting from:

- pricing initiatives, one-off effect reflecting price inflation on non-cable products, increased project selectivity, favorable business mix (Proximity vs Project)

Adjusted Ebita benefiting from sales growth and structural measures (c. 620 fewer people than in February 2020) largely offsetting full provisioning of higher variable pay in 2021

Asia-Pacific
Gross margin: 17.9% (+60bps)
Adj. EBITA margin: 2.4% (+52bps)

Gross margin was up in Pacific offsetting negative business mix in China

Adjusted EBITA margin improvement driven by better profitability in Pacific

Recurring net income up +107% in 2021

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€m	FY 2020	FY 2021	Change
Adjusted EBITA[1] (comparable base)	**536**	**906**	**+69%**
% Adj Ebita margin (%)	4.2%	6.2%	
Currency/Scope & other	(10)	Na	
Adjusted EBITA[1]	**526**	**906**	
Non-recurring copper effect & other	11	58	
Reported EBITA	**537**	**964**	**+80%**
Amortization resulting from PPA	(11)	(7)	
Other income and expenses	(530)	(45)	
Operating income	**(3)**	**912**	**n/a**
Net financial expenses & Others	(117)	(133)	
Profit before tax	**(121)**	**778**	
Income tax	(141)	(181)	
Tax Rate	Na	23.2%	
Net income	**(261)**	**598**	**n/a**
Recurring net income[2]	**278**	**575**	**+107%**

Positive non-recurring copper effect reflecting recent cable products price inflation

Other income and expenses includes
- €(23.4)m impaired trade receivables (discontinuation of a significant non-core contract in China)
- €(9.8)m of acquisition costs related to our 5 deals
- €(7.3)m of write-down on right-of-use and other fixed assets
- €(6.3)m of restructuring costs (vs. €(26.1)m in 2020)

Net Financial expenses include:
- €(67.6)million from financial cost of net debt before one-off expenses vs €(79.2)m in 2020
- €(40.4)million from interest on lease liabilities
- €(22.6)m from one-offs in FY 2021 from the early repayment of two senior notes

- Effective Tax rate at 23.2% due to the recognition of deferred tax (€32.2m)
- Restated from non-recurring impacts, effective tax rate stood at 27.3%, down 340bps

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
2. See. details in appendix 3 in the Press release

Increased FCF before interest & Tax while rebuilding normative WCR level

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€m	FY 2020	FY 2021
EBITDA after Lease (EBITDAaL)	**606**	**1,035**
Restructuring	(15)	(13)
Change in trade working capital	51	(324)
TWC as % of sales	*13.1%*	*13.6%*
Change in non-trade working capital	72	116
Net capital expenditure	(77)	(103)
Gross capex as % of sales	0.9%	0.7%
Other operating revenues & costs	(23)	(30)
Free cash-flow before I&T	**613**	**681**
Free cash-flow conversion	101.2%	65.7%
Net interest paid	(67)	(56)
Income tax paid	(89)	(199)
Free cash flow after I&T	**458**	**426**
Net financial investment	130	(439)
Dividend	-	(140)
Effect of currency exchanges rates & Other	24	(63)
Net change in cash / (debt)	**611**	**(216)**
Net financial Debt at the end of the period	**1,335**	**1,551**
Indebtedness ratio	**2.14x**	**1.37x**

WCR /sales up 50bps in a context of disrupted global supply chain

Capex stood at 0.7% of sales, including 50% allocated to Digital and IT

Active M&A strategy

Dividend payment on 2020 results resumed

All long-term financing linked to Sustainability-Linked Bonds with two issues in 2021

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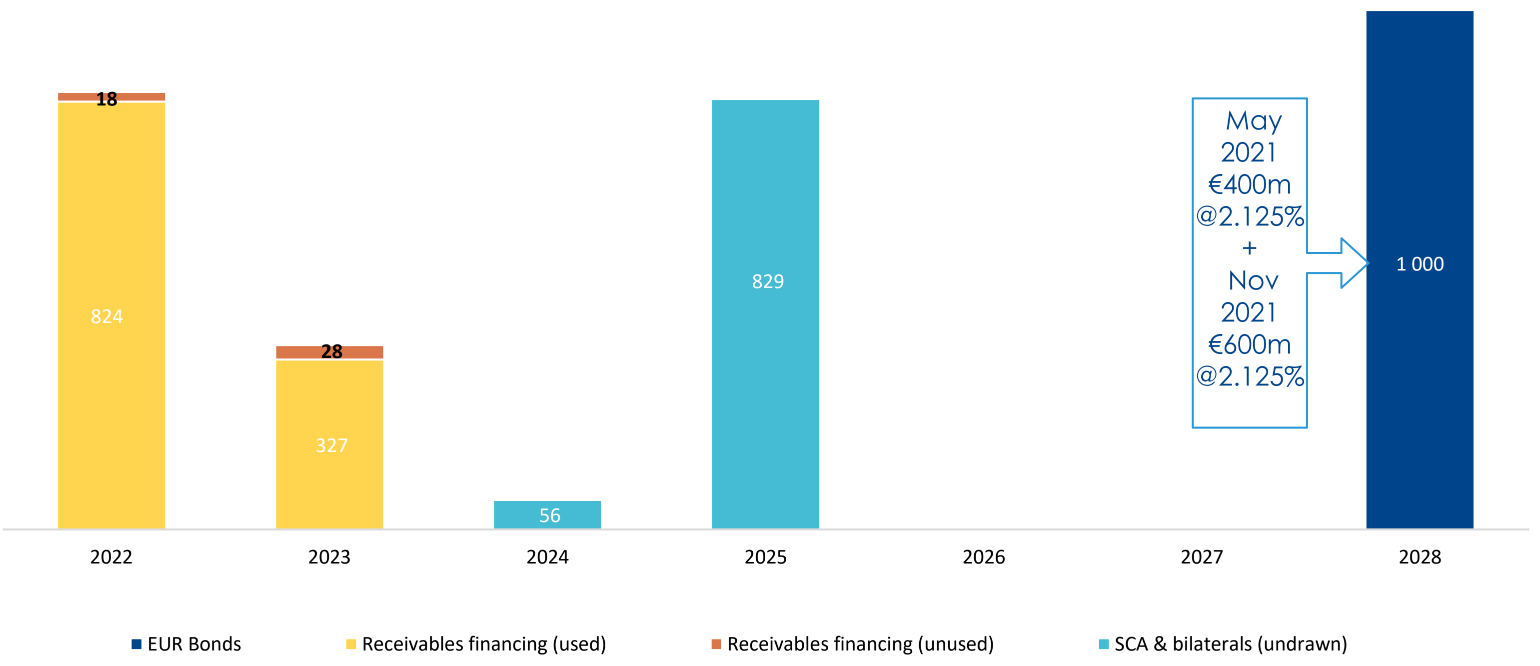
Gross debt maturity breakdown at December 31st, 2021



c. €1.27bn

Liquidity as of December 31, 2021

€1.0bn

Issuance of Sustainability-Linked Bonds maturing in 2028

Positive outlook

Outlook upgraded by S&P in September 21 on our BB rating

2.42% (-3bps yoy)

FY 2021 average effective interest rate on gross debt

Strong increase in proposed dividend to a record €0.75 fully in cash

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In line with Rexel's payout policy: ≥ 40% of recurring net income

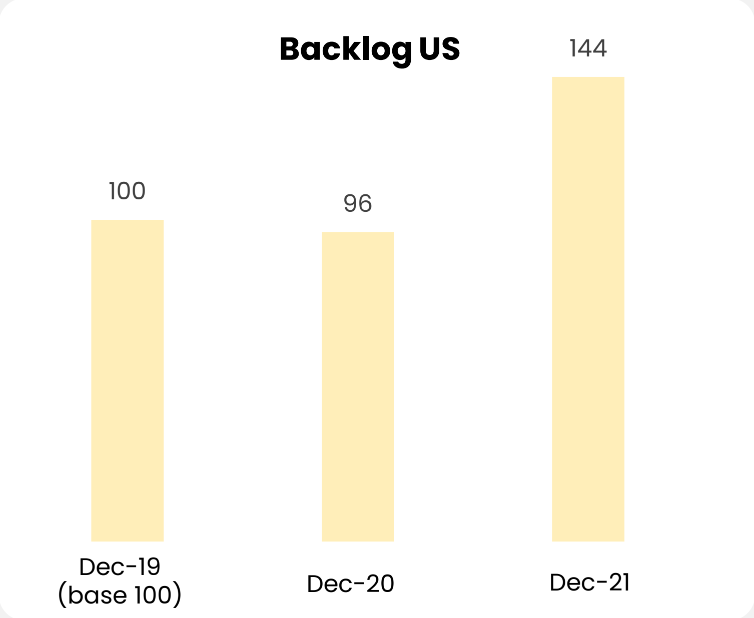
Payable in cash

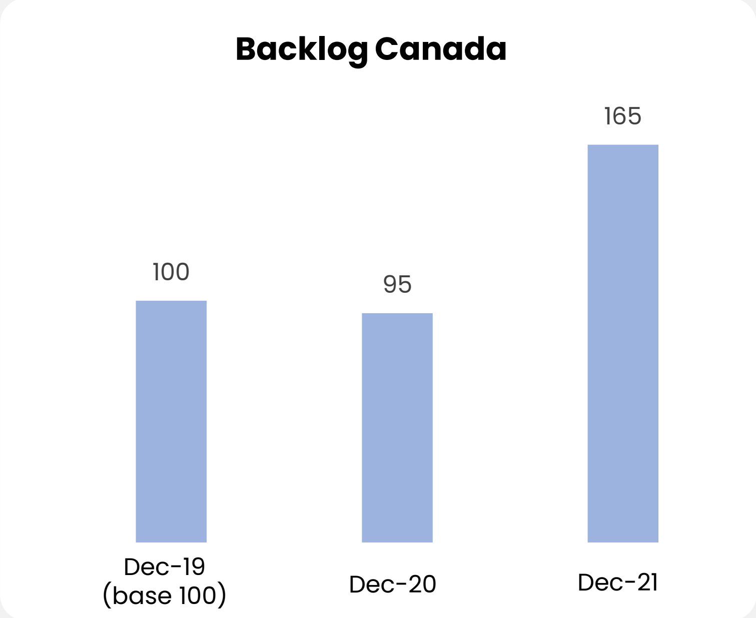
Subject to approval at the AGM on April 21, 2022

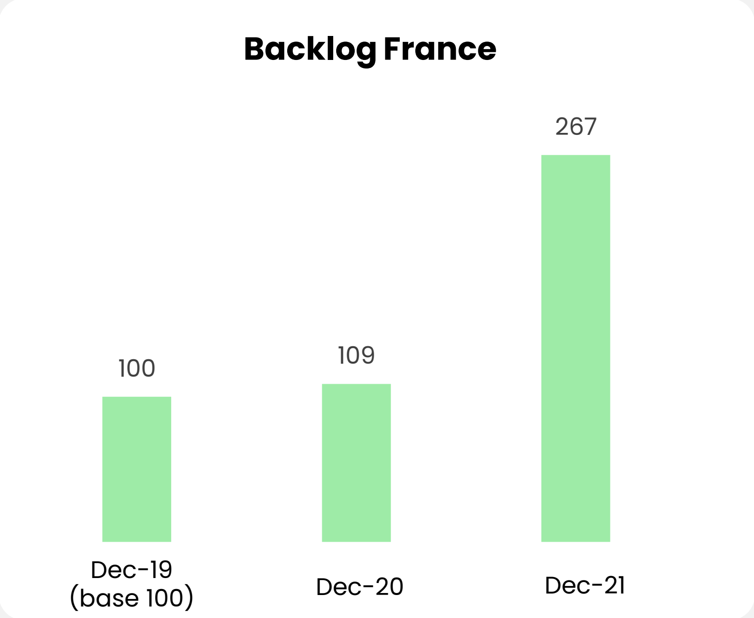
	2015	2016	2017	2018	2019	2020	2021
Dividend per share (€)	0.40	0.40	0.42	0.44	-	0.46	0.75
Recurring net income (€m)	269.4	250.3	291.2	328.1	341.2	277.7	**575.0**
Pay-out as % of recurring net income	45%	48%	44%	41%	-	50%	**40%**

Outlook

Entering 2022 with record level of backlogs







High backlogs reflecting

- strong underlying demand
- projects being delayed into 2022 in a context of labor and product scarcity

2022 outlook

Leveraging our transformation and enhanced efficiency, we target for 2022, at comparable scope of consolidation and exchange rates*:

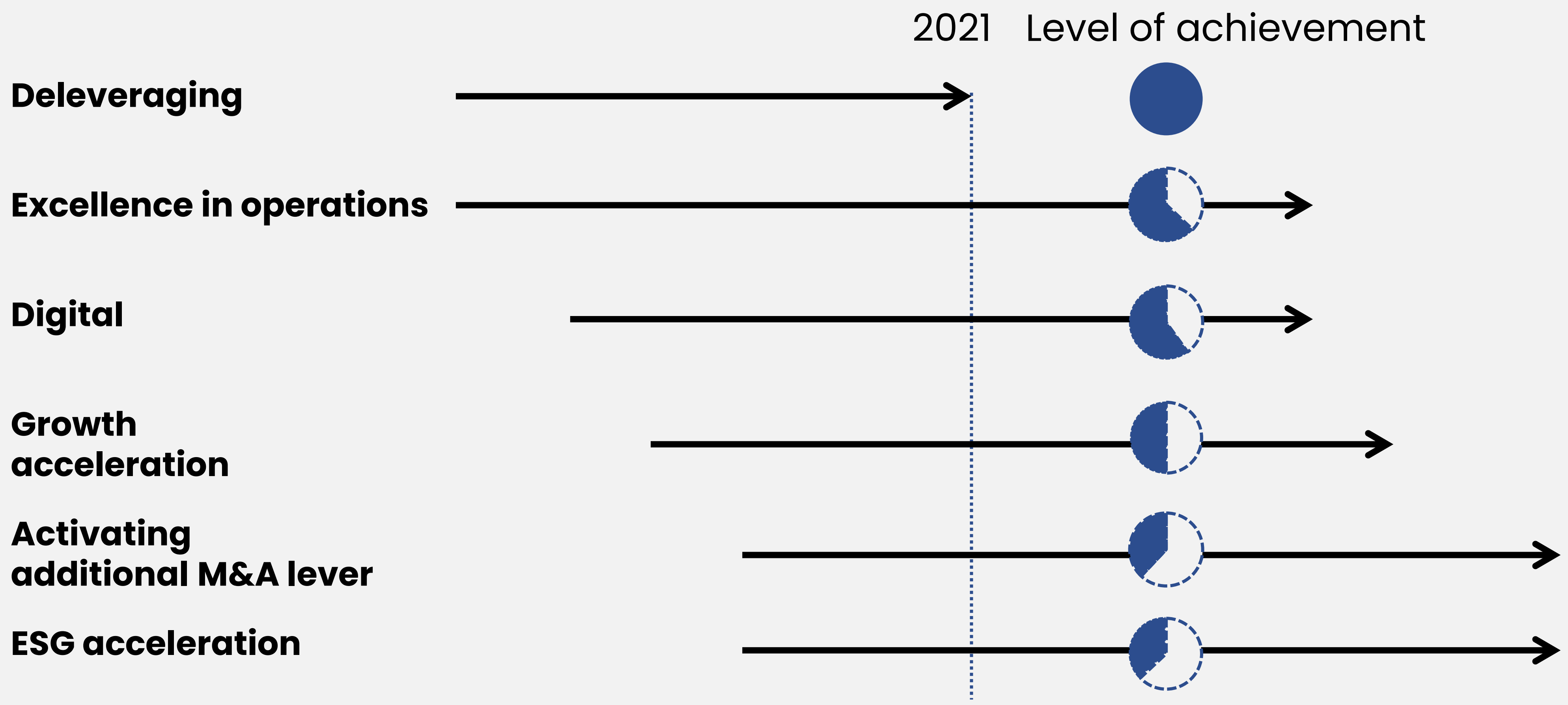
Same-day sales growth of between 4% and 6%	An adjusted EBITA[1] margin above 6%	Free cash flow conversion[2] above 60%

- Non-cable inflation continuing, adding to carry-over pricing impact
- Robust volume environment
  - Room for additional growth in the USA
  - Continued high level of demand in Europe
  - Record-high backlogs (USA, France, Canada…)
- Labor and product availability to remain a factor at least in the first part of the year

* Assuming no severe deterioration of the sanitary environment

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 ; EBITDAaL: Earnings Before Interest, Taxes, Depreciation and Amortization after Leases

Significant progress made
More to come



Save the date
Capital Market Day in June

An updated strategic roadmap will be presented at a Capital Market Day to be held at our Swiss headquarters in Zurich on **June 16, 2022**

Site visit: Our biggest automatized branch