
POWERING UP REXEL:
Upwards revision of 2022 guidance
New medium-term roadmap, profitable growth ambitions and ESG targets
presented at Capital Markets Day

Rexel is hosting today from 1 PM CEST a Capital Markets Day at its Swiss headquarters in Zürich. During the event, it will present its new medium-term roadmap and unveil its upgraded 2022 financial targets as well as its 2022-2025 ambitions.

After undergoing a profound transformation over the past five years that has enhanced the Group's resilience, Rexel is now well positioned for a new phase of profitable growth, driven both by further optimization of its core model and the development of a leadership position on topics shaping the future of the industry: ESG, energy transition solutions and advanced services. These are encapsulated in a new company-wide plan called Power Up 2025 and captured in robust medium-term financial and environmental targets.

Guillaume Texier, CEO of Rexel, declared: *"Rexel is poised today to power up its profitable growth story. The combination of a historical acceleration of electrification, the increasing importance of scale and services and the benefits of Rexel's deep transformation over the past five years offers a unique window of opportunity for Rexel to step up its performance. By unlocking further value in our core model and becoming a leader in ESG, energy transition solutions and services, Rexel, with the support of its highly committed teams, is set to deliver higher organic growth and enhanced profitability over the medium-term and will also create further value for its shareholders through disciplined bolt-on acquisitions and a share buyback program."*

Robust financial targets:

- a. **2022 guidance upgrade: Rexel is raising its 2022 objectives, following a better-than-expected start to the year in all geographies and higher inflation, in an environment that remains uncertain.**
 - Same-day sales growth of between 7% and 9% (vs 4% to 6% previously)
 - Adjusted EBITA margin of c. 6.7% including 50bps of positive one-off effects (vs above 6% previously)
 - Free cash-flow conversion above 60%
- b. **2022-2025 four-year targets: Robust medium-term objectives**
 - Same-day sales growth of c. 4%-7% on a Compound Annual Growth Rate basis
 - Adjusted EBITA margin of between 6.5% and 7% in 2025
 - A well-balanced capital allocation with:
 - o Capex to sales of c. 0.9% over the period
 - o A yearly payout to shareholders of at least 40% of recurring net income
 - o Bolt-on acquisitions adding up to €2 billion in sales over the period
 - o Share buyback of around €400m over the period
 - An indebtedness ratio of around 2x

c. More ambitious ESG targets

The Group's Scopes 1 and 2 targets are upgraded to a 60% reduction in CO₂ emissions of our operations (vs. 2016) from -35% in absolute terms.

The Scope 3 target is raised to a 60% reduction in CO₂ emissions from the use of products sold (vs. 2016) from -45% in intensity terms (equivalent to an upwards revision of our guidance to -45% from -31% in absolute terms).

These targets will be achieved by capitalizing on the following building blocks:

Building on a solid platform: Thanks to the digitalization of its business, an enhanced customer mix, a streamlined portfolio and a turnaround of operations in under-performing countries, Rexel is now a different company today from what it was five years ago. It is now more profitable and more resilient, with a greater ability to generate cash flow and a strengthened balance sheet that provides it with firepower to fuel growth. This upgraded business profile allowed Rexel to deliver its mid-term targets in 2021, one year ahead of plan, and constitutes a solid platform to drive further growth.

A historical window of opportunity: The planets are aligned to offer a unique window of opportunity to support Rexel's growth in the coming years, and the Group should benefit from a combination of market, industry and Rexel-specific factors. Sustainability priorities, notably Net Zero agendas, and rising energy concerns will drive a major acceleration in electrification needs. In this new environment, scale, supply chain excellence and strong supplier relationships should be a major differentiating factor for Rexel, and the Group's transformation allows it to seize these new opportunities to accelerate growth, leveraging its processes, tools and best-practice sharing.

Unlocking value in our core model: Rexel's core model has been significantly strengthened but still offers significant upside potential, notably through supply chain excellence and a further ramp-up in digital. As part of its omnichannel approach, the Group has upgraded its logistics capabilities to address all client segments with excellence, notably through same-day delivery, and has developed innovative supply chain models to help overcome environmental constraints and labor scarcity, with 24/7 solutions such as lockers and automated branches. Rexel aims to triple the number of automated distribution centers by 2025 from 6 today. Rexel will also take digitalization to the next level, rolling out initiatives such as Sales alerts, Next Best Offer, Assortment Optimization and AI-enhanced pricing tools to an increasing number of countries. The share of digital in total sales should double to 50% by 2027 from 24% in 2021.

Leadership in ESG, energy transition solutions and services: Rexel has a pivotal role to play across the value chain, from promoting ESG among its suppliers to increasing ESG services such as carbon trackers and selling a growing number of Green products. Rexel, which is already highly rated for ESG by leading agencies and is the only distributor in its segment to have targets approved by the Science Based Targets Initiative, is strongly upgrading its CO₂ roadmap to reach its Net Zero ambitions in 2030. Rexel sees major opportunities to accelerate sales in segments related to the energy transition, such as HVAC, photovoltaic, Electric Vehicles and Industrial Automation. In addition to the strong commitment on environmental matters, we have also introduced ESG criteria in our Long-Term Incentive Plan on ESG Social and Governance pillars such as Diversity, Health & Safety and Ethics & compliance. Finally, Rexel has the ambition to significantly expand new services by 2025, notably by doubling revenue on this segment.

The event will start at 1 PM CEST and will be broadcasted live at <https://edge.media-server.com/mmc/p/mdoqw7qa>

The presentation will be available at 12.30pm on our website www.rexel.com/en.

To participate in the Q&A session, please dial in:

France : +33 1 70 95 03 46 (code: 5657517)

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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 over 1,900 branches in 24 countries, with more than 26,000 employees. The Group's sales were €14.7 billion in 2021.

Rexel is listed on the Euronext market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: CAC Next 20, SBF 120, CAC Large 60, CAC AllTrade, CAC AllShares, FTSE EuroMid, and STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Dow Jones Sustainability Index Europe, Euronext Vigeo Europe 120 and Eurozone 120, STOXX® Global ESG Environmental Leaders, and S&P Global Sustainability Yearbook 2022, in recognition of its performance in terms of Corporate Social Responsibility (CSR).

For more information, visit www.rexel.com/en.

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DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 17% 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 10, 2022 under number D.22-0083. 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 10, 2022 under number D.22-0083, as well as the financial statements and consolidated result and activity report for the 2021 fiscal year which may be obtained from Rexel's website (www.rexel.com).