Rexel

a world of energy

Fourth-quarter sales & FY 2023 results

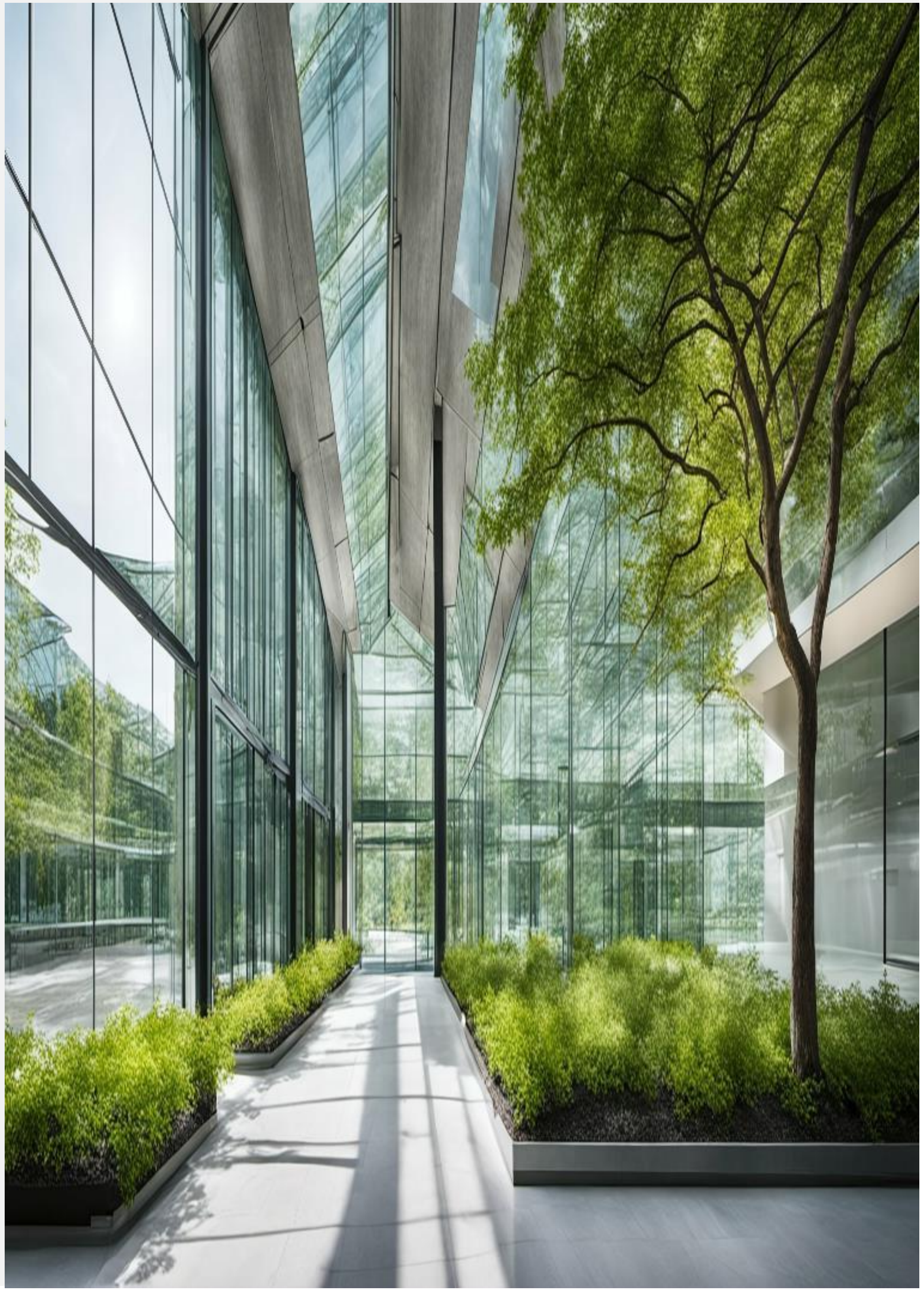
February 14, 2024

2023 consolidated financial statements were authorized for issue by the Board of Directors held on February 14th, 2024

Key highlights

Another record year in 2023
Upgraded FY 23 guidance fully achieved

- Record sales at €19.2bn
- Record adjusted Ebita at 6.8%, in the upper end of the guidance
- Record FCF conversion, significantly above guidance at 73%
- Solid execution of our value-creating M&A strategy
- Continued high shareholder returns: Dividends and share buyback
- Healthy balance sheet: Indebtedness ratio at 1.33x



New sales record in FY 23

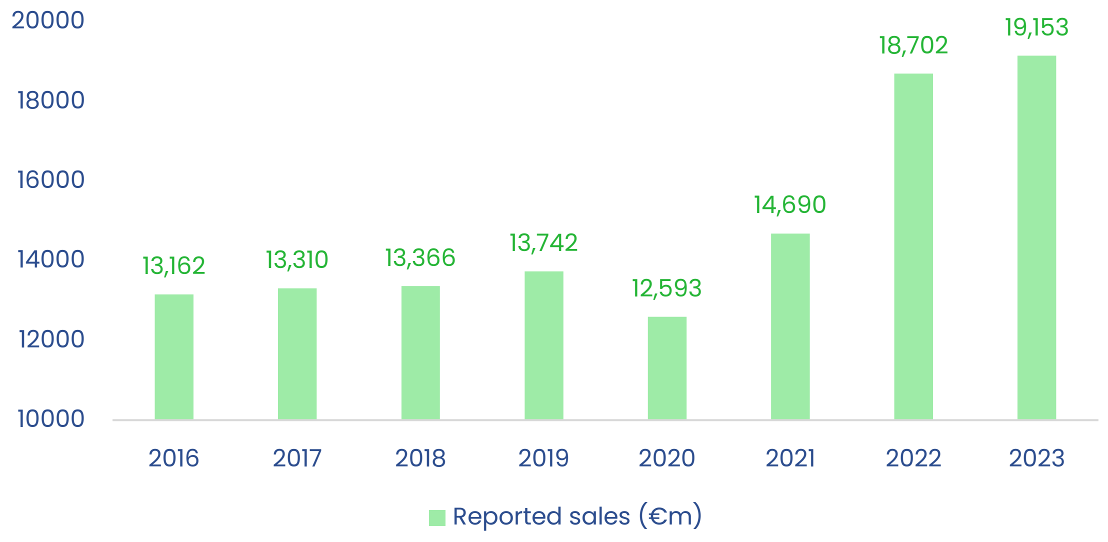
€19.2bn

Reported sales

+4.3%

Same-day sales growth

✓ **2023 upgraded guidance: upper end of the 2%-6% range**



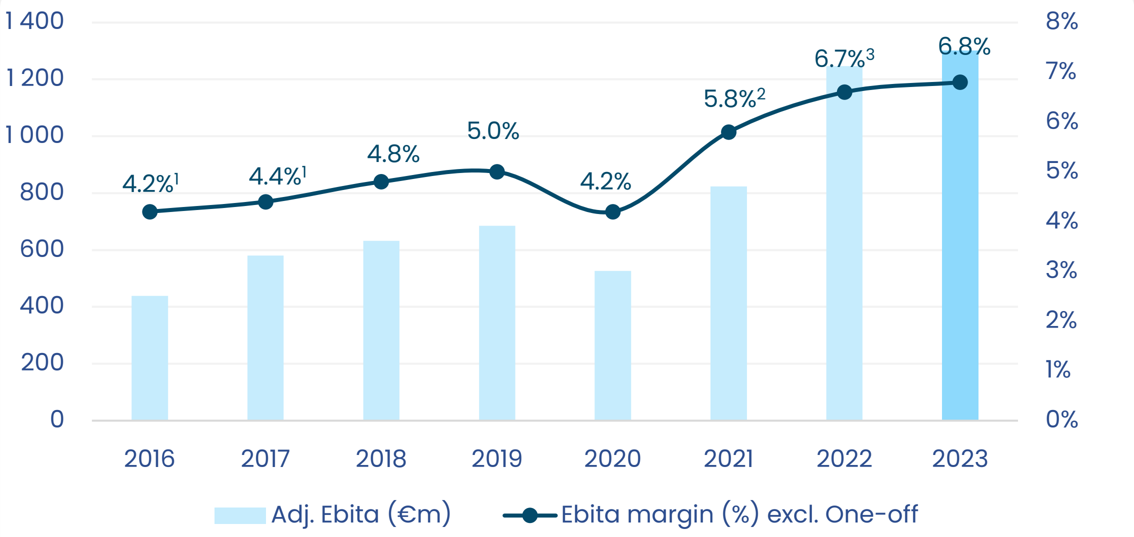
- **Boosted by several mega trends**: Electrification in Europe, especially in H1, reshoring and stimulus plans in the US
- **Market share gains** driven by full-service value proposition and digital advances
- Well integrated and **value-creating acquisitions** becoming a regular contributor to the growth engine

Record adjusted Ebita margin, at the upper end of the guidance

6.8%

Adjusted Ebita margin (%)

✓ **2023 upgraded guidance: c.6.6%-6.9%**



- **Record Adjusted Ebita margin, excl. one-offs, at 6.8%**
- **+13bps adjusted Ebita margin improvement,** on a reported basis excluding one-offs, driven by operating excellence and accretive impact from portfolio management

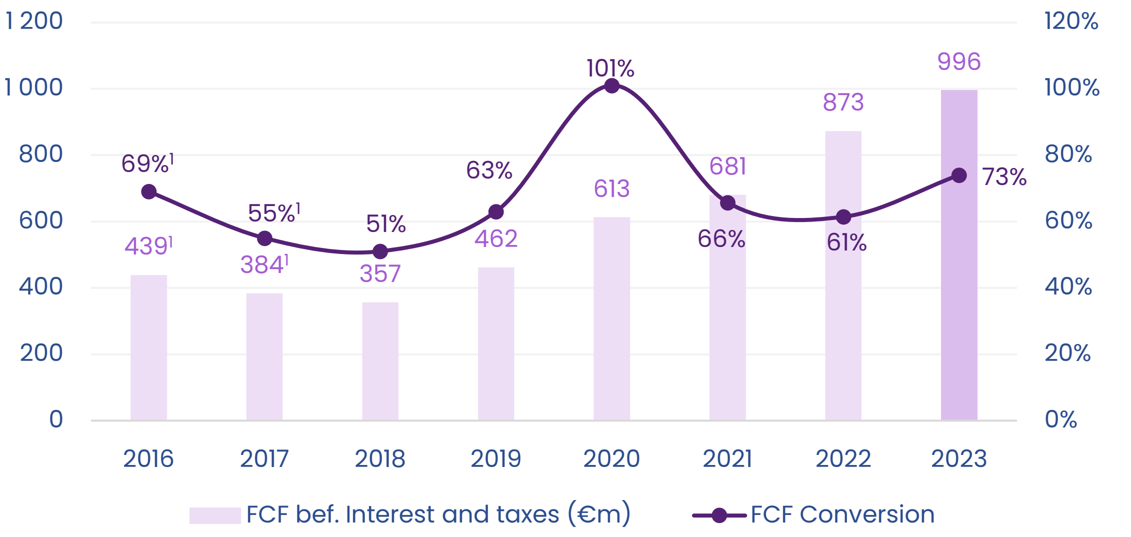
1. Pre IFRS 16
2. 6.2% ow 40 bps of one-off
3. 7.3% ow 66 bps of one-off

FCF conversion significantly above guidance, driven by North America

73%

FCF before Interest and tax conversion

✓ **2023 guidance: FCF conversion > 60%**



- **Record FCF before Interest and tax**, close to €1bn, demonstrating the strength and resilience of Rexel's model
- **Disciplined Working Capital management**:
  - **Strict** inventory management in North America
  - **Solid** credit management **overall**
- **Tight capex management**

1. Pre IFRS 16

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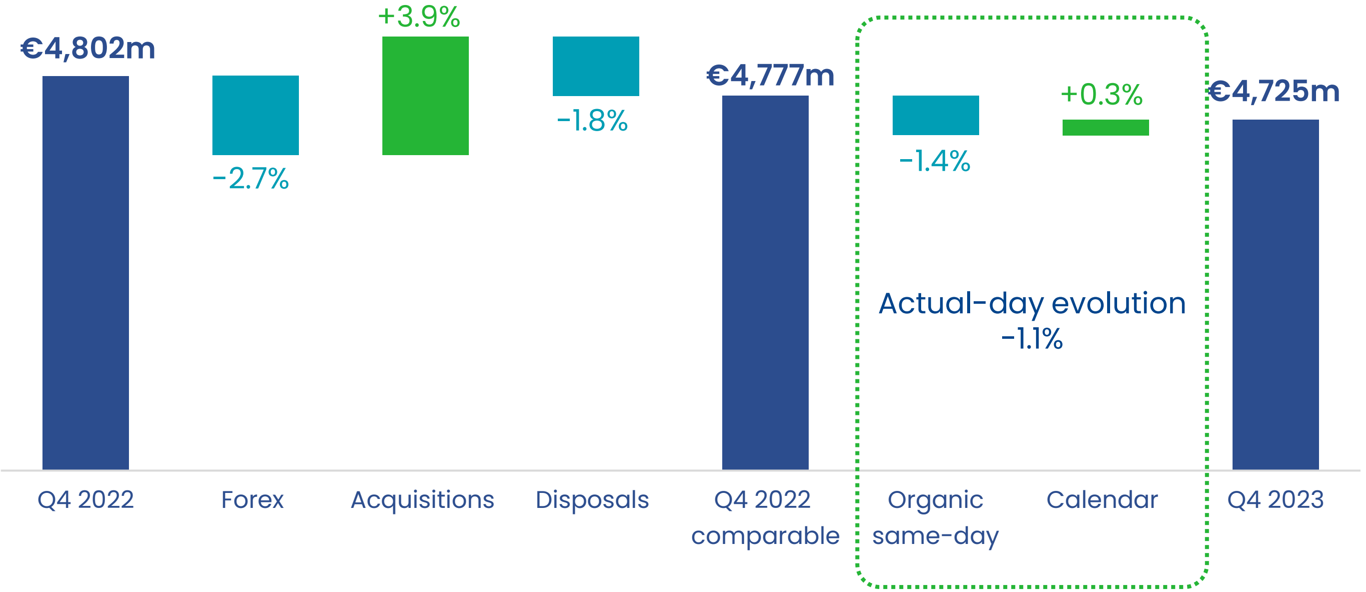
Q4 & FY 2023 Group financial review

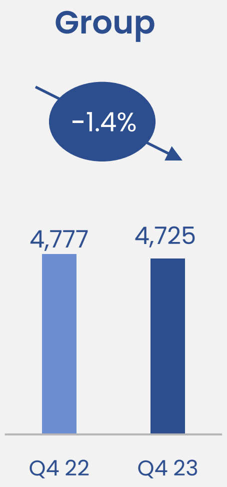
Q4 Sales: M&A contribution more than offset the organic decrease



Q4 23 reported sales down 1.6%:

- Negative forex and same-day sales growth
- First positive contribution from Wasco acquisition

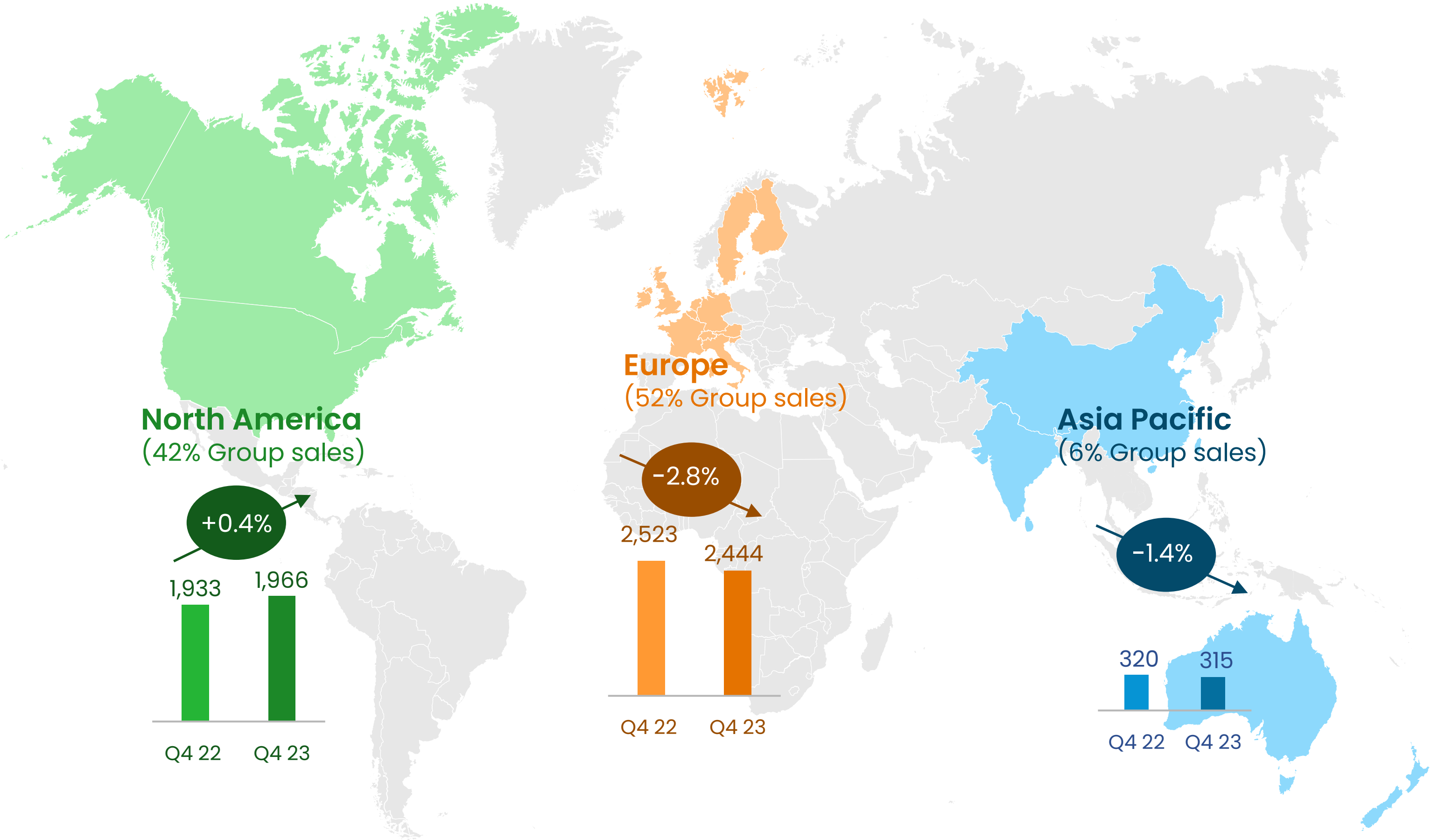
Positive overall non-cable selling prices; volume resilience in North America in Q4



Selling price evolution

Non-cable: +0.5%

Copper based cable : -0.4%



NB: Sales in €m are presented on a comparable basis

Q4 sales in Europe: Market share gains in our key countries

By country

- Market outperformance **in France, Germany and Switzerland**
- Market share gains in **the Netherlands** driven by Wasco acquisition
- Deteriorating trends **in Sweden and the Netherlands** (excluding Wasco)

By product

- Negative electrification contribution, mostly solar, both in volume and price, on challenging base effect
- Positive pricing on our core products

By end-market

- Capturing positive trends in Industrial markets
- Lower demand in construction-related markets

Q4 sales in North America: Volumes boosted by good backlog execution

By country / Region

- **North America**
  - **Positive volume** mitigated by deflation on commodity-related products
- **United States:**
  - Strong resilience in commercial buildings and industrial automation while demand in residential improved sequentially
  - Mid-single digit growth and market outperformance in Mountain Plains & Gulf Central
- **Canada:**
  - Strong performance driven by commercial and industrial activities

By product categories

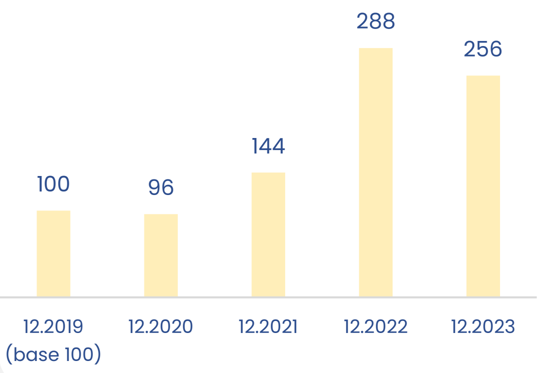
- **Electrification categories up mid-single digit** in Q4, boosted by industrial automation
- Few pockets of deflation, notably in piping & conduits

By channel

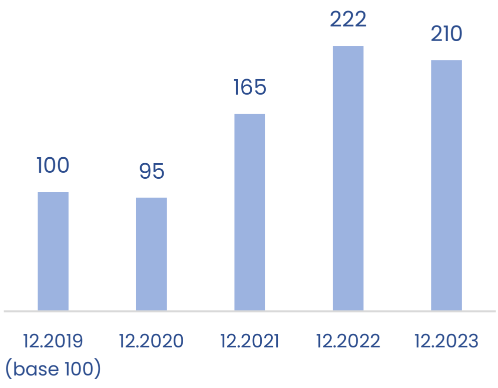
- Strong backlog execution, driving growth in project activity

High level of backlogs, providing visibility

US
c. 2.3 months of sales

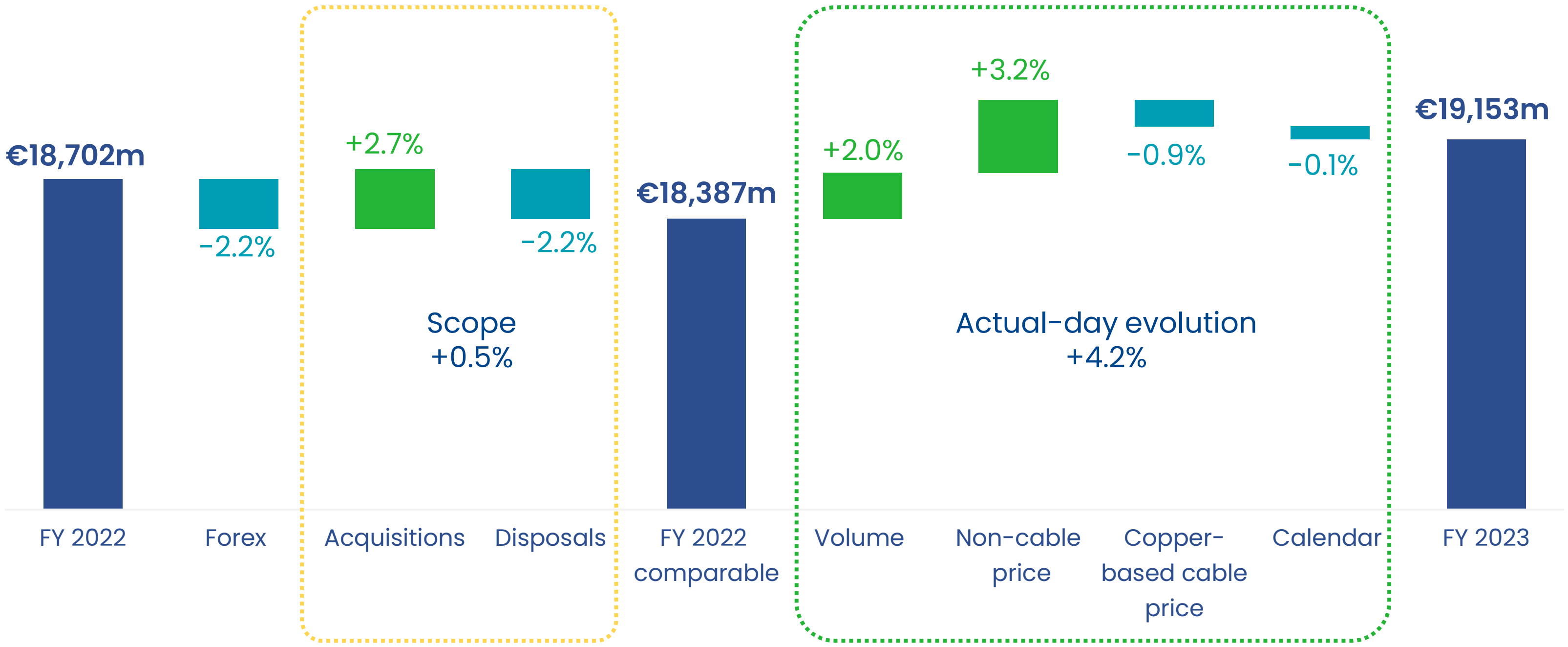


Canada
c. 3.6 months of sales



High level of backlogs, with strong order intake almost compensating backlog execution

FY 23 reported sales: Up 2.4%, supported by organic growth & acquisitions



Europe
Same-day sales growth: +5.1%

- Driven by prices
- Boosted by electrification, specifically solar activity

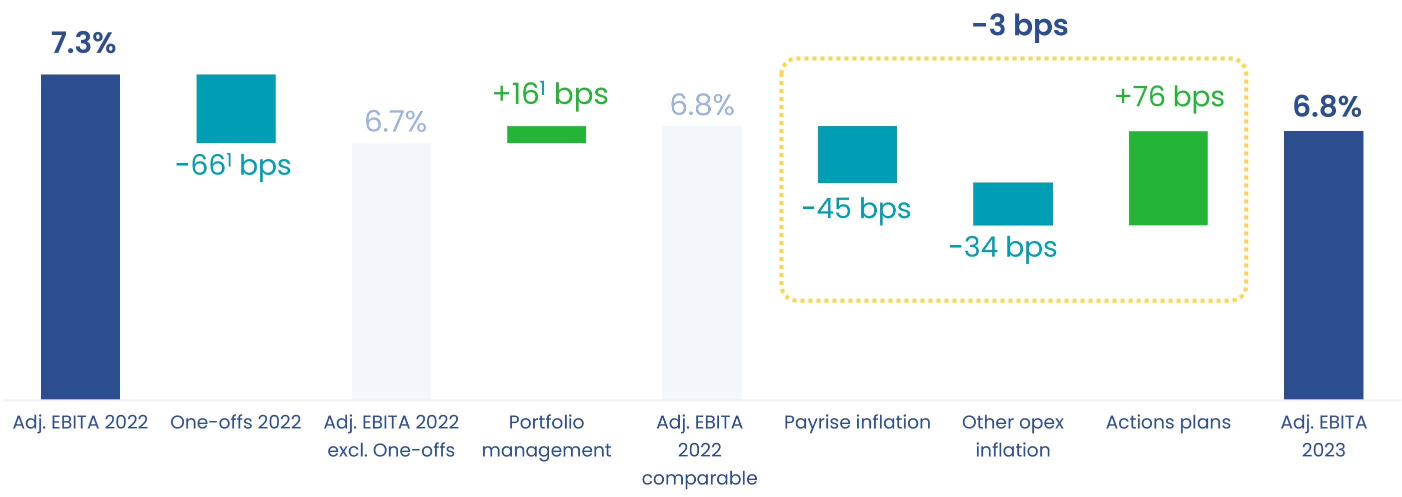
North America
Same-day sales growth : +4.0%

- Driven by volumes
- Boosted by industrial reshoring

Asia-Pacific
Same-day sales growth: -0.1%

- Volume offset by price
- Positive trends in Australia offsetting China

FY 23 adjusted Ebita margin maintained at record level



Europe
Adj. EBITA margin: 7.2%
down -11bps excluding non-recurring items

- GM improvement and cost control initiatives mitigating opex inflation

North America
Adj. EBITA margin: 7.4%
down -11bps excluding non-recurring items

- Operating leverage and productivity gains mitigating opex inflation

Asia-Pacific
Adj. EBITA margin: 3.0%
up +159bps excluding non-recurring items

- Improved profitability in Asia on internal actions and credit control

[1] One-off 2022 at scope and rate 2023 stands at -68bps

Robust earnings in 2023

Main P&L items

€1,300m

Adjusted EBITA

Other income & expenses

€(45)m

Including €12.9m in restructuring

Net financial expenses

€(168)m

Effective interest rate at 3.7% in 2023 (vs. 2.3% in 2022)

Income tax

€(274)m

Effective tax rate 2023 : **26.1%**

€823m

Recurring net income

Down -9.7% as 2022 benefited from all-time-high inflation tailwind on non-cable products; embedded in recurring net income

Disciplined working capital and capex management

Main FCF items

€1,356m

EBITDAaL

Trade working capital

€(83)m

Stable TWCR/sales at 14.1%

Non-trade working capital

€(104)m

Net capex

€153m

Stable gross capex/sales at 0.8%

€996m

73% conversion

Free cash flow before interest & tax

Maintaining high shareholder returns while investing in value-creating acquisitions

REXEL

Free cash flow before interest & tax
€996m

€568m

Free cash flow after interest & tax

Post cash out for Net interest paid (€101m) & Income tax paid (€327m)

Main FCF items

Financial investment
€561m

Dividend
€362m

Share buyback
€134m

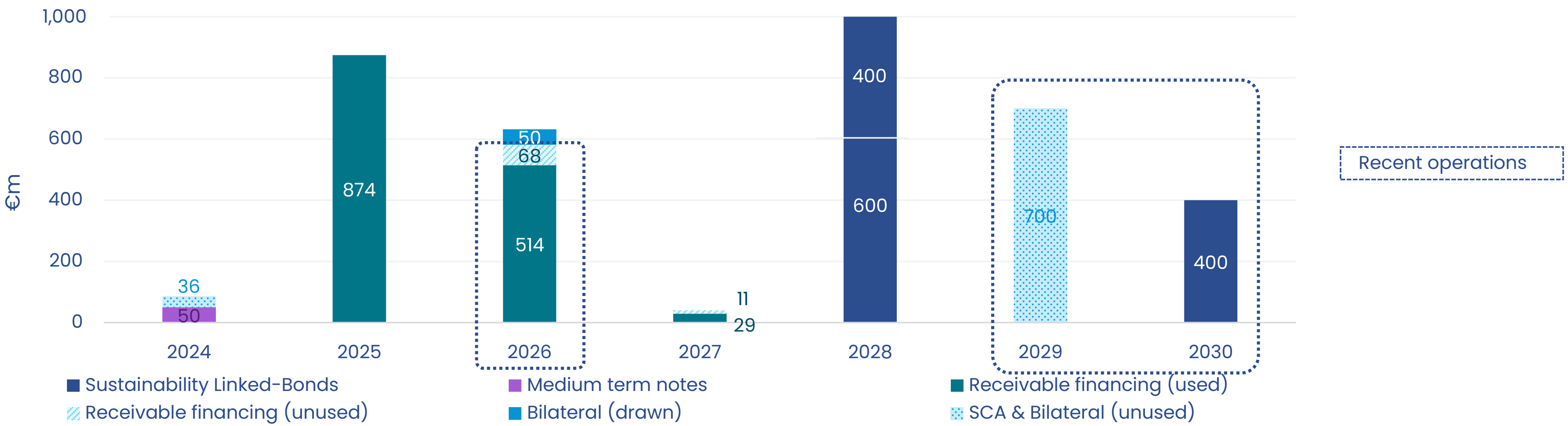
€503m

Increase in net debt

Net debt
€1,962m
Indebtedness ratio at 1.33x

Healthy balance sheet: Debt maturity extended and SCA renewed

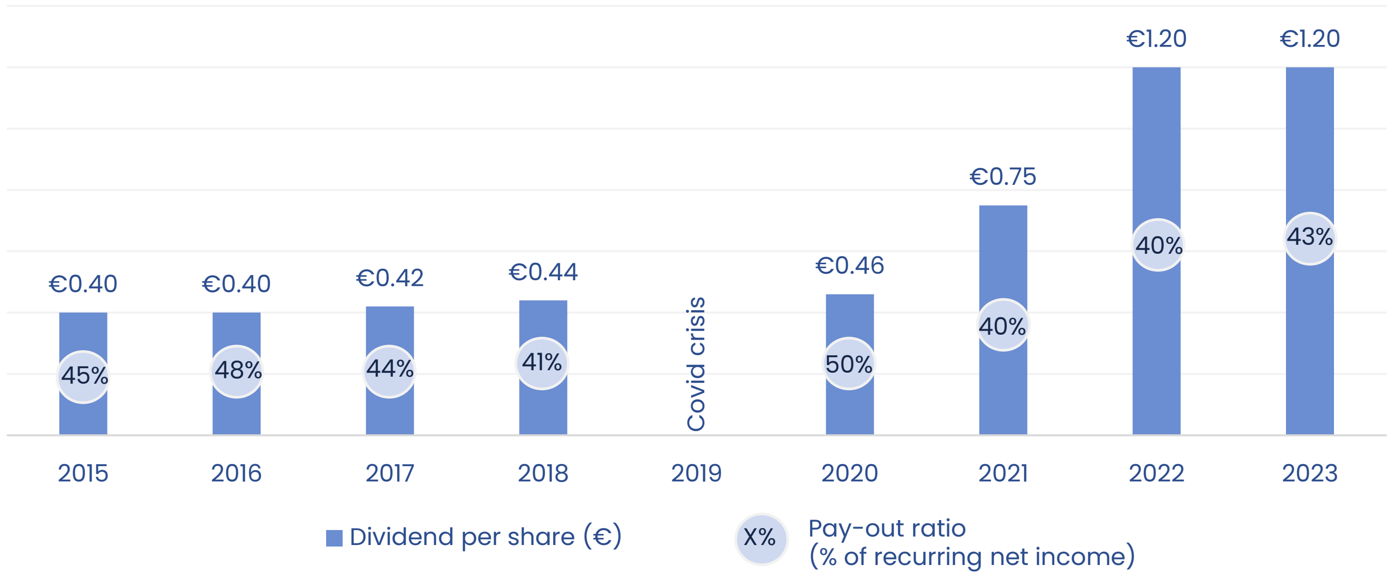
Gross debt maturity breakdown and liquidity as of December 31, 2023[1]



Securitization extended	Senior Credit Agreement renewed	Sustainability-Linked Bond issued	Liquidity
2026	**2029**	**2030**	**€1.5bn**

[1] Pro-forma SCA renewal signed on Jan 22, 2024

Proposed 2023 dividend maintained at record level of €1.20



Payout ratio

43%

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

AGM

April 30, 2024

Dividend subject to approval

To be paid on

May 17, 2024

Payable in cash

Delivering on Power Up 25- Status update

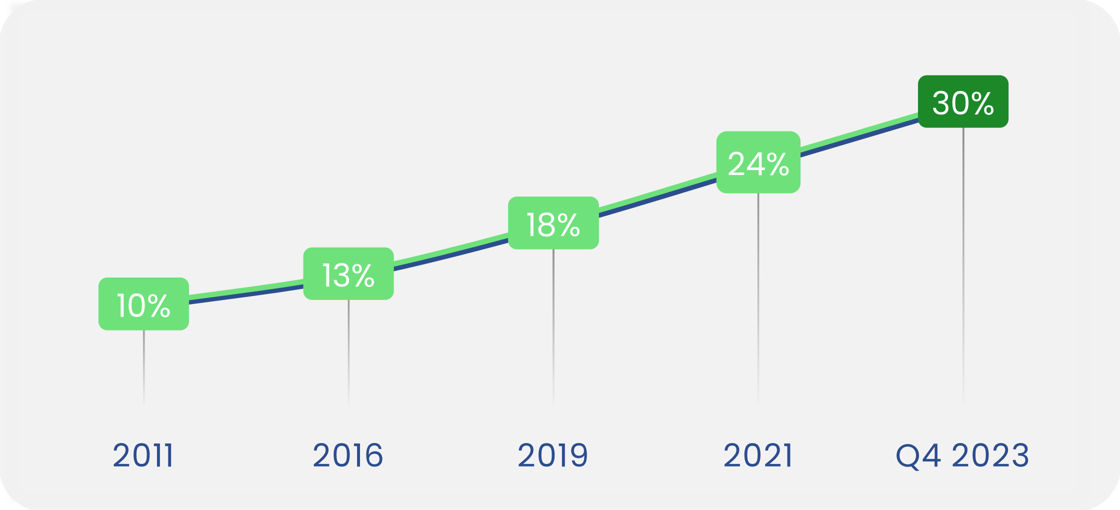
Tech-driven BtoB distributor

Mid-term ambitions		2022	2023
Digital	40% in 2025	24%[1] of sales	**28% of sales** (30% of digital sales in Q4 2023)
Supply Chain	c. x3 the number of automated DC	6[2] automated DCs	**9** automated DCs

1. Restated for the disposal of Norway in 2023 (25% on a reported basis)
2. Excluding the automatized DC in Norway that had been disposed

Best-in-class BtB player, with c. €5.5bn digital sales

Digital sales evolution since 2011
(% of group sales)



Europe

Crossing
40%[1]

North America

Crossing
20%[1]

- **Rexel digital channel becoming a way of life for our customers**
- **In association with our physical network, a unique value proposition**
  - Full range <D+1 in all European countries
- **A driver of market share gains as well as efficiency reservoir for our operations**
- **AI as a clear booster:**
  - Customer segmentation and targeting algorithms
  - Enrichment of marketing and digital data
  - Inventory optimization
  - Sales force productivity

[1] % Penetration rate in Q4 23

Accelerating deployment of automated supply chain solutions

POWER UP 2025

Germany DC

- Adding inventory capacity
- Addressing new regions around Frankfurt

Austria DC

- Increasing proximity and customer service around Vienna

UK DC, near London

- Improving customer delivery to Day +1
- Logistics model moving from hub & spoke to automated distribution center

Actively focusing on fast-growing market segments

Mid-term ambitions		2022	2023
Electrification	c. x2 the pace of our traditional ED business	2.1x	**c. 4.3x** ✓
Acquisitions in 2022-25	up to €2bn of sales	c. €250m	**c. €1bn cumulated** ✓

Electrification solidly supportive, but facing a strong 2023 comparable base

	2021	2022	2023	2024
Economic incentives (energy prices)	+	+ + +	+ +	+
Government incentives, investment and requirements	+	+ +	+ + +	+ +
Corporate net zero agendas	+	+ +	+ + +	+ + +
Industrial reshoring trends	+	+ +	+ + +	+ + +
Global electrification trends	+	+ +	+ + +	+ +

Acquisitions as a powerful growth engine

	Synergistic consolidation	Growth in adjacencies
Europe	trilec – Belgium	freshmile – France; Mobility Work – France; MAVISUN – France; WASCO – Netherlands
North America	MAYER – US; HORIZON SOLUTIONS – US; Buckles-Smith – US; Winkle – US	WESCO UTILITY – Canada; LTL – Canada

- **2.3b€ of sales acquired** since 2021 through 11 deals
- **Leveraging M&A to reinforce local market share or position the Group on promising adjacent growth markets**
- **Strong value-creation** discipline
- **Well-managed integration plans**, with synergy ambitions exceeded overall targets

A regular growth engine having contributed 4% to sales growth on average since 2021, with further potential

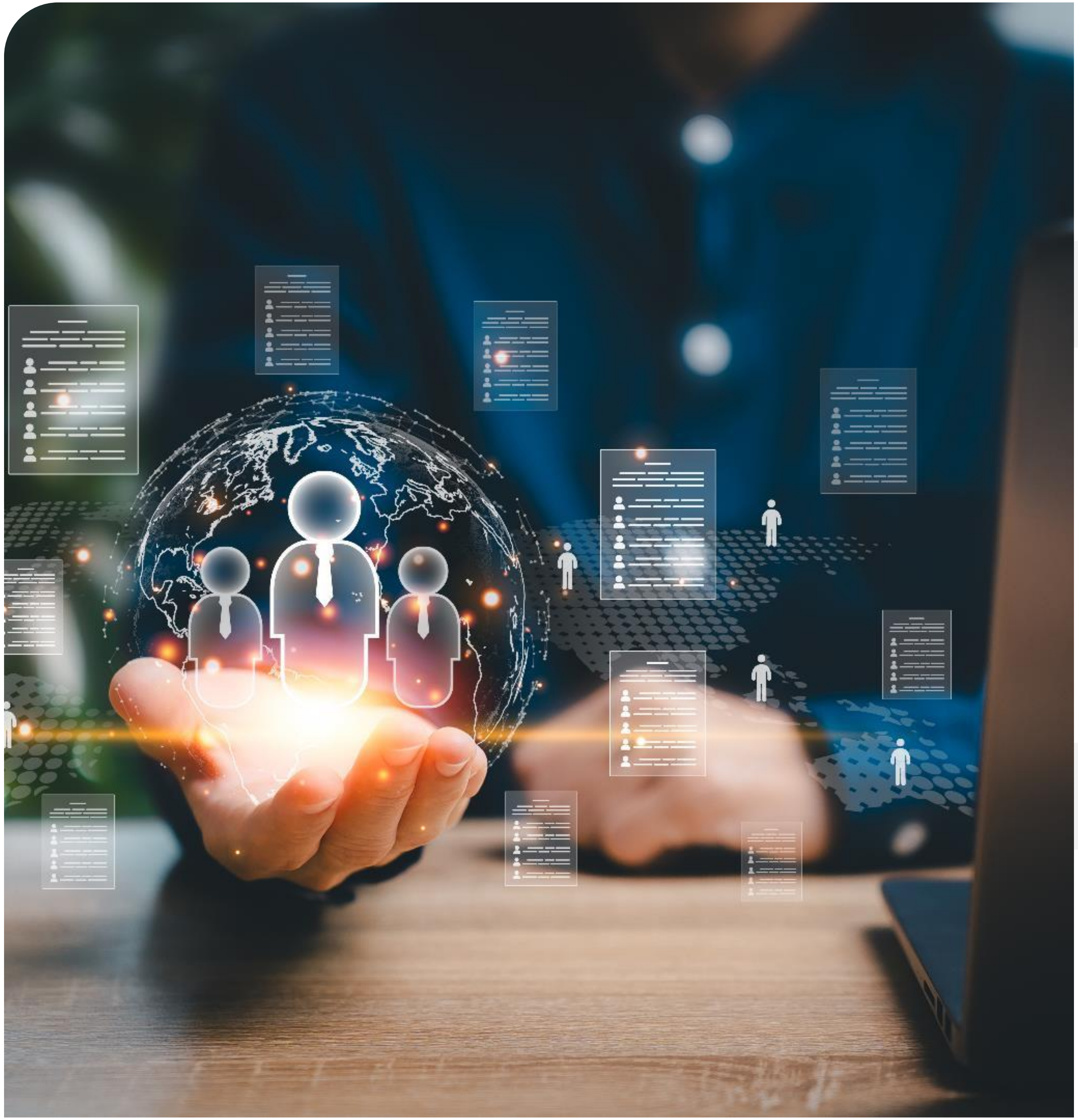
Delivering on financial goals: profitable, cash-generating and resilient

POWER UP 2025

Mid-term ambitions		2023
CAGR 2021-2025 same-day sales	c.4%-7% on average	4.3% in 2023 CAGR 21-23 : 9.2% ✓
Adj. EBITA margin in 2025	6.5%-7%	6.8% ✓
Free cash flow conversion ratio over 2022-25	>60% (each year)	73% ✓

A consistent shareholder-friendly policy

Mid-term ambitions		2022	2023
Payout ratio	At least 40%	40% distributed	**43% proposed** ✓
Share buyback	c. €400m	17% completed	**50% completed** ✓



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04

Outlook

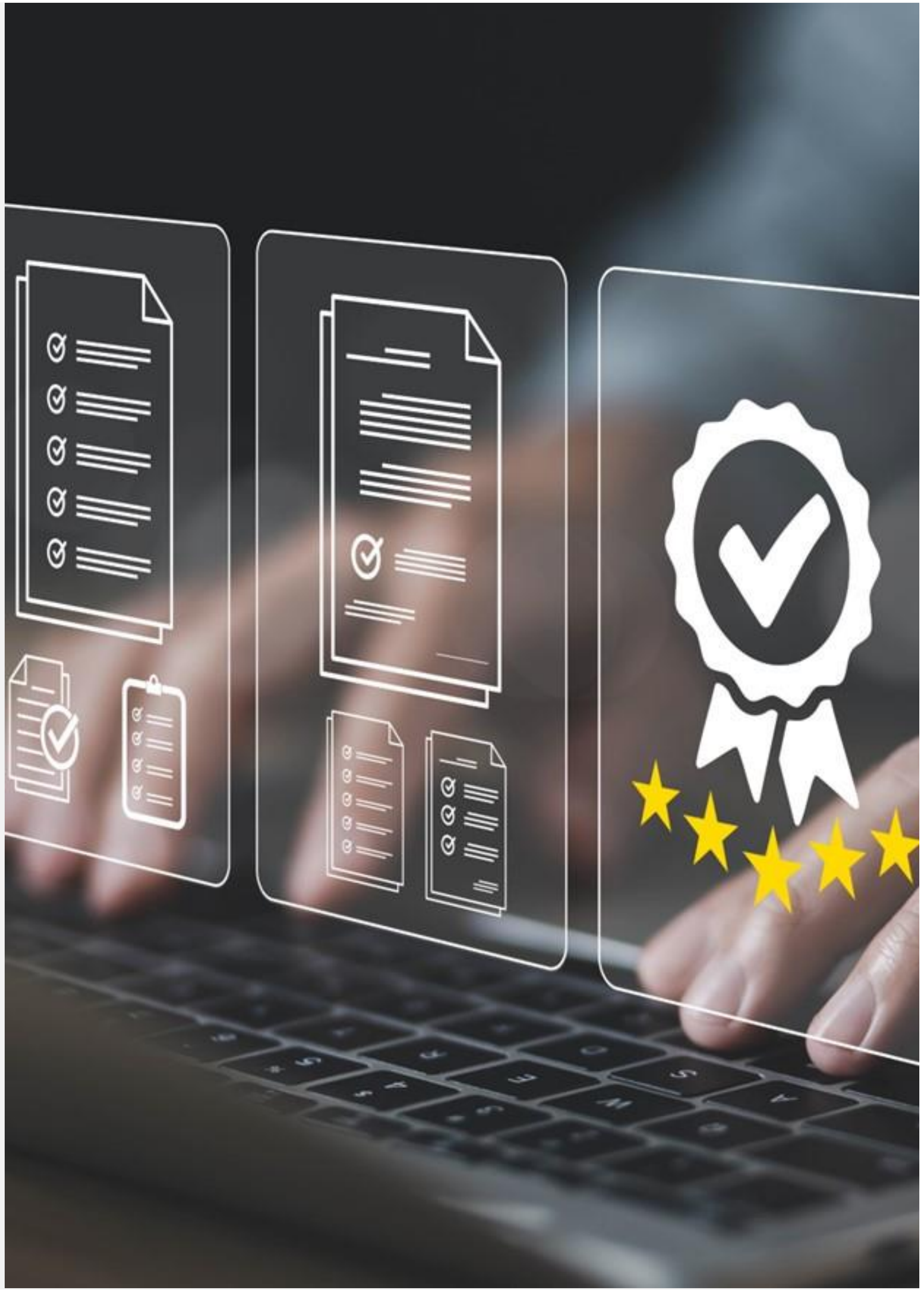
2024 – A mixed market environment

- **Commercial construction** (40% exposure): Globally dynamic, especially in North America, with some sub-segments affected by interest rates
- **Industry** (30% exposure): Solid with support from re-shoring trends and stimulus plans
- **Residential renovation** (20% exposure): Starting to be impacted by construction cycles, mitigated by positive energy renovation policies
- Continued weakness in **new residential** (10% exposure) in all European countries
- High comparable base on electrification categories in H1
- **Backlog execution** in North America still a tailwind for 2024

Delivering resilient profitability thanks to our optimization plans

- **Capitalize on the past 2 years' structural changes…**
  - **Portfolio management to** focus on growing, profitable segments and countries
  - **Digital progression** driving increased internal efficiency and productivity
  - Focus on **customer targeting and value added** through services, driving market share and volume gains
  - Excellent ability **to pass through price**
  - Very-**disciplined cost and cash management**

- **… with potential for more profitability improvement**
  - Further progression in less profitable countries
  - Logistics optimization
  - Artificial Intelligence efficiency acceleration



FY 2024 guidance

Stable to slightly positive, with high comparable base in H1

Same-day growth

6.3% - 6.6%

Adjusted EBITA margin[1]

> 60%

Free cash flow conversion[2]

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

June CMD to update our strategic roadmap

- **Well on track to achieve our 2025 ambition**, executing on both pillars of the Power Up 25 strategic plan
    - Excel on fundamentals
    - Strive to be a differentiated leader

- The strategic roadmap update will be presented at a **Capital Markets Day to be held on June 7th, 2024 in Paris**