Rexel

Q1 2017 RESULTS (unaudited)

April 28, 2017

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Consolidated financial statements as of March 31, 2017 were authorized for issue by the Board of Directors held on April 27, 2017.

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Q1 2017 AT A GLANCE

- **Growth in sales and improved profitability at Group level**
- **Return to organic sales growth in the US**
- **Full-year financial targets confirmed**

Growth in sales and improved profitability in Q1 2017

- **Sales of €3,323.1m, up 5.1% on a reported basis**
  - Organic growth of 4.8%, including a strong calendar effect of 4.1%
  - On a constant and same-day basis, sales were up 0.6%, of which:
    - Europe: +1.2%
    - North America: +1.2%, **thanks to a return to growth in the US (+2.1%)**
    - Asia-Pacific: -4.8%, due to a sharp 33.6% drop in SE Asia, while China was up 2.0% and Australia up 0.8%
- **Adjusted EBITA[1] of €135.0m, up 9.3%**
  - Stable gross margin at 24.8% of sales
  - Improved adjusted EBITA[1] margin at 4.1% of sales (vs. 3.9% in Q1 2016)
    - Stable in Europe at 5.7% of sales
    - Improvement in North America at 2.9% of sales (vs. 2.6% in Q1 2016)
- **Reported EBITA of €144.5m, up 27.0%**

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[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 cables price

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REVIEW BY GEOGRAPHY

- **Europe:**
  Organic sales growth and stable profitability
- **North America:**
  Return to organic sales growth and improved profitability in the US
- **Asia-Pacific:**
  Improved performance in Pacific, driven by Australia, but Asia strongly impacted by poor performance in SE Asia

Europe: Constant and same-day sales growth of 1.2% in Q1 2017

- **Q1 sales of €1,828.0m**
  - **Up 1.8% on a reported basis,** o/w -1.2% from currencies (mainly GBP vs. €), -1,6% from scope and +3.6% from calendar
  - **Up 1.2% on a constant and same-day basis**
- **Second consecutive quarter of sales growth on a constant and same-day basis**
  - **Sales in most of our markets were in positive territory:**
    - **France** (37% of the region's sales) **was up 0.6%, despite a very challenging base effect** (Q1 2016 was up 2.5%); residential and non-residential end-markets posted slight growth, while sales to industry were slightly negative; over the quarter, January was in negative territory and trends improved in February and March;
    - **Scandinavia** (13% of the region's sales) **was up 5.2%,** driven by strong growth in Sweden (+13.8%);
    - **Germany** (11% of the region's sales) **was up 3.4%,** reflecting continued sales momentum;
    - **Benelux** (9% of the region's sales) posted solid growth in both countries: **Belgium was up 10.7%** and **The Netherlands were up 8.3%.**
  - **However, sales dropped in some markets:**
    - **The UK** (13% of the region's sales) **was down 3.2%, which nevertheless represented a significant sequential improvement over the last three quarters of 2016**; sales continued to reflect adverse market conditions since the Brexit vote and an impact from lower PV sales, albeit more limited than in previous quarters (the drop in PV sales represented 1.3 percentage points out of the total 3.2% drop in sales);
    - **Switzerland** (6% of the region's sales) **was down 3.8%,** impacted by continued unfavorable market conditions;

Europe: Stable profitability despite impact on the quarter’s gross margin of cable sales and UK market conditions

- **Sales up 4.8% on an actual-day basis and 1.2% on a constant and same-day basis**
- **Gross margin at 27.3% of sales**
  - Up 80bps vs. the 26.5% posted in Q4 2016
  - Down 32bps year-on-year, of which about 20bps came from strong pressure on cables and another 10bps came from margin pressure in the UK
- **Opex & depreciation improved by 29bps as % of sales**
  - Opex & depreciation rose by 3.5%, below sales growth
  - They represented 21.6% of sales in Q1 2017 vs. 21.9% in Q1 2016

(€m)	Q1 2017	YoY
Sales	**1,828,0**	**+4.8%**
same-day		*+1.2%*
Gross margin	**499,3**	
% of sales	*27.3%*	*-32bps*
Opex & depr.	**(395.0)**	
% of sales	*-21.6%*	*+29bps*
Adj. EBITA[1]	**104.3**	
% of sales	*5.7%*	*-3bps*

[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 cables price

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North America: Constant and same-day sales growth of 1.2% in Q1 2017, driven by return to organic growth in the US (+2.1%)

- **Q1 sales of €1,190.5m**
  - **Up 11.8% on a reported basis,** o/w +4.3% from currencies (USD and CAD vs. €) and +5.6% from calendar
  - **Up 1.2% on a constant and same-day basis**
- **First quarter of growth on a constant and same-day basis for the region since Q4 2014, driven by encouraging signs of sales recovery in the US**
  - **USA** (79% of the region's sales) **posted significant sequential improvement, with sales up 2.1% on a constant and same-day basis and 8.9% on an actual-day basis**
    - Part of this sequential improvement, was due to the end of the negative impact from sales to the O&G industry; in Q1 2017, sales to the O&G industry were up 10.5%, contributing to about one quarter of the total 2.1% sales growth on a constant and same-day basis;
    - But most of the sequential improvement was due to the first benefits from the measures implemented in the past few months in order to accelerate organic sales growth, notably in our branch networks: sales at Platt were up 3.0% in the quarter and Rexel C&I posted strong double-digit growth of 11.1%;
    - Gexpro activities, conversely, were impacted by continued slowdown in the OEM segment.
  - **Canada** (21% of the region's sales) **was down 2.1% on a constant and same-day basis and 0.5% on an actual-day basis**
    - Contrary to the US, Canada continued to be impacted by lower sales to the O&G industry; in Q1 2017, sales to the O&G industry were down 25.7%, contributing to 2.3 percentage points of the total 2.1% sales drop on a constant and same-day basis;
    - Sales to the non-residential end-market grew by 3.1%, supported by the data/communication segment.

North America: Improved profitability driven by US strong performance

- **Sales up 6.9% on an actual-day basis and 1.2% on a constant and same-day basis**
- **Improved gross margin at 22.4% of sales**
  - Up 40bps vs. the 22.0% posted in Q4 2016
  - Up 29bps year-on-year, driven by the US performance, more than offsetting competitive pressure in Canada
- **Strict control of opex & depreciation**
  - Opex & depreciation rose by 6.8%, slightly below sales growth
  - They slightly improved as % of sales in the US and remained broadly stable in Canada; overall, they were broadly stable at 19.5% of sales in the region

(€m)	Q1 2017	YoY
Sales	**1,190.5**	**+6.9%**
same-day		*+1.2%*
Gross margin	**266,6**	
% of sales	*22.4%*	*+29bps*
Opex & depr.	**(232.3)**	
% of sales	*-19.5%*	*+2bps*
Adj. EBITA[1]	**34.4**	
% of sales	*2.9%*	*+30bps*

[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 cables price

Asia-Pacific: Constant and same-day sales drop of 4.8% in Q1 2017, mostly due to a sharp 33.6% decline in South-East Asia

- **Q1 sales of €304.6m**
  - **Up 1.3% on a reported basis,** o/w +4.4% from currencies (AUD+NZD vs. €) and +1.8% from calendar
  - **Down 4.8% on a constant and same-day basis**

- **The 4.8% drop in sales on a constant and same-day basis reflected contrasting situations:**
  - **Asia** (48% of the region's sales) **was down 8.8% on a constant and same-day basis, strongly impacted by SE Asia, while China returned to sales growth**
    - **South-East Asia** (19% of Asia) **was down 33.6% on a constant and same-day basis**, largely attributable to the drop in sales to the O&G industry;
    - **China** (72% of Asia) **returned to growth with sales up 2.0% on a constant and same-day basis**, reflecting increased sales of industrial automation products and solutions.
  - **Pacific** (52% of the region's sales) **was slightly down (-0.7%) on a constant and same-day basis**
    - **Australia** (82% of Pacific) **was up 0.8% on a constant and same-day basis**, reflecting strong sales to the residential end-market, partly offset by lower project sales;
    - **New Zealand** (18% of Pacific) **was down 6.7% on a constant and same-day basis**, in the face of very challenging comparables (+6.6% in Q1 2016).

Asia-Pacific: Profitability impacted by poor performance in Asia

- **Sales down 3.0% on an actual-day basis and 4.8% on a constant and same-day basis**
- **Improved gross margin at 18.6% of sales**
  - Up 80bps vs. the 17.8% posted in Q4 2016
  - Up 24bps year-on-year, driven by a solid improvement in Pacific that more than offset the drop in Asia
- **Opex & depreciation rose by 6.0% or €3.3m, of which:**
  - A significant increase in bad debt in Asia, from €(1.0)m in Q1 2016 to €(2.4)m in Q1 2017
  - An investment in sales force in Australia

(€m)	Q1 2017	YoY
Sales	**304.6**	**-3.0%**
same-day		*-4.8%*
Gross margin	**56.6**	
% of sales	*18.6%*	*+24bps*
Opex & depr.	**(58.1)**	
% of sales	*-19.1%*	*-162bps*
Adj. EBITA[1]	**(1.5)**	
% of sales	*-0.5%*	*-139bps*

[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 cables price*

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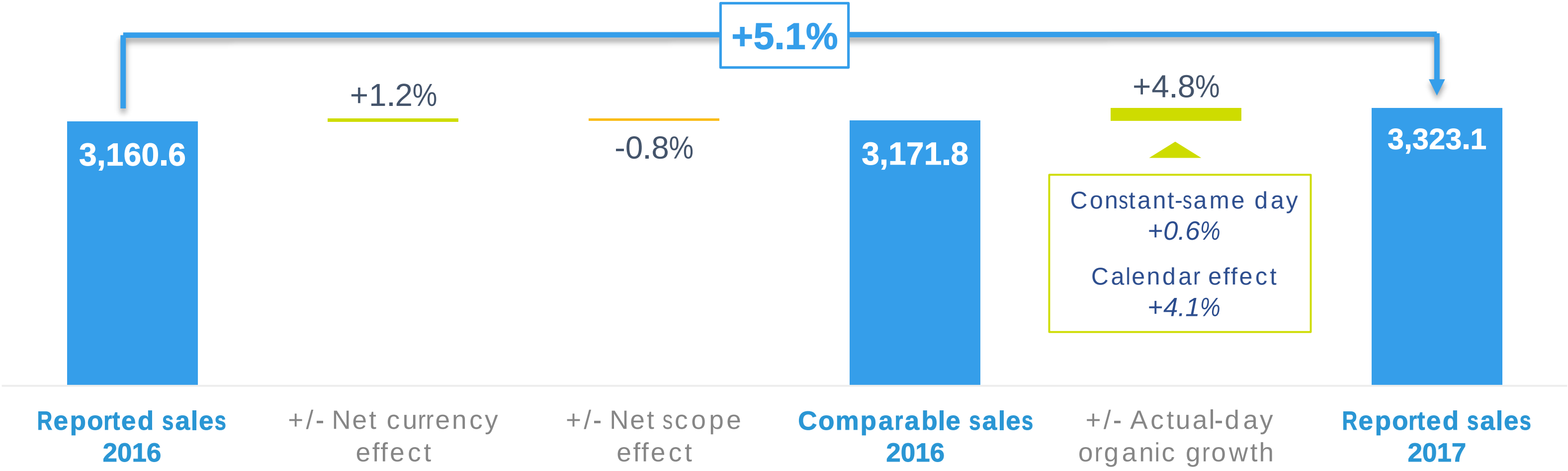
GROUP FINANCIAL REVIEW

- Organic sales up 4.8%, including a strong 4.1% calendar effect
- Improved profitability at 4.1% of sales (vs. 3.9% in Q1 2016)
- Strong increase in EBITA (up 27.0%) and net income (up 61.6%)
- Free cash-flow generation impacted by traditional seasonality and sales momentum
- Slight decrease in net debt year-on-year

Organic sales up 4.8%, including a strong 4.1% calendar effect

- **Q1 reported sales of €3,323m, up 5.1% year-on-year, included:**
  - A positive net currency effect of €37.2m (+1.2% of last year's sales), mainly due to USD and CAD for €46.8m partly offset by GBP for €(27.1)m
  - A negative net scope effect of €(26.0)m (-0.8% of last year's sales), mainly due to last year's divestment of our activities in Poland, Slovakia and the Baltics
  - A strong positive calendar effect of 4.1%
  - A positive copper effect of 1.2% of sales



Improved profitability at 4.1% of sales (vs. 3.9% in Q1 2016)

- **By P&L line:**
  - Stable gross margin year-on-year
    - Gross profit up 4.7%, reflecting sales growth
    - Stable as % of sales at 24.8%
  - Strict control of opex incl. depreciation
    - Opex incl. depreciation up 3.8%, below sales growth
    - Down 19bps as % of sales at 20.7% of sales vs. 20.9% of sales in Q1 2016

- **By geography:**
  - Stable profitability in Europe
    - Strict control of opex offset pressure on gross margin, mostly attributable to cable sales
  - Improved profitability in North America
    - Driven by the US performance, while Canada was impacted by lower sales
  - Lower profitability in Asia-Pacific
    - Due to poor performance in SE Asia, while profitability improved in Pacific

Q1 2017 (€m)	Europe	YoY change	North Am	YoY change	Asia-Pac	YoY change	Holdings	YoY change	GROUP	YoY change
Sales	**1,828.0**	**+4.8%**	**1,190.5**	**+6.9%**	**304.6**	**-3.0%**			**3,323.1**	**+4.8%**
Constant and same-day		*+1.2%*		*+1.2%*		*-4.8%*				*+0.6%*
Gross margin	**499.3**	**+3.6%**	**266.6**	**+8.2%**	**56.6**	**-1.8%**			**822.5**	**+4.7%**
% of sales	*27.3%*	*-32bps*	*22.4%*	*+29bps*	*18.6%*	*+24bps*			*24.8%*	*-2bps*
Opex + depreciation	**(395.0)**	**+3.5%**	**(232.3)**	**+6.8%**	**(58.1)**	**-6.0%**	**(2.1)**	**-74.0%**	**(687.4)**	**+3.8%**
% of sales	*-21.6%*	*+29bps*	*-19.5%*	*+2bps*	*-19.1%*	*-162bps*			*-20.7%*	*+19bps*
Adj. EBITA[1]	**104.3**	**+4.2%**	**34.4**	**+19.4%**	**(1.5)**	**-153.8%**	**(2.1)**	**-73.7%**	**135.0**	**+9.3%**
% of sales	*5.7%*	*-3bps*	*2.9%*	*+30bps*	*-0.5%*	*-139bps*			*4.1%*	*+17bps*

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[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 cables price

Strong increase in EBITA, up 27.0% and net income, up 61.6%

- **Reported EBITA of €144.5m, up 27.0%**
- **Profit before tax of €96.1m, up 60.9%, of which:**
  - Other income and expense of €(9.8)m vs. €(16.9)m in Q1 2016; the reduction was mainly attributable to lower restructuring costs of €(7.6)m vs. €(13.6)m in Q1 2016
  - Net financial expenses of €(33.7)m vs. €(33.2)m in Q1 2016
    - Q1 2017 included a one-off expense of €(6.7)m related to the expected early repayment of the USD330m bond line issued in April 2013 and maturing in June 2020 @ 5.250%; a new bond line of €300m was issued in March 2017 @ 2.625% (maturity: June 2024)
    - Excluding that impact, net financial expenses stood at €(27.0)m vs. €(33.2)m in Q1 2016; this decrease largely reflected a reduction in the average effective interest rate on gross debt from 3.81% in Q1 2016 to 3.23% in Q1 2017
- **Net income of €62.8m, up 61.6%**

(€m)	Q1 2016	Q1 2017	Change
EBITA	**113.8**	**144.5**	**+27.0%**
Amortization resulting from PPA	(3.9)	(4.9)	
Other income and expense	(16.9)	(9.8)	
Operating income	**93.0**	**129.8**	**+39.6%**
Net financial expenses	(33.2)	(33.7)	
Profit before tax	**59.7**	**96.1**	**+60.9%**
Income tax	(20.9)	(33.3)	
Net income	**38.8**	**62.8**	**+61.6%**

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FCF generation impacted by traditional seasonality and sales momentum

- **FCF before interest and tax was broadly stable at €(206.6)m vs. €(194.9)m in Q1 2016, reflecting:**
  - The traditional seasonality in Q1
  - An increase in WCR of €(41.6)m, reflecting sales momentum in major geographies
- **Slight increase in Trade WCR from 13.8% of sales in Q1 2016 to 14.1% of sales in Q1 2017**
  - Increase in inventories to support sales momentum in major geographies
  - Increase in receivables, reflecting higher sales, but broadly stable as days of sales
  - These two increases were partly offset by higher payables
- **Slight decrease in capital expenditure at €(25.5)m vs. €(31.0)m in Q1 2016**

(€m)	Q1 2016	**Q1 2017**
EBITDA	**137.3**	**169.3**
Other operating revenues & costs	(14.1)	(21.7)
o/w Restructuring outflow	*(8.0)*	*(16.9)*
Change in working capital	(287.1)	(328.7)
Net capital expenditure	(31.0)	(25.5)
o/w Gross capital expenditure	*(26.6)*	*(21.0)*
Free cash-flow before I&T	**(194.9)**	**(206.6)**

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Slight decrease in net debt year-on-year

- **At March 31, net debt stood at €2,433.4m, almost €62m below last year's level**
  - Net financial investment was almost nil in Q1 2017 vs. €(89.4)m in Q1 2016
  - Currency effect was a limited inflow of €3.9m in Q1 2017 vs. an inflow of €41.1m in Q1 2016
  - *As a reminder, Rexel's 2017 dividend of €0.40 per share will be paid in cash on July 7, 2017*

(€m)	Q1 2016	**Q1 2017**
Free cash-flow before I&T	**(194.9)**	**(206.6)**
Net interest paid	(31.6)	(25.8)
Income tax paid	(20.3)	(24.2)
Free cash-flow after I&T	**(246.9)**	**(256.6)**
Net financial investment	(89.4)	(1.9)
Dividend paid	0.0	0.0
Other	(1.7)	(6.3)
Net debt variation before currency effect	**(338.0)**	**(264.8)**
Currency change	+41.1	+3.9
Net debt variation after currency effect	**(296.9)**	**(260.9)**
Debt at the beginning of the period	2,198.7	2,172.6
Debt at the end of the period	**2,495.6**	**2,433.4**

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Sound financial structure

- **Breakdown of net debt at March 31, 2017:** **€2,433.4m**
  - Senior unsecured notes €1,777.3m
    - USD Bond issued April 2013 (maturity: June 2020) @ 5.250%, to be redeemed mid June 2017 €316.8m
    - EUR Bond issued May 2015 (maturity: June 2022) @ 3.250% €511.1m
    - EUR Bond issued May 2016 (maturity: June 2023) @ 3.500% €650.0m
    - EUR Bond issued March 2017 (maturity: June 2024) @ 2.625% €299.4m
  - Senior Credit Agreement (SCA) undrawn
    - €1.0bn facility (maturity: Nov. 2021)
  - Securitization (4 programs for a compound commitment of €1.3bn) €987.9m
  - Commercial paper €164.7m
  - Other debt & cash €(496.5)m
- **Strong financial flexibility, with liquidity of €1.4bn at March 31, 2017**
- **Average effective interest rate on gross debt was reduced by 58bps** (3.23% in Q1 2017 vs. 3.81% in Q1 2016)
- **In March 2017, Rexel successfully issued 7-year €300m senior notes due June 2024 @ 2.625%**
  - The proceeds of these notes will be used to redeem in June 2017 the 5.250% senior USD notes due June 2020
  - The NPV of this refinancing operation (issuance of the EUR notes due 2024 + redemption of the USD notes due 2020) is estimated at c. €8m
- **Once this redemption is completed:**
  - Rexel's average debt maturity will be of around 4 years
  - Rexel will not have any significant repayment before June 2022

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2017 Outlook

- **Sales:**
  Growth in the low single digits (on a constant and same-day basis)
- **Adjusted EBITA:**
  Growth in the mid to high single-digits
- **Indebtedness ratio:**
  Below 3x at year-end

2017 Outlook

- **Our first-quarter performance was in line with our expectations and allows us to confirm our annual financial targets, as announced on February 13:**

  - **We target resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis) after two years of decline;

  - **We also target a mid to high single-digit increase in adjusted EBITA[1]**;

  - Lastly, **we target an indebtedness ratio** (net-debt-to-EBITDA, as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017.**

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 5.

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[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 cables price

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Appendices

- Segment reporting
- Consolidated financial data
- Working capital analysis
- Headcount & branches by geography
- Calendar, scope and change effects on sales
- Historical copper price evolution

Appendix 1 : Segment reporting – Constant and adjusted basis[1]

GROUP

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	3,171.8	**3,323.1**	**+4.8%**
on a constant basis and same days			***+0.6%***
Gross profit	785.8	**822.5**	**+4.7%**
as a % of sales	*24.8%*	*24.8%*	*-2 bps*
Distribution & adm. expenses (incl. depreciation)	(662.2)	(687.4)	+3.8%
EBITA	123.6	**135.0**	**+9.3%**
as a % of sales	*3.9%*	*4.1%*	*17 bps*
Headcount (end of period)	27,414	**27,430**	**0.1%**

[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 cables price.
The non-recurring effect related to changes in copper-based cable price was, at EBITA level and in €m:

Q1 2016	Q1 2017
(8.3)	9.4

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Appendix 1 : Segment reporting – Constant and adjusted basis[1]

EUROPE

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	1,743.6	**1,828.0**	**+4.8%**
on a constant basis and same days			***+1.2%***
France	643.5	668.0	*+3.8%*
on a constant basis and same days			*+0.6%*
United Kingdom	232.3	232.2	*-0.0%*
on a constant basis and same days			*-3.2%*
Germany	189.2	205.3	*+8.5%*
on a constant basis and same days			*+3.4%*
Scandinavia	212.2	235.2	*+10.8%*
on a constant basis and same days			*+5.2%*
Gross profit	481.8	**499.3**	**+3.6%**
as a % of sales	*27.6%*	*27.3%*	*-32 bps*
Distribution & adm. expenses (incl. depreciation)	(381.8)	(395.0)	+3.5%
EBITA	100.1	**104.3**	**+4.2%**
as a % of sales	*5.7%*	*5.7%*	*-3 bps*
Headcount (end of period)	15,942	**15,746**	**-1.2%**

[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 cables price.

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Appendix 1 : Segment reporting – Constant and adjusted basis[1]

NORTH AMERICA

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	1,114.1	**1,190.5**	**+6.9%**
on a constant basis and same days			***+1.2%***
United States	868.0	945.7	*+8.9%*
on a constant basis and same days			*+2.1%*
Canada	246.1	244.8	*-0.5%*
on a constant basis and same days			*-2.1%*
Gross profit	246.4	**266.6**	**+8.2%**
as a % of sales	*22.1%*	*22.4%*	*29 bps*
Distribution & adm. expenses (incl. depreciation)	(217.6)	(232.3)	+6.8%
EBITA	28.8	**34.4**	**+19.4%**
as a % of sales	*2.6%*	*2.9%*	*30 bps*
Headcount (end of period)	8,015	**8,137**	**1.5%**

[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 cables price.

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Appendix 1 : Segment reporting – Constant and adjusted basis[1]

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	314.1	**304.6**	**-3.0%**
on a constant basis and same days			***-4.8%***
China	103.3	105.4	*+2.0%*
on a constant basis and same days			*+2.0%*
Australia	123.4	128.6	*+4.2%*
on a constant basis and same days			*+0.8%*
New Zealand	29.9	28.8	*-3.6%*
on a constant basis and same days			*-6.7%*
Gross Profit	57.6	**56.6**	**-1.8%**
as a % of sales	*18.3%*	*18.6%*	*24 bps*
Distribution & adm. expenses (incl. depreciation)	(54.8)	(58.1)	+6.0%
EBITA	2.8	**(1.5)**	**n.a**
as a % of sales	*0.9%*	*-0.5%*	*-139 bps*
Headcount (end of period)	3,201	**3,323**	**3.8%**

[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 cables price.

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Appendix 2 : Consolidated Income statement

Reported basis (€m)	Q1 2016	Q1 2017	Change
Sales	**3,160.6**	**3,323.1**	**5.1%**
Gross profit	**773.2**	**832.3**	**7.6%**
as a % of sales	*24.5%*	*25.0%*	
Distribution & adm. expenses (excl. depreciation)	(635.9)	(662.9)	4.2%
EBITDA	**137.3**	**169.3**	**23.3%**
as a % of sales	*4.3%*	*5.1%*	
Depreciation	(23.5)	(24.9)	
EBITA	**113.8**	**144.5**	**27.0%**
as a % of sales	*3.6%*	*4.3%*	
Amortization of intangibles resulting from purchase price allocation	(3.9)	(4.9)	
Operating income bef. other inc. and exp.	**109.9**	**139.6**	**27.0%**
as a % of sales	*3.5%*	*4.2%*	
Other income and expenses	(16.9)	(9.8)	
Operating income	**93.0**	**129.8**	**39.6%**
Financial expenses (net)	(33.2)	(33.7)	
Net income (loss) before income tax	**59.7**	**96.1**	**60.9%**
Income tax	(20.9)	(33.3)	
Net income (loss)	**38.8**	**62.8**	**61.6%**

Appendix 2 : Adjusted EBITA bridge and Recurring net income

BRIDGE BETWEEN OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES AND ADJUSTED EBITA

in €m	Q1 2016	Q1 2017
Operating income before other income and other expenses	**109.9**	**139.6**
Change in scope of consolidation	0.8	0.0
Foreign exchange effects	0.7	0.0
Non-recurring effect related to copper	8.3	-9.4
Amortization of intangibles assets resulting from PPA	3.9	4.9
Adjusted EBITA on a constant basis	**123.6**	**135.0**

BRIDGE BETWEEN REPORTED NET INCOME AND RECURRING NET INCOME

in €m	Q1 2016	Q1 2017	Change
Net income	38.8	**62.8**	**+61.6%**
Non-recurring copper effect	8.2	**-9.4**	
Other expense & income	16.9	**9.8**	
Financial expense	0.0	**6.7**	
Tax expense	-7.2	**-2.1**	
Recurring net income	56.7	**67.7**	**+19.3%**

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Appendix 2 : Sales and profitability by segment – reported basis

Reported basis (€m)	Q1 2016	Q1 2017	Change
Sales	**3,160.6**	**3,323.1**	**+5.1%**
Europe	1,795.1	1,828.0	+1.8%
North America	1,064.8	1,190.5	+11.8%
Asia-Pacific	300.7	304.6	+1.3%
Gross profit	**773.2**	**832.3**	**+7.6%**
Europe	488.2	507.6	+4.0%
North America	230.7	268.1	+16.2%
Asia-Pacific	54.3	56.6	+4.2%
EBITA	**113.8**	**144.5**	**+27.0%**
Europe	96.1	112.3	+16.9%
North America	23.1	35.8	+54.9%
Asia-Pacific	2.7	-1.5	n.a

Appendix 2 : Consolidated balance sheet[1]

Assets (€m)	December 31, 2016	March 31, 2017
Goodwill	4,300.2	4,289.2
Intangible assets	1,109.5	1,103.2
Property, plant & equipment	282.4	277.1
Long-term investments	41.8	40.1
Deferred tax assets	128.4	110.3
Total non-current assets	**5,862.3**	**5,819.8**
Inventories	1,579.3	1,643.7
Trade receivables	2,187.3	2,278.8
Other receivables	513.1	513.9
Assets held for sale	0.3	0.3
Cash and cash equivalents	619.3	676.1
Total current assets	**4,899.3**	**5,112.7**
Total assets	**10,761.6**	**10,932.5**

Liabilities (€m)	December 31, 2016	March 31, 2017
Total equity	**4,383.3**	**4,414.5**
Long-term debt	2,195.1	2,119.8
Deferred tax liabilities	240.0	224.2
Other non-current liabilities	423.2	429.1
Total non-current liabilities	**2,858.3**	**2,773.2**
Interest bearing debt & accrued interests	609.9	997.8
Trade payables	2,179.0	2,051.6
Other payables	731.0	695.4
Total current liabilities	**3,519.9**	**3,744.8**
Total liabilities	**6,378.3**	**6,518.0**
Total equity & liabilities	**10,761.6**	**10,932.5**

[1] *Net debt includes Debt hedge derivatives for €(12.3)m at December 31, 2016 and €(6.8)m at March 31, 2017.*
It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(1,3)m at March 31, 2017.

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Appendix 2 : Change in net debt

€m	Q1 2016	Q1 2017
EBITDA	**137.3**	**169.3**
Other operating revenues & costs[(1)]	(14.2)	(21.6)
Operating cash flow	**123.1**	**147.7**
Change in working capital	(287.1)	(328.7)
Net capital expenditure, of which:	(31.0)	(25.5)
Gross capital expenditure	*(26.6)*	*(21.0)*
Disposal of fixed assets & other	*(4.4)*	*(4.5)*
Free cash flow from continuing op. before interest and tax	**(194.9)**	**(206.6)**
Net interest paid / received	(31.6)	(25.8)
Income tax paid	(20.3)	(24.2)
Free cash flow from continuing op. after interest and tax	**(246.9)**	**(256.6)**
Net financial investment	(89.4)	(1.9)
Dividends paid	(0.0)	(0.0)
Net change in equity	1.0	2.1
Other	(2.7)	(8.4)
Currency exchange variation	41.1	3.9
Decrease (increase) in net debt	**(296.9)**	**(260.9)**
Net debt at the beginning of the period	**2,198.7**	**2,172.6**
Net debt at the end of the period	**2,495.6**	**2,433.4**

(1) *Includes restructuring outflows of €8.0m in Q1 2017 vs. €16.9m in Q1 2016.*

Appendix 3 : Working capital

Constant basis	March 31, 2016	March 31, 2017
Net inventories		
as a % of sales 12 rolling months	***11.5%***	***12.2%***
as a number of days	*56.7*	*57.5*
Net trade receivables		
as a % of sales 12 rolling months	***16.3%***	***16.9%***
as a number of days	*52.2*	*52.1*
Net trade payables		
as a % of sales 12 rolling months	***14.1%***	***15.0%***
as a number of days	*61.3*	*60.2*
Trade working capital		
as a % of sales 12 rolling months	***13.8%***	***14.1%***
Total working capital		
as a % of sales 12 rolling months	***12.2%***	***12.7%***

Appendix 4 : Headcount and branch evolution

FTEs at end of period comparable	31/03/17	31/12/16	31/03/16	Year-on-Year Change
Europe	**15,746**	**15,778**	**15,942**	**-1.2%**
USA	*6,071*	*5,935*	*5,917*	**2.6%**
Canada	*2,066*	*2,068*	*2,098*	**-1.5%**
North America	**8,137**	**8,003**	**8,015**	**1.5%**
Asia-Pacific	**3,323**	**3,260**	**3,201**	**3.8%**
Other	**224**	**241**	**256**	**-12.5%**
Group	**27,430**	**27,282**	**27,414**	**0.1%**

Branches comparable	31/03/17	31/12/16	31/03/16	Year-on-Year Change
Europe	**1,192**	**1,196**	**1,201**	**-0.7%**
USA	*373*	*372*	378	**-1.3%**
Canada	*189*	*188*	197	**-4.1%**
North America	**562**	**560**	**575**	**-2.3%**
Asia-Pacific	**275**	**277**	**266**	**3.4%**
Group	**2,029**	**2,033**	**2,042**	**-0.6%**

Appendix 5 : Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

$1	=	1.10	USD
$1	=	1.50	CAD
$1	=	1.50	AUD
$1	=	0.85	GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017 :

	Q1 actual	Q2 est	Q3 est	Q4 est	FY est
Scope effect at Group level	**-26.0**	**-11.3**	**0.0**	**0.0**	**-37.2**
as% of 2016 sales	*-0.8%*	*-0.3%*	*0.0%*	*0.0%*	*-0.3%*
Currency effect at Group level*	**37.2**	**-0.4**	**4.9**	**-27.9**	**13.8**
as% of 2016 sales	*1.2%*	*0.0%*	*0.2%*	*-0.8%*	*0.1%*
Calendar effect at Group level	**4.1%**	**-2.6%**	**-1.0%**	**-2.5%**	**-0.6%**
Europe	3.6%	-4.3%	-1.6%	-0.6%	-0.7%
USA	*6.8%*	*0.2%*	*-0.2%*	*-7.4%*	*-0.4%*
Canada	*1.6%*	*-1.6%*	*-1.5%*	*0.0%*	*-0.4%*
North America	5.6%	-0.2%	-0.5%	-6.0%	-0.4%
Asia	*0.4%*	*-1.6%*	*0.6%*	*-0.8%*	*-0.4%*
Pacific	*3.3%*	*-3.1%*	*-1.4%*	*-0.1%*	*-0.4%*
Asia-Pacific	1.7%	-2.3%	-0.4%	-0.4%	-0.4%

Appendix 6 : Historical copper price evolution

USD/t	Q1	Q2	Q3	Q4	FY
2015	5,801	6,058	5,275	4,882	**5,493**
2016	4,669	4,730	4,793	5,291	4,870
2017	**5,855**				
2015 vs. 2014	-17%	-10%	-24%	-26%	**-20%**
2016 vs. 2015	-20%	-22%	-9%	+8%	-11%
2017 vs. 2016	**+25%**				

€/t	Q1	Q2	Q3	Q4	FY
2015	5,154	5,483	4,751	4,455	**4,951**
2016	4,237	4,187	4,293	4,911	4,407
2017	**5,498**				
2015 vs. 2014	1%	11%	-10%	-15%	**-4%**
2016 vs. 2015	-18%	-24%	-10%	+10%	-11%
2017 vs. 2016	**+30%**				

Financial Calendar

May 23, 2017
Annual Shareholder Meeting

July 31, 2017
Second-quarter 2017 results

October 27, 2017
Third-quarter 2017 results

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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 14% 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:

- *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;*
- *the non-recurring effect related to the change in copper-based cables 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 Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on March 31, 2017 under number D 17-0272. 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 Document de Référence registered with the AMF on March 31, 2017 under number D 17-0272, as well as the consolidated financial statements and activity report for the 2016 fiscal year, which may be obtained from Rexel's website (www.rexel.com).