

Leading the bright future of electrical distribution

Rexel

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Q4 sales and FY 2020 earnings

11 February 2021

Annual financial report 2020 was authorized for issue by the Board of Directors held on February 10, 2021

The Rexel logo is displayed in white text on a dark blue rectangular background. The background of the entire slide is a night-time photograph of a city skyline with illuminated buildings and a large, glowing neon sign that spells out 'REXEL' in a stylized, multi-tube font. A white bicycle icon is visible in the top right corner of the slide.

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1 Key Highlights

Robustness, agility and resilience

➤ **Better-than-expected sales growth in Q4 2020**, demonstrating our ability to capture first signs of recovery thanks to an intact branch network and our efficient digital offer

➤ **Gross margin temporarily impacted by country mix and rebate schemes in FY 2020**

➤ **Best-in-class opex management in crisis environment; entering 2021 with a leaner opex base while preserving our branch network**

➤ **Solid free cash flow of €613.0m in FY 2020, translating into financial net debt of €1.3bn, the lowest level since IPO in 2007**

➤ **Resuming dividend distribution with a proposal of €0.46 per share**

DIGITAL SALES PENETRATION IN 2020

20.8%

up +317 bps

NUMBER OF BRANCHES END-2020

1,906

stable vs end-2019

OPEX MANAGEMENT END-2020

-6% structural

staffing adjustments vs end-2019

Delivering robust KPIs in 2020 despite the pandemic

SAME-DAY SALES

-6.5%

with digital sales up **+11%**

GROSS MARGIN

24.6%

down 46bps¹ vs. FY 19
mainly due drop in volume-
related rebates

ADJUSTED EBITA MARGIN

4.2%

down 78bps¹ vs. FY 19

FCF BEFORE
INTEREST & TAX

€613.0m

vs. FY 19 at €461.6m

LOWEST LEVEL OF NET DEBT
SINCE IPO IN 2007

€1,335m

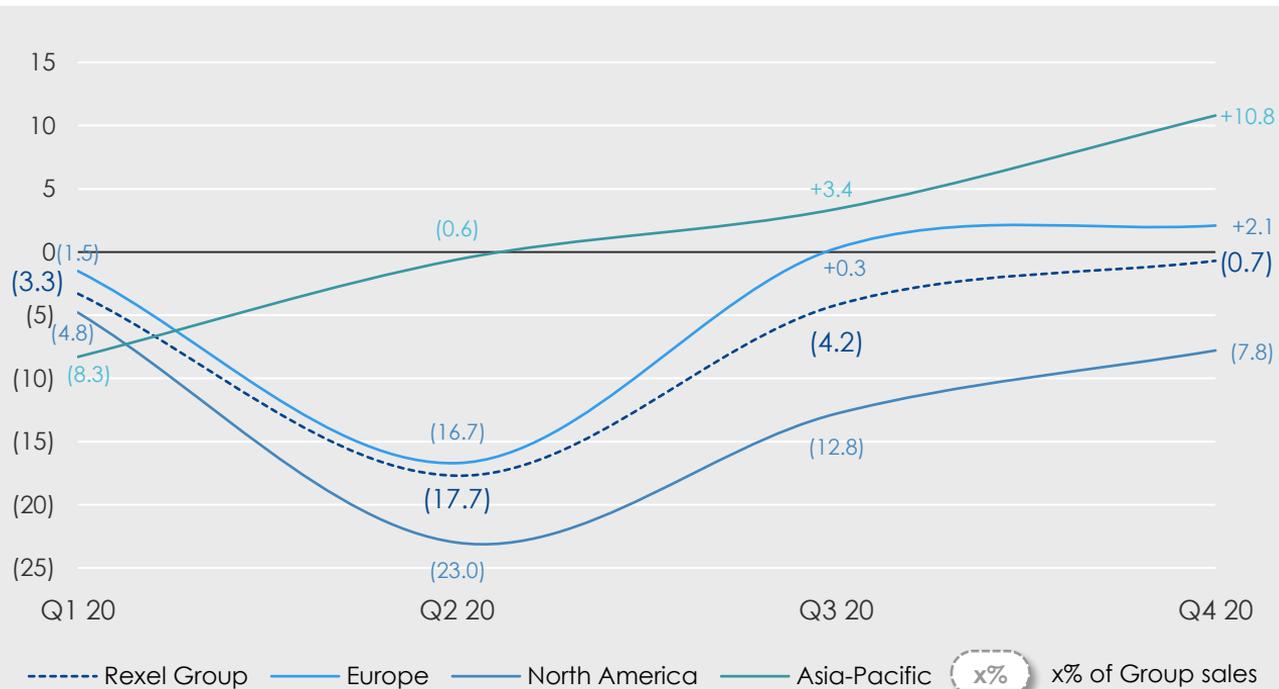
vs. €1,946m in FY 19

LOWEST INDEBTEDNESS
RATIO SINCE IPO IN 2007

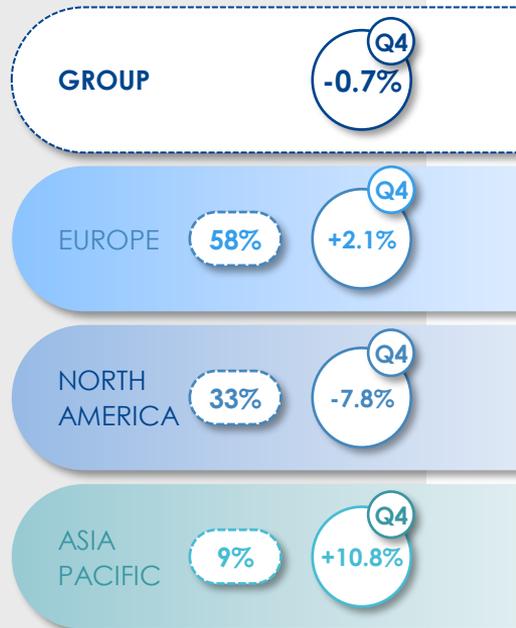
2.14x

vs. 2.47x in FY 2019

Further signs of recovery in every geography ; North America still lagging



SAME-DAY SALES GROWTH



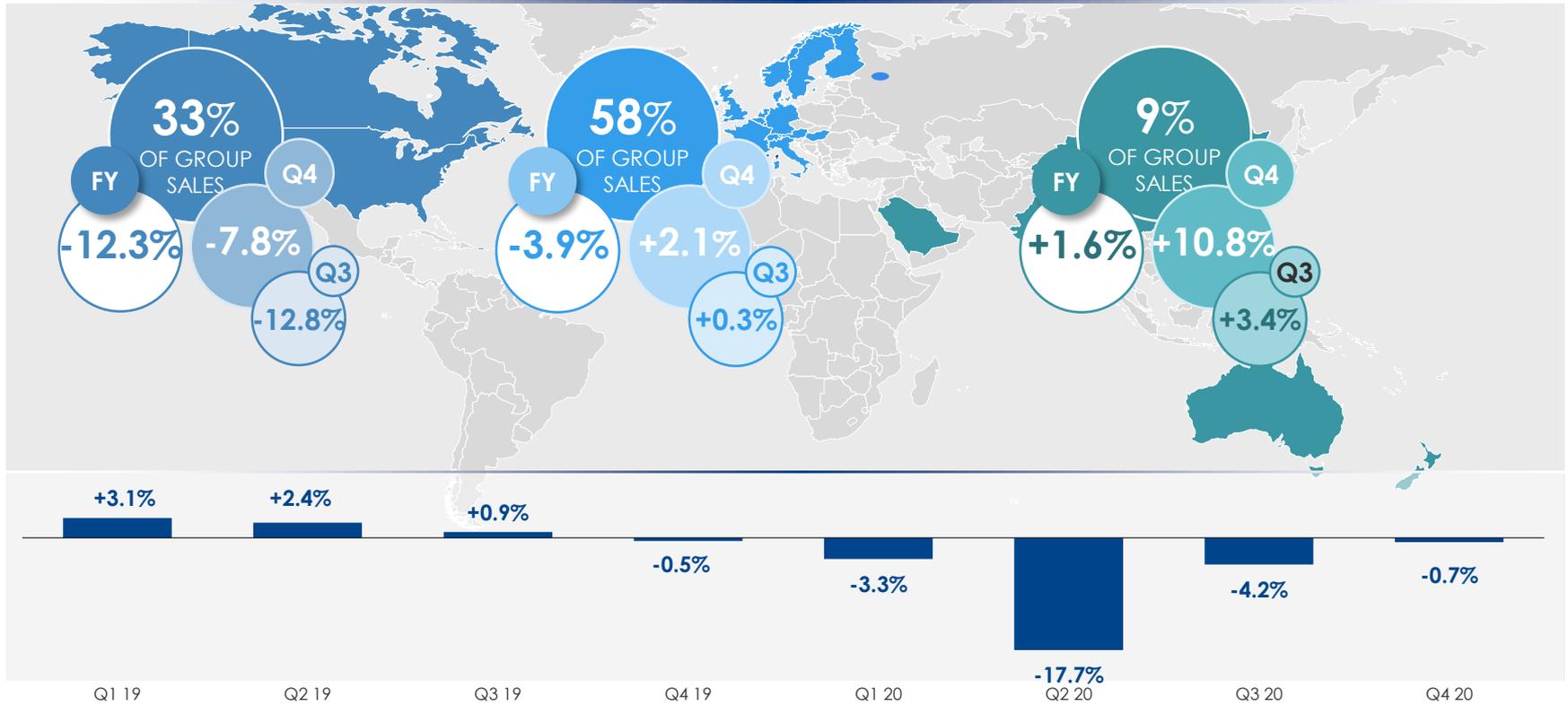


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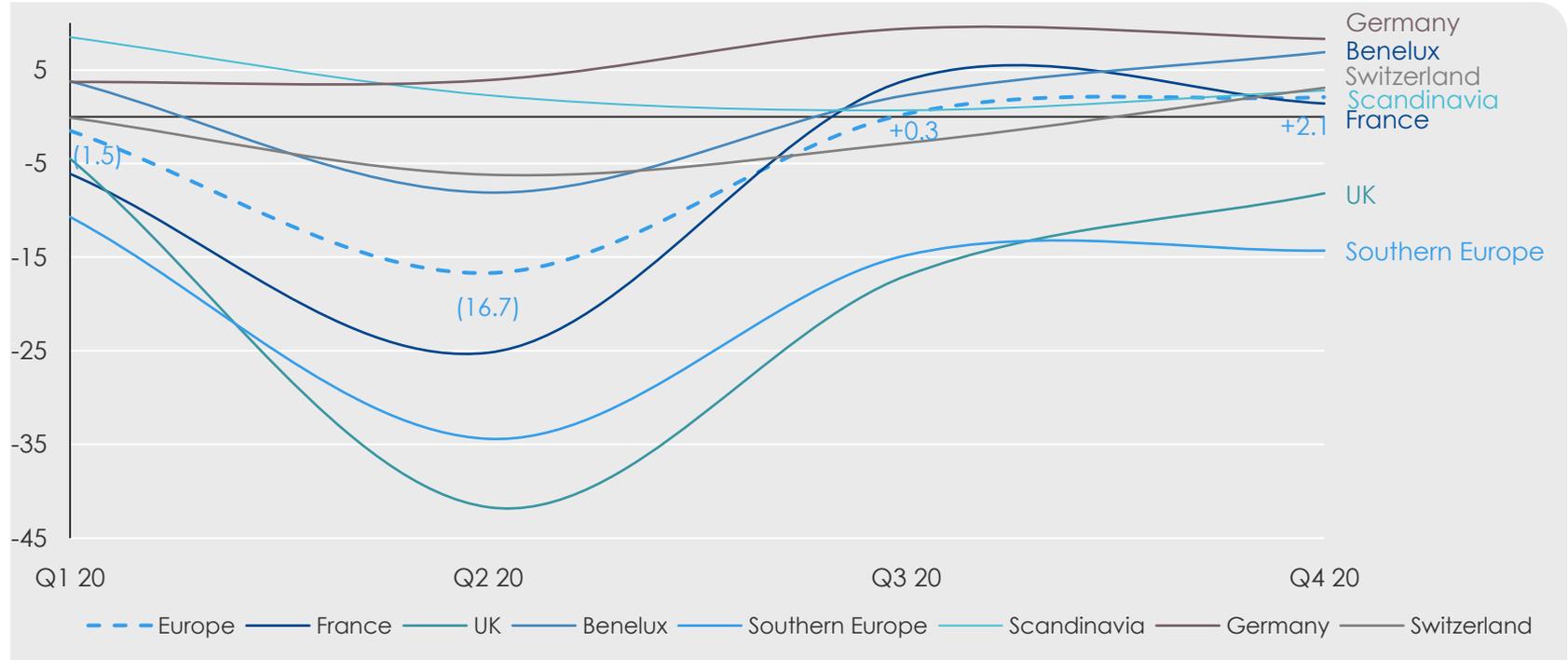
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2 FY 20 group financial review

Same-day sales evolution of -0.7% in Q4, showing further improvement compared to Q3 2020



Europe: Positive sales growth for the second quarter in a row



Europe: Sales improvement versus Q3 in most of our countries

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Sales
1,958.2 | Constant
+2.1% |
 €m & same-day



- > Sales in **France** were up 1.4%, on a challenging base effect, driven by proximity business and more specifically residential, up mid-single-digit
- > **Scandinavia** benefited from positive performance in Norway (+14.0%) with significant price increase (+7%), offsetting the impact on imported products of the Norwegian Krone's depreciation. Sweden (+0.6%) benefited from better momentum in November and December mainly thanks to increasing demand from small and medium contractors
- > **Benelux**: Belux (+14.3%) largely benefiting from the PV market as subsidies ended in 2020 (c.+10% contribution in Q4 and +3% in FY 20) and from residential
- > **Germany**: Sales continue to benefit from positive trends in our proximity business and from better demand in automotive
- > **UK**: Sales down by 8.2% vs -17.0% in Q3 thanks to the first benefits of reorganization (Improvement of service delivery and NPS); Denmans banner up 11.1% in the quarter

	Weight ¹	Q4 20 vs. Q4 19 ²	Q3 20 vs. Q3 19 ²
	39%	+1.4%	+3.9%
	14%	+2.8%	+0.7%
	11%	+6.9%	+2.3%
	9%	+8.3%	+9.4%
	8%	-8.2%	-17.0%
	7%	+3.1%	-2.8%
	4%	-14.3%	-14.8%

North America: Improved momentum in Q4 resulting in a single-digit decline



SAME-DAY SALES GROWTH

NORTH AMERICA

Q4
-7.8%



78%

Q4
-7.7%



22%

Q4
-8.2%

UNITED STATES

Sales down 7.7% in Q4 20 from -12.9% in Q3 20 helped by favorable base effect and positive momentum in our proximity business, offsetting lower demand in projects and some scarcity of products in certain range

CANADA

Sales dropped by 8.2%, improving over Q3 20 (-12.3%) from better automation business in OEM & Auto, Petro Chemicals & large industrial contractors

US: Very contrasting situation by region and market



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STRONG RESILIENCE IN 3 REGIONS ...:

- > **Northwest:** Benefiting from market share gains thanks to our strong positioning in proximity business, with residential business (22% of sales) growing double-digit
- > **Mountain Plains:** Market share gains in Arizona & Albuquerque & Las Vegas following sales force investment, offsetting lower activity in Oil & Gas and automation (Colorado & Wyoming)
- > **Florida:** Resilience mainly driven by our exposure to multi-family construction and Space Center projects

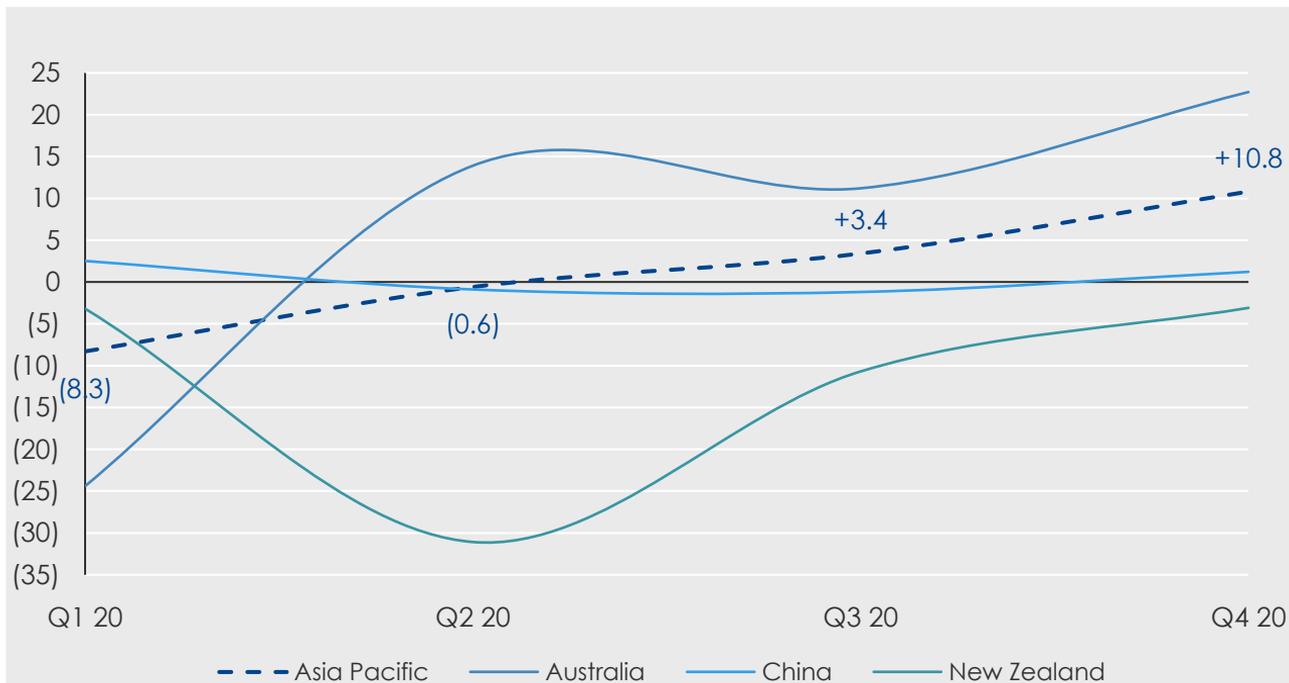
... OFFSETTING SLOWER RECOVERY IN OTHER LOCATIONS:

- > **California:** Deterioration from lower project business and by the pandemic-related volume declines
- > **Midwest:** Improvement compared to Q3, explained by base effect. Still impacted by low demand in automotive, metals...
- > **Northeast:** Still impacted by Covid-19 situation and by our post-reorganization business selectivity in projects. Good organization in place for 2021
- > **Southeast:** Impacted by low level of commercial construction including EPC business
- > **Gulf Central:** Base effect improvement vs Q3 along with slight improvement in Oil & Gas demand (higher oil price)

	Weight ¹	Q4 20 vs. Q4 19 ²	Q3 20 vs. Q3 19 ²
Northwest	30%	+4.8%	0.0%
Mountain Plains	8%	+2.6%	-0.4%
Florida	11%	-2.4%	-1.9%
California	11%	-9.5%	+0.6%
Southeast	15%	-11.6%	-19.5%
Midwest	9%	-11.7%	-18.0%
Northeast	6%	-15.1%	-18.9%
Gulf Central	10%	-29.5%	-36.8%

1. x% of US ED Sales
2. Same-day change

Asia-Pacific: Growth fueled by further improvement in China



SAME-DAY SALES GROWTH

ASIA PACIFIC

Q4
+10.8%

AUSTRALIA

Q4
+1.2%

CHINA

Q4
+22.7%

NEW ZEALAND

Q4
-3.1%

Asia-Pacific: Strong recovery in Asia and good resilience in Australia

Sales
325.5 | Constant
€m | **+10.8%** |
& same-day



PACIFIC

- > **Australia** (+1.2% in Q4 20) returned to organic growth, with proximity business offsetting the loss of 2 industrial contracts (impact -3.5%)
- > **New Zealand** down 3.1%, with soft recovery post-elections (Q3 20 : -10.7%)

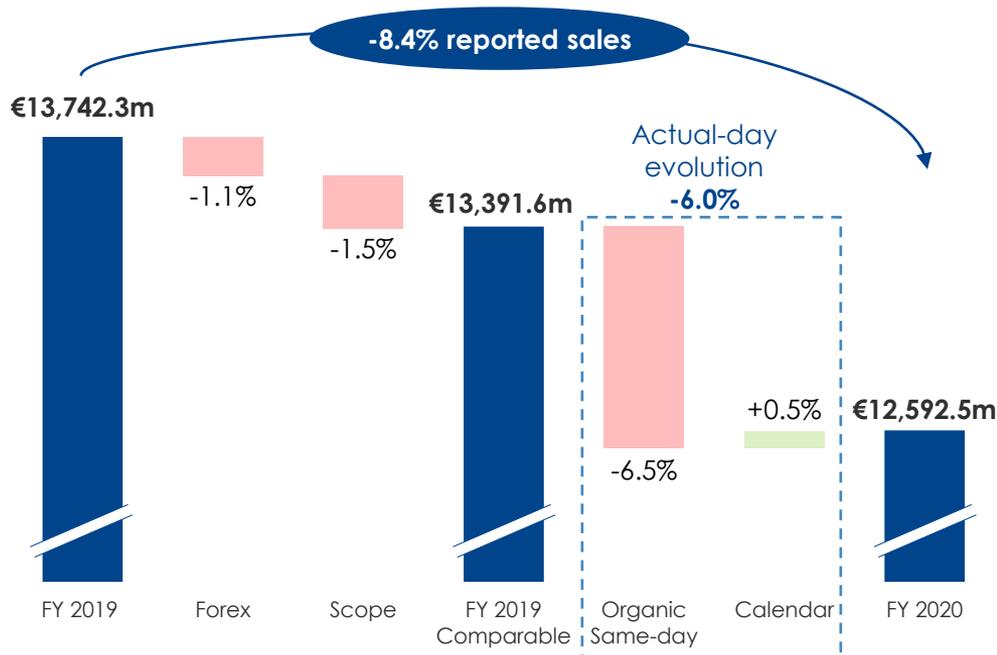
ASIA

- > Sales grew by 22.7% in **China**, mainly driven by our growing automation segment and government spending in infrastructure and automation. Aerospace contract contributed positively in the quarter (contribution : +12.8%)
- > **India and Middle East** (15% of Asia): Recovery in **India** (+0.9%). Middle East up 53.1%

Weight¹ Q4 20 vs. Q4 19² Q3 20 vs. Q3 19²

Pacific	46%	+0.5%	-3.0%
Asia	54%	+21.6%	+10.6%

FY 20 sales: Down 6.5% on a same-day basis and -8.4% on a reported basis



Organic same day sales evolution impacted by positive copper effect in the quarter (+1.3% contribution)

Copper cable price contribution

FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20
+0.4%	-0.3%	-0.4%	-0.7%	+0.5%	+1.3%

FY 2020: +0.2%

Resilient profitability from active opex management

FY 2020 (€m)	EUROPE		NORTH AM.		ASIA-PACIFIC		HOLDING	FY GROUP	
Sales	7,083.3	-3.1%	4,342.0	-11.9%	1,167.2	+1.7%		12,592.5	-6.0%
<i>Constant and same-day</i>		-3.9%		-12.3%		+1.6%			-6.5%
Gross margin	1,896.0	-5.2%	995.3	-12.9%	200.8	-3.7%	0.6	3,092.7	-7.7%
<i>% of sales</i>	26.8%	-58bps	22.9%	-25bps	17.2%	-96bps		24.6%	-46bps
Opex + depreciation	(1,520.0)	-2.0%	(833.6)	-10.6%	(178.9)	-1.6%	(33.8)	(2,566.3)	-4.5%
<i>% of sales</i>	-21.5%	-26bps	-19.2%	-30bps	-15.3%	+52bps		-20.4%	-32bps
Adj. EBITA¹	376.0	-16.4%	161.7	-23.1%	21.9	-17.8%	(33.2)	526.4	-20.8%
<i>% of sales</i>	5.3%	-84bps	3.7%	-54bps	1.9%	-45bps	+4bps	4.2%	-78bps
<i>Group contribution (adj. EBITA¹)</i>		-49bps		-15bps		-5bps	-9bps		-78bps

EUROPE

Gross margin contraction from negative country mix and lower volume leading to lower rebates

Reactive & agile opex management especially salary & benefits, travel and professional fees offsetting increase in bad debt provisioning

NORTH AMERICA

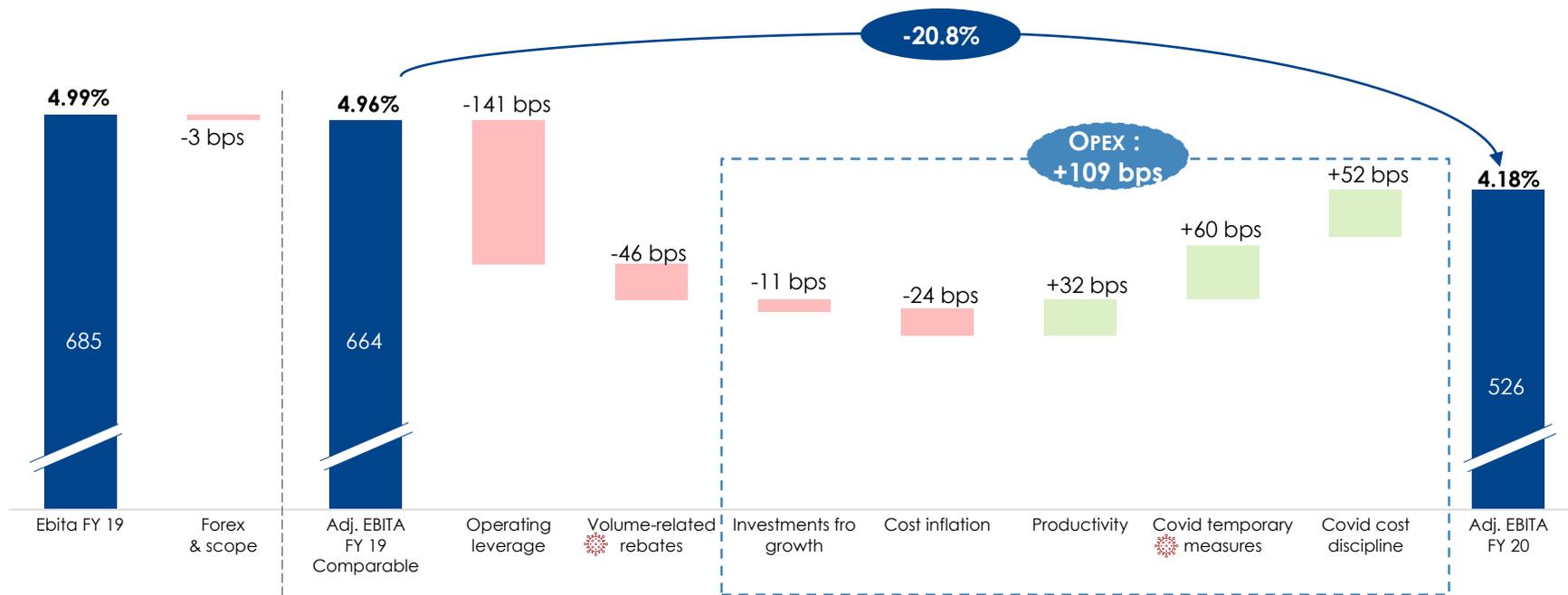
EBITA margin resilience thanks to gross margin preservation (pricing initiative partly offset by lower rebates) and active salary & benefits management (reduced by 12.3%, more than the drop in sales)

ASIA-PACIFIC

Gross margin contraction in China from country mix (strong growth in China) **and product mix** (large aero contract)
Reactive & agile opex management notably on salary & benefits (down 6.7%)

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

FY 20 adjusted Ebita margin of 4.2%; cost discipline partly offset volume drop



Entering 2021 with a lean opex base

Recurring net income down 18.6% in 2020

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(€m)	FY 2019	FY 2020	Change
EBITDA	959.1	820.9	-14.4%
% EBITDA margin	7.0%	6.5%	
Depreciation Right of Use (IFRS 16)	(178.3)	(178.5)	
Depreciation and amortization	(102.3)	(105.4)	
Reported EBITA	677.5	537.0	-20.7%

(€m)	FY 2019	FY 2020	Change
Adjusted EBITA¹ (Comparable base)	664.4	526.4	-20.8%
Currency/Scope & other	20.7		
Adjusted EBITA¹	685.1	526.4	
Non-recurring copper effect & other	(7.6)	10.6	
Reported EBITA	677.5	537.0	-20.7%
Amortization resulting from PPA	(14.3)	(10.5)	
Other income and expenses	(176.8)	(529.9)	
Operating income	486.4	(3.4)	
Net financial expenses	(165.3)	(117.2)	
Profit before tax	321.1	(120.6)	
Income tax	(117.3)	(140.7)	
Net income	203.8	(261.3)	
Recurring net income ²	341.2	277.7	-18.6%

- **Restructuring costs** for €(26.1)m vs. €(32.6)m in 2019
- **Goodwill impairment** for €(486)m, booked in H1
- **FV adjustment on Assets Held for Sale** in France & Middle East €(33)m
- **Gain on tangible assets disposal** for +€13.7m (incl. Distribution Center in UK)

- **Financial expenses before one-off expenses** for €(79.2)m vs. €(96.6)m in 2019
- **Interest on lease liabilities** for €(42.7)m in 2020 vs €(45.5)m in 2019
- **Others including one-off cost** from bond reimbursement for €5m in 2020 and for €(20.8)m in 2019.
- Reduction in Gross Debt and in **average effective interest rate** from 2.62% in 2019 to 2.45% in 2020

- **Income tax of €(112.3)m**, restated for €28.4m Deferred Tax Asset write down
- **€29.5m release of a tax exposure reserve in 2019**

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. Cf. details on appendix 3

Robust FCF in a crisis environment confirming the resilience of our model

(€m)	FY 2019	FY 2020
EBITDA	959.1	820.9
Lease payments ¹	(220.7)	(215.0)
EBITDA after lease (EBITDAaL)	738.4	605.9
Restructuring	(51.9)	(15.4)
Change in trade working capital ¹	(47.8)	50.8
Change in non trade working capital ¹	(22.2)	71.7
Net capital expenditure	(116.5)	(76.6)
Other operating revenues & costs	(38.4)	(23.4)
Free cash-flow before I&T	461.6	613.0
Free cash flow conversion	62.5%	101.2%
Net interest paid	(82.3)	(66.5)
Income tax paid	(118.2)	(88.5)
Free cash-flow after I&T	261.1	458.0
Net financial investment	(2.6)	129.5
Dividend	(133.0)	-
Effect of currency exchange rates	(26.4)	24.7
Other	(30.3)	(1.2)
Net change in cash / (debt)	68.8	611.0
Financial Net Debt at the end of the period	1,945.9	1,334.9
Financial Net Debt / EBITDAaL	2.47x	2.14x

Active management of Working capital requirements with inventory down 8% in value and receivables down 5%

Lower level of activity impacting taxes and supplier rebates receivables

Gross capex at €112m vs €125.5m in 2019. Lower net capex mainly from disposals (incl. DC in UK for €16m and small business in US for €10m)

Lower taxable income combined with lower tax rate

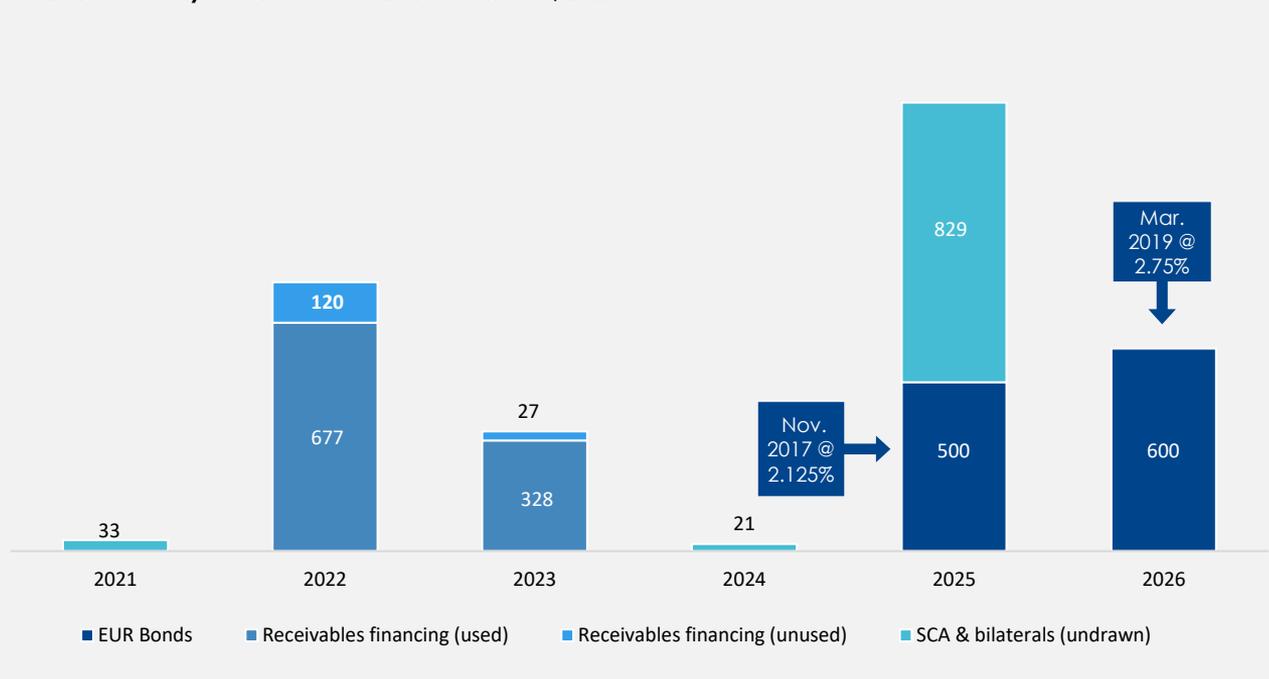
Net cash received from disposals of Gexpro Services & Spanish export business, and increased stakes in two subsidiaries

Lowest financial net debt since 2007

Lower indebtedness ratio than last year; lowest level since IPO in 2007

Robust FCF generation enabling bond redemption

- Debt maturity breakdown at December 31st, 2020



c. €1.46bn

Liquidity as of December 31, 2020

2.45% (-17bps yoy)

FY 2020 average effective interest rate on gross debt

€300m

Redemption on bond maturing in 2024

€300m

Receivables financing 3-year extension

Proposed dividend of €0.46, payable in cash

- In line with Rexel's payout policy: $\geq 40\%$ of recurring net income
- Subject to approval at the AGM on April 22, 2021

	2015	2016	2017	2018	2019	2020
Dividend per share (€)	0.40	0.40	0.42	0.44	-	0.46
Net income (€m)	15.7	134.3	104.9	152.3	203.8	(261.3)
Recurring net income¹ (€m)	269.4	250.3	291.2	328.1	341.2	277.7
Pay-out as % of recurring net income	45%	48%	44%	41%	-	50%

€0.46

per share
proposed dividend
for FY 2020

50%

pay-out
as % of recurring
net income



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3 Outlook

2021 outlook

- Leveraging on 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



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4 Appendix

Appendix 1: Q4 and FY 2020 sales and adjusted EBITA bridge

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Sales bridge

Q4	North			Group
	Europe	America	Asia-Pacific	
Reported sales 2019	1 905.8	1 314.0	300.8	3 520.6
+/- Net currency effect	-0.3%	-7.2%	-1.7%	-3.0%
+/- Net scope effect	-0.2%	-3.9%	0.0%	-1.6%
= Comparable sales 2019	1 894.6	1 168.2	295.6	3 358.4
+/- Actual-day organic growth, of which:	3.4%	-5.4%	10.1%	0.9%
<i>Constant-same day excl. copper</i>	1.5%	-10.5%	10.5%	-2.0%
<i>Copper effect</i>	0.6%	2.7%	0.3%	1.3%
Constant-same day incl. copper	2.1%	-7.8%	10.8%	-0.7%
Calendar effect	1.3%	2.4%	-0.7%	1.6%
= Reported sales 2020	1 958.2	1 105.3	325.5	3 389.0
YoY change	2.7%	-15.9%	8.2%	-3.7%

FY	North			Group
	Europe	America	Asia-Pacific	
Reported sales 2019	7 331.5	5 233.0	1 177.9	13 742.3
+/- Net currency effect	-0.1%	-2.2%	-2.5%	-1.1%
+/- Net scope effect	-0.2%	-3.6%	0.0%	-1.5%
= Comparable sales 2019	7 312.7	4 931.0	1 147.9	13 391.6
+/- Actual-day organic growth, of which:	-3.1%	-11.9%	1.7%	-6.0%
<i>Constant-same day excl. copper</i>	-3.8%	-12.8%	1.3%	-6.7%
<i>Copper effect</i>	-0.1%	0.5%	0.3%	0.2%
Constant-same day incl. copper	-3.9%	-12.3%	1.6%	-6.5%
Calendar effect	0.8%	0.3%	0.1%	0.5%
= Reported sales 2020	7 083.3	4 342.0	1 167.2	12 592.5
YoY change	-3.4%	-17.0%	-0.9%	-8.4%

Appendix 1: Q4 and FY 2020 sales and adjusted EBITA bridge

EBITA bridges:

From FY 19 Adjusted EBITA as reported to FY 19 on a comparable basis

	2019 adjusted EBITA	2019 copper effect @2019 FX	2019 reported EBITA	2020 FX impact	2020 scope impact	2019 copper effect @2020 FX	2019 comparable EBITA
Rexel Group	685.1	-7.6	677.5	-4.5	-16.1	7.6	664.4

Adjusted EBITA from FY 19 to FY 20

	2019 comparable EBITA	Organic growth	2020 adjusted EBITA	2020 copper effect	2020 reported EBITA
Rexel Group	664.4	-137.9	526.4	10.6	537.0

Appendix 2: Segment reporting – Constant and adjusted basis¹

GROUP

Constant and adjusted basis (€m)	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Sales <i>on a constant basis and same days</i>	3,358.4	3,389.0	+0.9% -0.7%	13,391.6	12,592.5	-6.0% -6.5%
Gross profit <i>as a % of sales</i>				3,350.9 25.0%	3,092.7 24.6%	-7.7% -46 bps
Distribution & adm. expenses (incl. depreciation)				(2,686.5)	(2,566.3)	-4.5%
EBITA <i>as a % of sales</i>				664.4 5.0%	526.4 4.2%	-20.8% -78 bps
FTE (end of period)				25,853	24,396	-5.6%

Constant basis (€m)	FY 2019	FY 2020
Non-recurring copper effect at EBITA level	(7.6)	10.6

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

Appendix 2: Segment reporting – Constant and adjusted basis¹

EUROPE

Constant and adjusted basis (€m)	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Sales	1,894.6	1,958.2	+3.4%	7,312.7	7,083.3	-3.1%
<i>on a constant basis and same days</i>			+2.1%			-3.9%
France	746.6	768.9	+3.0%	2,797.0	2,637.4	-5.7%
<i>on a constant basis and same days</i>			+1.4%			-6.5%
United Kingdom	169.4	155.4	-8.2%	726.6	604.3	-16.8%
<i>on a constant basis and same days</i>			-8.2%			-17.5%
Germany	157.9	181.8	+15.1%	639.1	693.3	+8.5%
<i>on a constant basis and same days</i>			+8.3%			+6.4%
Scandinavia	254.0	265.0	+4.3%	940.2	981.2	+4.4%
<i>on a constant basis and same days</i>			+2.8%			+3.5%
Gross profit				2,000.0	1,896.0	-5.2%
<i>as a % of sales</i>				27.3%	26.8%	-58 bps
Distribution & adm. expenses (incl. depreciation)				(1,550.2)	(1,520.0)	-2.0%
EBITA				449.8	376.0	-16.4%
<i>as a % of sales</i>				6.2%	5.3%	-84 bps
FTE (end of period)				15,078	14,528	-3.7%

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.

Appendix 2: Segment reporting – Constant and adjusted basis¹

NORTH AMERICA

Constant and adjusted basis (€m)	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Sales	1,168.2	1,105.3	-5.4%	4,931.0	4,342.0	-11.9%
<i>on a constant basis and same days</i>			-7.8%			-12.3%
United States	898.9	858.2	-4.5%	3,865.1	3,390.0	-12.3%
<i>on a constant basis and same days</i>			-7.7%			-12.6%
Canada	269.3	247.1	-8.2%	1,065.9	952.1	-10.7%
<i>on a constant basis and same days</i>			-8.2%			-11.0%
Gross profit				1,142.4	995.3	-12.9%
<i>as a % of sales</i>				23.2%	22.9%	-25 bps
Distribution & adm. expenses (incl. depreciation)				(932.1)	(833.6)	-10.6%
EBITA				210.3	161.7	-23.1%
<i>as a % of sales</i>				4.3%	3.7%	-54 bps
FTE (end of period)				8,096	7,257	-10.4%

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.

Appendix 2: Segment reporting – Constant and adjusted basis¹

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Sales	295.6	325.5	+10.1%	1,147.9	1,167.2	+1.7%
<i>on a constant basis and same days</i>			+10.8%			+1.6%
China	121.0	147.9	+22.2%	472.0	504.8	+6.9%
<i>on a constant basis and same days</i>			+22.7%			+6.9%
Australia	124.3	125.6	+1.0%	479.7	484.5	+1.0%
<i>on a constant basis and same days</i>			+1.2%			+0.4%
New Zealand	26.2	25.3	-3.1%	109.9	96.7	-12.1%
<i>on a constant basis and same days</i>			-3.1%			-12.4%
Gross Profit				208.5	200.8	-3.7%
<i>as a % of sales</i>				18.2%	17.2%	-96 bps
Distribution & adm. expenses (incl. depreciation)				(181.9)	(178.9)	-1.6%
EBITA				26.6	21.9	-17.8%
<i>as a % of sales</i>				2.3%	1.9%	-45 bps
FTE (end of period)				2,507	2,432	-3.0%

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.

Appendix 3: Consolidated Income statement

Reported basis (€m)	FY 2019	FY 2020	Change
Sales	13,742.3	12,592.5	-8.4%
Gross profit	3,432.0	3,103.4	-9.6%
<i>as a % of sales</i>	25.0%	24.6%	
Operating expenses (excl. depreciation)	(2,472.9)	(2,282.5)	-7.7%
Depreciation	(281.6)	(283.9)	
EBITA	677.5	537.0	-20.7%
<i>as a % of sales</i>	4.9%	4.3%	
Amortization of intangibles resulting from purchase price allocation	(14.3)	(10.5)	
Operating income bef. other inc. and exp.	663.2	526.5	-20.6%
<i>as a % of sales</i>	4.8%	4.2%	
Other income and expenses	(176.8)	(529.9)	
Operating income	486.4	(3.4)	
Net financial expenses	(165.3)	(117.2)	
Net income (loss) before income tax	321.1	(120.6)	
Income tax	(117.3)	(140.7)	
Net income (loss)	203.8	(261.3)	

Appendix 3: Adjusted EBITA bridge and recurring net income

Bridge between operating income before other income and expenses and adjusted ebita

in €m	FY 2019	FY 2020
Operating income before other income and other expenses on a reported basis	663.2	526.5
Change in scope of consolidation	(16.1)	-
Foreign exchange effects	(4.5)	-
Non-recurring effect related to copper	7.6	(10.6)
Amortization of intangibles assets resulting from PPA	14.3	10.5
Adjusted EBITA on a constant basis	664.4	526.4

Bridge between reported net income and recurring net income

in €m	FY 2019	FY 2020	Change
Net income (as reported)	203.8	(261.3)	
Non-recurring copper effect	7.6	(10.6)	
Other expense & income	176.8	529.9	
Financial expense	20.8	(4.2)	
Tax expense	(67.9)	24.0	
Recurring net income	341.2	277.7	-18.6%

Appendix 3: Sales and profitability by segment – reported basis

Reported basis (€m)	FY 2019	FY 2020	Change
Sales	13,742.3	12,592.5	-8.4%
Europe	7,331.5	7,083.3	-3.4%
North America	5,233.0	4,342.0	-17.0%
Asia-Pacific	1,177.9	1,167.2	-0.9%
Gross profit	3,432.0	3,103.4	-9.6%
Europe	1,999.7	1,899.8	-5.0%
North America	1,218.2	1,002.2	-17.7%
Asia-Pacific	214.2	200.8	-6.3%
Other	-	0.6	
EBITA	677.5	537.0	-20.7%
Europe	445.7	379.8	-14.8%
North America	226.6	168.6	-25.6%
Asia-Pacific	27.5	21.9	-20.5%
Other	(22.3)	(33.2)	-48.8%

Appendix 3: Consolidated balance sheet¹

Assets (Reported basis in €m)	December 31, 2019	December 31, 2020
Goodwill	3,785.5	3,192.2
Intangible assets	1,027.5	997.5
Property, plant & equipment	273.3	253.3
Right-of-use assets	898.2	895.5
Long-term investments	49.2	41.3
Deferred tax assets	60.1	29.7
Total non-current assets	6,093.8	5,409.5
Inventories	1,696.9	1,511.1
Trade receivables	2,059.3	1,899.7
Other receivables	541.0	453.7
Assets classified as held for sale	169.4	3.7
Cash and cash equivalents	514.3	685.4
Total current assets	4,980.9	4,553.7
Total assets	11,074.8	9,963.2

Liabilities (Reported basis in €m)	December 31, 2019	December 31, 2020
Total equity	4,235.3	3,794.8
Long-term debt	1,733.1	1,915.2
Lease liabilities (non-current part)	846.5	837.0
Deferred tax liabilities	184.6	184.1
Other non-current liabilities	352.9	367.5
Total non-current liabilities	3,117.1	3,303.9
Interest bearing debt & accrued int.	748.8	117.0
Lease liabilities (current part)	163.5	168.7
Trade payables	2,021.7	1,807.3
Other payables	753.0	758.0
Liabilities rel. to assets held for sale	35.3	13.6
Total current liabilities	3,722.3	2,864.5
Total liabilities	6,839.4	6,168.4
Total equity & liabilities	11,074.8	9,963.2

¹ Net debt includes Debt hedge derivatives for €(19.6)m at December 31, 2019 and €(11.1)m at December 31, 2020. It also includes accrued interest receivables for €(2.0)m at December 31, 2019 and for €(0.8)m at December 31, 2020

Appendix 3: Change in net debt

Reported basis (€m)	FY 2019	FY 2020
EBITDA	959.1	820.9
Lease payments	(220.7)	(215.0)
EBITDAaL	738.4	605.9
Other operating revenues & costs ⁽¹⁾	(90.3)	(38.8)
Operating cash-flow	648.1	567.1
Change in working capital	(70.0)	122.5
Net capital expenditure, of which:	(116.5)	(76.6)
<i>Gross capital expenditure</i>	(125.5)	(112.0)
<i>Disposal of fixed assets & other</i>	7.9	33.0
Free cash-flow before int. & tax	461.6	613.0
<i>Free cash flow conversion (% of EBITDAaL)</i>	62.5%	101.2%
Net interest paid / received	(82.3)	(66.5)
Income tax paid	(118.2)	(88.5)
Free cash-flow after int. & tax	261.1	458.0
Net financial investment	(2.6)	129.5
Dividends paid	(133.0)	(0.0)
Net change in equity	2.2	4.0
Other	(32.5)	(5.2)
Currency exchange variation	(26.4)	24.7
Decrease (increase) in net debt	68.8	611.0
Net debt at the beginning of the period	2,014.7	1,945.9
Net debt at the end of the period	1,945.9	1,334.9

1. Includes restructuring outflows of:
• €(15.4)m in FY 2020 vs. €(51.9)m in FY 2019.

Appendix 4: Working capital

Constant basis	December 31, 2019	December 31, 2020
Net inventories		
<i>as a % of sales 12 rolling months</i>	12.5%	12.3%
<i>as a number of days</i>	57.3	52.3
Net trade receivables		
<i>as a % of sales 12 rolling months</i>	15.1%	15.2%
<i>as a number of days</i>	50.6	45.9
Net trade payables		
<i>as a % of sales 12 rolling months</i>	14.8%	14.4%
<i>as a number of days</i>	59.8	54.3
Trade working capital		
<i>as a % of sales 12 rolling months</i>	12.9%	13.1%
Total working capital		
<i>as a % of sales 12 rolling months</i>	11.3%	10.7%

Appendix 5: Headcount and branch evolution

FTEs at end of period comparable	December 31, 2019	December 31, 2020	Year-on-Year Change
Europe	15,078	14,528	-3.7%
<i>USA</i>	<i>5,971</i>	<i>5,357</i>	-10.3%
<i>Canada</i>	<i>2,125</i>	<i>1,900</i>	-10.6%
North America	8,096	7,257	-10.4%
Asia-Pacific	2,507	2,432	-3.0%
Other	172	179	4.1%
Group	25,853	24,396	-5.6%

Branches comparable	December 31, 2019	December 31, 2020	Year-on-Year Change
Europe*	1,094	1,097	0.3%
<i>USA</i>	<i>382</i>	<i>382</i>	0.0%
<i>Canada</i>	<i>191</i>	<i>188</i>	-1.6%
North America	573	570	-0.5%
Asia-Pacific	238	239	0.4%
Group*	1905	1,906	0.1%

(*) Prior year adjustment of 6 branches in Germany

Appendix 6: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.22	USD
1 €	=	1.55	CAD
1 €	=	1.58	AUD
1 €	=	0.89	GBP

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

	Q1e	Q2e	Q3e	Q4e	FYe
Scope effect at Group level	(30.1)	-	-	-	(30.1)
<i>as% of 2020 sales</i>	-0.9%	0.0%	0.0%	0.0%	-0.2%
Currency effect at Group level	(89.1)	(63.3)	(14.2)	(4.8)	(171.4)
<i>as% of 2020 sales</i>	-2.8%	-2.2%	-0.4%	-0.1%	-1.4%
Calendar effect at Group level	-2.1%	0.9%	-0.4%	0.2%	-0.4%
Europe	-1.5%	2.5%	-0.1%	0.2%	0.1%
USA	-3.1%	0.3%	0.0%	1.5%	-0.4%
Canada	-4.0%	-6.4%	-5.3%	-4.1%	-4.9%
North America	-3.4%	-1.2%	-1.2%	0.3%	-1.4%
Asia	-0.3%	0.2%	-0.1%	0.0%	0.0%
Pacific	-1.5%	-0.4%	0.1%	-0.1%	-0.5%
Asia-Pacific	-1.1%	-0.1%	0.0%	-0.1%	-0.3%

Divestment impacts of Rexel Arabia Electrical Supplies and electrical distributor to DIY customers in France will be communicated after closing (FY 20 Sales of c. €47 million).

Appendix 7: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2018	6,997	6,907	6,139	6,158	6,544
2019	6,219	6,129	5,829	5,916	6,020
2020	5,651	5,389	6,513	7,192	6,197
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
2020 vs. 2019	-9%	-12%	+12%	+22%	+3%

€/t	Q1	Q2	Q3	Q4	FY
2018	5,693	5,797	5,279	5,395	5,538
2019	5,476	5,454	5,243	5,343	5,377
2020	5,124	4,889	5,574	6,027	5,410
2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
2020 vs. 2019	-6%	-10%	+6%	+13%	+1%

Financial Calendar

April 22, 2021

1st quarter sales publication



April 22, 2021

Annual Shareholder Meeting

Contacts

Investors & Analysts

Ludovic Debailleux

ludovic.debailleux@rexel.com



PRESS

Brunswick - Thomas Kamm

tkamm@brunswickgroup.com

Tel: +33 1 53 96 83 92

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 9, 2020 under number D.20-0111, and its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-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 9, 2020 under number D.20-0111, its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-A01, as well as the annual financial report and activity report for the 2020 fiscal year which may be obtained from Rexel's website (www.rexel.com).