Rexel
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PRESS RELEASE
Paris, February 11, 2021

FULL-YEAR 2020 RESULTS & STRATEGIC UPDATE
Q4 sales demonstrate agility to capture first signs of recovery in all geographies
Strong discipline in opex management
Robustness & resilience of our FCF conversion rate in FY 2020
2023 ambition: Further sales growth outperformance & adjusted Ebita margin above 6% at constant scope

→ Sales of €3,389.0m in Q4 2020, exceeding expectations, demonstrating our agility to capture first signs of recovery thanks to an intact branch network and our best-in-class digital offer

- **On a constant and same-day basis, sales down -0.7% in Q4 20, with progressive improvement in all geographies and North America recovering from a lower base**
- **Same-day sales up low-single digit in January 2021**

→ Gross margin temporarily impacted by volume-related rebates in FY 2020

→ Best-in-class opex management, c. 6% structural staffing adjustment, while maintaining our branch network intact

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

→ Recurring net income at €277.7m down 18.6% in FY 2020 and net income (loss) at €(261.3)m following a €486m goodwill impairment booked in H1 2020

→ Resuming dividend distribution with a proposal to distribute €0.46 per share

→ 2023 ambition: 50 to 100bps market outperformance and adjusted EBITA margin above 6% at constant scope and circa 6.5% including potential portfolio management

Key figures[1]	Q4 2020	YoY change	FY 2020	YoY change
Sales	**€3,389.0m**		**€12,592.5m**	
On a reported basis		-3.7%		-8.4%
On a constant and actual-day basis		+0.9%		-6.0%
On a constant and same-day basis		-0.7%		-6.5%
Adjusted EBITA[2]			**€526.4m**	**-20.8%**
As a percentage of sales			4.2%	
Change in bps as a % of sales[2]			-78bps	
Reported EBITA			**€537.0m**	**-20.7%**
Operating income (loss)			**€(3.4)m**	
Net income (loss)			**€(261.3)m**	
Recurring net income			**€277.7m**	**-18.6%**
FCF before interest and tax			**€613.0m**	**+€151.4m**
Net debt at end of period			**€1,334.9m**	**31.4% decrease**

[1] See definition in the Glossary section of this document [2] 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

Patrick BERARD, Chief Executive Officer, said:

"Rexel emerges from a very challenging year 2020 as a better company – more robust, agile and confident thanks to strategic measures implemented over the last 4 years. I would like to thank our employees for their support and hard work as together we restructured the company, deleveraged it, and invested heavily in digital transformation. Rexel is now harvesting the fruits of these efforts. The Group faces a persistently uncertain environment with cautious optimism, strengthened by its continuous transformation and proven ability to adapt to varied market conditions. The 2021 and mid-term ambitions we are unveiling today confirm our confidence in our ability to structurally outperform the growing and increasingly attractive Electrical Distribution market, fueled by structural trends such as Active Energy Efficiency, CO_2 reduction and 'green energy'. Leveraging the steady ramp-up in digital transformation, we target reaching an adjusted Ebita margin above 6% in 2023, at constant scope."

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FINANCIAL REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2020

- *Annual financial report 2020 was authorized for issue by the Board of Directors on February 10th, 2021. It has been audited by statutory auditors.*
- *The following terms: Reported EBITA, Adjusted EBITA, EBITDA, EBITDAaL, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q4, sales were down 3.7% year-on-year on a reported basis and down 0.7% on a constant and same-day basis. This better-than-expected performance demonstrates our ability to capture first signs of recovery thanks to an intact branch network and our best-in-class digital offer.

In the fourth quarter, Rexel posted sales of €3,389.0 million, down 3.7% on a reported basis, including:

- A negative currency effect of €106.5 million (i.e. -3.0% of Q4 2019 sales), mainly due to the depreciation of the US & Canadian dollars against the euro.
- A negative net scope effect of €55.8 million (i.e. -1.6% of Q4 2019 sales), mainly resulting from the disposal of Gexpro Services in the US.
- A positive calendar effect of 1.6 percentage points.

On a constant and same-day basis, sales were down 0.7%, including a positive effect from the change in copper-based cable prices (+1.3% in Q4 20 vs -0.3% in Q4 19).

In FY 2020, Rexel posted sales of €12,592.5 million, down 8.4% on a reported basis. On a constant and same-day basis, sales were down 6.5%, including a positive impact of +0.2% from the change in copper-based cable prices (vs. a negative -0.3% in FY 19).

Online performance was strong, with digital sales of €2.6bn, up 11% in the year, allowing us to contain the drop in actual-day sales to 6% in FY 2020. Digital sales reached c.21% of sales at Group level in the year (+317bps vs 2019) and represented 31% of sales in Europe.

The 8.4% decrease in sales on a reported basis included:

- A negative currency effect of €150.7 million (i.e. -1.1% of FY 2019 sales), mainly due to the depreciation of the US & Canadian dollars against the euro;
- A negative net scope effect of €200.0 million (i.e. -1.5% of FY 2019 sales), mainly resulting from the disposal of Gexpro Services in the US;
- A positive calendar effect of 0.5 percentage points.

Europe (58% of Group sales): +2.1% in Q4 and -3.9% in FY on a constant and same-day basis

In the fourth quarter, sales in Europe increased by 2.7% on a reported basis, with limited negative effect from currency (€6.5m, down -0.3% mainly due to the depreciation of the British pound against the euro) and scope (€4.8m, i.e. -0.2%). On a constant and same-day basis, sales were up 2.1% thanks to an improvement in sales in most of our countries.

- **France** (39% of the region's sales) was up 1.4% despite a high base effect. Sales were driven by the proximity business and more specifically residential, up mid-single digit.
- Sales in **Scandinavia** (14% of the region's sales) were up 2.8%, benefiting from a positive performance in Norway (+14.0%) with significant price increases (+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** (11% of the region's sales) increased by 6.9%. Belux (+14.3%), largely benefiting from the PV market as subsidies ended in 2020 (c. +10% contribution in Q4 20 and c. +3% in FY 20) and from residential.
- Sales in **Germany** (9% of the region's sales) posted solid 8.3% growth, thanks to positive trends in our proximity business and from better demand in automotive.
- In **the UK** (8% of the region's sales), sales were down by 8.2%, recovering from -17.0% in Q3 20, mainly thanks to the first benefits of the reorganization (improvement of service and NPS). The Denmans banner was up 11.1% in the quarter.
- Sales in **Switzerland** (7% of the region's sales) were up 3.1% compared to -2.8% in Q3 20 as a result of improved demand in building installation activities (mainly renovation business offsetting decline in new build activity).

North America (33% of Group sales): -7.8% in Q4 and -12.3% in FY on a constant and same-day basis

In the fourth quarter, sales in North America were down 15.9% on a reported basis, including a negative currency effect of 7.2% (or -€94.9m, mainly due to the depreciation of the US and Canadian dollar against the euro) and a negative scope effect of 3.9% (-€51.0m) from the disposal of Gexpro Services. On a constant and same-day basis, sales were down 7.8%.

- In **the US** (78% of the region's sales), sales were down 7.7% with strong resilience in 3 regions (Northwest, Mountain Plains and Florida) thanks to market share gains, our proximity business and past investments in our footprint, services and salesforce. This positive trend is offset by a more challenging situation in other regions such as the Midwest and Gulf Central which remained negative but showed better momentum than in Q3 20, thanks notably to higher Oil & Gas demand.
- In **Canada** (22% of the region's sales), sales dropped by 8.2%, a slight improvement from Q3 20 (-12.3%), thanks to improved automation business in OEM & Auto, Petrochemicals & large industrial contractors.

Asia-Pacific (9% of Group sales): +10.8% in Q4 and +1.6% in FY on a constant and same-day basis

In the fourth quarter, sales in Asia-Pacific were up 8.2% on a reported basis, including a negative currency effect of 1.7% (-€5.2m), mainly due to the depreciation of the Chinese renminbi against the euro. On a constant and same-day basis, sales posted a strong 10.8% growth (or +5.4% excluding the large aerospace contract in China).

- In the Pacific (46% of the region's sales), sales were up 0.5% on a constant and same-day basis:
  - In **Australia** (83% of Pacific's sales), sales increased by 1.2%, returning to organic growth with positive momentum in the proximity business offsetting the loss of 2 industrial contracts (impact of -3.5%).
  - In **New Zealand** (17% of Pacific's sales), sales were down 3.1%, with a soft recovery post-election (Q3 20: -10.7%).
- In Asia (54% of the region's sales), sales were up 21.6% on a constant and same-day basis:
  - In **China** (85% of Asia's sales), sales posted solid 22.7% growth, mainly driven by our growing automation segment and government spending in infrastructure and automation. An aerospace contract contributed positively to the quarter (contribution: +12.8%).
  - In **India** and the **Middle East** (15% of Asia's sales), India was up 0.9% and the Middle East was up 53.1%.

PROFITABILITY

Adjusted EBITA margin at 4.2% in FY 2020, down 78bps compared to FY 2019

In FY 2020, gross margin stood at 24.6% of sales, down 46 bps year-on-year, temporarily impacted by a decrease in volume leading to lower supplier rebates. Opex (including depreciation) amounted to 20.4% of sales, representing a deterioration of 32 bps year-on-year (on a 6% actual day sales decline), showing agility on opex management, leveraging both temporary measures offered by governments, mainly during the first half of the year, and structural measures activated in the second part of the year.

- In **Europe**, gross margin stood at 26.8% of sales, down 58bps year-on-year from negative country mix, and lower volume leading to lower rebates. Opex (including depreciation) represented 21.5% of sales (-26bps), underscoring reactive and agile opex management during the year, mainly on Salary & Benefits (including temporary measures and more structural initiatives) and Travel and professional fees, offsetting an increase in bad debt provisioning.
- In **North America**, gross margin stood at 22.9% of sales. This represented a limited 25bps deterioration compared to a year ago, showing our capacity to preserve gross margin. Opex (including depreciation) deteriorated by 30 bps at 19.2% of sales with active Salary & Benefits management (reduced by 12.3% more than the drop in sales, including temporary measures and more structural initiatives), while maintaining our branch network intact.
- In **Asia-Pacific**, gross margin stood at 17.2% of sales, a deterioration of 96bps year-on-year mainly due to country mix (strong growth in China) and customer mix (large aerospace contract). Opex (including depreciation) improved by 52bps to 15.3% thanks to reactive and agile management, notably on Salary & Benefits.
- At **corporate level**, opex amounted to €33.8 million.

As a result, adjusted EBITA stood at €526.4m, down 20.8%, in full-year 2020.

Adjusted EBITA margin was down 78bps at 4.2% of sales, reflecting:

- a drop in adjusted EBITA margin in Europe at 5.3% of sales, down 84bps,
- a lower adjusted EBITA margin in North America at 3.7% of sales, down 54bps and
- a lower adjusted EBITA margin in Asia-Pacific down 45bps, at 1.9% of sales.

In FY 20, reported EBITA stood at €537.0 million (including a positive one-off copper effect of €10.6m), down 20.7% year-on-year.

NET INCOME

Net income (loss) of €(261.3)m in FY 2020

Recurring net income down 18.6% to €277.7 million in FY 2020

Operating income (loss) in the full-year stood at €(3.4) million vs. €486.4 million in FY 2019.

- Amortization of intangible assets resulting from purchase price allocation amounted to €10.5 million (vs. €14.3 million in FY 2019).
- Other income and expenses amounted to a net charge of €529.9 million (vs. a net charge of €176.8 million in FY 2019). They included:
  - a charge of €486.0 million from goodwill impairment booked in H1 2020, mainly reflecting lower volume related to the Covid-19 crisis and higher Weighted Average Cost of Capital (increased risk premium in the Covid-19 environment).
  - €32.5 million of fair value adjustment on assets held for sale in France & Middle East.
  - €26.1 million of restructuring costs (vs. €32.6 million in FY 2019).
  - a €13.7 million gain on tangible asset disposals (including a distribution center in the UK).

Net financial expenses in the full year amounted to €117.2 million (vs. €165.3 million in FY 2019) and can be split as follows:

- €(42.7)million from interest on lease liabilities in 2020 vs €(45.5)m in 2019.
- €(79.2)million from financial expenses before one-off expenses in 2020 vs. €(96.6)m in 2019, with a significant improvement from lower average gross debt and reduced financing costs (from 2.62% in 2019 to 2.45% in 2020).
- Others & one offs for €4.2m in 2020 mainly from the early repayment of the €300 million senior notes due in 2024 (coupon: 2.625%) completed mid-December 2020. A €20.8m charge was recognized in 2019 related to the cost of the early repayment of the €650 million senior notes due in 2023.

Income tax in the full-year represented a charge of €140.7 million in FY 2020 (vs. €117.3 million in FY 2019), impacted by a €(28.4)m deferred tax asset write-down reflecting uncertainty around its future recoverability in the context of the covid-19 crisis. FY 2019 included a one-off release of a €29.5 million reserve on disputed interest expense tax deductibility following a favorable Appeals Court decision.

Restated for non-recurring impacts, the effective tax rate stood at 30.7%, down 300bps vs 2019 thanks to lower tax rates in France (from 34.43% to 32.02%) and in Belgium (from 29.6% to 25%). We anticipate our tax rate to further benefit from the tax reduction in France in coming years.

Net income (loss) in the full-year was negative at €(261.3) million (vs. a positive €203.8 million in FY 2019).

Recurring net income in the full year amounted to €277.7 million, down 18.6% compared to FY 2019 (see appendix 3).

FINANCIAL STRUCTURE

Positive free cash-flow before interest and tax of €613.0 million in full-year 2020

Indebtedness ratio of 2.14x at December 31, 2020

In the full-year, free cash flow before interest and tax amounted to an inflow of €613.0 million (vs. an inflow of €461.6 million in FY 2019), **representing a Free Cash flow conversion rate (EBITDAaL into FCF before interest and taxes) of 101.2% or 95.7% restated for asset disposals. This net inflow included:**

- An inflow of €122.5 million from change in working capital (compared to an outflow of €70.0 million in FY 2019), mainly from active management of working capital. As a percentage of sales over the last 12 months, working capital requirements improved by 51 basis points to 10.7% at December 31, 2020 from 11.3% of sales at December 31, 2019. This improvement was primarily associated with inventory reduction as well as a lower level of activity impacting taxes and supplier rebates receivables.
- Lower cash outflow from restructuring (€15.4m vs. €51.9m in 2019)
- A lower level of capital expenditure of €76.6 million compared to €116.5 million in 2019 mainly due to an inflow from asset disposals for €33m (including a logistics center in the UK) and lower gross capital expenditure (€112.0 million in FY 2020 compared to €125.5m in FY 2019). The gross capex to sales ratio stood at 0.9% in FY 2020, in line with our ambition.

At December 31, 2020, net debt stood at €1,334.9 million, down 31.4% year-on-year (vs. €1,945.9 million at December 31, 2019). This represents the lowest level of financial net debt since the IPO in 2007.

It took into account:

- €66.5 million of net interest paid in FY 2020, lower than the €82.3 million paid in FY 2019, as a result of lower financial expenses.
- €88.5 million of income tax paid in the full year compared to €118.2 million paid in FY 2019, mainly from lower taxable income combined with lower tax rate.
- €129.5 million of proceeds from the disposal of Gexpro Services and the Spanish export business, mainly offset by increasing stakes in two subsidiaries (€19.3m)
- €24.7 million of positive currency effects during the year 2020 (vs a negative effect of €26.4 million in FY 2019).

At December 31, 2020, the indebtedness ratio[1] (Net financial debt/ EBITDAaL), as calculated under the Senior Credit Agreement terms, stood at 2.14x, lower than the December 31, 2019 level of 2.47x.

RESUMING DIVIDEND DISTRIBUTION WITH A PROPOSAL OF €0.46 PER SHARE, PAYABLE IN CASH

Rexel will propose to shareholders a dividend of €0.46 per share, after having cancelled it last year due to the pandemic. This represents a payout of 50% of the Group's recurring net income, in line with Rexel's policy of paying out at least 40% of recurring net income.

This dividend, payable in cash in early May 2021, will be subject to approval at the Annual Shareholders' Meeting to be held in Paris on April 22nd, 2021.

OUTLOOK FOR 2021

We continue to operate in a challenging environment, marked by new health measures in several countries, including France.

Rexel faces this uncertain environment with cautious optimism, strengthened by its transformation and proven ability to adapt to difficult market conditions.

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 Ebita[2] margin of circa 5%
- Free cash flow conversion[3] above 60%

* Assuming an improvement in the sanitary situation as vaccines become available.

MID-TERM AMBITION

Rexel is also unveiling today, at an investor event, its updated strategic roadmap and mid-term ambition.

Over the past four years, Rexel has proven its ability to structurally outperform the growing and increasingly attractive Electrical Distribution market, boosted by demand in Green energy and Energy Efficiency.

The 2020 pandemic has validated the strategic choices made by Rexel to invest early and heavily in digital and salesforce to build a truly omnichannel model, offering not just the right product at the right time, but also tailored services and solutions to accompany the increasingly technological and environmentally-friendly needs of our customers.

Rexel also proved its agility and adaptability to address short terms headwinds, as illustrated by the strong reduction in operating expenses carried out over the past year, and robust and resilient free cash flow generation across the cycle.

After leading Rexel's transformation, the company's strengthened and experienced management team is fully focused on driving execution to deliver the following targets in the 2021-2023 period:

- **Growth in revenue:** Outperform the market by 50 bps to 100 bps.
- **Improvement in profitability**: Adjusted Ebita margin from around 5% in 2021 to above 6% in 2023 at constant scope and circa 6.5% including potential portfolio management.
- **Enhanced cash generation**: FCF before Interest and Tax conversion rate above 60%.
- **Balanced capital allocation**:
  - A dividend policy of at least 40% of recurring net income.
  - Normalized capex to sales level of circa 0.9%.
- **Balance sheet optimization:** Net Debt/EBITDAaL ratio[1] of around 2.5x, to create value by seizing market opportunities or increasing return to shareholders.

ESG targets for 2030 are also embedded in Rexel's ambition: a 35% reduction in CO_2 emissions of our operations (scope 1&2) and a 45% reduction in CO_2 emissions from the use of products sold (scope 3).

[1] *as calculated under the Senior Credit Agreement terms*
[2] *excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices.*
[3] *FCF* Before interest and tax/EBITDAaL

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 6.

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CALENDAR

April 22nd, 2021	First-quarter 2021 sales
April 22nd, 2021	Annual Shareholder' Meeting

FINANCIAL INFORMATION

The annual financial report 2020 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.
A slideshow of the fourth-quarter sales and full-year 2020 results is also available on the Group's website.

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 more than 1,900 branches in 25 countries, with more than 24,000 employees. The Group's sales were €12.6 billion in 2020. Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Dow Jones Sustainability Index Europe, Euronext Vigeo Europe 120, STOXX® Global ESG Environmental Leaders, 2021 Global 100 Index, S&P Global Sustainability Yearbook 2021, in recognition of its performance in terms of corporate social responsibility (CSR). Rexel is rated A- in the 2020 CDP Climate Change assessment and ranked in the 2020 CDP Supplier Engagement Leaderboard.
For more information, visit www.rexel.com/en.

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GLOSSARY

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

EBITDAaL is defined as EBITDA after deduction of lease payment following the adoption of IFRS16.

RECURRING NET INCOME is defined as net income restated for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives

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APPENDIX

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

SALES BRIDGE

Q4	Europe	North America	Asia-Pacific	Group
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%**
Constant-same day excl. copper	*1.5%*	*-10.5%*	*10.5%*	-2.0%
Copper effect	*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	Europe	North America	Asia-Pacific	Group
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%**
Constant-same day excl. copper	*-3.8%*	*-12.8%*	*1.3%*	-6.7%
Copper effect	*-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%

EBITA BRIDGES:

FROM FY 19 ADJUSTED EBITA AS REPORTED TO FY 19 ON A COMPARABLE BASIS

	2019 adjusted EBITA	2019 copper effect	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**

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Appendix 2: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cable prices and before amortization of purchase price allocation.*

The non-recurring effect related to changes in copper-based cable prices was, at the EBITA level:

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

GROUP

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

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%**
on a constant basis and same days			***+2.1%***			***-3.9%***
France	746.6	**768.9**	*+3.0%*	2,797.0	**2,637.4**	*-5.7%*
on a constant basis and same days			*+1.4%*			*-6.5%*
United Kingdom	169.4	**155.4**	*-8.2%*	726.6	**604.3**	*-16.8%*
on a constant basis and same days			*-8.2%*			*-17.5%*
Germany	157.9	**181.8**	*+15.1%*	639.1	**693.3**	*+8.5%*
on a constant basis and same days			*+8.3%*			*+6.4%*
Scandinavia	254.0	**265.0**	*+4.3%*	940.2	**981.2**	*+4.4%*
on a constant basis and same days			*+2.8%*			*+3.5%*
Gross profit				2,000.0	**1,896.0**	**-5.2%**
as a % of sales				*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%**
as a % of sales				*6.2%*	*5.3%*	*-84 bps*
FTE (end of period)				15,078	**14,528**	**-3.7%**

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%**
on a constant basis and same days			***-7.8%***			***-12.3%***
United States	898.9	**858.2**	*-4.5%*	3,865.1	**3,390.0**	*-12.3%*
on a constant basis and same days			*-7.7%*			*-12.6%*
Canada	269.3	**247.1**	*-8.2%*	1,065.9	**952.1**	*-10.7%*
on a constant basis and same days			*-8.2%*			*-11.0%*
Gross profit				1,142.4	**995.3**	**-12.9%**
as a % of sales				*23.2%*	*22.9%*	*-25 bps*
Distribution & adm. expenses (incl. depreciation)				(932.1)	(833.6)	-10.6%
EBITA				210.3	**161.7**	**-23.1%**
as a % of sales				*4.3%*	*3.7%*	*-54 bps*
FTE (end of period)				8,096	**7,257**	**-10.4%**

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%**
on a constant basis and same days			***+10.8%***			***+1.6%***
China	121.0	**147.9**	*+22.2%*	472.0	**504.8**	*+6.9%*
on a constant basis and same days			*+22.7%*			*+6.9%*
Australia	124.3	**125.6**	*+1.0%*	479.7	**484.5**	*+1.0%*
on a constant basis and same days			*+1.2%*			*+0.4%*
New Zealand	26.2	**25.3**	*-3.1%*	109.9	**96.7**	*-12.1%*
on a constant basis and same days			*-3.1%*			*-12.4%*
Gross Profit				208.5	**200.8**	**-3.7%**
as a % of sales				*18.2%*	*17.2%*	*-96 bps*
Distribution & adm. expenses (incl. depreciation)				(181.9)	(178.9)	-1.6%
EBITA				26.6	**21.9**	**-17.8%**
as a % of sales				*2.3%*	*1.9%*	*-45 bps*
FTE (end of period)				2,507	**2,432**	**-3.0%**

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Appendix 3: Consolidated Financial Statement

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%**
as a % of sales	*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%**
as a % of sales	*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%**
as a % of sales	*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)**	

Bridge Between Operating Income Before Other Income And Other 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**

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%**

SALES AND PROFITABILITY BY SEGMENT

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%

CONSOLIDATED BALANCE SHEET[1]

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

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)
Gross capital expenditure	*(125.5)*	*(112.0)*
Disposal of fixed assets & other	*7.9*	*33.0*
Free cash-flow before int. & tax	**461.6**	**613.0**
Free cash flow conversion (% of EBITDAaL)	***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 Analysis

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

Appendix 5: Headcount and branches by geography

FTEs at end of period comparable	December 31, 2019	December 31, 2020	Year-on-Year Change
Europe	**15,078**	**14,528**	**-3.7%**
USA	*5,971*	*5,357*	**-10.3%**
Canada	*2,125*	*1,900*	**-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%**
USA	*382*	*382*	**0.0%**
Canada	*191*	*188*	**-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 aquisitions/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)**
as% of 2020 sales	*-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)**
as% of 2020 sales	*-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).

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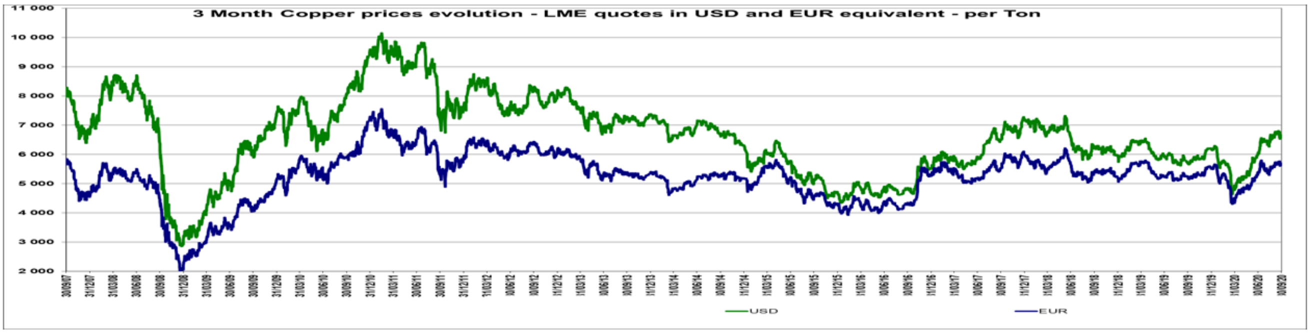
Appendix 7: Historical copper price evolution



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%**

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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 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).