

## FIRST-QUARTER 2020 SALES

## GOOD START TO THE YEAR UNTIL SHARP DETERIORATION FROM MID MARCH

UNPRECEDENTED COVID-19 CHALLENGES: PRIORITY ON EMPLOYEE AND CUSTOMER HEALTH AND SAFETY  
FOCUS ON LIQUIDITY AND COST REDUCTION

→ SALES OF €3.225bn IN Q1 2020, REFLECTING A SOLID START TO THE YEAR UNTIL COVID-19-RELATED DISRUPTION FROM MID-MARCH

- On a constant and same-day basis, sales down 3.3% after a strong start to the year
- Same-day sales through February up +0.9%, or +2.0% restated for China
- Same-day sales down 27.8% in the week of March 23, when North America started entering lockdown, and down 27.7% in the first 15 days of April

→ REAL-TIME ADAPTATION TO AN UNPRECEDENTED MIX VARIATION, WITH A FOCUS ON LIQUIDITY AND OPEX MANAGEMENT

→ 2020 GUIDANCE SUSPENDED ON MARCH 25

→ 20% CUT IN CEO AND BOARD MEMBER COMPENSATION AS OF APRIL

→ 2019 DIVIDEND CANCELLED; SUFFICIENT AVAILABLE LIQUIDITY TO NAVIGATE THE CURRENT TURMOIL

Key figures <sup>1</sup>	Q1 2020	YoY change	April 1 <sup>st</sup> to April 15 <sup>th</sup> YoY change
<b>Sales</b>	<b>€3,225.3m</b>		
On a reported basis		-2.7%	
On a constant and actual-day basis		-3.0%	
On a constant and same-day basis		-3.3%	-27.7%
<b>Same-day sales growth by geography</b>			
<b>Europe</b>	<b>€1,810.0m</b>	<b>-1.5%</b>	<b>-37.0%</b>
France	€659.3m	-6.1%	-59.8%
Scandinavia	€244.5m	+8.5%	+2.4%
Benelux	€199.2m	+3.8%	-24.1%
UK	€193.8m	-4.5%	-47.3%
Germany	€170.7m	+3.7%	+2.6%
<b>North America</b>	<b>€1,176.5m</b>	<b>-4.8%</b>	<b>-21.5%</b>
USA	€921.4m	-6.3%	-21.2%
Canada	€255.1m	+1.1%	-22.8%
<b>Asia-Pacific</b>	<b>€238.8m</b>	<b>-8.3%</b>	<b>-0.4%</b>
China	€79.6m	-24.4%	+31.3%
Australia	€114.4m	+2.5%	-9.3%

**Patrick BERARD, Chief Executive Officer, said:**

“Rexel had a strong start to 2020 with solid sales growth. This changed abruptly in mid-March with the spread of the COVID-19 pandemic to virtually all of the markets in which we operate, resulting in government-imposed lockdowns. We swiftly implemented crisis measures to protect our people, our relationships with customers and suppliers as well as the company as a whole. Our business continuity plans are keeping our branches and distribution centers operating with all the necessary social distancing and sanitary measures in place. Leveraging the digital journey on which we embarked in 2017, we had the platform in place to enable a significant part of our business to be transacted online, operating customer interfaces from thousands of remote locations using digital and telephone links. We’ve also taken strong actions to adjust operating expenses, preserve cash and protect liquidity. I would like to thank all of our employees for their hard work, flexibility and dedication. It is their responsiveness and commitment that allows Rexel to cope with this unprecedented situation. It is too early to quantify the full impact or length of this crisis, but I am confident in Rexel’s proven ability to adjust to whatever business situation we face when normal activity resumes.”

**SALES REVIEW FOR THE PERIOD ENDED MARCH 31, 2020**

► Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.

**SALES IN Q1 2020 LARGELY IMPACTED BY COVID-19 SITUATION AND PROGRESSIVE LOCKDOWN IN OUR MAIN COUNTRIES**

**In Q1, sales were down 2.7% year-on-year on a reported basis and down 3.3% on a constant and same-day basis. This reflects good momentum until end-February, followed by a progressive deterioration with the adoption of lockdown measures, first in Europe and later in North America. Same-day sales at group level were down 27.8% in the week of March 23.**

In the first quarter, Rexel posted sales of €3,225.3 million, down 2.7% on a reported basis, including:

- A positive currency effect of €29.8million (i.e. +0.9% of Q1 2019 sales), mainly due to the appreciation of the US dollar and Swiss Franc
- A negative net scope effect of €20.5 million (i.e. -0.6% of Q1 2019 sales), resulting from the divestments of Gexpro Services in the US and Spanish export activity to a lesser extent
- A positive calendar effect of 0.3 percentage points.

On a constant and same-day basis, sales were down 3.3%, including a negative effect from the change in copper-based cable prices (-0.4% in Q1 20 vs -0.5% in Q1 19).

The evolution of activity was closely correlated with the COVID-19 situation and particularly with lockdown measures imposed by governments in countries in which we operate. More specifically:

- Same-day sales grew 0.9% through February (or +2.0% restated for China, which was impacted earlier by COVID-19) notably thanks to positive momentum in our key European markets, before a turning point in week 11 (from March 9), when Italy and Spain went into lockdown due to the pandemic.
- The decrease in activity accelerated sharply as of week 12 (From March 16), when same-day sales were down 12% as lockdown measures spread throughout Europe. The downward trend continued through week 13 (From March 23) at -27.8%, with North America moving to a lockdown, week 14 (from April 1) down 25.6% and week 15 (from April 8) down 30.1%.

**Europe (56% of Group sales): -1.5% in Q1 on a constant and same-day basis**

In the first quarter, sales in Europe decreased by -0.2% on a reported basis, including a positive currency effect of €2.6m (+0.1% mainly due to the appreciation of the Swiss Franc against the euro) and a negative scope effect of €1.0m (-0.1%). On a constant and same-day basis, sales were down 1.5%.

After a good start through February, notably driven by our key countries such as France, Europe faced a particularly sharp drop beginning the week of March 16, when much of the continent was in lockdown.

Sales trends varied very significantly from one country to another, reflecting different government policies concerning confinement measures and lockdown.

As a result, sales drops in Southern Europe, where strict lockdowns were enforced, are significantly higher than in Northern European countries such as Germany, the Netherlands or Sweden, where business held up better.

As an illustration, in the week of March 23 sales dropped by as much as circa 65% in France and 56% in Southern Europe (Italy, Spain, Portugal) while Germany and Scandinavia (Sweden, Norway and Finland) were up +1.6% and +2.9% respectively.

**North America (37% of Group sales): -4.8% in Q1 on a constant and same-day basis**

In the first quarter, sales in North America were down -4.6% on a reported basis, including a positive currency effect of €34.2m (+2.8% mainly due to the appreciation of the US dollar against the euro) and a negative scope effect of €19.5m or -1.6% following the disposal of our Gexpro Services business. On a constant and same-day basis, sales were down 4.8%, impacted by the US.

- In **the US** (78% of the region's sales), sales were down 6.3% on a same-day basis due to lower industrial demand. They were also impacted by an accelerating deterioration at the end of the quarter, with a 17.3% drop in same-day sales in the week of March 23. In this COVID-19 environment, the situation varies from state to state within the US with significant drops in sales in regions such as Gulf Central, California and Northeast and better resilience in the Midwest, the Southeast and Florida.
- In **Canada** (22% of the region's sales), sales were up 1.1% on a same-day basis, with good momentum in the first two months, partly offset by the deterioration that started in the week of March 23, with a same-day sales decline of 22.2%.

**Asia-Pacific (7% of Group sales): -8.3% in Q1 on a constant and same-day basis**

In the first quarter, sales in Asia-Pacific were down 10.8% on a reported basis, including a negative currency effect of €7.1m, or -2.6% mainly due to the depreciation of the Australian dollar against the euro. On a constant and same-day basis, sales were down 8.3%.

- In the Pacific (58% of the region's sales), sales were up 1.5% on a constant and same-day basis:
  - In **Australia** (82% of Pacific's sales), sales were up 2.5%, outperforming in construction-related business, which was slightly affected by the Covid-19 situation as of March 23.
  - In **New Zealand** (18% of the Pacific's sales), sales were down 3.2% with a complete lockdown since March 26<sup>th</sup>.
- In Asia (42% of the region's sales), sales were down 19.2%:
  - In **China** (80% of Asia's sales), sales dropped by 24.4%, as China was hit earlier than others by the Covid-19 crisis. Sales dropped significantly for the first six weeks, before bouncing back in the following six weeks.
  - **Middle East and India** (20% of Asia's sales), India posted a strong performance (+19.6%), offsetting a slight deterioration in the Middle East (-3.0%)

**BUSINESS CONTINUITY IN THE COVID-19 ENVIRONMENT**

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In the face of an unprecedented environment, the health and safety of our 26,000 employees and of our customers is our main priority. We quickly implemented sanitary measures in order to keep our operations running.

Our key activities, from logistics centers to branches, are fully operational, with very few exceptions. At the end of March, 94% of our branches and all distribution centers were open. While some branches are running normally, in full compliance with sanitary measures, others are used as pick-up points for orders placed digitally or by telephone.

We adapted quickly to the situation, with a complete shift of our operating model in less than 10 days:

- One-third of our workforce is working from home. In addition to back-office functions, we also managed in a very short time to transfer work from call centers to home.
- We rolled out digital tools to allow our teams and more specifically our sales forces to be fully operational.
- We have ensured business continuity while respecting all applicable sanitary measures, thanks to our digital tools, such as Track and Trace, self-check-out, drive-in services or lockers.

## MEASURES IMPLEMENTED TO PROTECT OUR PROFITABILITY

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Our 2019 operating expenses (including Depreciation & Amortization) of €2.7bn can be split, by nature, as follows:

- 18% are fixed costs, including Building & Occupancies as well as some IT & Network communication costs. Note that the €116m of leases classified as Depreciation & Amortization, under IFR16 are included in the Building & Occupancies category to provide a better understanding of our cost base
- 53% are flexible costs, including Salary & Benefits and related tax, as well as travel and professional costs
- 25% are variable costs, notably including commissions for our salespeople and transportation costs
- 4% are Depreciation & Amortization, excluding €116m of leases reclassified in Building & Occupancies.

In order to navigate this challenging environment, Rexel has quickly implemented action plans on every category of costs to adapt to an unprecedented disruption of our business impacting the mix of customers, products, countries, regions, channel and human resources:

- Salaries & Benefits in April were reduced by 27% at Group level
  - All partial unemployment measures announced by governments have been implemented in the countries in which we operate
  - North America has also implemented measures such as wage reductions, temporary layoffs and “absence no pay” policies
- The majority of our temporary contracts were stopped
- All projects with no short-term impact on business were put on hold
- The majority of our travel and professional costs have been drastically reduced.

In addition,

- The base salary of Rexel’s CEO will be cut by 20% as of April and his 2019 bonus will be paid in late 2020 or early 2021
- Board members will also reduce their compensation by 20% as of April

## CASH MANAGEMENT AND FOCUS ON LIQUIDITY

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Our focus is on cost management and cash generation, with liquidity as our key performance indicator. This is monitored on a daily basis, and we have taken measures such as:

- Dynamic Inventory adaptation by product/customer category, geography
- Close monitoring of our customers
- Tight management of payables
- Suspension of capex projects pending reassessment on a case-by-case basis
- Social and tax deferral authorized by governments in most countries

On March 25, we announced the partial draw-down of our Senior Credit Lines (€550m out of €850m available) as a conservative measure to give us additional liquidity headroom, even though we are not facing any short-term issues.

At March 31, 2020, the liquidity stood at €1.13bn, including available cash with the sale of Gexpro services and the €300m undrawn Senior Credit Line. This level of availability liquidity is sufficient to navigate the current turmoil.

## OUTLOOK

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In our Press Release published on March 25, we suspended our 2020 guidance, which is no longer relevant in the current unprecedented environment. Visibility remains very low and we will continue to adapt permanently to the environment.

In addition, the Board of Directors has decided to refrain from proposing the payment of a dividend in respect of 2019 at the next Annual General Meeting, which has been postponed to 25 June 2020.

## CALENDAR

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June 25, 2020	Annual Shareholder Meeting
July 28, 2020	Second-quarter sales and first-half 2020 results

## FINANCIAL INFORMATION

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A slideshow of the first-quarter 2020 sales is also available on the Group's website.

## ABOUT REXEL GROUP

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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 26 countries, with more than 26,000 employees. The Group's sales were €13.74 billion in 2019.

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, Ethibel Sustainability Index Excellence Europe, Euronext VigeoEiris Europe 120 Index, Dow Jones Sustainability Index Europe and STOXX® Global Climate Change Leaders, in recognition of its performance in corporate social responsibility (CSR). Rexel is on the CDP "Climate A List".

For more information, visit Rexel's web site at [www.rexel.com/en](http://www.rexel.com/en)

## CONTACTS

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## GLOSSARY

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**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.

**RECURRING NET INCOME** is defined as net income adjusted 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.

**APPENDICES**
**Appendix 1: 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.

**GROUP**

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
<b>Sales</b>	3,324.2	<b>3,225.3</b>	<b>-3.0%</b>
<i>on a constant basis and same days</i>			<b>-3.3%</b>

**EUROPE**

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
<b>Sales</b>	1,815.6	<b>1,810.0</b>	<b>-0.3%</b>
<i>on a constant basis and same days</i>			<b>-1.5%</b>
France	691.1	<b>659.3</b>	-4.6%
<i>on a constant basis and same days</i>			-6.1%
United Kingdom	199.6	<b>193.8</b>	-2.9%
<i>on a constant basis and same days</i>			-4.5%
Germany	163.4	<b>170.7</b>	+4.5%
<i>on a constant basis and same days</i>			+3.7%
Scandinavia	224.4	<b>244.5</b>	+8.9%
<i>on a constant basis and same days</i>			+8.5%

**NORTH AMERICA**

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
<b>Sales</b>	1,248.1	<b>1,176.5</b>	<b>-5.7%</b>
<i>on a constant basis and same days</i>			<b>-4.8%</b>
United States	999.7	<b>921.4</b>	-7.8%
<i>on a constant basis and same days</i>			-6.3%
Canada	248.3	<b>255.1</b>	+2.7%
<i>on a constant basis and same days</i>			+1.1%

**ASIA-PACIFIC**

Constant and adjusted basis (€m)	Q1 2019	Q1 2020	Change
<b>Sales</b>	260.6	<b>238.8</b>	<b>-8.4%</b>
<i>on a constant basis and same days</i>			<b>-8.3%</b>
China	107.0	<b>79.6</b>	-25.6%
<i>on a constant basis and same days</i>			-24.4%
Australia	109.8	<b>114.4</b>	+4.2%
<i>on a constant basis and same days</i>			+2.5%
New Zealand	24.8	<b>24.4</b>	-1.6%
<i>on a constant basis and same days</i>			-3.2%

**Appendix 2: Calendar, scope and currency effects on sales**

Based on the assumption of the following average exchange rates:

1 €	=	1.10	USD
1 €	=	1.54	CAD
1 €	=	1.77	AUD
1 €	=	0.88	GBP

and based on acquisitions/divestments to date, 2019 sales should take into account the following estimated impacts to be comparable to 2020 :

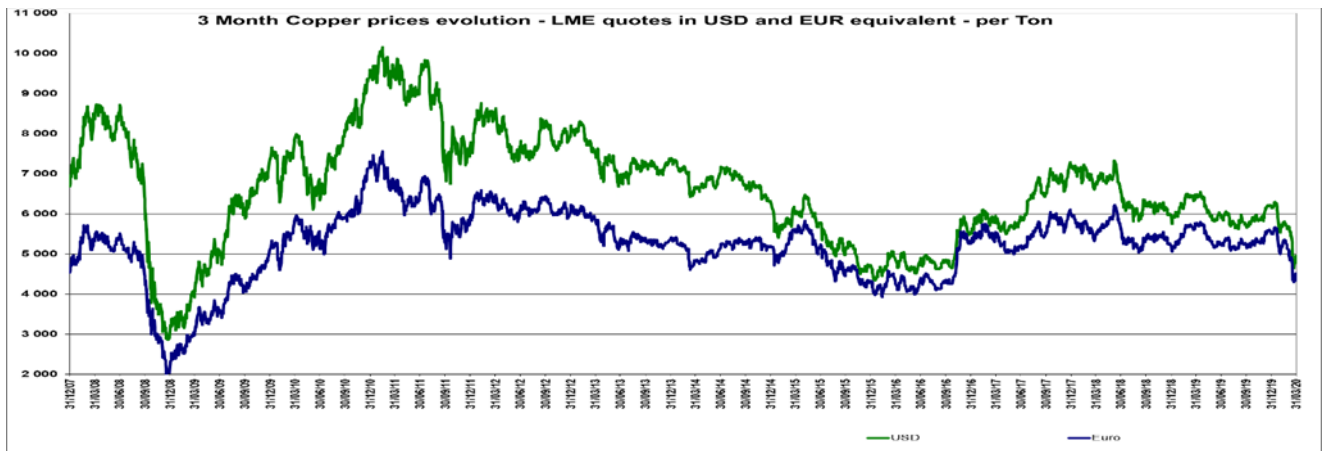
	Q1 actual	Q2e	Q3e	Q4e	FYe
<b>Scope effect at Group level</b>	<b>(20.5)</b>	<b>(58.1)</b>	<b>(57.8)</b>	<b>(55.4)</b>	<b>(191.7)</b>
<i>as% of 2019 sales</i>	-0.6%	-1.7%	-1.7%	-1.6%	-1.4%
<b>Currency effect at Group level</b>	<b>29.8</b>	<b>(10.2)</b>	<b>(22.6)</b>	<b>(36.1)</b>	<b>(39.2)</b>
<i>as% of 2019 sales</i>	0.9%	-0.3%	-0.7%	-1.0%	-0.3%
<b>Calendar effect at Group level</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>1.6%</b>	<b>0.6%</b>
Europe	1.2%	0.1%	0.7%	1.3%	0.8%
USA	-1.5%	0.0%	0.0%	3.4%	0.4%
Canada	1.6%	0.1%	0.0%	0.0%	0.4%
North America	-0.9%	0.0%	0.0%	2.6%	0.4%
Asia	-1.5%	-0.6%	1.4%	-1.2%	-0.5%
Pacific	1.6%	1.0%	0.0%	-0.2%	0.6%
Asia-Pacific	-0.1%	0.2%	0.7%	-0.7%	0.1%

**Appendix 3: Analysis of change in revenues (€m)**

Q1	Europe	North America	Asia-Pacific	Group
<b>Reported sales 2019</b>	<b>1,814.0</b>	<b>1,233.4</b>	<b>267.7</b>	<b>3,315.0</b>
+/- Net currency effect	0.1%	2.8%	-2.6%	0.9%
+/- Net scope effect	-0.1%	-1.6%	0.0%	-0.6%
<b>= Comparable sales 2019</b>	<b>1,815.6</b>	<b>1,248.1</b>	<b>260.6</b>	<b>3,324.2</b>
<b>+/- Actual-day organic growth, of which:</b>	<b>-0.3%</b>	<b>-5.7%</b>	<b>-8.4%</b>	<b>-3.0%</b>
<i>Constant-same day excl. copper</i>	-1.2%	-4.2%	-8.5%	-2.9%
<i>Copper effect</i>	-0.3%	-0.6%	0.2%	-0.4%
<b>Constant-same day incl. copper</b>	<b>-1.5%</b>	<b>-4.8%</b>	<b>-8.3%</b>	<b>-3.3%</b>
Calendar effect	1.2%	-0.9%	-0.1%	0.3%
<b>= Reported sales 2020</b>	<b>1,810.0</b>	<b>1,176.5</b>	<b>238.8</b>	<b>3,225.3</b>
YoY change	-0.2%	-4.6%	-10.8%	-2.7%



Appendix 4: 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
<b>2020</b>	<b>5,651</b>				
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
<b>2020 vs. 2019</b>	<b>-9%</b>				

€/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
<b>2020</b>	<b>5,124</b>				
2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
<b>2020 vs. 2019</b>	<b>-6%</b>				

**DISCLAIMER**

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*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: 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. 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, as well as the consolidated financial statements and activity report for the 2019 fiscal year which may be obtained from Rexel's website ([www.rexel.com](http://www.rexel.com)).*