

THIRD-QUARTER 2019 SALES
REVENUE GROWTH FOR THE 12th CONSECUTIVE QUARTER
SAME-DAY SALES UP 0.9%
FULL-YEAR FINANCIAL TARGETS CONFIRMED

→ SALES OF €3,422.2bn IN Q3

- On a constant and same-day basis, sales up 0.9%, or 1.9% excluding asset disposals and turnaround measures, of which:
 - Europe: down 0.7%, or +1.0% excluding branch closures in Germany and Spain
 - North America: +2.8%, driven by Canada
 - Asia-Pacific: +2.7%
- Organic actual-day growth of 1.9%, including +1.0% from calendar and -0.3% from copper
- Reported sales growth of 3.3%, including currency (+1.7%) and scope (-0.3%) effects

→ SLOWER GROWTH THAN IN Q2 19 EXPLAINED BY LOWER INDUSTRIAL DEMAND, ESPECIALLY IN THE US AND IN GERMANY, AS WELL AS BUSINESS SELECTIVITY AND EXPECTED UNFAVORABLE BASE EFFECT

→ DIGITAL REVENUE UP 13.2% IN Q3, NOW REPRESENTING 17.5% OF TOTAL SALES AND 26.3% OF SALES IN EUROPE (UP 300 BPS)

→ FULL-YEAR FINANCIAL TARGETS CONFIRMED

Key figures ¹	Q3 2019	YoY change	9m 2019	YoY change
Sales	€3,422.2m		€10,221.7m	
On a reported basis		+3.3%		+3.6%
On a constant and actual-day basis		+1.9%		+1.9%
On a constant and same-day basis		+0.9%		+2.1%
Same-day sales growth by geography				
Europe	€1,780.8m	-0.7%	€5,425.7m	-0.4%
France	€661.8m	+3.3%	€2,050.3m	+2.9%
Scandinavia	€228.7m	+1.1%	€701.1m	+3.2%
Benelux	€178.1m	+9.6%	€568.3m	+11.7%
UK	€180.6m	-10.6%	€558.2m	-8.8%
Germany	€162.0m	-17.2%	€481.2m	-19.6%
North America	€1,335.2m	+2.8%	€3,918.9m	+5.9%
USA	€1,045.7m	+1.8%	€3,107.2m	+6.1%
Canada	€289.5m	+6.3%	€811.7m	+5.4%
Asia-Pacific	€306.2m	+2.7%	€877.0m	+1.4%
China	€122.8m	+7.6%	€357.9m	+8.6%
Australia	€128.8m	+1.5%	€367.5m	-1.6%

¹ See definition in the Glossary section of this document

Patrick BERARD, Chief Executive Officer, said:

“Rexel posted sales growth for the twelfth consecutive quarter in Q3, demonstrating the continuing effectiveness of the various initiatives we have been implementing over the past three years. The third quarter saw a slowdown in growth, partly due to a more difficult environment in the industrial segment in the US and Germany. It also reflects a conscious decision by the group to be more selective in our mix of business in order to improve profitability and cash generation. Despite a challenging environment, we remain focused on reaching our full-year financial targets.”

SALES REVIEW FOR THE PERIOD ENDED SEPTEMBER 30, 2019

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

SALES

In Q3, sales were up 3.3% year-on-year on a reported basis and up 0.9% on a constant and same-day basis, reflecting solid sales momentum in Canada, key European countries and China.

In the third quarter, Rexel posted sales of €3,422.2 million, up 3.3% on a reported basis, including:

- A positive currency effect of €54.7 million (i.e. +1.7% of Q3 2018 sales), mainly due to the appreciation of the US and Canadian dollars against the euro,
- A negative net scope effect of €10.4 million (i.e. -0.3% of Q3 2018 sales), resulting from divestments in China,
- A positive calendar effect of 1.0 percentage point.

On a constant and same-day basis, sales were up 0.9%, including a negative effect from the change in copper-based cable prices (-0.3% in Q3 19 vs +0.3% in Q3 18).

In 9m, Rexel posted sales of €10,221.7 million, up 3.6% on a reported basis. On a constant and same day basis, sales were up 2.1%, including a negative impact of 0.3% from the change in copper-based cable prices.

The 3.6% increase in sales on a reported basis included:

- A positive currency effect of €192.7 million (i.e. +2.0% of 9m 2018 sales), mainly due to the appreciation of the US and Canadian dollars against the euro,
- A negative net scope effect of €33.7 million (i.e. -0.3% of 9m 2018 sales), resulting from divestments in China.
- A negative calendar effect of 0.2 percentage points.

Europe (52% of Group sales): -0.7% in Q3 on a constant and same-day basis

In the third quarter, sales in Europe increased by 0.8% on a reported basis, including a limited negative currency effect of €1.4m (mainly due to the depreciation of the Swedish Krona against the euro). On a constant and same-day basis, sales were down 0.7% (or up 1.0% excluding branch closures in Germany and Spain).

- Sales in **France** (37% of the region's sales) were up 3.3%, with continuing good momentum in commercial and residential markets, while industrial is growing at a slower pace. With a continuous focus on digital, which accounted for 17.3% of sales in the country in Q3 (up 30% vs Q3 18), adoption of analytical tools is accelerating.
- Sales in **Scandinavia** (13% of the region's sales) were up 1.1%, with positive momentum in Sweden, up +5.5% in a good market environment; commercial and industrial projects (including demand in Electric Vehicles) more than offset negative momentum in residential. Norway and Finland were down 3.3%;
- In **the UK** (10% of the region's sales), sales dropped by 10.6%, as a result of market deterioration, customer selectivity and branch closures (-1.5% impact – 28 branch closures of which 13 in 2019). London and the Central area are the most affected, down 18% and 12% respectively. In this uncertain business environment, further restructuring measures are under consideration.
- **Benelux** (10% of the region's sales) posted solid 9.6% growth, with good momentum in residential and commercial offsetting lower growth in the industrial business. Photovoltaic business was a positive growth driver for the region;

- Sales in **Germany** (9% of the region's sales) were down 17.2%, or -4.6% restated for the closure of 17 branches in Q3 2018, mainly due to deterioration in the industrial end-market. Solid fundamentals have been reestablished post-reorganization of our C&I business.
- Sales in **Switzerland** (7% of the region's sales) grew by 2.2%, with good underlying demand in building & industrial automation.

North America (39% of Group sales): +2.8% in Q3 on a constant and same-day basis

In the third quarter, sales in North America were up 7.7% on a reported basis, including a positive currency effect of €55.5m (mainly due to the appreciation of the US dollar against the euro). On a constant and same-day basis, sales were up 2.8%, mainly driven by Canada.

- In **the US** (78% of the region's sales), sales were up 1.8% on a same-day basis. Same-day sales growth was lower on a slowdown in the industrial business, mainly due to the trade war with China, business selectivity (in order to protect profitability) and a more challenging base effect. Residential is up in mid-single digits in a broadly flat market, thanks to investments in branches and in sales reps, contributing for c. 1.5% of same-day sales growth in Q3;
- In **Canada** (22% of the region's sales), sales were up 6.3% on a same-day basis, mainly fueled by commercial projects and cable. We also benefited from positive demand from industry end-users and initiatives in our proximity business (harmonization of our core offer plan across the country). The good momentum is expected to continue thanks to a solid backlog.

Asia-Pacific (9% of Group sales): +2.7% in Q3 on a constant and same-day basis

In the third quarter, sales in Asia-Pacific were down 0.1% on a reported basis, including a negative scope effect of €10.4m following the disposal of our business in China in Q4 18 and a positive currency effect of €0.5m, mainly due to the appreciation of the US dollar against the euro. On a constant and same-day basis, sales were up 2.7%.

- In the Pacific (52% of the region's sales), sales were up 1.2% on a constant and same-day basis:
 - In **Australia** (80% of Pacific's sales), sales were up 1.5%. Industrial business remained positive, offsetting the slowdown in residential and commercial markets.
 - In **New Zealand** (20% of Pacific's sales), sales were down 0.4%.
- In Asia (48% of the region's sales), sales were up 4.4%:
 - In **China** (84% of Asia), sales grew by 7.6%, mainly driven by a large project (€19.6m) whose contribution was nevertheless lower than in Q1 and Q2. Underlying business was down in mid-single digits with the industrial business impacted by the trade war;
 - **Middle East and India** (16% of Asia). Middle East was down 38.2% impacted by a large project that benefited Q3 2018 (+ €6.0M). **India** posted a strong performance, up 19.9%, with solid industrial demand.

OUTLOOK

Consistent with our medium-term ambition and assuming no material changes in the macroeconomic environment, we target for 2019, at comparable scope of consolidation and exchange rates:

- **A 2% to 4% same-day sales growth, excluding an estimated unfavorable impact of 1% from branch closures in Germany and Spain;**
- **A 5% to 7% increase in adjusted EBITA¹;**
- **A further improvement of the indebtedness ratio (net debt-to-EBITDA²).**

¹ excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices. At comparable scope and 2018 average currency conditions, we estimate an impact of +€1 million on our 2019 adjusted EBITA

² as calculated under the Senior Credit Agreement terms

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 2.

CALENDAR

February 13, 2020	Fourth-quarter and full-year 2019 results
April 21, 2020	First-quarter 2020 sales publication
April 21, 2020	Annual shareholders' meeting

FINANCIAL INFORMATION

A slideshow of the third-quarter 2019 sales 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 some 2,000 branches in 26 countries, with nearly 27,000 employees. The Group's sales were €13.37 billion in 2018. 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 Eurozone 120, 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

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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.

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)	Q3 2018	Q3 2019	Change	YTD 2018	YTD 2019	Change
Sales	3,357.4	3,422.2	+1.9%	10,027.8	10,221.7	+1.9%
<i>on a constant basis and same days</i>			+0.9%			+2.1%

EUROPE

Constant and adjusted basis (€m)	Q3 2018	Q3 2019	Change	YTD 2018	YTD 2019	Change
Sales	1,765.4	1,780.8	+0.9%	5,446.3	5,425.7	-0.4%
<i>on a constant basis and same days</i>			-0.7%			-0.4%
France	629.3	661.8	+5.2%	1,992.8	2,050.3	+2.9%
<i>on a constant basis and same days</i>			+3.3%			+2.9%
United Kingdom	202.1	180.6	-10.6%	615.2	558.2	-9.3%
<i>on a constant basis and same days</i>			-10.6%			-8.8%
Germany	193.0	162.0	-16.1%	597.3	481.2	-19.4%
<i>on a constant basis and same days</i>			-17.2%			-19.6%
Scandinavia	222.4	228.7	+2.8%	679.7	701.1	+3.2%
<i>on a constant basis and same days</i>			+1.1%			+3.2%

NORTH AMERICA

Constant and adjusted basis (€m)	Q3 2018	Q3 2019	Change	YTD 2018	YTD 2019	Change
Sales	1,295.4	1,335.2	+3.1%	3,715.6	3,918.9	+5.5%
<i>on a constant basis and same days</i>			+2.8%			+5.9%
United States	1,027.0	1,045.7	+1.8%	2,945.6	3,107.2	+5.5%
<i>on a constant basis and same days</i>			+1.8%			+6.1%
Canada	268.3	289.5	+7.9%	770.1	811.7	+5.4%
<i>on a constant basis and same days</i>			+6.3%			+5.4%

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q3 2018	Q3 2019	Change	YTD 2018	YTD 2019	Change
Sales	296.6	306.2	+3.2%	865.9	877.0	+1.3%
<i>on a constant basis and same days</i>			+2.7%			+1.4%
China	114.8	122.8	+7.0%	330.0	357.9	+8.4%
<i>on a constant basis and same days</i>			+7.6%			+8.6%
Australia	125.0	128.8	+3.1%	373.2	367.5	-1.5%
<i>on a constant basis and same days</i>			+1.5%			-1.6%
New Zealand	31.3	31.7	+1.1%	86.7	87.2	+0.6%
<i>on a constant basis and same days</i>			-0.4%			+0.6%

Appendix 2: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.12	USD
1 €	=	1.49	CAD
1 €	=	1.61	AUD
1 €	=	0.89	GBP

and based on acquisitions/divestments to date, 2018 sales should take into account the following estimated impacts to be comparable to 2019 :

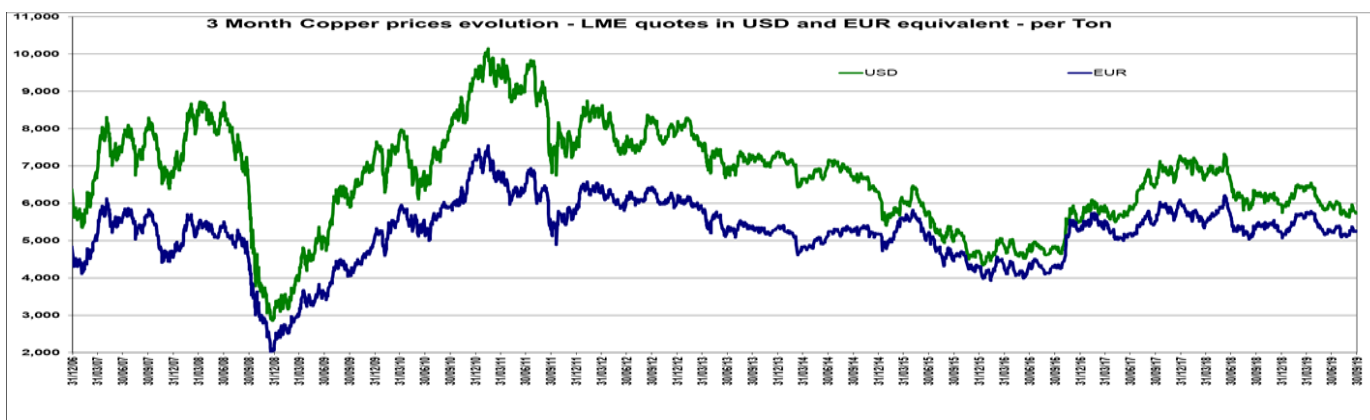
	Q1 actual	Q2 actual	Q3 actual	Q4e	FYe
Scope effect at Group level	(12.1)	(11.2)	(10.4)	(14.5)	(48.3)
<i>as% of 2018 sales</i>	-0.4%	-0.3%	-0.3%	-0.4%	-0.4%
Currency effect at Group level	76.1	61.9	54.7	40.3	233.0
<i>as% of 2018 sales</i>	2.4%	1.8%	1.7%	1.2%	1.7%
Calendar effect at Group level	-1.0%	-0.6%	1.0%	0.3%	0.0%
Europe	-0.8%	-0.6%	1.5%	-0.3%	-0.1%
USA	-1.7%	-0.1%	0.0%	1.6%	0.0%
Canada	0.0%	-1.6%	1.6%	0.0%	0.0%
North America	-1.4%	-0.4%	0.3%	1.2%	0.0%
Asia	-0.2%	-0.4%	-0.5%	0.6%	-0.1%
Pacific	0.2%	-1.7%	1.5%	0.1%	0.0%
Asia-Pacific	0.0%	-1.1%	0.6%	0.4%	0.0%

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

Q3	Europe	North America	Asia-Pacific	Group
Reported sales 2018	1,766.8	1,239.9	306.4	3,313.0
+/- Net currency effect	-0.1%	4.5%	0.2%	1.7%
+/- Net scope effect	0.0%	0.0%	-3.4%	-0.3%
= Comparable sales 2018	1,765.4	1,295.4	296.6	3,357.4
+/- Actual-day organic growth, of which:	0.9%	3.1%	3.2%	1.9%
<i>Constant-same day excl. copper</i>	-0.3%	3.6%	2.6%	1.4%
<i>Copper effect</i>	-0.4%	-0.8%	0.1%	-0.5%
Constant-same day incl. copper	-0.7%	2.8%	2.7%	0.9%
<i>Calendar effect</i>	1.6%	0.3%	0.5%	1.0%
= Reported sales 2019	1,780.8	1,335.2	306.2	3,422.2
YoY change	0.8%	7.7%	-0.1%	3.3%

9m	Europe	North America	Asia-Pacific	Group
Reported sales 2018	5,447.8	3,520.5	900.5	9,868.8
+/- Net currency effect	0.0%	5.5%	-0.1%	2.0%
+/- Net scope effect	0.0%	0.0%	-3.7%	-0.3%
= Comparable sales 2018	5,446.3	3,715.6	865.9	10,027.8
+/- Actual-day organic growth, of which:	-0.4%	5.5%	1.3%	1.9%
<i>Constant-same day excl. copper</i>	-0.1%	6.6%	1.1%	2.5%
<i>Copper effect</i>	-0.3%	-0.7%	0.3%	-0.4%
Constant-same day incl. copper	-0.4%	5.9%	1.4%	2.1%
<i>Calendar effect</i>	0.1%	-0.4%	-0.1%	-0.2%
= Reported sales 2019	5,425.7	3,918.9	877.0	10,221.7
YoY change	-0.4%	11.3%	-2.6%	3.6%

Appendix 4: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY	€/t	Q1	Q2	Q3	Q4	FY
2017	5,855	5,692	6,384	6,856	6,200	2017	5,498	5,168	5,434	5,823	5,483
2018	6,997	6,907	6,139	6,158	6,544	2018	5,693	5,797	5,279	5,395	5,538
2019	6,219	6,129	5,829			2019	5,476	5,454	5,243		
2017 vs. 2016	+25%	+20%	+33%	+30%	+27%	2017 vs. 2016	+30%	+23%	+27%	+19%	+24%
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%	2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-11%	-11%	-5%			2019 vs. 2018	-4%	-6%	-1%		

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: 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 Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 3, 2019 under number D.19-0264. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on April 3, 2019 under number D.19-0264, as well as the consolidated financial statements and activity report for the 2018 fiscal year which may be obtained from Rexel's website (www.rexel.com).