

# Q3 and 9-month 2018 results

October 31, 2018

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Consolidated financial statements as of September 30, 2018 were authorized for issue by the Board of Directors held on October 30, 2018.



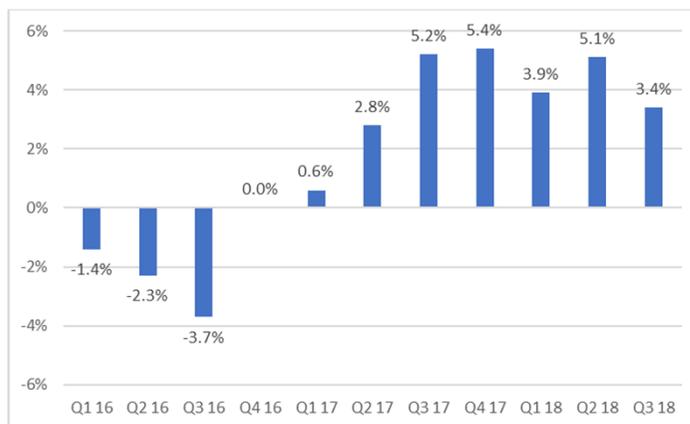
# Q318 & 9-MONTH KEY HIGHLIGHTS

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## Q3: Sales growth for the 8<sup>th</sup> consecutive quarter and solid recurring net income

- Same day sales growth up +3.4% in Q3 18:
  - with a lower copper contribution of 0.3% vs 1.5% in Q3 17
  - despite the effect of the transformation in Germany and Spain



- Back to sustainable growth in US after years of underperformance
- German transformation completed, business positioned on more profitable segments
- Recurring net income up 20% in the quarter

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Sales

**3,313** € million

Gross margin

**24.2%** -13bps

Adj. EBITA growth vs. Q3 17

**+9.2%** at €147m

Adj. EBITA margin

**4.4%** +22bps

9 months: Adjusted Ebita up +5.1%

Sales

**9,869**

€ million

+4.1% on same-day basis

Adj. EBITA

**435.0**

€ million

+5.1% vs 9m 17

Recurring net income

**+15.3%**

vs. 9m 17

at €240.1m

Gross Margin

**24.6%**

-4bps vs. 9m 17

Adj. EBITA margin

**4.4%**

+4bps

Free Cash Flow bef int. & tax

**Improvement  
of €37.3m**

at €56.6m

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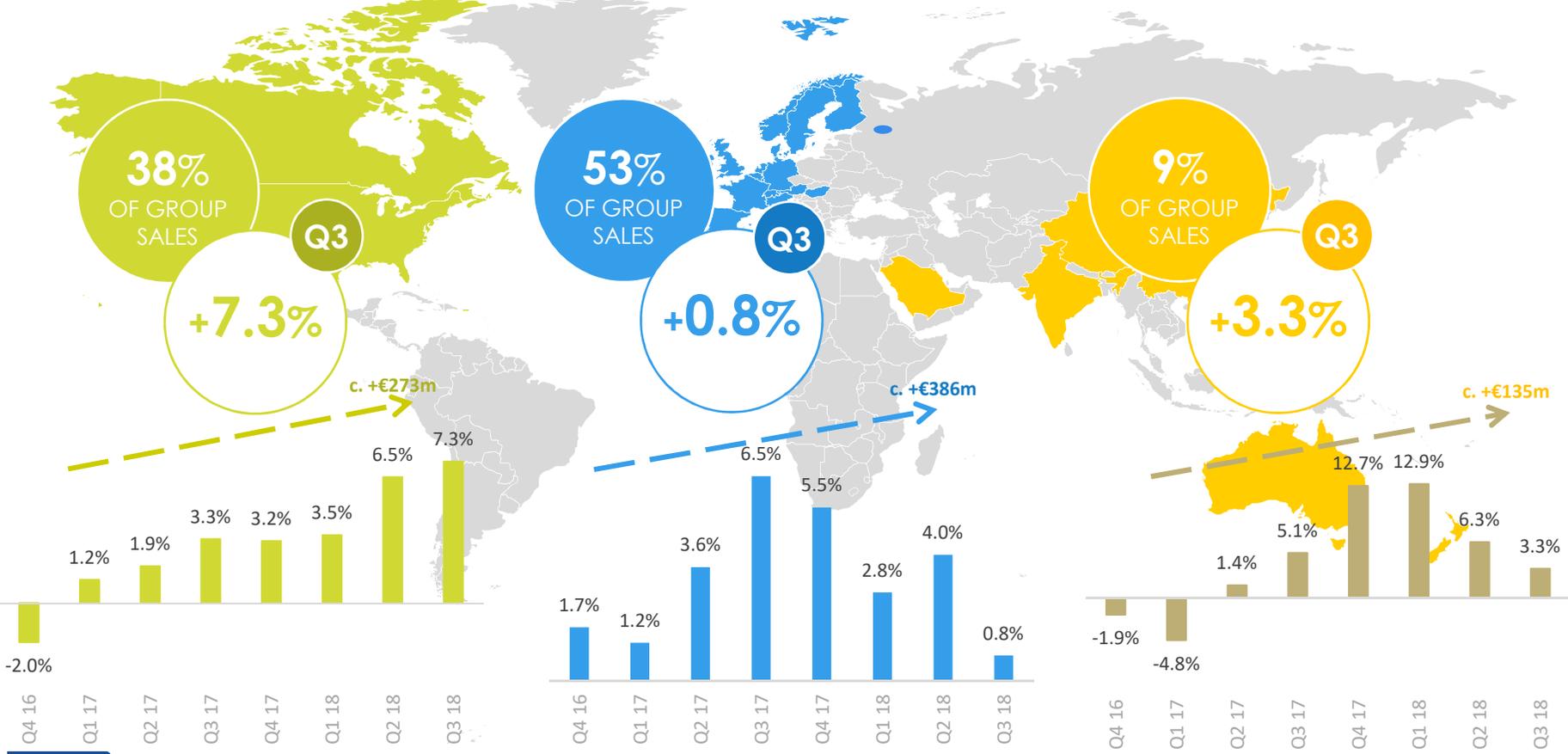


# REVIEW BY GEOGRAPHY

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# Same-day sales growth in all our geographies in Q3



## Europe: Good sales momentum; transformation on track

Sales

**1,766.8**

€ million

Constant

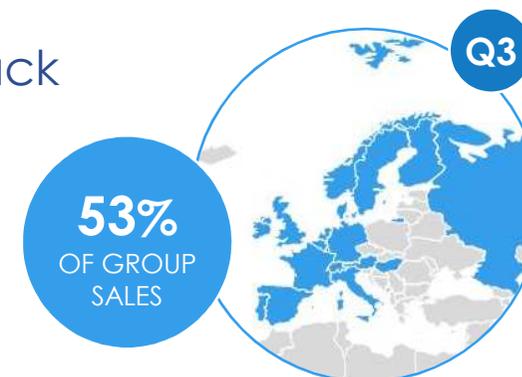
**+0.8%**

& same-day

- Sales in France were up 0.8%, on a challenging base effect, supported by good demand in residential and industrial markets
- Positive trends in most key countries including Switzerland, Benelux, Sweden
- Transformation plans in key markets on track:
  - In Germany, the closure of the 17 branches as well as the rationalization of our Distribution Centers and the HQ is completed (-11.4% impact on Q3 sales). Our organization is now focused on more profitable business.
  - In Spain, the 12 branch closures and 4 mergers are completed and the logistics reorganization is expected to be finalized by mid-2019.
- In the UK, sales dropped by 2.9%, mainly due to lower business with 6 large C&I accounts (-2.2% impact), 30 branch closures (-1% impact) and our sales force reorganization (57 FTE added since May), which continued to affect us in a declining market

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	WEIGHT	Q3 18 vs. Q3 17 <sup>1</sup>
<b>France</b>	<b>36%</b>	<b>+0.8%</b>
<b>Scandinavia</b>	<b>13%</b>	<b>+3.5%</b>
<b>UK</b>	<b>12%</b>	<b>-2.9%</b>
<b>Germany</b>	<b>11%</b>	<b>-10.9%</b>
<b>Benelux</b>	<b>9%</b>	<b>+6.8%</b>
<b>Switzerland</b>	<b>7%</b>	<b>+7.4%</b>

<sup>1</sup> Same-day change — 7

## Europe: Digital sales up 14.2% in Q3

Sales

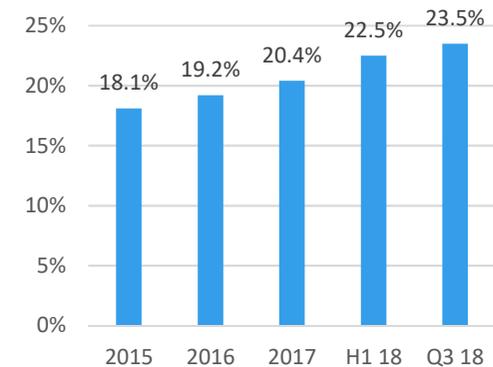
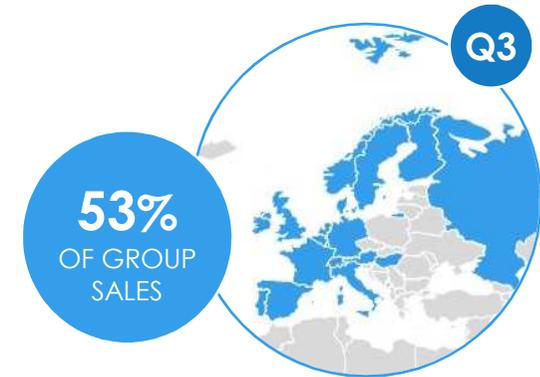
**1,766.8**

€ million

Digital sales

**23.5%**

- **Boost in digital sales in Europe with a 23.5% penetration rate in Q3 18 (vs 20.8% in Q3 17)**
  - 4 countries have penetration rates above 40%
  - Penetration rate increased by
    - c. 240bps in France to 14% in Q3 18 (+24% increase in digital sales)
    - c. 500bps in Switzerland, the Netherlands and Sweden



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## North America: New organization allows us to capture growth opportunities

Sales  
**1,239.9**  
€ million

Constant  
**+7.3%**  
& same-day

	WEIGHT	Q3 18 vs. Q3 17 <sup>1</sup>
USA	79%	+8.0%
Canada	21%	+4.8%



- **USA: Sales grew in high single digits for the second consecutive quarter, confirming our regained ability to capture market growth and gain market share in specific regions**
  - Changed business approach with the regionalization strategy
    - Strong double-digit growth in electrical distribution business in key regions : Gulf Central, Florida and North West
    - 6,970 additional customers in the last 12 months
  - Investment in sales reps, branch openings and refresh of existing branches
    - 44 new branches/counters since 2017 and c. 50 openings expected by year-end
    - Branch openings : Impact of 1.8% in Q3 18 and c. 2% expected in FY 2018.
  - Project business continues to be affected by lower wind and power projects (-1.0% contribution)
- **Canada :**
  - Driven by mining and a large wind project (impact +2%)

## Asia-Pacific: Good underlying performance in all countries

Sales  
**306.4**  
€ million

Constant  
**+3.3%**  
& same-day

	WEIGHT	Q3 18 vs. Q3 17 <sup>1</sup>
Pacific	52%	-0.9%
Asia	48%	+8.1%



- **Asia-Pacific is up a solid 6.2% in Q3 18, restated for the impact of the disposal of our Rockwell automation business in Australia in Q2**
- **Pacific:**
  - Good underlying performance in Australia (3.5% excluding asset disposal), driven by Small and Medium Electrician (SME) customers
  - Revitalization of the commercial approach in New Zealand (+8.4%)
- **Asia:**
  - Low single-digit growth in China on strong base effect, with good momentum in industrial automation products and solutions offsetting lower retail business
  - In the Middle East and India (17% of Asia), strong performance driven by a large project in the Middle East (+€5.5 million, 1.5% contribution) and automation sales in India

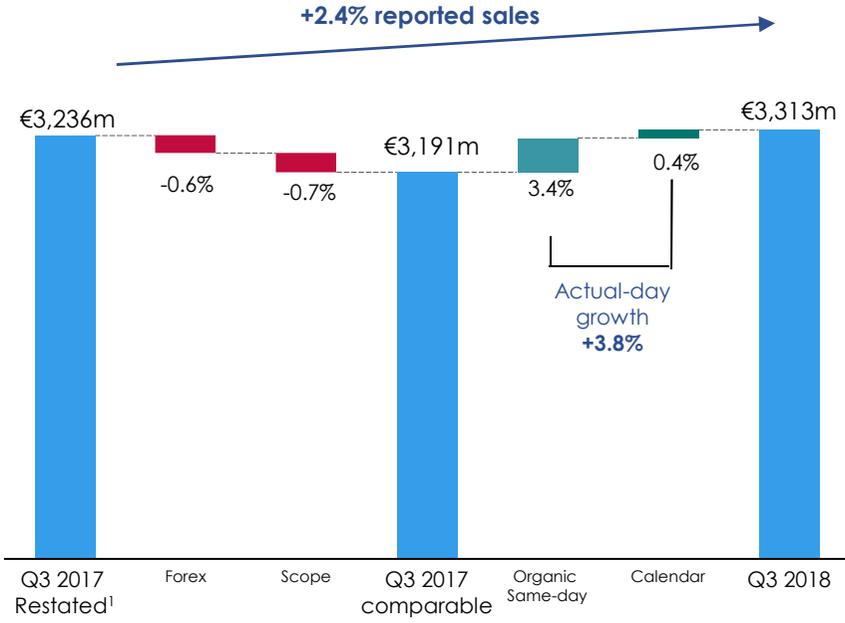
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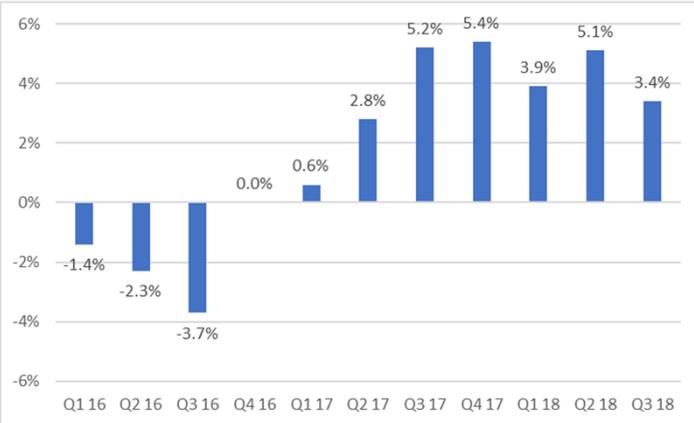
# GROUP FINANCIAL REVIEW

Same-day sales up +3.4% in Q3 18 and reported sales up +2.4%



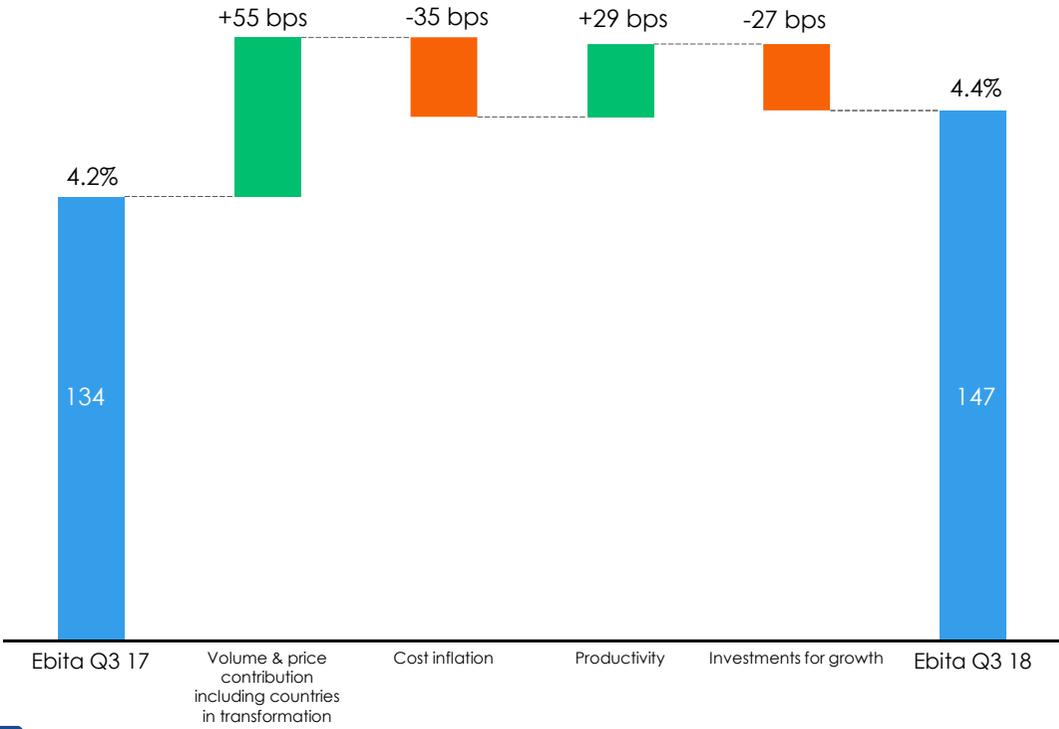
<sup>1</sup> Restated for IFRS 9 & 15

8 quarters of sales growth on constant & same-day basis



Copper cable price contribution						
Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
+1.2%	+1.1%	+1.5%	+1.6%	+0.8%	+0.7%	+0.3%

# Adjusted Ebita margin up 22bps thanks to volume growth, notwithstanding investments and cost inflation



Adjusted Ebita margin  
**+22 bps**

Adjusted Ebita growth  
**+9.2%**

## Adj. Ebita margin improvement supported by North America and Asia-Pacific

Q3 2018 (€m)	EUROPE		NORTH AM.		ASIA-PACIFIC		HOLDING	Q3 GROUP		9m GROUP	
<b>Sales</b>	<b>1,766.8</b>	<b>+1.6%</b>	<b>1,239.9</b>	<b>+7.3%</b>	<b>306.4</b>	<b>+3.3%</b>		<b>3,313.0</b>	<b>+3.8%</b>	<b>9,868.8</b>	<b>+4.1%</b>
<i>Constant and same-day</i>		+0.8%		+7.3%		+3.3%			+3.4%		+4.1%
<b>Gross margin</b>	<b>460.9</b>	<b>+0.4%</b>	<b>286.6</b>	<b>+8.2%</b>	<b>54.3</b>	<b>+1.8%</b>	<b>0.6</b>	<b>802.4</b>	<b>+3.3%</b>	<b>2,430.6</b>	<b>+3.9%</b>
<i>% of sales</i>	26.1%	-29bps	23.1%	+18bps	17.7%	-25bps		24.2%	-13bps	24.6%	-4bps
<b>Opex + depreciation</b>	<b>(371.7)</b>	<b>+0.5%</b>	<b>(228.4)</b>	<b>+4.8%</b>	<b>(48.5)</b>	<b>-2.2%</b>	<b>(7.0)</b>	<b>(655.6)</b>	<b>+2.0%</b>	<b>(1,995.6)</b>	<b>+3.7%</b>
<i>% of sales</i>	-21.0%	+21bps	-18.4%	+45bps	-15.8%	+88bps		-19.8%	+35bps	-20.2%	+8bps
<b>Adj. EBITA<sup>1</sup></b>	<b>89.2</b>	<b>+0.0%</b>	<b>58.2</b>	<b>+23.9%</b>	<b>5.7</b>	<b>+55.3%</b>	<b>(6.4)</b>	<b>146.8</b>	<b>+9.2%</b>	<b>435.0</b>	<b>+5.1%</b>
<i>% of sales</i>	5.0%	-8bps	4.7%	+63bps	1.9%	+63bps		4.4%	+22bps	4.4%	+4bps
<i>Group contribution (adj. EBITA<sup>1</sup>)</i>		-3bps		+23bps		+5bps	-3 bps		+22bps		+4bps

### EUROPE

Good cost control in key countries offset by transformation in Germany & Spain, general cost inflation and pressure on gross margin in Switzerland (customer mix - focus on project) and Norway (competitive environment)

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### NORTH AMERICA

Good operating leverage in North America driven by volume, pricing initiatives especially in Canada, offsetting customer mix in the US, carryover effect of investments and cost inflation

### ASIA-PACIFIC

Positive volume contribution and supplier concentration in Australia more than offset the disposal effect of a Rockwell automation business

### HOLDING

Investment in digital initiatives and further optimization of HQ costs (FTE & wages )

Normative annual corporate costs of c. €35m confirmed

## Recurring net income up 15.3% in 9m 18

(€m)	9m 2017 <sup>3</sup>	9m 2018	Change
<b>Adjusted EBITA<sup>1</sup></b>	<b>414.1</b>	<b>435.0</b>	<b>+5.1%</b>
Non-recurring copper effect	+10.7	-6.6	
Currency/Scope impacts on Ebita	-6.9		
<b>Reported EBITA</b>	<b>431.7</b>	<b>428.4</b>	<b>-0.8%</b>
Amortization resulting from PPA	(14.3)	(12.0)	
Other income and expenses	(56.5)	<b>(63.5)</b>	
<b>Operating income</b>	<b>361.0</b>	<b>352.9</b>	<b>-2.2%</b>
Net financial expenses	(90.5)	<b>(75.4)</b>	
<b>Profit before tax</b>	<b>270.4</b>	<b>277.5</b>	<b>+2.6%</b>
Income tax	(106.7)	<b>(99.3)</b>	
<b>Net income</b>	<b>163.7</b>	<b>178.1</b>	<b>+8.8%</b>
Recurring net income <sup>2</sup>	208.3	240.1	<b>15.3%</b>

- **Restructuring costs** for €(60.0)m vs. €(20.5)m in 9m 2017, including Germany and Spain

- Reduction in **average effective interest rate** on gross debt from 3.18% in 9m 2017 to 2.81% in 9m 2018 thanks to an active refinancing strategy in 2017

- **Effective tax rate** of 35.8% impacted by restructuring costs in Germany and Spain

- **Improving recurring net income**

<sup>1</sup> 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

<sup>2</sup> Cf. details on appendix 2

<sup>3</sup> Financial statements as of September 30, 2017 have been restated for changes in accounting policies, following the adoption of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers"; this restatement represented a €0.1 million negative impact on operating income (9m 2017 operating income stood at €361.1 million as reported on September 30, 2017 and stands at €361.0 million after restatement).

## Positive FCF before I&T in 9m, improving by €37m year-on-year

(€m)	9m 2017	9m 2018
<b>EBITDA</b>	<b>505.7</b>	<b>502.2</b>
Other operating revenues & costs	(55.1)	(48.6)
Change in working capital	(353.7)	<b>(338.2)</b>
Net capital expenditure	(77.6)	(58.8)
<b>Free cash-flow before I&amp;T</b>	<b>19.3</b>	<b>56.6</b>
Net interest paid	(77.1)	(64.0)
Income tax paid	(91.3)	<b>(46.2)</b>
<b>Free cash-flow after I&amp;T</b>	<b>(149.0)</b>	<b>(53.6)</b>
Net financial investment	1.4	<b>(5.4)</b>
Dividend paid	(120.8)	(126.8)
Currency change	97.7	(17.8)
Other	(10.0)	(14.3)
<b>Net change in cash / (debt)</b>	<b>(180.7)</b>	<b>(217.9)</b>
Debt at the beginning of the period	2,172.6	2,041.2
<b>Debt at the end of the period</b>	<b>2,353.3</b>	<b>2,259.1</b>

### Positive FCF before I&T

- Improved change in Working Capital (+€15.5m)
- Lower capital expenditure, including disposal of assets in Australia
- Gross capex of €76.8m

### Lower income tax paid

- €22m: Refund of 2017 income tax overpayment in France
- €8m: Reimbursement following decision related to the 3% dividend tax paid

### Net financial investment

- €3m: Small acquisition in Belgium

Net debt reduction

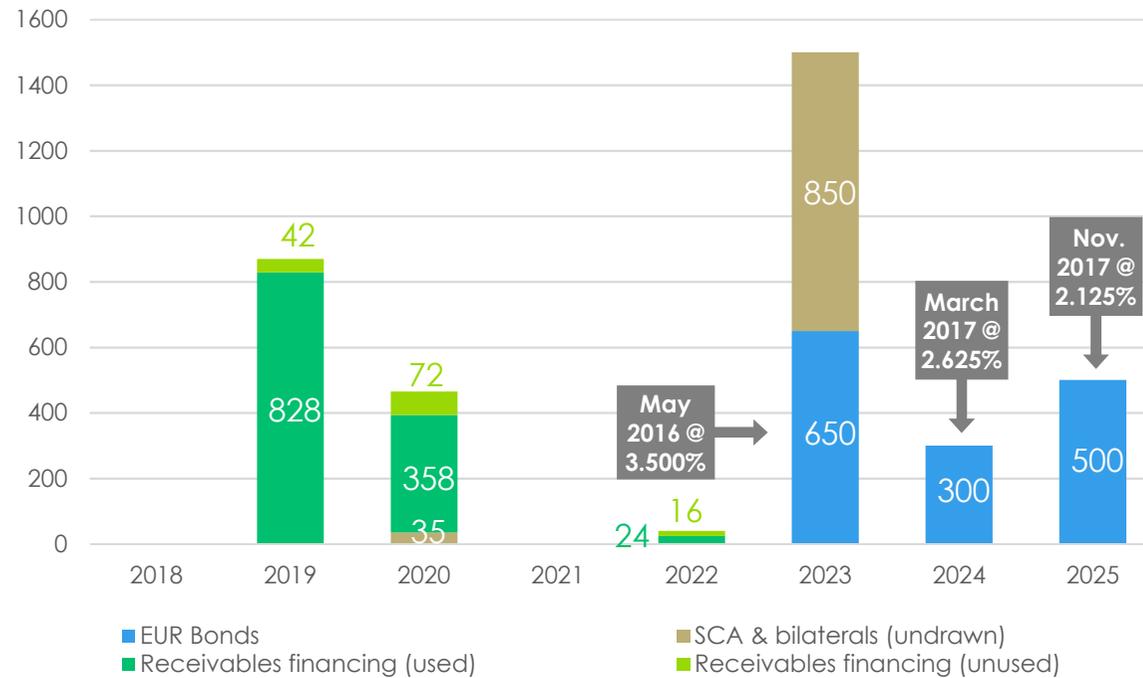
**-94 €m**

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## Sound financial structure

- Debt maturity breakdown at September 30, 2018



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€1bn

Liquidity at September 30, 2018

2.81% (-37bps yoy)

9m 2018 average effective interest rate on gross debt

c.3.78 years

Maturity of average debt

## 2018 Outlook

- Taking into consideration the performance of the first nine months and expectations for the last quarter, Rexel confirms its 2018 full-year financial targets.
- We target at comparable scope of consolidation and exchange rates:
  - Sales up in the low single digits (on a constant and same-day basis)
  - A mid- to high-single-digit increase in **adjusted EBITA**<sup>1</sup>
  - a further improvement of the **indebtedness ratio** (net debt-to-EBITDA <sup>2</sup>)

*NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 5.*

<sup>1</sup> excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices

<sup>2</sup> As calculated under the Senior Credit Agreement terms



# APPENDIX

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## Appendix 1 : Segment reporting – Constant and adjusted basis<sup>1</sup>

### GROUP

Constant and adjusted basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	3,191.4	<b>3,313.0</b>	<b>+3.8%</b>	9,480.1	<b>9,868.8</b>	<b>+4.1%</b>
<i>on a constant basis and same days</i>			<b>+3.4%</b>			<b>+4.1%</b>
<b>Gross profit</b>	777.1	<b>802.4</b>	<b>+3.3%</b>	2,339.0	<b>2,430.6</b>	<b>+3.9%</b>
<i>as a % of sales</i>	24.4%	24.2%	-13 bps	24.7%	24.6%	-4 bps
Distribution & adm. expenses (incl. depreciation)	(642.8)	(655.6)	+2.0%	(1,924.9)	(1,995.6)	+3.7%
<b>EBITA</b>	134.4	<b>146.8</b>	<b>+9.2%</b>	414.1	<b>435.0</b>	<b>+5.1%</b>
<i>as a % of sales</i>	4.2%	4.4%	22 bps	4.4%	4.4%	4 bps
<b>Headcount (end of period)</b>	27,298	<b>27,046</b>	<b>-0.9%</b>	27,298	<b>27,046</b>	<b>-0.9%</b>

<sup>1</sup> 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:

Constant basis (€m)	Q3 2017	Q3 2018	YTD 2017	YTD 2018
Non-recurring copper effect at EBITA level	3.9	(5.4)	10.7	(6.6)

## Appendix 1 : Segment reporting – Constant and adjusted basis<sup>1</sup>

### EUROPE

Constant and adjusted basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	1,739.7	<b>1,766.8</b>	<b>+1.6%</b>	5,315.6	<b>5,447.8</b>	<b>+2.5%</b>
<i>on a constant basis and same days</i>			<b>+0.8%</b>			<b>+2.6%</b>
France	613.7	<b>629.3</b>	+2.5%	1,938.2	<b>1,992.8</b>	+2.8%
<i>on a constant basis and same days</i>			+0.8%			+2.8%
United Kingdom	210.7	<b>204.5</b>	-2.9%	642.0	<b>614.8</b>	-4.2%
<i>on a constant basis and same days</i>			-2.9%			-4.2%
Germany	216.6	<b>193.0</b>	-10.9%	617.7	<b>597.3</b>	-3.3%
<i>on a constant basis and same days</i>			-10.9%			-2.9%
Scandinavia	219.0	<b>226.7</b>	+3.5%	668.7	<b>694.7</b>	+3.9%
<i>on a constant basis and same days</i>			+3.5%			+4.0%
<b>Gross profit</b>	458.9	<b>460.9</b>	<b>+0.4%</b>	1,432.9	<b>1,457.0</b>	<b>+1.7%</b>
<i>as a % of sales</i>	26.4%	26.1%	-29 bps	27.0%	26.7%	-21 bps
Distribution & adm. expenses (incl. depreciation)	(369.7)	(371.7)	+0.5%	(1,138.4)	(1,161.6)	+2.0%
<b>EBITA</b>	89.2	<b>89.2</b>	<b>+0.0%</b>	294.5	<b>295.4</b>	<b>+0.3%</b>
<i>as a % of sales</i>	5.1%	5.0%	-8 bps	5.5%	5.4%	-12 bps
<b>Headcount (end of period)</b>	15,919	<b>15,726</b>	<b>-1.2%</b>	15,919	<b>15,726</b>	<b>-1.2%</b>

## Appendix 1 : Segment reporting – Constant and adjusted basis<sup>1</sup>

### NORTH AMERICA

Constant and adjusted basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	1,155.0	<b>1,239.9</b>	<b>+7.3%</b>	3,325.0	<b>3,520.5</b>	<b>+5.9%</b>
<i>on a constant basis and same days</i>			<b>+7.3%</b>			<b>+5.9%</b>
United States	907.8	<b>980.8</b>	+8.0%	2,609.2	<b>2,772.3</b>	+6.3%
<i>on a constant basis and same days</i>			+8.0%			+6.3%
Canada	247.2	<b>259.0</b>	+4.8%	715.8	<b>748.1</b>	+4.5%
<i>on a constant basis and same days</i>			+4.8%			+4.5%
<b>Gross profit</b>	264.9	<b>286.6</b>	<b>+8.2%</b>	753.2	<b>811.1</b>	<b>+7.7%</b>
<i>as a % of sales</i>	22.9%	23.1%	18 bps	22.7%	23.0%	39 bps
Distribution & adm. expenses (incl. depreciation)	(218.0)	(228.4)	+4.8%	(632.5)	(667.5)	+5.5%
<b>EBITA</b>	47.0	<b>58.2</b>	<b>+23.9%</b>	120.6	<b>143.6</b>	<b>+19.1%</b>
<i>as a % of sales</i>	4.1%	4.7%	63 bps	3.6%	4.1%	45 bps
<b>Headcount (end of period)</b>	8,414	<b>8,483</b>	<b>0.8%</b>	8,414	<b>8,483</b>	<b>0.8%</b>

## Appendix 1 : Segment reporting – Constant and adjusted basis<sup>1</sup>

### ASIA-PACIFIC

Constant and adjusted basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	296.7	<b>306.4</b>	<b>+3.3%</b>	839.6	<b>900.5</b>	<b>+7.3%</b>
<i>on a constant basis and same days</i>			<b>+3.3%</b>			<b>+7.2%</b>
China	121.3	<b>123.6</b>	+1.9%	344.2	<b>361.1</b>	+4.9%
<i>on a constant basis and same days</i>			+1.9%			+4.9%
Australia	131.5	<b>127.5</b>	-3.1%	372.2	<b>380.7</b>	+2.3%
<i>on a constant basis and same days</i>			-2.9%			+2.3%
New Zealand	28.5	<b>30.9</b>	+8.4%	81.7	<b>85.9</b>	+5.2%
<i>on a constant basis and same days</i>			+8.4%			+5.2%
<b>Gross Profit</b>	53.3	<b>54.3</b>	<b>+1.8%</b>	153.0	<b>161.9</b>	<b>+5.9%</b>
<i>as a % of sales</i>	18.0%	17.7%	-25 bps	18.2%	18.0%	-24 bps
Distribution & adm. expenses (incl. depreciation)	(49.6)	(48.5)	-2.2%	(142.8)	(146.3)	+2.5%
<b>EBITA</b>	3.7	<b>5.7</b>	<b>+55.3%</b>	10.1	<b>15.6</b>	<b>+53.8%</b>
<i>as a % of sales</i>	1.2%	1.9%	63 bps	1.2%	1.7%	52 bps
<b>Headcount (end of period)</b>	2,742	<b>2,673</b>	<b>-2.5%</b>	2,742	<b>2,673</b>	<b>-2.5%</b>

## Appendix 2 : Consolidated Income statement

Reported basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	<b>3,236.1</b>	<b>3,313.0</b>	<b>2.4%</b>	<b>9,899.1</b>	<b>9,868.8</b>	<b>-0.3%</b>
<b>Gross profit</b>	<b>789.4</b>	<b>797.0</b>	<b>1.0%</b>	<b>2,439.7</b>	<b>2,423.9</b>	<b>-0.6%</b>
<i>as a % of sales</i>	24.4%	24.1%		24.6%	24.6%	
Distribution & adm. expenses (excl. depreciation)	(625.4)	(630.2)	0.8%	(1,934.0)	(1,921.7)	-0.6%
<b>EBITDA</b>	<b>164.1</b>	<b>166.8</b>	<b>1.7%</b>	<b>505.7</b>	<b>502.2</b>	<b>-0.7%</b>
<i>as a % of sales</i>	5.1%	5.0%		5.1%	5.1%	
Depreciation	(24.4)	(25.4)		(74.0)	(73.9)	
<b>EBITA</b>	<b>139.6</b>	<b>141.4</b>	<b>1.3%</b>	<b>431.7</b>	<b>428.4</b>	<b>-0.8%</b>
<i>as a % of sales</i>	4.3%	4.3%		4.4%	4.3%	
Amortization of intangibles resulting from purchase price allocation	(4.6)	(3.7)		(14.3)	(12.0)	
<b>Operating income bef. other inc. and exp.</b>	<b>135.0</b>	<b>137.7</b>	<b>2.0%</b>	<b>417.4</b>	<b>416.4</b>	<b>-0.3%</b>
<i>as a % of sales</i>	4.2%	4.2%		4.2%	4.2%	
Other income and expenses	(6.6)	(2.8)		(56.5)	(63.5)	
<b>Operating income</b>	<b>128.4</b>	<b>135.0</b>	<b>5.1%</b>	<b>361.0</b>	<b>352.9</b>	<b>-2.2%</b>
Net financial expenses	(27.5)	(25.2)		(90.5)	(75.4)	
<b>Net income (loss) before income tax</b>	<b>101.0</b>	<b>109.7</b>	<b>8.7%</b>	<b>270.4</b>	<b>277.5</b>	<b>2.6%</b>
Income tax	(34.0)	(32.4)		(106.7)	(99.3)	
<b>Net income (loss)</b>	<b>67.0</b>	<b>77.3</b>	<b>15.4%</b>	<b>163.7</b>	<b>178.1</b>	<b>8.8%</b>

## Appendix 2 : Adjusted EBITA bridge and Recurring net income

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

in €m	Q3 2017	Q3 2018	YTD 2017	YTD 2018
<b>Operating income before other income and other expenses on a reported basis</b>	<b>135.0</b>	<b>137.7</b>	<b>417.4</b>	<b>416.4</b>
Change in scope of consolidation	(0.2)	-	5.2	-
Foreign exchange effects	(1.2)	-	(12.1)	-
Non-recurring effect related to copper	(3.9)	5.4	(10.7)	6.6
Amortization of intangibles assets resulting from PPA	4.6	3.7	14.3	12.0
<b>Adjusted EBITA on a constant basis</b>	<b>134.4</b>	<b>146.8</b>	<b>414.1</b>	<b>435.0</b>

### BRIDGE BETWEEN REPORTED NET INCOME AND RECURRING NET INCOME

in €m	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Reported net income</b>	67.0	77.3	+15.4%	163.7	178.1	+8.8%
Non-recurring copper effect	(4.0)	5.4		(11.1)	6.6	
Other expense & income	6.6	2.8		56.5	63.5	
Financial expense	-	-		6.3	1.1	
Tax expense	(0.9)	(3.1)		(7.1)	(9.3)	
<b>Recurring net income</b>	68.7	82.4	+20.0%	208.3	240.1	+15.3%

## Appendix 2 : Sales and profitability by segment – reported basis

Reported basis (€m)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
<b>Sales</b>	<b>3,236.1</b>	<b>3,313.0</b>	<b>+2.4%</b>	<b>9,899.1</b>	<b>9,868.8</b>	<b>-0.3%</b>
Europe	1,751.1	1,766.8	+0.9%	5,374.8	5,447.8	+1.4%
North America	1,151.1	1,239.9	+7.7%	3,551.8	3,520.5	-0.9%
Asia-Pacific	334.0	306.4	-8.3%	972.5	900.5	-7.4%
<b>Gross profit</b>	<b>789.4</b>	<b>797.0</b>	<b>+1.0%</b>	<b>2,439.7</b>	<b>2,423.9</b>	<b>-0.6%</b>
Europe	463.8	458.4	-1.2%	1,456.0	1,453.1	-0.2%
North America	266.0	283.7	+6.7%	808.3	808.2	-0.0%
Asia-Pacific	59.6	54.3	-9.0%	175.4	161.9	-7.7%
<b>EBITA</b>	<b>139.6</b>	<b>141.4</b>	<b>+1.3%</b>	<b>431.7</b>	<b>428.4</b>	<b>-0.8%</b>
Europe	91.8	86.7	-5.5%	305.0	291.6	-4.4%
North America	49.2	55.3	+12.5%	132.4	140.8	+6.3%
Asia-Pacific	4.1	5.7	+39.2%	5.6	15.6	
Other	(5.5)	(6.4)	16.4%	(11.2)	(19.6)	

## Appendix 2 : Consolidated balance sheet<sup>1</sup>

Assets (Reported basis in €m)	December 31, 2017	September 30, 2018	Liabilities (Reported basis in €m)	December 31, 2017	September 30, 2018
Goodwill	3,914.9	3,939.3	<b>Total equity</b>	<b>4,157.6</b>	<b>4,246.1</b>
Intangible assets	1,049.7	1,045.4	Long-term debt	2,450.5	2,282.7
Property, plant & equipment	272.0	271.0	Deferred tax liabilities	172.8	165.3
Long-term investments	38.0	44.1	Other non-current liabilities	376.3	381.0
Deferred tax assets	96.6	48.2	<b>Total non-current liabilities</b>	<b>2,999.6</b>	<b>2,829.0</b>
<b>Total non-current assets</b>	<b>5,371.2</b>	<b>5,348.0</b>	Interest bearing debt & accrued int.	161.8	336.9
Inventories	1,544.9	1,664.5	Trade payables	2,034.8	1,986.5
Trade receivables	2,074.4	2,250.5	Other payables	761.1	746.4
Other receivables	560.7	530.9	<b>Total current liabilities</b>	<b>2,957.7</b>	<b>3,069.7</b>
Assets classified as held for sale	(0.0)	(0.0)	<b>Total liabilities</b>	<b>5,957.3</b>	<b>5,898.7</b>
Cash and cash equivalents	563.6	350.9	<b>Total equity &amp; liabilities</b>	<b>10,114.9</b>	<b>10,144.8</b>
<b>Total current assets</b>	<b>4,743.7</b>	<b>4,796.9</b>			
<b>Total assets</b>	<b>10,114.9</b>	<b>10,144.8</b>			

<sup>1</sup> Net debt includes Debt hedge derivatives for €(6.5)m at December 31, 2017 and €(7.2)m at September 30, 2018. It also includes accrued interest receivables for €(1.0)m at December 31, 2017 and for €(2.4)m at September 30, 2018.

## Appendix 2 : Change in net debt

Reported basis (€m)	Q3 2017	Q3 2018	YTD 2017	YTD 2018
<b>EBITDA</b>	<b>164.1</b>	<b>166.8</b>	<b>505.7</b>	<b>502.2</b>
Other operating revenues & costs <sup>(1)</sup>	(10.3)	(12.7)	(55.1)	(48.6)
<b>Operating cash-flow</b>	<b>153.7</b>	<b>154.0</b>	<b>450.6</b>	<b>453.6</b>
Change in working capital	(33.1)	(88.6)	(353.7)	(338.2)
Net capital expenditure, of which:	(24.6)	(26.7)	(77.6)	(58.8)
<i>Gross capital expenditure</i>	(25.3)	(26.4)	(76.7)	(76.8)
<i>Disposal of fixed assets &amp; other</i>	1.1	(0.8)	2.5	18.8
<b>Free cash-flow from continuing op. before int. &amp; tax</b>	<b>96.0</b>	<b>38.8</b>	<b>19.3</b>	<b>56.6</b>
Net interest paid / received	(25.5)	(22.2)	(77.1)	(64.0)
Income tax paid	(27.8)	(22.2)	(91.3)	(46.2)
<b>Free cash-flow from continuing op. after int. &amp; tax</b>	<b>42.7</b>	<b>(5.6)</b>	<b>(149.0)</b>	<b>(53.6)</b>
Net financial investment	(2.8)	(5.4)	1.4	(5.4)
Dividends paid	(120.8)	(126.8)	(120.8)	(126.8)
Net change in equity	2.4	2.3	1.9	(6.5)
Other	(2.0)	(3.0)	(11.9)	(7.9)
Currency exchange variation	33.8	(8.1)	97.7	(17.8)
<b>Decrease (increase) in net debt</b>	<b>(46.6)</b>	<b>(146.7)</b>	<b>(180.7)</b>	<b>(217.9)</b>
<b>Net debt at the beginning of the period</b>	<b>2,306.7</b>	<b>2,112.4</b>	<b>2,172.6</b>	<b>2,041.2</b>
<b>Net debt at the end of the period</b>	<b>2,353.3</b>	<b>2,259.1</b>	<b>2,353.3</b>	<b>2,259.1</b>

(1) Includes restructuring outflows of:

- €13.2m in Q3 2018 vs. €9.9m in Q3 2017 and
- €31.9m in 9m 2018 vs. €38.8m in 9m 2017.

## Appendix 3 : Working capital

Constant basis	September 30, 2017	September 30, 2018
<b>Net inventories</b>		
<i>as a % of sales 12 rolling months</i>	<b>12.2%</b>	<b>12.4%</b>
<i>as a number of days</i>	56.5	57.7
<b>Net trade receivables</b>		
<i>as a % of sales 12 rolling months</i>	<b>17.3%</b>	<b>16.9%</b>
<i>as a number of days</i>	53.9	54.3
<b>Net trade payables</b>		
<i>as a % of sales 12 rolling months</i>	<b>15.4%</b>	<b>14.7%</b>
<i>as a number of days</i>	62.1	59.4
<b>Trade working capital</b>		
<i>as a % of sales 12 rolling months</i>	<b>14.1%</b>	<b>14.6%</b>
<b>Total working capital</b>		
<i>as a % of sales 12 rolling months</i>	<b>12.5%</b>	<b>12.8%</b>

## Appendix 4 : Headcount and branch evolution

FTEs at end of period comparable	September 30, 2017	December 31, 2017	September 30, 2018	Year-on-Year Change
<b>Europe</b>	<b>15,919</b>	<b>15,789</b>	<b>15,726</b>	<b>-1.2%</b>
<i>USA</i>	6,350	6,358	6,387	<b>0.6%</b>
<i>Canada</i>	2,064	2,093	2,096	<b>1.5%</b>
<b>North America</b>	<b>8,414</b>	<b>8,451</b>	<b>8,483</b>	<b>0.8%</b>
<b>Asia-Pacific</b>	<b>2,742</b>	<b>2,701</b>	<b>2,673</b>	<b>-2.5%</b>
<b>Other</b>	<b>223</b>	<b>219</b>	<b>164</b>	<b>-26.5%</b>
<b>Group</b>	<b>27,298</b>	<b>27,161</b>	<b>27,046</b>	<b>-0.9%</b>

Branches comparable	September 30, 2017	December 31, 2017	September 30, 2018	Year-on-Year Change
<b>Europe</b>	<b>1,186</b>	<b>1,183</b>	<b>1,153</b>	<b>-2.8%</b>
<i>USA</i>	380	384	384	<b>1.1%</b>
<i>Canada</i>	189	190	190	<b>0.5%</b>
<b>North America</b>	<b>569</b>	<b>574</b>	<b>574</b>	<b>0.9%</b>
<b>Asia-Pacific</b>	<b>251</b>	<b>255</b>	<b>250</b>	<b>-0.4%</b>
<b>Group</b>	<b>2,006</b>	<b>2,012</b>	<b>1,977</b>	<b>-1.4%</b>

## Appendix 5 : Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.19	USD
1 €	=	1.53	CAD
1 €	=	1.58	AUD
1 €	=	0.88	GBP

and based on acquisitions/divestments to date, 2017 sales should take into account the following estimated impacts to be comparable to 2018 :

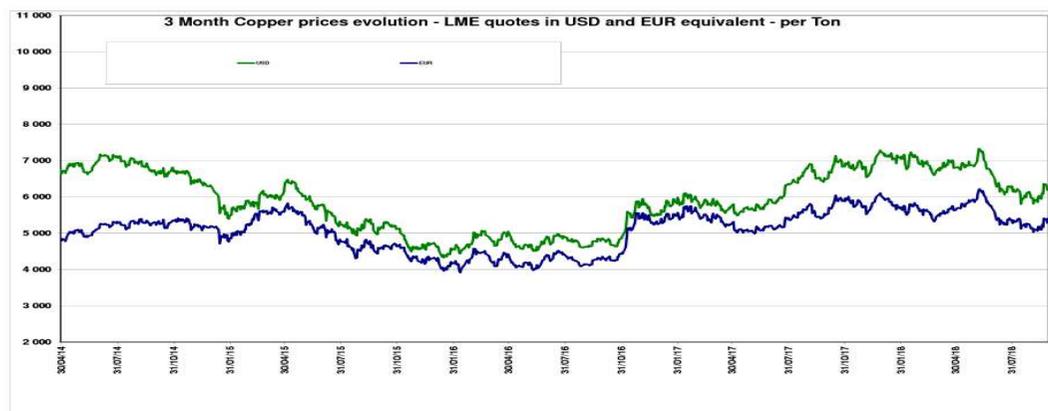
	Q1 actual	Q2 actual	Q3 actual	Q4e	FYe
<b>Scope effect at Group level</b>	<b>(27.2)</b>	<b>(29.8)</b>	<b>(23.8)</b>	<b>(17.8)</b>	<b>(98.6)</b>
<i>as% of 2017 sales</i>	<i>-0.8%</i>	<i>-0.9%</i>	<i>-0.7%</i>	<i>-0.5%</i>	<i>-0.7%</i>
<b>Currency effect at Group level</b>	<b>(198.6)</b>	<b>(118.7)</b>	<b>(20.9)</b>	<b>(3.5)</b>	<b>(341.8)</b>
<i>as% of 2017 sales</i>	<i>-6.0%</i>	<i>-3.6%</i>	<i>-0.6%</i>	<i>-0.1%</i>	<i>-2.6%</i>
<b>Calendar effect at Group level</b>	<b>-1.1%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>1.0%</b>	<b>0.2%</b>
Europe	-1.6%	0.7%	0.7%	0.7%	0.1%
USA	0.0%	0.0%	0.0%	1.7%	0.4%
Canada	-1.7%	1.5%	0.0%	1.5%	0.4%
North America	-0.4%	0.4%	0.0%	1.6%	0.4%
Asia	0.0%	0.1%	0.2%	0.8%	0.3%
Pacific	-1.7%	1.7%	-0.1%	1.5%	0.4%
Asia-Pacific	-1.0%	1.0%	0.0%	1.1%	0.4%

## Appendix 6 : Analysis of change in revenues (€m)

Q3	North			Group
	Europe	America	Asia-Pacific	
<b>Reported sales 2017</b>	<b>1,751.1</b>	<b>1,151.1</b>	<b>334.0</b>	<b>3,236.1</b>
+/- Net currency effect	-0.6%	0.3%	-4.0%	-0.6%
+/- Net scope effect	0.0%	0.0%	-7.1%	-0.7%
<b>= Comparable sales 2017</b>	<b>1,739.7</b>	<b>1,155.0</b>	<b>296.7</b>	<b>3,191.4</b>
<b>+/- Actual-day organic growth, of which:</b>	<b>1.6%</b>	<b>7.3%</b>	<b>3.3%</b>	<b>+3.8%</b>
<i>Constant-same day excl. copper</i>	0.3%	7.4%	2.8%	+3.1%
<i>Copper effect</i>	0.5%	-0.1%	0.5%	+0.3%
<b>Constant-same day incl. copper</b>	<b>0.8%</b>	<b>7.3%</b>	<b>3.3%</b>	<b>+3.4%</b>
Calendar effect	0.7%	0.0%	0.0%	0.4%
<b>= Reported sales 2018</b>	<b>1,766.8</b>	<b>1,239.9</b>	<b>306.4</b>	<b>3,313.0</b>
YoY change	0.9%	7.7%	-8.3%	2.4%

YTD	North			Group
	Europe	America	Asia-Pacific	
<b>Reported sales 2017</b>	<b>5,374.8</b>	<b>3,551.8</b>	<b>972.5</b>	<b>9,899.1</b>
+/- Net currency effect	-1.1%	-6.4%	-5.4%	-3.4%
+/- Net scope effect	0.0%	0.0%	-8.3%	-0.8%
<b>= Comparable sales 2017</b>	<b>5,315.6</b>	<b>3,325.0</b>	<b>839.6</b>	<b>9,480.1</b>
<b>+/- Actual-day organic growth, of which:</b>	<b>2.5%</b>	<b>5.9%</b>	<b>7.3%</b>	<b>+4.1%</b>
<i>Constant-same day excl. copper</i>	1.9%	5.0%	6.9%	+3.4%
<i>Copper effect</i>	0.7%	0.9%	0.3%	+0.7%
<b>Constant-same day incl. copper</b>	<b>2.6%</b>	<b>5.9%</b>	<b>7.2%</b>	<b>+4.1%</b>
Calendar effect	-0.1%	0.0%	0.0%	0.0%
<b>= Reported sales 2018</b>	<b>5,447.8</b>	<b>3,520.5</b>	<b>900.5</b>	<b>9,868.8</b>
YoY change	1.4%	-0.9%	-7.4%	-0.3%

## Appendix 7 : Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2016	4,669	4,730	4,793	5,291	4,870
2017	5,855	5,692	6,384	6,856	6,200
<b>2018</b>	<b>6,997</b>	<b>6,907</b>	<b>6,139</b>		
2016 vs. 2015	-20%	-22%	-9%	+8%	-11%
2017 vs. 2016	+25%	+20%	+33%	+30%	+27%
<b>2018 vs. 2017</b>	<b>+20%</b>	<b>+21%</b>	<b>-4%</b>		

€/t	Q1	Q2	Q3	Q4	FY
2016	4,237	4,187	4,293	4,911	4,407
2017	5,498	5,168	5,434	5,823	5,483
<b>2018</b>	<b>5,693</b>	<b>5,797</b>	<b>5,279</b>		
2016 vs. 2015	-18%	-24%	-10%	+10%	-12%
2017 vs. 2016	+30%	+23%	+27%	+19%	+24%
<b>2018 vs. 2017</b>	<b>+4%</b>	<b>+12%</b>	<b>-3%</b>		

## Financial Calendar

February 13, 2019  
Full-year 2018 results

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## Disclaimer

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so-called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales;
- the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 4, 2018 under number D 18-0263. 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 4, 2018 under number D 18-0263, as well as the consolidated financial statements and activity report for the 2017 fiscal year, which may be obtained from Rexel's website ([www.rexel.com](http://www.rexel.com)).