

The Rexel logo is a white rectangular box with the word "Rexel" in a bold, black, sans-serif font.

Rexel

a world of energy

# Capital Markets Day

*Zurich, June 16<sup>th</sup> 2022*

# Today's agenda

nexel

## → Capital Markets Day

Welcome to Rexel in Switzerland

Rexel at the heart of the acceleration in electrification

Unlocking value in our core model

Building a strategic leadership position in:

- ESG
- Energy transition solutions
- Services

Financial ambition

----- 15 minutes break -----

Q&A session

Management  
presentation  
1:00 – 3.45pm

4:00 – 5:00pm





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# Welcome to Rexel in Switzerland

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**Ingrid M. Knott**

Chief Executive Officer for  
Switzerland

# Elektro-Material is market leader in Swiss electrical distribution



## Strong Market Performance

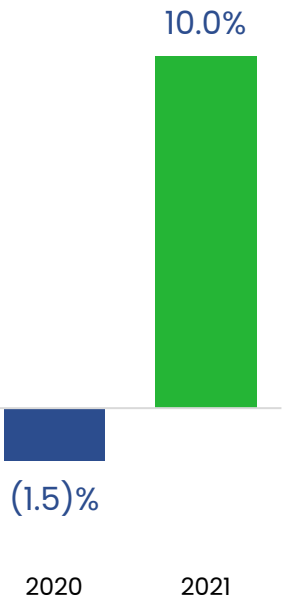
### Clear market leader

Increasing market share over the last decade with “best-in-class” customer service



### Resilient in Covid and ability to rebound

sales growth



EBITA margin



Switzerland  
among Rexel  
Group first  
quartile  
in profitability &  
EBITA margin

\*2021 numbers

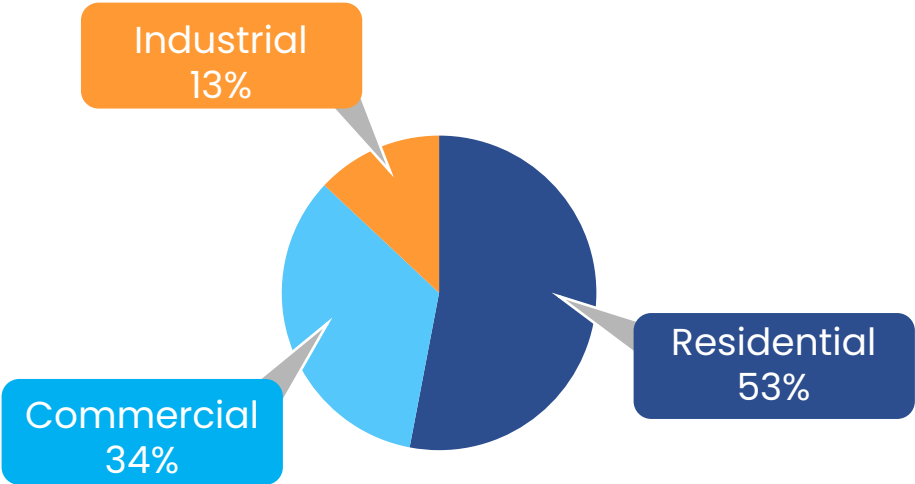
# Our recipe for success in the Swiss Market



Knowing the customer and providing excellent service

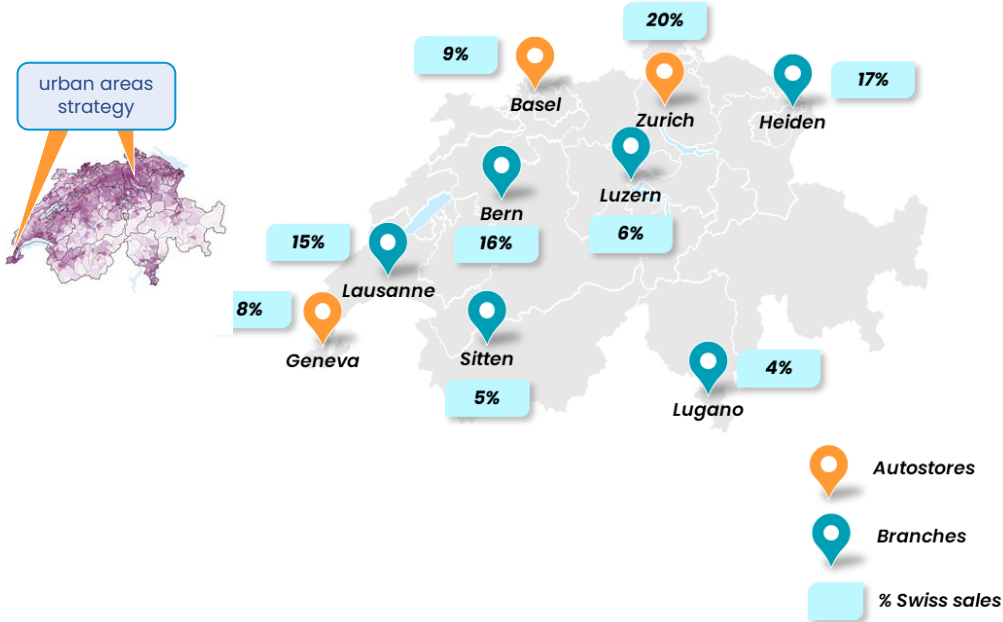
## Balanced end-markets exposure

Strong Performance in Residential and Commercial  
Opportunities in Industrial



## A network that is well-adapted to local density

Excellent customer logistics service:  
delivery 3 times a day in key urban areas



# Our service-oriented, digitalized and automatized platform



Customer proximity and “ease-of-doing-business”



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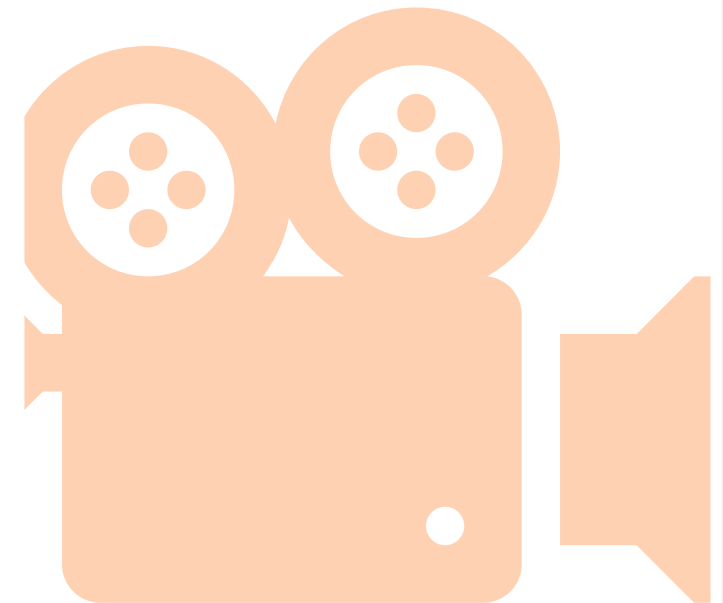


Einfach. Mehr.  
Efficacité. Maîtrise.  
Efficienza. Maestria.



# Elektro-Material has strong project skills

Klein Matterhorn Lift Station – Project from planning to delivery





# Our team is our key success factor



38

Nationalities



21%

Female employees



10%

Employee turnover





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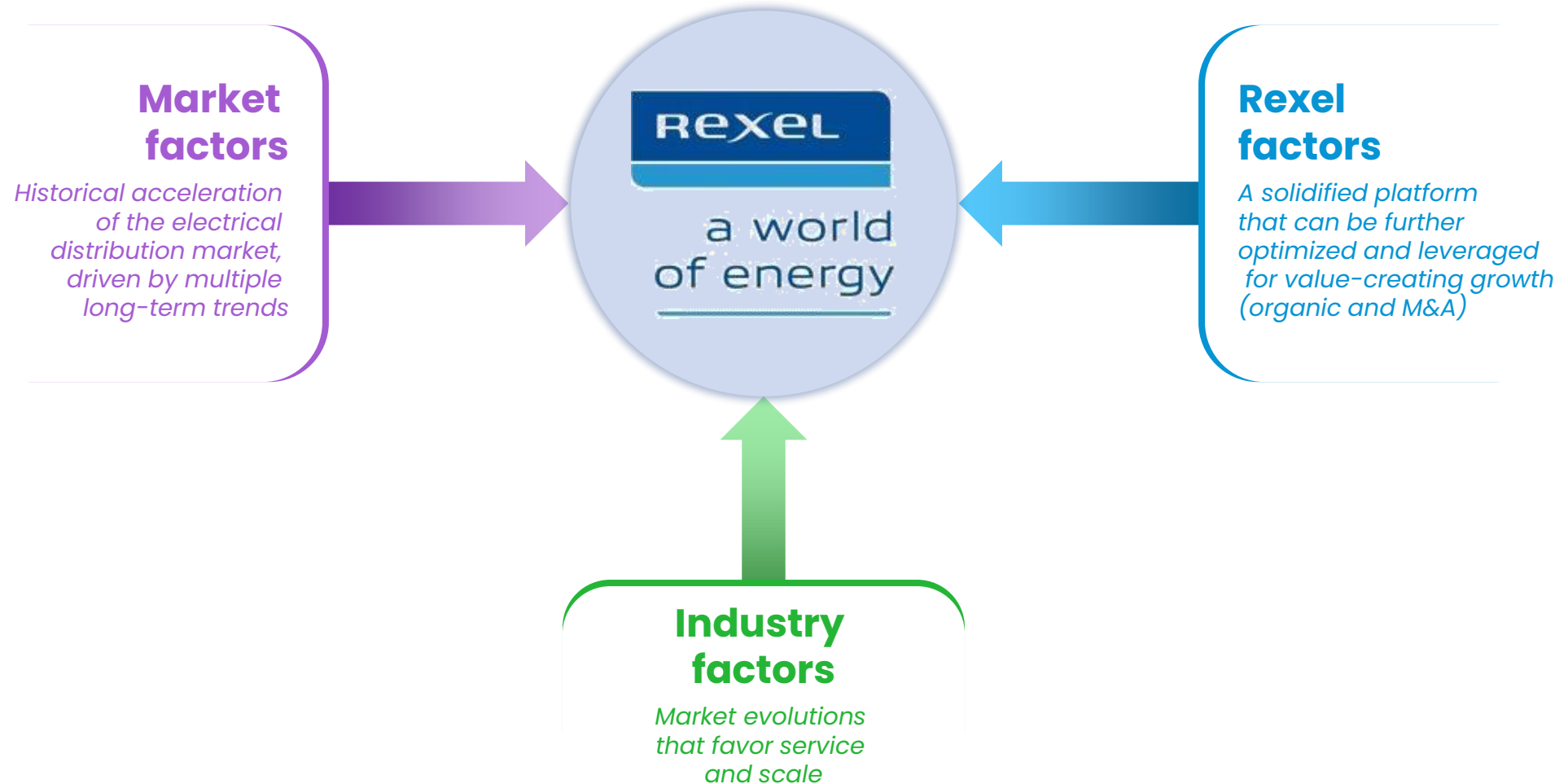
Subtitle,  
Poppins 20pt

# Powering Up Rexel

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*2022 Capital Markets Day  
Zurich, June 16<sup>th</sup> 2022*

# A unique window of opportunity for Rexel



# Powering Up Rexel



A unique window of opportunity



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# Building on a solid platform

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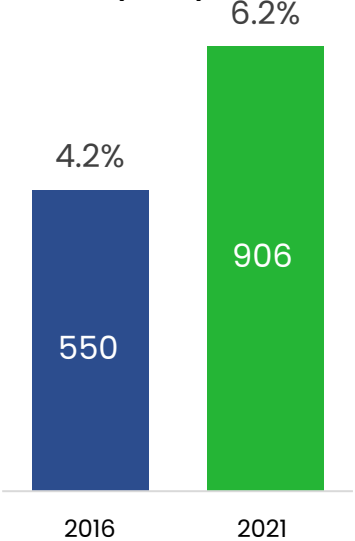


# Rexel is a different company from five years ago



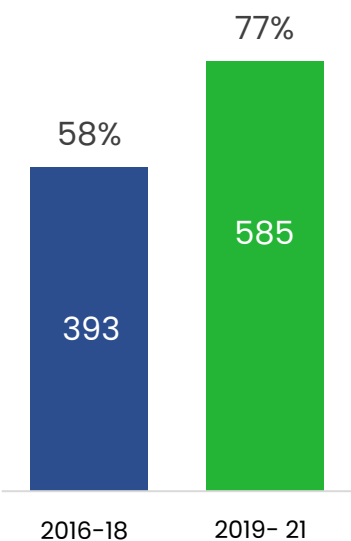
## More profitable

Adj. EBITA margin<sup>1</sup> & Adj. EBITA (€m)



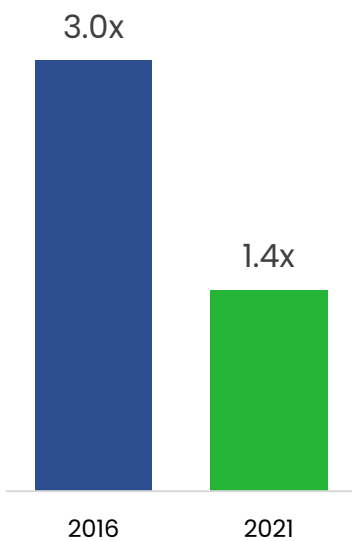
## More resilient FCF

FCF conversion<sup>2</sup> & FCF (€m)



## Strengthened balance sheet

Indebtedness ratio<sup>3</sup>



1. Including 40bp of non-recurring items in 2021

2. FCF before interest & tax / EBITDA after Lease

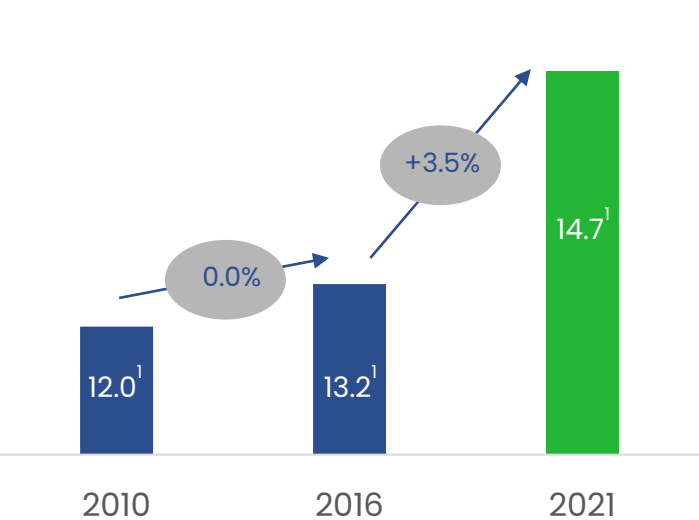
3. Net financial debt / EBITDAaL (Earnings Before Interest, Taxes, Depreciation and Amortization after Lease), as calculated under the Senior Credit Agreement terms

# An upgraded business profile to accelerate growth



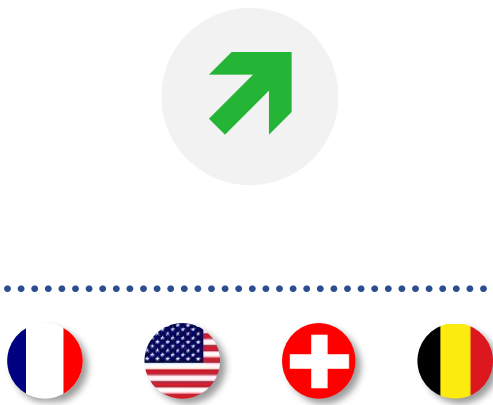
## Back to growth

Organic growth, CAGR



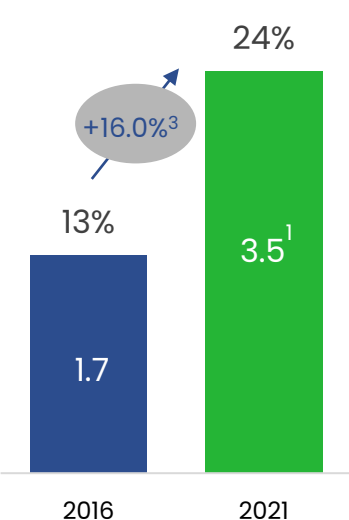
## Outperforming the market

Market share gains in key countries since 2016<sup>2</sup>



## More digital

Digital sales penetration



<sup>1</sup> in €bn

<sup>2</sup> Rexel's organic growth performance vs. suppliers in Europe & US

<sup>3</sup> CAGR

## Multiple actions to enhance the core business's resilience and profitability

- **Streamlined portfolio**, through the disposal of unprofitable assets
- **Customer mix** actively restructured in several countries
- **Turnaround** well underway in less profitable countries
- **Digitalization** progressing quickly



## Successfully passed the acid test of the Covid crisis

**Limited profitability** drop despite the shock: 80bps in 2020

**Quick rebound** of sales post crisis: 16% in 2021 after -7% in 2020

Seized the opportunity to **accelerate transformation**: +200bps adj. EBITA% in 2021

# Mid-term commitments delivered one year ahead of plan

## Mid-term ambitions (2021-23)



• **Outperform market growth**



• **EBITA margin**



• **Cash conversion**






# A renewed management team combining industry experience, digital knowledge and expertise




## Executive Committee



**Guillaume Texier** ✦


Chief Executive Officer

### Group Functions




**Luc Dallery**

Head of HR and Group communication



**Laurent Delabarre**

Chief Financial Officer



**Guillaume Dubrule**

Group Purchasing and Supplier Relationship Director



**Constance Grisoni** ✦

Head of Group Strategy



**Isabelle Hoepfner-Léger** ✦

General Secretary & Secretary of the Board of Directors



**Nathalie Wright**

Head of Group IT , Digital and ESG transformation

### Operational Functions




**Pierre Benoît**

Chief Executive Officer for the UK / Ireland & Benelux



**Roger Little**

Chief Executive Officer for Canada



**Thomas Moreau**

Chief Executive Officer for France



**Brad Paulsen** ✦

Chief Executive Officer for the USA



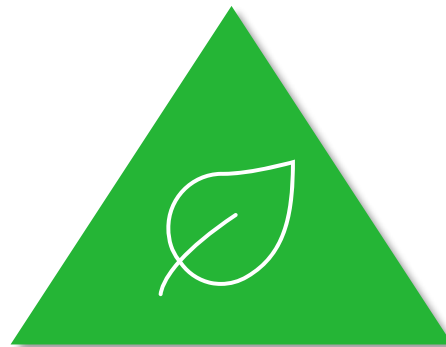
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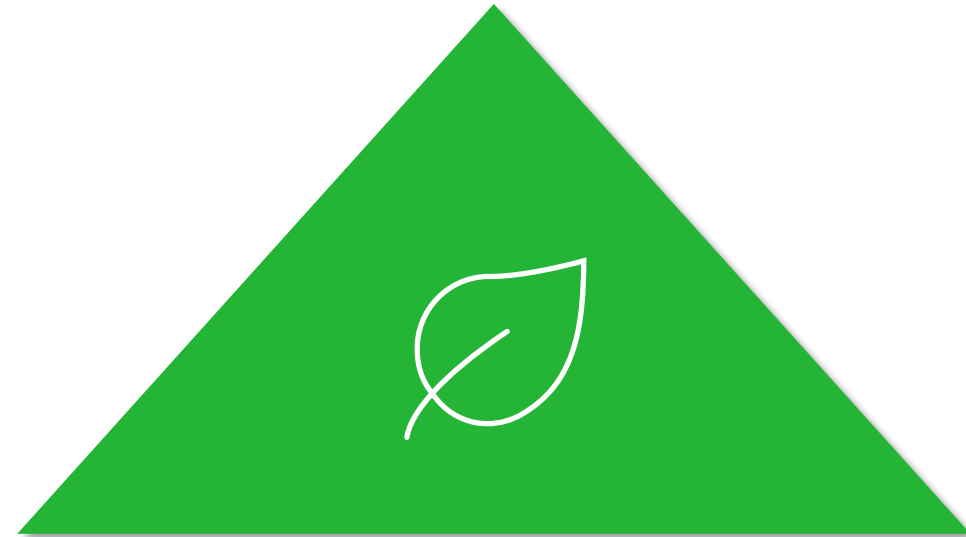
# Rexel at the heart of the acceleration in electrification

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# Sustainability and energy concerns will spur electrification

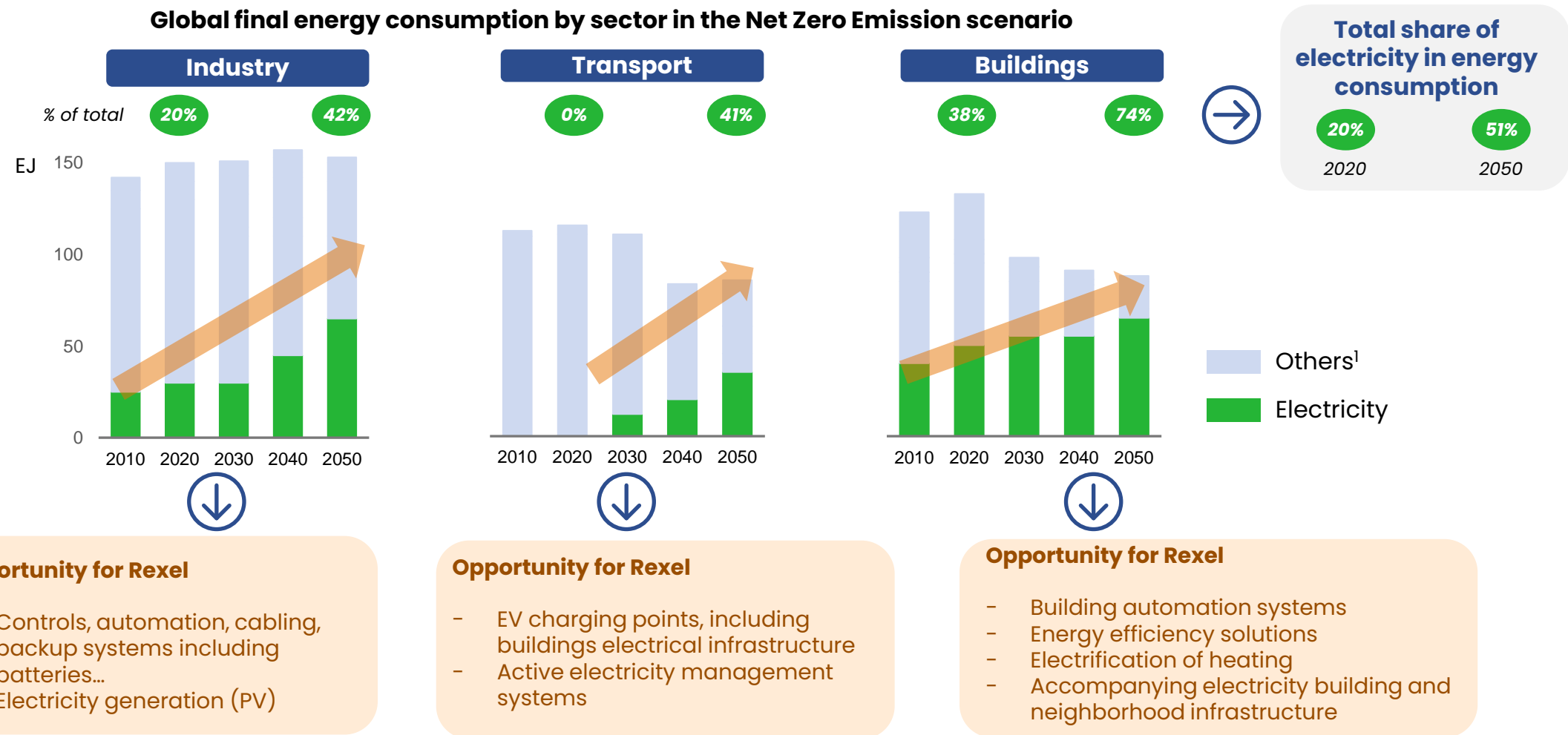


**From  
sustainability  
driven by early  
adopters...**



**...to a very solid trend backed  
by multiple stakeholders**

# Electrification trends boosted by Net Zero agendas



1. Others incl. fossile fuels, hydrogen-based, modern bioenergy and biomass  
Source: IEA



# Ramp-up in electrification spreading across all industries

## Majority of industrial processes can / will be electrified

Share of total estimated fuel consumption for energy %<sup>1</sup>

		Examples of processes	Technology status
Other (potential not assessed <sup>1</sup> )	19		
Very-high-temperature heat (>1,000°C)	32	Melting in glass furnace, reheating of slab in hot strip mill, and calcination of limestone for cement production	Research or pilot phase
High-temperature heat (400–1,000°C)	16	Steam reforming and cracking in the petrochemical industry	Available today
Medium-temperature heat (100–400°C)	18	Drying, evaporation, distillation, and activation	Available today
Low-temperature heat (≤100°C)	15	Washing, rinsing, and food preparation	Available today

## Already a business reality

### Example: Hydraulic fracking in oil and gas

#### Replacing diesel pumps with electric ones

- Powered by gas that could otherwise get flared

#### ESG impact

- Reduce CO2 emissions (>35%)
- Reduce noise: Better working conditions
- Economic payback

#### Rexel involved in several projects in the Gulf Central region of the US

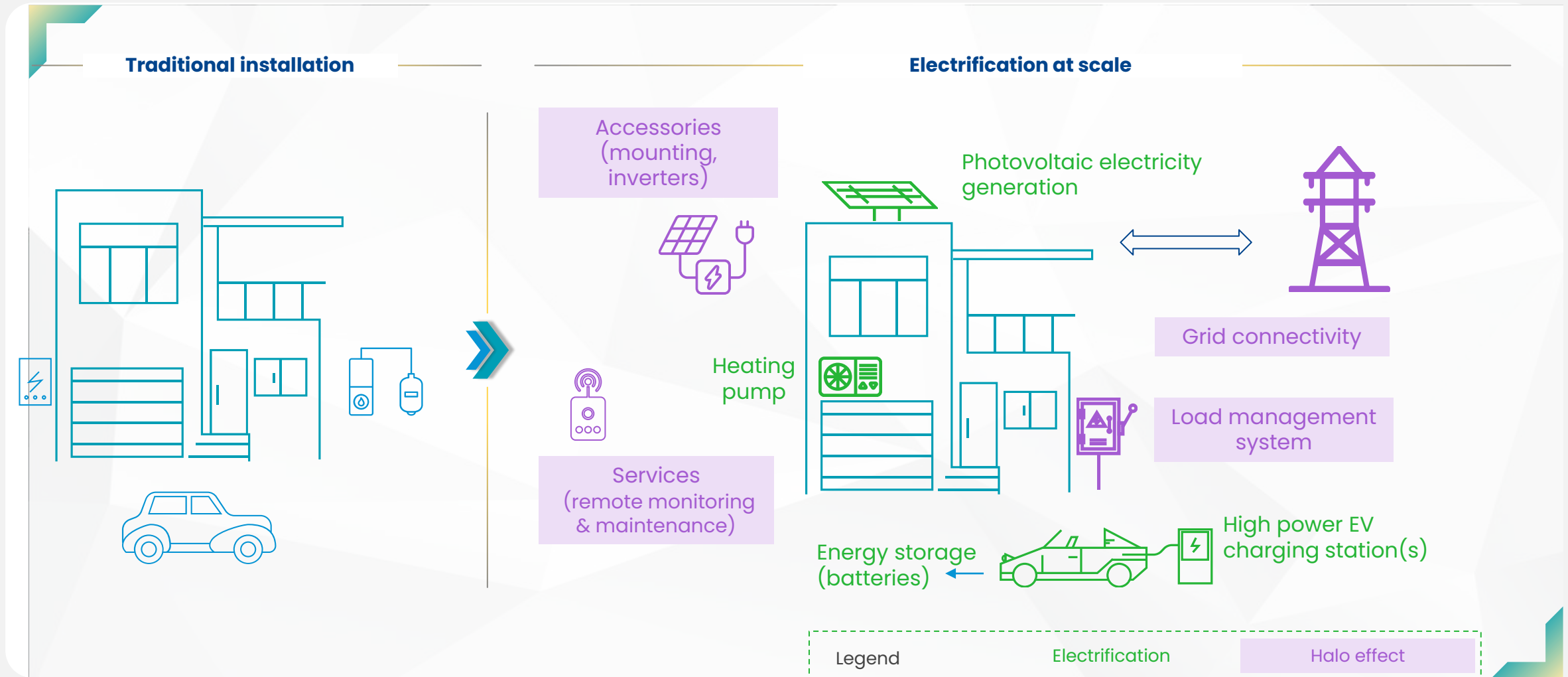


Example of an e-frac pump<sup>2</sup>

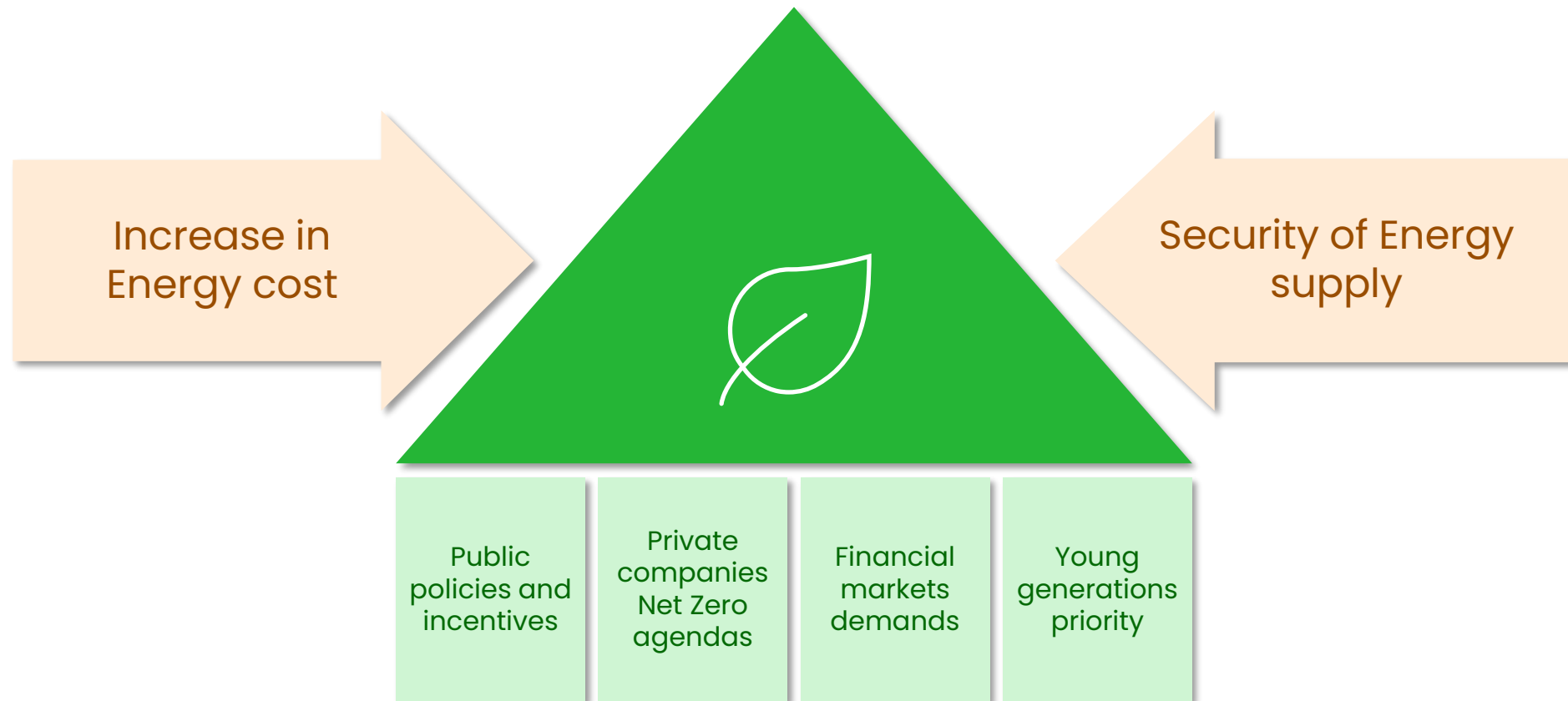
Sources:  
 1. 2017 figures based on expert interviews; Heat and cooling demand and market perspective, JRC Scientific and Policy Reports, European Commission, 2012, publications.jrc.ec.europa.eu; "Manufacturing energy and carbon footprints (2014 MECS)," US Office of Energy Efficiency & Renewable energy, September 2018, energy.gov; World energy balances 2019, IEA, September 2019, iea.org; McKinsey analysis, EOG, Apache, Bloomberg, Natural Gas Intel. 2. drilling contractors.org

# “Halo” effect to kick in when electrification technologies reach scale

Potential to revamp full ED installations driven by adoption of new electrical usages



# Additional demand boosters at play

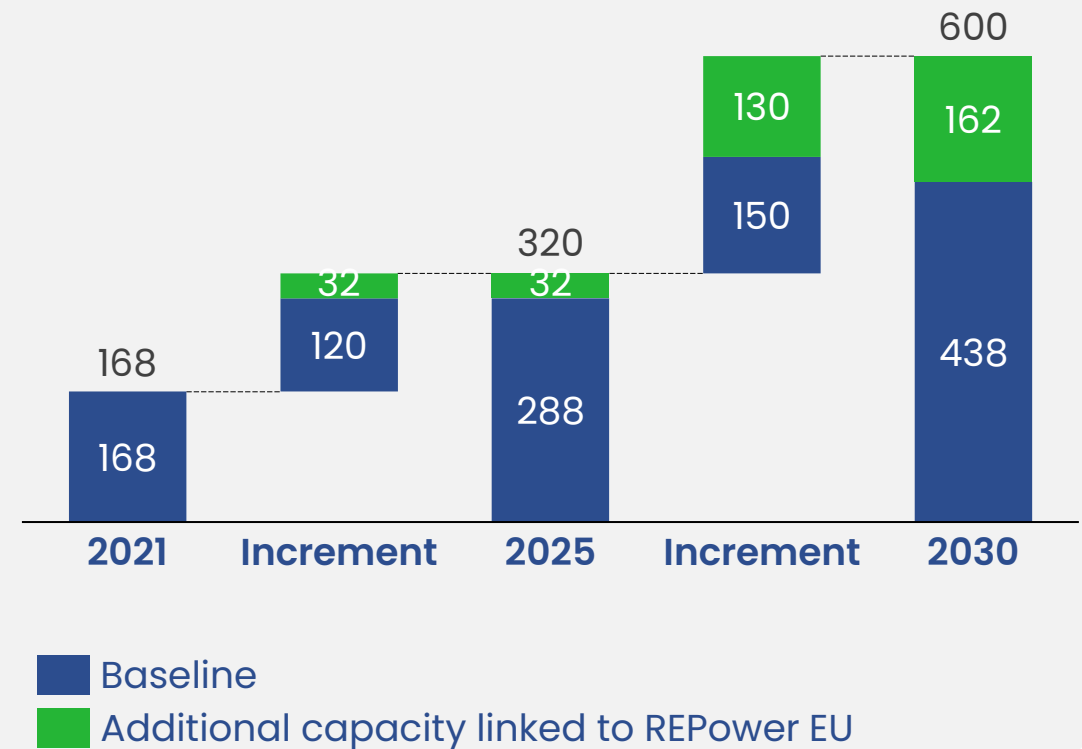


# "Repower EU", an accelerator of PV demand

## "REPower EU" main pillars

- Installation of solar energy to be **mandatory** for :
  - **Public/commercial buildings**: new by 2026, old by 2027
  - New **residential buildings** by 2029
- Additional **€26bn investment** to be allocated until 2027
- Workforce development initiative
- European PV industry alliance
- Simplification of authorization procedures

## Total Installed PV capacities in Europe (in GW)



A clear photovoltaic demand booster in European countries

# Workforce scarcity, a growing concern for our customers, driving additional demand



- Accelerated automation in industrial markets
- Increased need for advanced services
- Increased demand for digital



# Electrification is not solely driven by financial payback

## Typical use cases

	Home renovation	Commercial building going green	Industry automation
Typical project	<ul style="list-style-type: none"><li>• PV</li><li>• EV charging</li><li>• Heat Pumps</li><li>• Home automation</li><li>• Air conditioning</li><li>• Supporting services (expertise)</li></ul>	<ul style="list-style-type: none"><li>• PV</li><li>• EV charging</li><li>• Energy management</li><li>• Smart building</li><li>• Supporting services (admin, expertise, Freshmile)</li></ul>	<ul style="list-style-type: none"><li>• Variable drives</li><li>• PLCs</li><li>• Software</li><li>• Supporting services: expertise, audits, design, system integration</li></ul>
Decision drivers	<div>Economic payback (energy savings)</div> <div>Public incentives</div> <div>Comfort (winter &amp; summer)</div> <div>Personal sustainability pledge</div>	<div>Economic payback (total cost of ownership)</div> <div>Building codes (depending on country)</div> <div>Net Zero commitment</div> <div>Energy supply security</div>	<div>Economic payback (labor and energy savings)</div> <div>Net Zero commitment</div> <div>Labor scarcity</div> <div>Health and safety</div>

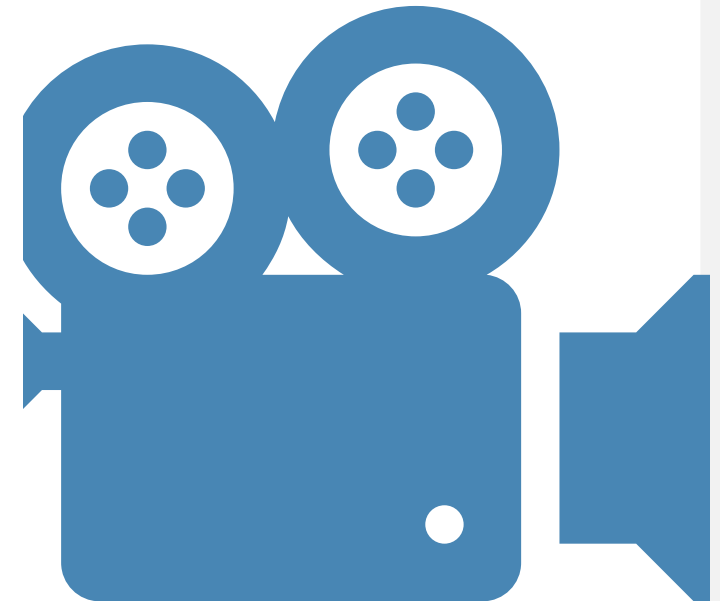
# Electrification usages expanding across all project types



Swedish Football Association



<https://vimeo.com/701679202/3cb5f14391>



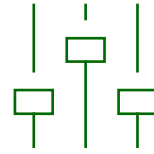
# Digitalization: The new standard of electrical distribution



**New generation**  
of digital native  
electricians



**B2C setting**  
**expectations**  
for digital experience



**Software & IOT**  
enabling energy  
management and  
energy efficiency



**Data a game**  
**changer** in industrial  
automation:  
convergence with IT  
& OT



**Best-in-class digital experience**  
expected by customers

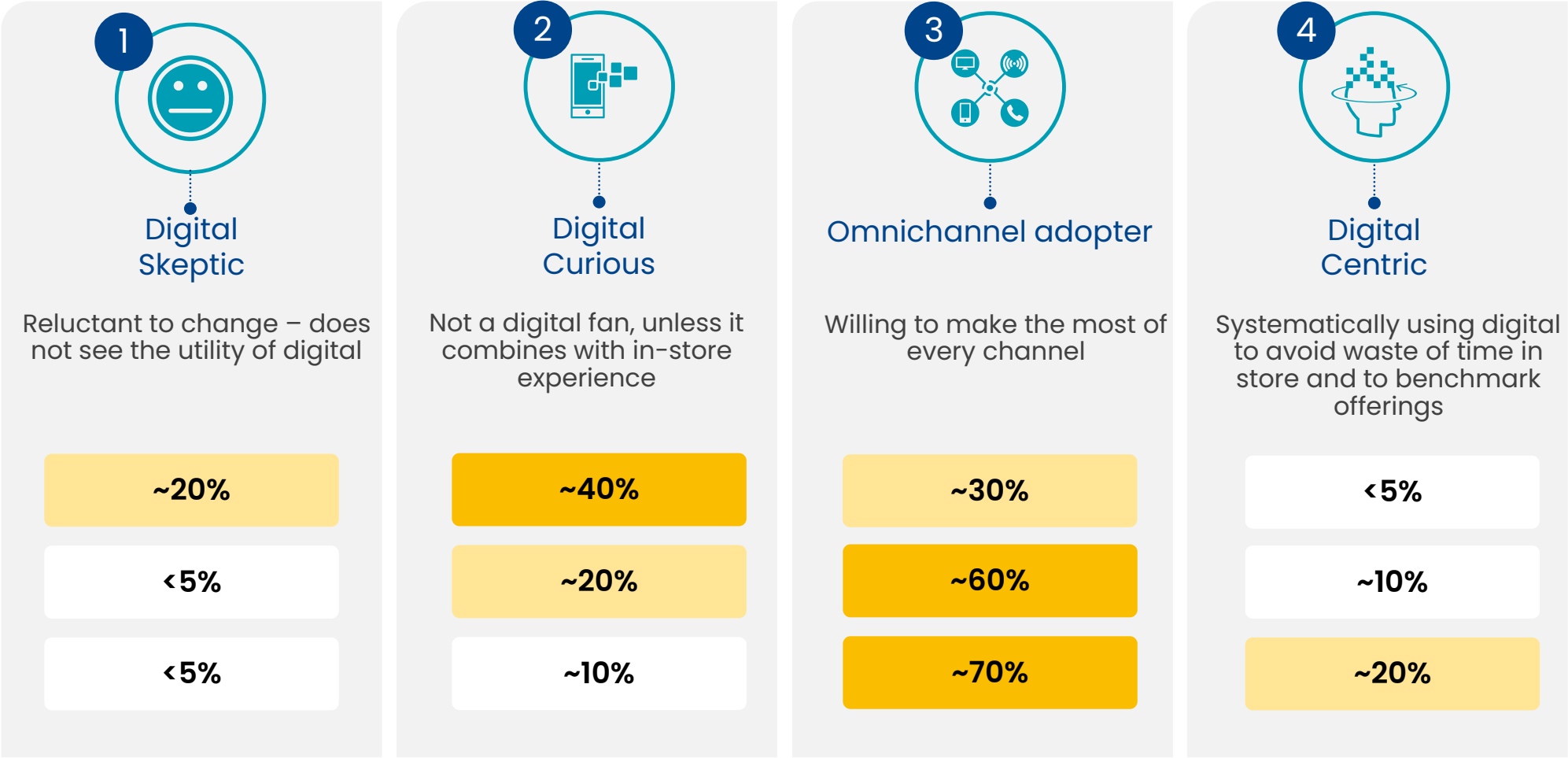


**Software & services increasingly part of the**  
**expertise in electrification**

# Rising digital maturity across small - and medium- sized electricians



Electrician  
breakdown by profile







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# An active role to play for Rexel

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# A value-added role to play in a more complex world

Growing Trends	What it means for our customers	Rexel's role
<b>Talent scarcity</b>	Customers want their employees to <b>focus on their core business</b> , not on managing supply or admin.	 <ul style="list-style-type: none"><li>• Push <b>digital transactions</b>, including customized connections to customer IT systems</li><li>• Propose <b>advanced delivery, kitting and some prefabrication solutions</b></li><li>• Actively suggest <b>industrial automation</b> solutions</li></ul>
<b>Product scarcity</b>	<b>Immediate and reliable availability is no longer a given.</b> Supply chain has become strategic.	 <ul style="list-style-type: none"><li>• Work with customers to better <b>plan their needs</b></li><li>• Hold broad inventory and establish <b>long-term partnerships with suppliers</b></li><li>• Actively propose <b>product substitution</b> including digitally</li></ul>
<b>Complex solutions</b>	Customers hesitate to go for complex & innovative solutions due to <b>lack of expertise and supporting service</b> . Many settle for less efficient solutions.	 <ul style="list-style-type: none"><li>• Constantly <b>train customers</b> on new topics</li><li>• Help our contractor customers <b>pitch advanced solutions</b> (payback discussion)</li><li>• Set internal incentives to <b>push innovative mix</b></li><li>• Propose adjacent services <b>to reduce complexity of solutions</b></li></ul>

# Scale is the name of the game for distributors

## Size matters...

- Economies of scale
- Supply chain optimization
- Strategic supplier relationship



Gap between large (inter)national distributors and independent players will increase

## ...even more so given today's paradigm shift

- Ability to invest in **digital & data**
- **Sustainability**, incl. ratings and supply chain
- **Expertise** to promote innovation
- Better **product-scarcity** management (inventory, supplier relationship)



Distributors at scale acting as relevant partners to achieve energy transition and generate savings

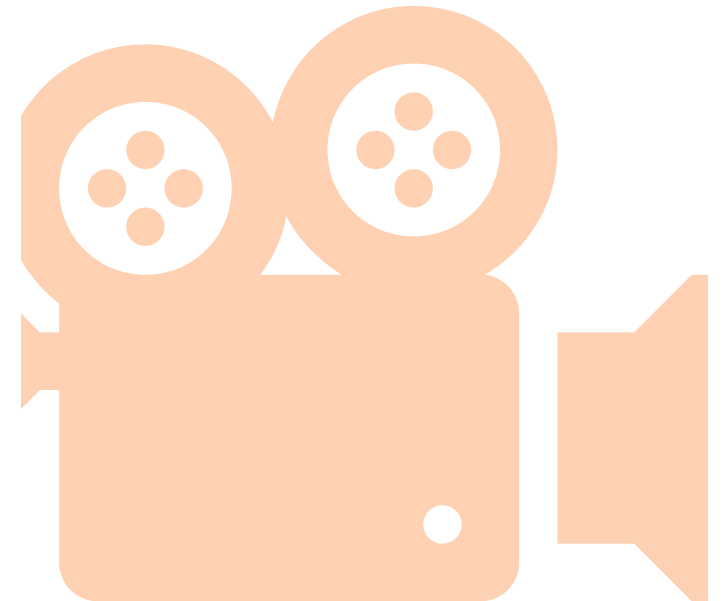


# Nexans interview



**Christopher Guérin**

Chief Executive Officer



# Our ambition: Excel and Power Up

## Excelling across the board on fundamentals

*Unlock even more value by leveraging our processes, tools and best practices in all countries and in possible acquisitions*



Potential to further optimize our core model

## Striving to be a differentiated leader

*Focus resources on building leadership positions on topics shaping the future of the industry: ESG, energy transition solutions and advanced services*



Potential to accelerate growth & outperform the market

# A group-wide commitment to continue Rexel's transformation







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# Unlocking value in our core model




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- Supply chain
- Digital and data
- Turnaround
- M&A

# Logistics excellence, a prerequisite to succeed in all customer segments



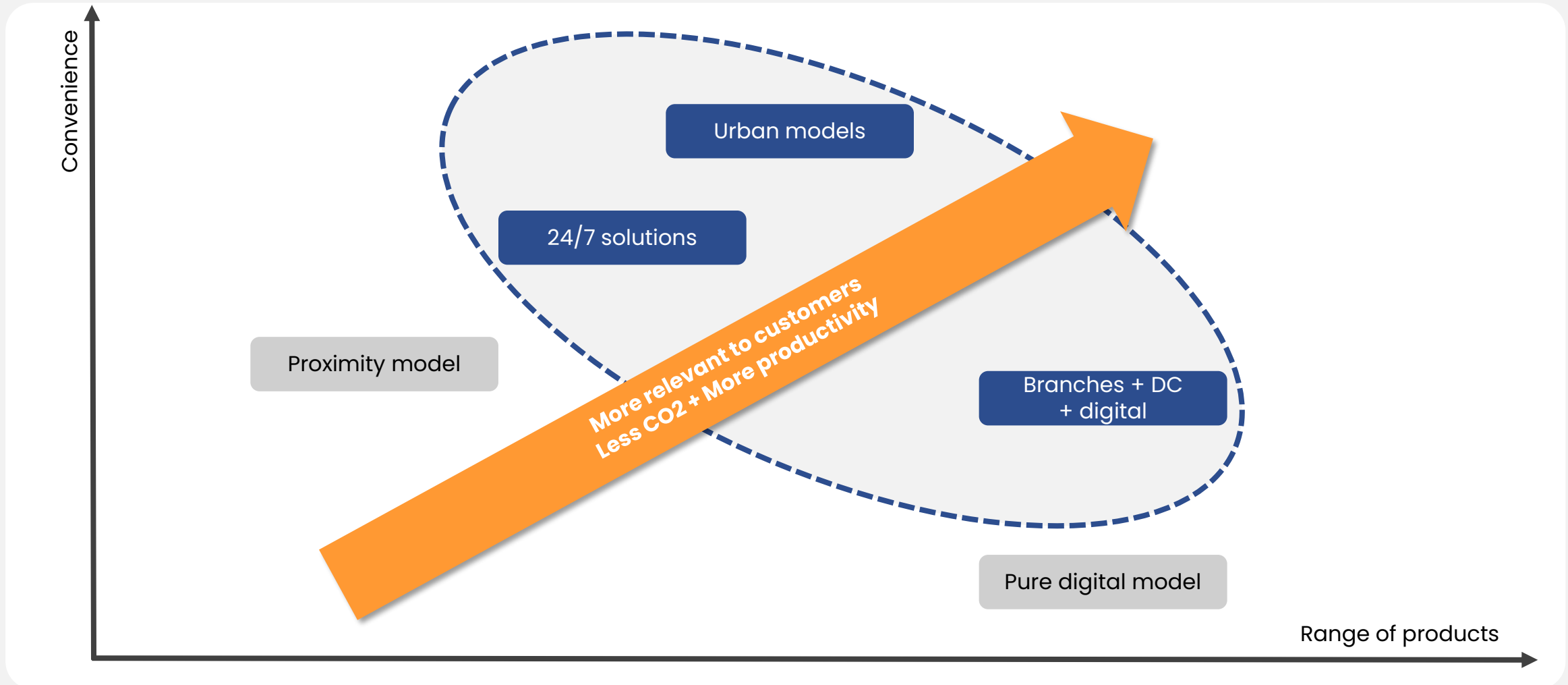
A logistics network adapted to all client segments

	 Residential clients	 Commercial clients	 Industrial clients
Same-day availability enabled by a dense network	+++	+	
Distribution centers able to deliver in 24 hours	+++	+++	+++
Omnichannel experience including track & trace	++	++	+
Access to experts	+(product expertise + regulation watch)	+(product expertise + spend optimization)	+(product expertise + industry-specific knowledge)
Key account manager + dedicated support		++	++

 Key criteria depending on supply chain

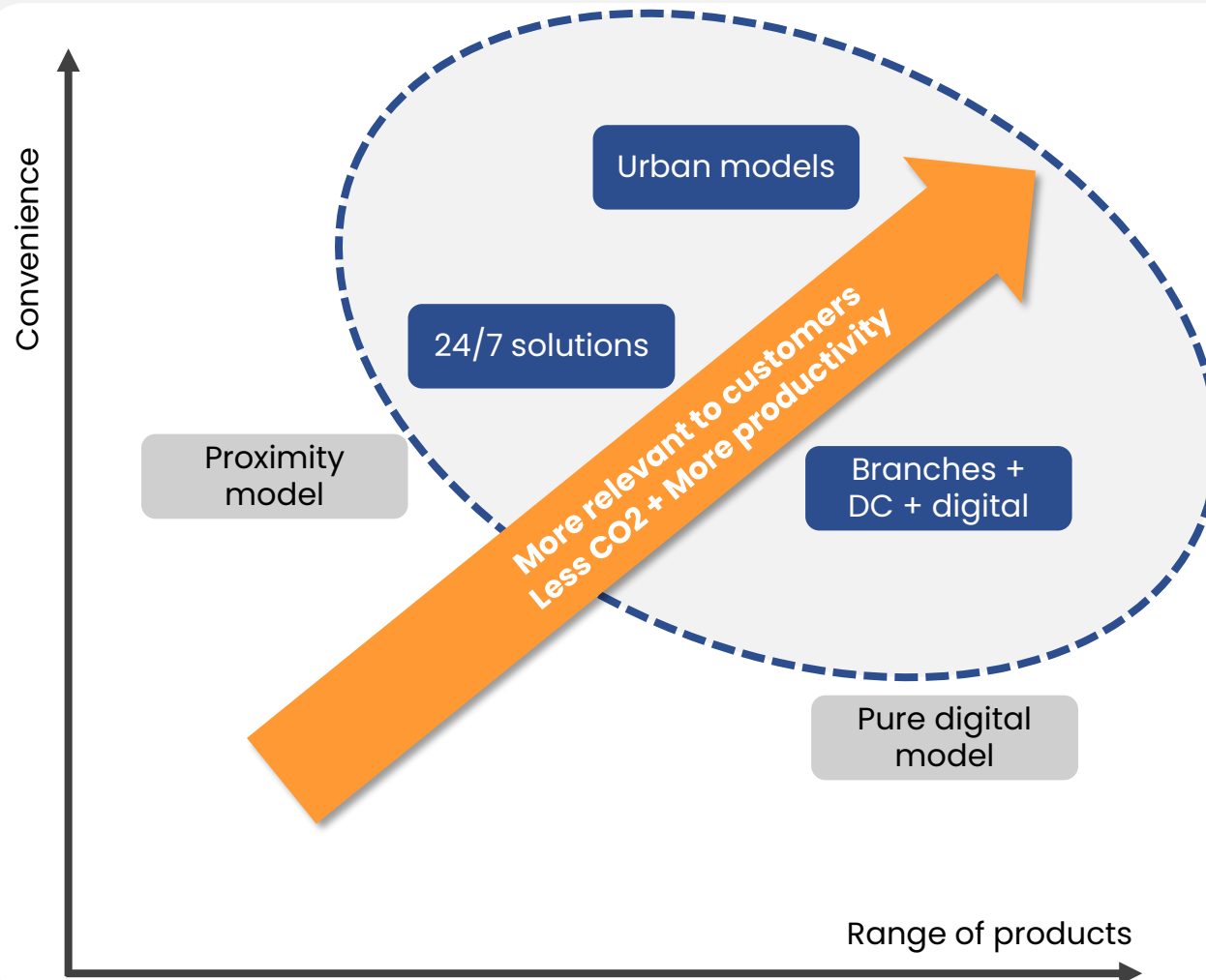
# Supply chain excellence driving differentiation

Innovative supply chain models driven by sector disruption (digitalization, environmental constraints, people scarcity)



# Investing further in our omnichannel model

2025 ambition



Automated DCs  
→ **Triple the number of automated DCs compared to today**

Urban models  
→ **Develop differentiated and sustainable urban models in our key strongholds**

24/7 solutions  
→ **Pushed everywhere: self service branches, automated branches, locker systems**



# Greater Lyon urban set-up supports same-day delivery

rexel



**The challenge: Lyon, a dense urban area in the heart of an industrial region**

**Our solution: a fully automated DC supporting ecosystem of touchpoints (2022)**

**A differentiated value proposition**

- 2pm same-day deliveries in branches – 40k SKUs
- Low emission deliveries inside Lyon in 2h on 6k SKUs
- Logistics services: Pre-fab, kitting, system set-up





# London DC: Differentiated service offer to accelerate growth

nexel

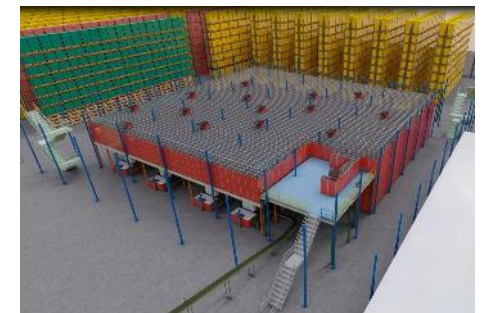
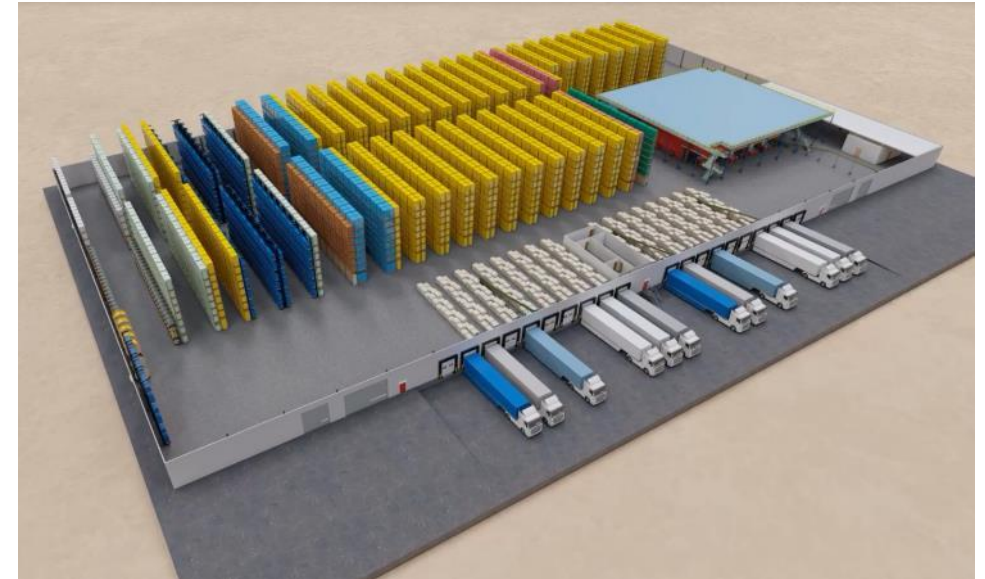


The challenge: London, a high traffic urban area and a low emission zone



Our solution: a new DC supporting London and UK south (2023)

## A state-of-the-art value proposition

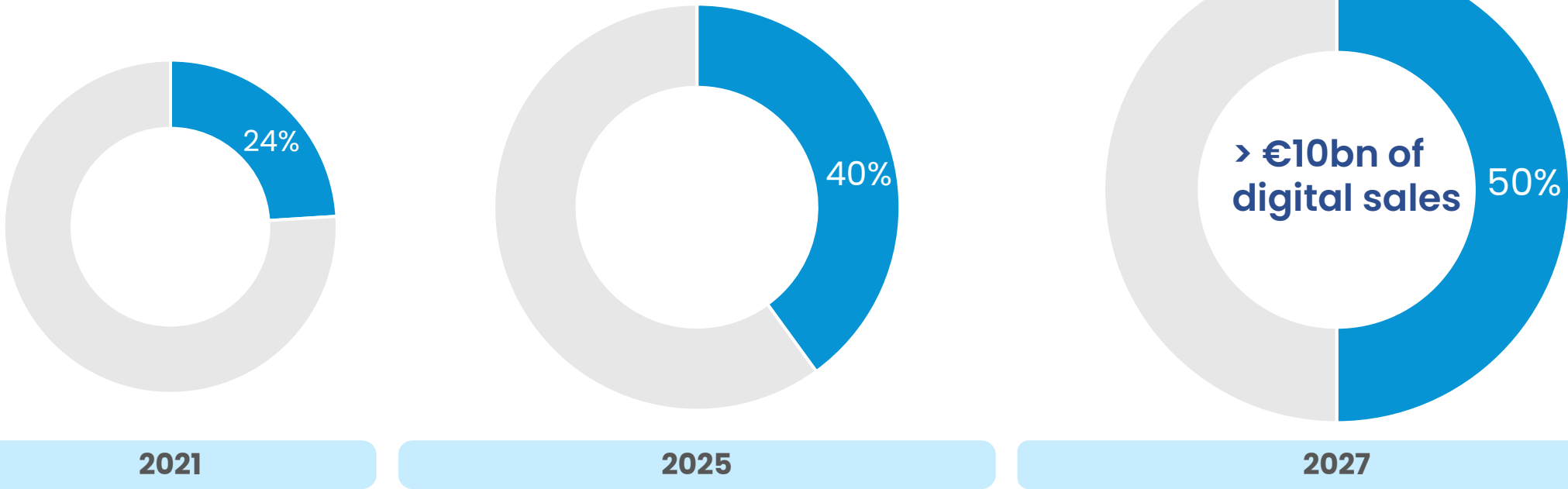
- 9pm cut-off time for digital orders
- 25k+ SKUs available D+1
- More additional services: Wire Cutting, Pre-Fab



# Taking digital to the next level to unlock more value

		Benefits	How
 <b>Existing customer base</b>		<b>Lower cost-to-serve</b>	Adjust sizing of traditional sales channels to avoid additional costs from digital
		<b>Additional sales</b> Product cross-sell and upsell opportunities	Implement smart product recommendation functionalities to anticipate client needs
		<b>Churn avoidance</b> by providing a good digital experience	Provide excellent UX; understand churn signals and act appropriately to retain high-risk profiles
 <b>New clients</b>		<b>Additional sales</b> from clients who were not Rexel clients	Use digital marketing to convert new potential leads
		<b>Lower acquisition cost</b> of new clients	Prioritizing customers with higher propensity to buy

# Maintaining our leadership by doubling the share of digital sales



Leveraging...

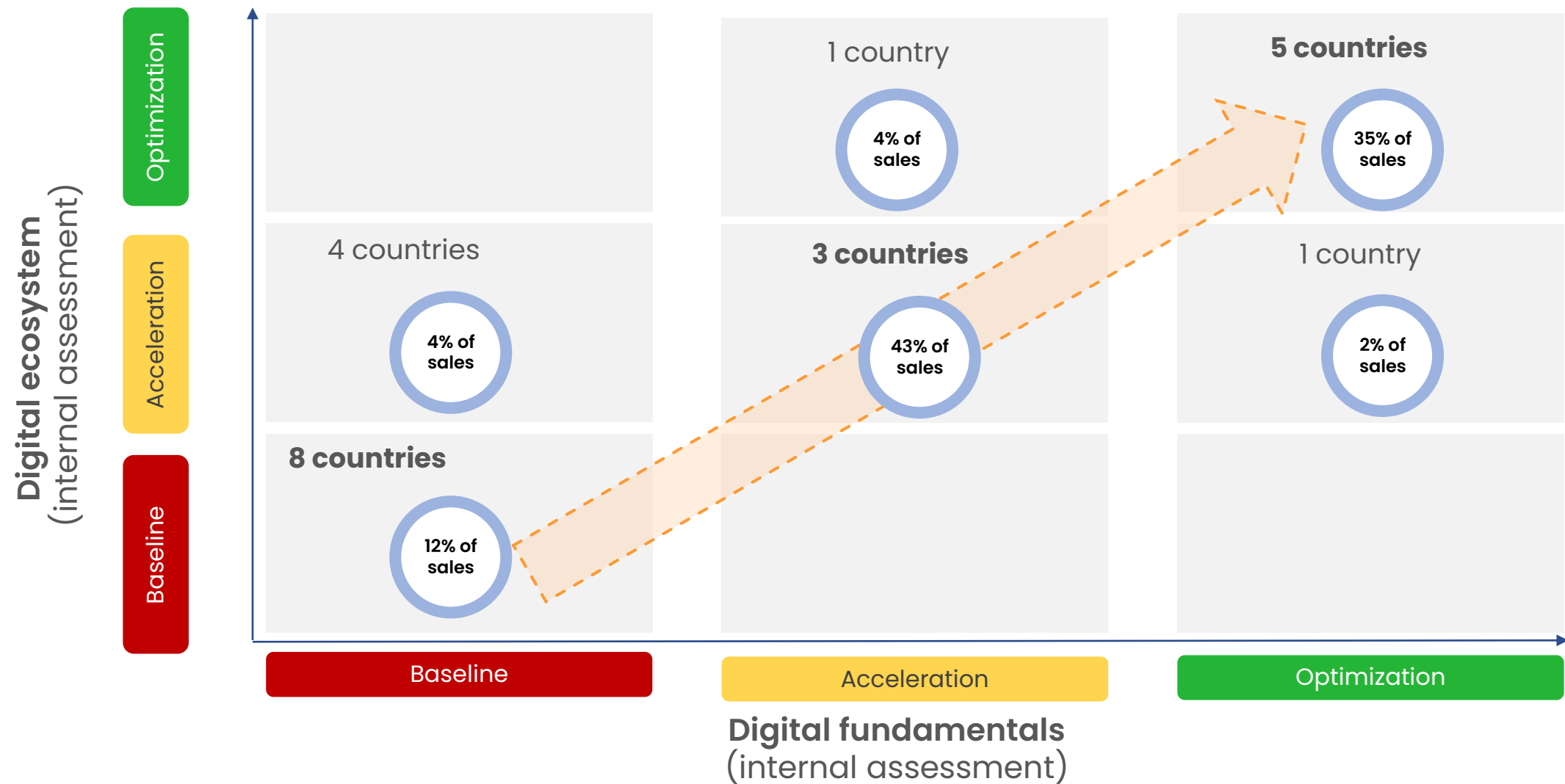
Increasingly differentiated **delivery proposition**

Optimized **UX** and **search engine**

Ease of **connection with our customers' IT systems**

Seamless integration with **services offering**

# Accelerating digital by bringing all countries to best-in-class

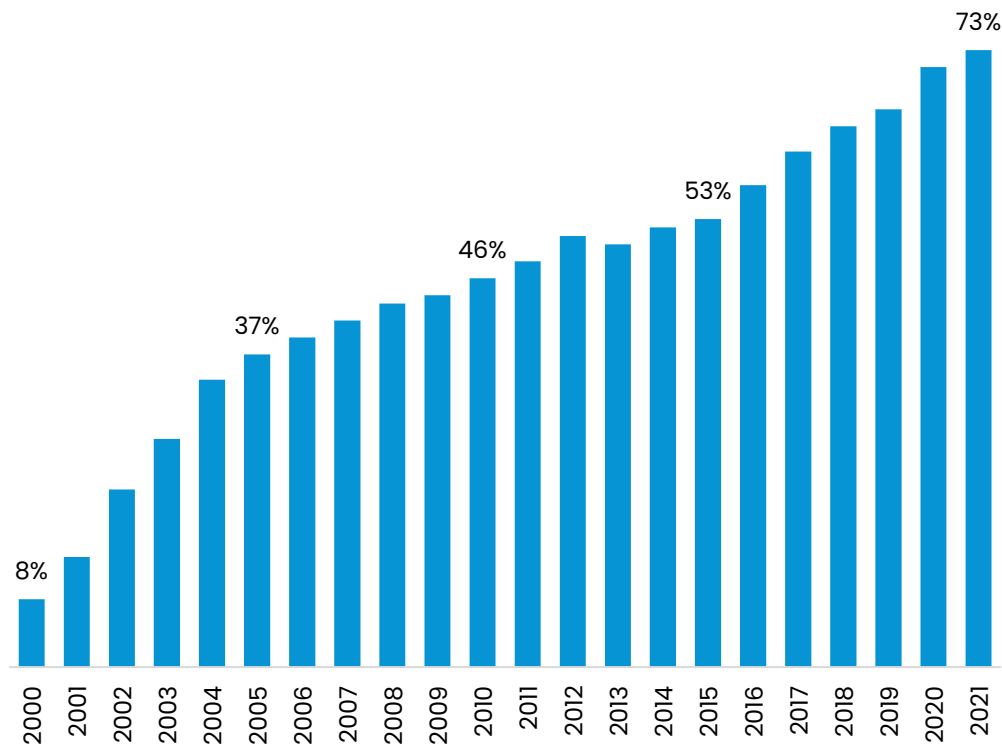


# Rexel Switzerland's digital journey



Excellence in digital transaction thanks to best-in-class purchasing journey

Digital sales penetration rate (% , 2000-21)



Digital strategy

Easy ordering and time-saving for our customers

Enable pre-sales and after-sales processes  
(wish lists, order history, returns)

Support with product orders  
(catalogs, search, configurators, top articles)

Help our customers in the sales pitch to their customers

Potential for saving up to €2.7m shipping papers per year through a fully paperless process



# Digital differentiator: The best end-to-end digital customer service

nexel

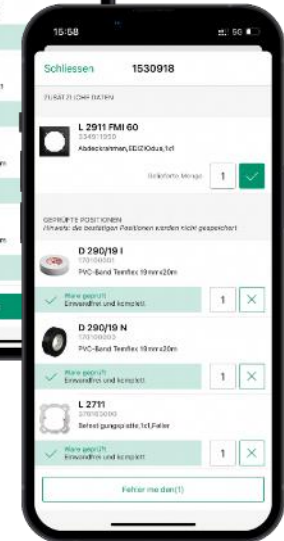


App is tailored to facilitate and streamline electricians' daily tasks – purchasing and surrounding functionalities to cover all service needs

- Mobile revenues x2 in the last 2 years
- Increased customer stickiness



Scan QR code  
on delivery bag



Match with  
orders on the app



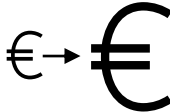

Export for invoicing  
& administrative work



# Data and digital making our sales force more productive, more efficient and more relevant to customers



# Leveraging data & AI to significantly improve our value proposition and our P&L

	Objectives		22-25 evolution
Sales Alerts	<ul style="list-style-type: none"> <li>Predictive alerts targeting churners, representing ~2%-5% of the customer base</li> <li>Extended to sales opportunities &amp; undervisits</li> </ul>		<b>From 9 to 11 countries</b> <b>From 1 to multiple types of alerts</b>
Assortment optimization	<ul style="list-style-type: none"> <li>Full solution to manage breadth and depth in branches</li> <li>Lean process for Sales &amp; Supply teams</li> </ul>		<b>From 1 to 5+ countries</b>
AI Pricing	<ul style="list-style-type: none"> <li>Pricing AI algorithm bringing more customization to current data-driven pricing</li> <li>Comprehensive approach replicable in many countries</li> </ul>		<b>From 4 countries to 8+ countries, upgraded from data-driven to AI</b>
Next Best Offer	<ul style="list-style-type: none"> <li>AI model for cross-selling recommendations, online and in branches, continuously improving thanks to likes / dislikes from users</li> <li>Extension to "similar offer" to help with shortages</li> </ul>		<b>From 3 to 10+ countries</b>
<b>Up to 1.5% incremental sales and c.25 bps EBITA margin gains thanks to AI generalization by 2025</b>			

# Next best offer algorithms bring expertise closer to the customer



## Purchasing journey adapted to mitigate supply chain tensions

### Clear communication on shortages and lead time

### Next best offer AI recommendation models revised to:

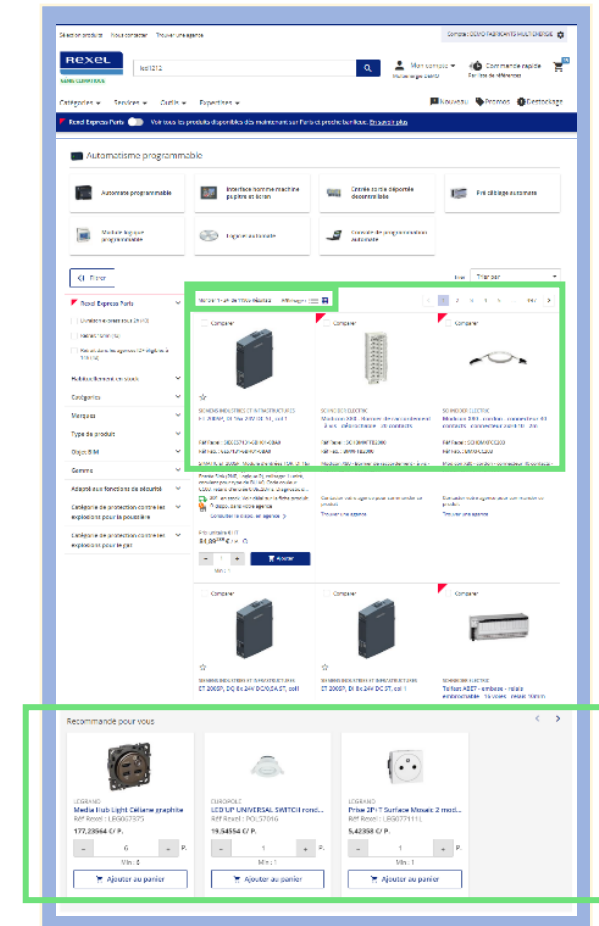
- Give priority to in-stock products when offering complementary products to customers (web and in branches)
- Offer alternative similar products offered in case of shortages

**X 3**

Products with alternative products proposed in 6 months

**X 6**

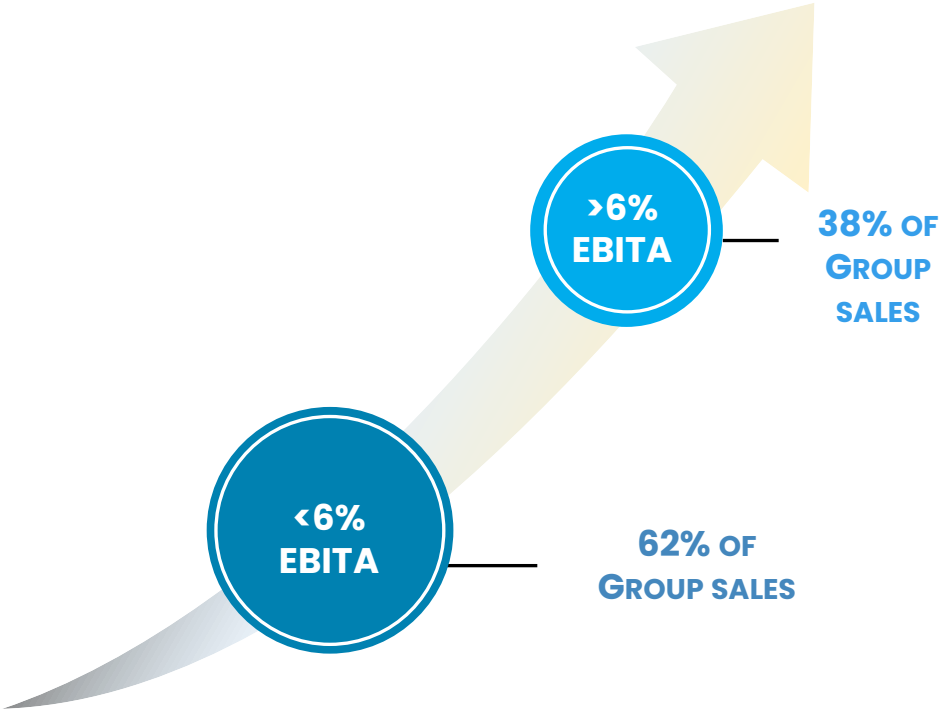
Revenue generated with NBO-similar in 6 months



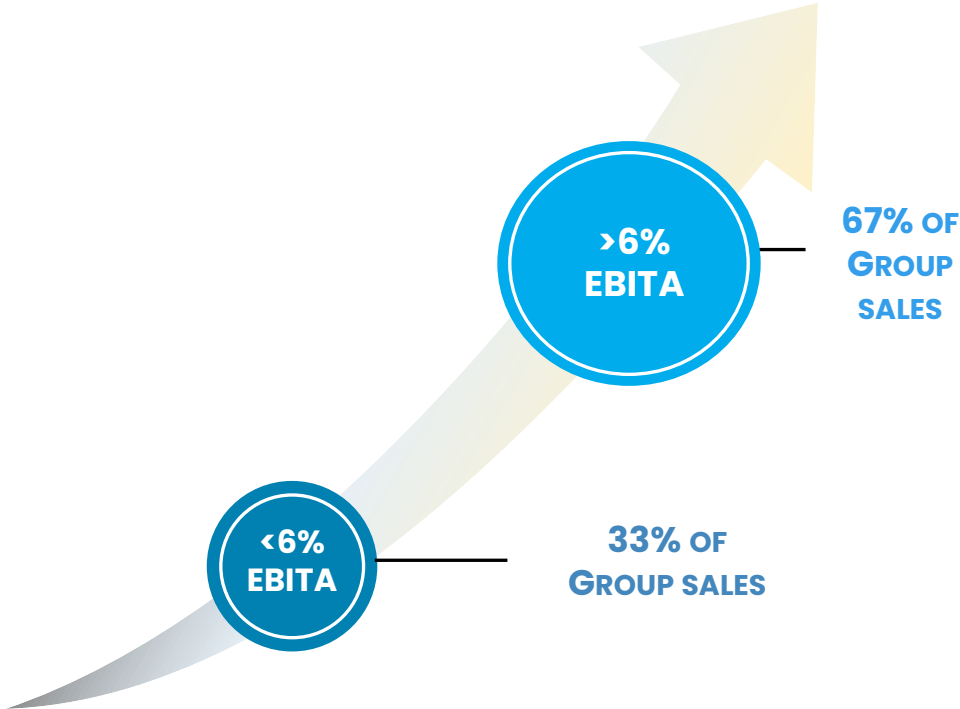
# Continue to bring underperforming countries to the Rexel standard



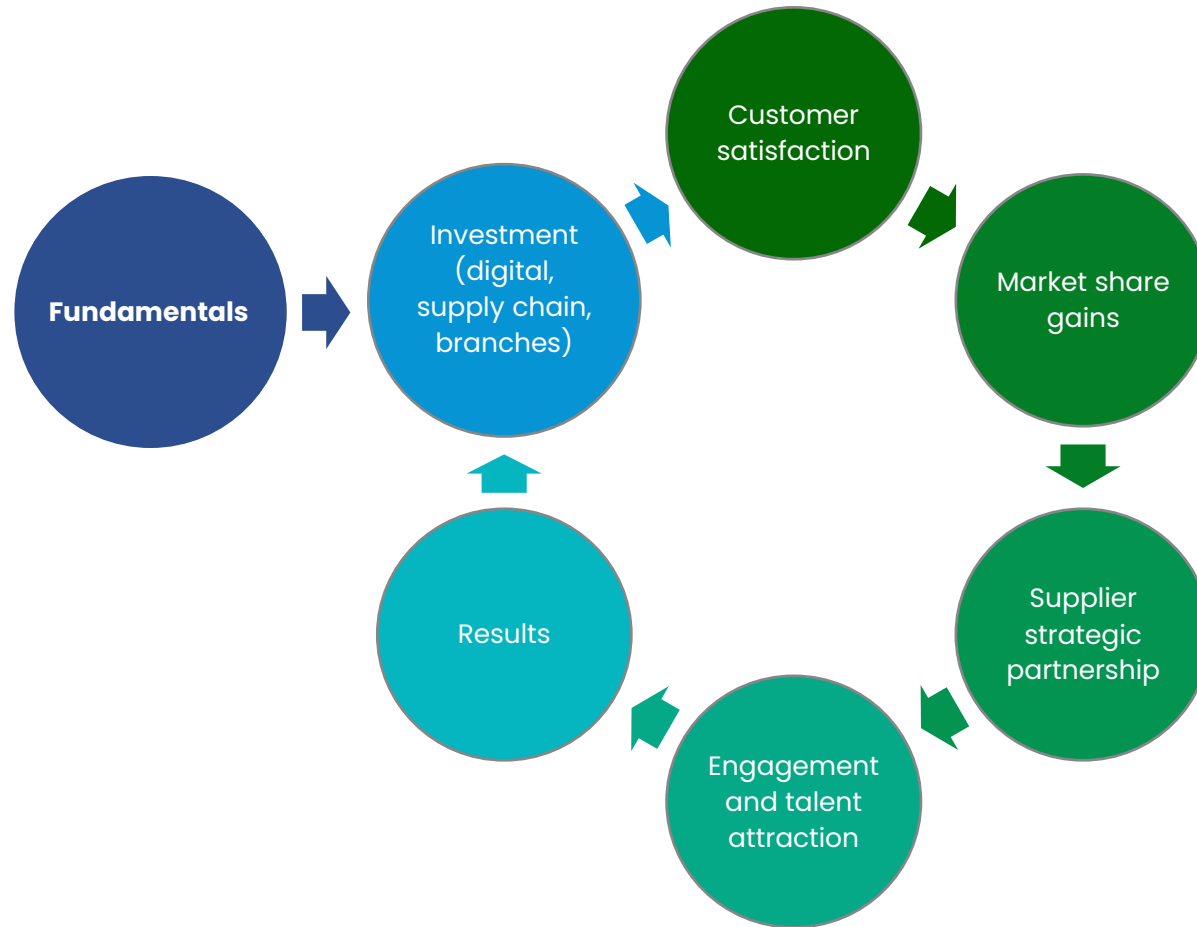
FY 2020



FY 2021



# A proven formula to deliver successful turnarounds



## Example: Germany

- **Focused geographically** on our most solid Residential and Commercial region (south) and nationwide industry business
- Appointed **new CEO and executive committee**
- Switched to a **sales mindset** and a **KPI-driven culture**
- Focused on sales productivity by using **digital** tools and processes
- Delivered substantial **market share gains** and **profitability improvement**
- Ready to expand to other regions and expertise driven businesses

# Rexel is now back on track in the United States, potential for more



## Organization and people

- Completely rebuilt the company organization around **8 regions** (vs. 2 banners before)
- Renewed **management team**
- **Autonomy** given to the regional CEOs to drive more customer-focused behaviors
- Focus on **culture** and **engagement**

## Sales reboot

- More **inventory**
- Additional **branches** in selected locations
- Invest in **sales team** (hires, training)
- Incentives

## Data-driven processes

- New **CRM** driving sales activities
- **Deal review** procedures driving margin
- Data-driven **pricing**
- Material **productivity** improvements
- **Selectivity** (customers, segments)
- Concentration on **a few critical suppliers**



**From below to above Group average profitability while delivering accelerated growth**



# Further upside potential in the US



# Mayer integration stands as a clear success story

nexel



 **MAYER**



## Overview

- **Leadership & key personal retained**, allowing to solidify the strong regional market position
- Outstanding first six months results, made possible by **seamless integration** and **first effect of synergies**
- Upgraded the **synergies objectives** from **1.5% to 2.5% of sales**; confident that more is ultimately possible
- Integration learnings to serve for **further acquisitions in the US and elsewhere**



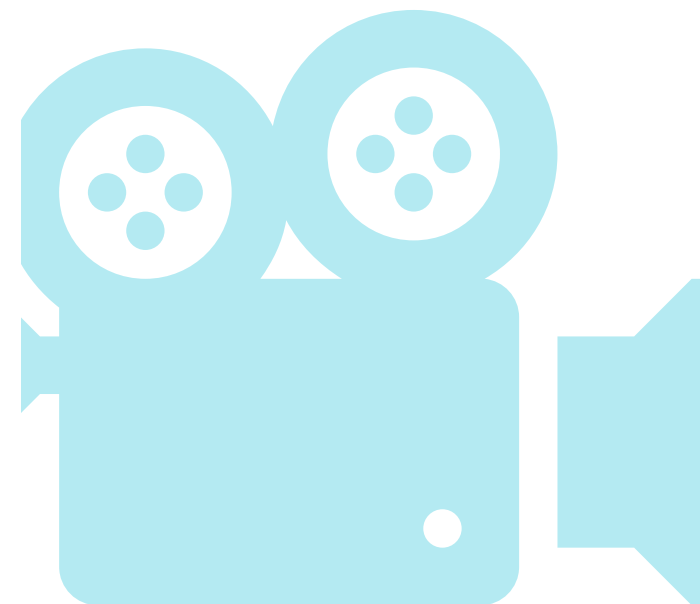


# Mayer interview



















**Wes Smith**

CEO of Mayer



# M&A ambition backed by successful track record



	Key objectives	Type of targets	Recent acquisitions	
 <p><b>Reinforce Core ED Positions</b></p>	<ul style="list-style-type: none"> <li>• <b>USA #1 priority</b></li> <li>• Strengthen leadership position and create sustainable competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mostly mid-size</b></li> </ul>	 	 
 <p><b>Expand to Adjacent Specialists</b></p>	<ul style="list-style-type: none"> <li>• <b>Europe #1 priority</b></li> <li>• Expand core ED position and enrich value proposition</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Small/mid-size</b></li> </ul>		
 <p><b>Develop Value-Added Models</b></p>	<ul style="list-style-type: none"> <li>• <b>Developing new business models and accelerating digital transformation</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mostly small-size</b></li> </ul>	 	 
<p>Delivery vs. acquisition plan</p> <div>  Above expectations              In line with expectations              Below expectations         </div>				

# Building a strategic leadership position

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- ESG
- Energy transition solutions
- Services



**Leader in ESG**



# Taking a leadership position in ESG to better serve all our stakeholders

## Our market



*The historical acceleration of our markets is largely driven by sustainability concerns*

## Our talents



*In the talent war, purpose and sustainability are an important differentiator*

## Our customers



*More and more customers have an ambitious sustainability agenda and want their distributors to help them reach their goals*

## Our suppliers



*Sustainability a central topic for most of our suppliers, on which they expect constructive partnerships with distributors*

## Our shareholders

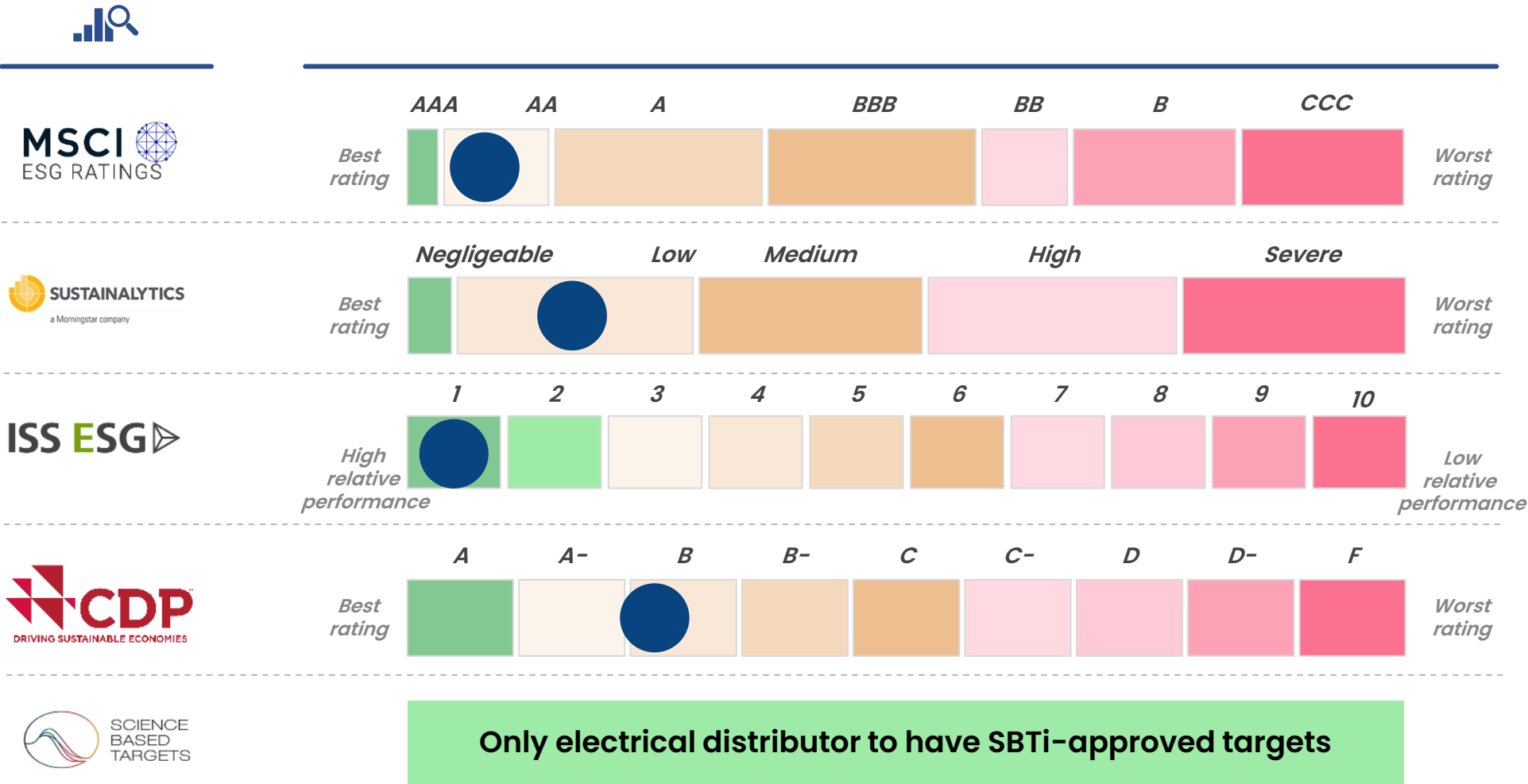


*Being serious about sustainability ambition now a prerequisite for many investors*

# Rexel's ESG performance is already rated highly by leading agencies



Rexel rated higher than peers on ESG matters

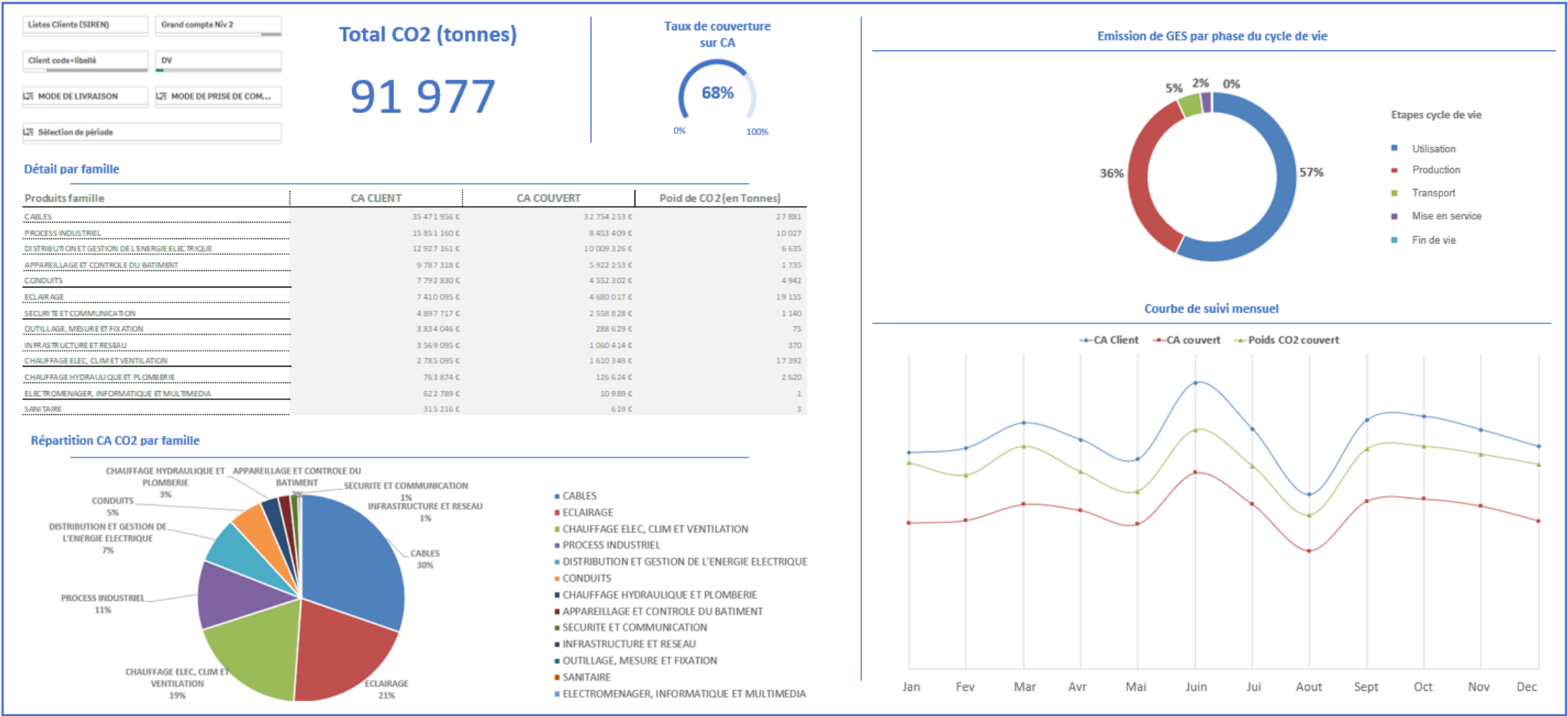


# Rexel has a pivotal role to play in ESG across the value chain



1. PEP: Product Environmental Profile

# Carbon Tracker customer dashboard: Helping our customers measure the CO<sub>2</sub> impact of their projects



Emission de GES par phase du cycle de vie

Etapes cycle de vie	Pourcentage
Utilisation	57%
Production	36%
Transport	5%
Mise en service	2%
Fin de vie	0%

Courbe de suivi mensuel

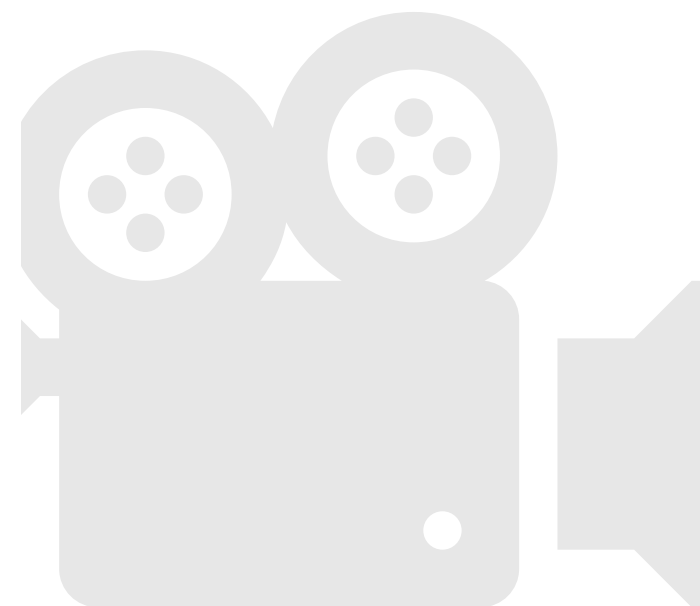


# Eiffage interview



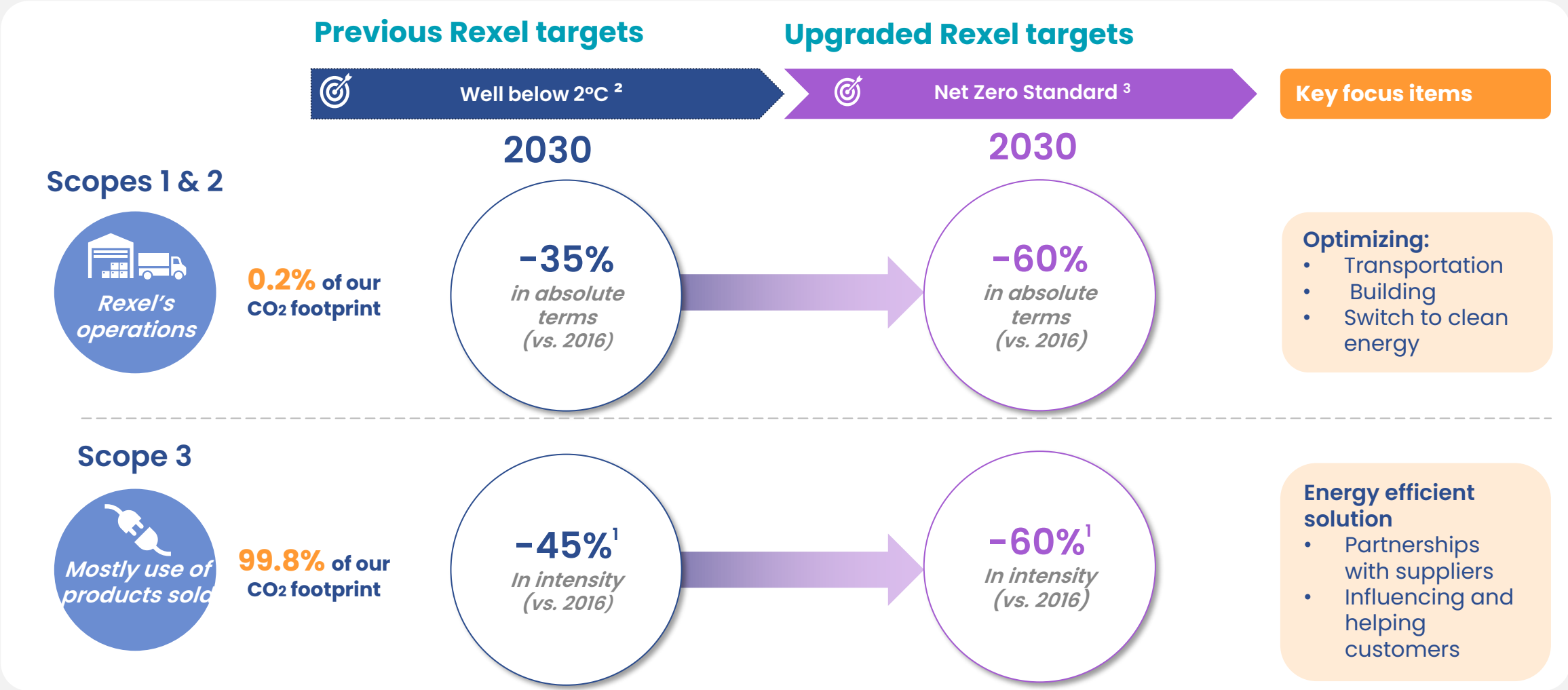
**Jean-Luc Baras**

Group Chief Purchasing Officer



# Strongly upgrading our CO<sub>2</sub> roadmap to reach Net Zero target in 2030

Based on internal calculations currently reviewed by SBTi



1. Or "from -31% of CO<sub>2</sub> emission of sold products to -45%, in value vs. 2016"  
2. Validated by SBTi  
3. To be validated by SBTi



# ESG criteria now fully embedded in management incentives

## Financial criteria

40%



Average growth of EBITA €  
2021 – 2024

20%



Average between years 2022, 2023 and year  
2024 of FCF before interest and taxes /  
EBITDAaL ratio

20%



ESG index  
on 6 sub – criteria

20%



Rexel share price compared to  
the SBF 120 GR index

## ESG criteria

Carbon footprint reduction – Scope 1 & 2

E

Carbon footprint reduction – Scope 3

E

Diversity across the organisation and for the  
leadership team

S

Reduced frequency of working accidents

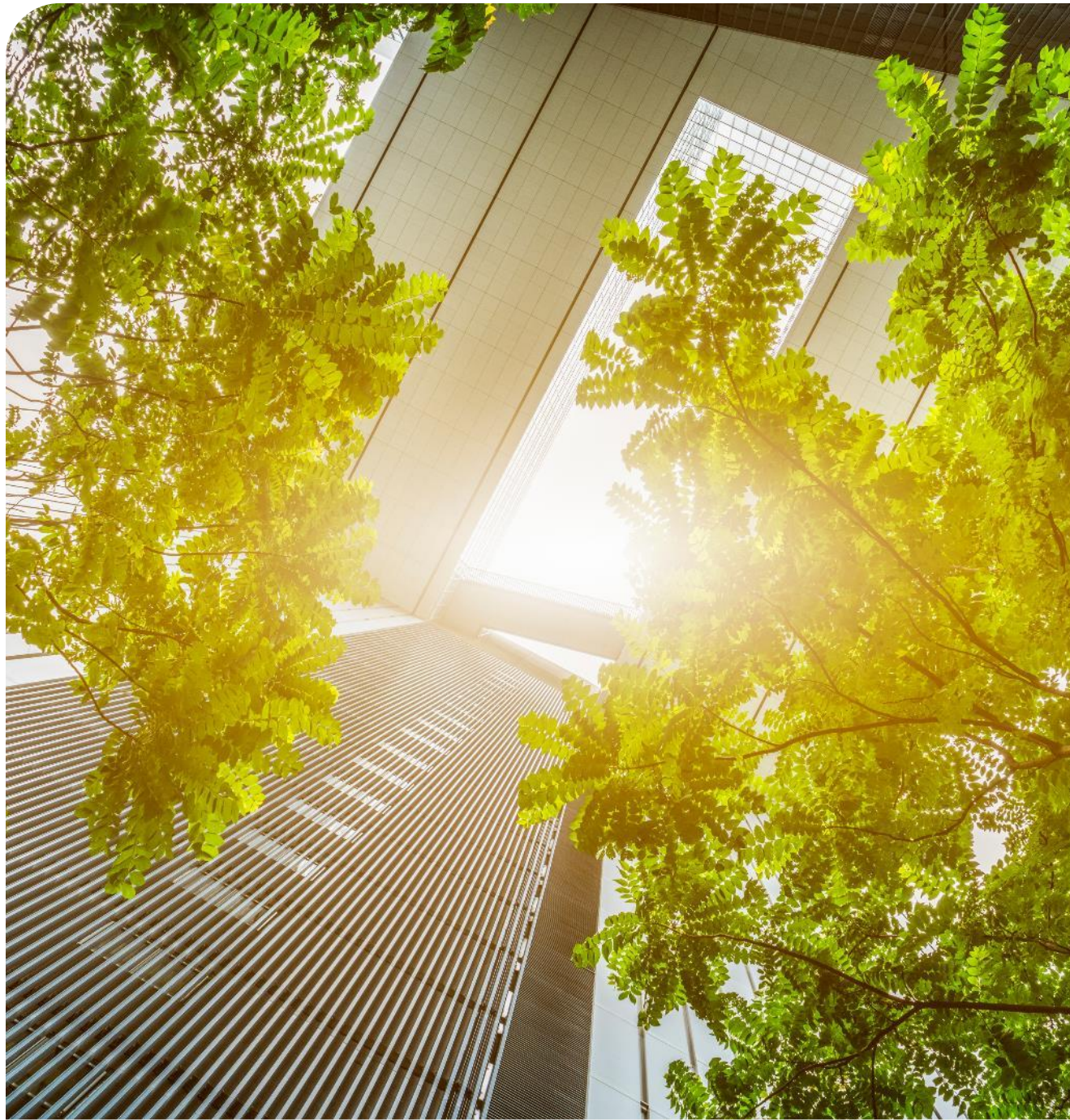
S

Sustainability stakeholders' engagement

G

High level of adherence to ethics and  
compliance values

G



# Leader in energy transition solutions

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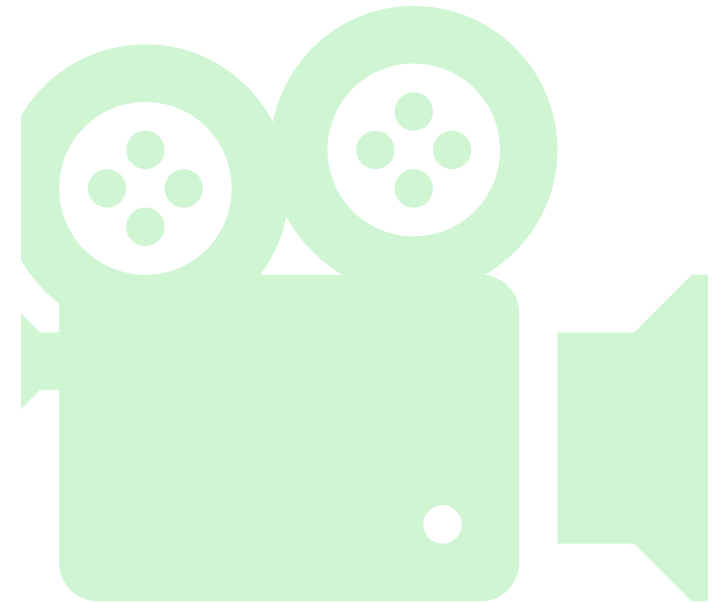


# Schneider interview



**Jean Pascal Tricoire**

Chief Executive Officer

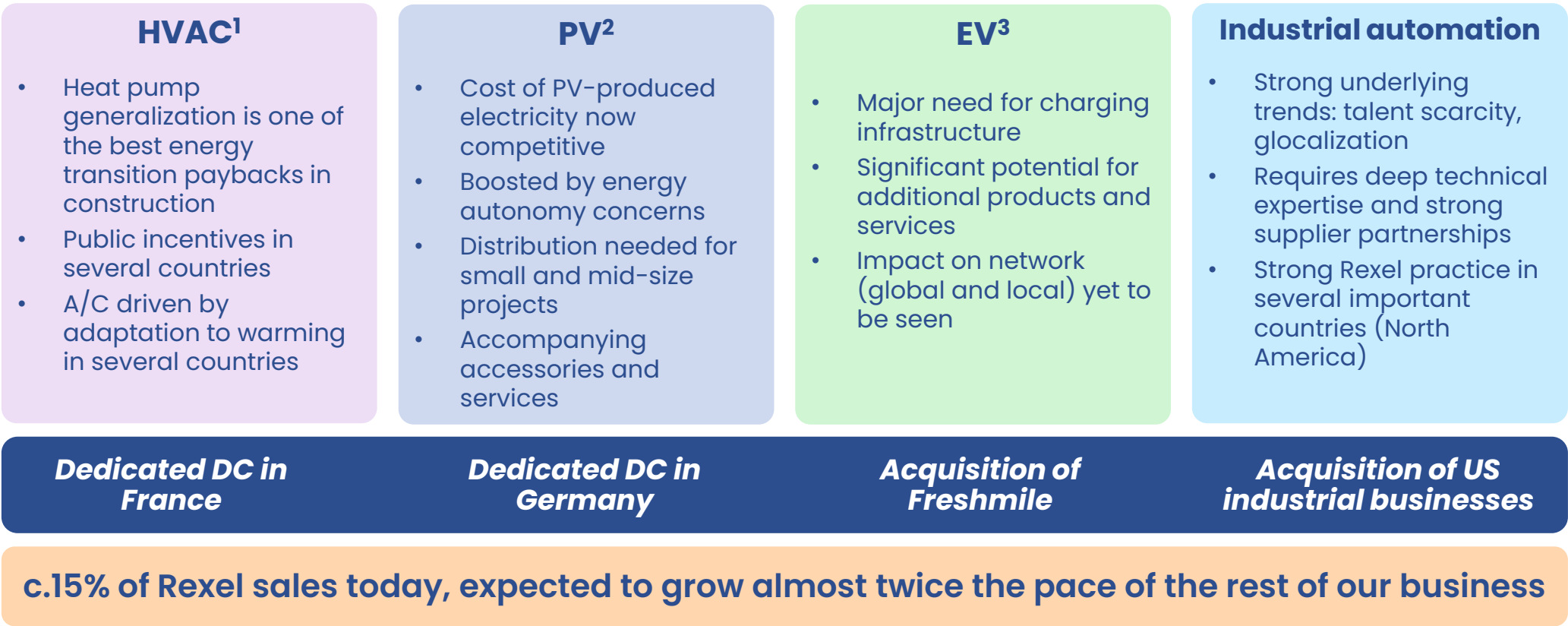




# Four examples of opportunities contributing to sales growth



Categories driving complementary product sales in energy transition solutions



1. Heating, Ventilation, Air Conditioning

2. Photovoltaics

3. Electric Vehicle Charging Stations

# Different ways to win in the “energy transition” categories



Critical topics Category					
	Expertise	Supplier partnerships	Dedicated supply chain tools	M&A	Additional services
HVAC	Low priority	Medium priority	Medium priority	Low priority	Low priority
PV	Low priority	Medium priority	High priority	Low priority	Low priority
EV	Low priority	Medium priority		Low priority	High priority
Industrial automation	High priority	High priority		Low priority	High priority

Critical topics to work on to be successful in the category:

Low priority    Medium priority    High priority

# Freshmile in France, enhancing Rexel's EV value proposition



## The Charging Operator - CPO

Offers a monitoring tool for installers in order to increase maintenance efficiency of charging network



## The mobility operator - MSP

Offers a roaming solution for end users to allow charging everywhere in Europe



15,000

Charging points under management

c. 20%

Of public charging points in France

- French leader in the management of public EV charging points
- Acquired by Rexel in 2020

- **Fast-growing** business: Market expected to grow x5 in the next 10 years
- **Extend Rexel value proposition beyond products** to include monitoring solution
- **Cross synergies** between both companies



Training

Rexel



Hardware



Expertise



Operations Services



Monitoring service

Rexel + Freshmile





**reXel**

a world of energy

**Leader in  
services**

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# Offering additional services will be increasingly important



Increased **stickiness**, reinforcing pricing power

*Providing a free, valuable service will increase customer stickiness and make them less sensitive to price*

Differentiating service, attracting **new customers**

*The service provides Rexel with a strong competitive advantage, attracting new customers and helping gain market share*

Increased **cross-selling** power and influence

*Increased customer intimacy and share-of-wallet optimization*

**Additional revenue stream**, including recurring revenue

*Develop new services as a standalone source of profitable revenues*

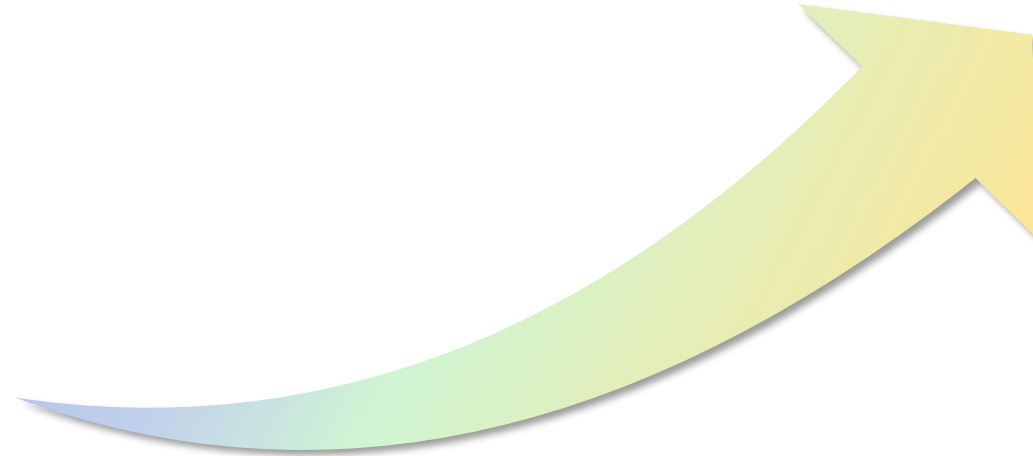
**Ambition to significantly expand by 2025, notably by doubling new services revenue**

# Rexel's comprehensive services stack is structured around six building blocks



	 Residential	 Commercial	 Industrial
Logistics	<ul style="list-style-type: none"><li>• Custom product sourcing</li><li>• Express delivery</li><li>• Custom packaging &amp; Kitting</li></ul>	<ul style="list-style-type: none"><li>• Real-time delivery tracking</li><li>• Vendor Managed Inventory</li><li>• Consignment stock</li></ul>	<ul style="list-style-type: none"><li>• Last-mile delivery</li><li>• Flexible storage solutions</li></ul>
Sustainability	<ul style="list-style-type: none"><li>• Product end of life : recycle, recondition</li></ul>	<ul style="list-style-type: none"><li>• Waste collection</li><li>• CO2 impact calculation</li></ul>	<ul style="list-style-type: none"><li>• Green logistics (packaging, delivery...)</li></ul>
Expertise	<ul style="list-style-type: none"><li>• Training, Audit &amp; Advisory services</li><li>• Project management</li><li>• Smart Home configurator &amp; integrator</li></ul>	<ul style="list-style-type: none"><li>• Repairing products &amp; tools</li><li>• Technical support for installation</li><li>• Certification label obtention</li></ul>	<ul style="list-style-type: none"><li>• Automation services</li><li>• Quality control/Testing/Certification</li><li>• Industrial Robot programming</li></ul>
Integration Services	<ul style="list-style-type: none"><li>• Cable cutting, engraving</li></ul>	<ul style="list-style-type: none"><li>• Pre-fabrication</li></ul>	
Financial	<ul style="list-style-type: none"><li>• Support to activate public incentives</li></ul>	<ul style="list-style-type: none"><li>• Leasing/renting</li></ul>	<ul style="list-style-type: none"><li>• Insurance</li></ul>
Software	<ul style="list-style-type: none"><li>• Freshmile</li></ul>	<ul style="list-style-type: none"><li>• Electrical software for contractors &amp; estimating tools</li></ul>	<ul style="list-style-type: none"><li>• BIM offering</li></ul>

# Industrial automation: From hardware to software & services



## Hardware

- **Sensors**
- **Systems and automation equipment**
- **Industry-specific machinery**

## Hardware / Software hybrid

- **Network layer**
- **Control logic**

## Software & Services

- **Advanced I4.0 services & solutions**
- **ERP system & industrial applications**
- **Platform & Analytics**
- **Supervisory Control**

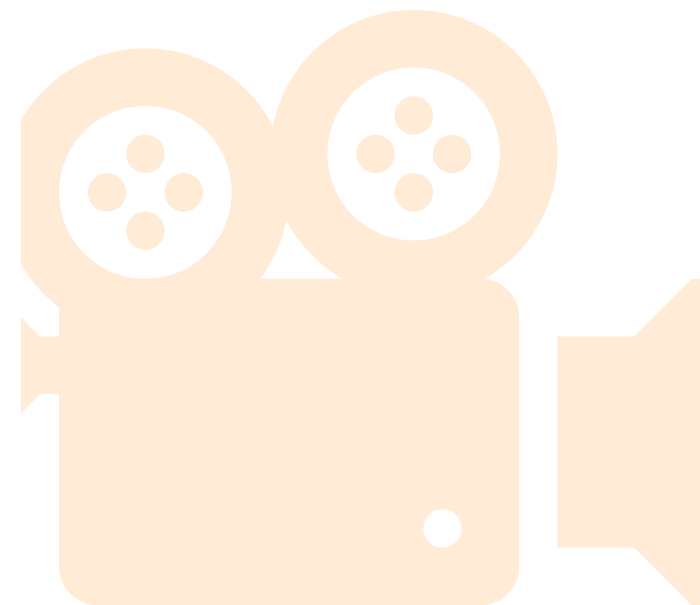


# Rockwell interview



**Blake Moret**

Chief Executive Officer



# China: focused on industrial automation + services

nexel







# Financial ambition

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# Upwards revision of our 2022 outlook

7%–9%

Same-day  
growth

**Current guidance: 4%–6%**

c. 6.7%

Adjusted EBITA margin<sup>1</sup>

**Current guidance: >6.0%**

> 60%

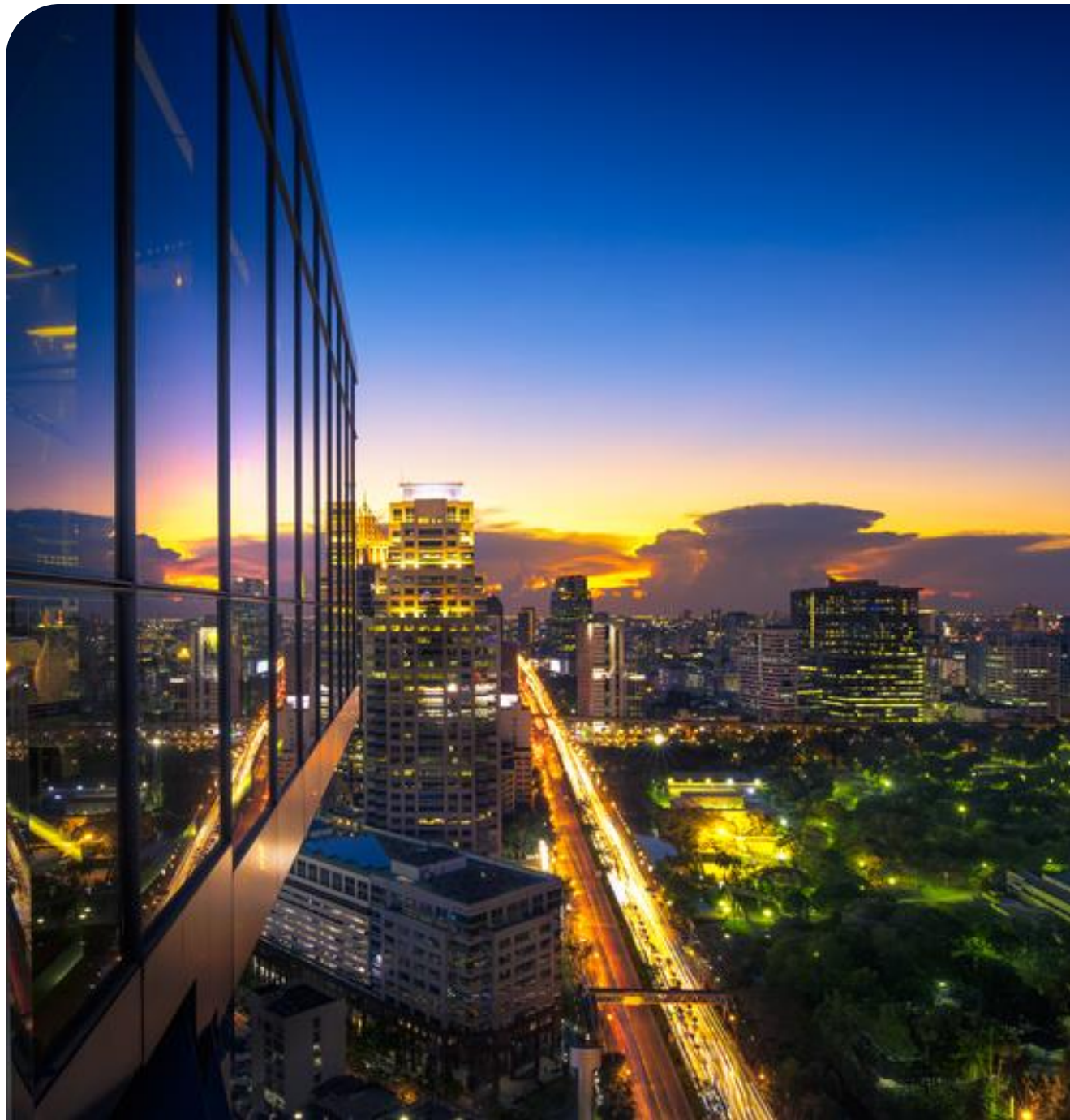
Free cash flow conversion<sup>2</sup>

**Current guidance: unchanged**

1. including c. 50bps of positive non-recurring effects

2. FCF Before Interest and Tax / EBITDAaL ; EBITDAaL: Earnings Before Interest, Taxes, Depreciation and Amortization after Leases





# 2022–2025 four-year targets

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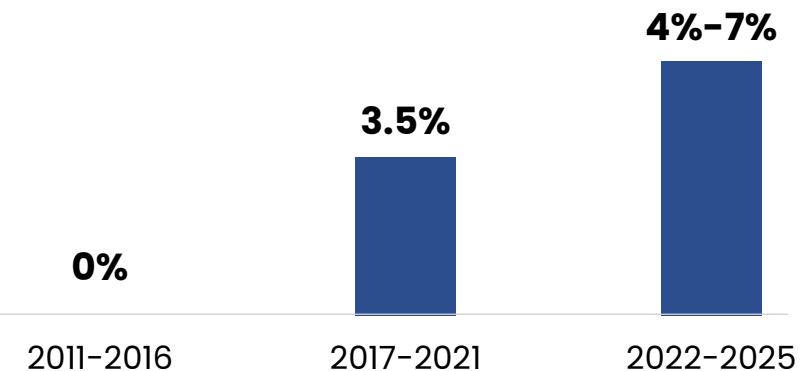
# Improved organic sales growth profile

*c.4%-7%  
on average*

2022-2025 same-day  
sales CAGR\*

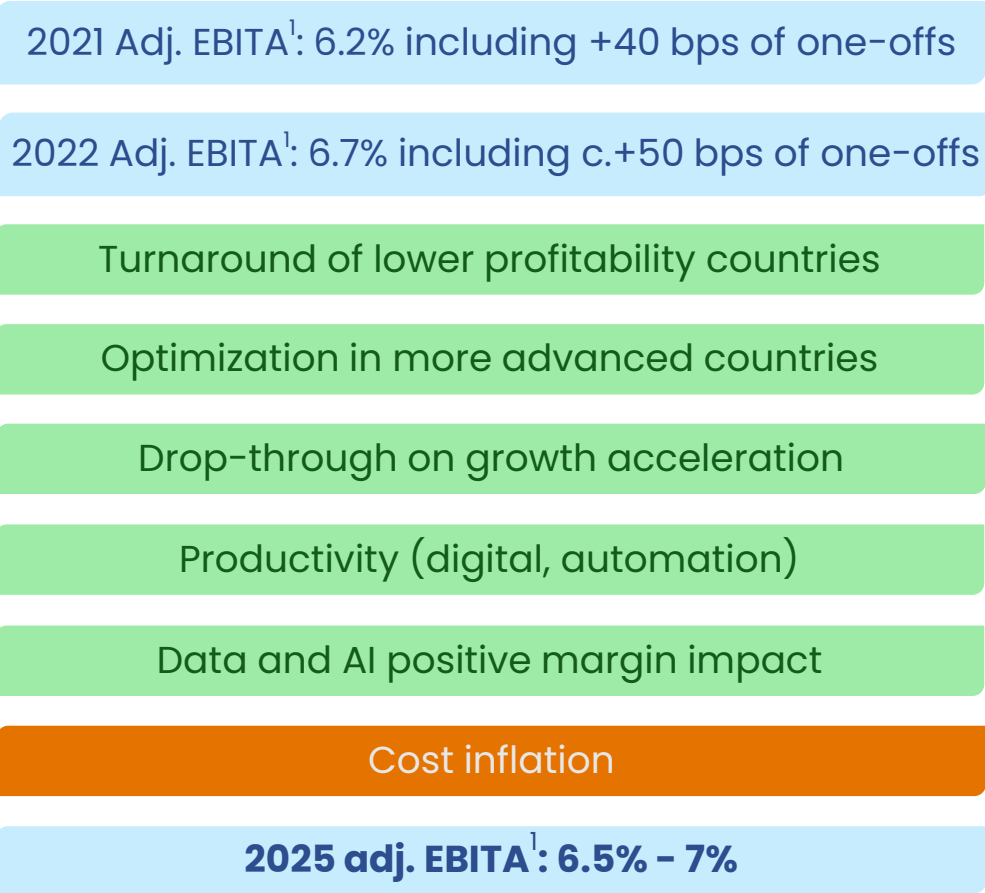


- **Electrification trends** boosting market growth
- **Focus** on high-growth categories, customers and geographies, making the best use of **data**
- **Increased digital sales** penetration
- Rexel consistently growing **above the market**
- Favorable overall inflation
- At reasonably stable macro-economic conditions





\*At reasonably stable macro conditions (no recession)



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

# Continued cash discipline preserving healthy balance sheet

**>60%**  
*each year*

**Free cash flow conversion  
ratio\* over 2022-25**



- **~0.9% of sales on average spent on capex**
  - Digital
  - Supply chain
  - Scope 1-2 carbon reduction objectives
- **Steady Working Capital to sales ratio**

\*FCF Before Interest and Tax / EBITDAaL; EBITDAaL: Earnings Before Interest, Taxes, Depreciation and Amortization after Lease



# M&A used as a consistent value creation lever



***Up to €2bn  
add. sales***

**2022-25 period\***

## **Priorities:**

- Synergistic consolidation in mature countries (North America a priority)
- Small-and mid-size acquisitions in adjacencies and offer complements
  - Digital
  - Services
  - Sustainable solutions



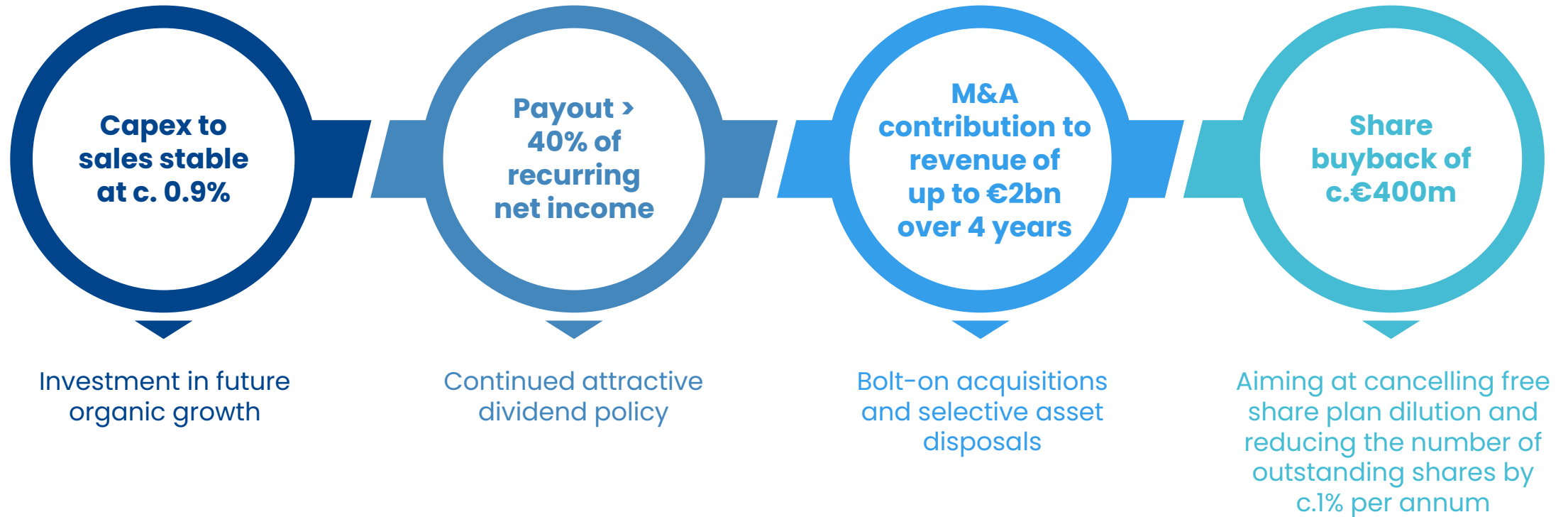
## **Strict financial criteria:**

- EPS accretive year 1
- ROCE > WACC year 3
- Full synergies in 36 months

## **Divestment of €200m-€500m sales**

- Balance between synergies with the rest of the business, turnaround potential, and market value

# Updating our capital allocation policy on M&A and share buyback



➔ **Net financial debt / EBITDAaL<sup>1</sup> leverage objective: ~2x**





Rexel

a world of energy

# Conclusion

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# Leveraging Rexel's values to implement our strategy



Rexel core values



# Fully committed teams





# Powering Up Rexel



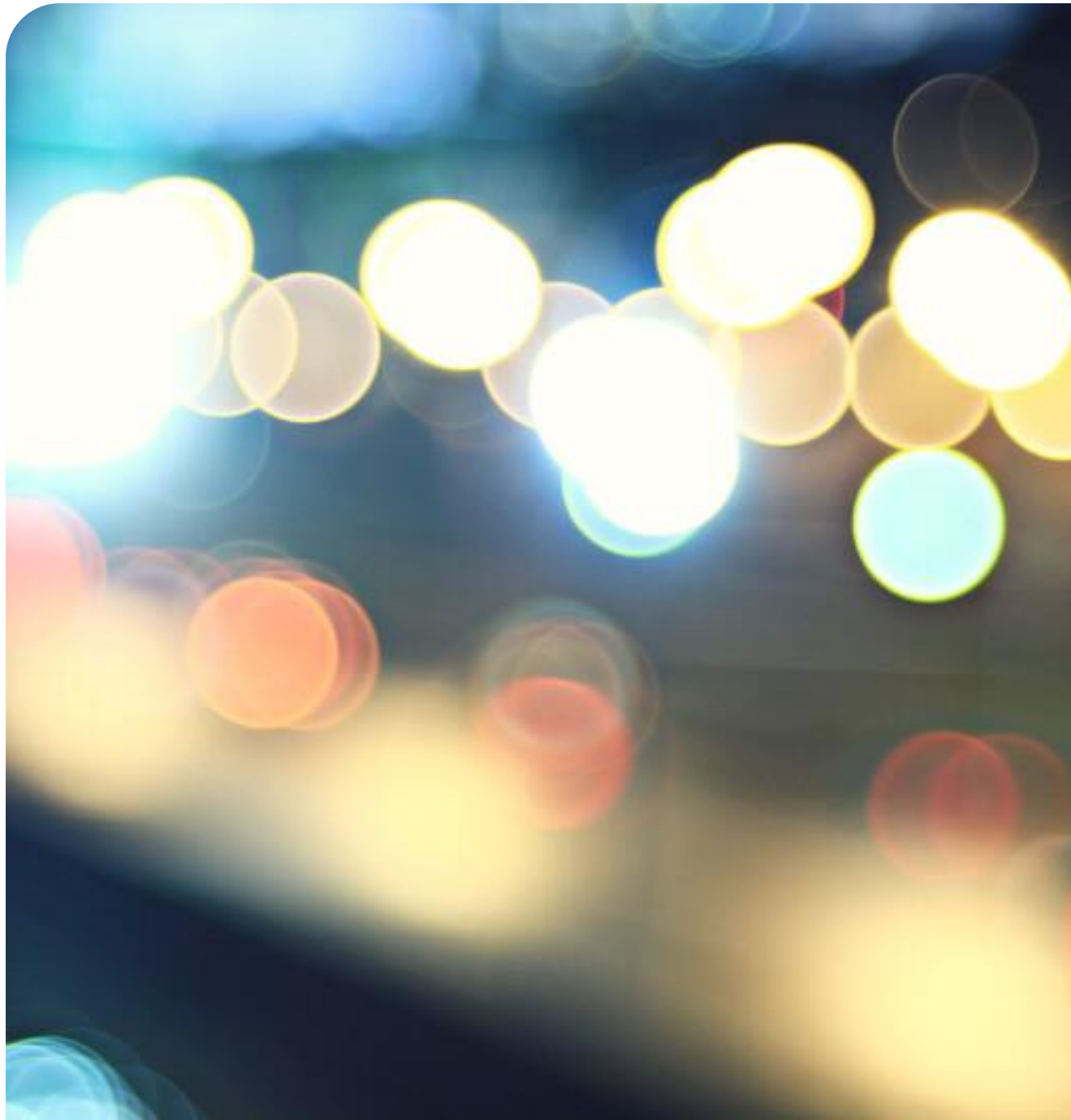
A unique window of opportunity



a world of energy







# Q&A session

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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 17% 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 10, 2022 under number D.22-0083. 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 10, 2022 under number D.22-0083, as well as the financial statements and consolidated result and activity report for the 2021 fiscal year which may be obtained from Rexel's website ([www.rexel.com](http://www.rexel.com)).*