

REXEL

Roadshow book

September, 2017

- | | |
|-------------------------|----------------|
| 1. CAPITAL MARKET DAY | Pages 2 to 58 |
| 2. Q2 & H1 2017 RESULTS | Pages 59 to 94 |

REXEL

a world of energy

Capital Markets Day

February 13th, 2017

REXEL

a world of energy

Rexel 2017 Capital Markets Day

Focus on profitable growth and value creation

- **Rexel is a key player in an attractive market**
- **Rexel boasts strong assets to capture growth opportunities and enhance its role in the value chain**
- **Rexel's three medium-term strategic priorities are:**
 - Accelerating growth through “More customers & More SKUs”, supported by a multichannel approach and growing digitization
 - Increasing selectivity in capital allocation, focusing on key geographies and business segments, and strengthening its financial structure
 - Improving operational and financial performance
- **Rexel will deliver its targets through excellence in execution:**
 - Superior service levels monitored through well-defined KPIs
 - Committed management teams and employees



a world of energy

Today's agenda

1. Rexel is a key player in an attractive market that offers long-term growth opportunities

- Rexel boasts strong assets to enhance its role in the value chain
- Rexel is well-positioned to capture long-term growth opportunities

2. Rexel's 3 strategic priorities

- Accelerate organic growth
- Increase selectivity in capital allocation and strengthen financial structure
- Improve operational and financial performance

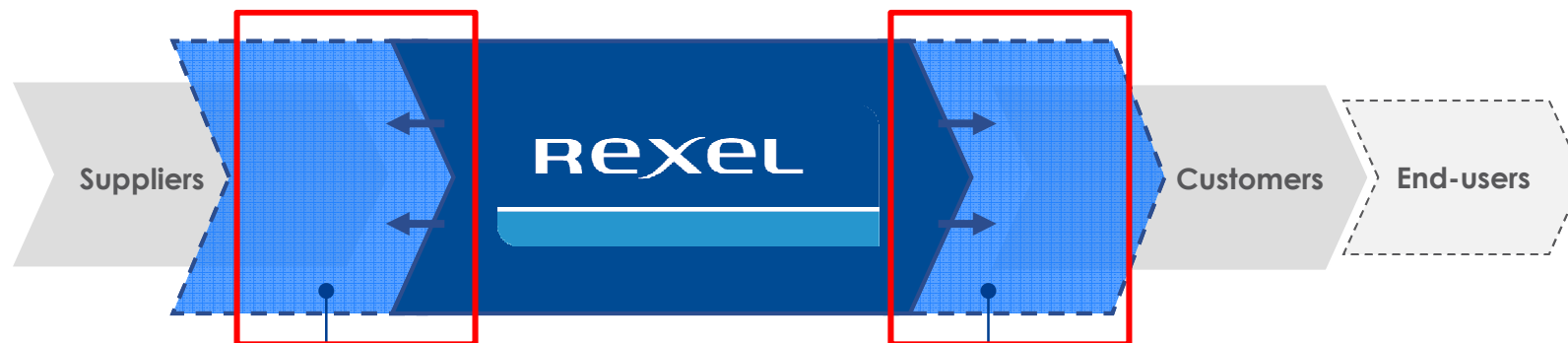


1

REXEL IS A KEY PLAYER IN AN ATTRACTIVE MARKET

- **Rexel boasts strong assets to enhance its role in the value chain**
- Rexel is well-positioned to capture long-term growth opportunities

Rexel is enhancing its role in the value chain in the fast-changing energy world



- From products to applications
- From procurement to purchasing
- Time-to-market accelerator of suppliers' innovations
- End-to-end logistics
- Market intelligence for key partners

- Broad and deep customer knowledge
- Customized solutions
- Full range of touchpoints
- From costing to value pricing
- Open platform with the ability to connect products of different suppliers
- End-users prescription and origination

Rexel creates value for both its suppliers and its customers

Rexel will leverage 5 major assets to build future growth



- c. 650,000 active customer accounts in 2016
- In 3 end-markets: Residential, Commercial and Industry
- With 3 business approaches: Proximity, Projects, Specialist
- Focusing on key geographies for distribution
- Over 50% of Group purchases with Top 25 leading suppliers
- Local reach, broad offer, deep expertise, high level of service and robust logistics
- Web sales: € 1 billion in 2016
- New digital services beyond transactional

Rexel

a world of energy

1 Increased knowledge of a broad and valuable customer base

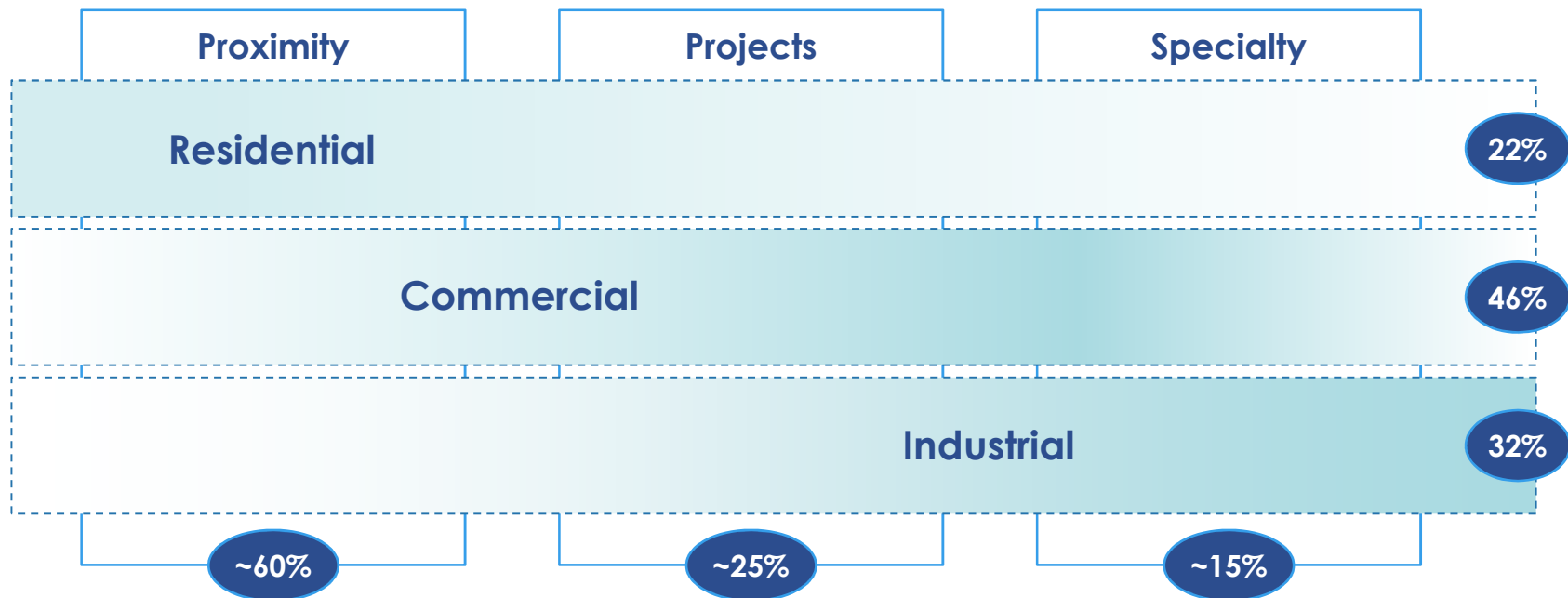
- **Broad range of customer accounts:** Between €10 and more than € 100 million per year
- **High order frequency:** On average most customers place an order every other day
- **Local and global customer footprint**
- **Wide diversity of customers**
 - Integrators, e.g., OEMs, panel builders, individual house builders
 - Contractors & Installers (C&I), e.g., contractors, industrial installers, specialists
 - End-users, e.g., facility managers, public administration, MRO industrials
- **Tracking customer behavior from credit terms to risk of churn**



- **c. 650,000 customers**
- **c. 2 million daily contacts**
- **More than 1/2 million daily order lines**

② Creating value through 3 business approaches addressing 3 end-markets

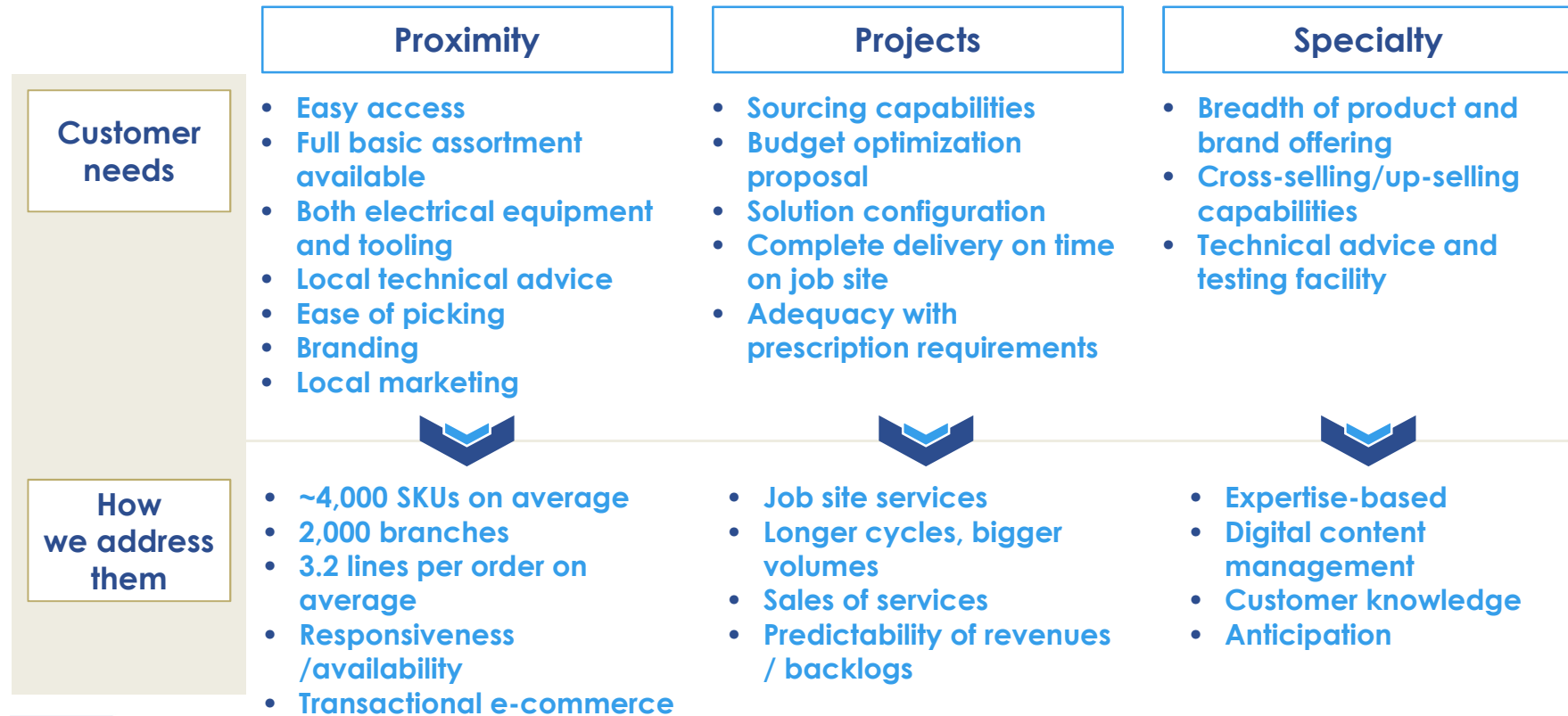
X% % of Rexel sales in 2016



Rexel

a world of energy

② Three business approaches to meet all customer needs



REXEL

a world of energy

② Rexel holds strategic positions in key geographies

Europe

- **Rexel is #1 or #2 in 12 of 17 European countries**, corresponding to **c. 80% of Rexel's European sales**

North America

- In the **fragmented US market** (Top 5 below 30%),
 - Rexel's national market share is above 4%
 - With **strong regional positions** (market share > 10%) in Florida, Idaho, Kentucky, Maryland, Montana, Oregon and Washington
- **In Canada, with c. 25% market share Rexel is #2**

Asia-Pacific

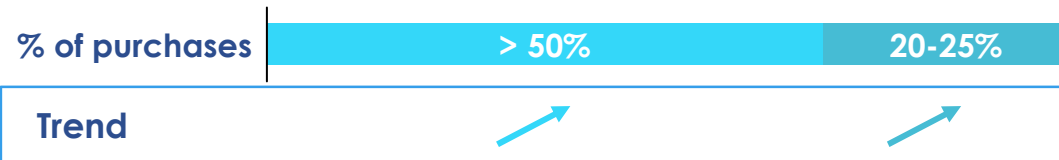
- **In Australia, Rexel holds solid market share of c. 18% in a market where the top 3 represent ~60% of the market**
- **In China, Rexel is a specialty player in the industrial automation segment**



a world of energy

③ Rexel has strictly-defined criteria to manage strong global partnerships with leading suppliers

Long-term relationship principles with suppliers	Top 25 suppliers	Specialists
Leading brands	✓	✓
Leading offer	✓	✓
Involved in new technology	✓	✓
Recognition of distributor's value added	✓	
Strong involvement in digital development	✓	



4 Rexel offers a rich and full customer experience

Rexel core capabilities

Local reach	<ul style="list-style-type: none">• Every single customer attached to a sales rep and a branch• All customers to become multichannel	Over 2,000 branches Over 16,000 sales reps
Broad and segmented offer	<ul style="list-style-type: none">• Broad offer of core electrical products• Deep offer of specialty products• Fully-packaged applications	More than 2 million active SKUs with enriched content
Level of service	<ul style="list-style-type: none">• Guaranteed delivery on customer promises• Increase in Net Promoter Score	Target 99.5% On Time In Full on proximity
Logistics	<ul style="list-style-type: none">• Guaranteed availability of products upon request	c. 80% of stock sales
Deep expertise	<ul style="list-style-type: none">• 5 areas of deep expertise: Lighting, Security-Communication, Industry, Automation, Energy Efficiency	10% of sales force specialized

Rexel

a world of energy

5 Rexel is increasingly multichannel

**Already a significant
share of digital**

**Over 1 million
unique visitors per month**
on the common platform

Webshop sales of € 1 bn in 2016

**State of the art e-commerce
common platform**

Rich content management

**Objective to further increase
multichannel customers¹**

**Grow digital business
(webshop + EDI)
to 35-40% of Group sales**

**Cloud-based e-commerce
leading platform**

Fast multichannel conversion





1

REXEL IS A KEY PLAYER IN AN ATTRACTIVE MARKET

- Rexel boasts strong assets to enhance its role in the value chain
- **Rexel is well-positioned to capture long-term growth opportunities**

Core business offers strong growth opportunities in the coming years

- **Growth drivers**

- Metropolitan areas: “Mega-cities”
- Industrial renovation – Industry 4.0
- Large infrastructure projects
- Energy efficiency
- Renovation in residential driven by ageing of buildings and new norms
- Conversion to connected buildings



Rexel

a world of energy

Rexel will capture market trends and emerging growth opportunities

Energy efficiency

\$221 billion
investment in incremental
energy efficiency
improvements
in 2015



Charging stations for Electric Vehicles

20 million
electric car fleet
by 2020

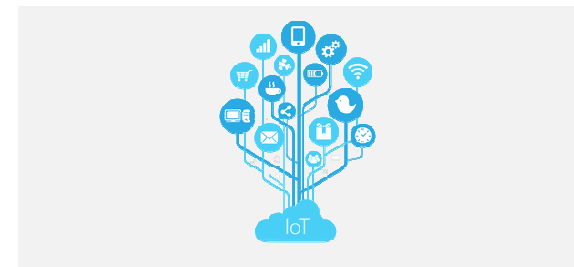
EU-wide target of **8 million**
charging stations by 2020



IoT

30 billion connected
devices by 2020,
up from 15 billion in 2015

Over \$470 billion
of annual revenues
for IoT vendors by 2020

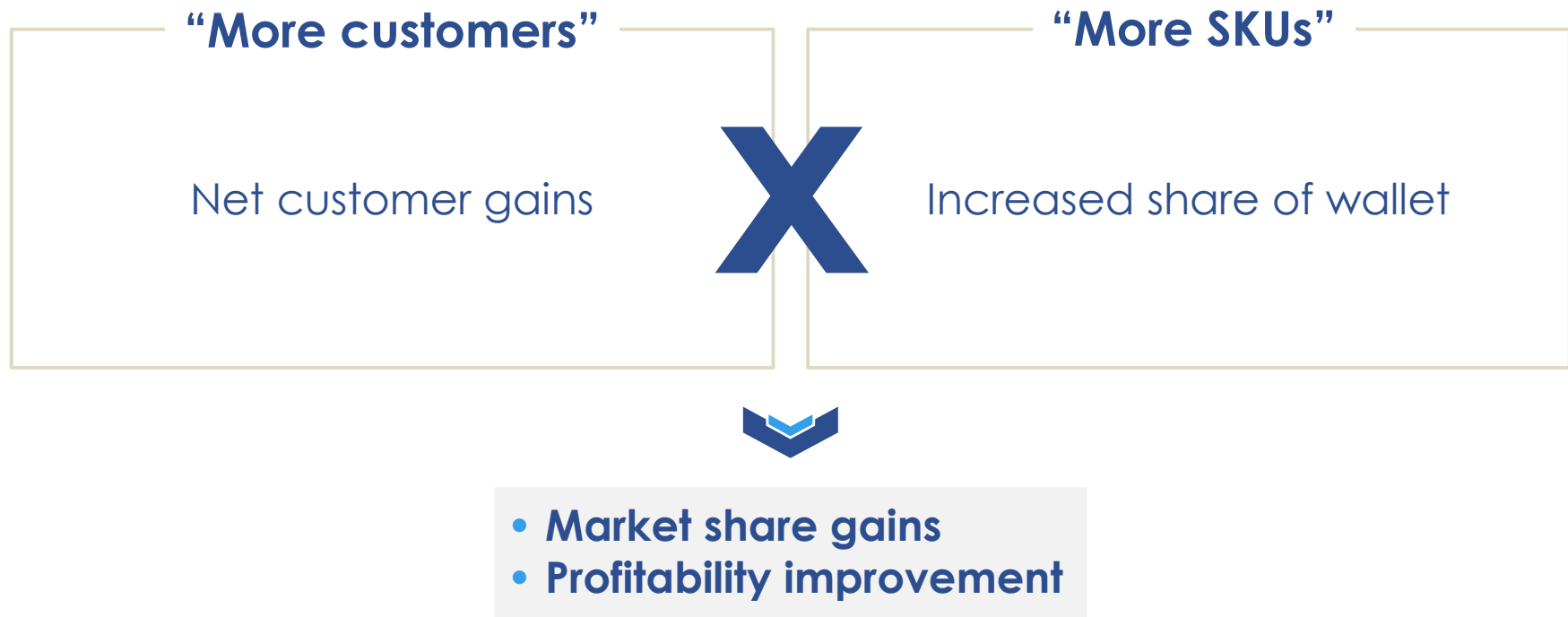


2

REXEL'S 3 STRATEGIC PRIORITIES

- **Accelerate organic growth**
- Increase selectivity in capital allocation and strengthen financial structure
- Improve operational and financial performance with specific focus on US, Germany, Australia and UK

Priority № 1: Accelerate organic growth

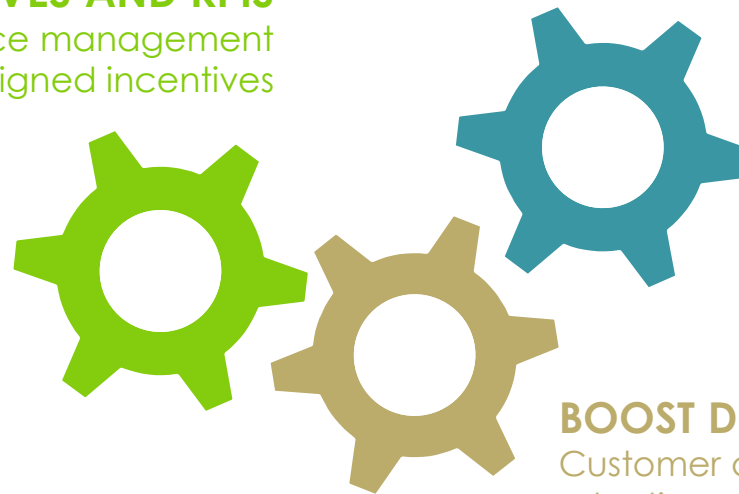


Organic growth supported by 3 enablers



ALIGN INCENTIVES AND KPIS

Focused performance management
and aligned incentives



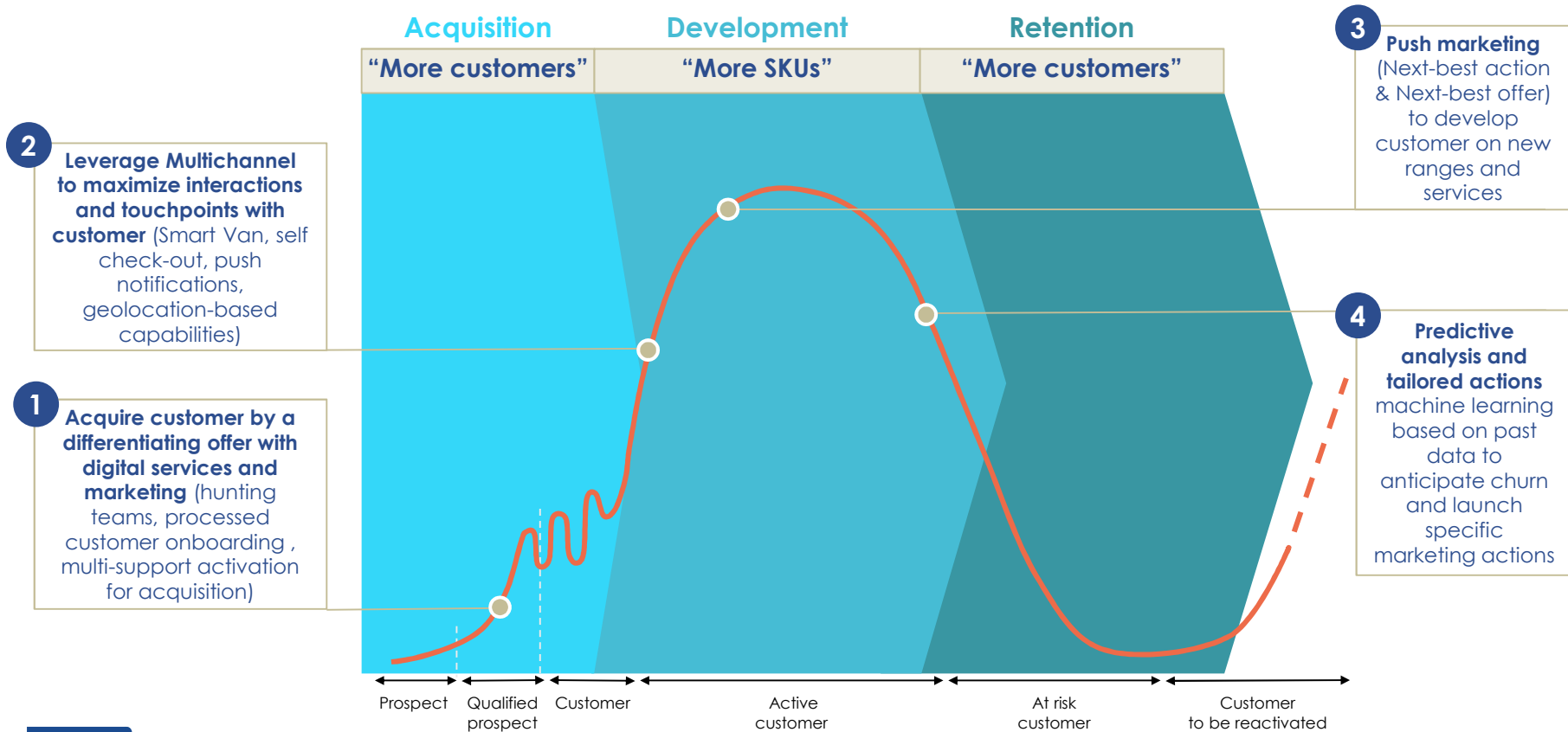
LEVERAGE CUSTOMER KNOWLEDGE

Managing the different phases of
customer lifecycle and accelerating
multichannel evolution

BOOST DIGITAL

Customer acquisition,
retention and push marketing

Step change in customer knowledge



Rexel

a world of energy



1 Boost customer acquisition

Examples of actions to boost customer acquisition

- **Outbound phoning**
 - Organization of “outbound phoning days” in call centers
- **Digital customer acquisition**
 - Investment in Search Engines to generate site visits
 - “2 clicks” customer account creation on the webshop with immediate credit limit approval by financial partner, e.g., ~1,000 automatic account creations per year in Germany
- **Rebalancing of sales reps’ customer portfolio to include more “hunting”**
 - Inclusion of 10-20% of prospects in all sales reps portfolios e.g., UK

② Leverage multichannel to maximize customer interactions



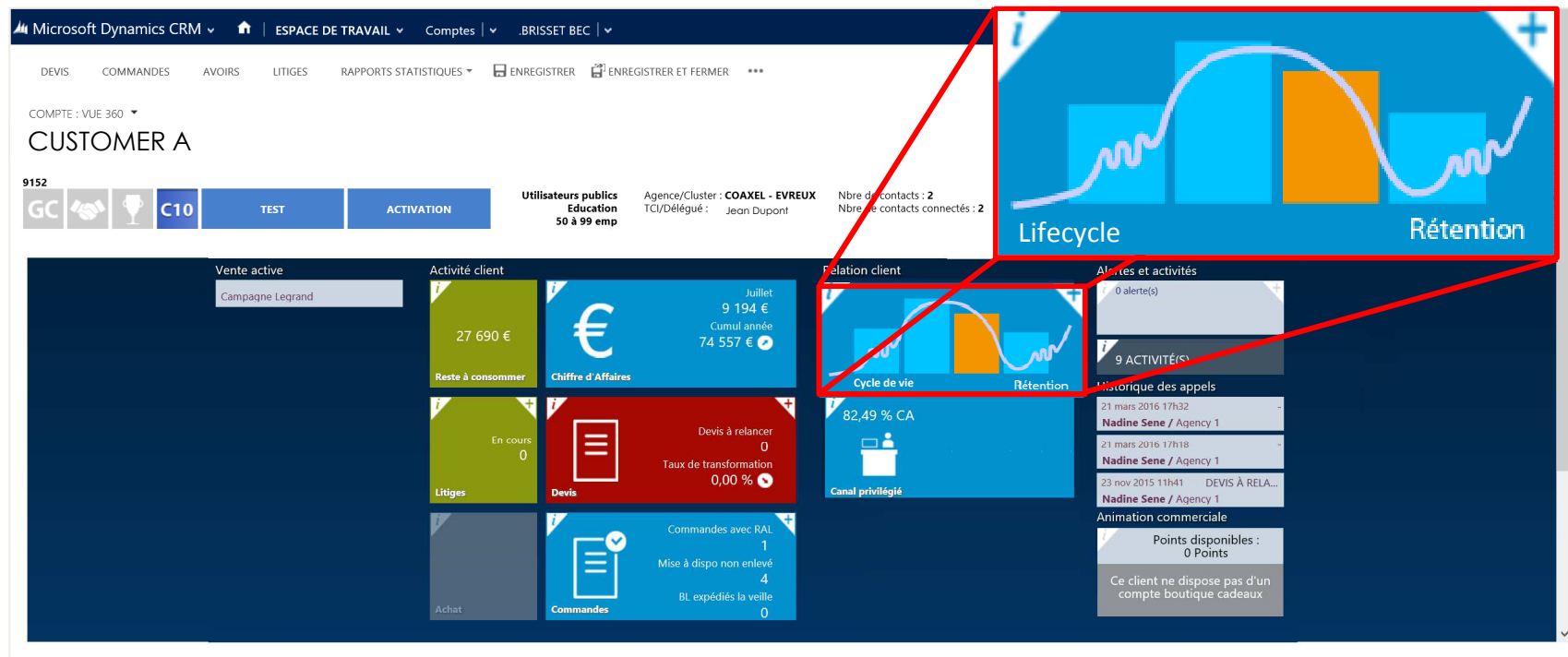
Full range of touchpoints and interfaces



② Leverage CRM tools to optimize customer interactions



Customer status in the lifecycle systematically pushed to sales rep in CRM tool



REXEL

a world of energy

3 Leverage push marketing to multiply SKUs

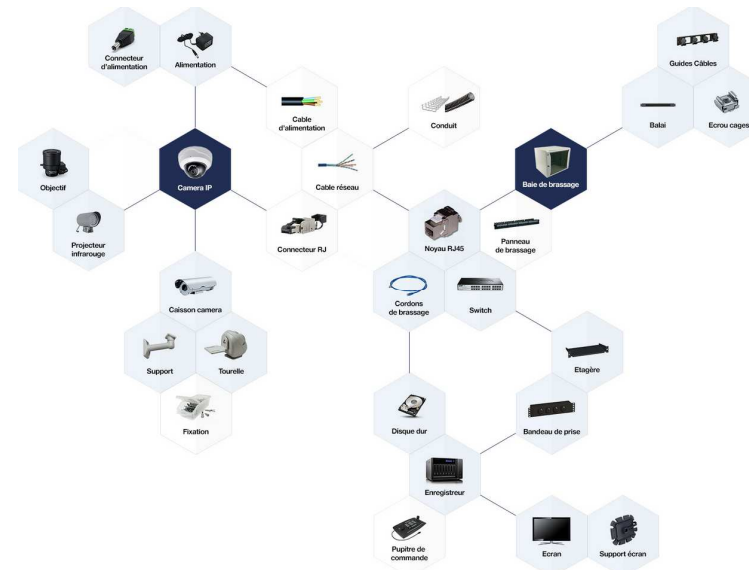


- **More SKUs:**

- Applicative Cross-sell / Full solutions
- Substitutions
- Associated products
- Next-best offer
- Customer satisfaction

- **Through a digitized sales support solution**

- Leveraging: ETIM-based content, Rexel expertise, Rexel's offer plan and customer habits
- To draw applications' maps linking 1,500 to 2,000 SKUs
- 100 applications already mapped in France/Belgium



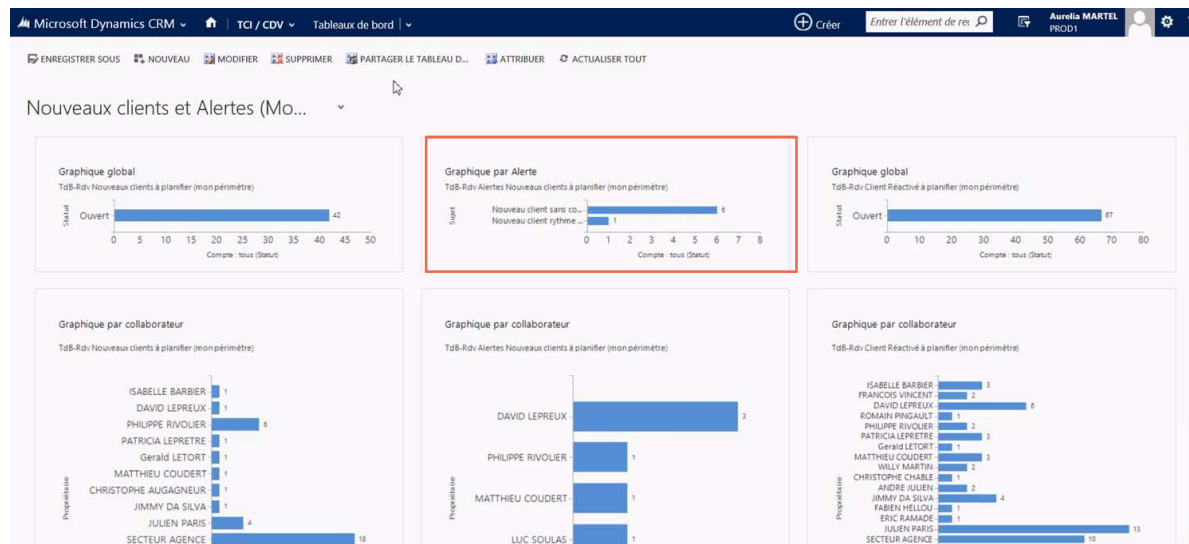
Rexel

a world of energy

4 Leverage analytics: Churn example



Dashboard in CRM tool tracks “At risk” customers based on predictive analytics, with Next-best action to secure customer



c. 80 % reliability
of predictive
analytics

rexel

a world of energy

Fast-track digitization thanks to core model web platform



Rexel is among the first distributors with a common platform across countries (90% shared code), allowing quick version upgrades and features enrichment at Group level

Onboarding of key countries on the common platform is accelerating

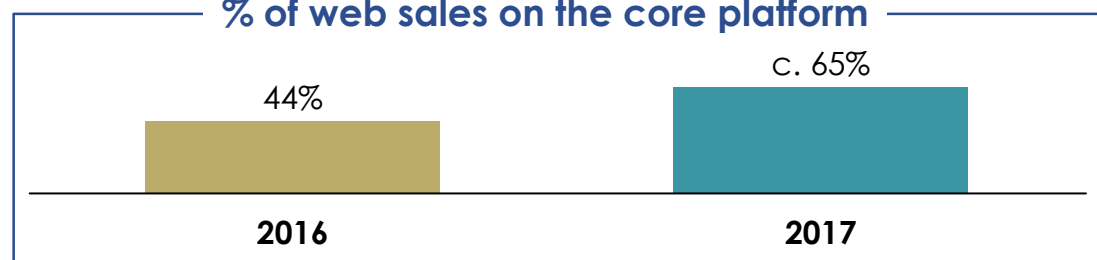
2016

- Germany
- France
- Austria
- Sweden
- Netherlands
- Gexpro

2017

- US
- Canada
- UK
- Norway
- Finland

% of web sales on the core platform












Rexel

a world of energy

Align KPI and incentives with strategy of “More customers x More SKUs”

Focused scorecard across the Group

Illustrative	Target	Actual
Net customer gains		
Net Promoter Score		
% of multi-channel customers		
Projects fulfillment rate		
Sales per FTE		
% of price overrides		
# of SKUs in branch inventories		
Suppliers concentration		
Service level in DCs		

Rexel

a world of energy



Aligned incentives scheme for salesforce across the Group

- Individual variable compensations aligned with company objectives:
 - YoY increase in gross margin in value
 - YoY improvement in average working capital
 - YoY increase in number of multi-channel customers

Rexel's sales ambitions

MEDIUM-TERM AMBITION

- Grow organic sales faster than the market

2017 TARGETS IN LINE WITH MEDIUM-TERM AMBITION

- After 2 years of decline, resume organic growth with sales up in the low single digits¹

2

REXEL'S 3 STRATEGIC PRIORITIES

- Accelerate organic growth
- **Increase selectivity in capital allocation and strengthen financial structure**
- Improve operational and financial performance with specific focus on US, Germany, Australia and UK

Priority № 2:

Increase selectivity in capital allocation and strengthen financial structure

- Actively manage portfolio to focus on most attractive geographies/businesses
- Increase selectivity in capex allocation
- Strengthen balance-sheet through deleveraging, while maintaining an attractive dividend policy
- Seize targeted M&A opportunities with strict value-creation criteria

Actively manage portfolio to focus on most attractive geographies/businesses: Launch of divestment program

Portfolio review criteria



Expected impacts¹:

- Reduction of c. € 800 million of sales
- Positive contribution of c. 25bps to the Group's consolidated adjusted EBITA margin
- Slight improvement in the leverage ratio

Increase selectivity in capex allocation

Capex allocation priorities

- **№ 1: Productivity and efficiency improvements**
 - Automation in logistics
 - Back-office digitization
- **№ 2: Organic growth enablers**
 - In best-performing countries
 - Digital (e-commerce, applications, product content, etc.)

Clear criteria for investments

- **Qualitative criteria**
 - Projects must bring additional value at their execution level (branch / region / country / Group)
 - Projects must be consistent with Rexel's strategy "More Customers x More SKUs" on each of their technical, commercial, social, legal and financial aspects
- **Quantitative criteria**
 - Internal Return Rate above 10 %
 - Payback in less than 24 months

Investing to boost productivity: Autostore example

Highly automated logistics centers:

- Maintaining level of service 24/7
- FTE picking productivity x2
- Automatic daily replenishment
- Daily online inventory
- 100% safety
- Reduction in waste
- 4 autostores already operational
 - 2 in Switzerland
 - 1 in Sweden
 - 1 in Norway



Strengthen balance-sheet through deleveraging, while maintaining an attractive dividend policy

- **Rexel now targets to be structurally at an indebtedness ratio¹ below 2.5x at each year-end as from Dec. 31, 2018**
- **Rexel confirms its dividend policy of paying out at least 40% of its recurring net income**
- **Rexel will continue to diversify its sources of financing, through:**
 - Bank lines, to guarantee liquidity and financial flexibility
→ Senior Credit Agreement of c. €1bn, undrawn (maturity Nov. 2021)
 - Bonds, for long-term funding
→ Three 7-year lines, totaling €1.5bn at Dec. 31, 2016 (maturities 2020 to 2023)
 - Securitization programs, for medium-term and affordable funding
→ Four programs, totaling €1.3bn and drawn up to €1.2bn at Dec. 31, 2016 (maturities 2017 to 2019)
 - Commercial paper, for short-term funding
→ A €500m program, drawn up to €132m at Dec. 31, 2016 (fixed maturities of one to three months)
- **Rexel will also maintain average debt maturity of around 4 years**
- **Rexel will continue to optimize its cost of financing**
 - Between 2012 and 2016, average effective interest rate on gross debt was reduced from 6.3% to 3.5%

Creating financial headroom for targeted M&A from 2018 onwards, with strict value-creation criteria

- Focus on most attractive ED market opportunities by leveraging our core competencies and acquiring new capabilities
- Maintain strict financial criteria:
 - IRR > 10%
 - EPS accretive within 24 months
 - Synergies to be delivered within 12 months

M&A objectives	Illustrations
Reinforce market share in most attractive geographies (market size and growth)	Priority N°1: US
Expand to adjacent specialists	In selected high-performing countries
Increase our value-added by expanding our role along ED value chain & developing new models	<ul style="list-style-type: none">• Industrial integrators• <i>Capitol Light</i>-like• Digital• MRO

Rexel's financial ambitions

MEDIUM-TERM AMBITION

Allocate our capital to high growth/high profitability segments and geographies and use our solid cash generation to (by order of priority):

- Fund capital expenditure of between €100m and €150m per annum
- Pay out a dividend of at least 40% of recurring net income
- Reduce indebtedness ratio¹, targeting to be structurally below 2.5x at each year-end, as from Dec. 31, 2018
- Finance selective bolt-on acquisitions from 2018 onwards, with strict value creation criteria
- Return excess cash to shareholders, in the absence of M&A opportunities

2017 TARGETS IN LINE WITH MEDIUM-TERM AMBITION

- Pay a stable cash dividend of €0.40 per share
- Put M&A on hold
- Dispose of non-strategic assets
- Reduce indebtedness ratio¹ to be below 3x at December 31, 2017

2

REXEL'S 3 STRATEGIC PRIORITIES

- Accelerate organic growth
- Increase selectivity in capital allocation and strengthen financial structure
- **Improve operational and financial performance with specific focus on US, Germany, Australia and UK**

Priority № 3:

Improve operational and financial performance, while continuously upgrading customer service

1 Increase profitability in all countries

- Increase gross margin through:
 - Pricing
 - Supplier consolidation
- Control cost base and focus on opex supporting growth strategy

2 Enhance operations in key geographies

- Top priority for the Group: grow and increase efficiency in the US
- Transform or turn around operations in three key markets: Germany, Australia and UK

1 Enhance gross margin through systematic and differentiated pricing initiatives



1 Enhance gross margin through purchasing consolidation

of suppliers representing 80% of purchases, in Rexel's top 6 countries

- Below 50



- Between 50 and 70



- Above 100
(mostly as a result of multiple banner organization)



1 Control cost base and focus on opex supporting growth strategy

Monitor productivity improvements with simple KPIs

- **Salaries & Benefits as a % of Gross Margin**
- **Net customer gain per sales rep**
- **# of credit notes issued**, reflection of non-quality (pricing, transport, logistics, back office)
- **Increase in # of lines per man per day:** logistics productivity
- **HQ costs**

Reallocate opex for growth

- **Digital services**
- **People reallocation to field sales**
- **New competencies, e.g.,**
 - Data scientists
 - Chat specialists
 - Field price management
 - Operational category management
 - Procurement sourcing specialist
- **Higher service and product availability**
(with a potential impact on Trade Working Capital of at most 1.5 days)

Priority № 3:

Improve operational and financial performance, while continuously upgrading customer service

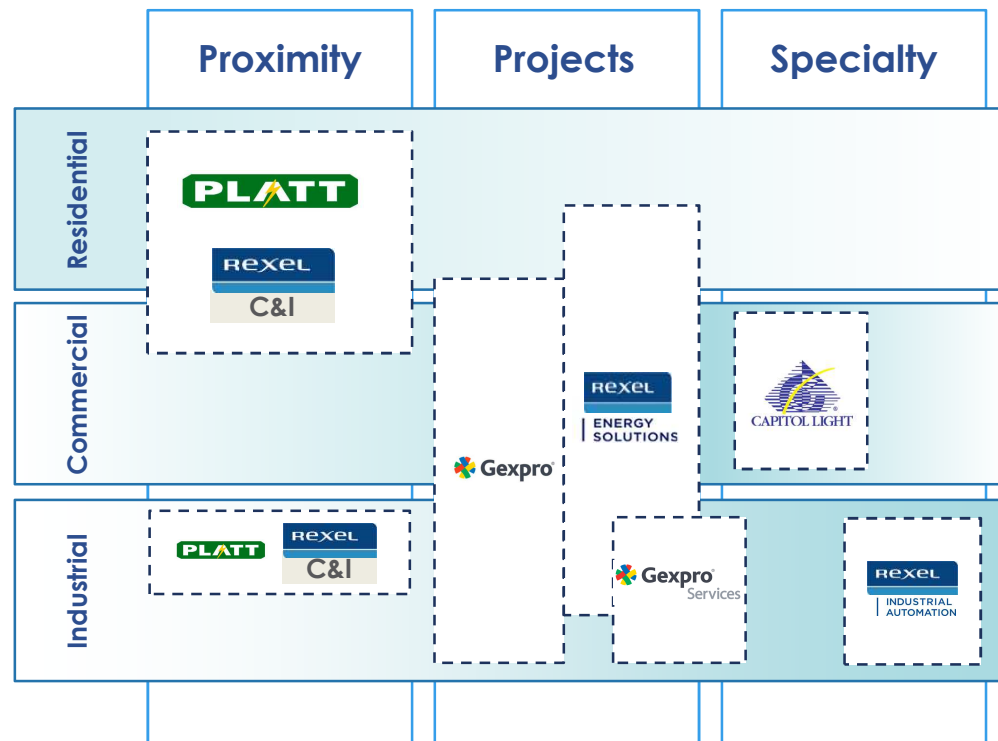
1 Increase profitability in all countries

- Increase gross margin through:
 - Pricing
 - Supplier consolidation
- Control cost base and focus on opex supporting growth strategy

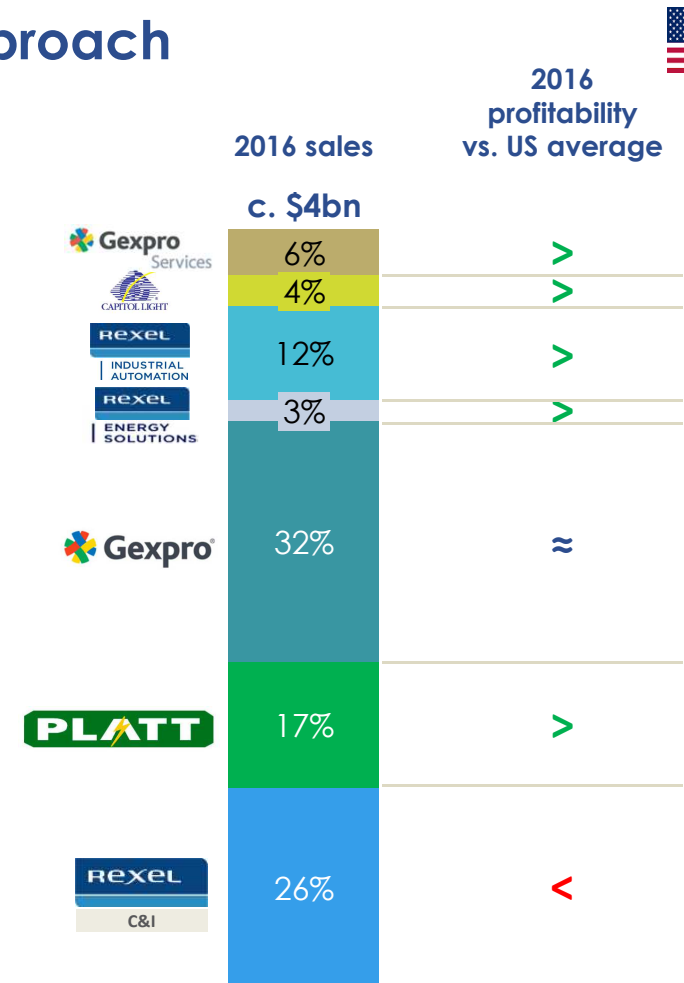
2 Enhance operations in key geographies

- Top priority for the Group: grow and increase efficiency in the US
- Transform or turn around operations in three key markets: Germany, Australia and UK

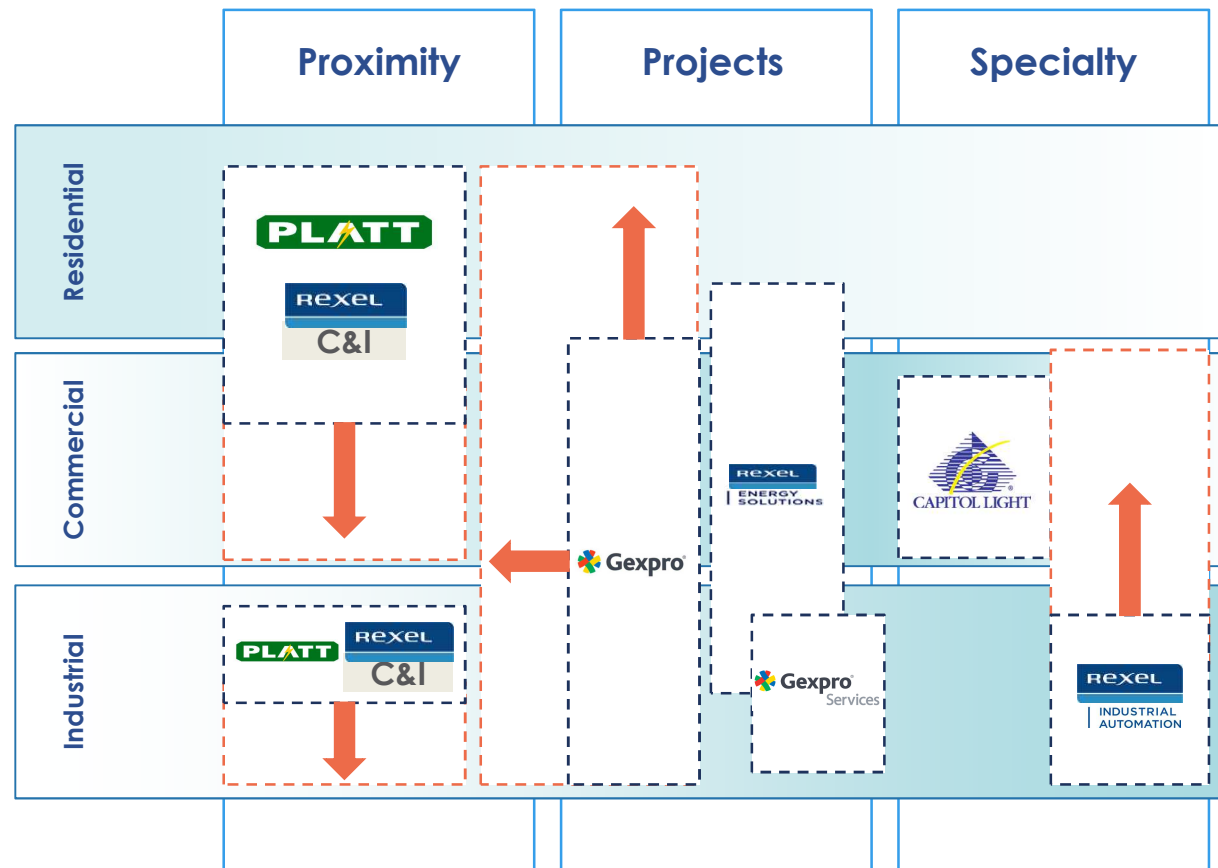
② US: Current national multi-banner approach



Rexel
a world of energy



② US: Targeted model evolution in line with “More customers x More SKUs” strategy



2 US: Robust growth plan



Key actions

Accelerate organic growth

- **Regional focus on 7 high-growth areas**
- **Cross-fertilization of skills across banners**
- **Add c. 100 proximity outlets, of which:**
 - Opening of 45 Platt-like counters in Gexpro branches
 - New branch openings (of which c. 30 in California)
- **Increase sales force** in all banners
- **1:1 complementary product sale with Rockwell automation customers**
- **Review breadth and depth of inventory for proximity business (Rexel C&I)**
- **Migration to core model web platform (Hybris 5x)**

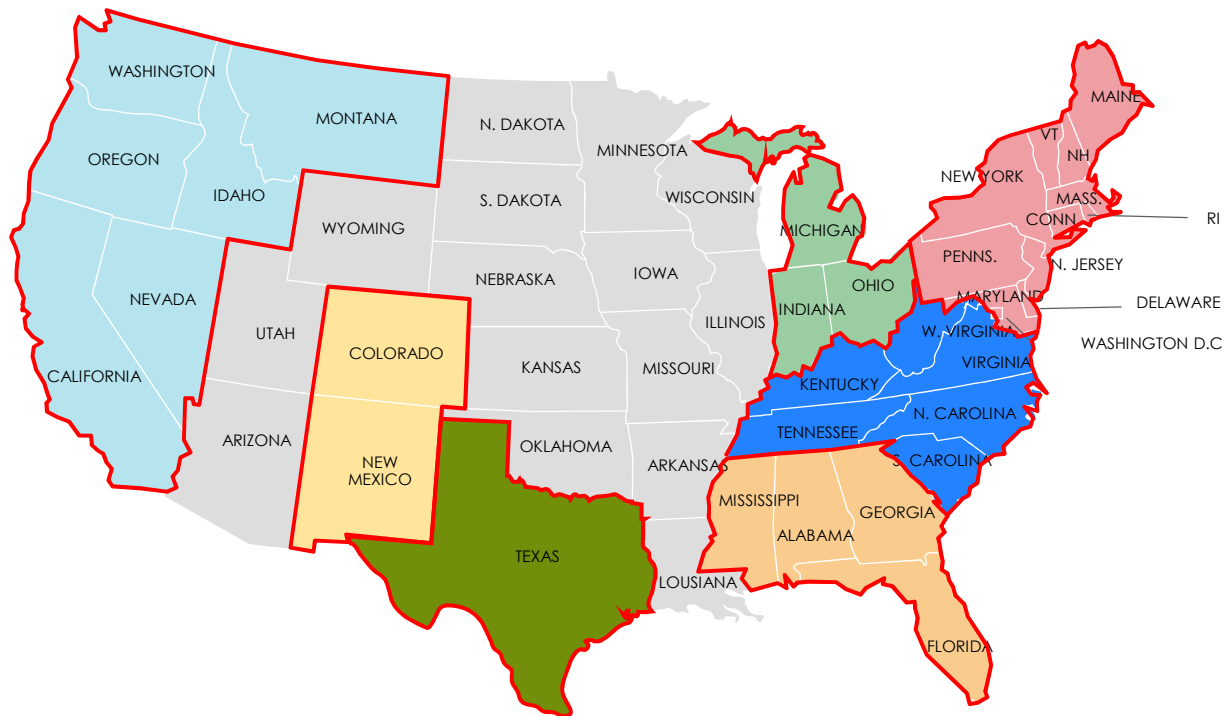
Improve operational and financial performance

- **Reach best-in-class customer service**
- **Concentrate supplier base**
- **Implement value pricing**
- **Optimize logistics across banners**
- **Reduce HQ opex**



- **Regional focus**
- **Market share gains**
- **Gradually reach adjusted EBITA margin at or above Group level**

② US: Focus on fast-growing areas



**Specific plan
for each region**

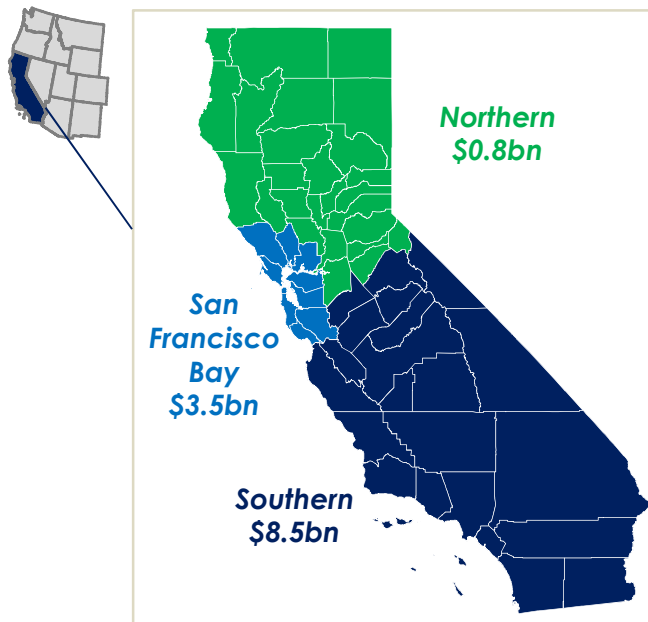
Rexel

a world of energy

② US: California growth plan



With a market estimated at c. \$13bn, California is the biggest market in the US



Rexel

a world of energy

Rexel's plan to grow in California

- **Raise the service level for customers and branches**
 - Develop fully functional branch network with full service and delivery capabilities
 - Open c. 30 new branches
 - Create 3 Super Branches in high density areas (Anaheim, San Leandro, San Jose)
 - No service interruptions for customers
 - Creation of Net Promoter Score
 - Implement the best customer-facing technology
- **Leverage the Patterson Distribution Center for Rexel C&I branches**
- **Empower and train existing employees**

② US: Leveraging existing skills

Open 45 Platt counters in existing Gexpro locations



rexel

a world of energy

2 Germany: Turn around our operations in a market that offers clear upside potential



Key actions

1 Accelerate organic growth

- **Adjust and upgrade offer and supply chain service level:**
 - > 20,000 SKUs available everywhere
- **Rebalance sales force towards:**
 - Industry
 - Top metropolitan areas for residential and commercial development
- **Accelerate excellent start of e-commerce**

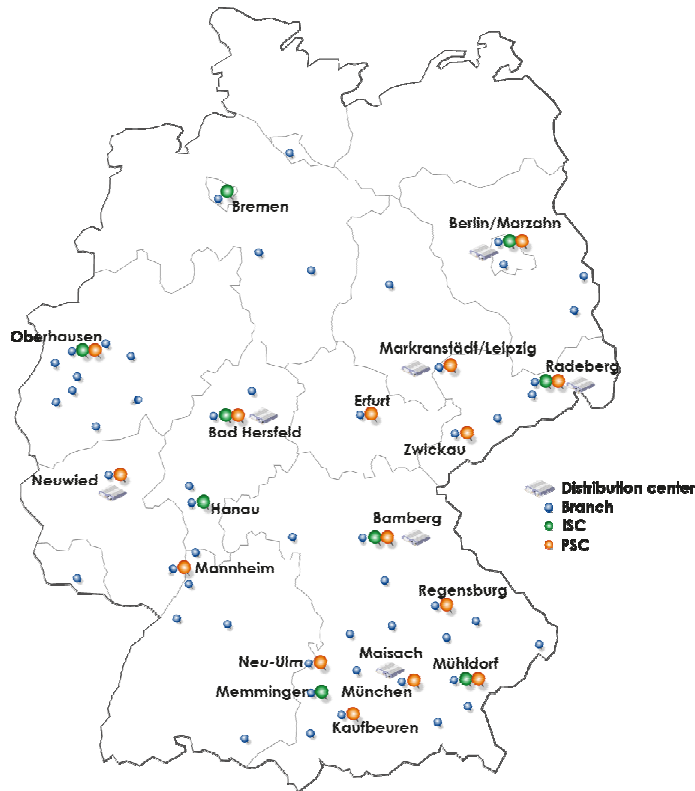
2 Improve operational and financial performance

- **Join forces with key suppliers**
- **Implement a set of pricing tools and processes**
- **Lower central functions costs**



Market share gains
Adjusted EBITA CAGR above the Group's performance
and adjusted EBITA margin gradually approaching Group level

② Germany: Turn around our operations in a market that offers clear upside potential



- **9 Industry Service Centers (ISC) to serve German industrial/large customers:**

- Specialization of customer-facing staff able to design tailor-made solutions
- Technical expertise
- Establishment and/or expansion of the existing attractive supplier partnerships including development of individual concepts and sector-specific product ranges

- **15 Project Service Centers (PSC)**

- Regional concentration of technical expertise and sales know-how for bid management for large C&I projects
- One PSC per sales region and one focused on Berlin metropolitan area

② Australia: An attractive market with solid growth potential in residential and commercial



Key actions

1

Accelerate organic growth

- Develop proximity business in urban areas
- Increase share of wallet with Rockwell automation customers

2

Improve operational and financial performance

- Implement new pricing policy and processes
- Deepen partnership with fewer suppliers
- Reconfigure DC and branch assortments to increase customer service level



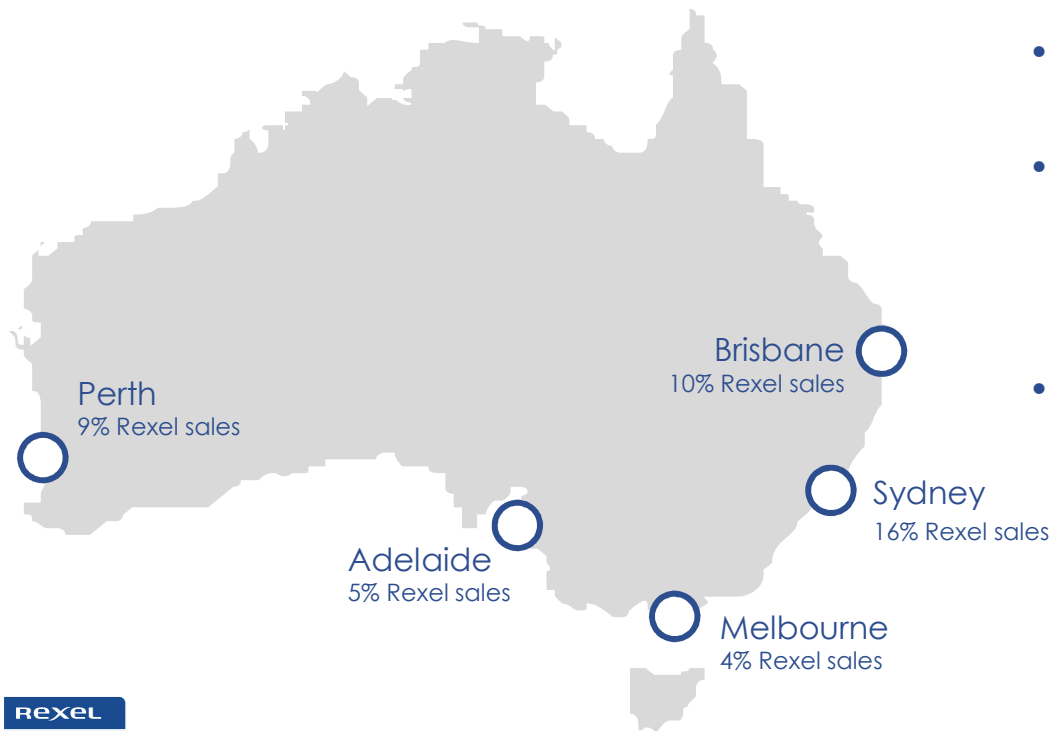
Market share gains
Gradually reach adjusted EBITA margin at or above Group level

2 Australia: Targeted initiatives to boost sales and profitability



Focus on key urban areas

5 cities corresponding to c. 50% of Rexel sales



Rexel

a world of energy

- **Local footprint optimization**, in adequacy with market attractiveness
- **Centralization of activities:**
 - Hubs/branches replenishment
 - Customer deliveries
 - Quotation / call center
- **Innovative delivery models adapted to urban areas** (leveraging Group innovations):
 - Self-serving branches
 - Lockers

② UK: Profound transformation underway to regain leadership



From...

<p>4+1 banners</p> <p> </p> <p>c. 375 branches</p>
<p>3 own brands</p> <p> </p>
<p>Local sourcing plans Fragmented supplier choices</p>
<p>5 corporate offices</p>
<p>27 split hubs</p>

...To

- 1 national generalist banner organized in 5 regions (Northern Ireland/Scotland, North, Central, South/West and London/East)
- 1 multi-local banner focusing on small C&I
- c. 320 branches
- 1 own brand
- 1 offer plan
- Reinforcement of leading suppliers
- 1 lean headquarter in Birmingham
- 11 mutualized hubs with optimized distances (e.g., Leeds/Warrington rebalancing)



Market share gains
Adjusted EBITA CAGR above the Group's performance
and adjusted EBITA margin gradually approaching Group level



a world of energy

Rexel's profitability ambitions

MEDIUM-TERM AMBITION

- **Continuously grow adjusted EBITA¹ and improve adjusted EBITA margin¹** through enhanced gross margin, strict cost control and the turnaround of countries that offer significant potential

2017 TARGETS IN LINE WITH MEDIUM-TERM AMBITION

- **Grow our adjusted EBITA¹ in the mid to high single-digits**

¹ 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 cables price



REXEL 2017 CAPITAL MARKETS DAY CONCLUSION

Rexel 2017 Capital Markets Day

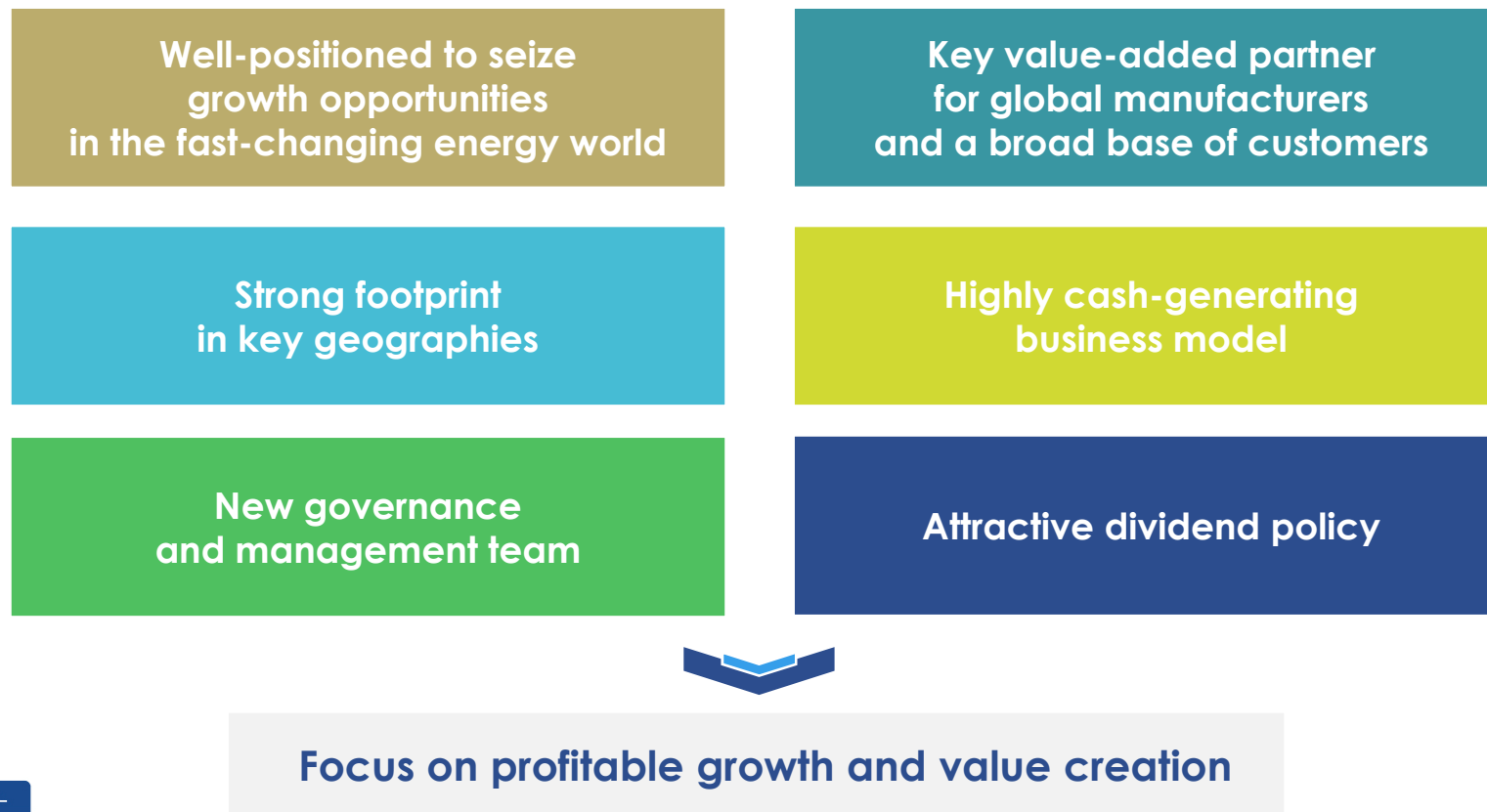
Key takeaways

Over the medium-term, Rexel will:

- Be more focused in terms of geographies and market segments
- Structurally generate sales growth above market
- Be more profitable
- Boast a stronger financial structure allowing increased flexibility
- Rest on strengthened and committed teams
- Create value for its stakeholders

Rexel 2017 Capital Markets Day

The Rexel investment case



Q2 & H1 2017 Results

July 31, 2017

REXEL

a world of energy



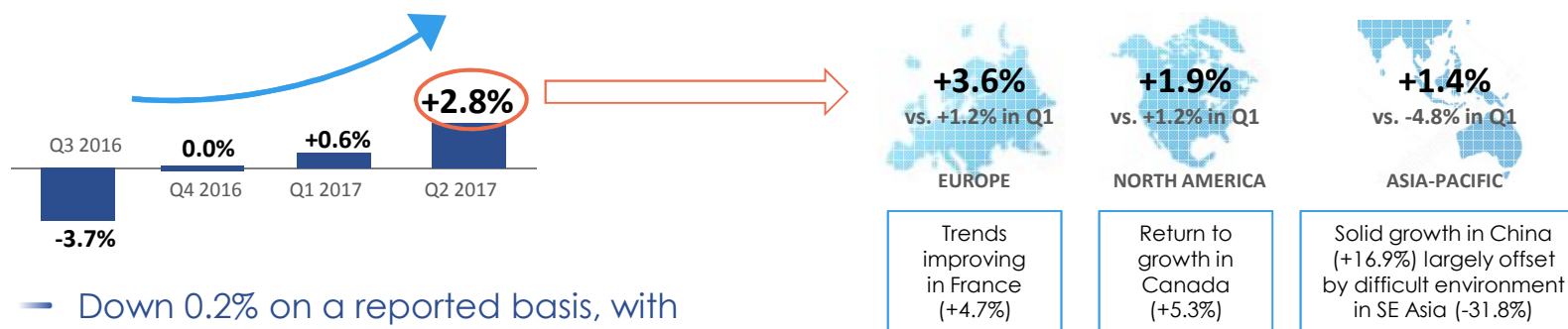
Q2 & H1 2017 AT A GLANCE

- Q2 2017
Acceleration in same-day sales growth
- H1 2017
+3,6% Adjusted EBITA growth
- FY 2017
Full-year financial targets confirmed

Q2 2017

Acceleration in organic¹ sales growth

- Sales of €3,342.8m, up 2.8% on a constant and same-day basis, reflecting sequential improvement:
 - For the third consecutive quarter
 - in sales trends in all 3 geographies



- Down 0.2% on a reported basis, with a negative calendar effect of 2.7%
- Gross margin up 10bps at 24.3%, improving both in Europe and North America.
- Stable adjusted EBITA² margin at 4.5%, at €149.9m.
 - Europe at 5.8%, up 30bps year-on-year, despite negative temporary effects in some countries
 - North America at 3.9%, down 65bps year-on-year, impacted by US investments for growth
 - Asia-Pacific at 0.9%, down 65bps year-on-year, partly due to significant volume drop in SE Asia

¹ Constant and same-day sales

² At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price

H1 2017

Improvement in profitability and full-year financial targets confirmed

- **Sales of €6,665.9m**
 - Up 1.7% on constant and same-day basis, including a 1.1% positive copper effect
 - Up 2.4% on a reported basis, benefiting from a 0.7% positive calendar effect, a positive +0.6% currency effect and a -0.6% negative scope impact
- **Adjusted EBITA¹ at €284.9m, up 3.6% year-on-year**
 - Improvement in gross margin, up 5bps at 24.5% of sales
 - Improving in North America and stable in Europe
 - Deteriorating in Asia-Pacific mainly due to weakness in South-East Asia
 - Improvement in adjusted EBITA¹ margin, up 10bps at 4.3% of sales
- **Solid year-on-year increase in reported EBITA, up 11.9% at €292m**
- **Sound financial structure**
 - Indebtedness ratio² at June 30 at 3.3x, in line with covenant and traditional seasonality effect
 - Strong financial flexibility and average debt maturity increased to around 4.2 years
- **Full-year financial targets confirmed**

¹ 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 cables price

² Net debt/EBITDA ratio as calculated under the Senior Credit Agreement terms



2

Q2 REVIEW BY GEOGRAPHY

- **Europe**
Sequential improvement in sales growth
- **North America**
Sequential improvement, driven by return to growth in Canada
- **Asia-Pacific**
Strong growth in China in Q2 offset by volume decline in SE Asia

Europe

Sequential improvement in sales growth

- **Q2 sales of €1,799.1m**

- **Down 2.6% on a reported basis**, o/w -1.3% from currencies (mainly GBP vs. €), -0.6% from scope and -4.3% from calendar
- **Up 3.6% on a constant and same-day basis**

- **Sales growth on a constant and same-day basis improved sequentially, driven by France**

- **Sales in most of our markets were in positive territory supported by a broadly favorable environment:**
 - **France** (36% of the region's sales) was up 4.7%, with trends improving over the quarter, mostly driven by residential and commercial activity
 - **Scandinavia** (13% of the region's sales) **was up 4.3%**, driven by strong growth in Sweden (+12.9%)
 - **Germany** (11% of the region's sales) **was up 2.4%**, mainly driven by sales to industry (notably cables)
 - **Benelux** (9% of the region's sales) posted solid growth, with **Belgium up 9.3%** and **The Netherlands up 15.4%** thanks to PV sales
- **However, sales dropped in some markets:**
 - **The UK** (12% of the region's sales) **was down 0.9%, which nevertheless represented a sequential improvement compared to Q1 2017 (-3.2%)**, despite an uncertain market environment. This sequential improvement was mainly due to the end of the negative impact from sales of photovoltaic equipment (PV). In Q2 2017, PV impact was neutral vs. -1.3% in Q1 2017
 - **Switzerland** (6% of the region's sales) **was down 2.4%**, impacted by continued unfavorable market conditions and competitive environment

Europe

Improvement in profitability

- **Gross margin at 26.8% of sales in Q2, up 30bps**
 - Positive impact from supplier concentration strategy, partly offset by temporary effects in France (competitive environment in the cable) and in the UK (delays in price increase)
- **Opex & depreciation were stable at 21.1% of sales in Q2, reflecting strict cost control**

(€m)	Q2 2017	YoY	H1 2017	YoY
Sales	1,799.1		3,627.0	
actual-day		-0.7%		+2.0%
same-day		+3.6%		+2.4%
Gross margin	483.0		982.2	
% of sales	26.8%	+30bps	27.1%	stable
Opex & depr.	(379.3)		(774.2)	
% of sales	-21.1%	stable	-21.3%	+10bps
Adj. EBITA¹	103.7		208.0	
% of sales	5.8%	+30bps	5.7%	+10bps

North America

Sequential improvement, driven by return to growth in Canada

- **Q2 sales of €1,210.8m**
 - **Up 3.3% on a reported basis**, o/w +1.7% from currencies (mainly USD vs. €) and -0.3% from calendar
 - **Up 1.9% on a constant and same-day basis**
- **Sales growth on a constant and same-day basis improved sequentially, driven by Canada**
 - **USA** (79% of the region's sales) **posted sales up 1.0%**
 - Faster organic sales growth, especially in our Proximity business, offsetting negative trends in our Project business
 - Continued improving trends in O&G industry, with sales up 16.2%
 - **Canada** (21% of the region's sales) **returned to growth, with sales up 5.3%**
 - Sequential improvement mostly driven by positive momentum in the commercial end-market and good sales of automation products in Q2
 - Strong demand for Wind in the quarter (contributing to 3% of sales growth) notably thanks to a large wind farm project
 - Situation in O&G remained subdued, albeit improving with O&G sales down 11% in Q2 compared to -26% in Q1 2017 and -23% in Q4 2016

North America

Profitability impacted by opex increase while gross margin improved

- **Gross margin at 22.4% of sales in Q2, up 15bps y-o-y, mainly driven by Canada's performance**
- **Opex & depreciation rose by 6.2% or €13.1m in Q2, to support :**
 - sales momentum in North America (up 1.9% on an actual-day basis in Q2)
 - branch/counter opening in the US : 4 branch openings in Q2 (6 branches in H1); medium-term target of 55 confirmed, including around 15 in the first year of the plan
 - commercial actions & inventories service/availability to support the "More customers X More SKUs" strategy
- **FTE increased by 166 in Q2 (FTE in US stood at 6,237 end of June)**

(€m)	Q2 2017	YoY	H1 2017	YoY
Sales	1,210.8		2,401.3	
Actual-day		+1.6%		+4.1%
same-day		+1.9%		+1.6%
Gross margin	270.7		537.3	
% of sales	22.4%	+15bps	22.4%	+20bps
Opex & depr.	(223.9)		(456.1)	
% of sales	-18.5%	-80bps	-19.0%	-40bps
Adj. EBITA¹	46.8		81.2	
% of sales	3.9%	-65bps	3.4%	-20bps

¹ 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 cables price

Asia-Pacific

Strong growth in China in Q2 offset by volume decline in SE Asia

- **Q2 sales of €332.9m**
 - **Up 0.3% on a reported basis**, o/w +1.7% from currencies (mainly AUD vs. €), -0.4% from scope and - 2.3% from calendar
 - **Up 1.4% on a constant and same-day basis**
- **The 1.4% increase in sales on a constant and same-day basis reflected contrasting situations:**
 - **Asia** (51% of the region's sales) **was up 3.1%, driven by China but strongly impacted by SE Asia**
 - **China** (74% of Asia) **posted solid growth with sales up 16.9% on a constant and same-day basis**, helped by easier comps (-18.1% in Q2 2016) and reflecting increased sales of industrial automation products and solutions
 - **South-East Asia** (18% of Asia) **was down 31.8% on a constant and same-day basis**, largely attributable to the sharp drop in sales to the O&G industry
 - **Pacific** (49% of the region's sales) **was down 0.3%**
 - **Australia** (82% of Pacific) **was up 2.1% on a constant and same-day basis**, reflecting improvement compared to the +0.8% posted in Q1 2017; strong sales to the residential end-market were partly offset by lower project sales
 - **New Zealand** (18% of Pacific) **was down 9.6% on a constant and same-day basis**, mainly due to a challenging base effect (+7.2% in Q2 2016) and delay in project business

Asia-Pacific

Profitability impacted by poor performance in Asia

- **Gross margin at 17.4% of sales, down 130bps year-on-year**
 - Improvement in project mix in Pacific more than offset by the sharp drop in volume in SE Asia and negative banner/business mix in China
- **Opex & depreciation decreased by 4.8% or €2.7m mostly attributable to lower bad debt expense in Q2 2017**

(€m)	Q2 2017	YoY	H1 2017	YoY
Sales	332.9		637.5	
actual-day		-1.0%		-2.0%
same-day		+1.4%		-1.6%
Gross margin	57.8		114.4	
% of sales	17.4%	-130bps	17.9%	-60bps
Opex & depr.	(-54.8)		(112.9)	
% of sales	-16.5%	+65bps	-17.7%	-40bps
Adj. EBITA¹	3.0		1.5	
% of sales	0.9%	-65bps	0.2%	-100bps

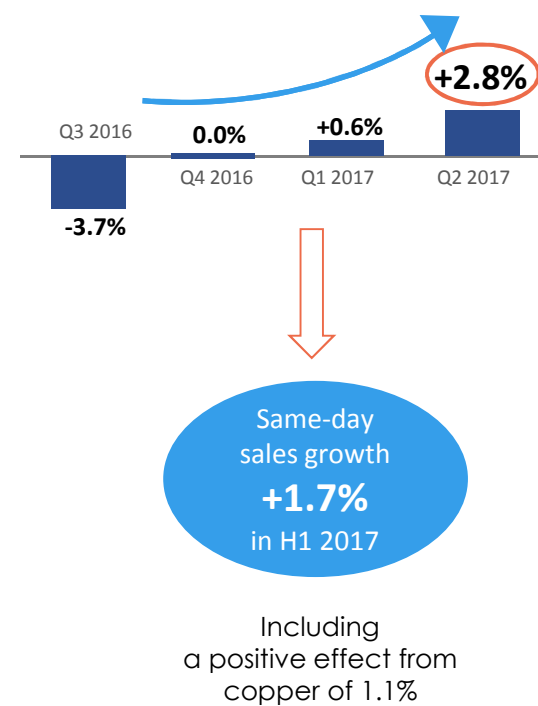
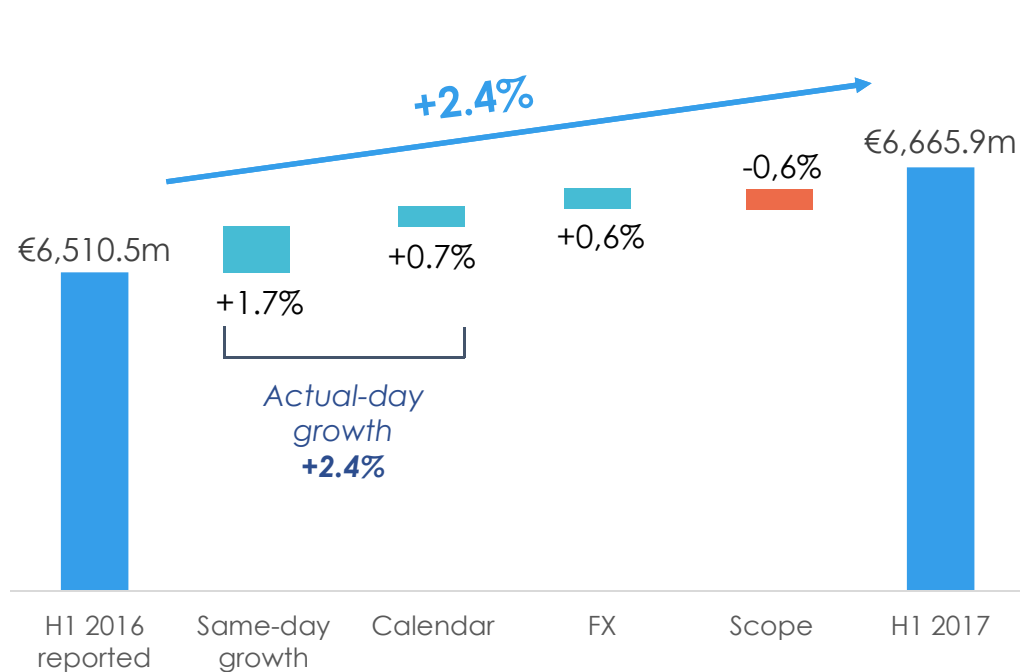


3

GROUP FINANCIAL REVIEW

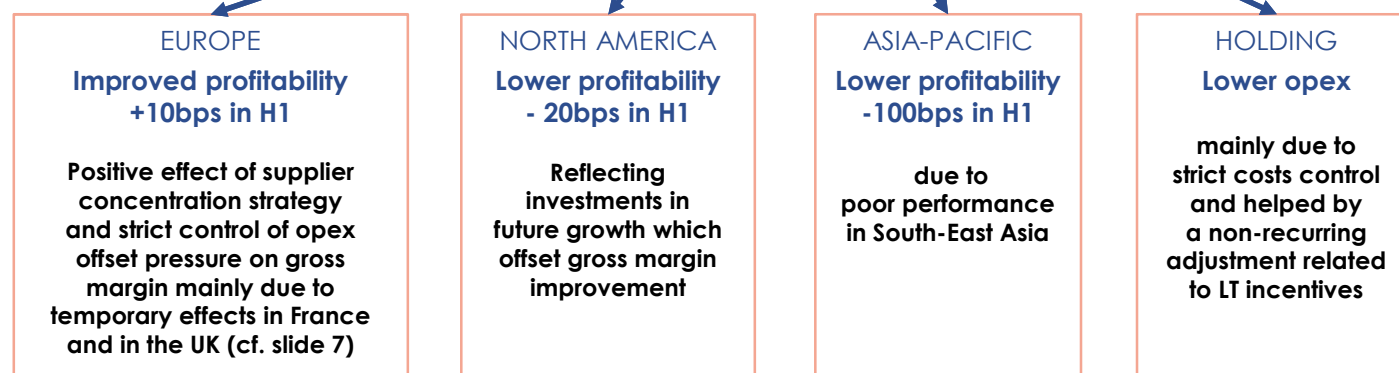
- Organic same-day sales up 1.7% in H1
- Improved Adjusted EBITA margin at 4.3% of sales (vs. 4.2% in H1 2016)
- Strong increase in reported EBITA, up 11.9%
- Free cash-flow generation mainly impacted by increase in inventories
- Slight decrease in net debt year-on-year

Same-day sales up 1.7% in H1 made of sequential improvement in Q2



Improved profitability in H1 at 4.3% of sales (vs. 4.2% in H1 2016)

H1 2017 (€m)	EUROPE		NORTH AM.		ASIA-PACIFIC		HOLDING		GROUP	
Sales	3,627.0	+2.0%	2,401.3	+4.1%	637.5	-2.0%			6,665.9	+2.4%
Constant and same-day		+2.4%		+1.6%		-1.6%				+1.7%
Gross margin	982.2	+2.0%	537.3	+5.1%	114.4	-5.0%			1,633.9	+2.5%
% of sales	27.1%	stable	22.4%	+20bps	17.9%	-60bps			24.5%	+5bps
Opex + depreciation	(774.2)	+1.5%	(456.1)	+6.5%	(112.9)	+0.5%	(5.7)	-62.0%	(1,349.0)	+2.3%
% of sales	-21.3%	+10bps	-19.0%	-40bps	-17.7%	-40bps			-20.2%	+5bps
Adj. EBITA¹	208.0	+4.3%	81.2	-1.7%	1.5	-81.4%	(5.8)	-61.8%	284.9	+3.6%
% of sales	5.7%	+10bps	3.4%	-20bps	+0.2%	-100bps			4.3%	+10bps



Strong increase in reported EBITA in H1, up 11.9%

- **Reported EBITA of €292.0m, up 11.9%, benefiting from a positive copper contribution.**
- **Other income and expense amounted to €(49.9)m vs €(32.0)m in H1 2016 and included:**
 - Restructuring costs for €(13.9)m vs. €(23.0)m in H1 2016
 - Goodwill impairment in Finland of €(12.8)m and loss on asset disposals & termination of business in SEA for €(20.4)m
- **Net financial expenses amounted to €(63.3)m vs. €(76.9)m in H1 2016**
 - Both periods include charges related to refinancing operations for €(6.3)m in H1 2017 vs. €(10.0)m in H1 2016
 - Excluding these one-offs, net financial expenses stood at €(57.0)m in H1 2017 vs. €(66.9)m in H1 2016; this improvement largely reflected a reduction in average effective interest rate on gross debt from 3.7% in H1 2016 to 3.2% in H1 2017
- **Effective tax rate of 43% (normalized tax rate of 34.7%)**

(€m)	H1 2016	H1 2017	Change
EBITA	260.9	292.0	+11.9%
Amortization resulting from PPA	(9.2)	(9.7)	
Other income and expense	(32.0)	(49.9)	
Operating income	219.7	232.4	+5.8%
Net financial expenses	(76.9)	(63.3)	
Profit before tax	142.8	169.2	+18.5%
Income tax	(47.0)	(72.7)	
Net income	95.8	96.4	+0.7%
Recurring net income¹	134.0	139.3	+4.0%

FCF generation mainly impacted by increase in inventories

- **FCF before interest and tax was down at €(76.5)m vs. €(6.8)m in H1 2016, despite higher EBITDA, reflecting:**
 - Higher cash outflow from restructuring
 - Increase in change in WCR of €(95.8)m
- **Increase in Trade WCR from 13.0% of sales in H1 2016 to 14.0% of sales in H1 2017 explained by:**
 - Higher inventories to support a deeper/larger offer and the opening of branches/counters, as presented during the Capital Market Day ; The temporary build-up in inventories is also explained by better sales momentum in major geographies
 - Higher receivables, reflecting higher sales
- **Slight decrease in capital expenditure at €(51.4)m vs. €(53.4)m in H1 2016**

(€m)	H1 2016	H1 2017
EBITDA	308.4	341.6
Other operating revenues & costs	(33.9)	(44.8)
<i>o/w Restructuring outflow</i>	<i>(18.5)</i>	<i>(29.3)</i>
Change in working capital	(224.4)	(320.3)
Net capital expenditure	(56.9)	(53.0)
Free cash-flow before I&T	(6.8)	(76.5)

Slight decrease in net debt year-on-year

- Net debt improved at €2.3bn (down €73.5m year-on-year)
- Indebtedness ratio¹ stood at 3.3x compared to 3.2x at June 30, 2016, below our covenant and reflecting traditional seasonality effect
- Rexel confirms its commitment to be below 3.0x at December 31, 2017

(€m)	H1 2016	H1 2017
Free cash-flow before I&T	(6.9)	(76.5)
Net interest paid	(63.5)	(51.8)
Income tax paid	(34.3)	(63.5)
Free cash-flow after I&T	(104.7)	(191.8)
Net financial investment	(89.4)	4.2
Other	(8.7)	(10.5)
Net debt variation before currency effect	(202.8)	(198.1)
Currency change	21.3	63.9
Net debt variation after currency effect	(181.5)	(134.1)
Debt at the beginning of the period	2,198.7	2,172.6
Debt at the end of the period	2,380.2	2,306.7



a world of energy

¹ Net debt/EBITDA ratio as calculated under the Senior Credit Agreement terms

(73.5)

Sound financial structure

- **Breakdown of net debt at June 30, 2017:** **€2,306.7m**
 - Senior unsecured notes €1,457.3m
 - EUR Bond issued May 2015 (maturity: June 2022) @ 3.250% €509.2m
 - EUR Bond issued May 2016 (maturity: June 2023) @ 3.500% €650.0m
 - EUR Bond issued March 2017 (maturity: June 2024) @ 2.625% €298.1m
 - USD Bond issues April 2013 (maturity: June 2020) @ 5.250% Redeemed
 - Senior Credit Agreement (SCA) undrawn
 - €1.0bn facility (maturity: Nov. 2021)
 - Securitization (4 programs for a compound commitment of €1.3bn) €996.3m
 - Commercial paper €190.7m
 - Other debt & cash €(337.6)m
- **In March 2017, Rexel successfully issued 7-year €300m senior notes due June 2024 @ 2.625%**
 - The proceeds of these notes were used to redeem in June 2017 the remaining outstanding 5.250% senior USD notes due June 2020
- **Strong financial flexibility, with liquidity of €1.2bn at June 30, 2017**
- **Average effective interest rate on gross debt was reduced by 50bps** (3.2% in H1 2017 vs. 3.7% in H1 2016)
- **Increased average debt maturity to around 4,2 years thanks to bond issuance and extension of 2 bilateral lines for around €80m**
- **Rexel has no significant repayment before June 2022**



4

2017 Outlook

- **Sales**
Growth in the low single digits (on a constant and same-day basis)
- **Adjusted EBITA**
Growth in the mid-to-high single digits
- **Indebtedness ratio**
Below 3x at year-end

2017 Outlook

- Our first half performance and our expectations for the remainder of the year allows us to confirm our annual financial targets, as announced on February 13:
 - **Resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis) after two years of decline;
 - **A mid to high single-digit increase in adjusted EBITA¹**;
 - **An indebtedness ratio** (net-debt-to-EBITDA, as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017.**

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.

Update on our key initiatives

- **Rexel's three medium-term strategic priorities**

- Accelerating growth through “More customers & More SKUs”, supported by a multichannel approach and growing digitization
- Increasing selectivity in capital allocation, focusing on key geographies and business segments, and strengthening its financial structure
- Improving operational and financial performance



5

Appendices

- Segment reporting
- Consolidated financial data
- Working capital analysis
- Headcount & branches by geography
- Calendar, scope and change effects on sales
- Historical copper price evolution

REXEL

a world of energy

Appendix 1 : Segment reporting – Constant and adjusted basis¹

GROUP

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	3,339.1	3,342.8	+0.1%	6,510.9	6,665.9	+2.4%
<i>on a constant basis and same days</i>			+2.8%			+1.7%
Gross profit	808.2	811.4	+0.4%	1,594.0	1,633.9	+2.5%
<i>as a % of sales</i>	24.2%	24.3%	10 bps	24.5%	24.5%	5 bps
Distribution & adm. expenses (incl. depreciation)	(656.7)	(661.5)	-0.7%	(1,319.0)	(1,349.0)	-2.3%
EBITA	151.4	149.9	-1.0%	275.0	284.9	+3.6%
<i>as a % of sales</i>	4.5%	4.5%	0 bps	4.2%	4.3%	10 bps
Headcount (end of period)	27,365	27,653	1.1%	27,365	27,653	1.1%

¹ 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 cables price.

The non-recurring effect related to changes in copper-based cable price was, at EBITA level and in €m:

Q2 2016	Q2 2017	H1 2016	H1 2017
(3.3)	(2.3)	(11.6)	7.1

Appendix 1 : Segment reporting – Constant and adjusted basis¹

EUROPE

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	1,811.4	1,799.1	-0.7%	3,555.0	3,627.0	+2.0%
<i>on a constant basis and same days</i>			+3.6%			+2.4%
France	656.6	655.3	-0.2%	1,300.0	1,323.3	+1.8%
<i>on a constant basis and same days</i>			+4.7%			+2.6%
United Kingdom	217.0	207.7	-4.3%	449.3	439.9	-2.1%
<i>on a constant basis and same days</i>			-0.9%			-2.1%
Germany	200.4	195.8	-2.3%	389.6	401.1	+3.0%
<i>on a constant basis and same days</i>			+2.4%			+2.9%
Scandinavia	242.2	240.7	-0.6%	454.4	475.9	+4.7%
<i>on a constant basis and same days</i>			+4.3%			+4.7%
Gross profit	480.7	483.0	+0.5%	962.6	982.2	+2.0%
<i>as a % of sales</i>	26.5%	26.8%	30 bps	27.1%	27.1%	0 bps
Distribution & adm. expenses (incl. depreciation)	(381.4)	(379.3)	+0.6%	(763.2)	(774.2)	+1.5%
EBITA	99.3	103.7	+4.4%	199.4	208.0	+4.3%
<i>as a % of sales</i>	5.5%	5.8%	30 bps	5.6%	5.7%	10 bps
Headcount (end of period)	15,998	15,803	-1.2%	15,998	15,803	-1.2%

Appendix 1 : Segment reporting – Constant and adjusted basis¹

NORTH AMERICA

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	1,191.5	1,210.8	+1.6%	2,305.6	2,401.3	+4.1%
<i>on a constant basis and same days</i>			+1.9%			+1.6%
United States	944.0	954.4	+1.1%	1,812.0	1,900.1	+4.9%
<i>on a constant basis and same days</i>			+1.0%			+1.6%
Canada	247.5	256.4	+3.6%	493.6	501.2	+1.5%
<i>on a constant basis and same days</i>			+5.3%			+1.5%
Gross profit	264.7	270.7	+2.3%	511.0	537.3	+5.1%
<i>as a % of sales</i>	22.2%	22.4%	15 bps	22.2%	22.4%	20 bps
Distribution & adm. expenses (incl. depreciation)	(210.8)	(223.9)	-6.2%	(428.4)	(456.1)	-6.5%
EBITA	53.8	46.8	-13.1%	82.6	81.2	-1.7%
<i>as a % of sales</i>	4.5%	3.9%	-65 bps	3.6%	3.4%	-20 bps
Headcount (end of period)	7,904	8,304	5.1%	7,904	8,304	5.1%

Appendix 1 : Segment reporting – Constant and adjusted basis¹

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	336.2	332.9	-1.0%	650.2	637.5	-2.0%
<i>on a constant basis and same days</i>			+1.4%			-1.6%
China	107.3	125.4	+16.9%	210.6	230.8	+9.6%
<i>on a constant basis and same days</i>			+16.9%			+9.6%
Australia	134.7	133.3	-1.1%	258.2	261.9	+1.4%
<i>on a constant basis and same days</i>			+2.1%			+1.5%
New Zealand	34.2	30.0	-12.3%	64.1	58.8	-8.2%
<i>on a constant basis and same days</i>			-9.6%			-8.2%
Gross Profit	62.8	57.8	-8.0%	120.4	114.4	-5.0%
<i>as a % of sales</i>	18.7%	17.4%	-130 bps	18.5%	17.9%	-60 bps
Distribution & adm. expenses (incl. depreciation)	(57.5)	(54.8)	+4.8%	(112.3)	(112.9)	-0.5%
EBITA	5.3	3.0	-42.9%	8.1	1.5	-81.4%
<i>as a % of sales</i>	1.6%	0.9%	-65 bps	1.2%	0.2%	-100 bps
Headcount (end of period)	3,216	3,323	3.3%	3,216	3,323	3.3%

Appendix 2 : Consolidated Income statement

Reported basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	3,349.9	3,342.8	-0.2%	6,510.5	6,665.9	2.4%
Gross profit	806.4	809.0	0.3%	1,579.6	1,641.3	3.9%
<i>as a % of sales</i>	24.1%	24.2%		24.3%	24.6%	
Distribution & adm. expenses (excl. depreciation)	(635.3)	(636.8)	-0.2%	(1,271.2)	(1,299.7)	-2.2%
EBITDA	171.1	172.2	0.7%	308.4	341.6	10.8%
<i>as a % of sales</i>	5.1%	5.2%		4.7%	5.1%	
Depreciation	(24.0)	(24.7)		(47.5)	(49.5)	
EBITA	147.1	147.5	0.3%	260.9	292.0	11.9%
<i>as a % of sales</i>	4.4%	4.4%		4.0%	4.4%	
Amortization of intangibles resulting from purchase price allocation	(5.3)	(4.8)		(9.2)	(9.7)	
Operating income bef. other inc. and exp.	141.8	142.7	0.7%	251.7	282.3	12.2%
<i>as a % of sales</i>	4.2%	4.3%		3.9%	4.2%	
Other income and expenses	(15.0)	(40.1)		(32.0)	(49.9)	
Operating income	126.7	102.6	-19.0%	219.7	232.4	5.8%
Financial expenses (net)	(43.7)	(29.6)		(76.9)	(63.3)	
Net income (loss) before income tax	83.0	73.1	-12.0%	142.8	169.2	18.5%
Income tax	(26.1)	(39.4)		(47.0)	(72.7)	
Net income (loss)	57.0	33.7	-40.9%	95.8	96.4	0.7%

Appendix 2 : Adjusted EBITA bridge and Recurring net income

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

in €m	Q2 2016	Q2 2017	H1 2016	H1 2017
Operating income before other income and other expenses	141.8	142.7	251.7	282.3
Change in scope of consolidation	0.5	0.0	1.3	0.0
Foreign exchange effects	0.5	0.0	1.2	0.0
Non-recurring effect related to copper	3.3	2.3	11.6	-7.1
Amortization of intangible assets resulting from PPA	5.3	4.8	9.2	9.7
Adjusted EBITA on a constant basis	151.4	149.9	275.0	284.9

BRIDGE BETWEEN REPORTED NET INCOME AND RECURRING NET INCOME

in €m	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Net income	57.0	33.7	-40.9%	95.8	96.4	+0.7%
Non-recurring copper effect	3.3	2.3		11.4	-7.1	
Other expense & income	15.0	40.1		32.0	49.9	
Financial expense	10.0	-0.4		10.0	6.3	
Tax expense	-8.0	-4.1		-15.2	-6.2	
Recurring net income	77.3	71.6	-7.3%	134.0	139.3	+4.0%

Appendix 2 : Sales and profitability by segment – reported basis

Reported basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	3,349.9	3,342.8	-0.2%	6,510.5	6,665.9	+2.4%
Europe	1,846.4	1,799.1	-2.6%	3,641.5	3,627.0	-0.4%
North America	1,171.6	1,210.8	+3.3%	2,236.4	2,401.3	+7.4%
Asia-Pacific	331.9	332.9	+0.3%	632.6	637.5	+0.8%
Gross profit	806.4	809.0	+0.3%	1,579.6	1,641.3	+3.9%
Europe	487.7	480.1	-1.6%	975.9	987.7	+1.2%
North America	257.1	271.1	+5.4%	487.9	539.2	+10.5%
Asia-Pacific	61.5	57.8	-6.0%	115.8	114.4	-1.2%
EBITA	147.1	147.5	+0.3%	260.9	292.0	+11.9%
Europe	99.3	100.9	+1.7%	195.3	213.2	+9.1%
North America	50.0	47.3	-5.5%	73.1	83.1	+13.6%
Asia-Pacific	4.8	3.0	-37.6%	7.5	1.5	-80.0%

Appendix 2 : Consolidated balance sheet¹

Assets (€m)	December 31, 2016	June 30, 2017
Goodwill	4,300.2	4,141.8
Intangible assets	1,109.5	1,075.9
Property, plant & equipment	282.4	273.4
Long-term investments	41.8	35.0
Deferred tax assets	128.4	100.8
Total non-current assets	5,862.3	5,626.8
Inventories	1,579.3	1,573.6
Trade receivables	2,187.3	2,292.0
Other receivables	513.1	511.4
Assets held for sale	0.3	0.0
Cash and cash equivalents	619.3	459.04
Total current assets	4,899.3	4,836.1
Total assets	10,761.6	10,462.9

Liabilities (€m)	December 31, 2016	June 30, 2017
Total equity	4,383.3	4,223.1
Long-term debt	2,195.1	2,122.2
Deferred tax liabilities	240.0	208.2
Other non-current liabilities	423.2	399.0
Total non-current liabilities	2,858.3	2,729.4
Interest bearing debt & accrued interests	610.0	659.6
Trade payables	2,179.0	2,058.9
Other payables	730.9	791.8
Total current liabilities	3,519.9	3,510.3
Total liabilities	6,378.3	6,239.7
Total equity & liabilities	10,761.6	10,462.9

¹ Net debt includes Debt hedge derivatives for €(12.3)m at December 31, 2016 and €(15.4)m at June 30, 2017.
It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(0.7)m at June 30, 2017.

Appendix 2 : Change in net debt

€m	Q2 2016	Q2 2017	H1 2016	H1 2017
EBITDA	171.1	172.2	308.4	341.6
Other operating revenues & costs ⁽¹⁾	(19.8)	(23.2)	(34.0)	(44.8)
Operating cash flow	151.3	149.1	274.5	296.8
Change in working capital	62.7	8.5	(224.4)	(320.3)
Net capital expenditure, of which:	(25.9)	(27.4)	(56.9)	(53.0)
<i>Gross capital expenditure</i>	(26.9)	(30.4)	(53.4)	(51.4)
<i>Disposal of fixed assets & other</i>	1.0	3.0	(3.5)	(1.6)
Free cash flow from continuing op. before interest and tax	188.1	130.1	(6.9)	(76.5)
Net interest paid / received	(31.9)	(26.0)	(63.5)	(51.8)
Income tax paid	(14.0)	(39.3)	(34.3)	(63.5)
Free cash flow from continuing op. after interest and tax	142.2	64.8	(104.7)	(191.8)
Net financial investment	(0.0)	6.1	(89.4)	4.2
Dividends paid	(0.0)	(0.0)	(0.0)	(0.0)
Net change in equity	(1.2)	(2.7)	(0.2)	(0.6)
Other	(5.8)	(1.5)	(8.5)	(9.9)
Currency exchange variation	(19.7)	60.0	21.3	63.9
Decrease (increase) in net debt	115.4	126.8	(181.5)	(134.1)
Net debt at the beginning of the period	2,495.6	2,433.4	2,198.7	2,172.6
Net debt at the end of the period	2,380.2	2,306.7	2,380.2	2,306.7

(1) Includes restructuring outflows of :

- €12.4m in Q2 2017 vs. €10.5m in Q2 2016
- €29.3m in H1 2017 vs. €18.5m in H1 2016.

Appendix 3 : Working capital

Constant basis	June 30, 2016	June 30, 2017
Net inventories		
<i>as a % of sales 12 rolling months</i>	11.4%	12.1%
<i>as a number of days</i>	52.1	55.2
Net trade receivables		
<i>as a % of sales 12 rolling months</i>	17.1%	17.5%
<i>as a number of days</i>	53.0	52.4
Net trade payables		
<i>as a % of sales 12 rolling months</i>	15.5%	15.5%
<i>as a number of days</i>	62.7	62.4
Trade working capital		
<i>as a % of sales 12 rolling months</i>	13.0%	14.0%
Total working capital		
<i>as a % of sales 12 rolling months</i>	10.8%	11.7%

Appendix 4 : Headcount and branch evolution

FTEs at end of period comparable	30/06/17	31/12/16	30/06/16	Year-on-Year Change
Europe	15,803	15,778	15,998	-1.2%
<i>USA</i>	<i>6,237</i>	<i>5,935</i>	<i>5,831</i>	7.0%
<i>Canada</i>	<i>2,067</i>	<i>2,068</i>	<i>2,073</i>	-0.3%
North America	8,304	8,003	7,904	5.1%
Asia-Pacific	3,323	3,260	3,216	3.3%
Other	223	241	248	-10.1%
Group	27,653	27,282	27,365	1.1%

Branches comparable	30/06/17	31/12/16	30/06/16	Year-on-Year Change
Europe	1,189	1,196	1,202	-1.1%
<i>USA</i>	<i>375</i>	<i>372</i>	<i>370</i>	1.4%
<i>Canada</i>	<i>189</i>	<i>188</i>	<i>194</i>	-2.6%
North America	564	560	564	0.0%
Asia-Pacific	273	275	266	2.6%
Group	2,026	2,031	2,032	-0.3%

Appendix 5 : Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

1 € =	1.11	USD
1 € =	1.46	CAD
1 € =	1.46	AUD
1 € =	0.87	GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017 :

	Q1 actual	Q2 actual	Q3 est	Q4 est	FY est
Scope effect at Group level	-26.0	-12.9	-4.3	-6.4	-49.6
<i>as% of 2016 sales</i>	<i>-0.8%</i>	<i>-0.4%</i>	<i>-0.1%</i>	<i>-0.2%</i>	<i>-0.4%</i>
Currency effect at Group level*	37.2	2.2	-39.7	-73.8	-74.1
<i>as% of 2016 sales</i>	<i>1.2%</i>	<i>0.1%</i>	<i>-1.2%</i>	<i>-2.1%</i>	<i>-0.6%</i>
Calendar effect at Group level	4.1%	-2.6%	-1.0%	-2.5%	-0.6%
Europe	3.6%	-4.3%	-1.6%	-0.6%	-0.7%
USA	6.8%	0.2%	-0.2%	-7.4%	-0.4%
Canada	1.6%	-1.6%	-1.5%	0.0%	-0.4%
North America	5.6%	-0.2%	-0.5%	-6.0%	-0.4%
Asia	0.4%	-1.6%	0.6%	-0.8%	-0.4%
Pacific	3.3%	-2.9%	-1.4%	-0.1%	-0.4%
Asia-Pacific	1.7%	-2.3%	-0.4%	-0.4%	-0.4%

Appendix 6 : Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2015	5,801	6,058	5,275	4,882	5,493
2016	4,669	4,730	4,793	5,291	4,870
2017	5,855	5,692			
2015 vs. 2014	-17%	-10%	-24%	-26%	-20%
2016 vs. 2015	-20%	-22%	-9%	+8%	-11%
2017 vs. 2016	+25%	+20%			

€/t	Q1	Q2	Q3	Q4	FY
2015	5,154	5,483	4,751	4,455	4,951
2016	4,237	4,187	4,293	4,911	4,407
2017	5,498	5,168			
2015 vs. 2014	1%	11%	-10%	-15%	-4%
2016 vs. 2015	-18%	-24%	-10%	+10%	-11%
2017 vs. 2016	+30%	+23%			

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 March 31, 2017 under number D 17-0272. 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 March 31, 2017 under number D 17-0272, as well as the consolidated financial statements and activity report for the 2016 fiscal year, which may be obtained from Rexel's website (www.rexel.com).