

Leading the bright future of electrical distribution

Rexel

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Q1 2021 sales

22 April 2021

The Rexel logo is displayed in white text on a dark blue rectangular background. The background of the entire slide is a night photograph of a city skyline with illuminated buildings and a bridge structure. In the foreground, large letters spelling 'REXEL' are constructed from glowing orange pipes.

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1 Key Highlights

Strong start to the year supported by underlying market growth, robust business model and accelerating recovery



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Sales of €3,331.2m, up 8.6%, including
➤ +2.9% positive contribution from copper-based cables
➤ +1.4% contribution from China (up +60.1%)



Level of activity above pre-Covid-19 level with same-day sales growth of +5.4%, above Q1 2019



Full capacity to capture the recovery thanks to an intact branch network and strong boost in digital penetration
Increased electrical usage and complexity of installed solutions offset the low level of spending in end-markets still deeply affected by the pandemic



Favorable pricing environment to accelerate in coming quarters from increasing raw material prices and scarcity of components/products

Same-day sales growth

+8.6%

Number of branches

1,904

stable vs end-2020

Digital penetration

22.6% up +242 bps

Electrical distribution demand boosted by increasing electrical usage and the energy transition

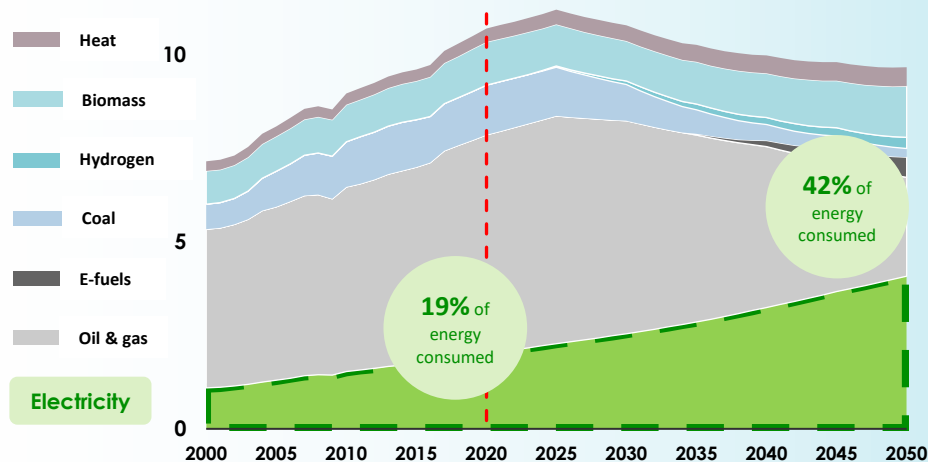


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Continuously growing electricity consumption until 2050 at ~+2.5% CAGR supported by continuously increasing electrical usage...



World total final energy consumption by fuel - Paris 2° Scenario (GTOE) ²



... boosted by structural and recent transformations in Rexel geographies



Increasing number of electrical applications and solutions

- EV and HVAC
- Data centers, datacom
- Smart building
- Safety and monitoring



Long-term shift towards green electricity

- Alternative energy sources increase the need for new functionalities (UPS, sensors, demand response solution)

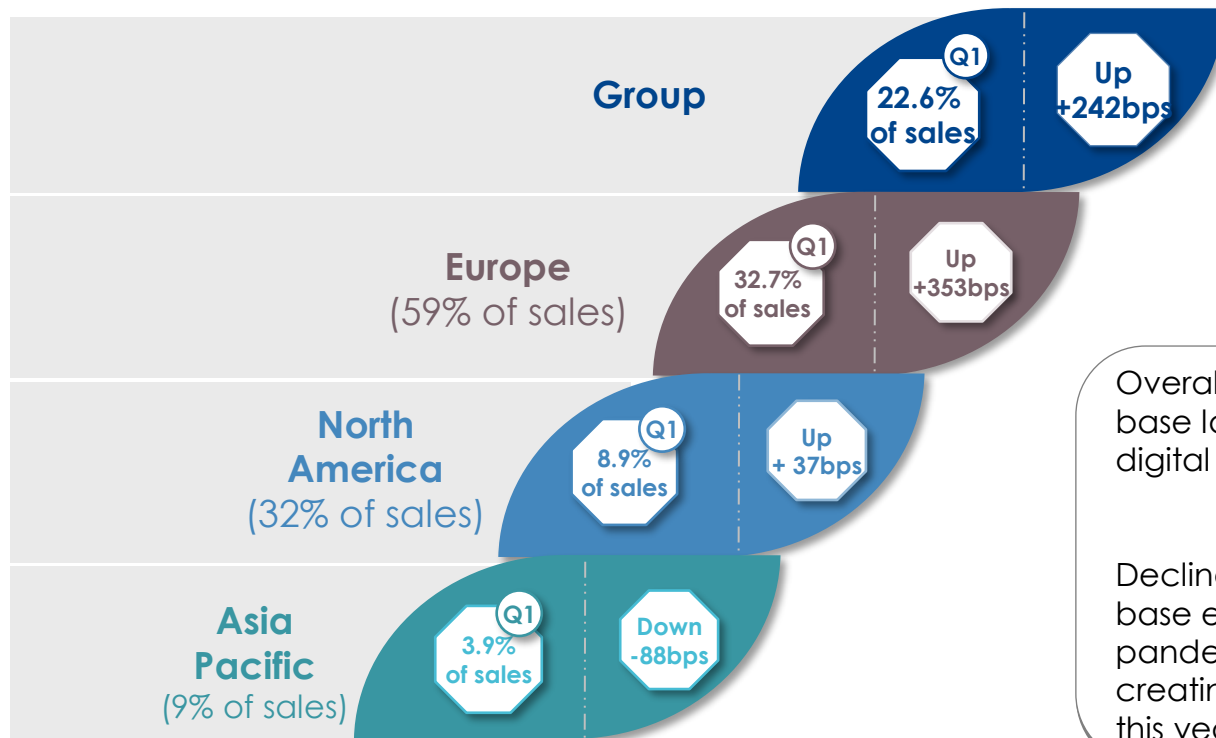


European green deal & US stimulus to bring additional market growth from 2021 onwards in Europe and North America

1. c.€350bn market of which 55% distributed

2. European Commission global energy and climate outlook 2020

Continued growth in digital penetration, driven by Europe & North America



Overall improvement on top of a strong base last year from the rapid pivot to digital as the pandemic hit

Decline in APAC largely explained by base effect in China as earlier start to the pandemic boosted digital sales last year, creating a challenging comparable base this year.

Digital adoption further accelerated in Q1 in key countries, as illustrated by France



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- > Digital penetration in France up a strong +489bps, representing 25% of sales in Q1 2021
 - Improvement from both Web (+339bps) & EDI (+149bps)

Increased connected customers

+24%

vs ytd feb 2020

- > Increased conversion from search to cart
 - Improved navigation from better search engine
 - Increased incoming traffic up 40%
 - Conversion rate of connected customers now over 10%

Conversion from search to cart

+12%

vs ytd feb 2020

- > Growing demand in all segments with a clear acceleration in residential: Visits up 43% & orders up 35%

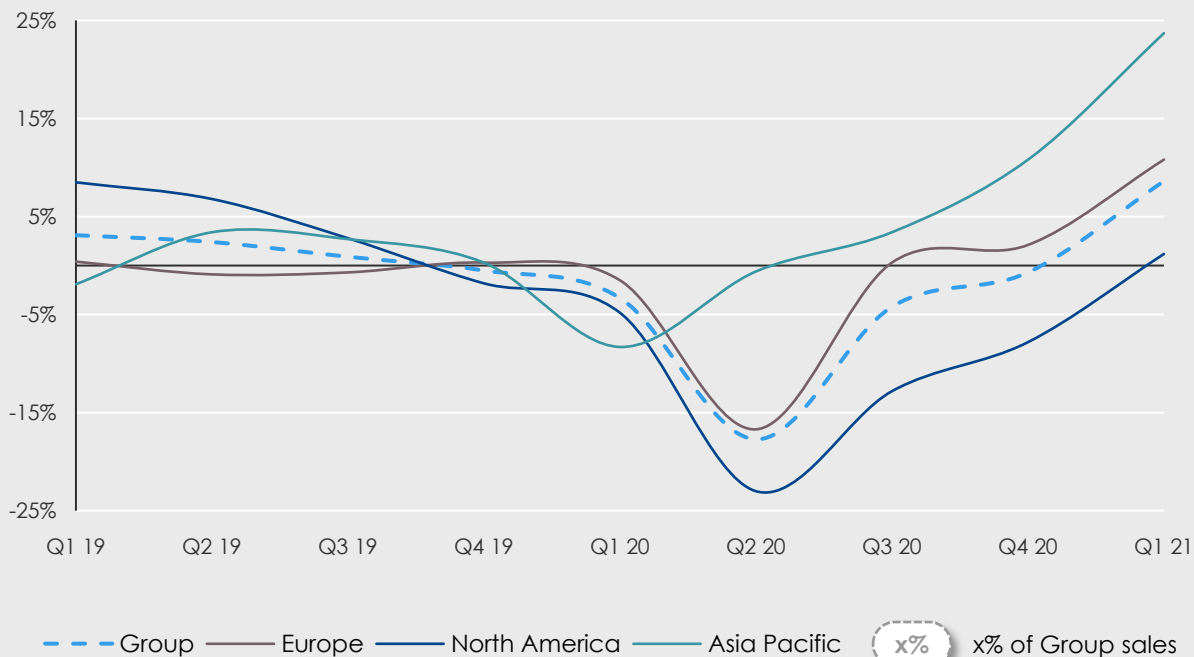
Value of a digital basket is

37%

higher than an offline basket in Q1 21
(the difference stood at 24% in Q1 2020)

- > No impact on transportation costs

Sales improvement in every geography; Group activity above pre-crisis level



SAME-DAY
SALES GROWTH

VS. Q1 2020

VS. Q1 2019

GROUP

Q1
+8.6%

Q1
+5.4%

EUROPE

59%
Q1
+10.8%

Q1
+9.2%

NORTH
AMERICA

32%
Q1
+1.2%

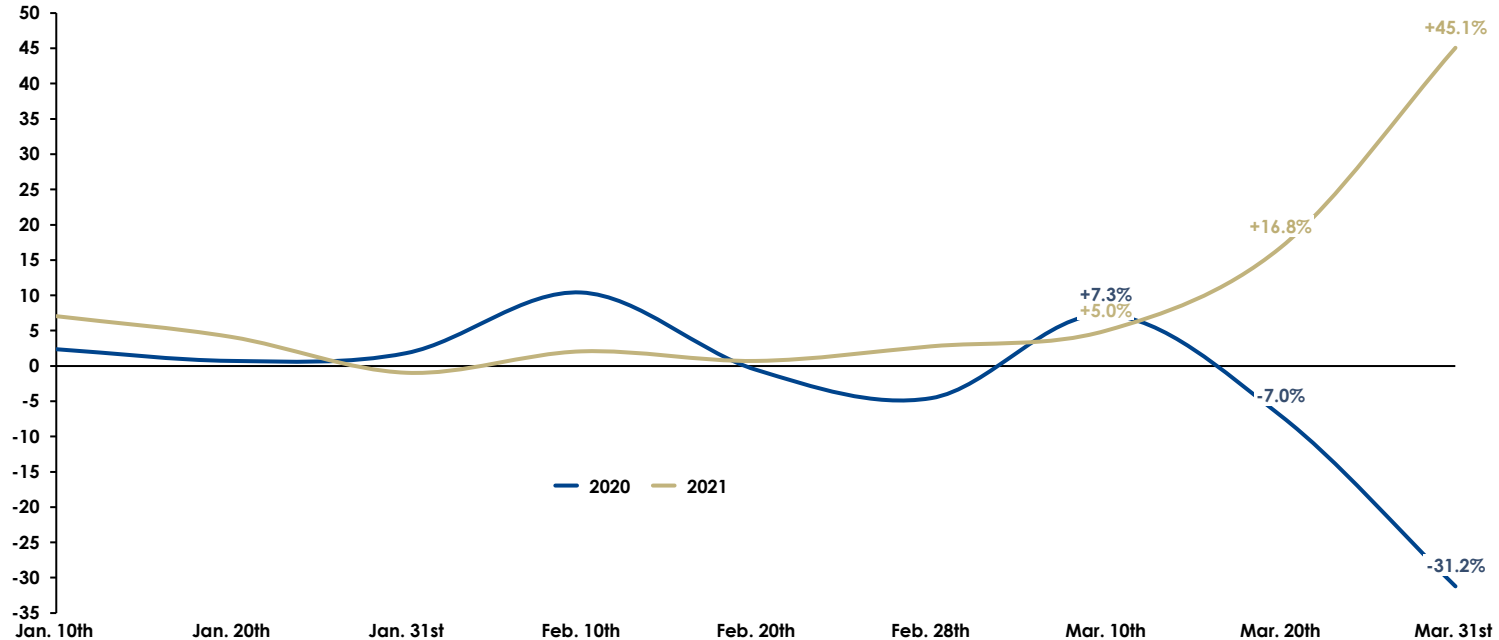
Q1
-3.1%

ASIA
PACIFIC

9%
Q1
+23.7%

Q1
+13.8%

March up c. 20%, driven by good underlying demand and favorable base effect vs mid-March 2020



Favorable increases from positive pricing and scarcity of products



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PRICING

North America has been more active in passing on price increases (up 3.6% on non-cable products in the quarter), largely on commodity related products

Price increases on other product categories to materialize in coming quarters
Europe, after a limited price increase of 1.6% on non-cable related products, is expected to catch up in coming quarters

Price increase on non-cable products

GROUP	2.4%
EUROPE	1.6%
NORTH AMERICA	3.6%
ASIA PACIFIC	2.4%




SCARCITY

Scarcity of products mainly on categories using semiconductors / electro-mechanical components impacting supplier delays on some categories including cable management systems, motion control

Intense dialogue with our suppliers to help mitigate the impact for our customers

Distributors have a key role to play in the value chain to help customers manage potential scarcity of products, thanks to their multi-brand value proposition

Acceleration of our M&A strategy in Q1 2021

 Recent acquisitions	Freshmile in France	Trace International in France (25% stake)	Former Wesco Utility business in Canada
 Rationale	<ul style="list-style-type: none">• Acquiring complementary competencies• Software for remote management of connected objects• Deep offering in EV charging station	<ul style="list-style-type: none">• Acquiring complementary competencies• Software suites for the design and calculation of energy efficiency solutions• Open to BIM objects	<ul style="list-style-type: none">• Increasing local penetration and market share• Number 2 Canadian player in ED distribution for utilities• Resilience and visibility through long term contract & service (2/3 of sales)• Sales of CAD70m, 60 employees
 Opportunity	<ul style="list-style-type: none">• International scale-up• Opportunity in alternative competencies including IoT & PV configurations	<ul style="list-style-type: none">• International scale-up	<ul style="list-style-type: none">• Rolling out competencies nationally in Canada

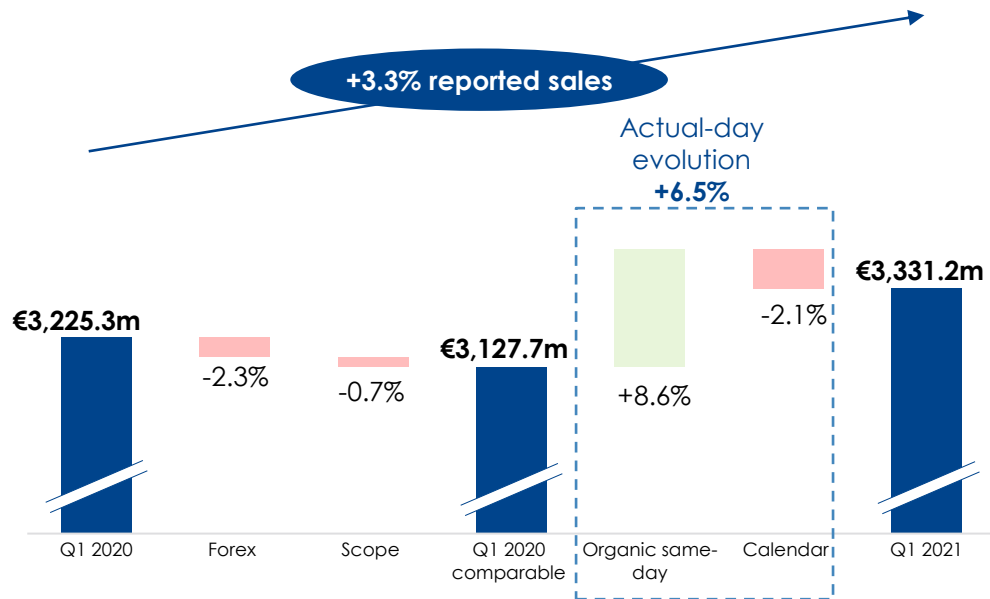


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2 Q1 21 Group sales review

Q1 21 sales: Up +8.6% on a same-day basis and +3.3% on a reported basis



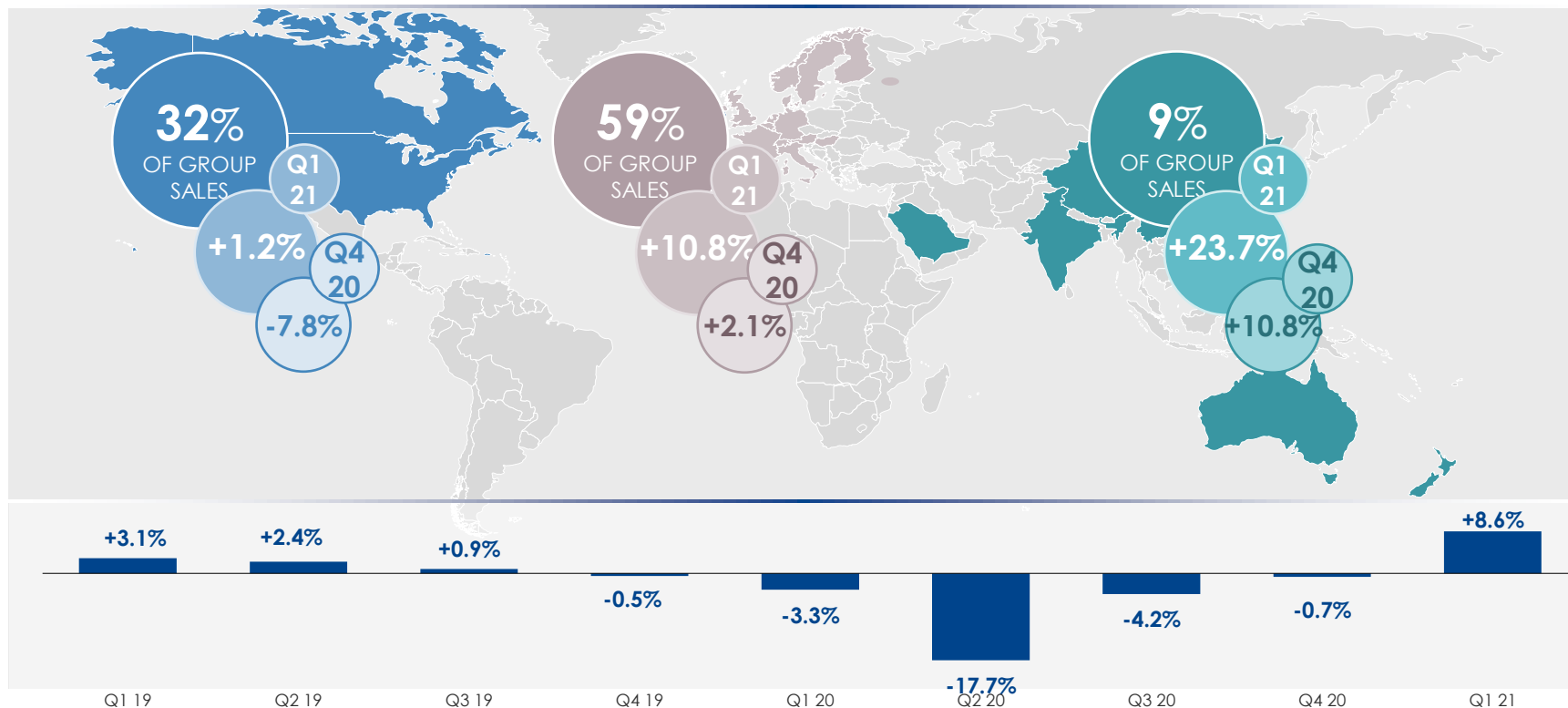
Organic same day sales evolution positively impacted by increasing positive copper effect in the quarter (+2.9% contribution)

Copper cable price contribution

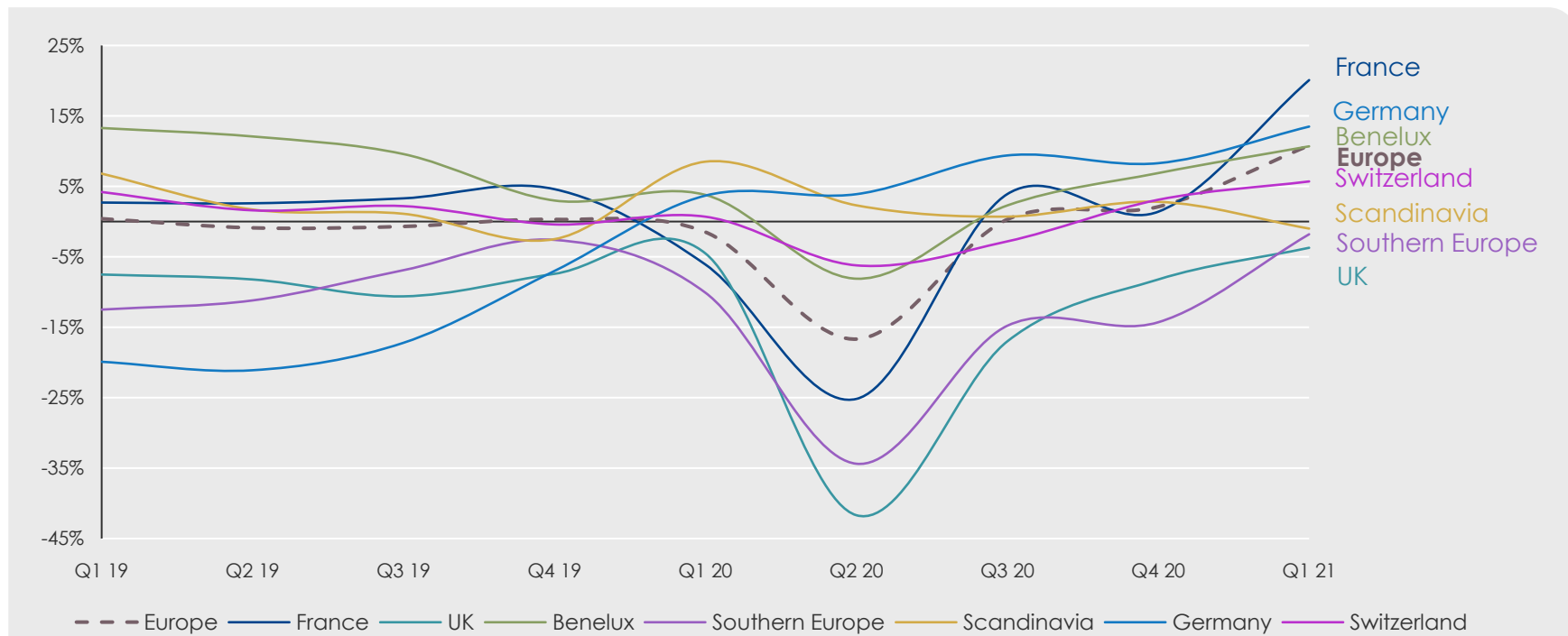
FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
+0.4%	-0.3%	-0.4%	-0.7%	+0.5%	+1.3%	+2.9%

FY 2020: +0.2%

Same-day sales evolution of +8.6% in Q1, showing solid improvement over Q4 2020



Europe: Positive momentum in our key countries

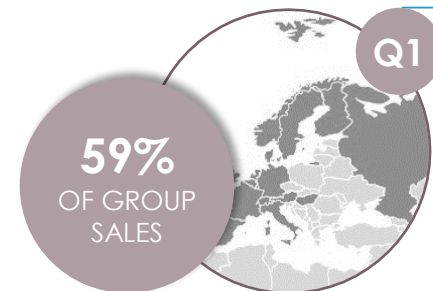


Europe: Sales improvement in most of our countries

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Sales
1,977.1 | Constant
€m | **+10.8%** |
& same-day



- > Sales in **France** posted solid +20.1% growth, driven by a clear increase in digital penetration, at 25%, up +489bps, and by all end-markets up by strong double digits (more specifically residential, up almost 25% benefiting from renovation)
- > **Scandinavia** down 1.0% with difficult base effect from lower sanitary restrictions in 2020, pre-buy in 2020 by utilities and mild winter in Q1 20 mainly in Finland (-6.8%) and Norway (+2.6%). Sweden down -0.4% from non renewal of a public contract (contr. -290bps)
- > **Benelux**: Belux (+13.3%) largely benefiting from residential and the recovery of industrial markets. Netherlands up +7.3%, despite absence of restrictions in 2020
- > **Germany**: Positive trend in industry and residential business
- > **UK**: Sales down by 3.7%, better than Q4 20 (-8.2%) despite worsening sanitary restrictions thanks to a contract with Justice Ministry (contribution +450bps) and the benefits of reorganization, focusing on digitalization and proximity (Denmans banner up 9.4% in Q1 21)

	Weight ¹	Q1 21 vs. Q1 20 ²	Q1 21 vs. Q1 19 ²
	39%	+20.1%	+12.8%
	12%	-1.0%	+7.4%
	11%	+10.7%	+14.8%
	10%	+13.5%	+17.7%
	9%	-3.7%	-8.0%
	7%	+5.7%	+5.6%
	6%	+29.9%	+27.8%
	4%	-1.8%	-12.3%

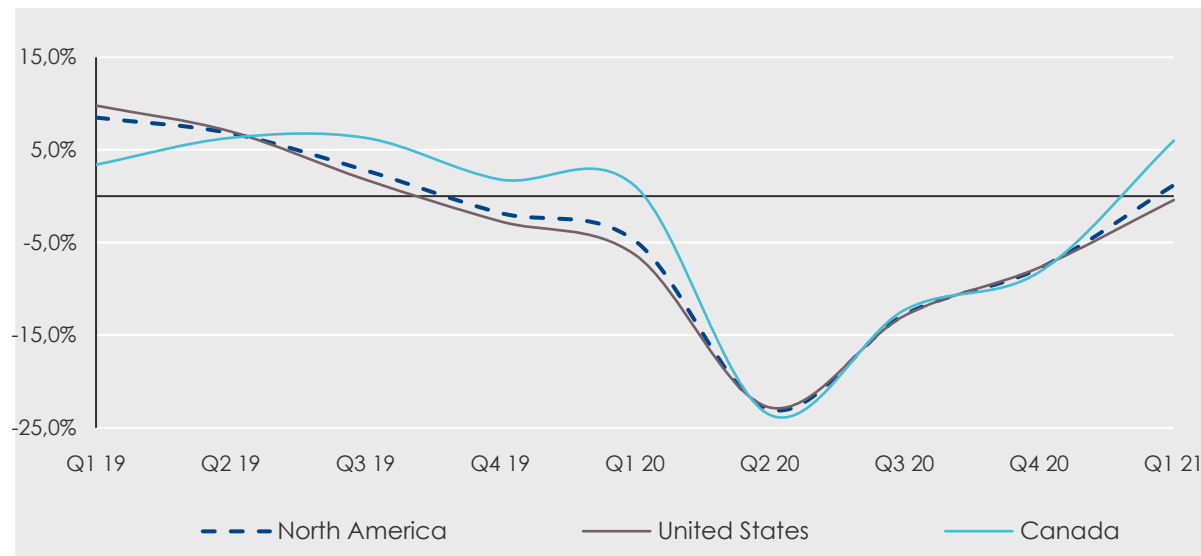
1. x% of Europe

2. Same-day change

North America: Improved momentum in Q1 driven by better activity in Canada

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SAME-DAY SALES GROWTH

VS. Q1 2020

VS. Q1 2019

NORTH AMERICA

Q1
+1.2%

Q1
-3.1%



74%

Q1
-0.4%

Q1
-6.2%



26%

Q1
+6.0%

Q1
+7.5%

UNITED STATES

Sales down 0.4% in Q1 21 from -7.7% in Q4 20, helped by favorable pricing contribution mostly in metal products (conduits...), positive momentum in our proximity business and lower sales decline in projects business. Improving outlook with the vaccine deployment

CANADA

Sales grew by 6.0% and are now 7.5% above Q1 2019 level from positive pricing on cable and non-cable products as well as better commercial activity offsetting lower demand in industry (O&G, transportation...). Integration of former Wesco utility on track.

US: Improving situation in every region

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RESILIENCE IN 6 REGIONS ...:

- > **Northwest:** Benefiting from market share gains and strong pricing contribution, especially on commodity products. By market, sales growth fueled by our positioning in proximity business, with residential business (22% of sales) growing above +25%
- > **Northeast:** Growth in Industrial segment primarily tied to good underlying demand from OEMs. Harvesting benefits of reorganization with favorable commercial trends.
- > **Mountain Plains:** Positive trends in commercial segments principally in Las Vegas and Phoenix markets and growth in residential partially offset by low Oil & Gas activity
- > **Southeast:** Growth driven by automation strength in material handling equipment industry offset by decline in commercial construction, notably with 2 non repeat projects
- > **California:** Sales growth tied to solar/EV market plus commodity pricing offsetting timing of large project activity
- > **Florida:** Residential growth and recovering industrial performance offset by timing of larger projects principally tied to airports and entertainment. Significantly better outlook in entertainment post vaccine.

... OFFSETTING SLOWER RECOVERY IN OTHER LOCATIONS:

- > **Midwest:** Improvement compared to Q4 20 (-11.7%). Continuing softness in automotive and metals markets.
- > **Gulf Central:** 3 consecutive quarters of sequential improvement. Industrial down 25% principally driven by 34% decline in oil and gas revenues, although trends are improving. Commercial and residential improvement tied to diversification efforts.

	Weight ¹	Q1 21 vs. Q1 20 ²	Q1 21 vs. Q1 19 ²
Northwest	30%	+13.7%	+17.5%
Northeast	6%	+5.4%	-10.4%
Mountain Plains	8%	+1.6%	-2.5%
Southeast	15%	-1.1%	-5.5%
California	10%	-3.2%	-6.6%
Florida	11%	-4.6%	-0.5%
Midwest	9%	-8.5%	-13.9%
Gulf Central	11%	-15.2%	-31.9%

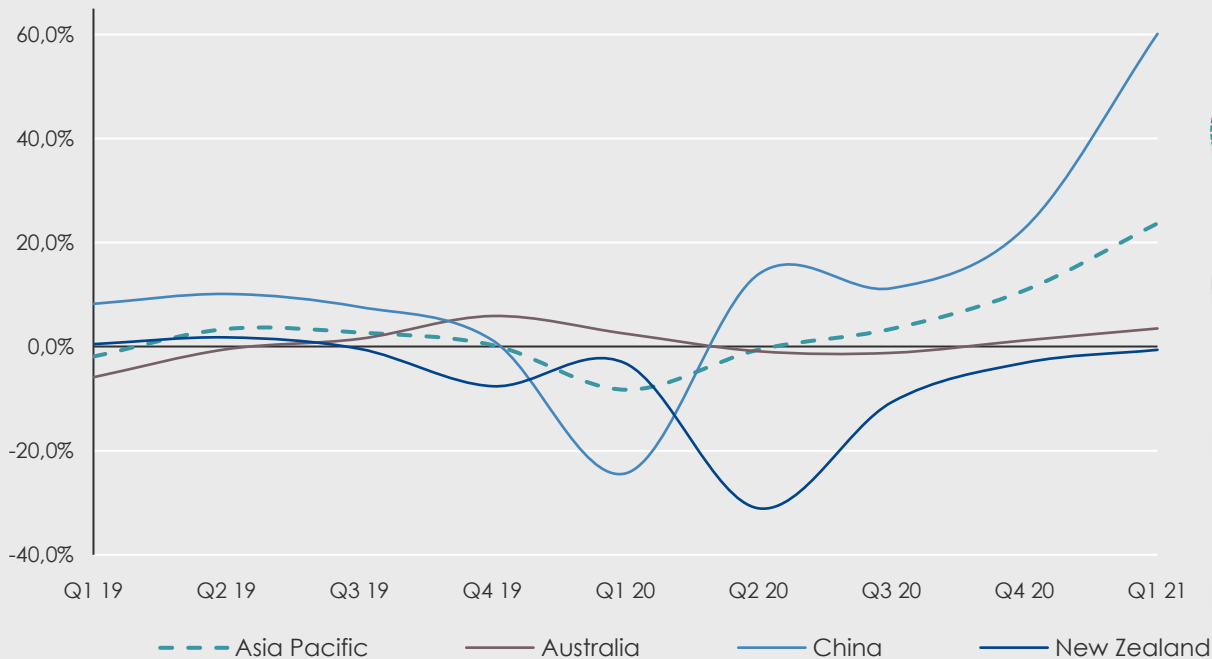
1. x% of US ED Sales

2. Same-day change

Asia-Pacific: Growth fueled by further improvement in China

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SAME-DAY SALES GROWTH

VS. Q1 2020

VS. Q1 2019

ASIA
PACIFIC

Q1
+23.7%

Q1
+13.8%

AUSTRALIA

Q1
+3.5%

Q1
+6.1%

CHINA

Q1
+60.1%

Q1
+21.2%

NEW
ZEALAND

Q1
-0.6%

Q1
-3.8%

Asia-Pacific: Strong recovery in Asia and good resilience in Australia

Sales
300.6
€m

Constant
+23.7%
& same-day



PACIFIC

- > **Australia** (+3.5% in Q1 21) supported by small and medium contractors offsetting the loss of an industrial contract in mining (impact -2.7%)

ASIA

- > Sales grew by 60.1% in **China**, from favorable base effect (pandemic started in Q1 2020) but also strong underlying demand (up 21% compared to Q1 2019) from better macro environment and government spending in infrastructure and automation
- > **India and Middle East** (17% of Asia): Recovery in **India** (+35.0%). Middle East up +34.5%.

	Weight ¹	Q1 21 vs. Q1 20 ²	Q1 21 vs. Q1 19 ²
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Pacific	50%	+2.8%	+4.4%
Asia	50%	+55.3%	+25.0%



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3 Outlook

2021 outlook



2021 outlook

Strong start to the year and 2021 guidance confirmed.

Leveraging on our continuous efforts, we target for 2021, at comparable scope of consolidation and exchange rates*:

- **Same-day sales growth of between 5% and 7%**
- **An adjusted Ebita¹ margin of circa 5%**
- **Free cash flow conversion² above 60%**

* Assuming an improvement in the sanitary situation as vaccines become available.



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4 Appendix

Appendix 1 : Segment reporting – Constant and adjusted basis¹

GROUP			
Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	3,127.7	3,331.2	6.5%
on a constant basis and same days			8.6%

EUROPE			
Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	1,811.1	1,977.1	9.2%
on a constant basis and same days			10.8%
France	657.8	775.9	18.0%
on a constant basis and same days			20.1%
United Kingdom	191.2	181.2	(5.2)%
on a constant basis and same days			(3.7)%
Germany	170.7	190.6	11.6%
on a constant basis and same days			13.5%
Scandinavia	253.1	246.6	(2.6)%
on a constant basis and same days			(1.0)%

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 cable prices. 23

Appendix 1 : Segment reporting – Constant and adjusted basis¹

NORTH AMERICA			
Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	1,071.2	1,053.4	(1.7)%
<i>on a constant basis and same days</i>			1.2%
United States	813.0	784.0	(3.6)%
<i>on a constant basis and same days</i>			(0.4)%
Canada	258.2	269.4	4.3%
<i>on a constant basis and same days</i>			6.0%

ASIA-PACIFIC			
Constant and adjusted basis (€m)	Q1 2020	Q1 2021	Change
Sales	245.5	300.6	22.5%
<i>on a constant basis and same days</i>			23.7%
China	78.4	125.6	60.1%
<i>on a constant basis and same days</i>			60.1%
Australia	123.1	125.4	1.9%
<i>on a constant basis and same days</i>			3.5%
New Zealand	25.3	24.7	(2.3)%
<i>on a constant basis and same days</i>			(0.6)%

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 cable prices. 24

Appendix 2 : Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.20	USD
1 €	=	1.50	CAD
1 €	=	1.56	AUD
1 €	=	0.87	GBP

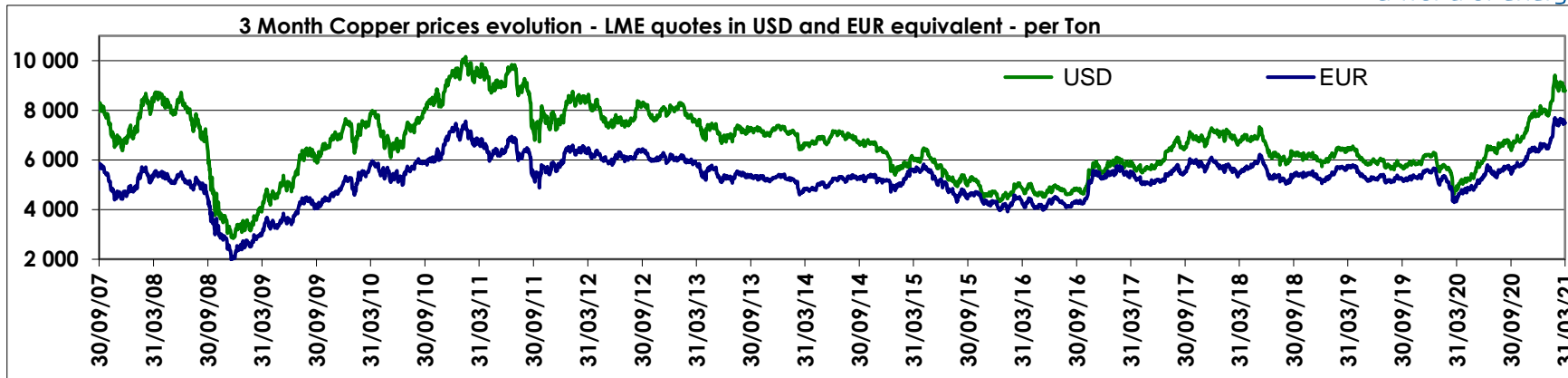
and based on acquisitions/divestments to date, 2020 sales should take into account the following estimated impacts to be comparable to 2021 :

	Q1 actual	Q2e	Q3e	Q4e	FYe
Scope effect at Group level	(24.1)	3.9	3.1	2.1	(15.0)
<i>As % of 2020 sales</i>	<i>(0.7)%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>(0.1)%</i>
Currency effect at Group level	(73.4)	(44.0)	8.4	14.0	(95.0)
<i>As % of 2020 sales</i>	<i>(2.3)%</i>	<i>(1.6)%</i>	<i>0.3%</i>	<i>0.4%</i>	<i>(0.8)%</i>
Calendar effect at Group level	(2.1)%	1.4%	(0.1)%	0.5%	(0.1)%
Europe	(1.6)%	2.5%	(0.1)%	0.2%	0.1%
USA	<i>(3.2)%</i>	<i>0.3%</i>	<i>-%</i>	<i>1.5%</i>	<i>(0.4)%</i>
Canada	<i>(1.7)%</i>	<i>0.2%</i>	<i>-%</i>	<i>-%</i>	<i>(0.4)%</i>
North America	(2.9)%	0.3%	-%	1.1%	(0.4)%
Asia	<i>(0.3)%</i>	<i>0.2%</i>	<i>(0.1)%</i>	<i>-%</i>	<i>-%</i>
Pacific	<i>(1.6)%</i>	<i>(0.4)%</i>	<i>0.1%</i>	<i>(0.1)%</i>	<i>(0.5)%</i>
Asia-Pacific	(1.2)%	(0.1)%	-%	(0.1)%	(0.3)%

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

Q1	Europe	North America	Asia-Pacific	Group
Reported sales 2020	1,810.0	1,176.5	238.8	3,225.3
+/- Net currency effect	0.1%	(7.0)%	2.8%	(2.3)%
+/- Net scope effect	(0.1)%	(1.9)%	-%	(0.7)%
=Comparable sales 2020	1,811.1	1,071.2	245.5	3,127.7
+/- Actual-day organic growth, of which:	9.2%	(1.7)%	22.5%	6.5%
Constant-same day excl. copper	8.6%	(3.5)%	23.1%	5.7%
Copper effect	2.2%	4.7%	0.6%	2.9%
Constant-same day incl. copper	10.8%	1.2%	23.7%	8.6%
Calendar effect	(1.6)%	(2.9)%	(1.2)%	(2.1)%
= Reported sales 2021	1,977.1	1,053.4	300.6	3,331.2
YoY change	9.2%	(10.5)%	25.9%	3.3%

Appendix 7: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2019	6,219	6,129	5,829	5,916	6,020
2020	5,651	5,389	6,513	7,192	6,197
2021	8,492				
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
2020 vs. 2019	-9%	-12%	+12%	+22%	+3%
2021 vs. 2020	+50%				

€/t	Q1	Q2	Q3	Q4	FY
2019	5,476	5,454	5,243	5,343	5,377
2020	5,124	4,889	5,574	6,027	5,410
2021	7,052				
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
2020 vs. 2019	-6%	-10%	+6%	+13%	+1%
2021 vs. 2020	+38%				

Financial Calendar

July 28, 2021

2nd quarter sales and half-year 2021 results

October 21, 2021

3rd quarter sales publication



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Disclaimer



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The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 15% 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 11, 2021 under number D.21-0111, and its amendment filed with the AMF, on March 29, 2021 under number D.21-0111-A01. 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 11, 2021 under number D.21-0111, its amendment filed with the AMF, on March 29, 2021 under number D.21-0111-A01, as well as the consolidated financial statements and activity report for the 2020 fiscal year which may be obtained from Rexel's website (www.rexel.com).