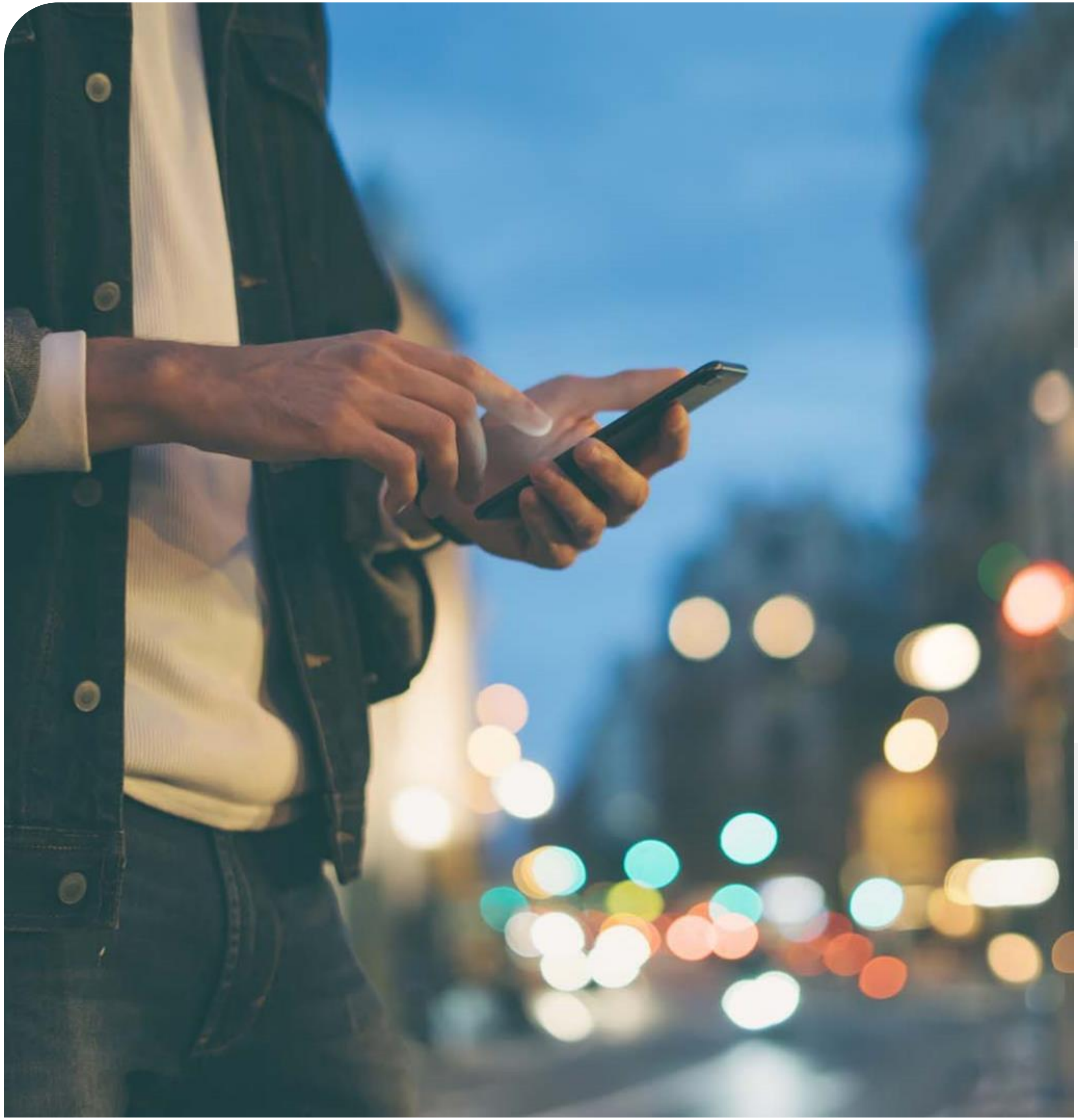
Rexel

a world of energy

Second-quarter sales & H1 2022 results

Paris, July 28th 2022

First-half 2022 financial report was authorized for issue by the Board of Directors held on July 27, 2022



Key highlights

Further momentum and record first-half profitability

+13.9%

Same-day sales growth in H1
ow +12.0% in Q2 22

7.7%[1]

Adjusted Ebita margin (%)
vs 5.5%[2] in H1 21

€232m

FCF before Interest and tax
vs €116m in H1 21

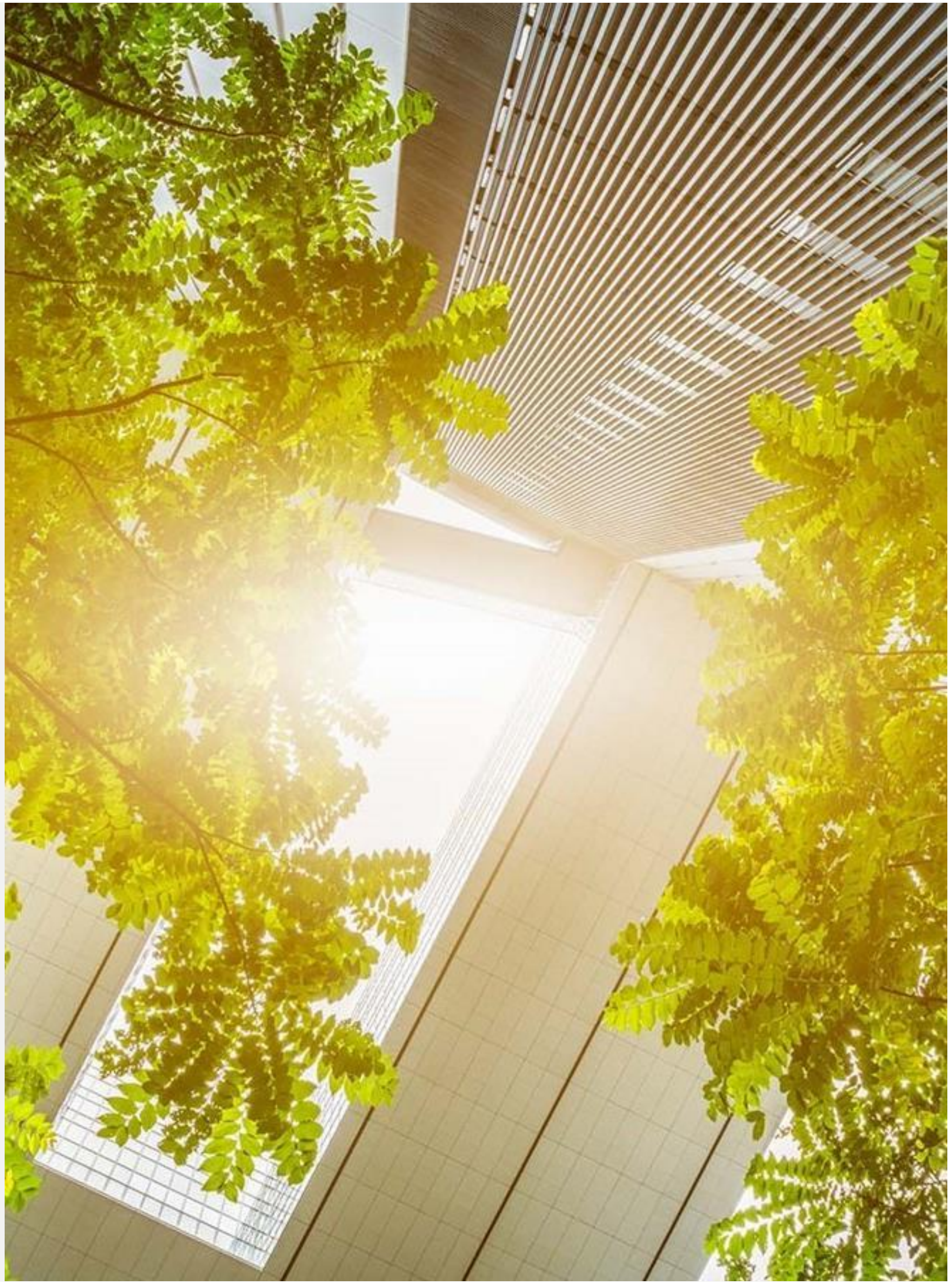
1.26x

Indebtedness ratio
vs 1.79x in H1 21

[1] including c. 86bps of non-recurring items [2] On a comparable basis

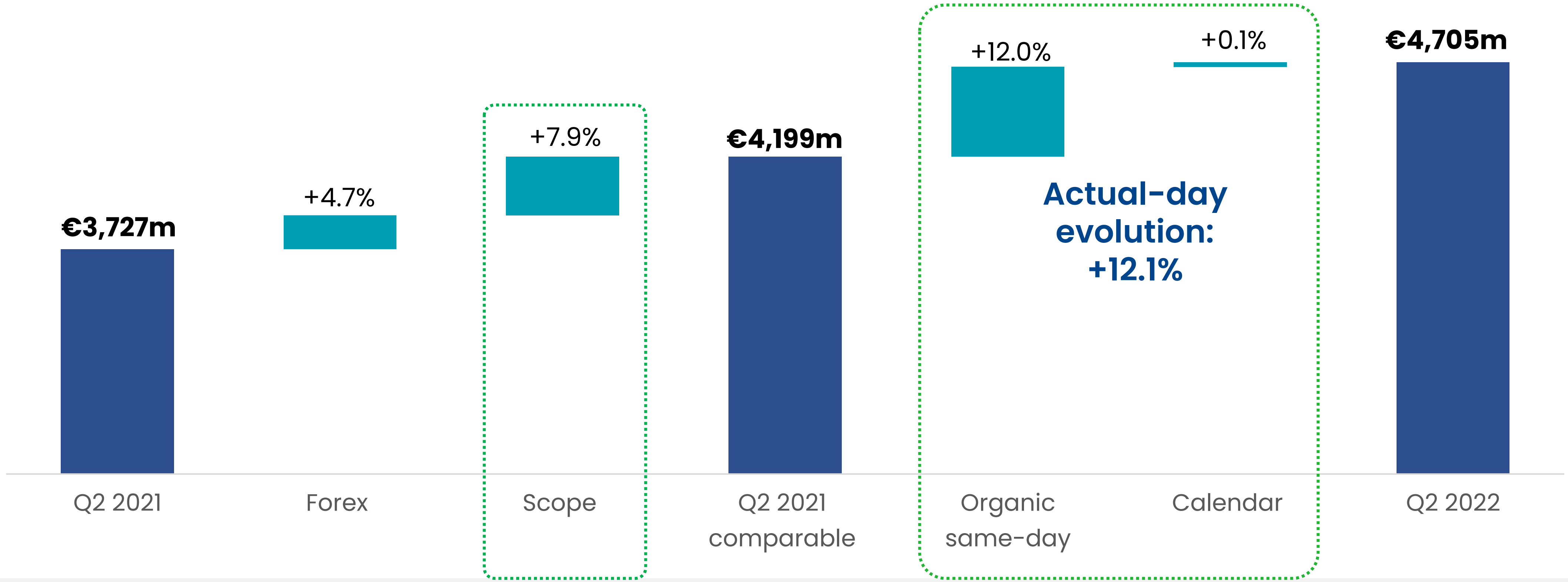
Highlights

- **Robust activity in Q2 22**, notably driven by volume growth in North America and higher non-cable selling price in all geographies
- Agility to ensure maximum service in **an environment that remains marked by supply chain tensions**
- **Full pass-through in our selling prices** of additional non-cable purchasing price increases in Q2 22, with further price increases anticipated in H2
- **All time-high adjusted Ebita margin in a first half**, leveraging our transformation and non-recurring inflation-related effects
- **FY 22 guidance confirmed** supported by all-time high backlog, easier base effect in Europe in H2 and China back to positive territory
- **Active portfolio management** with 2 acquisitions and 2 disposals, fully in line with our strategy, accretive to sales and profitability

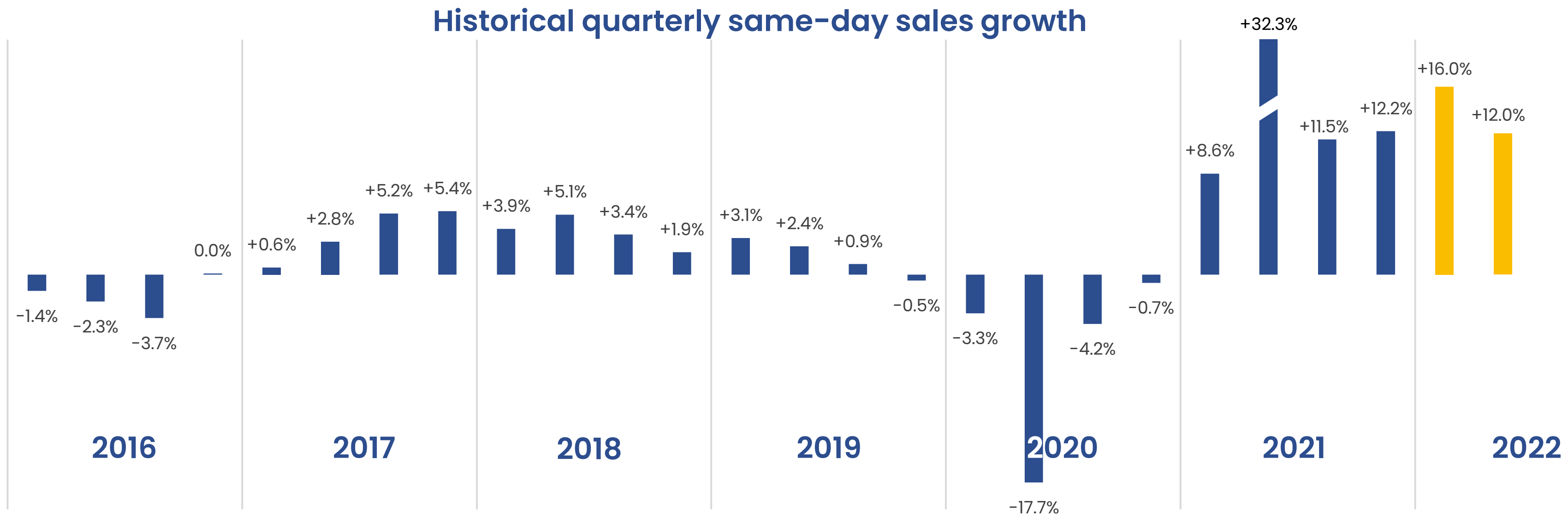


Q2 & H1 2022 group financial review

Reported sales up +26.3% in Q2 22, of which +12.0% on a same-day basis



Robust activity with same-day sales growth up +12.0%

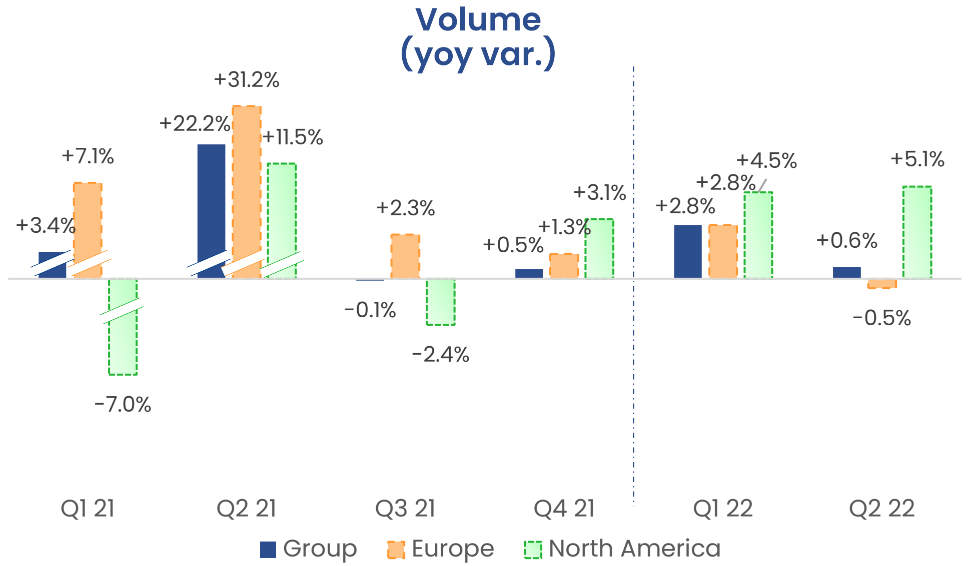


Volume effect in Q2 22
+0.6%

Non-cable price effect in Q2 22:
9.2%

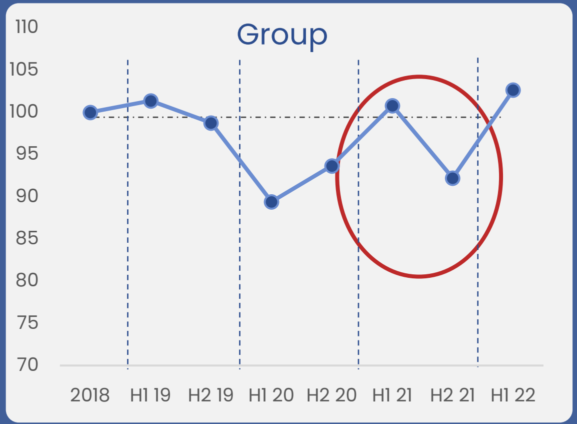
Cable price effect in Q2 22:
2.2%

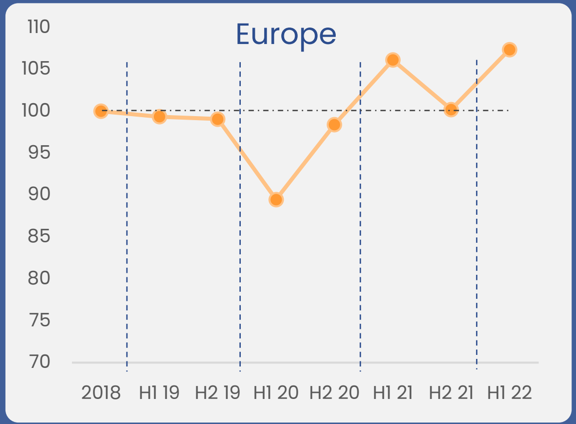
Volumes driven by acceleration in North America

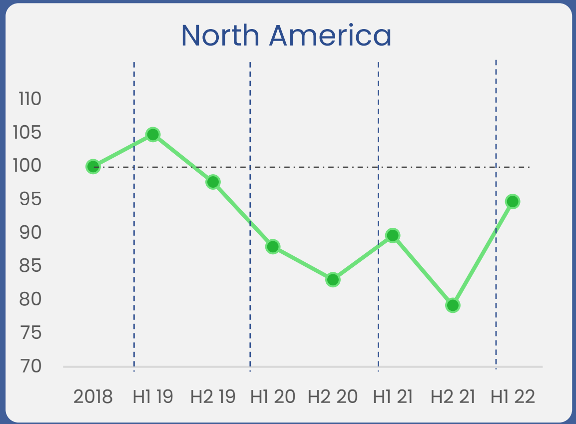


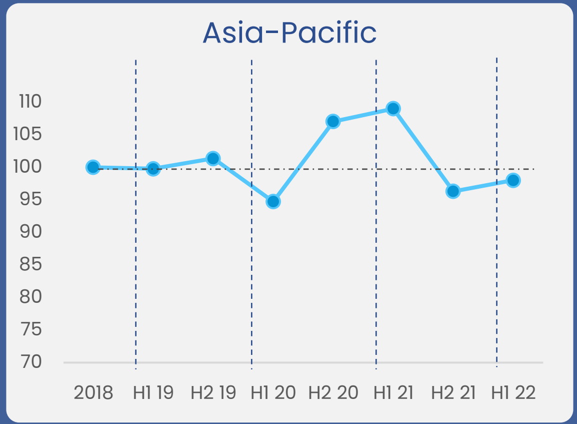
- Acceleration in North America at +5.1%
- More difficult base effect in Europe
- APAC impacted by lockdown in China

Volume evolution by half-year since 2018 (base 100)

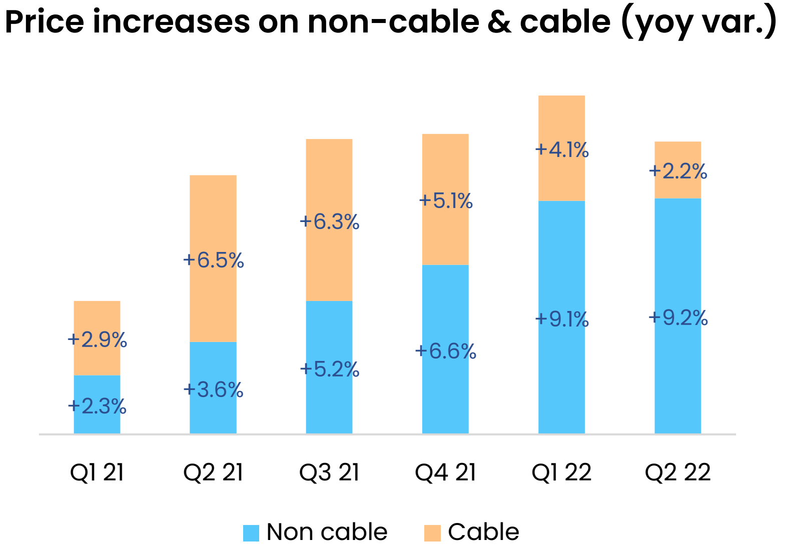








Growth driven by additional price increases on non-cable products



Increased selling price

On non-cable, additional price increases more than offset lower carry-over effect

On cable, higher comparison basis from Q2 21 driving limited pricing contribution

Robust activity in Europe & North America offsetting lockdown in China

Europe: +10.4% in Q2 22 yoy

- Strong growth in **Germany** and **Benelux** with market share gains
- **France:**
  - Tapering of growth on a strong base effect
  - Acceleration in industrial segment
  - Market outperformance
- Uncertainties on energy availability driving growth in specific categories like PV

North America: +17.2% in Q2 22 yoy

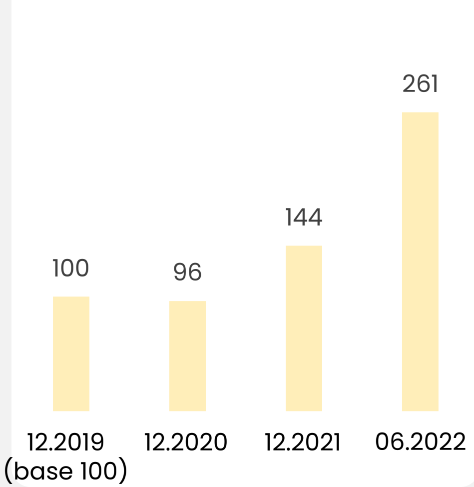
- **USA:**
  - Strong overall momentum in Mountain Plains and Gulf Central, notably driven by Oil & Gas, as well as robust growth in commercial
  - Mayer above expectations both on sales growth and profitability
- **Canada:**
  - Robust performance driven by industrial end-markets (Oil & Gas and mining specifically)
- Growing backlogs in both countries

Asia-Pacific: -2.6% in Q2 22 yoy

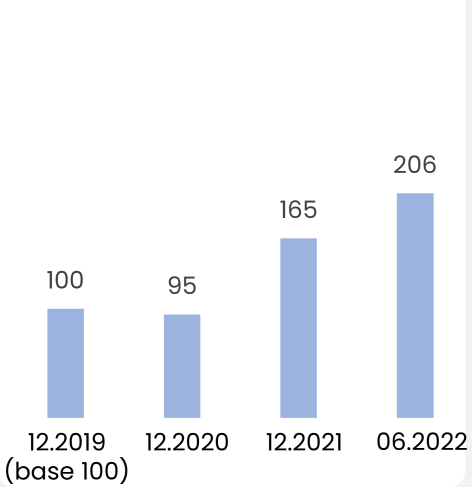
- **China:**
  - Impacted by the severe lockdown in April and May and shortages of products
  - Back to positive trend in June
- **Australia:**
  - Robust demand in commercial and residential

Record level of backlogs at end of June to support H2

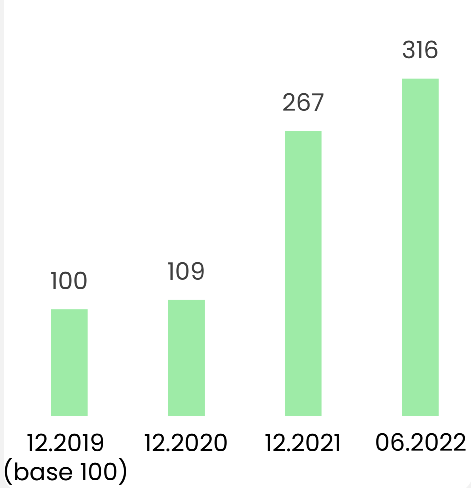
US backlog
c. 3 months of sales



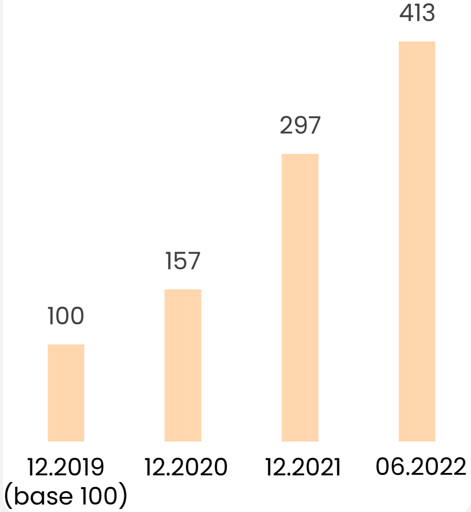
Canada backlog
4 months of sales



France backlog
0.5 month of sales

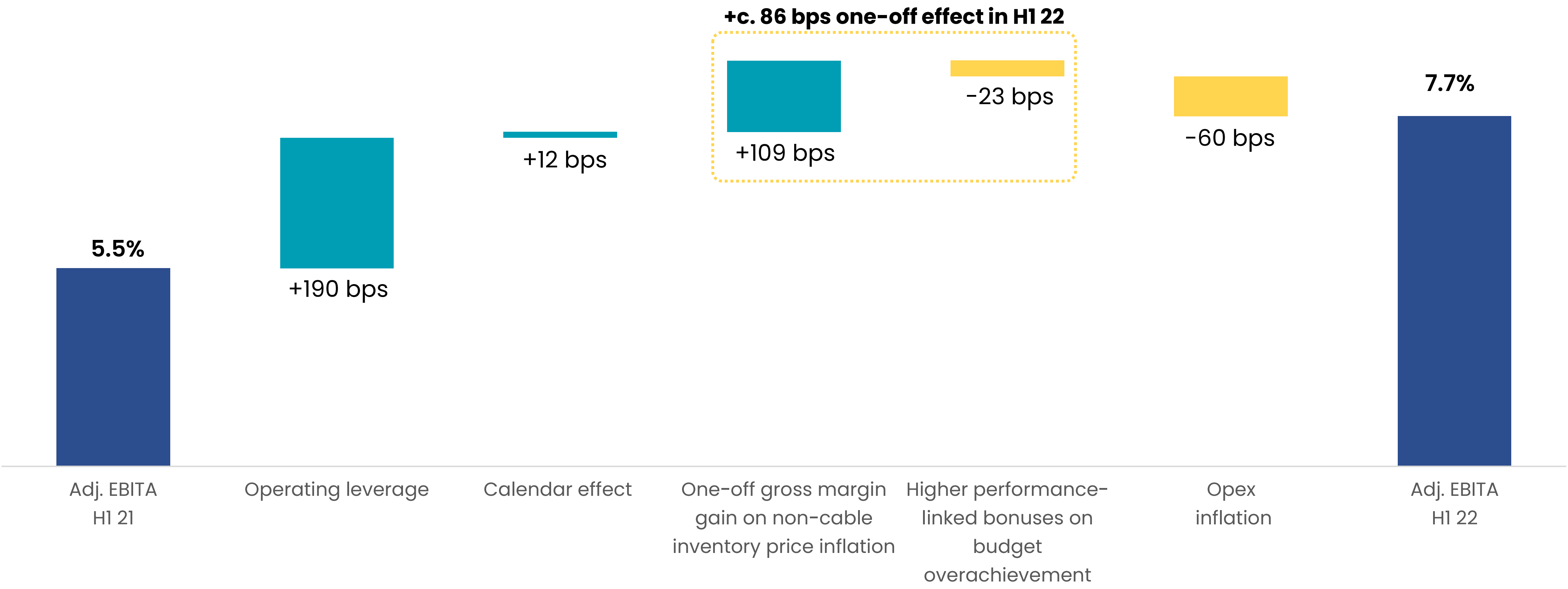


China backlog
c. 5 months of sales



High backlogs reflecting
- strong underlying demand
- projects being delayed in a context of labor and product scarcity

Record first-half adjusted Ebita margin



Record profitability in H1 boosted by Europe & North America

Europe

Gross margin: 28.1% (+79bps)
Adj. EBITA margin: 8.4% (+149bps)
(including c. 90bps of non-recurring items)

- Gross margin benefited from pricing power
- Adjusted EBITA margin benefited from robust sales growth, offsetting higher inflation in opex

North America

Gross margin: 25.6% (+178bps)
Adj. EBITA margin: 8.5% (+297bps)
(including c. 95bps of non-recurring items)

- Gross margin benefiting from our ability to pass through purchasing price increases, Mayer's adoption of our pricing practices as well as positive channel mix
- Adjusted EBITA margin benefited from sales growth, Mayer synergies and positive calendar effect offsetting opex inflation

Asia-Pacific

Gross margin: 19.0% (+189bps)
Adj. EBITA margin: 1.4% (+57bps)

- Gross margin improvement driven by Pacific and favorable mix effect from drop in sales in China
- Adjusted EBITA margin improvement driven by better profitability in Pacific

Recurring net income up +95% in H1 2022

€m	H1 2021	H1 2022	Change
Adjusted EBITA[1] (comparable base)	**431**	**704**	**+63%**
% Adj Ebita margin (%)	5.5%	7.7%	+228bps
Currency/Scope & other	(33)	Na	
Adjusted EBITA[2]	**398**	**704**	**+77%**
Non-recurring copper effect & other	44	5	
Reported EBITA	**442**	**709**	**+60%**
Amortization resulting from PPA	(3)	(6)	
Other income and expenses	(4)	(19)	
Operating income	**435**	**684**	**+57%**
Net financial expenses	(60)	(52)	
Profit before tax	**375**	**632**	**+68%**
Income tax	(105)	(172)	
Tax Rate	27.9%	27.2%	
Net income	**271**	**460**	**+70%**
Recurring net income[3]	**242**	**471**	**+95%**

Net Financial expenses notably include:
- €(30.1)million from financial cost before one-off expenses and others vs €(33.7)m in H1 2021
- €(21.6)million from interest on lease liabilities in H1 22
- €(5.1)m from one-offs in H1 2021 from the early repayment of a senior note

Lower tax rate largely from France

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
2. On a reported basis
3. See. details in appendix 3 in the Press release

Robust Free cash flow - Lowest ever indebtedness ratio at 1.26x

€m	H1 2021	H1 2022
EBITDA after Lease (EBITDAaL)	**476**	**750**
Restructuring	(9)	(4)
Change in trade working capital	(328)	(369)
TWC as % of sales		*14.9%*
Change in non-trade working capital	28	(85)
Net capital expenditure	(49)	(55)
Gross capex as % of sales	0.7%	0.6%
Other operating revenues & costs	(3)	(5)
Free cash-flow before I&T	**116**	**232**
Free cash-flow conversion	24%	31%
Net interest paid	(29)	(24)
Income tax paid	(57)	(161)
Free cash flow after I&T	**31**	**46**
Net financial investment	(72)	8
Dividend	(140)	(230)
Effect of currency exchanges rates & Other	(7)	(84)
Net change in cash / (debt)	**(188)**	**(260)**
Net financial Debt at the end of the period	**1,523**	**1,811**
Indebtedness ratio	**1.79x**	**1.26x**

WCR /sales up 14bps in a context of disrupted global supply chain

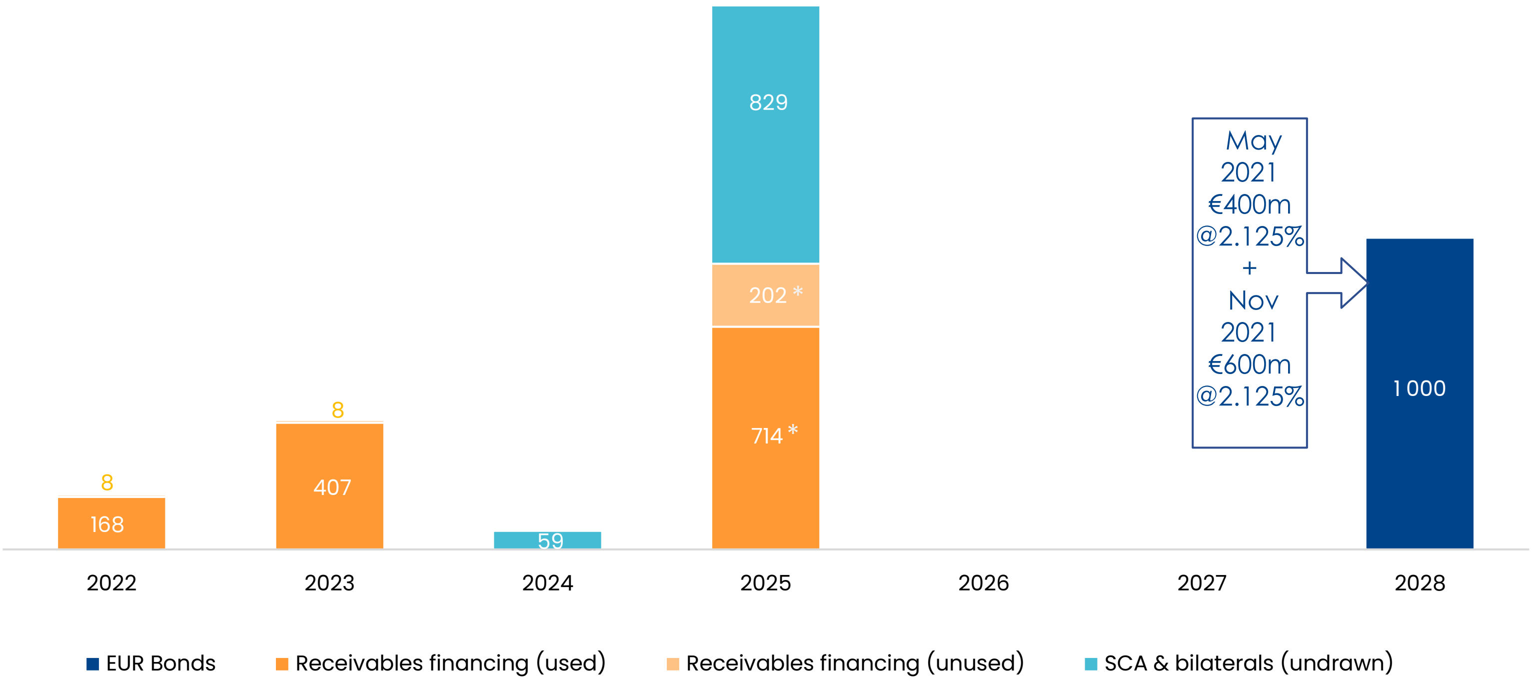
Capex stood at 0.6% of sales, including 50% allocated to Digital and IT

Higher performance in H1 2022.
H1 2021 benefited from cash savings due to utilization of the remaining French tax losses carried forward

€0.75 dividend paid early June

Well-balanced financing between long term Sustainability Linked Bonds and receivables financing

Gross debt maturity breakdown at June 30th, 2022



S&P Rating at BB+ (vs BB-)

Rating upgrade in July 2022

Extension to 2025 of our pan-European and US securitization program

c. €1.1bn

Liquidity as of June 30, 2022

2.01% (-46bps yoy)

H1 2022 average effective interest rate on gross debt

* Including c.€700m of US securitization being renewed, in July, for 3 years, including an additional c.€200m for Mayer

Implementing our Power Up 2025 strategic plan

Power Up 2025 will boost growth, profitability and resilience

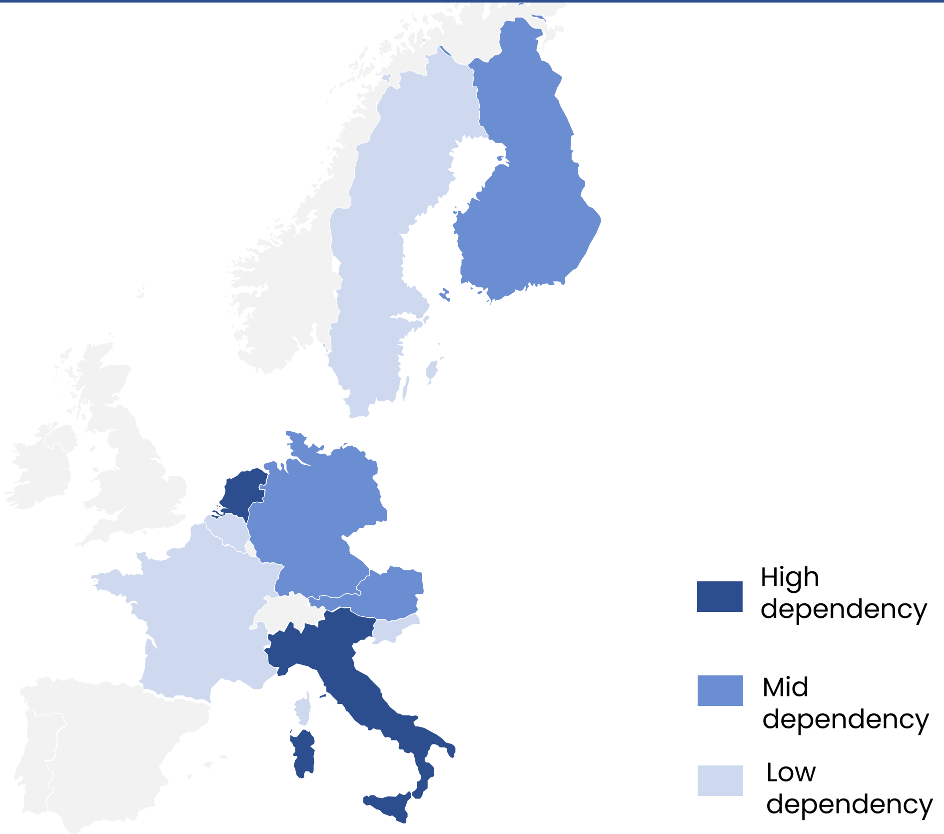
POWER UP 2025

Excel across the board on fundamentals	Strive to be a differentiated leader
Talent culture; Supplier relationships; Supply chain & footprint; Productivity; Digital	Data & AI; Advanced Services; Energy transitions solutions; ESG; M&A
GROWTH: +	**GROWTH:** + + +
PROFITABILITY: + + +	**PROFITABILITY:** +
RESILIENCE: + +	**RESILIENCE:** + +

Rexel offers solutions adapted to the new European energy landscape

POWER UP 2025

European dependency on gas



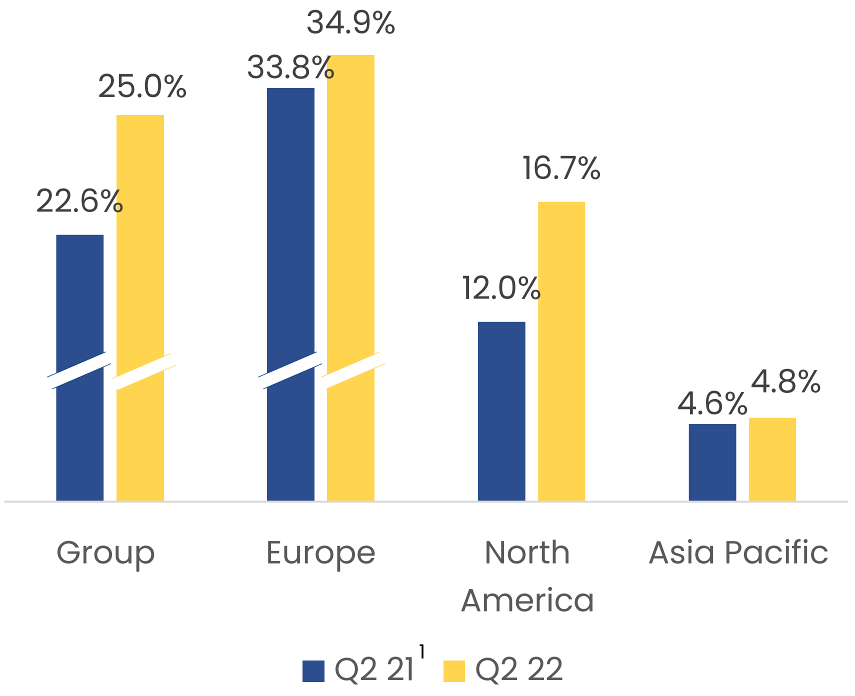
Source Eurostat

Rexel takes an active role

- **European and national plans to alleviate dependency to Russian gas**
- **PV acceleration**
  - +109% growth on PV sales YTD 2022 vs 2021 in Europe
  - Strategic initiatives: dedicated DC in Germany, training for customers, creation of expertise centers, support to activate public incentives
- **Other categories likely to see a boost**
  - Building energy monitoring and piloting systems
  - Heat pumps
  - EV charging stations + ecosystems

Maintaining our edge by further boosting our digital sales

c. €1.2bn sales in Q2 2022, up +24.3% yoy



[1] On a comparable basis

- **7 countries above c. 40%** of digital sales in **Europe** accelerating digital momentum
- **Strong progression in North America** fueled by US transformation journey; digitalization of sales business processes at the heart of Mayer's digital ramp-up
- Acceleration on **webshop search engine** focus, **customer seamless experience** (Rexel Easy program) and **email to EDI** (Esker project started in 7 countries)
- Scaling up **AI solutions** deployment to fuel growth and performance with increased scope of sales alerts, new roll outs of assortment optimization in the US, and AI pricing in Switzerland

Active portfolio management to concentrate on our strengths

Acquisition of Trilec in Belgium

trilec

- #3 electrical distributor in Belgium - 2021 sales of c. €80m
- Complementing our current successful position in the country
- Sales, supply chain and back office synergies
- Closing in July 2022

Acquisition of Horizon Solutions in US

HORIZON SOLUTIONS

- Regional industrial automation distributor based out of Rochester, NY - USD 170m of sales in 2021
- High-quality and respected company
- Highly synergistic with our other Rockwell specialized distribution territories as well as with our Northeast operations
- Closing expected in Q3 2022

Disposal of Spain & Portugal

- Entered into a binding agreement with Sonepar for the sale of Rexel Spain and Rexel Portugal
- 2021 combined sales of c. €170m
- Below critical mass and dilutive to profitability
- Closing expected by October

- c. €75m net turnover added (yearly impact based on 2021 reported basis)
- Profitability impact on group: c. 10bps (based on 2021 reported basis – before synergies)
- ROCE of the 3 transactions > 20% (post tax, pre synergies, based on 2021 reported basis)

Validation by SBTi of our upgraded 2030 CO_2 target to be Net Zero

2030 Net zero target validated by SBTi on July 20th

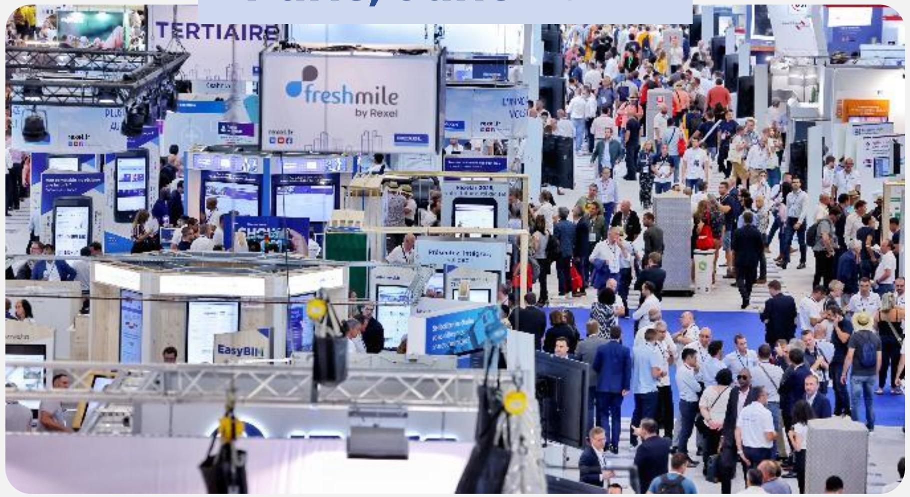
	Previous Rexel targets	Upgraded Rexel targets	Key focus items
	Well below 2°C	Net Zero Standard	
	2030	2030	
Scopes 1 & 2 *Rexel's operations* **0.2%** of our CO_2 footprint	**-35%** *in absolute terms (vs. 2016)*	**-60%** *in absolute terms (vs. 2016)*	**Optimizing:** • Building consumption reduction • Transportation optimization • Clean transportation
Scope 3 *Mostly use of products sold* **99.8%** of our CO_2 footprint	**-31%**[1] *In value (vs. 2016)*	**-45%**[1] *In value (vs. 2016)*	**Energy efficient solutions** • Green partnerships with suppliers • Active promotion of energy transition solutions and green products

1. Or "from -45% of CO2 emission of sold products to -60%, in intensity vs. 2016"

Rexel Expo, an illustration of our strategy to power up electrical distribution

200 suppliers | ***22,000 visitors*** | ***Carbon neutral event***

Paris, June 2022



Innovation examples

Digital
- Virtual showrooms
- Personalized webshop
- …

Advanced services
- Switchboard recognition
- EV services (Freshmile)
- …

Energy transition solutions
- Heat Pumps
- Hydrogen
- POE lighting
- …

ESG
- Carbon tracker
- Green delivery options
- …

→ Demonstrating that Power Up 2025 is relevant to our customers

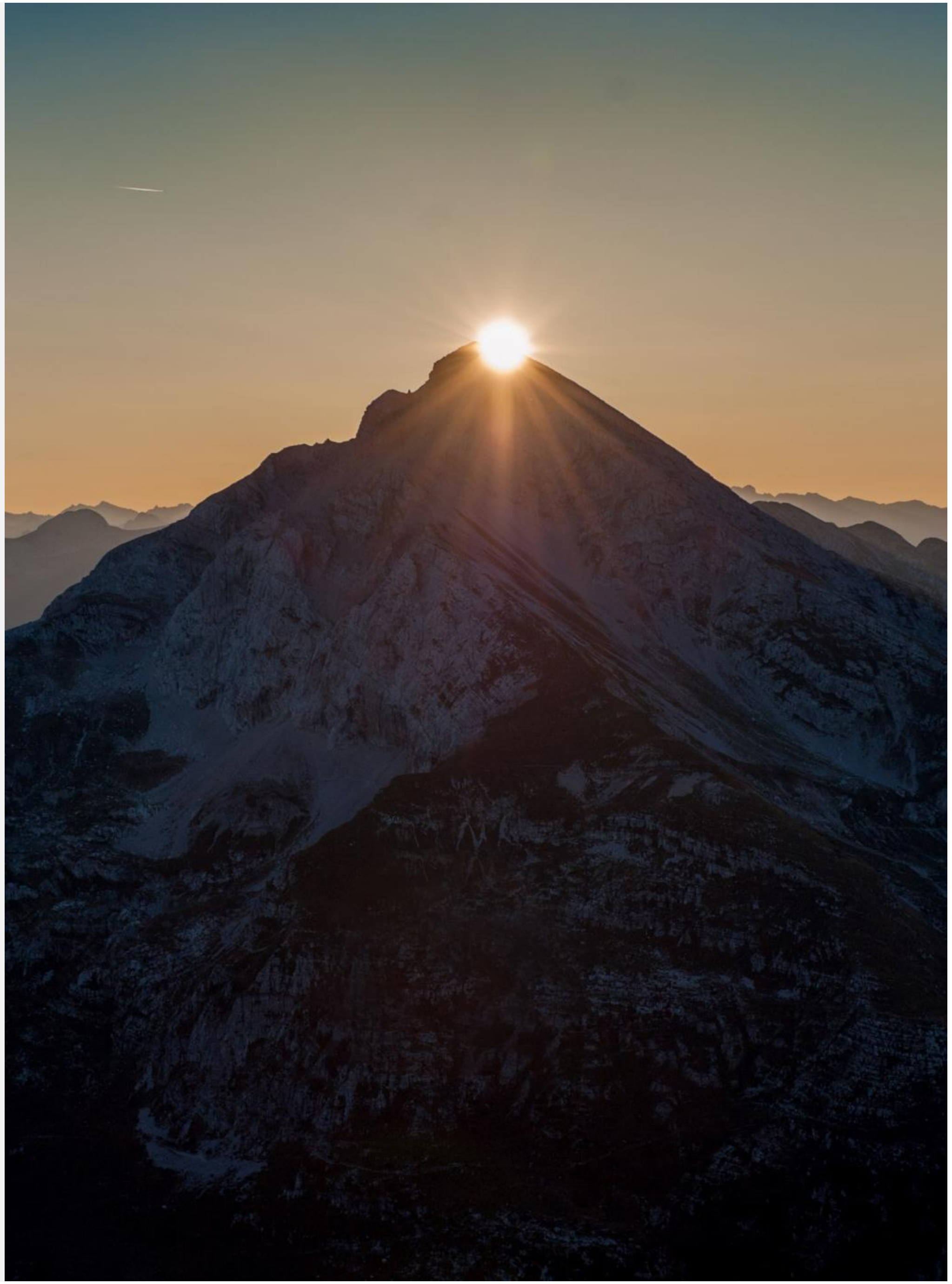
Outlook and 2022 guidance

2022 outlook and actions

- **North America** (41% of Rexel sales):
  - Solid activity backed by record-high backlog
- **Europe** (51% of Rexel sales):
  - Possible gradual slowdown of growth but positive trends linked to energy transition and market share gains
- **Asia Pacific** (8% of Rexel sales):
  - China rebound depending on Covid situation evolution (positive yoy in June)

- **Continued non-copper sequential inflation**

- **Resilience plans** - all countries putting increased emphasis since Q1 on:
  - Headcount control
  - Inventory quality control
  - Credit control
  - Mix optimization
  - “Excellence” pillar of Power Up 2025 plan



Confidence in reaching our recently upgraded 2022 guidance

Leveraging our transformation and enhanced efficiency, we target for 2022:

Same-day sales growth of between 7% and 9%	An adjusted EBITA[1] margin of c. 6.7% including 50bps of non-recurring items	Free cash flow conversion[2] above 60%

at comparable scope of consolidation and exchange rates

1. Excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices
2. FCF Before Interest and Tax / EBITDAaL ; EBITDAaL: Earnings Before Interest, Taxes, Depreciation and Amortization after Leases