

FOURTH QUARTER SALES & FY 2022 RESULTS:

**Record results in FY 2022 and lowest-ever indebtedness ratio
Delivering on our Power Up 2025 strategic plan
Entering 2023 with positive momentum**

→ FY22: Record results - Delivering on our Power Up 2025 strategic journey

→ **FY 22 sales of €18,701.6m, up +14.1% on a same day basis, driven by both volume and prices. Sales growth boosted by accelerating electrification trends in Europe.**

- Q4 22 sales of €4,802.3m, up +12.3% on a constant and same-day basis

→ **FY adj. EBITA of €1,368.5m, up +35.7% and adjusted EBITA margin at 7.3% (up +118 bps)** from robust activity coupled with our more efficient organization. Adj. EBITA margin **includes 66 bps of positive one-off effects** from inventory price inflation on non-cable products, net of higher performance-linked bonuses

→ **Recurring net income up +58.6% in FY 2022 to €911.8m**, reaching a new all-time high, leading to a record dividend of €1.20 per share.

→ **Record positive Free Cash Flow before interest and tax of €873.3m in FY 2022** (€680.6m in 2021). **Lowest-ever full-year indebtedness ratio at 0.96x. Rating upgraded in 2022 by both S&P and Moody's.**

→ **Active portfolio management with 5 acquisitions and 4 disposals**, including the operations announced in January 2023, fully in line with our strategy. The combined net effect is positive on sales, profitability and ROCE

→ **2023 outlook:** Same-day sales growth of between 2% and 6%, adjusted EBITA margin between 6.3% and 6.7% and conversion of free cash flow before interest and tax above 60%

→ **Power up 2025** : Well on track to deliver our 2022-2025 ambitions

Key figures ¹ (€m) - Actual	FY 2022	YoY change
Sales on a reported basis	18,701.6	+27.3%
On a constant and actual-day basis		+13.8%
On a constant and same-day basis		+14.1%
Gross margin ^{2,3}	4,892.2	+16.1%
As a percentage of sales	26.2%	53 bps
Adjusted EBITA ²	1,368.5	+35.7%
As a percentage of sales	7.3%	118 bps
Reported EBITA	1,344.8	+39.5%
Operating income	1,343.0	+47.3%
Net income	922.3	+54.3%
Recurring net income	911.8	+58.6%
FCF before interest and tax	873.3	+28.3%
Net debt at end of period	1,458.4	€93m decrease

¹ See definition in the Glossary section of this document ² Change at comparable scope of consolidation ³ Adjusted for non-recurring copper effect

Guillaume TEXIER, Chief Executive Officer, said:

“Rexel had another excellent year in 2022, performing above the upgraded guidance it provided in Q3 and confirming that Rexel can consistently deliver in terms of profitability, agility and resilience. The Group’s record results enable it to pay an all-time high dividend to shareholders. The indebtedness ratio, below 1 time for the first time ever, leaves ample room for value-creating acquisitions and further share buybacks. 2022 was also the year that saw a step change in electrification trends worldwide. We are entering 2023 with a solid platform to drive further growth, continuing to harness powerful and sustainable electrification trends, deploy our digitalization strategy and heighten our focus on ESG, as illustrated by our inclusion in the CAC 40 ESG Index. We are also unveiling today our purpose statement, which points to our key role in electrification and to our focus on sustainability. Building on Rexel’s achievements, as well as on its engaged and highly-performing teams, we are well on track to achieve our Power Up 2025 objectives presented last June.”

FINANCIAL REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2022

- 2022 consolidated financial statements were authorized for issue by the Board of Directors on February 15, 2023. They have been audited by statutory auditors.
- The following terms: Reported EBITA, Adjusted EBITA, EBITDA, EBITDAaL, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.
- Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.

SALES

In Q4, sales were up +17.8% year-on-year on a reported basis and up +12.3% on a constant and same-day basis.

In the fourth-quarter, Rexel posted sales of €4,802.3 million, up +17.8% on a reported basis, including:

- A positive currency effect of €152.7 million (i.e. 3.7% of Q4 2021 sales), mainly due to the appreciation of the US and Canadian dollars;
- A positive net scope effect of €164.9 million (i.e. 4.0% of Q4 2021 sales), mainly resulting from the acquisitions of Mayer and Horizon Solutions in the US and Trilec in Belgium;
- A negative calendar effect of (3.0)%.

Key figures (€m)	Q4 2022	YoY change	FY 2022	YoY change
Sales on a reported basis	4,802.3	+17.8%	18,701.6	+27.3%
<i>On a constant and actual-day basis</i>		<i>+9.3%</i>		<i>+13.8%</i>
<i>On a constant and same-day basis</i>		<i>+12.3%</i>		<i>+14.1%</i>

In Q4 2022, sales were up +12.3% on a constant and same-day basis (or +9.3% on a constant and actual-day basis), with growth well balanced between volumes and selling price increases on non-cable products in all geographies.

- The same-day sales growth of +12.3% in the quarter resulted from a +6.0% rise in volumes, an increase of +7.2% in the selling price of non-cable products and a decrease of (0.8)% on copper-based cable prices.
- While volumes were robust in the quarter both in Europe, growing by +7.2%, and in North America up +6.4%, they were down (3.3)% in Asia-Pacific, notably due to New Zealand and the pandemic situation in China in December.
- Same-day sales growth benefited from the boost in electrification in four product categories (Solar, Electric Vehicle charging infrastructure, HVAC and Industrial Automation), which grew by +30% in Q4 and represented 20% of sales at Group level. This is fully in line with the Power Up 2025 ambition to grow those businesses at twice the pace of the ED business.
- We posted further growth in digitalization in all three geographies, with digital sales now representing 26.7% of sales, up +308bps compared to Q4 2021. Trends were positive in Europe (37.2% of sales, an increase of +169 bps), Asia-Pacific (up +16bps, to 5.5% of sales) and North America (17.4% of sales, an increase of +390 bps) with the strong progression in the US fueled by the company's transformation journey.

In addition, we have also further implemented our digital strategy and more specifically:

- Accelerated the development of our User Interface, User experience and customer experience by improving content, visibility, navigation, page flow...;
- Scaled up AI solutions deployment to fuel growth and performance, extending Next Best Offer and the Pricing module, to two additional countries.

In FY 2022, Rexel posted sales of €18,701.6 million, up +27.3% on a reported basis. On a constant and same-day basis, sales were up +14.1%, including positive impacts from volume of +4.3%, non-cable copper prices of +8.6% and change in copper-based cable prices (+1.2% vs. a positive impact of +5.2% in 2021).

The +27.3% increase in sales on a reported basis included:

- A positive currency effect of €668.8 million (i.e. +4.6% of FY 2021 sales), mainly due to the appreciation of the US and Canadian dollars;
- A positive net scope effect of €1,081.1 million (i.e. +7.4% of FY 2021 sales), mainly resulting from the acquisition of Mayer and Horizon Solutions in the US and Trilec in Belgium, offsetting the disposals of businesses including Rexel Spain and Portugal;
- A broadly neutral calendar effect of (0.3)%.

Europe (51% of Group sales): +16.0% in Q4 and +13.9% in FY, on a constant and same-day basis

In the fourth-quarter, sales in Europe increased by +13.3% on a reported basis, including:

- A negative currency effect of (0.4)%, or €(8.7) million, mainly due to the depreciation of the Swedish Krona and the British pound against the euro;
- A negative scope effect of (0.8)%, or €(16.8) million, from the net effects between the acquisition of Trilec in Belgium and the disposals of Rexel Spain & Portugal;
- A negative calendar effect of (1.4)%.

On a constant and same-day basis, sales were up +16.0%, including a positive volume contribution +7.2% and a price effect of +8.9%.

Key figures (€m)	Q4 2022	YoY change	FY 2022	YoY change
Europe	2,460.6	+16.0%	9,408.1	+13.9%
France	933.0	+15.1%	3,503.8	+10.8%
Scandinavia	324.9	+13.5%	1,203.7	+13.9%
Benelux	306.6	+23.8%	1,098.6	+20.9%
Germany	253.0	+22.6%	979.6	+20.2%
UK	195.7	+10.2%	809.6	+11.7%
Switzerland	166.7	+6.9%	618.4	+5.6%

In Europe, electrification trends continue to support our growth, with our three product families (solar, EV charging infrastructure and HVAC) growing by more than 60% (contributing for 810bps of same-day sales growth in Europe in Q4 22) and representing more than 18% of sales.

- Sales in **France** (38% of the region's sales) posted solid +15.1% growth, outperforming the market in Q4 and FY. The quarter was driven by growth acceleration in all end-markets.
- Sales in **Scandinavia** (13% of the region's sales) were up +13.5%, notably driven by industrial activity and strong demand in solar products.
- **Benelux** (12% of the region's sales) was up +23.8%, with market outperformance in the Netherlands thanks to the very strong growth in Solar, EV and HVAC (36% of sales).
- Sales in **Germany** (10% of the region's sales) were up +22.6%, with further market share gains. Demand is accelerating very strongly in solar (c. 60% of the country's growth) as a result of efforts to increase the country's energy independence.
- In **the UK** (8% of the region's sales), sales were up +10.2%, despite lower contribution (-330bps in Q4 22) from projects with the Department of Education (school air filtration and CO2 equipment).

North America (42% of Group sales): +10.2% in Q4 and +16.3% in FY on a constant and same-day basis

In the fourth-quarter, sales in North America were up +27.7% on a reported basis, including:

- A positive currency effect of +10.1%, or €158.8 million, due to the appreciation of the US and Canadian dollars against the euro;
- A positive scope effect of +11.6%, or €181.7 million, from the acquisition of Mayer and Horizon Solutions in the US;
- A negative calendar effect of (5.3)%.

On a constant and same-day basis, sales were up +10.2%, including +6.4% from volume growth and +3.8% from price effect.

Key figures (€m)	Q4 2022	YoY change	FY 2022	YoY change
North America	2,000.5	+10.2%	7,893.5	+16.3%
United States	1,637.3	+9.4%	6,425.4	+16.8%
Mountain Plains		+31.4%		+34.5%
Gulf Central		+24.3%		+33.8%
California		+23.1%		+20.6%
Midwest		+20.0%		+20.5%
Florida		+12.3%		+18.9%
Northeast		+9.3%		+7.3%
Northwest		+5.9%		+16.2%
Southeast		(0.5)%		+8.9%
Canada	363.2	+14.0%	1,468.0	+14.2%

In North America, the four product families contributing to electrification grew c. 11% and represented c. 18% of sales (including Industrial automation for 12.6% of sales and Solar for 4.1%).

- In **the US** (82% of the region's sales), sales were up +9.4% in Q4 22, driven by robust demand in the Commercial and Industrial end-markets, offsetting the declining trend in residential activity. The backlog remains very high, up +4% vs. Q3 2022 (or up c. 95% vs Q4 21), representing c. three months of sales.
- In **Canada** (18% of the region's sales), sales grew by +14.0% on a same-day basis. The strong performance was notably supported by the Proximity end-market and Industrial activities (O&G and mining contributing for 240bps and 190bps respectively).

Asia-Pacific (7% of Group sales): +0.7% in Q4 and +3.9% in FY on a constant and same-day basis

In the fourth-quarter, sales in Asia-Pacific were up +0.8% on a reported basis, including:

- A positive currency effect of +0.8%, or €2.6 million, due to the appreciation of the Australian dollar and, to a lesser extent, the Chinese renminbi;
- A negative calendar effect of (0.7)%.

On a constant and same-day basis, sales were up +0.7%, including (3.3)% volume growth and +4.0% price effect.

Key figures (€m)	Q4 2022	YoY change	FY 2022	YoY change
Asia-Pacific	341.2	+0.7%	1,400.1	+3.9%
Australia	153.0	+6.0%	598.5	+7.0%
China	135.8	(2.6)%	589.2	+0.7%

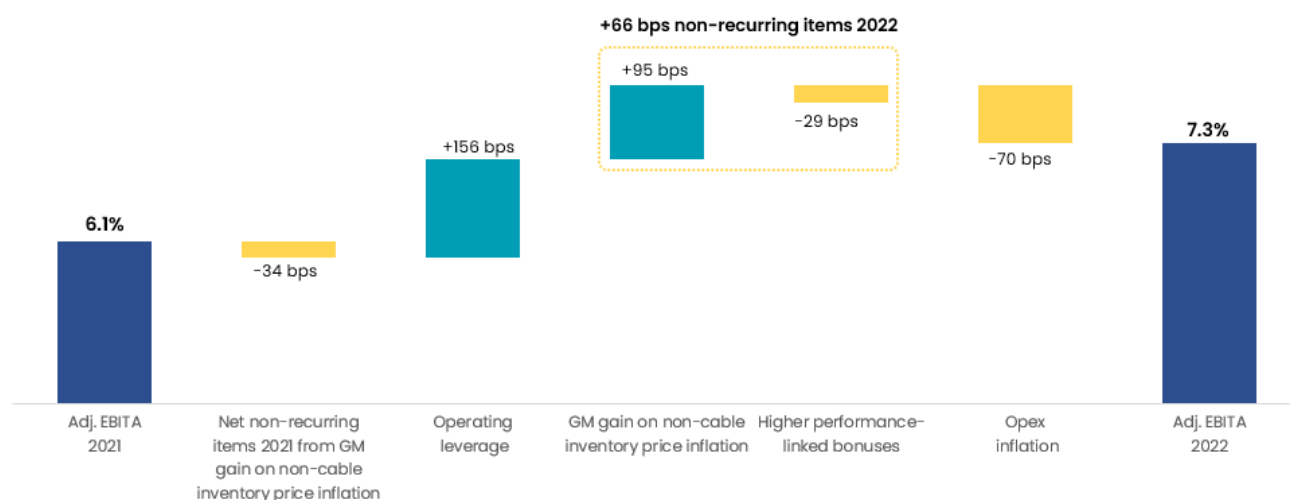
- In the Pacific (54% of the region’s sales), sales were up +4.9% on a constant and same-day basis:
 - In **Australia** (83% of Pacific’s sales), sales were up +6.0%, thanks to the Industrial and Commercial end-markets. The performance was consistent with H1 22 growth after a very strong Q3 22 that benefited from a favorable comparable base (lockdown in Q3 21).
- In Asia (46% of the region’s sales), sales were down (3.8)% on a constant and same-day basis:
 - In **China** (87% of Asia’s sales), sales were down (2.6)%, impacted by Covid in December.

PROFITABILITY

Adjusted EBITA margin at 7.3% in FY 2022, up 118 bps compared to FY 2021

FY 2022 (€m)	Europe		North America		Asia-Pacific		Holding	Group	
Sales & AD growth	9,408	13.6%	7,893	16.1%	1,400	3.4%		18,702	13.8%
Constant & SD basis		13.9%		16.3%		3.9%			14.1%
Gross margin	2,606		2,019		267			4,892	
% of sales	27.7%	17 bps	25.6%	70 bps	19.1%	132 bps		26.2%	53 bps
Adj. EBITA	725		649		26		-31	1,369	
% of sales	7.7%	55 bps	8.2%	190 bps	1.9%	-50 bps		7.3%	118 bps
Group contribution		34 bps		81 bps		-5bps	8 bps		118 bps

The +13.8% actual sales growth in FY 22 translated into gross margin improvement of +53 bps year-on-year, at 26.2% of sales, and an adjusted EBITA margin of 7.3%. The graph below details the +118 bps improvement in Adjusted EBITA margin:



The progression notably includes:

- A positive operating leverage impact of +156 bps, largely from our capacity to pass through price increases.
- A net positive non-recurring effect of circa +66bps as a result of:
 - A positive one-off Gross Margin gain on non-cable inventory price inflation for +95bps
 - A negative -29bps one-off effect from higher performance-linked bonuses, in a context of better-than-anticipated activity compared to our initial budget
- An opex inflation impact of -70 bps due to overall inflation of +4.1% including +3.7% in salary and +6.1% from other opex notably from increased Energy and fuel prices.

Restated for non-recurring items in both 2021 and 2022, adjusted EBITA margin was up circa 91 bps, supported by robust activity coupled with our more efficient organization. Those tailwinds more than offset overall opex inflation.

By geography:

- **Europe:**
 - Gross margin was up + 17 bps vs. FY 2021 at 27.7% of sales.
 - Adjusted EBITA margin was up +55 bps in 2022, at 7.7% of sales, benefiting from robust sales growth, offsetting investment in people, higher inflation in opex and negative country mix. The 7.7% adjusted Ebita margin 2022 includes c.75 bps of non-recurring impact from inventory price inflation on non-cable products, net of higher performance-linked bonuses.
- **North America:**
 - Gross margin was up +70 bps vs. FY 2021 at 25.6% of sales.
 - Adjusted EBITA margin was up +190 bps at 8.2% of sales, thanks to sales growth, pricing power and Mayer synergies. North America became the most profitable geography. The 8.2% adjusted Ebita margin 2022 includes c.60 bps of non-recurring impact from inventory price inflation on non-cable products, net of higher performance-linked bonuses.
- **Asia-Pacific:**
 - Gross margin was up +132 bps year-on-year at 19.1% of sales.
 - Adjusted EBITA margin was down -50 bps, at 1.9% of sales, due to lower activity and bad debt in China in a Covid context (-140bps impact on APAC's adjusted EBITA margin). The 1.9% adjusted Ebita margin 2022 includes c. 40 bps of non-recurring impact from inventory price inflation on non-cable products, net of higher performance-linked bonuses.
- **At corporate level**, adjusted EBITA amounted to €(31.5) million, in line with the normative level.

As a result, adjusted EBITA stood at €1,368.5 million, up +35.7%, in FY 2022 and reported EBITA stood at €1,344.8 million (including a negative one-off copper effect of €(23.7) million), up +39.5% year-on-year.

Focusing on the bridge from EBITDA to Reported EBITA:

- EBITDA margin was up +38 bps at 9.0%
- Depreciation of Right of Use stands at €(220.5) million, up versus last year, notably explained by the active acquisitions strategy
- Other depreciation and Amortization stood at €(115.4) million, implying 0.6% of sales, slightly lower than the 0.7% in 2021.

Key figures (€m)	FY 2021	FY 2022	YoY change
EBITDA	1,264.4	1,680.8	32.9 %
% EBITDA margin	8.6 %	9.0 %	
Depreciation Right of Use (IFRS 16)	(192.0)	(220.5)	
Other depreciation and amortization	(108.7)	(115.4)	
Reported EBITA	963.7	1,344.8	39.5 %

NET INCOME

Net income of €922.3 million in 2022

Recurring net income up +58.6% to €911.8 million in 2022

Operating income in the full year stood at €1,343.0 million, up from €911.8 million in 2021.

- Amortization of intangible assets resulting from purchase price allocation amounted to €(13.9) million (vs. €(7.3) million in 2021)
- Other income and expenses amounted to a net positive income of €12.1 million (vs. a net charge of €(44.6) million in 2021) and included:
 - €42.7 million net disposal gain related to sale of operations in Spain, Portugal and Russia
 - €(10.9) million of acquisition and integration costs
 - €(8.3) million related to abandonment of IT developments
 - €(5.9) million of restructuring costs (vs €(5.6) million in 2021)

Net financial expenses in the full year amounted to €(119.4) million (vs. €(133.1) million in 2021), and can be broken down as follows:

- €(69.6) million in 2022 from financial cost before one-off expenses, change in fair value of derivatives and foreign exchange gains & losses compared to €(63.4) million in 2021. The increase is explained by higher average gross debt.
- €(46.5) million from interest on lease liabilities in 2022 vs €(40.4) million in 2021
- €(3.3) million in 2022 from others including one-offs, change in fair-value of derivatives, foreign exchange gains and losses, pensions vs €(29.3) million in 2021. The FY 2021 was affected by one-offs of €(22.6)m from the early repayment of the €500 million senior notes due in 2025 (coupon: 2.125%) completed at the end of May 2021 and the €600 million senior notes due in 2026 (coupon: 2.75%) completed in November 2021 refinanced by two Sustainability Linked bonds for €1bn maturing in 2028 at 2.125%.
- The effective interest rate decreased to 2.29% in 2022 compared to 2.42% in 2021, largely from the refinancing offsetting the rise in interest rates.

Income tax in the full year represented a charge of €(301.2) million (vs. €(180.8) million in 2021) mainly reflecting the improvement of pre-tax income. In 2022, income tax expense benefited from the €12.8 million positive effect of the non-taxable gain on the disposal of Rexel Spain and Portugal while income tax expense in 2021 was impacted by a €26.5 million one-off gain related to the deferred tax asset recognition on tax losses carried forward, mainly in the UK and Germany.

- Effective tax rate stood at 24.6% in 2022 (25.7% excluding one-offs) compared to 23.2% in 2021 (26.6% excluding one-offs). The decrease in effective tax rate adjusted for one-offs mainly reflects the drop of the French tax rate.

Net income in the full year was €922.3 million (vs. €597.6 million in 2021).

Recurring net income amounted to €911.8 million in 2022, up +58.6% compared to 2021 (Appendix 3).

FINANCIAL STRUCTURE

Free cash-flow before interest and tax of €873.3 million in 2022

Indebtedness ratio of 0.96x at December 31, 2022

In the full year, free cash flow before interest and tax was an inflow of €873.3 million (vs. an inflow of €680.6 million in 2021), **representing a free cash flow conversion rate (EBITDAaL into FCF before interest and taxes) of 61.4%, above guidance (> 60%).**

This net inflow included:

- EBITDAaL of €1,422.2 million (vs €1,035.2 million in 2021), of which €(258.6) million of lease payments in 2022;
- An outflow of €(391.8) million from change in working capital (compared to an outflow of €(209.0) million in 2021), consistent with the sales growth recorded in 2022. The change in trade working capital stood at €(346.6) million, combined with an outflow of (45.2) million from the change in non-trade working capital;
 - As a percentage of sales over the last 12 months, on a constant basis, total working capital requirements amounted to 11.7% as of December 31, 2022, compared to 11.1% in 2021, from an increase in non-trade working capital, while the trade WCR was stable at 14.0% of sales in 2022 (vs 13.9% in 2021).
- A cash outflow from restructuring €(10.9) million in 2022 vs €(12.5) million in 2021);
- A higher level of net capital expenditure €(125.4) million vs. €(103.2) million in 2021). Gross capex stood at €(148.4) million and represented 0.8% of sales vs 0.7% in 2021, mainly on higher investment in automatized supply chain solution, in line with the Power Up 2025 strategy.

Below FCF before interest and tax, the cash flow statement took into account:

- €(59.9) million of net interest paid in 2022 (vs €(56.1) million paid in 2021);
- €(310.8) million of income tax paid in the full-year, compared to €(199.0) million paid in 2021, from higher performance;
- €(56.6) million of financial investment, corresponding to the net effect between cash-out for the two acquisitions and proceeds from the three disposals;
- €(230.1) million of dividends paid in 2022 based on 2021 earnings (€0.75 per share);
- €(66.3) million of share buybacks as part of the four-year ambition of €400m;
- €(51.5) million of negative currency effects during the full year (vs a negative €(36.9) million in 2021) due to the strong appreciation of the US Dollar.

At December 31, 2022:

- Net financial debt decreased by €(92.8) million year-on-year at €1,458.4 million (vs €1,551.2 million at December 31, 2021).
- The indebtedness ratio (Net financial debt/EBITDAaL), as calculated under the Senior Credit Agreement terms, reached its lowest level ever at 0.96x, significantly lower than the 1.37x at December 31, 2021.

INCREASED DIVIDEND DISTRIBUTION WITH A PROPOSAL OF €1.20 PER SHARE, PAYABLE IN CASH

Rexel will propose to shareholders a record-high dividend of €1.20 per share, to be paid fully in cash. This represents a payout of 40% of the Group’s recurring net income, in line with Rexel’s policy of paying out at least 40% of recurring net income.

This dividend, payable in cash on May 11, 2023 (detachment date on May 9th), will be subject to approval at the Annual Shareholders’ Meeting to be held in Paris on April 20, 2023.

ON TRACK TO ACHIEVE OUR POWER UP 2025 OBJECTIVES

Our record 2022 results put us well on track to achieve the 2022-2025 four-year objectives presented at our Capital Markets Day in June. That includes our financial targets as well as our capital allocation and business ambitions.

Power Up 2025	Year 1 achievements
4% to 7% organic growth over 4 years	14.1% same-day sales growth
6.5% to 7% adj. Ebita margin in 2025	7.3% ¹ adj. Ebita margin
FCF conversion above 60% each year	61.4% FCF conversion
Share buyback of €400m over 4 years	€66m completed
M&A contribution to sales up to €2bn in 4 years	€500m of sales acquired
Divestments of between €200m & €500m of sales	€450m of sales disposed
40% of digital sales in 2025	+25% of digital revenues; i.e. 27% of Q4 2022 sales
Becoming a leader in ESG	Net Zero ambition validated by SBTi

1. including 66bps of non-recurring items

REXEL'S PURPOSE

In order to support our strategic roadmap, we announced today our purpose :

"Electrifying solutions that make a sustainable future possible"

Each of the words in our purpose statement resonates:

- “Electrifying” is a reference to electricity and electrification, but also to the passion of our teams.
- “Solutions” covers both products and services.
- “A sustainable future” notably refers to our ESG focus as well as new energies, innovation, digital advanced services are strong internal drivers.
- “Make possible” refers to our unique role in the value chain. We partner with suppliers and professionals to propose the best products and push new services to the market to help make the energy transition a reality.

ACTIVE PORTFOLIO MANAGEMENT

Rexel recently announced three transactions to reinforce its portfolio and its local footprint in key regions. They include :

- Two acquisitions of quality businesses in North America : one in the US, with further market share gains and one in Canada, complementary to our existing footprint.
- The disposal of Rexel's activity in Norway.

The combined operations will contribute positively to our sales, earnings and Return On Capital Employed in year 1.

Acquisition of Buckles Smith Electric Company in the US

On January 5th, Rexel US signed and closed the acquisition of Buckles Smith Electric Company, a regional industrial automation distributor, the last independent player in the region. Based in Santa Clara, California, the company generated USD150m of sales in 2022, through 6 branches and 153 employees.

Buckles Smith is a high-quality company with higher profitability than Rexel's North American average. This acquisition is highly synergistic with our other Rockwell specialized distribution territories as well as with our Californian operations. It strengthens our position in the region and allow us to gain further market share in California, the biggest addressable market in the US (c. 13% of the total US market).

Acquisition of Lineman's Testing Laboratories in Canada

On January 17th, Rexel Canada signed and closed the acquisition of Lineman's Testing Laboratories, a leading provider of high-voltage electrical services and products to the utility and industrial markets. The company was founded in Toronto in 1958, has 63 employees and generated c. 25m of sales in 2022.

This acquisition will be a valuable complement to Rexel's portfolio, notably for the utility market.

Disposal of operations in Norway

Rexel also announces the signing of the divestment of its operations in Norway to Kesko on January 27. Rexel's activities in Norway, generating sales of approximately €250m in 2022, were less profitable than Group average and presented less strategic and value creation potential for the future. The completion of the transaction is subject to the approval of Norway's competition authority.

Since January 1, 2021, through 10 transactions, Rexel has acquired c. €1.5bn of sales and it has carried out 6 divestments representing c. €0.5bn of sales, materially enhancing the Group's growth and profitability profile and reinforcing its capabilities to address the challenges and opportunities of the energy transition and electrification trends.

OUTLOOK

Leveraging our transformation and enhanced efficiency, we target for 2023, at comparable scope of consolidation and exchange rates:

- Same-day sales growth of between 2% and 6%
- An adjusted EBITA¹ margin of between 6.3% and 6.7%
- Free cash flow conversion² above 60%

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

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 6

CALENDAR

April 20, 2023	First-quarter 2023 sales
April 20, 2023	2023 Annual Shareholders' Meeting
May 9, 2023	Detachment date of the dividend
May 11, 2023	Dividend payment
July 28, 2023	Second-quarter sales and H1 2023 results

FINANCIAL INFORMATION

2022 consolidated financial statements are available on the Group's website (www.rexel.com). A slideshow of the fourth-quarter sales and full-year 2022 results publication is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, worldwide expert in the multichannel professional distribution of products and services for the energy world, addresses three main markets: residential, commercial, and industrial. The Group supports its residential, commercial, and industrial customers by providing a tailored and scalable range of products and services in energy management for construction, renovation, production, and maintenance. Rexel operates through a network of more than 1,900 branches in 21 countries, with more than 26,000 employees. The Group's sales were €18.7 billion in 2022.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: CAC Next 20, SBF 120, CAC Large 60, CAC 40 ESG, CAC SBT 1.5 NR, CAC AllTrade, CAC AllShares, FTSE EuroMid, and STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Dow Jones Sustainability Index Europe, Euronext Vigeo Europe 120 and Eurozone 120, STOXX® Global ESG Environmental Leaders, and S&P Global Sustainability Yearbook 2022, in recognition of its performance in terms of Corporate Social Responsibility (CSR).

For more information, visit www.rexel.com/en.

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GLOSSARY

REPORTED EBITA (Earnings Before Interest, Taxes and Amortization) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as Reported EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is defined as operating income before depreciation and amortization and before other income and other expenses.

EBITDAaL is defined as EBITDA after deduction of lease payment following the adoption of IFRS16.

RECURRING NET INCOME is defined as net income restated for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDIX

Appendix 1: Q4 and FY 2022 sales and adjusted Ebita bridge

SALES BRIDGE

Q4	Europe	North America	Asia-Pacific	Group
Reported sales 2021	2,172.7	1,566.1	338.5	4,077.3
+/- Net currency effect	(0.4)%	+10.1%	+0.8%	+3.7%
+/- Net scope effect	(0.8)%	+11.6%	— %	+4.0%
=Comparable sales 2021	2,147.2	1,906.6	341.1	4,394.9
+/- Actual-day organic growth, of which:	+14.6%	+4.9%	—%	+9.3%
Constant-same day excl. copper	+15.4%	+12.9%	+0.2%	+13.1%
Copper effect	+0.6%	(2.7)%	+0.5%	(0.8)%
Constant-same day incl. copper	+16.0%	+10.2%	+0.7%	+12.3%
Calendar effect	(1.4)%	(5.3)%	(0.7)%	(3.0)%
= Reported sales 2022	2,460.6	2,000.5	341.2	4,802.3
YoY change	+13.3%	+27.7%	+0.8%	+17.8%

2022	Europe	North America	Asia-Pacific	Group
Reported sales 2021	8,273.8	5,122.6	1,293.8	14,690.2
+/- Net currency effect	+0.3%	+11.3%	+5.4%	+4.6%
+/- Net scope effect	(0.1)%	+21.5%	(0.8)%	+7.4%
=Comparable sales 2021	8,284.9	6,801.6	1,353.6	16,440.1
+/- Actual-day organic growth, of which:	+13.6%	+16.1%	+3.4%	+13.8%
Constant-same day excl. copper	+11.9%	+16.0%	+2.9%	+12.9%
Copper effect	+2.0%	+0.3%	+1.0%	+1.2%
Constant-same day incl. copper	+13.9%	+16.3%	+3.9%	+14.1%
Calendar effect	(0.3)%	(0.2)%	(0.5)%	(0.3)%
= Reported sales 2022	9,408.1	7,893.5	1,400.1	18,701.6
YoY change	+13.7%	+54.1%	+8.2%	+27.3%

EBITA BRIDGES:

FROM FY 21 REPORTED ADJUSTED EBITA TO FY 21 ON A COMPARABLE BASIS

	2021 adjusted EBITA	2021 copper effect @2021 FX	2021 reported EBITA	2022 FX Impact	2022 scope impact	2021 copper effect @2022 FX	2021 comparable adjusted EBITA
Rexel Group	906.0	57.8	963.7	44.7	68.0	(68.0)	1,008.4

TO ADJUSTED EBITA FROM FY 21 TO FY 22

	2021 comparable adjusted EBITA	Organic growth	2022 adjusted EBITA	2022 copper effect	2022 reported EBITA
Rexel Group	1,008.4	360.1	1,368.5	(23.7)	1,344.8

Appendix 2: Segment reporting – Constant and adjusted basis*

* Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cable prices and before amortization of purchase price allocation.

The non-recurring effect related to changes in copper-based cable prices was, at the EBITA level:

Constant basis (€m)	2021	2022
Non-recurring copper effect at EBITA level	68.0	(23.7)

GROUP

Constant and adjusted basis (€m)	Q4 2021	Q4 2022	Change	2021	2022	Change
Sales	4,394.9	4,802.3	+9.3%	16,440.1	18,701.6	+13.8%
<i>on a constant basis and same days</i>			+12.3%			+14.1%
Gross profit				4,213.5	4,892.2	+16.1%
<i>as a % of sales</i>				25.6%	26.2%	53 bps
Distribution & adm. expenses (incl. depreciation)				(3,205.1)	(3,523.7)	+9.9%
EBITA				1,008.4	1,368.5	+35.7%
<i>as a % of sales</i>				6.1%	7.3%	118 bps
FTE (end of period)				25,807	26,504	+2.7%

EUROPE

Constant and adjusted basis (€m)	Q4 2021	Q4 2022	Change	2021	2022	Change
Sales	2,147.2	2,460.6	+14.6%	8,284.9	9,408.1	+13.6%
<i>on a constant basis and same days</i>			+16.0%			+13.9%
France	823.3	933.0	+13.3%	3,174.4	3,503.8	+10.4%
<i>on a constant basis and same days</i>			+15.1%			+10.8%
United Kingdom	180.6	195.7	+8.3%	733.8	809.6	+10.3%
<i>on a constant basis and same days</i>			+10.2%			+11.7%
Germany	210.3	253.0	+20.3%	817.1	979.6	+19.9%
<i>on a constant basis and same days</i>			+22.6%			+20.2%
Scandinavia	287.0	324.9	+13.2%	1,055.8	1,203.7	+14.0%
<i>on a constant basis and same days</i>			+13.5%			+13.9%
Gross profit				2,280.9	2,605.9	+14.2%
<i>as a % of sales</i>				27.5%	27.7%	17 bps
Distribution & adm. expenses (incl. depreciation)				(1,688.6)	(1,881.3)	+11.4%
EBITA				592.3	724.6	+22.3%
<i>as a % of sales</i>				7.1%	7.7%	55 bps
FTE (end of period)				14,223	14,610	+2.7%

NORTH AMERICA

Constant and adjusted basis (€m)	Q4 2021	Q4 2022	Change	2021	2022	Change
Sales	1,906.6	2,000.5	+4.9%	6,801.6	7,893.5	+16.1%
<i>on a constant basis and same days</i>			+10.2%			+16.3%
United States	1,582.9	1,637.3	+3.4%	5,511.0	6,425.4	+16.6%
<i>on a constant basis and same days</i>			+9.4%			+16.8%
Canada	323.7	363.2	+12.2%	1,290.6	1,468.0	+13.7%
<i>on a constant basis and same days</i>			+14.0%			+14.2%
Gross profit				1,692.1	2,019.0	+19.3%
<i>as a % of sales</i>				24.9%	25.6%	70 bps
Distribution & adm. expenses (incl. depreciation)				(1,262.1)	(1,370.1)	+8.6%
EBITA				430.0	648.9	+50.9%
<i>as a % of sales</i>				6.3%	8.2%	190 bps
FTE (end of period)				8,950	9,223	+3.1%

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q4 2021	Q4 2022	Change	2021	2022	Change
Sales	341.1	341.2	—%	1,353.6	1,400.1	+3.4%
<i>on a constant basis and same days</i>			+0.7 %			+3.9%
China	139.3	135.8	(2.6)%	585.2	589.2	+0.7%
<i>on a constant basis and same days</i>			(2.6)%			+0.7%
Australia	145.9	153.0	+4.9%	564.5	598.5	+6.0%
<i>on a constant basis and same days</i>			+6.0%			+7.0%
New Zealand	32.0	31.4	(1.8)%	115.2	124.8	+8.3%
<i>on a constant basis and same days</i>			(0.3)%			+9.6%
Gross profit				240.5	267.3	+11.2%
<i>as a % of sales</i>				17.8%	19.1%	132 bps
Distribution & adm. expenses (incl. depreciation)				(208.1)	(240.9)	+15.7%
EBITA				32.4	26.4	(18.4)%
<i>as a % of sales</i>				2.4%	1.9%	-50 bps
FTE (end of period)				2,430	2,457	+1.1 %

Appendix 3: Consolidated Financial Statement
Consolidated Income Statement

Reported basis (€m)	2021	2022	Change
Sales	14,690.2	18,701.6	+27.3%
Gross profit	3,871.6	4,868.6	+25.8%
<i>as a % of sales</i>	26.4%	26.0%	
Operating expenses (excl. depreciation)	(2,607.1)	(3,187.8)	+22.3%
Depreciation	(300.7)	(335.9)	
EBITA	963.7	1,344.8	+39.5%
<i>as a % of sales</i>	6.6%	7.2%	
Amortization of intangibles resulting from purchase price allocation	(7.3)	(13.9)	
Operating income bef. other inc. and exp.	956.4	1,330.9	+39.2%
<i>as a % of sales</i>	6.5%	7.1%	
Other income and expenses	(44.6)	12.1	
Operating income	911.8	1,343.0	+47.3%
Net financial expenses	(133.1)	(119.4)	
Share of profit / (loss) in associates	(0.3)	(0.1)	
Net income (loss) before income tax	778.4	1,223.5	+57.2%
Income tax	(180.8)	(301.2)	
Net income (loss)	597.6	922.3	+54.3%

Bridge Between Operating Income Before Other Income And Other Expenses And Adjusted EBITA

in €m	2021	2022
Operating income before other income and other expenses on a reported basis	956.4	1,330.9
Change in scope of consolidation	68.0	—
Foreign exchange effects	44.7	—
Non-recurring effect related to copper	(68.0)	23.7
Amortization of intangibles assets resulting from PPA	7.3	13.9
Adjusted EBITA on a constant basis	1,008.4	1,368.5

Recurring Net Income

in €m	2021	2022	Change
Net income (as reported)	597.6	922.3	+54.3%
Non-recurring copper effect	(57.8)	23.7	
Other expense & income	44.6	(12.1)	
Financial expense	22.6	—	
Tax expense	(32.1)	(22.1)	
Recurring net income	575.0	911.8	+58.6%

Sales And Profitability By Segment

Reported basis (€m)	2021	2022	Change
Sales	14,690.2	18,701.6	+27.3%
Europe	8,273.8	9,408.1	+13.7%
North America	5,122.6	7,893.5	+54.1%
Asia-Pacific	1,293.8	1,400.1	+8.2%
Gross profit	3,871.6	4,868.6	+25.8%
Europe	2,308.9	2,600.8	+12.6%
North America	1,331.4	2,000.4	+50.2%
Asia-Pacific	231.3	267.3	+15.6%
EBITA	963.7	1,344.8	+39.5%
Europe	621.8	719.5	+15.7%
North America	357.3	630.4	+76.4%
Asia-Pacific	30.8	26.4	(14.2)%
Other	(46.2)	(31.5)	+31.9%

Consolidated Balance Sheet¹

Assets (Reported basis in €m)	December 31, 2021	December 31, 2022
Goodwill	3,401.7	3,454.5
Intangible assets	1,159.0	1,167.4
Property, plant & equipment	271.9	306.8
Right-of-use assets	1,047.1	1,123.1
Long-term investments	56.6	66.5
Deferred tax assets	63.9	63.5
Total non-current assets	6,000.2	6,181.8
Inventories	2,057.2	2,275.4
Trade receivables	2,353.2	2,617.0
Other receivables	569.7	753.3
Assets classified as held for sale	—	186.8
Cash and cash equivalents	573.5	895.4
Total current assets	5,553.5	6,727.9
Total assets	11,553.7	12,909.7

Liabilities (Reported basis in €m)	December 31, 2021	December 31, 2022
Total equity	4,560.8	5,281.8
Long-term debt	1,290.5	1,768.6
Lease liabilities (non-current part)	975.1	1,039.5
Deferred tax liabilities	229.9	232.4
Other non-current liabilities	243.9	243.5
Total non-current liabilities	2,739.5	3,284.0
Interest bearing debt & accrued int.	837.5	542.4
Lease liabilities (current part)	193.7	203.6
Trade payables	2,170.0	2,371.8
Other payables	1,052.2	1,138.5
Liabilities rel. to assets held for sale	—	87.6
Total current liabilities	4,253.4	4,343.9
Total liabilities	6,992.9	7,627.8
Total equity & liabilities	11,553.7	12,909.7

¹ Net debt includes Debt hedge derivatives for €(2.0)m at December 31, 2021 and for €46.3m at December 31, 2022
It also includes accrued interest receivables for €(1.4)m at December 31, 2021 and for €(3.5)m at December 31, 2022

Change in Net Debt

Reported basis (€m)	2021	2022
EBITDA	1,264.4	1,680.8
Lease payments	(229.3)	(258.6)
EBITDAaL	1,035.2	1,422.2
Other operating revenues & costs(1)	(42.3)	(31.6)
Operating cash-flow	992.9	1,390.5
Change in working capital	(209.0)	(391.8)
Net capital expenditure, of which:	(103.2)	(125.4)
<i>Gross capital expenditure</i>	(103.0)	(148.4)
<i>Disposal of fixed assets</i>	6.1	5.9
Free cash-flow before int. & tax	680.6	873.3
<i>Free cash flow conversion (% of EBITDAaL)</i>	<i>65.7%</i>	<i>61.4%</i>
Net interest paid / received	(56.1)	(59.9)
Income tax paid	(199.0)	(310.8)
Free cash-flow after int. & tax	425.5	502.6
Net financial investment	(439.1)	(56.6)
Dividends paid	(139.6)	(230.1)
Net change in equity	3.8	(66.3)
Other	(30.1)	(5.3)
Currency exchange variation	(36.9)	(51.5)
Decrease (increase) in net debt	(216.3)	92.7
Net debt at the beginning of the period	1,334.9	1,551.2
Net debt at the end of the period	1,551.2	1,458.4

¹ Includes restructuring and integration outflows of:

- €10.9m in 2022 vs. €12.5m in 2021

Appendix 4: Working Capital Analysis

Constant basis	December 31, 2021	December 31, 2022
Net inventories		
<i>as a % of sales 12 rolling months</i>	12.9%	12.6%
<i>as a number of days</i>	57.5	57.9
Net trade receivables		
<i>as a % of sales 12 rolling months</i>	14.3%	14.4%
<i>as a number of days</i>	45.3	47.9
Net trade payables		
<i>as a % of sales 12 rolling months</i>	13.3%	12.9%
<i>as a number of days</i>	52.6	53.1
Trade working capital		
<i>as a % of sales 12 rolling months</i>	13.9%	14.0%
Total working capital		
<i>as a % of sales 12 rolling months</i>	11.1%	11.7%

Appendix 5: Headcount and branches by geography

FTEs at end of period comparable	December 31, 2021	December 31, 2022	Year-on-Year Change
Europe	14,223	14,610	+2.7%
USA	6,961	7,146	+2.7%
Canada	1,989	2,077	+4.5%
North America	8,950	9,223	+3.1%
Asia-Pacific	2,430	2,457	+1.1 %
Other	205	215	+4.9%
Group	25,807	26,504	+2.7%

Branches	December 31, 2021	December 31, 2022	Year-on-Year Change
Europe	1,050	1,054	0.4%
USA	456	454	(0.4)%
Canada	191	191	— %
North America	647	645	(0.3)%
Asia-Pacific	233	237	+1.7 %
Group	1,930	1,936	0.3 %

Appendix 6: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

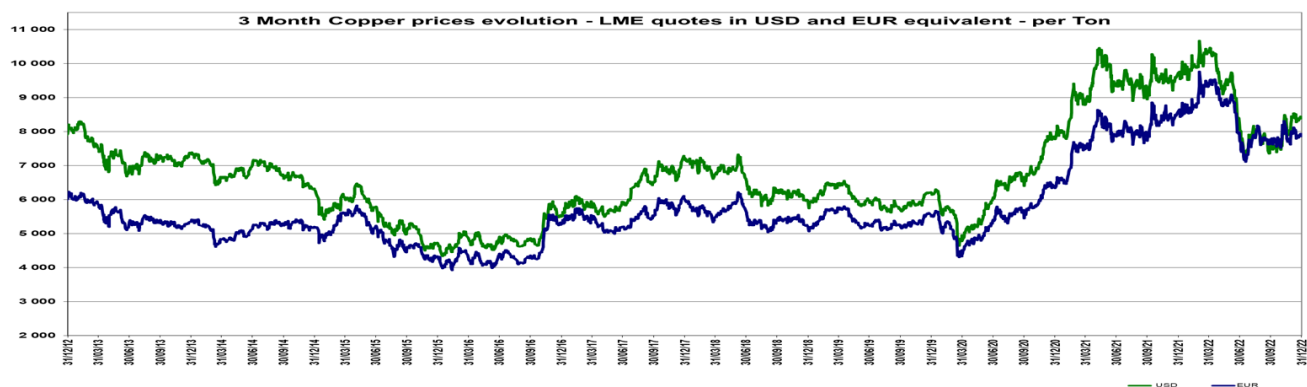
€ 1	=	USD 1.07
€ 1	=	CAD 1.44
€ 1	=	AUD 1.54
€ 1	=	GBP 0.89

and based on acquisitions/divestments to date, 2022 sales should take into account the following estimated impacts to be comparable to 2023:

	Q1e	Q2e	Q3e	Q4e	FYe
Scope effect at Group level (1)	49.5	(10.6)	(60.7)	(44.5)	(66.3)
as % of 2022 sales	1.1%	(0.2)%	(1.3)%	(0.9)%	(0.4)%
Currency effect at Group level	30.3	(55.5)	(171.5)	(105.8)	(302.5)
as % of 2022 sales	0.7%	(1.2)%	(3.6)%	(2.2)%	(1.6)%
Calendar effect at Group level	0.9 %	(1.0)%	(0.8)%	0.5 %	(0.1)%
Europe	1.4 %	(2.0)%	(1.4)%	(0.2)%	(0.6)%
US	—%	— %	+0.2 %	+1.8 %	+0.5 %
Canada	1.7%	+0.1 %	(1.7) %	— %	— %
North America	0.4 %	— %	(0.2)%	1.4 %	0.4 %
Asia	0.9%	(0.5) %	(1.1) %	+0.4 %	— %
Pacific	1.7%	+0.4 %	(0.1) %	(0.1) %	+0.4 %
Asia-Pacific	1.3 %	— %	(0.6)%	0.1 %	0.2 %

¹ Including the recent acquisitions (Buckles Smith & Lineman's Testing Laboratories) and the disposal of Rexel operations in Norway

Appendix 7: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY	€/t	Q1	Q2	Q3	Q4	FY
2020	5,651	5,389	6,513	7,192	6,197	2020	5,124	4,889	5,574	6,027	5,410
2021	8,492	9,691	9,397	9,585	9,294	2021	7,052	8,048	7,971	8,380	7,864
2022	9,978	9,507	7,731	8,005	8,788	2022	8,902	8,926	7,678	7,847	8,326
2020 vs. 2019	-9%	-12%	+12%	+22%	+3%	2020 vs. 2019	-6%	-10%	+6%	+13%	+1%
2021 vs. 2020	+50%	+80%	+44%	+33%	+50%	2021 vs. 2020	+38%	+65%	+43%	+39%	+45%
2022 vs. 2021	+18%	-2%	-18%	-17%	-5%	2022 vs. 2021	+26%	+11%	-4%	-6%	6%

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 19% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

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

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Universal Registration Document registered with the French Autorité des Marchés Financiers (AMF) on March 10, 2022 under number D.22-0083. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Universal Registration Document registered with the AMF on March 10, 2022 under number D.22-0083, as well as the financial statements and consolidated result and activity report for the 2021 fiscal year which may be obtained from Rexel's website (www.rexel.com).