Rexel

a world of energy

Second-quarter sales & H1 2024 results

Paris, July 30, 2024

First-half 2024 financial report was authorized for issue by the Board of Directors held on July 29, 2024

Key highlights

H1 2024: A resilient first half, leveraging our transformation

€9.6bn

Reported sales
-4.5% in Q1 & +1.8% in Q2

-3.5%

Same-day sales growth
-4.6% in Q1 & -2.4% in Q2

6.0%

Adjusted Ebita margin (%)

€335m

FCF before Interest and tax
FCF conversion at 53%

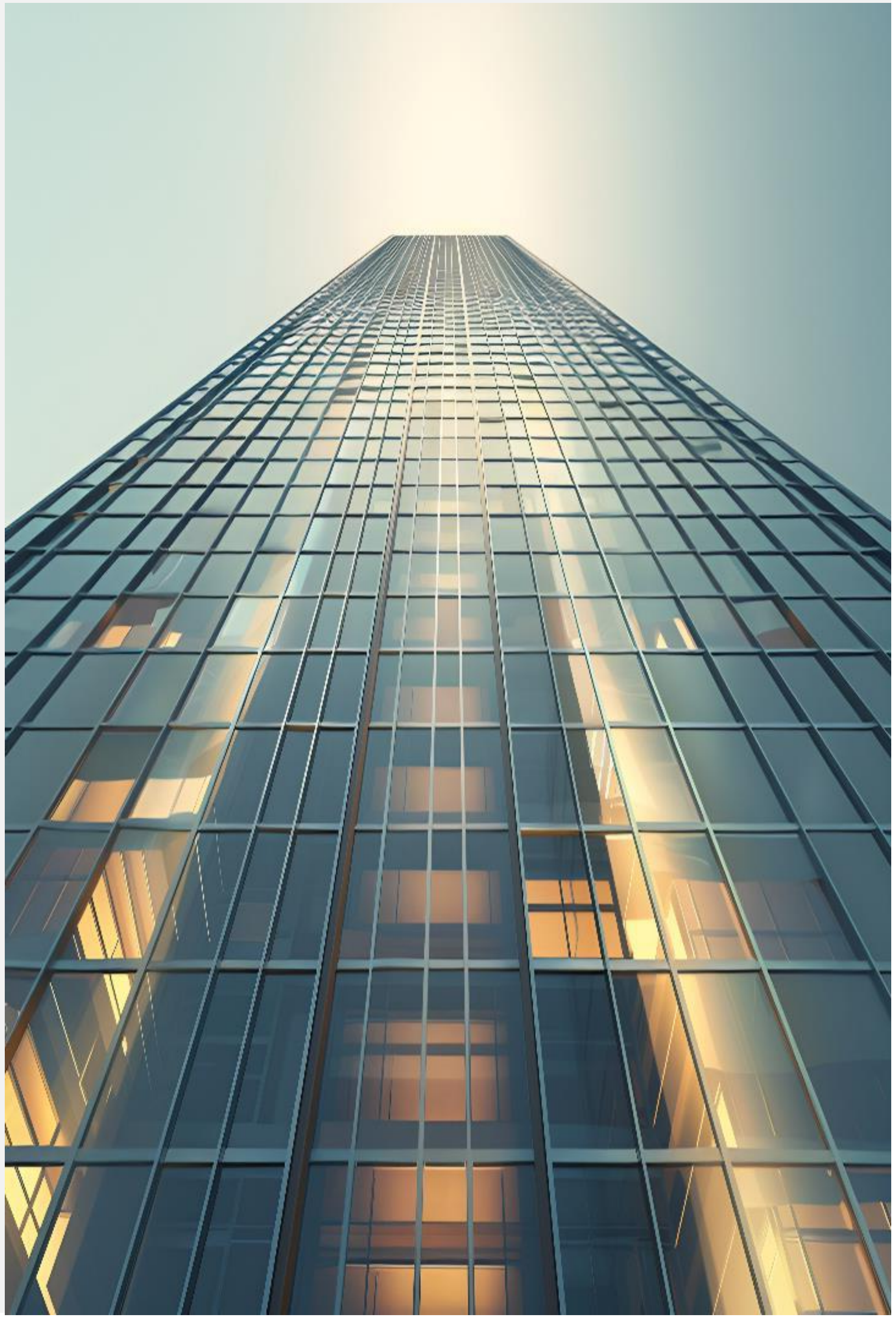
1.9x

Indebtedness ratio[1]

[1] Including Talley acquisition effect - Net financial debt/EBITDAaL, as calculated under the SCA terms

Solid activity in North America offsetting less active European markets

- **North America**
  - Resilient and slightly positive volumes in Q2 as in Q1
  - Healthy backlog, progressing in Q2 vs. Q1 and remaining high (3 months)
  - Solid activity in select verticals (infrastructure, datacenters)
- **Europe**
  - Core markets negatively impacted by economic and political conditions in almost all countries, with slightly negative volumes vs. last year
  - Challenged electrification markets (DACH, Benelux, Sweden) with a comparison base progressively easing
  - Market share gains in several important countries thanks to differentiated value proposition (services, digital)
- **Improved performance in China**



Sequential improvement in Q2 vs. Q1

(in contrib.)	% mix 2024	Q1 2024 SD sales evolution	Q1 2024 o/w Price	Q1 2024 o/w Volume	Q2 2024 SD sales evolution	Q2 2024 o/w Price	Q2 2024 o/w Volume
Core ED[1]	78%	-1.8%	-1.0%	-0.7%	-0.4%	-0.6%	+0.2%
Electrification	22%	-2.8%	-0.5%	-2.4%	-2.0%	-0.9%	-1.1%
Total	**100%**	**-4.6%**	**-1.5%**	**-3.1%**	**-2.4%**	**-1.5%**	**-0.9%**

[1] *Including cable*

- **Core ED business, progressing from Q1 to Q2, supported by cable price and improving volume**
- Electrification, down 8.5% (contributing for -200bps) in the quarter, improving sequentially versus Q1 24. Price deflation, but limited to solar panels, piping in North America and industrial automation in China

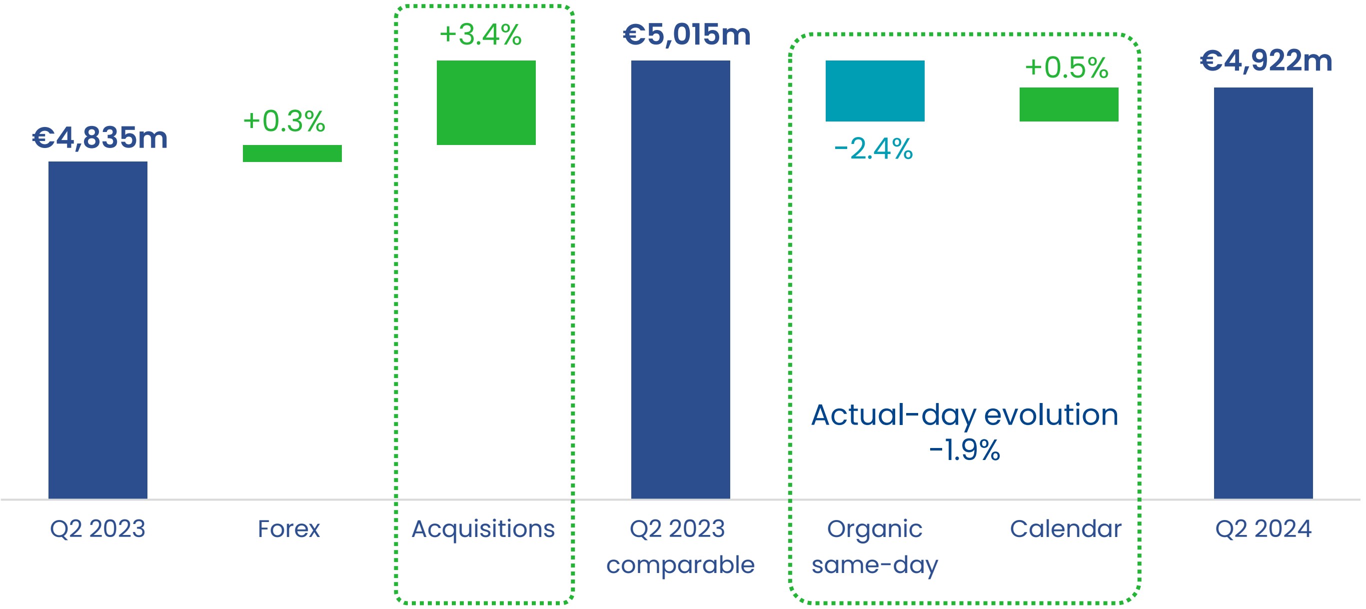
Self-help action plans leading to strong profitability and cash performance

- **Action plans activated in most countries**
  - **Gross margin optimization**: price, mix, purchasing
  - **Productivity:** Headcount reduction broadly in line with volume decrease in H1
  - **Internal actions on opex above decrease in volume**
    - **Opex[1] decreased** by more than 2% in H1 despite inflation
  - Positive impact of implementation of Power Up initiatives (data, digital, supply chain, M&A)
- **Resilient profitability with adj. Ebita margin at 6.0% in a more challenging top line environment**
- **Record free cash flow generation, demonstrating the strength of our model**
  - FCF before interest & tax reaching an all-time high €335m for the first half, implying a robust 53% conversion rate
  - Responsiveness in inventory management, adapting fast to lower demand, combined with good credit management
- **FY guidance confirmed –** expecting to be in the lower end of the range in sales and adjusted EBITA margin

[1] Opex excluding depreciation

Q2 & H1 2024 Group financial review

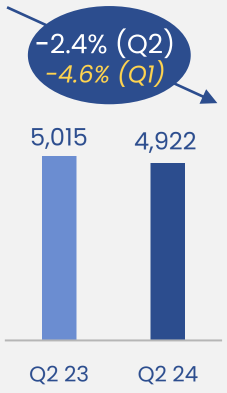
Q2 reported sales up +1.8%, supported by significant M&A contribution



- Q2 24 reported sales up +1.8%:
- Positive contribution from Wasco and Talley acquisitions more than offset organic decline

Resilience in North America & recovery in APAC in Q2

Group

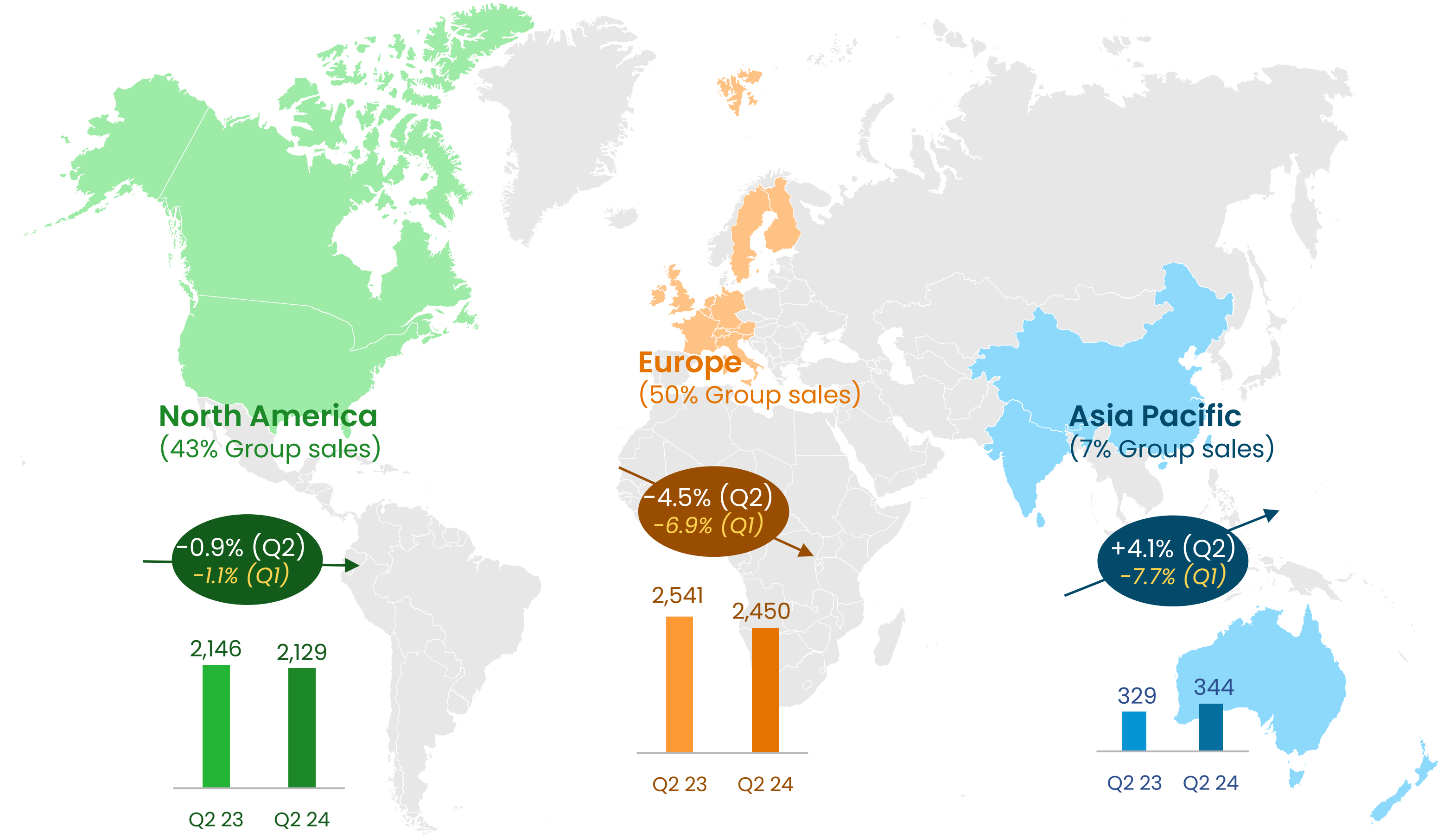


Selling price evolution

Non-cable: -1.1%

Cable: -0.4%

Non-cable price pressure mostly on solar panels, piping in North America and Industrial Automation in China



NB: Sales in €m are presented on a comparable basis

Q2 sales in Europe improving on easier electrification base effect

By country

- **Muted overall demand in Europe**, with sequential improvement driven by easier base effect
- **Further outperformance in France** in a challenging market environment. Demand in HVAC remains impacted by the lack of regulatory visibility and difficult base effect. Positive momentum in solar.
- **Sequential improvement** in the Nordics and DACH regions, on easier base effect, notably in solar activity.
- **Trends in Benelux similar to the first quarter** on electrification and core ED
- **In UK, similar trend to Q1,** restated for the large public project with the Department of Education. Slight sequential improvement in non-residential market

By product category

Improvement vs Q1 in all product segments

- Sales in core ED[1] business down a limited 1.1% in contribution (vs -2.9% in Q1 24)
- Electrification down 14.4% (contribution -3.4%) notably explained by solar activity

By end-market

- Resilient trends in non-residential and industry
- Residential segments (both new and renovation) continue to be challenging, notably due to high interest rates and low activity in solar business

[1] including cable

Strong backlog execution in Q2 in North America

By country/region

- **United States:**
  - Non-residential and industrial automation, mitigating lower demand in ED in industrial buildings
  - Positive momentum in Southeast region (incl. Mayer) and in Florida
  - Residential (7% of sales) showed signs of improvement
  - Backlog improved by 1% vs March 24
- **Canada:**
  - Performance remains driven by project activity in non-residential and specific industrial segments (manufacturing and automotive)
  - Backlog improved by more than 4% vs March 24

By product category

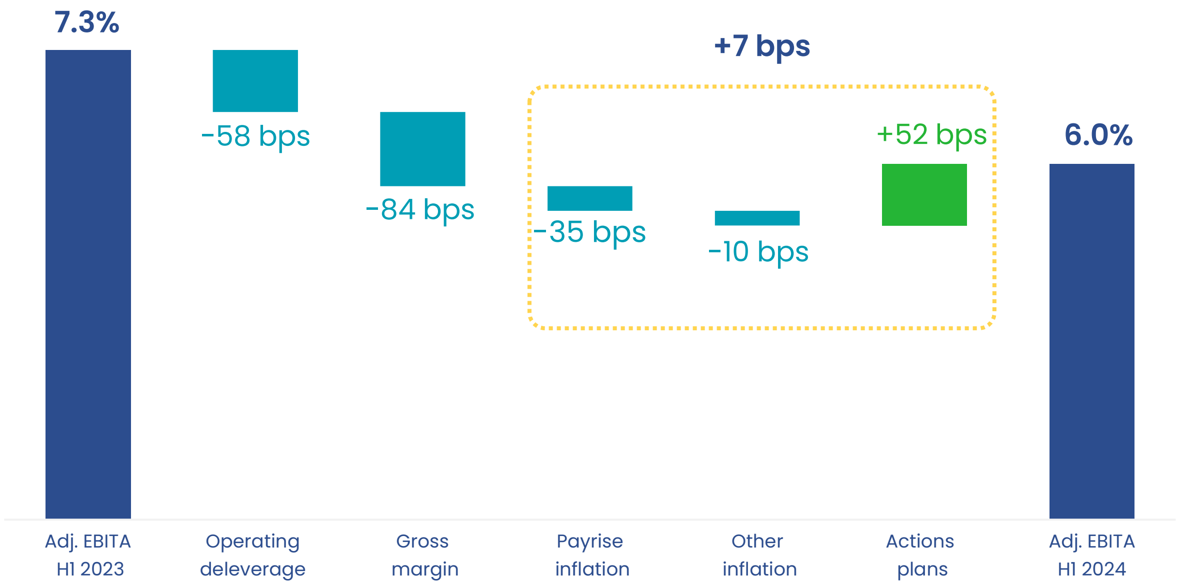
- Sales in core ED[1] business broadly flat, with positive volume
- Lower demand in solar (down 34%, contributing for -100bps in the US), mostly in California

By channel

- Second quarter again supported by good backlog execution, driving growth in project activity
- Diversified non-residential end-markets remain an asset, with positive momentum in datacenters, water, wastewater

[1] including cable

Strong cost control action plans allowed to successfully protect profitability



- GM facing comparison with high H1 23 (boosted by +5.7% non-cable pricing effect)
  - H1 24 GM in line with 2023 exit rate (H1 24 @25% vs H2 23 @25.2%)
- Cost control & productivity initiatives fully offsetting opex inflation (+2.3% in H1 2024):
  - Number of FTEs adapted to lower demand, down c. 400 versus June 2023 (1.5% reduction)
  - Delivery fees flat despite inflation

	Europe	North America	Asia-Pacific
SD sales evolution	-5.7%	-1.0%	-1.6%
Adj. EBITA margin	6.1% (-197 bps)	6.8% (-79 bps)	1.8% (-45 bps)

H1 2024 recurring net income at €341m

Main P&L items

€574m

Adjusted EBITA

Other income & expenses

€(6)m

Including €4m in restructuring

Net financial expenses

€(96)m

Effective interest rate at 4.3%
(vs. 3.4% in H1 2023)

Income tax

€(128)m

Effective tax rate H1 2024 : **26.6%**

€341m

Recurring net income
(vs €455m in H1 23)

Significant cash inflow from working capital management, notably responsive inventory management

Main FCF items

€629m

EBITDAaL

Trade working capital

€(150)m

Stable TWCR/sales at 15.2%

Non-trade working capital

€(78)m

Net capex

€(57)m

Gross capex/sales at 0.6%

€335m

53% conversion

Free cash flow before interest & tax

Balanced capital allocation between acquisitions and return to shareholders

Free cash flow
before interest & tax
€335m

€117m

Free cash flow
after interest & tax

Post-cash-out for net interest paid (€59m) & Income tax paid (€159m)

Main FCF items

Financial investment
€413m

Dividend
€357m

Share buyback
€50m

€768m

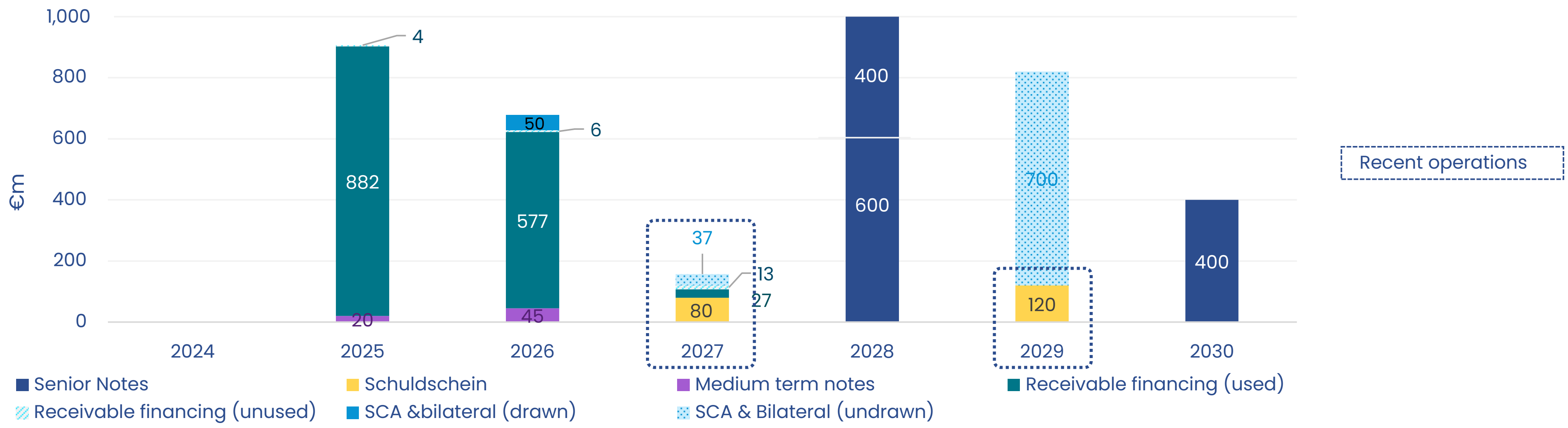
Increase in net debt

Net debt
€2,669m
Indebtedness ratio at 1.9x[1]

[1] Including the effect of Talley acquisition

Strengthened financial structure with first Schuldschein issue

Gross debt maturity breakdown and liquidity at June 30, 2024[1]



Schuldschein in 2 tranches

€80m 2027

€120m 2029

Liquidity

€1.1bn[1]

[1] Pro-forma €200m Schuldschein issued on July 2nd 2024

03 Outlook

2024 outlook confirmed, in the lower end of the range

In a more complex environment, notably marked by political uncertainties and a more competitive market, Rexel confirms its guidance, with same-day sales growth and adjusted Ebita margin expected in the lower end of the initial range[1]

Stable to slightly positive with high comparable base in H1

Same-day growth

6.3% - 6.6%

Adjusted EBITA margin[2]

> 60%

Free cash flow conversion[3]

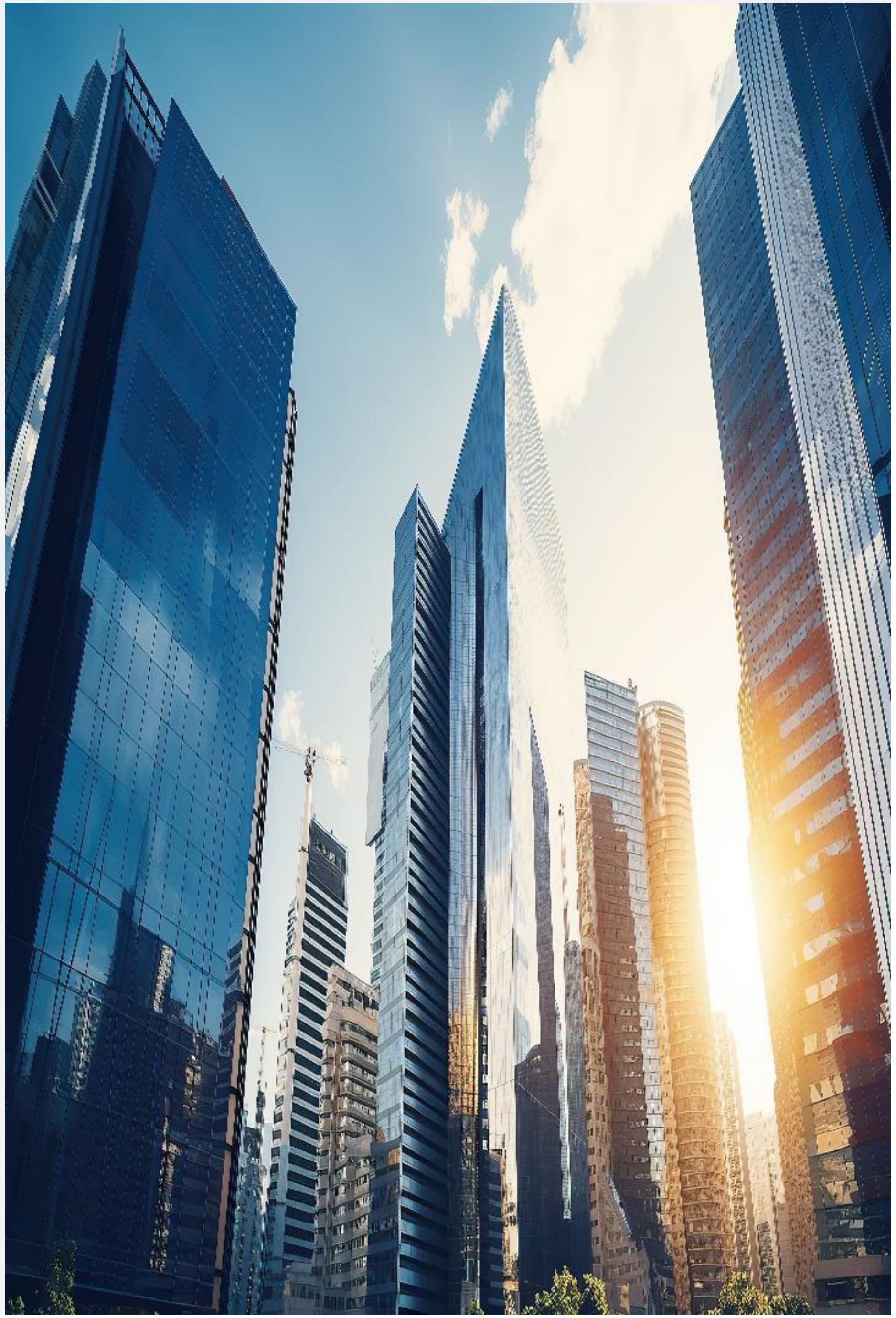
[1] At comparable scope of consolidation and exchange rates
[2] Excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cable prices.
[3] FCF Before interest and tax/EBITDAaL

Implementing our strategic roadmap to achieve our midterm ambitions

- **Using M&A as an additional growth engine and investing in "acceleration" businesses**
  - 3.2% sales added in H1 through acquisitions
  - Acquisition of Talley (USA, datacom) & Itesa (France, security)
  - Acquisition of Electrical Supplies Inc in the US on July 10, reinforcing our position in Florida, adding c. USD60m of sales, 93 FTE and 3 branches

- **Pushing technology in our operations**
  - Digital penetration up 290 bps to 31%
  - Investment in 3 DCs (Austria, Germany, Ireland), including 2 automated ones

- **Developing our value proposition to customers, with the l**aunch of:
  - Open (Energy efficiency service offer) or circular products offering (repaired & reconditioned products) in France
  - Chatbot service in Switzerland
  - Flexset (Panel building) or Rexel Delivered Services (Industrial automation) in the US



Disclaimer

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, 2024 under number D.24-0096. 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, 2024 under number D.24-0096, as well as the financial statements and consolidated result and activity report for the 2023 fiscal year which may be obtained from Rexel’s website (www.rexel.com).