a world of energy

PRESS RELEASE

Paris, February 14, 2018

FOURTH-QUARTER & FULL-YEAR 2017 RESULTS

CONTINUED ACCELERATION IN SAME-DAY SALES IN Q4 2017, UP 5.4%

IMPROVED OPERATING LEVERAGE IN Q4, WHILE INVESTING IN THE US

ADJUSTED EBITA UP +6.1% IN FY 2017, FULLY IN LINE WITH GUIDANCE

→ SALES OF €3.405bn IN Q4, UP IN EVERY GEOGRAPHY

- **On a constant and same-day basis, sales up 5.4% of which:**
    - Europe: +5.5%, benefiting from accelerating sales across most European countries
    - North America: +3.2%, supported by Canada and proximity business in the US
    - Asia-Pacific: +12.7%, mainly driven by China and Australia
- **Organic actual-day growth of 2.7% including -2.7% from calendar and +1.6% from copper**
- **Reported growth down 1.5%, including unfavorable currency (-3.6%) and scope (-0.5%) effects**

→ ADJUSTED EBITA UP 8.7% IN Q4, WITH A MARGIN OF 4.7% DESPITE AN UNFAVORABLE CALENDAR EFFECT

- **Solid gross margin, up 39 bps at 24.5%, driven by Europe and North America**
- **Adj. EBITA margin up 26 bps, while accelerating investments in the US**

→ STRONG INCREASE IN RECURRING NET INCOME OF +32.2% IN Q4

→ INCREASE IN PROPOSED DIVIDEND TO €0.42 PER SHARE, PAYABLE IN CASH

Key figures[1]	Q4 2017	YoY change	FY 2017	YoY change
Sales	**€3,405.4m**		**€13,310.1m**	
On a reported basis		-1.5%		+1.1%
On a constant and actual-day basis		+2.7%		+2.9%
On a constant and same-day basis		+5.4%		+3.5%
Adjusted EBITA[2]	**€159.3m**	**+8.7%**	**€580.1m**	**+6.1%**
As a percentage of sales	4.7%		4.4%	
Change in bps as a % of sales	+26bps		+13bps	
Reported EBITA	**€162.4m**	**+5.5%**	**€594.3m**	**+10.1%**
Operating income	**€(38.8)m**	**na**	**€322.3m**	**-18.8%**
Net income	**€(58.6)m**	**na**	**€104.9m**	**-21.9%**
Recurring net income	**€83.0m**	**+32.2%**	**€291.2m**	**+16.4%**
FCF before interest and tax	**€364.8m**	**vs. €414.7m**	**€384.3m**	**vs. €439.1m**
Net debt at end of period			**€2,041.2m**	**6.0% reduction**

[1] See definition in the Glossary section of this document [2] At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price

Patrick BERARD, Chief Executive Officer, said:

"Our Q4 and full-year performance demonstrate that the strategy we presented at our Capital Markets Day last February has started to show positive results, thanks to the quality and mobilization of our teams, which allowed us to gain new customers. In France, our business strengthened throughout the year. In the US, we saw much better momentum in our Proximity business. In the UK, we protected our margin, thanks to the merger of our banners. We have also completed the first step of our disposal plan, exiting South East Asia in order to be more focused on our key countries.

In 2018, we expect the market environment to remain favorable in most geographies. We will continue to invest in our digital strategy and operations in the US, while benefiting from previously-launched US initiatives. Consistent with our medium-term ambition, we target further organic sales growth in the low single digits in 2018 and expect a mid- to high-single-digit increase in adjusted EBITA.

We will propose a dividend of €0.42 per share payable in cash, in line with our pay-out policy."

FINANCIAL REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2017

- *Financial statements as of December 31, 2017 were authorized for issue by the Board of Directors on January 13, 2018. They have been audited by statutory auditors.*
- *The following terms: Reported EBITA, Adjusted EBITA, EBITDA, 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 down 1.5% year-on-year on a reported basis and up 5.4% on a constant and same-day basis, reflecting improvement in sales trends in all three geographies.

In FY, sales were up 1.1% year-on-year on a reported basis and up 3.5% on a constant and same-day basis.

In the fourth quarter, Rexel posted sales of €3,405.4 million, down 1.5% on a reported basis. On a constant and same-day basis, sales were up 5.4%, including a 1.6% positive effect due to the change in copper-based cable prices.

The 1.5% decrease in sales on a reported basis included:

- A negative currency effect of €123.7 million (i.e. -3.6% of Q4 2016 sales), mainly due to the depreciation of the US dollar and the British pound against the euro,
- A negative net scope effect of €18.3 million (i.e. -0.5% of Q4 2016 sales), resulting from the recent divestments in South East Asia,
- A negative calendar effect of 2.7 percentage points.

In FY 17, Rexel posted sales of €13,310.1 million, up 1.1% on a reported basis. On a constant and same-day basis, sales were up 3.5%, including a 1.4% positive impact due to the change in copper-based cable prices.

The 1.1% increase in sales on a reported basis included:

- A negative currency effect of €161.6 million (i.e. -1.2% of FY 2016 sales), mainly due to the depreciation of the US dollar and the British pound against the euro,
- A negative net scope effect of €61.4 million (i.e. -0.5% of FY 2016 sales), mainly resulting from divestments (Poland, Slovakia, Baltics and South East Asia), partly offset by the acquisition of Brohl & Appell in the US,
- A positive calendar effect of 0.6 percentage points.

Europe (56% of Group sales): +5.5% in Q4 and +4.2% in FY on a constant and same-day basis

In the fourth quarter, sales in Europe increased by 4.0% on a reported basis, including a negative currency effect of €15.6m (mainly due to the depreciation of the British pound against the euro) in Q4 2016. On a constant and same-day basis, sales were up 5.5%, reflecting growth acceleration across most countries.

- Sales in **France** (38% of the region's sales) were up 8.2%, reflecting the efficiency of the model allowing to benefit from market growth;
- Sales in **Scandinavia** (14% of the region's sales) posted strong growth, up 7.4%, in a healthy Swedish market (+11.1%)**,** driven by medium C&I as well as utility-related projects;
- Sales in **Germany** (11% of the region's sales) were up 4.1%, mainly fueled by the industrial end-market, notably cables;
- In **the UK** (10% of the region's sales) sales dropped by 5.3%, mainly due to internal restructuring and 15 branch closings in 2017 impacting our business in a declining market.

- **Benelux** (9% of the region's sales) posted solid growth, thanks to good momentum in **Belgium,** up 7.6% and in **the Netherlands,** up 13.5%, driven by photovoltaic equipment;
- Sales in **Switzerland** (6% of the region's sales) grew by 0.7% in an environment that remains competitive.

North America (34% of Group sales): +3.2% in Q4 and +2.4% in FY on a constant and same-day basis

In the fourth quarter, sales in North America were down 9.7% on a reported basis, including a negative currency effect of €88.3m (mainly due to the depreciation of the US dollar against the euro). On a constant and same-day basis, sales were up 3.2%, driven by Canada and the proximity business in the US.

- In **the US** (77% of the region's sales), sales were up 2.1% on a same-day basis. The sales growth was mainly driven by Rexel's proximity and automation businesses, offsetting pressure in Project business:
  - Branch openings (4 in Q4 and 17 in FY17) contributed for +1.3% of growth in the quarter;
  - +1.2% contribution from strong demand in O&G, up 25% in the quarter;
  - Rexel's Project business continues to be affected by disruptions in the supply chain of a large supplier as well as lower wind and power projects.

- In **Canada** (23% of the region's sales), sales strongly accelerated, up 6.7% on a same-day basis, mainly driven by the commercial end-market and Oil & Gas:
  - Rexel posted a high single-digit rise in the commercial business, thanks to lighting and building installation contractors;
  - The Oil & Gas business (8% of sales) also rose strongly, up 37% in the quarter.

Asia-Pacific (10% of Group sales): +12.7% in Q4 and +3.4% in FY on a constant and same-day basis

In the fourth quarter, sales in Asia-Pacific were stable on a reported basis, including a negative scope effect of €18.1m and a negative currency effect of €20.0m. On a constant and same-day basis, sales were up 12.7%.

- In Asia (52% of the region's sales), sales were up 18.2%:
  - In **China** (70% of Asia), sales grew by 12.0% on a constant and same-day basis reflecting good momentum in industrial automation products and solutions;
  - In **South East Asia** (10% of Asia), sales dropped by 12.0%. The operations were sold in Q4 2017 and consolidated until November 30, 2017;
  - **Middle East and India** (20% of Asia) posted a strong performance thanks to a large project in the Middle East and strong automation business in India.

- In the Pacific (48% of the region's sales), sales were up 7.2% on a constant and same-day basis:
  - In **Australia** (83% of Pacific), sales were up 9.8%, mainly reflecting the good momentum in the residential end-market (up in the double digits) and market share gains;
  - In **New Zealand** (17% of Pacific), sales were down 3.7% due to lower project sales.

PROFITABILITY

Continued improvement in gross margin: +39bps in Q4 and +16bps in FY
Adjusted EBITA margin of 4.7% in Q4, up 26bps, and of 4.4% in FY, up 13bps

- *This quarter, we have restated operating expenses (opex) and Depreciation to reflect a change in corporate-hosted allocation in order to provide greater clarity of underlying operating leverage by region (see appendix 7)*

In the fourth quarter, gross margin was up 39 bps year-on-year, at 24.5% of sales and opex (including depreciation) amounted to 19.8% of sales, representing a 13bp deterioration year-on-year.

- In **Europe**, gross margin stood at 26.9% of sales, up 41bps year-on-year, in spite of an unfavorable cable margin contribution of -26bps. These effects were offset by the benefits stemming from strong operating leverage in France and better purchasing conditions in the UK thanks to the merger of banners.
- In **North America**, gross margin stood at 22.5% of sales. This represented a 54bps improvement year-on-year, mainly thanks to better purchasing conditions and pricing initiatives, especially in our proximity business in the US. This improvement was offset by opex (including depreciation) that increased by 56bps (to 18.7% of sales), impacted by investments in future growth in the US, including branch openings, counter resets, commercial actions and logistics initiatives.
- In **Asia-Pacific**, gross margin stood at 17.5% of sales, a deterioration of 40bps year-on-year. However, adjusted EBITA margin improved by 104bps, thanks to country mix, volume contribution, bad debt reversal and strict cost control which offset the 40 bps impact on gross margin due to the phasing of a project in Middle East.

As a result, adjusted EBITA stood at €159.3m, up 8.7% in Q4.

Adjusted EBITA margin rose by 26 basis points to 4.7% of sales, reflecting:

- an improved adjusted EBITA margin in Europe at 6.3% of sales, up 76bps,
- a stable adjusted EBITA margin in North America at 3.8% of sales and
- an improved adjusted EBITA margin in Asia-Pacific at 2.4% of sales, up 104bps.

In Q4, reported EBITA stood at €162.4 million (including a €3.1m positive one-off copper effect), up 5.5% year-on-year.

In the full year, gross margin stood at 24.4% of sales, up 16bps year-on-year, thanks both to North America (up 43bps at 22.5% of sales) and Europe (up 7bps at 26.8% of sales) and offsetting the deterioration in Asia-Pacific (down 44bps at 17.8% of sales).

Opex (incl. depreciation) were broadly stable year-on-year at 20.1% of sales.

As a result, adjusted EBITA stood at €580.1m, up 6.1% at 4.4% of sales, up 13bps year-on-year. Excluding South East Asian operations (fully divested in 2017), adjusted EBITA grew by 7.5% in full-year 2017.

Reported EBITA stood at €594.3m in the full-year (including a €14.2m positive one-off copper effect) up 10.1%.

NET INCOME

Net income decreased to €104.9m in the full-year, mainly due to goodwill impairment
Recurring net income increased to €291.2 million in the full-year, up 16.4% yoy

Operating income in the full year stood at €322.3 million, vs. €397.0m in 2016.

- Amortization of intangibles resulting from purchase price allocation amounted to €19.0 million (vs. €18.7 million in 2016).
- Other income and expenses amounted to a net charge of €253.0 million (vs. a net charge of €124.0 million in 2016). They included €44.1 million of restructuring costs (vs. €59.3 million in 2016). They also included a charge of €133.7m from goodwill impairment in Germany (€86.2 million), Finland (€34.5 million) and New Zealand (€13.0 million) and a loss on asset disposals of €68.7 million, including a €57.6 million loss from South East Asia divestment in Q4.

Net financial expenses in the full year amounted to €145.9 million (vs. €146.3 million in 2016). Both periods included charges related to refinancing operations:

- 2017 included a net charge of €18.8 million, related to early redemptions of (i) the remaining outstanding USD330m from the Senior notes issued in April 2013 and (ii) the €500m from Senior notes issued in May 2015. 2017 was also impacted by a €10.9 million non-recurring expense associated with the discounting of letters of credit due from overseas financial institutions;
- 2016 included a net charge of €16.3 million related to the early redemption of (i) the €650m Senior notes issued in April 2013 and (ii) the early repayment of USD170m (c. €150m) from the Senior notes issued in April 2013.

Restated for those net charges, net financial expenses decreased from €130.0 million in 2016 to €116.2 million in 2017. This largely reflected lower average debt year-on-year and lower average effective interest rate, thanks to the various refinancing operations. The average effective interest rate on gross debt decreased by 37bps year-on-year in 2017 to 3.2% (vs. 3.5% in 2016).

Income tax in the full year represented a charge of €71.5 million (vs. €116.4 million in 2016), a decrease of 38.6%, mainly reflecting a 29.6% decrease in profit before tax. The effective tax rate is lower at 40.5% (vs. 46.4% in 2016), reflecting the non-cash one-off effect of the revaluation of our deferred tax liabilities in the US following the adoption of the new tax reform. This was offset by non-tax-deductible charges from goodwill impairment and capital loss on asset disposal.

Net income in the full year dropped by 21.9% to €104.9 million (vs. €134.3 million in 2016).

Recurring net income in the full year amounted to €291.2 million, up 16.4% year-on-year (see appendix 2).

FINANCIAL STRUCTURE

Net debt reduced by 6% year-on-year at December 31, 2017

The indebtedness ratio stood at 2.8x at December 31, 2017

In the full year, free cash flow before interest and tax was an inflow of €384.3 million (vs. an inflow of €439.1 million in 2016). This net inflow included:

- Net capital expenditure of €110.3 million (vs. €98.6 million in 2016),
- An outflow of €118.4 million from change in working capital on a reported basis (vs. an outflow of €26.1 million in 2016). On a constant and adjusted basis, working capital increased by 50bps as a percentage of the last 12-month sales, from 10.3% at December 31, 2016 to 10.8% at December 31, 2017. This increase reflected higher inventories to support a deeper and larger offer and the opening of branches/counters in the US, as presented at the latest Capital Markets Day, and a decrease by 1.5 days of payables.

At December 31, 2017, net debt stood at €2,041.2 million, down 6.0% year-on-year (vs. €2,172.6 million at December 31, 2016).

It took into account:

- €120.8 million of dividend paid early July,
- €101.9 million of net interest paid in FY (€24.5 million paid in Q4),
- €102.5 million of income tax paid in FY (€11.2 million paid in Q4),
- €111.0 million of positive currency effect in FY (positive effect of €13.3 million in Q4).

At December 31, 2017, the indebtedness ratio (Net financial debt/ EBITDA), as calculated under the Senior Credit Agreement terms, stood at 2.8x vs. 3.0x at December 31, 2016.

INCREASE IN PROPOSED DIVIDEND TO €0.42 PER SHARE, PAYABLE IN CASH

Rexel will propose to shareholders a dividend of €0.42 per share, 2 cents higher compared to last year and representing 44% of the Group's recurring net income (vs. 48% last year). This is in line with Rexel's policy of paying out at least 40% of recurring net income.

This dividend, payable in cash early in July 2018, will be subject to approval at the Annual Shareholders' Meeting to be held in Paris on May 24, 2018.

OUTLOOK

In 2018, we expect further growth in a market environment that should remain favorable in most of our main geographies. We will continue to invest in our digitization strategy across the group and in our operations in the US and should also benefit from the contribution from our US initiatives launched in 2017.

Consistent with our medium-term ambition, we target at comparable scope of consolidation and exchange rates**:**

- **sales up in the low single digits** (on a same-day basis);
- **a mid- to high-single-digit increase in adjusted EBITA**[1];
- **a further improvement of the indebtedness ratio** (net debt-to-EBITDA[2])

1 *excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price*

2 as calculated under the Senior Credit Agreement terms

NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 5.

CALENDAR

April 27, 2018	First-quarter results
May 24, 2018	Annual Shareholders' Meeting
July 31, 2018	Second-quarter and half-year results
October 31, 2018	Third-quarter and nine-month results

FINANCIAL INFORMATION

The financial report for the period ended December 31, 2017 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.
A slideshow of the fourth-quarter and full-year 2017 results 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 some 2,000 branches in 26 countries, with more than 27,000 employees. The Group's sales were €13.3 billion in 2017.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, STOXX® Global ESG Leaders, Ethibel Sustainability Index Excellence Europe, Euronext Vigeo Eiris Eurozone 120 and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR).
For more information, visit Rexel's web site at www.rexel.com

CONTACTS

FINANCIAL ANALYSTS / INVESTORS

Ludovic DEBAILLEUX	+33 1 42 85 76 12	ludovic.debailleux@rexel.com
Florence MEILHAC	+33 1 42 85 57 61	florence.meilhac@rexel.com

PRESS

Elsa LAVERSANNE	+33 1 42 85 58 08	elsa.laversanne@rexel.com
Brunswick: Thomas KAMM	+33 1 53 96 83 92	tkamm@brunswickgroup.com

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 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.

RECURRING NET INCOME is defined as net income adjusted 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.

APPENDICES

Appendix 1: 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 cables price and before amortization of purchase price allocation.*

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

Q4 2016	Q4 2017	FY 2016	FY 2017
4.2	3.1	(10.0)	14.2

GROUP

Constant and adjusted basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	3,315.7	**3,405.4**	**+2.7%**	12,939.2	**13,310.1**	**+2.9%**
on a constant basis and same days			***+5.4%***			***+3.5%***
Gross profit	799.4	**834.3**	**+4.4%**	3,138.7	**3,249.6**	**+3.5%**
as a % of sales	*24.1%*	*24.5%*	*39 bps*	*24.3%*	*24.4%*	*16 bps*
Distribution & adm. expenses (incl. depreciation)	(652.7)	(674.9)	+3.4%	(2,591.9)	(2,669.5)	+3.0%
EBITA	146.6	**159.3**	**+8.7%**	546.8	**580.1**	**+6.1%**
as a % of sales	*4.4%*	*4.7%*	*26 bps*	*4.2%*	*4.4%*	*13 bps*
Headcount (end of period)	-	-	-	26,712	**27,125**	**-0.6%**

EUROPE

Constant and adjusted basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	1,823.8	**1,912.8**	**+4.9%**	7,050.3	**7,292.3**	**+3.4%**
on a constant basis and same days			***+5.5%***			***+4.2%***
France	668.5	**722.8**	*+8.1%*	2,539.9	**2,659.2**	*+4.7%*
on a constant basis and same days			*+8.2%*			*+5.5%*
United Kingdom	206.0	**195.1**	*-5.3%*	872.6	**843.6**	*-3.3%*
on a constant basis and same days			*-5.3%*			*-2.9%*
Germany	203.3	**202.2**	*-0.6%*	801.4	**819.9**	*+2.3%*
on a constant basis and same days			*+4.1%*			*+3.9%*
Scandinavia	249.8	**264.3**	*+5.8%*	921.5	**974.0**	*+5.7%*
on a constant basis and same days			*+7.4%*			*+6.5%*
Gross profit	483.4	**514.8**	**+6.5%**	1,886.8	**1,956.4**	**+3.7%**
as a % of sales	*26.5%*	*26.9%*	*41 bps*	*26.8%*	*26.8%*	*7 bps*
Distribution & adm. expenses (incl. depreciation)	(381.9)	(388.0)	+1.6%	(1,504.2)	(1,532.1)	+1.9%
EBITA	101.6	**126.8**	**+24.8%**	382.5	**424.3**	**+10.9%**
as a % of sales	*5.6%*	*6.6%*	*106 bps*	*5.4%*	*5.8%*	*39 bps*
Headcount (end of period)	-	-	-	15,778	**15,753**	**-0.2%**

NORTH AMERICA

Constant and adjusted basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	1,192.6	**1,156.5**	**-3.0%**	4,619.4	**4,710.1**	**+2.0%**
on a constant basis and same days			***+3.2%***			***+2.4%***
United States	941.4	**888.5**	*-5.6%*	3,614.4	**3,685.6**	*+2.0%*
on a constant basis and same days			*+2.1%*			*+2.4%*
Canada	251.2	**268.1**	*+6.7%*	1,005.0	**1,024.5**	*+1.9%*
on a constant basis and same days			*+6.7%*			*+2.4%*
Gross profit	262.1	**260.5**	**-0.6%**	1,020.6	**1,060.8**	**+3.9%**
as a % of sales	*22.0%*	*22.5%*	*54 bps*	*22.1%*	*22.5%*	*43 bps*
Distribution & adm. expenses (incl. depreciation)	(216.9)	(212.4)	-2.1%	(844.8)	(884.0)	+4.6%
EBITA	45.2	**48.1**	**+6.2%**	175.8	**176.8**	**+0.6%**
as a % of sales	*3.8%*	*4.2%*	*36 bps*	*3.8%*	*3.8%*	*-5 bps*
Headcount (end of period)	-	-	-	8,003	**8,451**	**5.6%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	299.3	**336.1**	**+12.3%**	1,269.6	**1,307.7**	**+3.0%**
on a constant basis and same days			***+12.7%***			***+3.4%***
China	111.5	**122.9**	*+10.2%*	434.5	**476.9**	*+9.8%*
on a constant basis and same days			*+12.0%*			*+10.2%*
Australia	122.1	**134.0**	*+9.7%*	509.1	**535.9**	*+5.3%*
on a constant basis and same days			*+9.8%*			*+5.6%*
New Zealand	28.5	**27.5**	*-3.6%*	126.0	**117.1**	*-7.0%*
on a constant basis and same days			*-3.7%*			*-6.7%*
Gross Profit	53.7	**58.9**	**+9.9%**	231.2	**232.4**	**+0.5%**
as a % of sales	*17.9%*	*17.5%*	*-40 bps*	*18.2%*	*17.8%*	*-44 bps*
Distribution & adm. expenses (incl. depreciation)	(49.6)	(52.7)	+6.2%	(215.8)	(220.4)	+2.1%
EBITA	4.1	**6.2**	**+53.1%**	15.4	**12.0**	**-22.3%**
as a % of sales	*1.4%*	*1.9%*	*49 bps*	*1.2%*	*0.9%*	*-30 bps*
Headcount (end of period)	-	-	-	2,690	**2,701**	**0.4%**

Appendix 2: Consolidated Financial Statement

Consolidated Income Statement

Reported basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	**3,457.7**	**3,405.4**	**-1.5%**	**13,162.1**	**13,310.1**	**1.1%**
Gross profit	**833.3**	**837.5**	**0.5%**	**3,172.8**	**3,264.2**	**2.9%**
as a % of sales	*24.1%*	*24.6%*		*24.1%*	*24.5%*	
Distribution & adm. expenses (excl. depreciation)	(653.9)	(649.3)	-0.7%	(2,536.1)	(2,570.1)	1.3%
EBITDA	**179.4**	**188.3**	**4.9%**	**636.7**	**694.1**	**9.0%**
as a % of sales	*5.2%*	*5.5%*		*4.8%*	*5.2%*	
Depreciation	(25.5)	(25.9)		(97.1)	(99.8)	
EBITA	**153.9**	**162.4**	**5.5%**	**539.6**	**594.3**	**10.1%**
as a % of sales	*4.5%*	*4.8%*		*4.1%*	*4.5%*	
Amortization of intangibles resulting from purchase price allocation	(5.0)	(4.6)		(18.7)	(19.0)	
Operating income bef. other inc. and exp.	**148.9**	**157.8**	**6.0%**	**521.0**	**575.3**	**10.4%**
as a % of sales	*4.3%*	*4.6%*		*4.0%*	*4.3%*	
Other income and expenses	(79.0)	(196.6)		(124.0)	(253.0)	
Operating income	**69.9**	**(38.8)**	**N/A**	**397.0**	**322.3**	**-18.8%**
Net financial expenses	(32.2)	(55.1)		(146.3)	(145.9)	
Net income (loss) before income tax	**37.7**	**(93.9)**	**N/A**	**250.7**	**176.4**	**-29.6%**
Income tax	(36.7)	35.2		(116.4)	(71.5)	
Net income (loss)	**1.0**	**(58.6)**	**N/A**	**134.3**	**104.9**	**-21.9%**

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

in €m	Q4 2016	Q4 2017	FY 2016	FY 2017
Operating income before other income and other expenses on a reported basis	**148.9**	**157.8**	**521.0**	**575.3**
Change in scope of consolidation	1.1	0.0	2.5	0.0
Foreign exchange effects	(4.2)	0.0	(5.2)	0.0
Non-recurring effect related to copper	(4.2)	(3.1)	10.0	(14.2)
Amortization of intangibles assets resulting from PPA	5.0	4.6	18.7	19.0
Adjusted EBITA on a constant basis	**146.6**	**159.3**	**546.8**	**580.1**

RECURRING NET INCOME

in €m	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Reported net income	1.0	**(58.6)**	**N/A**	134.3	**104.9**	**-21.9%**
Non-recurring copper effect	(4.0)	**(3.1)**		10.1	**(14.2)**	
Other expense & income	79.0	**196.6**		124.0	**253.0**	
Financial expense	(0.8)	**24.1**		16.3	**30.4**	
Tax expense	(12.4)	**(75.9)**		(34.4)	**(82.9)**	
Recurring net income	62.8	**83.0**	**+32.2%**	250.3	**291.2**	**+16.4%**

SALES AND PROFITABILITY BY SEGMENT

Reported basis (€m)	Q4 2016	Q4 2017	Change	FY 2016	FY 2017	Change
Sales	**3,457.7**	**3,405.4**	**-1.5%**	**13,162.1**	**13,310.1**	**+1.1%**
Europe	1,839.4	1,912.8	+4.0%	7,168.5	7,292.3	+1.7%
North America	1,280.9	1,156.5	-9.7%	4,689.1	4,710.1	+0.4%
Asia-Pacific	337.5	336.1	-0.4%	1,304.6	1,307.7	+0.2%
Gross profit	**833.3**	**837.5**	**+0.5%**	**3,172.8**	**3,264.2**	**+2.9%**
Europe	493.6	518.3	+5.0%	1,915.1	1,967.6	+2.7%
North America	279.6	260.2	-6.9%	1,022.4	1,064.1	+4.1%
Asia-Pacific	60.0	59.0	-1.6%	235.1	232.5	-1.1%
EBITA	**153.9**	**162.4**	**+5.5%**	**539.6**	**594.3**	**+10.1%**
Europe	108.5	130.1	+19.8%	386.9	435.1	+12.5%
North America	46.4	47.7	+2.9%	165.6	180.1	+8.7%
Asia-Pacific	3.5	6.4	+83.3%	14.3	12.1	-15.6%

CONSOLIDATED BALANCE SHEET[1]

Assets (Reported basis in €m)	December 31, 2016	December 31, 2017
Goodwill	4 300,2	3 914,9
Intangible assets	1 109,5	1 049,7
Property, plant & equipment	282,4	272,0
Long-term investments	41,8	38,0
Deferred tax assets	128,4	95,9
Total non-current assets	**5 862,3**	**5 370,4**
Inventories	1 579,3	1 543,8
Trade receivables	2 187,3	2 077,0
Other receivables	513,1	543,9
Assets classified as held for sale	0,3	0,0
Cash and cash equivalents	619,3	563,6
Total current assets	**4 899,3**	**4 728,3**
Total assets	**10 761,6**	**10 098,7**

Liabilities (Reported basis in €m)	December 31, 2016	December 31, 2017
Total equity	**4 383,3**	**4 163,6**
Long-term debt	2 195,1	2 450,5
Deferred tax liabilities	240,0	173,7
Other non-current liabilities	423,2	376,3
Total non-current liabilities	**2 858,3**	**3 000,5**
Interest bearing debt & accrued int.	610,0	161,8
Trade payables	2 179,0	2 034,8
Other payables	730,9	738,0
Total current liabilities	**3 519,9**	**2 934,6**
Total liabilities	**6 378,3**	**5 935,0**
Total equity & liabilities	**10 761,6**	**10 098,7**

1 *Net debt includes Debt hedge derivatives for €(6.5)m at December 31, 2017 and €(12.3)m at December 31, 2016. It also includes accrued interest receivables for €(1.0)m at December 31, 2017 and for €(0.9)m at December 31, 2016.*

CHANGE IN NET DEBT

Reported basis (€m)	Q4 2016	Q4 2017	FY 2016	FY 2017
EBITDA	**179,4**	**188,3**	**636,7**	**694,1**
Other operating revenues & costs[1]	(20,3)	(26,0)	(72,9)	(81,2)
Operating cash-flow	**159,1**	**162,3**	**563,8**	**612,9**
Change in working capital	274,1	235,2	(26,1)	(118,4)
Net capital expenditure, of which:	(18,5)	(32,7)	(98,6)	(110,3)
Gross capital expenditure	*(31,0)*	*(35,8)*	*(115,8)*	*(112,5)*
Disposal of fixed assets & other	*11,3*	*1,1*	*22,1*	*3,5*
Free cash-flow from continuing op. before int. & tax	**414,7**	**364,8**	**439,1**	**384,3**
Net interest paid / received	(26,8)	(24,5)	(118,8)	(101,9)
Income tax paid	(8,2)	(11,2)	(54,6)	(102,5)
Free cash-flow from continuing op. after int. & tax	**379,7**	**329,0**	**265,6**	**179,9**
Net financial investment	2,1	(25,7)	(91,6)	(24,3)
Dividends paid	0,0	(0,0)	(120,3)	(120,8)
Net change in equity	4,7	(1,2)	6,2	0,7
Other	(0,6)	(3,2)	(17,8)	(15,0)
Currency exchange variation	(47,4)	13,3	(16,1)	111,0
Decrease (increase) in net debt	**338,4**	**312,1**	**26,1**	**131,4**
Net debt at the beginning of the period	**2 511,0**	**2 353,3**	**2 198,7**	**2 172,6**
Net debt at the end of the period	**2 172,6**	**2 041,2**	**2 172,6**	**2 041,2**

1 *Includes restructuring outflows of €6.8m in Q4 2017 and €16.5m in Q4 2016 and of €45.6m in 2017 and €49.1m in 2016.*
2 *Excluding settlement of fair value hedge derivatives.*

Appendix 3: Working Capital Analysis

Constant basis	December 31, 2016	December 31, 2017
Net inventories		
as a % of sales 12 rolling months	***11.7%***	***12.0%***
as a number of days	*51.4*	*53.3*
Net trade receivables		
as a % of sales 12 rolling months	***16.2%***	***16.0%***
as a number of days	*49.3*	*51.0*
Net trade payables		
as a % of sales 12 rolling months	***16.1%***	***15.5%***
as a number of days	*62.0*	*60.5*
Trade working capital		
as a % of sales 12 rolling months	***11.8%***	***12.5%***
Total working capital		
as a % of sales 12 rolling months	***10.3%***	***10.8%***

Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	31/12/16	31/12/17	Year-on-Year Change
Europe	**15,778**	**15,753**	**-0.2%**
USA	*5,935*	*6,358*	**7.1%**
Canada	*2,068*	*2,093*	**1.2%**
North America	**8,003**	**8,451**	**5.6%**
Asia-Pacific	**2,690**	**2,701**	**0.4%**
Other	**241**	**219**	**-9.1%**
Group	**26,712**	**27,125**	**1.5%**

Branches comparable	31/12/16	31/12/17	Year-on-Year Change
Europe	**1,196**	**1,183**	**-1.1%**
USA	*372*	*384*	**3.2%**
Canada	*188*	*190*	**1.1%**
North America	**560**	**574**	**2.5%**
Asia-Pacific	**250**	**255**	**2.0%**
Group	**2,006**	**2,012**	**0.3%**

Appendix 5: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1,25	USD
1 €	=	1,50	CAD
1 €	=	1,50	AUD
1 €	=	0,90	GBP

and based on aquisitions/divestments to date, 2017 sales should take into account the following estimated impacts to be comparable to 2018 :

	Q1e	Q2e	Q3e	Q4e	FYe
Scope effect at Group level	**-27,2**	**-29,8**	**-23,8**	**-17,8**	**-98,6**
as% of 2017 sales	*-0,8%*	*-0,9%*	*-0,7%*	*-0,5%*	*-0,7%*
Currency effect at Group level	**-190,7**	**-138,0**	**-56,8**	**-43,6**	**-429,1**
as% of 2017 sales	*-5,7%*	*-4,1%*	*-1,8%*	*-1,3%*	*-3,2%*
Calendar effect at Group level	**-1,1%**	**0,6%**	**0,4%**	**1,0%**	**0,2%**
Europe	-1,6%	0,7%	0,7%	0,7%	0,1%
USA	*0,0%*	*0,0%*	*0,0%*	*1,7%*	*0,4%*
Canada	*-1,6%*	*1,5%*	*0,0%*	*1,5%*	*0,4%*
North America	-0,4%	0,4%	0,0%	1,6%	0,4%
Asia	*0,0%*	*0,1%*	*0,2%*	*0,8%*	*0,3%*
Pacific	*-1,7%*	*1,7%*	*-0,1%*	*1,5%*	*0,4%*
Asia-Pacific	-1,0%	1,0%	0,0%	1,1%	0,4%

Rexel

a world of energy

Appendix 6: analysis of change in revenues (€m)

Q4	Europe	North America	Asia-Pacific	Group
Reported sales 2016	**1,839.4**	**1,280.9**	**337.5**	**3,457.7**
+/- Net currency effect	-0.8%	-6.9%	-5.9%	-3.6%
+/- Net scope effect	0.0%	0.0%	-5.4%	-0.5%
= Comparable sales 2016	**1,823.8**	**1,192.6**	**299.3**	**3,315.7**
+/- Actual-day organic growth, of which:	**4.9%**	**-3.0%**	**12.3%**	**+2.7%**
Constant-same day excl. copper	*3.6%*	*1.6%*	*12.5%*	*+3.8%*
Copper effect	*1.9%*	*1.5%*	*0.2%*	*+1.6%*
Constant-same day incl. copper	**5.5%**	**3.2%**	**12.7%**	**+5.4%**
Calendar effect	-0.6%	-6.2%	-0.4%	-2.7%
= Reported sales 2017	**1,912.8**	**1,156.5**	**336.1**	**3,405.4**
YoY change	4.0%	-9.7%	-0.4%	-1.5%

FY	Europe	North America	Asia-Pacific	Group
Reported sales 2016	**7,168.5**	**4,689.1**	**1,304.6**	**13,162.1**
+/- Net currency effect	-1.1%	-1.6%	-0.9%	-1.2%
+/- Net scope effect	-0.6%	0.1%	-1.8%	-0.5%
= Comparable sales 2016	**7,050.3**	**4,619.4**	**1,269.6**	**12,939.2**
+/- Actual-day organic growth, of which:	**3.4%**	**2.0%**	**3.0%**	**+2.9%**
Constant-same day excl. copper	*2.5%*	*1.2%*	*3.4%*	*2.1%*
Copper effect	*1.7%*	*1.2%*	*0.0%*	*1.4%*
Constant-same day incl. copper	**4.2%**	**2.4%**	**3.4%**	**+3.5%**
Calendar effect	-0.7%	-0.4%	-0.4%	-0.6%
= Reported sales 2017	**7,292.3**	**4,710.1**	**1,307.7**	**13,310.1**
YoY change	1.7%	0.4%	0.2%	+1.1%

Appendix 7: Restatement of adjusted EBITA by geography

This quarter, we have restated Opex and Depreciation to reflect a change in corporate-hosted cost allocation in order to provide greater clarity of underlying operating leverage by region.

Q4 2017 (€m and YoY change)	EUROPE		NORTH AM.		ASIA-PACIFIC		HOLDING	GROUP	
Sales	**1,912.8**	**+4.9%**	**1,156.5**	**-3.0%**	**336.1**	**+12.3%**		**3,405.4**	**+2.7%**
Constant and same-day		*+5.5%*		*+3.2%*		*+12.7%*			*+5.4%*
Gross margin	**514.8**	**+6.5%**	**260.5**	**-0.6%**	**58.9**	**+9.8%**		**834.3**	**+4.4%**
% of sales	*26.9%*	*+41bps*	*22.5%*	*+54bps*	*17.5%*	*-40bps*		*24.5%*	*+39bps*
Restated Opex + depre. [2]	**(393.9)**	**+3.1%**	**(216.8)**	**+0.0%**	**(50.8)**	**+2.4%**	**(13.4)**	**(674.9)**	**+3.4%**
% of sales	*-20.6%*	*+35bps*	*-18.7%*	*-56bps*	*-15.1%*	*+146bps*		*-19.8%*	*-13bps*
o/w change in corporate costs allocation	*-5.9*		*-4.4*		*+1.9*		*+8.4*	*0.0*	
Adjusted EBITA [1, 2]	**120.9**	**+19.1%**	**43.7**	**-3.3%**	**8.1**	**+97.6%**	**(13.4)**	**159.3**	**+8.7%**
% of sales	*6.3%*	*+76bps*	*3.8%*	*0bps*	*2.4%*	*+104bps*		*4.7%*	*+26bps*

1 At comparable scope of consolidation and exchange rates and excluding (i) amortization of PPA and (ii) the non-recurring effect related to changes in copper-based cables price; 2 Restated from change in corporate-hosted cost allocation

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: 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 cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

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

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on March 31, 2017 under number D.17-0272. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

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

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on March 31, 2017 under number D.17-0272, as well as the consolidated financial statements and activity report for the 2017 fiscal year which may be obtained from Rexel's website (www.rexel.com).