Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	992 360 194
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ELEKTROSKANDIA NORWAY HOLDING AS
Forretningsadresse:	Fugleåsen 6
	1405 LANGHUS

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kaj Eikrem
Dato for fastsettelse av årsregnskapet:	24.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 22.06.2023

Resultatregnskap

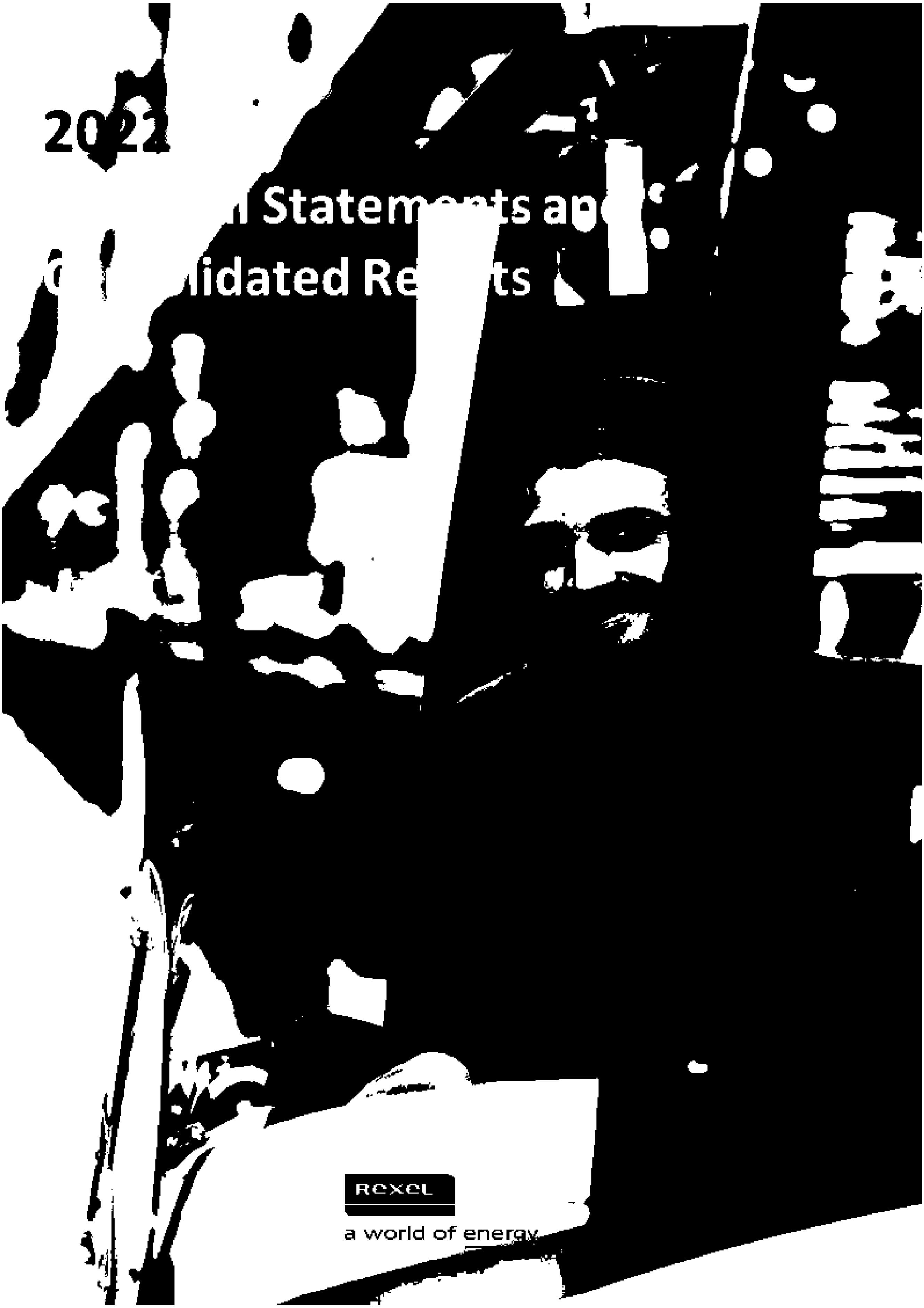
Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	1 158 000	265 000
Sum kostnader		**1 158 000**	**265 000**
Driftsresultat		**-1 158 000**	**-265 000**
Finansinntekter og finanskostnader			
Annen finansinntekt		30 164 000	69 403 000
Sum finansinntekter		**30 164 000**	**69 403 000**
Annen finanskostnad		2 000	2 000
Sum finanskostnader		**2 000**	**2 000**
Netto finans		**30 162 000**	**69 401 000**
Ordinært resultat før skattekostnad		**29 004 000**	**69 136 000**
Skattekostnad på ordinært resultat	3	6 381 000	15 210 000
Ordinært resultat etter skattekostnad		**22 623 000**	**53 926 000**
Årsresultat		**22 623 000**	**53 926 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	4	22 623 000	53 926 000
Sum overføringer og disponeringer		**22 623 000**	**53 926 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	3	4 371 000	5 809 000
Sum immaterielle eiendeler		**4 371 000**	**5 809 000**
Finansielle anleggsmidler			
Investering i datterselskap	5	652 894 000	652 894 000
Sum finansielle anleggsmidler		**652 894 000**	**652 894 000**
Sum anleggsmidler		**657 265 000**	**658 703 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	6	225 743 000	207 653 000
Sum fordringer		**225 743 000**	**207 653 000**
Sum omløpsmidler		**225 743 000**	**207 653 000**
SUM EIENDELER		**883 008 000**	**866 356 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4	41 004 000	41 004 000
Annen innskutt egenkapital	4	1 510 432 000	1 510 432 000
Sum innskutt egenkapital		**1 551 436 000**	**1 551 436 000**
Opptjent egenkapital			
Annen egenkapital	4	-674 090 000	-696 713 000
Sum opptjent egenkapital		**-674 090 000**	**-696 713 000**

Balanse

Beløp i: NOK	Note	2022	2021
Sum egenkapital		**877 346 000**	**854 723 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Betalbar skatt	3	4 943 000	11 413 000
Kortsiktig konserngjeld	7	604 000	95 000
Annen kortsiktig gjeld	7	115 000	125 000
Sum kortsiktig gjeld		**5 662 000**	**11 633 000**
Sum gjeld		**5 662 000**	**11 633 000**
SUM EGENKAPITAL OG GJELD		**883 008 000**	**866 356 000**


Statements
Rexel

Société Anonyme (corporation)
with share capital of € 1,517,066,325
Registered office: 13 boulevard du Fort de Vaux - CS 60002
75017 PARIS - France
479 973 513 R.C.S. Paris

2022 Financial Statements

& Consolidated Results

This document is a free translation from French to English of Rexel's original financial information for the year ended December 31, 2022 and is provided solely for the convenience of English speaking readers. In the event of any ambiguity or discrepancy between this unofficial translation and the original financial information for the year ended December 31, 2022, the French version will prevail.

I. Consolidated Results

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1. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The group consists of Rexel and its subsidiaries (herein after referred to as “the Group” or ”Rexel”).

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

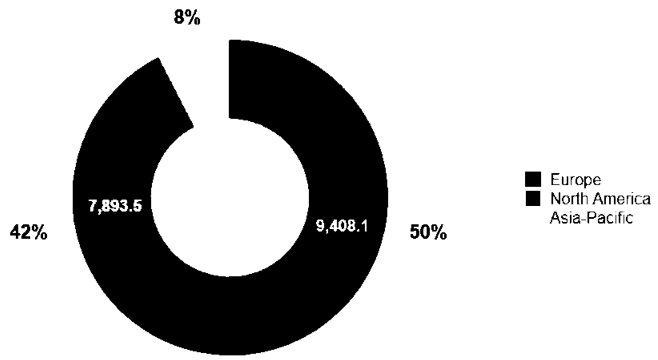
The activity report analyses the financial results, liquidity and financial resources of the Group for the year ended December 31, 2022.

1.1 FINANCIAL POSITION OF THE GROUP

1.1.1 Group Overview

Rexel is a worldwide expert in the professional distribution of low and ultra-low voltage electrical products, based on sales and number of branches. The Group principally operates in three geographic areas: Europe, North America and Asia-Pacific. This geographic segmentation is based on the Group’s financial reporting structure.

In 2022, the Group recorded consolidated sales of €18,701.6 million in the following geographies:



The Group’s activities in Europe (50% of Group sales) are in France (37% of Group sales in this region), the United Kingdom, Germany, Sweden, Switzerland, Belgium, Austria, the Netherlands, Norway, Finland, Ireland, Italy, Slovenia and Luxembourg.

The Group’s activities in North America (42% of Group sales) are in the United States and Canada representing 81% and 19% of Group sales respectively in this region.

The Group’s activities in Asia-Pacific (8% of Group sales) are in Australia (43% of Group sales in this region), China (42%), New Zealand, India and Middle East.

1.1.2 Significant events of the reporting period

In 2022, Rexel recorded highest year ever sales, EBITA and free cash-flow before interests and tax performance. The market was driven by both price inflation and volume growth in a context of electrification and energy transition.

In 2022, Rexel presented its updated strategic roadmap for the four years 2022-2025 ("Power Up 2025") and unveiled its financial, environmental medium term targets, and its capital allocation strategy.

As part of the active management of its portfolio of operations, Rexel also completed the following transactions:

- Two acquisitions to reinforce its local footprint in the US (Horizon Solutions) and Belgium (Trilec); and
- Three divestments of operations in Spain, Portugal and Russia.

1.1.3 Seasonality

Despite the low impact of seasonality on sales, changes in the Group's working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group's EBITA and cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters.

1.1.4 Impact of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 17% 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 suppliers' commercial policies and the competitive environment of markets the Group operates in. Changes in copper price have an estimated "recurring" and "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- The recurring effect related to the change in copper-based cable prices corresponds to the change in the value of the copper included in the sales price of cables from one period to another. This effect mainly relates to sales;
- 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 such inventory has been rebuilt (direct effect on gross profit). In practice, 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, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change in gross profit).

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

1.1.5 Comparability of the Group's operating results and adjusted EBITA

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results presented below, financial information is also restated to give effect to the following adjustments.

Effects of acquisitions and disposals

The Group adjusts its prior year results to give effect of the acquisitions & disposals of the current year. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of the acquisition and ceases to include the results of a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding financial year, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Accordingly, the comparable results of 2021 have been mainly adjusted for:

Acquisitions	**Operating segment**	**Effective date**	**Adjusted period**
Horizon Solutions	North America	August, 2022	August 1, 2021 - December 31, 2021
Trilec	Europe	July, 2022	July 1, 2021 - December 31, 2021
Mayer	North America	November, 2021	January 1, 2021 - November 30, 2021
Disposals	**Operating segment**	**Effective date**	**Adjusted period**
Spanish and Portuguese businesses	Europe	November, 2022	November 1, 2021 - December 31, 2021
Russian business	Europe	March, 2022	March 1, 2021 - December 31, 2021
Rexel Arabia	Asia-Pacific	October, 2021	January 1, 2021 - September 30, 2021
DIY business in France (Dismo)	Europe	March, 2021	January 1, 2021 - February 28, 2021

Effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

Non-recurring effect related to changes in copper price

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 1.1.4 Impact of changes in copper price above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number of the comparative period to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

- On a constant and actual number of working days basis, which means excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison of sales;
- On a constant and same-day basis, which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and
- On a constant basis, adjusted, which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

The Group uses the "EBITA" and "Adjusted EBITA" measures to monitor its performance. Neither EBITA nor Adjusted EBITA is an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

	YEAR ENDED DECEMBER 31	
(in millions of euros)	**2022**	**2021**
Operating income before other income and other expenses	**1,330.9**	**956.4**
Changes in scope of consolidation	—	68.0
Foreign exchange effects	—	44.7
Non-recurring effect related to copper	23.7	(68.0)
Amortization of the intangible assets (1)	13.9	7.3
Adjusted EBITA on a constant basis	**1,368.5**	**1,008.4**

(1) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

Rexel also uses the recurring-net-income measure to determine the level of dividends to be distributed according to its dividend policy: Rexel has committed to pay dividends representing at least 40% of the recurring net income. The table below presents the reconciliation of net income with net recurring income:

	YEAR ENDED DECEMBER 31	
(in millions of euros)	**2022**	**2021**
Net income (as reported)	**922.3**	**597.6**
Non-recurring copper effect	23.7	(57.8)
Other expense & income	(12.1)	44.6
Financial expense	—	22.6
Tax expense	(22.1)	(32.1)
Recurring net income	**911.8**	**575.0**
Weighted average number of common shares adjusted for dilutive potential shares (in thousands)	303,671	304,019
Fully diluted earnings per share (in euros)	3.00	1.89

1.2 COMPARISON OF FINANCIAL RESULTS AS OF DECEMBER 31, 2022 AND AS OF DECEMBER 31, 2021

1.2.1 Rexel Group's consolidated financial results

The following table sets out Rexel's consolidated income statement for 2022 and 2021, in millions of euros and as a percentage of sales.

In addition, the table below sets out the net effect of acquisitions and disposals and the effect of exchange rate fluctuation on prior year comparative figures. This table also presents comparable data adjusted for copper price fluctuation according to paragraph 1.1.4.

	YEAR ENDED DECEMBER 31			YEAR ENDED DECEMBER 31		
	2022	**2021**	Δ %	**2022**	**2021**	Δ %
(in millions of euros)		**Reported**		**Adjusted**		**On a constant basis, adjusted**
Sales	**18,701.6**	**14,690.2**	**27.3 %**	**18,701.6**	**16,440.1**	**13.8 %**
Same-day basis						*14.1 %*
Gross profit	4,868.6	3,871.6	25.8 %	4,892.2	4,213.5	16.1 %
as a % of sales	*26.0 %*	*26.4 %*		*26.2 %*	*25.6 %*	
Operating expenses	(3,187.8)	(2,607.1)	22.3 %	(3,187.8)	(2,879.4)	10.7 %
Depreciation	(335.9)	(300.7)	11.7 %	(335.9)	(325.7)	3.1 %
Distribution and administrative expenses before amortization of intangible assets	(3,523.8)	(2,907.8)	21.2 %	(3,523.7)	(3,205.1)	9.9 %
as a % of sales	*(18.8)%*	*(19.8)%*		*(18.8)%*	*(19.5)%*	
EBITA	**1,344.8**	**963.7**	**39.5 %**	**1,368.5**	**1,008.4**	**35.7 %**
as a % of sales	***7.2 %***	***6.6 %***		***7.3 %***	***6.1 %***	
Amortization of intangible assets (1)	(13.9)	(7.3)	90.0 %			
Operating income before other income and expenses	**1,330.9**	**956.4**	**39.2 %**			
Other income and expenses	12.1	(44.6)	n.a.			
Operating income/(loss)	**1,343.0**	**911.8**	**47.3 %**			
Net financial expenses	(119.4)	(133.1)	(10.3)%			
Share of profit / (loss) in associates	(0.1)	(0.3)	(75.8)%			
Pre tax income/(loss)	**1,223.5**	**778.4**	**57.2 %**			
Income taxes	(301.2)	(180.8)	66.6 %			
Effective tax rate	24.6 %	23.2 %				
Net income/(loss)	**922.3**	**597.6**	**54.3 %**			

(1) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

Sales

In 2022, Rexel's consolidated sales amounted to €18,701.6 million, as compared to €14,690.2 million in 2021.

On a reported basis, sales were up 27.3% year-on-year, including:

- A positive net scope effect of €1,081.1 million (7.4% of the 2021 sales) resulting from the acquisitions of Mayer and Horizon Solutions in the US, Trilec in Belgium and offset by the disposals of several businesses including in Spain and Portugal; and
- A positive currency effect of €668.8 million (4.6% of the 2021 sales), mainly due to the appreciation of the US and Canadian dollars against the euro.

On a constant and actual number of working days basis, sales increased by 13.8%.

The table below summarizes the impact on sales evolution of the number of working days, changes in scope and in currency effects:

	Q1	Q2	Q3	Q4	YEAR ENDED DECEMBER 31, 2022
Growth on a constant and same-days basis	16.0 %	12.0 %	16.3 %	12.3 %	14.1 %
Number of working days effect	3.1 %	0.1 %	(0.8)%	(3.1)%	(0.3)%
Growth on a constant and actual-day basis	***19.1 %***	***12.1 %***	***15.5 %***	***9.2 %***	***13.8 %***
Changes in scope effect	7.2 %	7.9 %	10.7 %	4.0 %	7.4 %
Foreign exchange effect	3.1 %	4.7 %	6.6 %	3.7 %	4.6 %
Total scope and currency effect	***10.3 %***	***12.7 %***	***17.3 %***	***7.8 %***	***11.9 %***
Growth on a reported basis (1)	**31.4 %**	**26.3 %**	**35.5 %**	**17.8 %**	**27.3 %**

(1) Growth on a constant basis and actual number of working days compounded by the scope and currency effects.

On a constant and same-day basis, sales increased by 14.1%, driven by selling price increase (9.8%) and volume rise (4.3%).

By geography area, North America increased by 16.3%, Europe increased by 13.9% and Asia-Pacific increased by 3.9%.

Same-day sales growth benefited from the electrification trends, emphasized by the sales of four categories of products ("electrification products"), including Solar, Electric Vehicle charging infrastructure (EV), Heating, Ventilation and Air-Conditioning (HVAC), and Industrial Automation.

Sales of electrification products amounted to €3,466.2 million in 2022, up 24.6%, on a constant basis, as compared to €2,786.7 million in 2021.

Digital sales representing 25.2% of Group sales in 2022, as compared to 22.8% in 2021, on a constant basis.

Gross profit

In 2022, gross profit amounted to €4,868.6 million, up 25.8%, on a reported basis, as compared to €3,871.6 million in 2021.

On a constant basis, adjusted gross margin improved by 53 basis points ("bps") in 2022, to reach 26.2% of sales and adjusted gross profit increased by 16.1%.

Distribution & administrative expenses before amortization of intangible assets

In 2022, distribution and administrative expenses before amortization of intangible assets amounted to €3,523.8 million, up 21.2% on a reported basis, as compared to €2,907.8 million in 2021 and by 9.9% on a constant and adjusted basis.

Distribution and administrative expenses before amortization of intangible assets and represented 18.8% of sales in 2022 as compared to 19.5% of sales in 2021, reflecting a better absorption of fixed costs.

EBITA

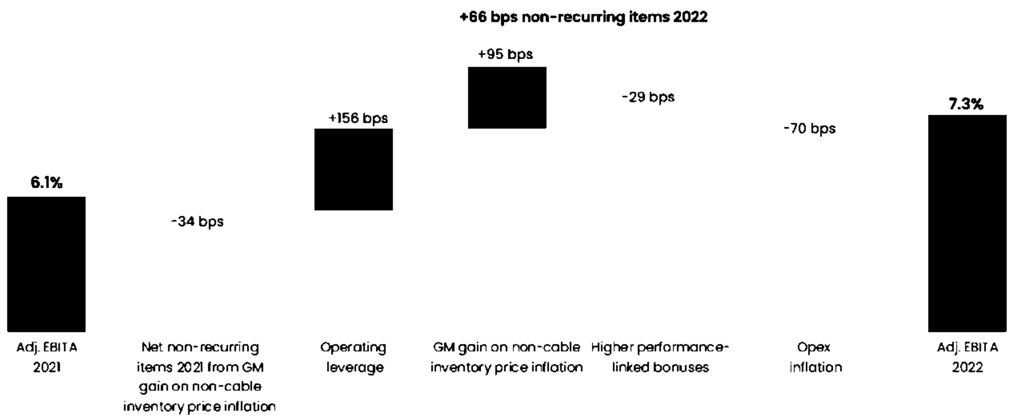
In 2022, EBITA stood at €1,344.8 million, up 39.5%, on a reported basis, as compared to €963.7 million in 2021 including a positive net scope effect of €68.0 million and a positive foreign exchange currency impact of €44.7 million.

On a constant basis, adjusted EBITA increased by 35.7% to €1,368.5 million and adjusted EBITA margin stood at 7.3% of sales, up 118 bps year-on-year including:

- A positive operating leverage impact of 156 bps, largely from the capacity to pass through price increases;
- A net positive non-recurring effect of circa 66 bps as a result of:
  - A positive one-off gross margin gain on non-cable inventory price inflation for 95 bps;
  - A negative 29 bps one-off effect from higher performance linked bonuses, in a context of better-than-anticipated activity; and
- An operating expenses degradation of 70 bps due to overall inflation of 4.1% including 3.7% in Salaries and Benefits and 6.1% from other operating expenses 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 a more efficient organization. Those tailwinds more than offset overall operating expenses inflation.

The graph below details the +118 bps improvement in adjusted EBITA margin:



Other income and expenses

In 2022, other expense and income represented a €12.1 million gain, of which:

- €42.7 million net disposal gain, after transaction costs, associated with the sale of operations in Spain, Portugal and Russia;
- €(10.9) million of acquisition and integration costs;
- €(8.3) million costs related to abandoned IT developments; and
- €(4.1) million of wind -up costs in United Arab Emirates.

In 2021, other income and expenses represented a net expense of €44.6 million, consisting mainly of:

- €(23.4) million of impaired trade receivables in connection with the discontinuation of a non-core contract in China;
- €(10.5) million acquisition and integration costs;
- €(7.3) million write-down of right-of-use and other fixed assets in Spain; and
- €(5.6) million of restructuring costs.

Net financial expenses

Net financial expenses were €119.4 million in 2022 and €133.1 million in 2021, out of which:

- €46.5 million related to lease interest expenses (€40.4 million in 2021); and
- a €22.6 million one-off expense in 2021 related to two senior notes early redemption.

Excluding the above one-off effect, net financial expenses stood at €72.9 million in 2022, up €2.8 million year-on-year. Higher gross debt due to increasing utilization of securitization programs was partly offset by the effect of the senior notes refinancing at lower cost in November 2021.

As a result, effective interest rate of the gross financial debt stood at 2.29% down 13 bps, year-on-year.

Income tax

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

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

Net income

As a result of the above items, net income stood at €922.3 million in 2022, as compared to €597.6 million in 2021.

Recurring net income stood at €911.8 million in 2022, up +58.6% compared to last year, resulting in earnings per share of €3.00 (€1.89 in 2021).

1.2.2 Europe (50% of Group sales)

	YEAR ENDED DECEMBER 31			YEAR ENDED DECEMBER 31		
	2022	**2021**	**Δ %**	**2022**	**2021**	**Δ %**
(in millions of euros)	**Reported**			**Adjusted**	**On a constant basis, adjusted**	
Sales	**9,408.1**	**8,273.8**	**13.7 %**	**9,408.1**	**8,284.9**	**13.6 %**
Same-day basis						*13.9 %*
Gross profit	2,600.8	2,308.9	12.6 %	2,605.9	2,280.9	14.2 %
as a % of sales	*27.6 %*	*27.9 %*		*27.7 %*	*27.5 %*	
Operating expenses	(1,704.9)	(1,516.5)	12.4 %	(1,704.9)	(1,517.5)	12.4 %
Depreciation	(176.4)	(170.6)	3.4 %	(176.4)	(171.2)	3.1 %
Distribution and administrative expenses before amortization of intangible assets	(1,881.4)	(1,687.1)	11.5 %	(1,881.3)	(1,688.6)	11.4 %
as a % of sales	*(20.0)%*	*(20.4)%*		*(20.0)%*	*(20.4)%*	
EBITA	**719.5**	**621.8**	**15.7 %**	**724.6**	**592.3**	**22.3 %**
as a % of sales	*7.6 %*	*7.5 %*		*7.7 %*	*7.1 %*	

Sales

In 2022, sales in Europe amounted to €9,408.1 million, up 13.7% on a reported basis, as compared to €8,273.8 million in 2021, including:

- A foreign exchange currency effect of €21.8 million (0.3% of the 2021 area sales), mainly due to the appreciation of the Swiss franc and the British pound against the euro, offset by the depreciation of the Swedish krona against the euro; and
- A net negative effect of change in scope of €10.6 million ((0.1)% of the 2021 area sales) mainly due to disposals of Spanish and Portuguese businesses, partly offset by the acquisition of Trilec in Belgium.

On a constant and actual-day basis, sales increased by 13.6%, impacted by a slight unfavorable calendar impact of circa 30 bps.

On a constant and same-day basis, sales increased by 13.9% as compared to 2021, driven by selling price increase (10.2% of which 2.0% on copper-based prices and 8.2% on non-cable prices) and rise in volumes (3.8%) particularly in the second half of 2022, resulting from strong demand in electrification product categories (Solar, HVAC, EV stations) and efforts to improve the countries' energy independence, in the backdrop of energy crisis.

Sales of electrification products amounted to €1,489.0 million in 2022, up 47.0%, on a constant basis, as compared to €1,015.8 million in 2021. The rise is mainly driven by the sales of solar products, up 176.2% year-on-year.

Digital sales represented 35.6% of Europe sales in 2022 (up 143 bps year-on-year), resulting in an increase in volume of 18.3% as compared to 2021.

In **France**, sales amounted to €3,503.8 million in 2022, an increase of 10.8% as compared to 2021 on a constant and same-day basis, in an environment of price inflation. Sales performance was also driven by active customer gains and favorable trends in all end-markets. Digital penetration improved to 28.8% of sales from 26.3% in 2021.

In **Scandinavia**, sales amounted to €1,203.7 million in 2022, an increase of 13.9% from 2021 on a constant and same-day basis driven by all end-markets along with a strong demand in solar products.

In **Benelux**, sales amounted to €1,098.6 million in 2022, an increase of 20.9% from 2021 on a constant and same-day basis, with market out-performance in the Netherlands thanks to a strong growth in solar products.

In **Germany**, sales amounted to €979.6 million in 2022, an increase of 20.2% from 2021 on a constant and same-day basis, gaining further market share. The increase also reflected a strong demand in solar products.

In the **United Kingdom**, sales amounted to €809.6 million in 2022, an increase of 11.7% from 2021 on a constant and same-day basis, driven by a strong selling price contribution to compensate for currency depreciation on imported products.

Gross profit

In 2022, on a constant basis, adjusted gross profit increased by 14.2% and adjusted gross margin increased by 17 bps to 27.7% of sales, from pricing power.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 11.4% in 2022, representing 20.0% of sales in 2022, a 39 bps improvement as compared to 2021, benefiting from robust sales despite higher operating expenses, especially linked to additional headcount and inflation.

EBITA

In 2022, as a result, on a reported basis, EBITA amounted to €719.5 million, up 15.7% as compared to €621.8 million in 2021, including a positive foreign exchange currency impact of €1.9 million.

On a constant basis, adjusted EBITA increased by 22.3% as compared to 2021 and adjusted EBITA margin increased by 55 bps to 7.7% of sales, including 75 bps of non-recurring impact from inventory price inflation on non-cable products, net of higher performance-linked bonuses.

1.2.3 North America (42% of Group sales)

(in millions of euros)	YEAR ENDED DECEMBER 31 2022	2021	Δ %	YEAR ENDED DECEMBER 31 2022	2021	Δ %
	Reported			Adjusted	On a constant basis, adjusted	
Sales	**7,893.5**	**5,122.6**	54.1 %	**7,893.5**	**6,801.6**	16.1 %
Same-day basis						*16.3 %*
Gross profit	2,000.4	1,331.4	50.2 %	2,019.0	1,692.1	19.3 %
as a % of sales	*25.3 %*	*26.0 %*		*25.6 %*	*24.9 %*	
Operating expenses	(1,261.2)	(891.7)	41.4 %	(1,261.2)	(1,156.3)	9.1 %
Depreciation	(108.9)	(82.4)	32.2 %	(108.9)	(105.9)	2.9 %
Distribution and administrative expenses before amortization of intangible assets	(1,370.1)	(974.1)	40.7 %	(1,370.1)	(1,262.1)	8.6 %
as a % of sales	*(17.4)%*	*(19.0)%*		*(17.4)%*	*(18.6)%*	
EBITA	**630.4**	**357.3**	**76.4 %**	**648.9**	**430.0**	**50.9 %**
as a % of sales	*8.0 %*	*7.0 %*		*8.2 %*	*6.3 %*	

Sales

In 2022, sales in North America amounted to €7,893.5 million, up 54.1%, on a reported basis, as compared to €5,122.6 million in 2021, including:

- A positive foreign exchange currency effect of €577.2 million (11.3% of the 2021 area sales), due to the appreciation of the US and Canadian dollars against the euro; and
- A positive effect of change in scope of €1,101.7 million (21.5% of the 2021 area sales), associated to the acquisitions of Mayer and Horizon Solutions in the US.

On a constant and same-day basis, sales increased by 16.3% as compared to 2021.

Sales performance included a positive impact of 9.3% from the change in non-cable prices. Volume effect was positive at 6.6%.

Digital sales represented 16.5% of North America's sales (including Mayer), up 381 bps year-on-year, resulting in an increase of 51.0% in volume as compared to 2021.

Sales of electrification products amounted to €1,404.1 million in 2022, up 14.1%, on a constant basis, as compared to €1,231.4 million in 2021. The rise is mainly driven by the sales of industrial-automation products.

In the **United States**, sales stood at €6,425.4 million in 2022, a 16.8% increase from 2021 on a constant and same-day basis. The performance was particularly sustained in Gulf Central (Industrial automation and Oil & Gas), Mountain Plains (Commercial segment in large cities) and California (Commercial business). All three-end markets posted robust performance despite a declining trend in the fourth quarter of 2022 in residential. Backlog remained important thanks to a growth acceleration in project activities and a steady level of order intake.

In **Canada**, sales amounted to €1,468.0 million in 2022, a 14.2% increase from 2021 on a constant and same-day basis, notably thanks to robust performance driven by industrial end-markets (Oil & Gas and mining especially), while residential end-market demand remained stable.

Gross profit

On a constant basis, adjusted gross profit increased by 19.3% and adjusted gross margin increased by 70 bps to 25.6% of sales, illustrating the benefits from Mayer's integration as well as the Group's capacity to pass through price increases.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 8.6%, representing 17.4% of sales in 2022, a 120 bps improvement as compared to 2021, despite higher performance-linked bonuses and headcount to support the volume effect on sales in North America.

EBITA

In 2022, as a result, EBITA amounted to €630.4 million, up 76.4%, on a reported basis, as compared to €357.3 million in 2021, including a positive foreign exchange currency impact of €41.2 million.

On a constant basis, adjusted EBITA increased by 50.9% from 2021 and adjusted EBITA margin increased by 190 bps to 8.2% of sales, benefiting from rising digital sales and Mayer's integration synergies. EBITA margin included 62 bps of non-recurring impact from inventory price inflation on non-cable products, net of higher performance-linked bonuses.

1.2.4 Asia - Pacific (8% of Group sales)

	YEAR ENDED DECEMBER 31			YEAR ENDED DECEMBER 31		
	2022	2021	Δ %	2022	2021	Δ %
(in millions of euros)	Reported			Adjusted	On a constant basis, adjusted	
Sales	**1,400.1**	**1,293.8**	**8.2 %**	**1,400.1**	**1,353.6**	**3.4 %**
Same-day basis						*3.9 %*
Gross profit	267.3	231.3	15.6 %	267.3	240.5	11.2 %
as a % of sales	*19.1 %*	*17.9 %*		*19.1 %*	*17.8 %*	
Operating expenses	(211.7)	(172.9)	22.5 %	(211.7)	(179.6)	17.9 %
Depreciation	(29.2)	(27.6)	5.7 %	(29.2)	(28.6)	2.1 %
Distribution and administrative expenses before amortization of intangible assets	(240.9)	(200.5)	20.2 %	(240.9)	(208.1)	15.7 %
as a % of sales	*(17.2)%*	*(15.5)%*		*(17.2)%*	*(15.4)%*	
EBITA	**26.4**	**30.8**	**(14.2)%**	**26.4**	**32.4**	**(18.4)%**
as a % of sales	*1.9 %*	*2.4 %*		*1.9 %*	*2.4 %*	

Sales

In 2022, sales in Asia-Pacific amounted to €1,400.1 million, up 8.2%, on a reported basis, as compared to €1,293.8 million in 2021, including:

- A positive foreign exchange currency effect of €69.8 million (5.4% of the 2021 area sales), mainly due to the appreciation of the Australian dollar and the yuan against the euro; and
- A negative effect of change in scope of €10.1 million ((0.8)% of the 2021 area sales) from divestments in 2021.

On a constant and same-day basis, sales increased by 3.9% as compared to 2021, despite Covid situation in China. Sales performance included a positive impact of 7.6% from the change in non-cable prices, offsetting a negative volume effect of 4.6%, mainly due to Covid-related lockdowns in China in 2022.

Digital sales represented 5.1% of Asia-Pacific sales (up 40 bps year-on-year), resulting in an increase of 12.2% as compared to 2021.

Sales of electrification products amounted to €573.2 million in 2022, up 6.4%, on a constant basis, as compared to €539.4 million in 2021.

In **Australia**, sales amounted to €598.5 million in 2022, up +7.0%, on a constant and same-day basis thanks to the commercial and industrial end-markets, a favorable comparable base related to lockdown in the third quarter of 2021, despite a slow start to the year due to difficult weather conditions.

In **China**, sales amounted to €589.2 million in 2022, a 0.7% increase compared to 2021, on a constant and same-day basis. Volumes were down 9.2%, impacted by lockdowns in the second quarter of 2022 and Covid outbreak in December.

Gross profit

In 2022, on a constant basis, adjusted gross profit increased by 11.2% and adjusted gross margin by 132 bps to 19.1% of sales, driven by both Pacific and Asia improving performance.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 15.7% as compared to 2021, representing 17.2% of sales in 2022, a 183 bps deterioration as compared to 2021 due to bad debt deterioration in China, in a context of tougher credit conditions along with Covid outbreak-related disruptions.

EBITA

In 2022, as a result, EBITA amounted to €26.4 million, down 14.2%, on a reported basis, as compared to €30.8 million in 2021.

On a constant basis, adjusted EBITA decreased by 18.4% from 2021 and adjusted EBITA margin decreased by 50 bps to 1.9% of sales, offset by a better profitability in Pacific as compared to 2021.

1.2.5 Other operations

	YEAR ENDED DECEMBER 31		
(in millions of euros)	**2022**	**2021**	Δ %
Sales	—	—	—
Gross profit	—	—	—
Operating expenses	(10.0)	(26.1)	(61.7)%
Depreciation	(21.5)	(20.1)	6.6 %
Distribution and administrative expenses	(31.5)	(46.2)	(31.9)%
EBITA	**(31.5)**	**(46.2)**	**(31.9)%**

This segment mostly includes unallocated centrally-hosted expenses and projects. In 2022, EBITA was negative by €31.5 million compared to €46.2 million in 2021, mainly due to lower centrally-hosted projects.

2. LIQUIDITY AND CAPITAL RESOURCES

2.1 CASH FLOW

The following table sets out Rexel's cash flow statement for 2022 and 2021 together with a reconciliation of free cash flow before and after interest and income tax paid.

	YEAR ENDED DECEMBER 31		
(in millions of euros)	**2022**	**2021**	Change
Operating cash flow before interest and taxes	1,602.6	1,181.8	*420.8*
Financial interest on borrowings paid [(1)]	(59.9)	(56.1)	*(3.8)*
Income tax paid	(310.8)	(199.0)	*(111.9)*
Operating cash flow before change in working capital	**1,231.9**	**926.7**	***305.2***
Change in working capital requirements	(391.8)	(209.0)	*(182.8)*
Net cash flow from operating activities	**840.1**	**717.7**	***122.4***
Net cash flow from investing activities	**(182.1)**	**(542.3)**	***360.2***
o.w. Operating capital expenditures [(2)]	*(125.4)*	*(103.2)*	*(22.2)*
Net cash flow from financing activities [(3)]	**(286.6)**	**(299.7)**	***13.2***
Net cash flow	**371.4**	**(124.3)**	***495.7***
Operating cash flow before interest and taxes	1,602.6	1,181.8	*420.8*
Repayment of lease liabilities	(212.1)	(188.9)	*(23.2)*
Change in working capital requirements	(391.8)	(209.0)	*(182.8)*
Operating capital expenditures	(125.4)	(103.2)	*(22.2)*
Free cash flow before interest and taxes	**873.3**	**680.6**	***192.7***
Financial interest on borrowings paid	(59.9)	(56.1)	*(3.8)*
Income tax paid	(310.8)	(199.0)	*(111.9)*
Free cash flow after interest and taxes	**502.6**	**425.5**	***77.1***

(1) Excluding interest on lease liabilities.

(2) Net of disposals.

(3) Including lease liabilities repayment.

2.1.1 Cash flow from operating activities

Rexel's net cash flow from operating activities was an inflow of €840.1 million in 2022 compared to €717.7 million in 2021.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements increased from €1,181.8 million in 2021 to €1,602.6 million in 2022 as the result of EBITA improvement driven by sales growth and digital transformation.

Interest and taxes

Net interest paid stood at €59.9 million in 2022, up from €56.1 million in 2021 reflecting higher average gross debt in 2022 (rise in trade receivables sold under securitization programs) as compared to 2021.

Income tax paid increased by €111.9 million from €199.0 million in 2021 to €310.8 million in 2022 mainly as a result of surge of pre-tax income.

Change in working capital requirements

Change in working capital requirements reflected mainly sales growth and accounted for an outflow of €391.8 million in 2022, as compared to a €209.0 million outflow in 2021.

- Net inventories contributed for a €228.4 million outflow (€349.3 million outflow in 2021);
- Net trade receivables contributed for a €332.4 million outflow (€158.7 million outflow in 2021);
- Net trade payables contributed for a €214.1 million inflow (€183.9 million inflow in 2021); and
- Change in non-trade working capital represented an outflow of €45.2 million (€115.5 million inflow in 2021), mostly due to higher performance bonuses and guarantee paid under judicial investigation in France.

Working capital requirements

	As of DECEMBER 31	
	2022	**2021**
Working capital requirements as a % of sales [(1)] at: constant basis	11.7%	11.1%
of which Trade Working capital	14.0%	13.9%
	Number of days	Number of days
Net inventories	57.9	57.5
Net trade receivables	47.9	45.3
Net trade payables	53.1	52.6

(1) Working capital requirements, end of period, divided by last 12-month sales.

As a percentage of sales over the last 12 months, on a constant basis, working capital requirements amounted for 11.7% as of December 31, 2022, a 60 bps deterioration as compared to December 31, 2021, due to non-trade working capital (receivable related to the guarantee paid under judicial investigation in France in 2022).

Increase in DSO is mainly due to an unfavorable calendar effect in collection at year-end 2022.

2.1.2 Cash flow from investing activities

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a €182.1 million outflow in 2022, as compared to €542.3 million outflow in 2021.

	YEAR ENDED DECEMBER 31	
(in millions of euros)	**2022**	**2021**
Acquisitions of operating fixed assets	*(148.4)*	*(103.0)*
Proceed from disposal of operating fixed assets	*5.9*	*6.1*
Net change in debts and receivables on fixed assets	*17.1*	*(6.3)*
Net cash flow from capital expenditures	**(125.4)**	**(103.2)**
Acquisition of subsidiaries, net of cash acquired	*(150.0)*	*(426.3)*
Proceeds from disposal of subsidiaries, net of cash disposed of	*97.4*	*(9.6)*
Net cash flow from financial investments	**(52.6)**	**(435.9)**
Net change in long-term investments	**(4.0)**	**(3.1)**
Net cash flow from investing activities	**(182.1)**	**(542.3)**

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €125.4 million in 2022, as compared to €103.2 million in 2021.

In 2022, gross capital expenditures represented 0.8% of sales and stood at €148.4 million (€103.0 million in 2021). The increase is mainly due to investments in logistic centers (up €34.8 million year-on-year). IT and Digital projects represented €57.2 million in 2022 (€52.2 million in 2021). Disposals of fixed assets were €5.9 million (€6.1 million in 2021).

Acquisitions and disposals of subsidiaries

Net cash flow from financial investments accounted for an outflow of €52.6 million in 2022, reflecting mainly:

- Acquisitions of which Horizon and Trilec for a total of €148.4 million; offset by
- Proceeds received from the divestments of the Spanish and Portuguese businesses (€96.6 million) in November 2022.

In 2021, net cash flow from financial investments accounted for an outflow of €435.9 million mainly in connection with the acquisition of Mayer and a utility distribution business in Canada.

2.1.3 Cash flow from financing activities

In 2022, net cash flow from financing activities represented a net cash outflow of €286.6 million, mainly resulting from the:

- €212.1 million lease liabilities repayment;
- €230.1 million dividend distribution;
- €65.5 million stock repurchase program; and
- Partly offset by higher recourse to securitization programs commitments for €275.9 million.

In 2021, net cash flow from financing activities represented a net cash outflow of €299.7 million, mainly resulting from the:

- €188.9 million lease liabilities repayment;
- €139.6 million dividend distribution; and
- Partly offset by the effect of the senior notes refinancing.

2.2 SOURCES OF FINANCING

In addition to the cash from operations, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines. As of December 31, 2022, Rexel's consolidated net debt amounted to €1,458.4 million, up €92.7 million as compared to December 31, 2021, consisting of the following items:

	As of DECEMBER 31					
	2022			**2021**		
(in millions of euros)	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
Senior notes	—	953.2	953.2	—	999.5	999.5
Securitization	360.0	823.5	1,183.5	605.0	300.0	905.0
Bank loans	62.3	0.2	62.5	36.7	0.3	37.0
Commercial paper	45.0	—	45.0	125.5	—	125.5
Bank overdrafts and other credit facilities	75.1	—	75.1	68.7	—	68.7
Accrued interests	2.4	—	2.4	5.1	—	5.1
Less transaction costs	(2.3)	(8.4)	(10.7)	(3.6)	(9.2)	(12.9)
Total financial debt and accrued interest	**542.4**	**1,768.6**	**2,311.0**	**837.5**	**1,290.5**	**2,128.0**
Cash and cash equivalents			(895.4)			(573.5)
Accrued interest receivable			(3.5)			(1.4)
Debt hedge derivatives			46.3			(2.0)
Net financial debt			**1,458.4**			**1,551.2**

As of December 31, 2022, the Group's liquidity amounted to €1,662.8 million (€1,264.6 million at December 31, 2021), consisting of the following items:

	As of DECEMBER 31	
(in millions of euros)	**2022**	**2021**
Cash and cash equivalents	895.4	573.5
Bank overdrafts	(75.1)	(68.7)
Commercial paper	(45.0)	(125.5)
Undrawn Senior credit agreement	850.0	850.0
Bilateral facilities	37.5	35.3
Liquidity	**1,662.8**	**1,264.6**

Senior Credit Facility Agreement

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as of June 30 and December 31 of each year. The leverage ratio, as calculated under the terms of the senior credit agreement, stood at 0.96x as of December 31, 2022 (1.37x as of December 31, 2021).

As of December 31, 2022, Rexel's ratings by the financial rating agencies were as follows:

As of DECEMBER 31, 2022		
Rating agency	Moody's	Standard & Poor's
Long-term rating	Ba1	BB+
Short-term rating	-	B
Outlook	Stable	Stable

3. OUTLOOK

3.1 COMPARISON BETWEEN THE REXEL GROUP 2022 FORECASTS AND ACHIEVEMENTS

For 2022, Rexel had expressed the following forecast, on the basis of the assumptions set forth in the Universal Registration Document filed with the *Autorité des marchés financiers* on March 10, 2022, under number D.22-0083. Rexel targeted, at comparable scope of consolidation and exchange rates:

- Same day sales growth of between 4% and 6%;
- Adjusted EBITA margin of 6%; and
- Free cash flow conversion above 60%.

On June 16, 2022, Rexel unveiled its upgraded 2022 financial targets, following a better-than-expected start to the year in all geographies and higher inflation, in an environment that remained uncertain:

- Same day sales growth of between 7% and 9%;
- Adjusted EBITA margin of circa 6.7% including 50 bps of non-recurring items; and
- Free cash flow conversion above 60%.

On October 27, 2022, following stronger-than-projected activity, Rexel issued trading updates, raising for the second time its guidance for the full-year 2022:

- Same day sales growth of circa 12.0%;
- Adjusted EBITA margin of circa 7.2%, including 70 bps of non-recurring items; and
- Free cash flow conversion above 60% (unchanged as compared to initial guidance).

On February 16, 2023, Rexel released its 2022 full year results, above its objectives:

- Same day sales increased by 14.1% in full-year 2022;
- Adjusted EBITA margin stood at 7.3%, including 66 bps of non-recurring items; and
- Free cash flow conversion reached 61.4%.

3.2 REXEL 2023 FORECASTS

Leveraging its transformation and enhanced efficiency, Rexel targets for 2023, at comparable scope of consolidation and exchange rates:

- Same day sales growth of between 2% and 6%;
- An adjusted EBITA[1] margin of between 6.3% and 6.7%; and
- Free cash flow conversion[2] 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

3.3 REXEL MEDIUM-TERM OBJECTIVES

On June 16, 2022, Rexel also unveiled its upgraded 2022-2025 medium-term objectives.

2022-2025 four-year targets: Robust medium-term objectives

- Same-day sales growth of c. 4%-7% on a Compound Annual Growth Rate basis;
- Adjusted EBITA margin of between 6.5% and 7% in 2025;
- A well-balanced capital allocation with:
  - Capex to sales of c. 0.9% over the period;
  - A yearly payout to shareholders of at least 40% of recurring net income;
  - Bolt-on acquisitions adding up to €2 billion in sales over the period;
  - Share buyback of around €400m over the period.
- An indebtedness ratio of around 2x.

4. DIVIDEND POLICY

The Board of Directors may propose a dividend distribution to the Shareholders' Meeting. Dividends that have not been claimed within five years after their payment date are transferred to the French State.

Rexel's medium-term objective is to generate a solid available cash flow before interest and taxes, thanks to a low capital intensity and a tight management of the working capital requirement, allowing for, inter alia, the funding of an attractive dividend representing at least 40% of the recurring net result.

In respect of the financial year ended on December 31, 2022, the Board of Directors will submit a proposal to the Shareholders' Meeting to be held on April 20, 2023, to distribute an amount of €1.20 per share, deducted from premium, payable in cash in early May 2023, in order to enable Rexel to comply with its commitments as regards the distribution of dividends to the shareholders.

Rexel has distributed the following amounts in respect of the last three financial years:

YEAR	TOTAL AMOUNTS DISTRIBUTED	AMOUNT DISTRIBUTED PER SHARE
2022	€363,429,430	€1.20 (*)
2021	€230,061,984	€0.75
2020	€139,577,760	€0.46

(*) Amount subject to the approval of the shareholders upon the Shareholders' Meeting.

5. SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR COMMERCIAL POSITION

At the presentation date of the consolidated financial statements there have been no subsequent events to December 31, 2022, that would have a significant impact on Rexel's financial situation other than two acquisitions in North America and a divestment of Rexel's activities in Norway, further strengthening the Group's portfolio.

The acquisition of Buckles Smith Electric Company in the USA was signed and closed on January 5, 2023. A recognized industrial automation player and authorized reseller of Rockwell automation solutions, Buckles Smith reinforces Rexel's expertise, footprint and customer relationship capabilities in the San Francisco Bay area. The combination of both companies will allow them to accelerate development in a high growth and technology-oriented area. Buckles Smith operates 6 branches and generated 2022 sales of circa USD 150 million.

The acquisition of Lineman's Testing Laboratories in Canada was signed and closed on January 17, 2023. This company expands Rexel Canada's footprint in the attractive utility market with a set of services, products and solutions that will be a valuable complement to Rexel's portfolio. Lineman's Testing Laboratories operates 2 branches and generated sales of circa CAD 25 million in 2022.

Rexel also announced the signing of the divestment of its operations in Norway to Kesko on January 27, 2023. Rexel's activities in Norway, generating sales of approximately €250 million 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.

6. INFORMATION ON PAYMENTS TERMS GRANTED TO SUPPLIERS AND CUSTOMERS OF REXEL S.A.

Invoices received or issued, unpaid or overdue as of December 31, 2022 (article D.441-4 I of the French Commercial Code)

	ARTICLE D.441-4 I. 1°: INVOICES RECEIVED, UNPAID AS OF DECEMBER 31, 2022	ARTICLE D.441-4 I. 2°: INVOICES ISSUED, UNPAID AS OF DECEMBER 31, 2022
(A) Overdue invoices		
Number of invoices concerned	1	1
Total amount of invoices concerned (including taxes) (in thousands of euros)	1	31
Percentage of total purchases for the year (excluding taxes)	—%	
Percentage of sales for the year (excluding taxes)		1.9%
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognized		
Number of excluded invoices	2	
Total amount of excluded invoices (including taxes) (in thousands of euros)	7	
(C) Benchmark payment terms used (contractual or statutory terms – article L.441-6 or article L.443-1 of the Commercial Code)		
Payment terms used to calculate overdue payments	Contractual terms: 30 days average Statutory terms: NA	Contractual terms: 30 days Statutory terms: NA

7. COMPANY RESULTS OVER THE LAST FIVE YEARS (AS REQUIRED BY ARTICLE R. 225-102 OF THE FRENCH COMMERCIAL DECREEE)

	JANUARY 1 TO DECEMBER 31					
(in euros)	2018	2019	2020	2021	**2022**	
Share capital at year end						
a) Share capital	1,519,944,495	1,520,510,065	1,522,125,530	1,528,582,455	1,517,066,325	
b) Number of issued shares	303,988,899	304,102,013	304,425,106	305,716,491	303,413,265	
c) Number of convertible bonds	—	—	—	—	—	
Income statement information						
a) Sales, excluding sales taxes	2,234,707	1,256,921	1,437,674	4,027,503	1,668,824	
b) Net income before taxes, depreciation and provisions	(27,864,731)	(74,281,399)	(44,758,027)	(84,032,760)	10,532,400	
c) Income taxes	(54,447,774)	(58,111,590)	(46,428,531)	(22,918,786)	(11,238,176)	
d) Net income	26,018,952	(14,542,954)	(6,783,866)	(53,245,790)	22,789,276	
e) Amount distributed	132,965,266	—	139,577,760	230,061,984	363,429,430	(1)
Earnings per share						
a) Earnings per share after taxes but before depreciation and provisions	0.09	(0.05)	0.01	(0.02)	0.14	
b) Earnings per share after taxes, depreciation and provisions	0.09	(0.05)	(0.02)	(0.17)	0.08	
c) Amount paid per share	0.44	—	0.46	0.75	1.20	(1)
Employee						
a) Number of employees	—	—	—	—	—	
b) Total remuneration	—	—	—	—	—	
c) Total social charges and other employee related expenses	—	—	—	—	—	

(1) Proposed distribution to be voted at the annual general meeting April 20, 2023.

II. Consolidated financial statements

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Consolidated Statement of Profit or Loss

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Sales	5	**18,701.6**	**14,690.2**
Cost of goods sold		(13,833.0)	(10,818.6)
Gross profit	6	**4,868.6**	**3,871.6**
Distribution and administrative expenses	7	(3,537.7)	(2,915.2)
Operating income before other income and expenses		**1,330.9**	**956.4**
Other income	8	54.1	12.4
Other expenses	8	(42.0)	(57.0)
Operating income		**1,343.0**	**911.8**
Financial income		5.2	3.3
Interest expense on borrowings		(51.2)	(52.4)
Non-recurring redemption gain (loss)		—	(22.6)
Other financial expenses		(73.4)	(61.4)
Net financial expenses	9	**(119.4)**	**(133.1)**
Share of profit / (loss) of associates		(0.1)	(0.3)
Net income before income tax		**1,223.5**	**778.4**
Income tax	10	(301.2)	(180.8)
Net income		**922.3**	**597.6**

Portion attributable:			
to the equity holders of the parent		*922.3*	*597.2*
to non-controlling interests		—	*0.5*
Earnings per share:			
Basic earnings per share (in euros)	11	*3.04*	*1.97*
Fully diluted earnings per share (in euros)	11	*3.04*	*1.96*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Net income		**922.3**	**597.6**
Items to be reclassified to profit or loss in subsequent periods			
Net gain / (loss) on net investment hedges		(22.4)	(26.8)
Income tax	10.3	5.8	7.6
Net gain / (loss) on net investment hedges, net of tax		**(16.7)**	**(19.2)**
Foreign currency translation adjustment		60.1	188.2
Income tax	10.3	(3.1)	(4.1)
Foreign currency translation adjustment, net of tax		**57.0**	**184.1**
Net gain / (loss) on cash flow hedges		23.5	12.0
Income tax	10.3	(6.1)	(3.4)
Net gain / (loss) on cash flow hedges, net of tax		**17.4**	**8.6**
Items not to be reclassified to profit or loss in subsequent periods			
Net gain/ (loss) on remeasurements of net defined benefit liability	18.3	24.8	122.6
Income tax	10.3	(10.0)	(11.1)
Net gain/ (loss) on remeasurements of net defined benefit liability, net of tax		**14.8**	**111.5**
Other comprehensive income / (loss) for the period, net of tax		**72.5**	**285.0**
Total comprehensive income / (loss) for the period, net of tax		**994.8**	**882.7**
Portion attributable:			
to the equity holders of the parent		*994.8*	*882.4*
to non-controlling interests		—	*0.3*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

(in millions of euros)		AS OF DECEMBER 31,	
ASSETS	**Note**	**2022**	**2021**
Goodwill	12.1	3,454.5	3,401.7
Intangible assets	12.1	1,167.4	1,159.0
Property, plant and equipment	12.3	306.8	271.9
Right-of-use assets	12.4	1,123.1	1,047.1
Long-term investments	12.5	66.5	56.6
Deferred tax assets	10.3	63.5	63.9
Total non-current assets		**6,181.8**	**6,000.2**
Inventories	13.1	2,275.4	2,057.2
Trade accounts receivable	13.2	2,617.0	2,353.2
Current tax assets		9.9	10.5
Other accounts receivable	13.3	743.3	559.2
Assets held for sale	14	186.8	—
Cash and cash equivalents	19.1	895.4	573.5
Total current assets		**6,727.9**	**5,553.5**
Total assets		**12,909.7**	**11,553.7**

(in millions of euros)		AS OF DECEMBER 31,	
EQUITY AND LIABILITIES	**Note**	**2022**	**2021**
Share capital	15	1,517.1	1,528.6
Share premium	15	1,015.8	1,289.8
Reserves and retained earnings		2,748.9	1,741.9
Total equity attributable to equity holders of the parent		**5,281.8**	**4,560.4**
Non-controlling interests		0.1	0.5
Total equity		**5,281.8**	**4,560.8**
Interest bearing debt (non-current part)	19.1	1,768.6	1,290.5
Lease liabilities (non-current part)	12.4	1,039.5	975.1
Net employee defined benefit liabilities	18.2	164.1	208.9
Deferred tax liabilities	10.3	232.4	229.9
Provisions and other non-current liabilities	17	79.4	35.0
Total non-current liabilities		**3,284.0**	**2,739.5**
Interest bearing debt (current part)	19.1	540.0	832.4
Accrued interest	19.1	2.4	5.1
Lease liabilities (current part)	12.4	203.6	193.7
Trade accounts payable		2,371.8	2,170.0
Income tax payable		50.1	44.6
Other current liabilities	20	1,088.3	1,007.5
Liabilities directly associated with the assets held for sale	14	87.6	—
Total current liabilities		**4,343.9**	**4,253.4**
Total liabilities		**7,627.8**	**6,992.9**
Total equity and liabilities		**12,909.7**	**11,553.7**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(in millions of euros)		FOR THE YEAR ENDED DECEMBER 31,	
CASH FLOWS FROM OPERATING ACTIVITIES	**Note**	**2022**	**2021**
Operating income		1,343.0	911.8
Depreciation, amortization and impairment of assets and assets write off	7 - 8	353.4	315.6
Employee benefits		(25.6)	(11.3)
Change in other provisions		2.9	(6.5)
Other non-cash operating items		(24.5)	12.5
Financial interest paid on borrowings		(59.9)	(56.1)
Interest on lease liabilities	12.4	(46.5)	(40.4)
Income tax paid		(310.8)	(199.0)
Operating cash flows before change in working capital requirements		**1,231.9**	**926.7**
Change in inventories		(228.4)	(349.3)
Change in trade receivables		(332.4)	(158.7)
Change in trade payables		214.1	183.9
Change in other working capital items		(45.2)	115.1
Change in working capital requirements		***(391.8)***	***(209.0)***
Net cash from operating activities		**840.1**	**717.7**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets		(131.4)	(109.3)
Proceeds from disposal of tangible and intangible assets		5.9	6.1
Acquisitions of businesses or affiliates, net of cash acquired	4.1	(150.0)	(426.3)
Proceeds from disposal of businesses or affiliates, net of cash disposed of	4.1	97.4	(9.6)
Change in long-term investments		(4.0)	(3.1)
Net cash from investing activities		**(182.1)**	**(542.3)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Purchase) / Disposal of treasury shares	15.2	(66.3)	3.8
Issuance of senior notes net of transaction costs	19.2	—	989.9
Early repayment of senior notes	19.2	—	(1,119.6)
Net change in credit facilities, commercial papers, other financial borrowings	19.2	(54.1)	108.0
Net change in securitization	19.2	275.9	46.7
Repayment of lease liabilities	12.4	(212.1)	(188.9)
Dividends paid	16	(230.1)	(139.6)
Net cash from financing activities		**(286.6)**	**(299.7)**
Net (decrease) / increase in cash and cash equivalents		**371.4**	**(124.3)**
Cash and cash equivalents at the beginning of the period	19.1	573.5	685.4
Effect of exchange rate changes on cash and cash equivalents		(48.0)	12.4
Cash and cash equivalents reclassified to assets held for sale		(1.6)	—
Cash and cash equivalents at the end of the period	19.1	**895.4**	**573.5**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(in millions of euros)

FOR THE YEAR ENDED DECEMBER 31, 2021	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	**TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT**	NON-CONTROLLING INTERESTS	**TOTAL EQUITY**
Balance at January 1, 2021		**1,522.1**	**1,450.5**	**1,148.7**	**(79.7)**	**(9.1)**	**(237.5)**	**3,795.2**	**(0.4)**	**3,794.8**
Net income		—	—	597.2	—	—	—	597.2	0.5	597.6
Other comprehensive income		—	—	—	165.1	8.6	111.5	285.2	(0.2)	285.0
Total comprehensive income for the period		—	—	**597.2**	**165.1**	**8.6**	**111.5**	**882.4**	**0.3**	**882.7**
Cash dividends	16	—	(139.6)	—	—	—	—	(139.6)	—	(139.6)
Share premium transfer to retained earnings		—	(21.3)	21.3	—	—	—	—	—	—
Allocation of free shares and free shares cancelled		6.5	0.2	(6.6)	—	—	—	—	—	—
Share-based payments	7			18.4	—	—	—	18.4	—	18.4
Disposal of subsidiaries		—	—	—	(0.2)	—	—	(0.2)	0.6	0.3
(Purchase) / Disposal of treasury shares		—	—	4.1	—	—	—	4.1	—	4.1
Balance at December 31, 2021		**1,528.6**	**1,289.8**	**1,783.3**	**85.2**	**(0.4)**	**(126.1)**	**4,560.4**	**0.5**	**4,560.8**

FOR THE YEAR ENDED DECEMBER 31, 2022	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	**TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT**	NON-CONTROLLING INTERESTS	**TOTAL EQUITY**
Balance at January 1, 2022		**1,528.6**	**1,289.8**	**1,783.3**	**85.2**	**(0.4)**	**(126.1)**	**4,560.4**	**0.5**	**4,560.8**
Net income		—	—	922.3	—	—	—	922.3	—	922.3
Other comprehensive income		—	—	—	40.3	17.4	14.8	72.5	—	72.5
Total comprehensive income for the period		—	—	**922.3**	**40.3**	**17.4**	**14.8**	**994.8**	—	**994.8**
Cash dividends	16	—	(230.1)	—	—	—	—	(230.1)	—	(230.1)
Cancellation of Rexel shares	15	(17.4)	(38.8)	—	—	—	—	(56.2)	—	(56.2)
Allocation of free shares, net of forfeitures		5.9	(5.1)	(0.8)	—	—	—	—	—	—
Share-based payments	7	—	—	20.0	—	—	—	20.0	—	20.0
Disposal of subsidiaries		—	—	—	0.9	—	—	0.9		0.9
(Purchase) / Disposal of treasury shares		—	—	(8.4)	—	—	—	(8.4)	—	(8.4)
Other changes (1)		—	—	0.4	—	—	—	0.4	(0.4)	—
Balance at December 31, 2022		**1,517.1**	**1,015.8**	**2,716.8**	**126.4**	**17.0**	**(111.3)**	**5,281.8**	**0.1**	**5,281.8**

(1) "Other changes" include changes in Group structure and transactions with non-controlling interests.

The accompanying notes are an integral part of these consolidated financial statements.

Accompanying Notes

1. General information

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The group consists of Rexel SA and its subsidiaries (hereafter referred to as "the Group" or "Rexel").

The Group, headquartered in Paris, France, is mainly involved in the business of the distribution of low and ultra-low voltage electrical products to professional customers. It serves the needs of a large variety of customers and markets in the fields of construction, industry, and services. The product offering covers electrical installation equipment, conduits and cables, lighting, security and communication, climate control, tools, renewable energies and energy management, and white and brown goods. The principal markets in which the Group operates are in Europe, North America (the United States and Canada) and Asia-Pacific (mainly in China, Australia and New Zealand).

These consolidated financial statements cover the period from January 1 to December 31, 2022 and were authorized for issue by the Board of Directors on February 15, 2023.

2. Significant events of the reporting period

In 2022, Rexel completed the following transactions as part of the management of its portfolio of operations:

- Two acquisitions to reinforce its local footprint in the US (Horizon Solutions) and Belgium (Trilec); and
- Three divestments relating to the operations in Spain, Portugal and Russia.

See notes 4.1 and 4.2 for detailed information on acquisitions and divestments.

3. Basis of preparation

3.1 Basis of preparation of the financial statements

The consolidated financial statements (hereafter referred to as "the financial statements") such as reported for the year ended December 31, 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force at December 31, 2022.

IFRS as adopted by the European Union can be consulted on the European Commission's website (www.efrag.org).

The financial statements are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated.

3.2 Basis of Consolidation

The consolidated financial statements include the financial statements for Rexel S.A., parent company of the Group, its direct and indirect subsidiaries.

3.2.1 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of Rexel and the presentation currency of the Group's financial statements are the euro.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate prevailing at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities that are measured at cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated into euro at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated into euro at rates approximating the foreign exchange rates ruling at the dates of the transactions. All resulting translation differences are recognized as a separate component of equity (foreign currency translation reserve).

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on disposal.

3.2.2 Use of judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

Main estimates and judgments made by the Group which have significant effect on the financial statements are described in the following notes:

- Business combinations (notes 4.1 and 12.1);
- Impairment of goodwill and intangible assets (note 12.2);
- Measurement of share-based payments (note 7);
- Employee benefits (note 18);
- Provisions and contingent liabilities (notes 17 and 23);
- Supplier rebates (notes 6 and 13.3);
- Lease contracts (note 12.4);
- Recognition of deferred tax assets (note 10.3);
- Climate change risk.

Climate change risks result both from more frequent extreme climatic event exposures and energy transitioning. The Group believes that financial impacts due to direct damages from extreme climatic events to its facilities remain limited due to its decentralized organization and its widespread geographic footprint.

Energy transitioning requires the adoption of low-carbon economic model. Rexel, as a distributor of electrical equipment and a player of energy efficiency, should benefit from steady increasing electrical usages fostered by regulatory changes, public investment plans and high level of energy pricing.

4. Changes in Group structure

A business combination is a transaction or other event in which the Group obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends and interests) or generating other income from ordinary activities. Business combinations are accounted for using the acquisition method:

– Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair value;

– The Group measures the non-controlling interests either at fair value, or at the proportionate share of the acquiree's identifiable net assets. This option is available for all business combinations based on a case-by-case analysis of each transaction.

Goodwill is determined at the acquisition date as the difference between:

– The fair value of the consideration transferred, including any contingent consideration (earn-out), plus the amount of any non-controlling interests; and

– The net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

The subsidiaries are fully consolidated from the date on which control is obtained.

Costs attributable to the acquisition are expensed within "other expenses" in the period in which they are incurred.

Any contingent considerations (earn out) is recognized at acquisition-date fair value and remeasured within "other income or expenses" in the income statement at each reporting date.

Initial estimates of consideration transferred, fair values of assets acquired and liabilities assumed are finalized within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognized in the income statement.

4.1 Acquisitions

4.1.1 Entities acquired in 2022

Horizon Solutions LLC (USA)

On August 1, 2022, the Group acquired Horizon Solutions LLC ("Horizon Solutions"), an industrial automation distributor specialist with 10 branches in the northeast of the USA.

As of December 31, 2022, the purchase price allocation was recognized on a provisional basis: fair value measurement of inventories and trade receivable is in progress and should be finalized in the first half of 2023.

As part of the purchase price allocation, the Group recognized:

- customer relationships and customer contracts of €6.8 million with a useful life of 9 years;
- distribution networks of €13.7 million with indefinite useful life;
- distribution agreement of €30.3 million with a useful life of 10 years;
- residual preliminary goodwill of €30.7 million.

Trilec (Belgium)

On July 4, 2022, Rexel Belgium closed the acquisition of Trilec, a Belgian family-owned electrical distributor operating mostly in Flanders.

As part of the purchase price allocation, the Group recognized a goodwill of €15.6 million.

The table below shows the purchase price allocation to identifiable assets acquired and liabilities assumed for the entities acquired in 2022:

(in millions of euros) **Net assets acquired and consideration transferred**	HORIZON SOLUTIONS	TRILEC	OTHER	TOTAL
Customer relationships and distribution agreement	37.1	—	0.3	37.4
Distribution networks	13.7	—	—	13.7
Right-of-use assets	10.7	9.9	3.3	23.8
Other fixed assets	1.1	0.8	0.2	2.1
Other non current assets	0.3	—	—	0.3
Current assets	52.7	24.5	7.4	84.7
Net financial debt	1.4	11.4	(0.5)	12.3
Other non current liabilities	—	—	0.5	0.5
Lease liabilities	(10.7)	(9.9)	(3.3)	(23.8)
Current liabilities	(20.7)	(7.9)	(2.2)	(30.8)
Net asset acquired (except goodwill acquired)	**85.6**	**28.9**	**5.7**	**120.2**
Goodwill acquired	30.7	15.6	3.7	50.0
Consideration transferred	**116.2**	**44.6**	**9.5**	**170.3**
Cash acquired	(1.4)	(11.4)	—	(12.8)
2021 payments for acquisition of a group of net assets consolidated in 2022	—	—	(8.4)	(8.4)
Other deferred payments	—	—	0.9	0.9
Net cash paid for acquisitions	**114.9**	**33.1**	**2.0**	**150.0**

Acquired entities contributed for €119.1 million to the sales and €7 million to the EBITA from their acquisition date until the reporting date as of December 31, 2022. On an annual basis, sales of acquired entities represented circa €266 million.

4.1.2 Entities acquired in 2021

Mayer - final purchase price allocation

On November 8, 2021, the Group acquired Mayer Electrical Supply Company, Inc. (hereafter referred to as "Mayer"), a major distributor of electrical products and services operating 68 branches located in 12 states in the Eastern part of the USA. Mayer posted 2021 sales of €1.1 billion.

In 2022, Rexel finalized the purchase price allocation of Mayer as follows:

(in millions of euros) **Net assets acquired and consideration transferred**	AS OF DECEMBER, 31 2021	ADJUSTMENTS OF THE PERIOD	**AS OF DECEMBER 31, 2022**
Customer relationships and customer contracts	55.6	—	55.6
Distribution networks	70.0	—	70.0
Right-of-use assets	91.6	—	91.6
Other intangible or fixed assets	16.8	—	16.8
Other non-current assets	3.4	(0.5)	2.9
Current assets (1)	330.0	(2.7)	327.4
Net financial debt	2.2	0.4	2.6
Other non-current liabilities	(33.6)	—	(33.6)
Lease liabilities	(91.6)	—	(91.6)
Current liabilities	(146.9)	0.1	(146.8)
Net asset acquired (except goodwill acquired)	**297.5**	**(2.6)**	**294.9**
Goodwill acquired	66.1	2.6	68.7
Consideration transferred	**363.6**	—	**363.6**

(1) Current assets remeasurement included mainly inventory obsolescence reserve of €6.7 million and an adjustment of prior year supplier rebates of €4.7 million.

Other acquisitions

In 2021, the Group acquired:

- a Canadian utility distribution business;
- an electrical vehicle charging station operator in France (Freshmile Services);
- an electrical distributor specialized in industrial automation in the North-East of the US (Winkle Electric);
- minority interest (25%) in a french company specialized in software development solutions for commercial buildings (Trace Software International).

The overall consideration paid for these acquisitions was €62.7 million.

4.2 Divestments

In 2022, two sales transactions were closed down by the Group.

Spain and Portugal

Effective on November 8, 2022, Rexel sold to Sonepar its operations in Spain and Portugal in a single transaction for an overall consideration of €58.4 million. As part of the transaction, Rexel also received €48.7 million in relation with the repayment by the acquirer of intercompany financial loans due by Rexel Spain and Portugal to the Group. The Group recognized a disposal gain of €45.6 million, net of transaction costs (see note 8). In 2021, the combined entities generated revenues of €173 million.

Russia

Rexel had limited exposure to Russia (€12.3 million of sales in 2021). Moreover, following the invasion of Ukraine and international sanctions taken against Russia, Rexel took the decision to fully dispose of this activity through a Management Buy Out that was effective on March 23, 2022. A €2.9 million disposal loss was recognized (see note 8).

In 2021, the Group divested from:

- an electrical equipment distributor to DIY customers in France and
- its activities in the Kingdom of Saudi Arabia.

Disposal gains were recognized for €2.8 million (see note 8).

5. Segment reporting

Segment information is presented by geographic segment (Europe, North America and Asia-Pacific) consistently with the Group's management reporting structure.

The Group's financial reporting is reviewed monthly by the Chief Executive Officer and the Chief Financial Officer acting together as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments".

2022 SALES (in millions of euros)
by operating segment

2022 EBITA (in millions of euros)
by operating segment

(in millions of euros)	2022					
FOR THE YEAR ENDED DECEMBER 31,	EUROPE	NORTH AMERICA	ASIA-PACIFIC	**TOTAL OPERATING SEGMENTS**	CORPORATE OVERHEAD AND OTHER RECONCILING ITEMS	**TOTAL GROUP**
Warehouse sales	8,994.9	5,330.9	1,356.3	**15,682.1**	—	**15,682.1**
Direct sales	681.2	2,611.9	44.8	**3,337.8**	—	**3,337.8**
Rebates, discount and services	(268.0)	(49.3)	(1.0)	**(318.3)**	—	**(318.3)**
Sales to external customers	**9,408.1**	**7,893.5**	**1,400.1**	**18,701.6**	—	**18,701.6**
EBITA (1)	719.5	630.4	26.4	**1,376.3**	(31.5)	**1,344.8**
AS OF DECEMBER 31,				—		
Working capital	794.8	1,166.7	162.0	**2,123.5**	38.7	**2,162.2**
Goodwill	1,908.3	1,446.0	100.1	**3,454.5**	—	**3,454.5**

(in millions of euros)	2021					
FOR THE YEAR ENDED DECEMBER 31,	EUROPE	NORTH AMERICA	ASIA-PACIFIC	**TOTAL OPERATING SEGMENTS**	CORPORATE OVERHEAD AND OTHER RECONCILING ITEMS	**TOTAL GROUP**
Warehouse sales	7,894.1	3,530.6	1,219.3	**12,644.1**	—	**12,644.1**
Direct sales	622.3	1,629.4	75.7	**2,327.4**	—	**2,327.4**
Rebates, discount and services	(242.7)	(37.4)	(1.2)	**(281.3)**	—	**(281.3)**
Sales to external customers	**8,273.8**	**5,122.6**	**1,293.8**	**14,690.2**	—	**14,690.2**
EBITA (1)	621.8	357.3	30.8	**1,010.0**	(46.2)	**963.7**
AS OF DECEMBER 31,						
Working capital	748.8	894.8	145.0	**1,788.6**	(2.7)	**1,785.9**
Goodwill	2,030.3	1,295.1	76.3	**3,401.7**	—	**3,401.7**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

The reconciliation of EBITA with the Group's consolidated net income before tax breakdown as follows:

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
EBITA	**1,344.8**	**963.7**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(13.9)	(7.3)
Other income and other expenses	12.1	(44.6)
Net financial expenses	(119.4)	(133.1)
Net income before tax	**1,223.5**	**778.4**

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Working capital	2,162.2	1,785.9
Goodwill	3,454.5	3,401.7
Total allocated assets & liabilities	**5,616.7**	**5,187.7**
Liabilities included in allocated working capital	3,459.3	3,174.7
Other non-current assets	2,663.8	2,534.6
Deferred tax assets	63.5	63.9
Current tax assets	9.9	10.5
Other current assets	4.6	3.3
Assets classified as held for sale	186.8	—
Derivatives	9.6	5.5
Cash and cash equivalents	895.4	573.5
Group total assets	**12,909.7**	**11,553.7**

6. Gross profit

Sales

Rexel's performance obligations consist mainly of delivery of electrical products and associated transportation services to ship the products to the customer's site. Due to the nature of its business, contracts with customers are generally entered into for a period of less than one year.

Sales are recognized at the point in time when the control of the goods is transferred to the customer generally on delivery or shipment of the products.

Rexel's performance obligations are fulfilled through warehouse sales or direct sales:

- Warehouse sales consist in goods delivered directly from Rexel's inventory locations to customers.
- Direct sales are arrangements with customers whereby the Group engages a third-party supplier to ship the products directly to the customer, based on Rexel's purchase order with the customer, without any physical transfer to and from the Group's warehouse. For the vast majority of its direct sales transactions, the Group acts as a principal as:
  - it is ultimately responsible for fulfillment of the customer's order and has discretion in establishing pricing;
  - it obtains controls of the goods at the point in time they are shipped by the third-party supplier but does not transfer control of the products to the customer until they are delivered to the customer's site;
  - also, it has inventory risk relating to the specified goods as it bears the risk of loss during the transit and the risk of return from the customer subsequent to the delivery.

In very limited instances where these conditions are not fulfilled, the Group is deemed to act as an agent and recognizes commission income for the excess of the amount invoiced to the customer and the amount charged by the supplier.

Volume rebates are retrospectively provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts and recognizes a refund liability for the expected future rebates.

Certain arrangements provide customers with a right to return the goods within a specified period. For goods that are expected to be returned, instead of sales, the Group recognizes a refund liability. To estimate the variable consideration for the expected goods returned, the Group applies the most likely amount method. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Cost of goods sold

Cost of goods sold corresponds to the cost of purchases net of supplier rebates and commercial income, changes in inventory (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs.

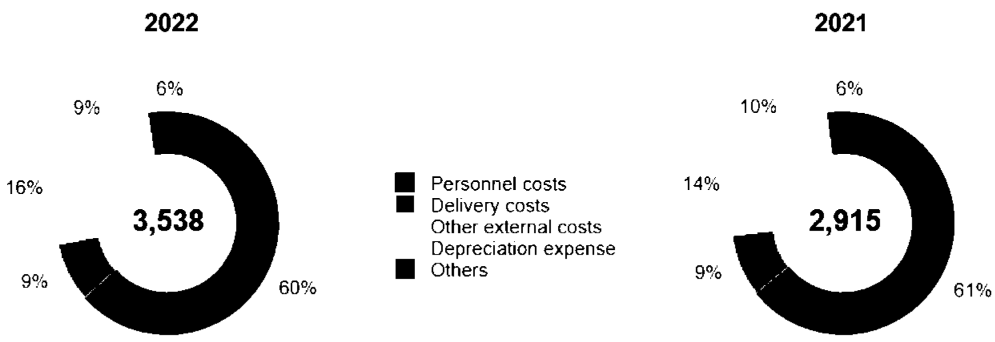
In line with industry practice, Rexel enters into annual agreements with a number of suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from these suppliers. Part of volume-based rebates are determined by reference to guaranteed rates of rebate (unconditional rebates). These are calculated through a mechanical process with minimal judgement. Another part of volume-based rebates is subject to stepped targets, the rebate percentage increasing as volumes purchased reach agreed targets within a set period of time (conditional rebates). The Group also receives rebates determined by qualitative targets. The majority of suppliers' rebate agreements apply to annual purchases eligible to rebates. Determination of the rebate amount is based on the most likely amount method which relies on estimate of purchases subject to rebates by category of products. They are accrued within other accounts receivable and recognized as a deduction of cost of goods or as a deduction of inventory for the goods in stock at the balance sheet date. Marketing support is recognized in the cost of goods sold once all relevant performance criteria have been met.

Domestic Sales

Digital Sales*

*Web and EDI (Electronic Data Interchange) solutions sales.

7. Distribution & administrative expenses



(in millions of euros)		FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Personnel costs	(1)	(2,117.0)	(1,771.2)
Delivery costs		(313.7)	(269.3)
Other external costs	(2)	(559.9)	(413.5)
Depreciation expense	(3)	(335.9)	(300.7)
Building and occupancy costs		(140.2)	(114.2)
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities		(13.9)	(7.3)
Bad debt expense	(4)	(57.0)	(39.0)
Total distribution and administrative expenses		**(3,537.7)**	**(2,915.2)**

(1) Increase in personnel costs in 2022 as compared to 2021 mainly reflecting the effect of the recent acquisitions (Mayer and Horizon Solutions) as well as exchange rates variation (appreciation of the US dollar vs Euro).

(2) Including IT Maintenance costs of €122.0 million and professional fees of €85.8 million in 2022 (respectively €100.6 million and €64.8 million in 2021).

(3) Including depreciation expense of right-of-use assets of €220.5 million in 2022 (€192.0 million in 2021) (see note 12.4).

(4) Including (i) a provision for expected credit losses and losses on receivables written-off of €52.6 million in 2022 (€26.6 million in 2021) and (ii) customer credit insurance premiums net of recoveries.

Personnel costs

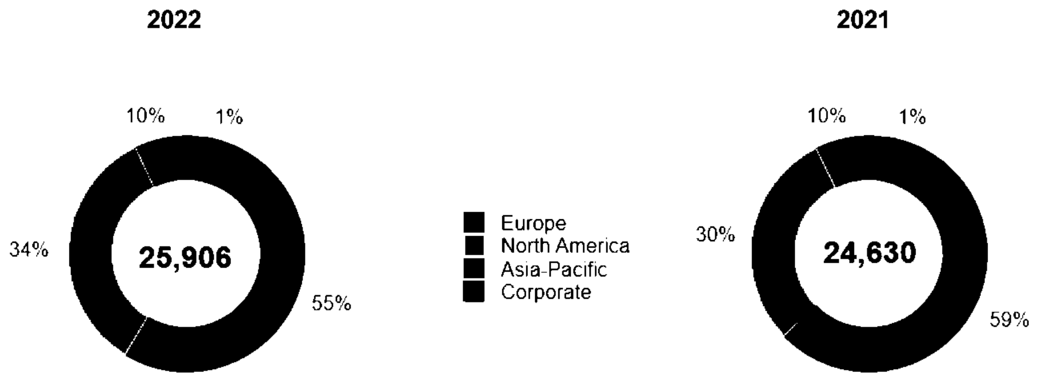
Personnel costs include short-term benefits and long-term benefits.

- Short-term benefits (wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses) are expected to be settled before twelve months after the end of the reporting period. They are recognized within current liabilities and expensed when the service is provided by the employees;
- Post-employment and long-term benefits are described in note 18;
- Other employee expenses mainly include temporary work and external personnel.

(in millions of euros)		FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Salaries and social security charges		(2,033.6)	(1,693.5)
Share-based payments		(20.7)	(18.6)
Pension and other post-retirement benefits-defined benefit plans		(10.3)	(16.4)
Other employee expenses	(1)	(52.4)	(42.7)
Total personnel costs		**(2,117.0)**	**(1,771.2)**

(1) mainly interim & external personnel.

Average number of employees



Group average number of employees breakdown as follows:

		FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Europe		14,344	14,602
North America	(1)	8,910	7,410
Asia-Pacific		2,450	2,427
Total operating segments		**25,704**	**24,439**
Corporate		202	191
Group average number of employees		**25,906**	**24,630**

(1) Mainly reflecting the effect of Mayer and Horizon Solutions' acquisitions.

Share-based payments

Rexel has bonus share programs in place allowing employees to receive shares of the Group parent company.

These bonus shares may be restricted shares (subject to a 3-year service condition without any performance condition) or performance shares (subject to performance conditions in addition to service condition). Performance conditions are based on the (i) average growth of EBITA value, (ii) average organic sales growth, (iii) average ratio free cash flow before interest and tax to EBITDAaL (Earnings Before Interests, Tax, Depreciation, Amortization and after Leases) (iv) ESG targets and (v) Rexel share market performance compared to peers.

These programs are qualified as equity-settled plans. The fair value of bonus shares granted to employees is recognized as a personnel expense in the income statement with a corresponding increase in equity over the vesting period of the bonus shares. Fair value is measured at grant date based on the share price after deducting (i) the effect of restrictions attached to the dividend rights until the delivery date of the shares and (ii) the discount in relation with the market conditions attached to the bonus shares.

The terms and conditions of the shareholder-approved employee free share plans operated by the Group as of December 31, 2022 were as follows:

Plan	**2019**	**2020**	**2021**		**2022**
Grant date	5/23/2019	9/28/2020	4/22/2021	10/20/2021	4/21/2022
Delivery date	5/24/2022	9/29/2023	4/23/2024	10/21/2024	4/22/2025
Fair value per share (in euros)	8.74	8.48	15.36	15.98	17.32
Adjusted number of shares granted(1)	**2,207,425**	**1,608,555**	**1,928,625**	**53,450**	**1,931,440**
Number of shares cancelled since the origin	(362,825)	(142,711)	(129,285)	(900)	(32,310)
Number of shares delivered since the origin	(1,844,600)	—	—	—	—
Total maximum number of shares granted at December 31, 2022	—	**1,465,844**	**1,799,340**	**52,550**	**1,899,130**

(1) Number of shares have been adjusted to restore the initial value attributed to the beneficiaries following share premium distributions.

Expenses related to share-based payment are summarized as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Plans issued in 2017	—	(0.4)
Plans issued in 2018	—	(1.1)
Plans issued in 2019	(1.8)	(7.2)
Plans issued in 2020	(3.7)	(4.1)
Plans issued in 2021	(8.1)	(5.7)
Plans issued in 2022	(6.4)	—
Expense related to employee share purchase plan and other	(0.6)	(0.2)
Total share-based payment expenses	**(20.7)**	**(18.6)**

8. Other income & other expenses

Other operating income and expenses include:

- irrespective of their amount: gains and losses on asset disposals, asset impairment and write-offs, expenses arising from the restructuring or integration of acquired companies, separation costs, acquisition related costs from business combinations, gains or losses on earn out or settlement gain or loss on defined benefit;
- significant items such as disputes.

These items are presented separately in the income statement in order to allow the Chief Executive Officer and the Chief Financial Officer - acting together as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments" - to assess the trading performance of the business segments.

(in millions of euros)		FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Gain on disposal of investments in consolidated companies	(1)	45.6	2.9
Gains on disposal of fixed assets		1.9	3.8
Release of unused provisions		0.7	3.2
Gain on lease terminations		3.8	1.7
Gains on earn-out		2.0	0.6
Other operating income		0.1	0.3
Total other income		**54.1**	**12.4**
Acquisition-related costs		(6.2)	(9.8)
Restructuring costs	(2)	(5.9)	(5.6)
Integration costs	(3)	(4.7)	(0.7)
Impairment of other assets		(3.4)	(7.6)
Losses on non-current assets disposed of	(4)	(9.3)	(3.2)
Disposal loss of the Russian business		(2.9)	—
Litigations	(5)	(3.7)	(26.0)
Other operating expenses		(5.9)	(4.1)
Total other expenses		**(42.0)**	**(57.0)**

(1) Of which disposal gain, net of transaction costs, related to the sale of operations in Spain and Portugal in 2022 (see note 4.2).

(2) In 2022, including €4.1 million wind-up costs of group's business in United Arab Emirates.

(3) Retention costs in connection with the integration process of Mayer in the USA.

(4) Of which €8.3 million related to abandonment of IT developments in 2022.

(5) Including, in 2021, a €23.4 million impaired trade receivables in connection with the discontinuation of a non-core contract in China and legal investigations initiated as a result.

9. Net financial expenses

Net financial expenses comprise:

- interest payable on borrowings and interest receivable on invested funds calculated using the effective interest rate method;
- foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss;
- net financial expense on employee benefits obligation;
- derecognition gain and losses on financial debt extinction;
- interest expense component on lease liabilities; and
- losses on derecognized trade receivables assigned under off-balance sheet securitization and factoring programs.

		FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)		**2022**	**2021**
Interest income on cash and cash equivalents		1.9	1.2
Interest income on receivables and loans		3.3	2.0
Financial income		**5.2**	**3.3**
Interest expense on financial debt (stated at amortized cost)		(57.8)	(47.0)
Interest gain / (expense) on interest rate derivatives		6.7	(6.2)
Change in fair value of interest rate derivatives through profit and loss		(0.1)	0.9
Interest expense on borrowings		**(51.2)**	**(52.4)**
Non-recurring redemption gain (loss)	(1)	—	**(22.6)**
Foreign exchange gain (loss)		*(1.5)*	*0.1*
Change in fair value of exchange rate derivatives through profit and loss		*(1.7)*	*(0.3)*
Net foreign exchange gain (loss)		(3.2)	(0.2)
Net financial expense on employee benefit obligations		(6.1)	(7.3)
Interest on lease liabilities		(46.5)	(40.4)
Others	(2)	(17.6)	(13.6)
Other financial expenses		**(73.4)**	**(61.4)**
Net financial expenses		**(119.4)**	**(133.1)**

(1) Relating to the repayment of senior notes in 2021.

(2) Mainly interests on derecognized trade receivables.

10. Income tax

Income tax represents the aggregate amount of current and deferred taxes included in the calculation of net income (loss) for the period. Income tax is recognized in the statement of income unless it relates to a business combination or to items recognized directly in equity or in other comprehensive income.

Current tax is:	Deferred tax is:
– the expected tax payable on the taxable income for the year; – calculated using tax rates enacted or substantively enacted at the balance sheet date; and – inclusive of any adjustment to tax payable in respect of previous years.	– provided using the balance sheet liability method; – based on temporary differences between financial statements' carrying amounts of assets and liabilities and their respective income tax bases; and – based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.
A net deferred tax asset is recognized only to the extent it is probable that taxable profits will be available in the next five years to recover this asset.

Rexel and its French subsidiaries have formed a tax Group from January 1, 2005. Rexel uses tax consolidation in other tax jurisdictions where similar options exist.

10.1 Income tax expense

		FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)		**2022**	**2021**
Current tax		(315.3)	(221.5)
Deferred tax	(1)	13.6	43.0
Prior year adjustments on current tax or deferred tax		0.5	(2.2)
Total income tax expense		**(301.2)**	**(180.8)**

(1) Of which €26.5 million deferred tax asset recognition on prior year tax losses in Germany, Italy, the UK and New-Zealand in 2021.

10.2 Effective tax rate

		FOR THE YEAR ENDED DECEMBER 31,			
(in millions of euros)		**2022**		**2021**	
Income before tax and before share of profit in associates		1,223.5		778.4	
French legal tax rate			*25.8 %*		*28.4 %*
Income tax calculated at the legal tax rate		(315.7)		(221.1)	
Differences of tax rates between French and foreign jurisdictions		12.7	*(1.0)%*	26.1	*(3.3)%*
Changes in tax rates		0.2	*0.0 %*	5.4	*(0.7)%*
(Current year losses unrecognized), prior year losses recognized	(1)	4.6	*(0.4)%*	27.0	*(3.5)%*
(Non-deductible expenses), tax exempt revenues	(2)	4.8	*(0.4)%*	(8.1)	*1.0 %*
Others		(7.8)	*0.6 %*	(10.0)	*1.3 %*
Actual income tax expense		**(301.2)**	**24.6 %**	**(180.8)**	**23.2 %**

(1) In 2022, including deferred tax asset recognition on prior year tax losses as a result of improved future taxable profits in Germany (€3.8 million), Italy (€1,7 million), the UK (€0.9 million) and New Zealand (€0.9 million). In 2021, including deferred tax asset recognition in Germany (€13.0 million), the UK (€10.1 million) and New Zealand (€3.4 million).

(2) of which €12.8 million effect of non-taxable gain on Spain and Portugal disposal.

10.3 Deferred tax assets and liabilities

Changes in net deferred tax assets / (liabilities) are as follows:

(in millions of euros)		2022	2021
Net deferred tax at the beginning of the year		**(166.0)**	**(154.3)**
Change in consolidation scope	(1)	0.4	(33.6)
Deferred tax income (expense)		17.5	39.2
Other comprehensive income		(13.4)	(11.0)
Currency translation adjustment		(8.8)	(5.5)
Other changes		1.5	(0.7)
Net deferred tax at the end of the year		**(168.9)**	**(166.0)**

(1) Mainly reflecting the effect of Mayer's acquisition in 2021 (see note 4.1).

Analysis of deferred tax assets and liabilities by nature is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Intangible assets	(342.0)	(333.1)
Property, plant and equipment	(7.5)	(0.9)
Leases	34.9	31.3
Financial assets	3.0	8.9
Trade accounts receivable	28.7	20.8
Inventories	16.4	9.9
Employee benefits	61.6	72.8
Provisions	14.7	11.3
Financing fees	1.9	1.5
Other items	3.5	(10.7)
Tax losses carried forward	125.7	210.3
Deferred tax assets / (liabilities), before allowance	**(58.9)**	**22.2**
Valuation allowance on deferred tax assets	(110.0)	(188.2)
Net deferred tax assets / (liabilities)	**(168.9)**	**(166.0)**
of which deferred tax assets	*63.5*	*63.9*
of which deferred tax liabilities	*(232.4)*	*(229.9)*

As of December 31, 2022, deferred tax assets arising on tax losses carried forward that are not expected to be used within five years were unrecognized (subjected to a valuation allowance to write them down) mostly in the United Kingdom (€185 million), Germany (€159 million) and Italy (€70 million). The expiry date of such tax losses carried forward is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
One year	1.0	9.0
Two years	2.8	1.8
Three years	1.5	0.5
Four years	1.5	—
Five years	1.7	1.6
Thereafter	423.2	715.6
Total tax losses carried forward (tax basis) subject to a valuation allowance	**431.8**	**728.5**

Decrease in unrecognized tax losses carried forward as of December 31, 2022, as compared to 2021 reflects the effect of Rexel Spain disposal (see note 4.2).

10.4 Uncertain income tax treatments

In accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, tax assets or liabilities should be recognized if there is uncertainty over their income tax treatment. The Group recognizes a tax liability whenever it considers the relevant tax authorities are unlikely to accept a given tax treatment and does not take into account the probability that this would not be detected by the tax authorities. Conversely, a tax receivable is recognized if the Group considers the relevant tax authorities are likely to refund tax paid. Assets and liabilities for which tax treatments are uncertain are estimated on a case-by-case basis depending on the most likely amount.

As of December 31, 2022, there was no significant uncertain income tax position other than the following:

Manudax liquidation loss

In 2019, Manudax, a dormant affiliate of Rexel Holding Netherlands "RHNL" (formerly known as Hagemeyer NV) was liquidated and RHNL claimed the liquidation loss in its tax return. In 2020, the Dutch Tax Authorities challenged the amount of the deductible liquidation loss and asserted that it should be adjusted downwards by €19.3 million. In 2021, RHNL received a tax reassessment of €4.8 million corresponding to the disputed amount of the liquidation loss. The Group believes that this reassessment has no solid ground but, as a precautionary measure, decided to pay the disputed amount and filed an objection letter to the tax authorities to contest the reassessment. In 2022, tax authorities issued its final reassessment maintaining its position and RHNL filed an appeal before the Dutch Court. The Group believes that the matter will be resolved favorably in its interest and has therefore not recorded a provision on this reassessment.

11. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and bonus shares granted to employees. The number of potential dilutive shares does not take into account the bonus shares whose allocation is subject to future performance or market conditions not yet met at the balance sheet date.

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	FOR THE YEAR ENDED DECEMBER 31,	
	2022	**2021**
Net income attributed to ordinary shareholders (in millions of euros)	**922.3**	**597.2**
Weighted average number of issued common shares adjusted for non-dilutive potential shares (in thousands)	302,943	303,365
Basic earnings per share (in euros)	**3.04**	**1.97**
Dilutive potential shares (in thousands)	728	654
Weighted average number of common shares adjusted for dilutive potential shares (in thousands)	303,671	304,019
Fully diluted earnings per share (in euros)	**3.04**	**1.96**

12. Long-term assets

12.1 Goodwill and intangible assets

Goodwill

Goodwill arising in a business combination represents a payment made in anticipation of future economic benefits arising from assets that are not capable of being identified individually and accounted for separately, such as market shares, the value of workforce, the potential to develop existing business assets and expected synergies from the combination. In the wholesale distribution sector, these synergies notably include those expected in terms of purchasing, logistics, network and administration.

Goodwill is allocated to cash-generating units (CGUs).

Goodwill is determined for as described in note 4.1.

Goodwill associated with an operation disposed of is included in the carrying amount of this operation when determining the gain or loss on the disposal. The amount of goodwill attributed to this operation is measured based on the relative values of (i) the operation disposed of and (ii) the portion of the cash-generating unit retained.

Impairment test for goodwill is described paragraph 12.2.

Other intangible assets with indefinite useful life

- Strategic partnerships acquired in business combinations arising from contractual rights. Their valuation is determined on the basis of a discounted cash flow model.
- Distribution networks considered separable assets as they could be franchised. They correspond to the value added to each branch through the existence of a network and include notably banners and catalogues. Their measurement is performed using the royalty relief method based on royalty rates used for franchise contracts, taking their profitability into account. The royalty rate ranges from 0.4% to 1.0% of sales depending on each country.

Strategic partnerships and distribution networks are regarded as having an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group.

Impairment test for other intangible assets with indefinite useful life is described in paragraph 12.2.

Software and other intangible assets

Software and other intangible assets are initially stated at cost or, when they are part of a business combination, at fair value. They are depreciated on a straight-line basis over their estimated useful lives.

In March 2021, the IFRS-IC issued an interpretation that clarifies the steps which entities should consider in accounting for such configuration or customization costs. In 2022, the Group has conducted in-depth analyses to determine whether it has the control over on-cloud software and therefore, if configuration and customization costs meet the definition of intangible assets that are recognized on the balance sheet. Following the assessment performed, the impact of the application of the decision IFRIC-IC on cloud computing arrangements is not material on the consolidated financial statements.

Estimated useful life of software range from 3 to 10 years.

Other intangible assets mainly include customer relationships, recognized when an acquired entity establishes relationships with key customers through contracts. They are measured using an excess profit method.

Estimated useful lives of other intangible assets is based on historical attrition ranging from 5 to 15 years.

(in millions of euros)	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	SOFTWARE AND OTHER INTANGIBLE ASSETS	**TOTAL INTANGIBLE ASSETS**	**GOODWILL**
Gross carrying amount as of January 1, 2021	**185.6**	**641.9**	**766.9**	**1,594.4**	**4,323.8**
Change in consolidation scope (1)	—	70.3	73.6	**143.8**	**97.8**
Additions	—	—	44.9	**44.9**	—
Disposals	—	—	(15.3)	**(15.3)**	—
Currency translation adjustment	—	25.5	26.1	**51.5**	**149.4**
Other changes	—	—	1.5	**1.5**	—
Gross carrying amount as of December 31, 2021	**185.6**	**737.6**	**897.6**	**1,820.8**	**4,571.0**
Change in consolidation scope (2)	—	7.9	25.4	**33.2**	**13.5**
Additions	—	—	45.4	**45.4**	—
Disposals	—	—	(15.7)	**(15.7)**	—
Currency translation adjustment	—	9.5	6.8	**16.3**	**37.9**
Other changes (3)	—	(11.8)	(16.4)	**(28.2)**	**(147.8)**
Gross carrying amount as of December 31, 2022	**185.6**	**743.2**	**943.0**	**1,871.8**	**4,474.6**

Accumulated amortization and depreciation as of January 1, 2021	—	**(28.9)**	**(568.0)**	**(596.9)**	**(1,131.6)**
Change in consolidation scope	—	—	(1.3)	**(1.3)**	—
Amortization expense	—	—	(59.7)	**(59.7)**	—
Release	—	—	14.1	**14.1**	—
Currency translation adjustment	—	(0.3)	(18.1)	**(18.4)**	**(37.7)**
Other changes	—	—	0.4	**0.4**	—
Accumulated amortization and depreciation as of December 31, 2021	—	**(29.2)**	**(632.6)**	**(661.8)**	**(1,169.3)**
Change in consolidation scope	—	5.8	9.5	**15.3**	**39.1**
Amortization expense	—	—	(66.4)	**(66.4)**	—
Impairment losses	—	—	(2.3)	**(2.3)**	—
Release	—	—	5.0	**5.0**	—
Currency translation adjustment	—	0.1	(6.7)	**(6.6)**	**10.3**
Other changes (3)	—	—	12.3	**12.3**	**99.8**
Accumulated amortization and depreciation as of December 31, 2022	—	**(23.2)**	**(681.1)**	**(704.4)**	**(1,020.1)**
Carrying amount as of January 1, 2021	**185.6**	**613.0**	**198.9**	**997.5**	**3,192.2**
Carrying amount as of December 31, 2021	**185.6**	**708.4**	**265.0**	**1,159.0**	**3,401.7**
Carrying amount as of December 31, 2022	**185.6**	**720.0**	**261.9**	**1,167.4**	**3,454.5**

(1) Mainly reflecting the effect of Mayer (see note 4.1).

(2) Of which €46.3 million related to Horizon and Trilec acquisitions partly offset by €39.1 million associated with Rexel Spain and Portugal disposals.

(3) Mainly reclassification of goodwilll and intangible assets allocated to Norway in the line item "Assets held for sale" (see note 14.)

Software and other intangible assets mainly include:

- Software of €106.5 million as of December 31, 2022 (€127.9 million as of December 31, 2021);
- Customer relationships of €73.4 million as of December 31, 2022 (€76.8 million as of December 31, 2021).

The table below sets forth the allocation of goodwill and intangible assets with indefinite useful life by cash generating unit:

(in millions of euros)		**As of December 31, 2022**			**As of December 31, 2021**		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	INTANGIBLE ASSETS	TOTAL	GOODWILL (1)	INTANGIBLE ASSETS	TOTAL
France	Europe	1,105.3	194.5	1,299.8	1,105.3	194.5	1,299.8
United States	North America	1,004.8	282.2	1,287.0	912.2	255.2	1,167.4
Canada	North America	441.2	70.2	511.4	442.7	70.4	513.1
Switzerland	Europe	316.7	42.8	359.5	301.9	40.8	342.7
Sweden	Europe	176.9	16.9	193.9	192.0	18.3	210.3
Austria	Europe	96.8	13.0	109.8	96.8	13.0	109.8
Belgium	Europe	108.1	—	108.1	92.5	—	92.5
Australia	Asia-Pacific	66.6	24.7	91.3	66.9	24.8	91.7
Germany	Europe	40.3	51.7	92.0	40.3	51.7	92.0
United Kingdom	Europe	21.2	57.7	78.9	22.4	60.9	83.3
Norway (2)	Europe	—	—	—	50.6	12.4	63.0
Other		76.4	152.0	228.4	78.1	152.0	230.1
	Total	**3,454.5**	**905.7**	**4,360.1**	**3,401.7**	**894.0**	**4,295.7**

(1) In 2022, following the change in marketing servicing policy withing the Group, Rexel reallocated existing goodwill to the related CGUs. The table shows goodwill for the main CGUs after reallocation.

(2) As of December 31, 2022, goodwill and intangible assets allocated to Norway have been reclassified to the line item "Assets Held For Sale" (see note 14.).

12.2 Impairment testing

Goodwill and other intangible assets with indefinite useful life are not amortized but subject to an impairment test at least once a year, in December, or as soon as there is an indication that it may be impaired (material adverse changes of a lasting nature affecting the economic environment or the assumptions and objective made at the time of acquisition).

Impairment test is performed at the country level, which represents the lowest level at which operations are monitored by management for the purpose of measuring return on investment.

Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is determined based on value in use. The calculation of the value in use is based on a discounted cash flow model. Cash-flows are determined over an explicit horizon of five years. Cash-flows of the years one to three are derived from the three-year strategic plan prepared in June 2022 and updated with the 2023 yearly budget that were reviewed by the Board of Directors. Cash-flows of the years four and five are extrapolated to converge towards the normative terminal value. Prospects include the favorable effect expected from continuously increasing electrical usages as a result of climate change containment policies and energy transitioning boosted by the European green deal and US stimulus that should bring additional growth opportunities. A long-term growth rate based on inflation forecasts has been used for the calculation of the terminal value. Cash-flows were discounted on the basis of the weighted average cost of capital net of tax calculated for each country. Country-specific risk is incorporated by applying individual risk-free rates and equity risk premium. The weighted average cost of capital reflects the time value of money and the specific risks of the assets, not already factored in the projected cash-flow, by taking into account the capital structure and the financing terms and conditions of a standard market participant.

Impairment losses are recognized in the income statement (in "Other expenses"). Impairment losses in respect of goodwill may not be reversed. If a change in the useful life assessment (from indefinite to finite) is identified during the annual review, the modification is made on a prospective basis.

Value-in-use key assumptions

- EBITA Margin

EBITA margin is set on a country-by-country basis based on both historical and expected performance, Rexel's market share and characteristics of the local market and by reference to other cash generating units within the Group with similar profile.

- Discount rate and long term growth rate

The following after tax discount rates and long term growth rate were used to estimate the value-in-use of the CGUs:

	As of December 31, 2022			As of December 31, 2021		
CGU	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (g)	WACC - (g)	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (g)	WACC - (g)
France	8.9 %	1.6 %	7.3 %	8.2 %	1.3 %	6.9 %
United States	9.3 %	2.0 %	7.3 %	8.2 %	2.3 %	5.9 %
Canada	8.9 %	2.0 %	6.9 %	8.4 %	2.0 %	6.4 %
Switzerland	7.9 %	1.0 %	6.9 %	7.5 %	1.0 %	6.5 %
Sweden	8.9 %	2.0 %	6.9 %	8.4 %	1.9 %	6.5 %
Austria	8.9 %	2.0 %	6.9 %	8.1 %	2.0 %	6.1 %
Belgium	8.2 %	1.7 %	6.5 %	7.9 %	1.8 %	6.1 %
Australia	10.3 %	2.5 %	7.8 %	10.0 %	2.4 %	7.6 %
Germany	8.1 %	2.0 %	6.1 %	7.2 %	2.0 %	5.2 %
United Kingdom	8.4 %	2.0 %	6.4 %	8.0 %	2.0 %	6.0 %
Norway (1)	N / A	N / A	N / A	7.6 %	2.0 %	5.6 %
Other	8.3% to 14.2%	1.8% to 4.0%	6.5% to 10.2%	7.9% to 15.7%	1.4% to 4.0%	6.0% to 11.7%

(1) As of December 31, 2022, Norway has been reclassified to the line item "Assets Held For Sale" (see note 14.).

As a result of impairment testing conducted as of December 31, 2021 and 2022, recoverable amounts of CGUs appeared to be in excess over their carrying value.

Sensitivity analysis

The table below summarizes the impact on cash generating units where a change of 50 bps in EBITA margin, discount rate or long-term growth rate would lead to the recognition of an impairment expense:

(in millions of euros)		Impairment expense		
CGU	GOODWILL	EBITA MARGIN (-50 bps)	DISCOUNT RATE (+50 bps)	LONG TERM GROWTH RATE (-50 bps)
Other (1)	76.4	(5.5)	(0.8)	(0.4)

(1) Of which sensitive CGUs related goodwill of €10.9 million and no related intangible assets.

12.3 Property, plant & equipment

Property, plant and equipment acquired are initially stated at cost, including all expenses directly attributable to the acquisition.

Property, plant and equipment acquired as part of a business combination are recognized at fair value, separately from goodwill.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

- Commercial and office buildings 20 to 35 years;
- Building improvements and operating equipment 5 to 10 years;
- Transportation equipment 3 to 8 years;
- Computers and hardware 3 to 5 years.

Land is not depreciated.

(in millions of euros)	LAND & BUILDINGS	PLANT & EQUIPMENT	OTHER TANGIBLE ASSETS	**TOTAL PROPERTY, PLANT AND EQUIPMENT**
Gross carrying amount as of January 1, 2021	**164.8**	**663.7**	**38.2**	**866.7**
Change in consolidation scope	12.3	4.6	0.2	**17.1**
Additions	2.6	41.8	13.7	**58.1**
Disposals	(6.1)	(37.2)	(0.3)	**(43.6)**
Currency translation adjustment	5.0	16.4	0.9	**22.2**
Other changes	(0.1)	3.8	(5.7)	**(2.0)**
Gross carrying amount as of December 31, 2021	**178.4**	**693.1**	**47.0**	**918.6**
Change in consolidation scope	(23.6)	(8.6)	(0.2)	**(32.4)**
Additions	15.7	74.8	12.6	**103.1**
Disposals	(2.2)	(18.4)	(1.4)	**(21.9)**
Currency translation adjustment	1.2	3.6	0.5	**5.3**
Other changes (1)	0.4	4.4	(13.0)	**(8.1)**
Gross carrying amount as of December 31, 2022	**170.1**	**748.9**	**45.5**	**964.5**
Accumulated amortization and depreciation as of January 1, 2021	**(103.1)**	**(484.1)**	**(26.2)**	**(613.4)**
Depreciation expense	(4.8)	(49.5)	(2.0)	**(56.3)**
Impairment losses	(2.3)	(0.2)	—	**(2.6)**
Release	4.0	35.1	0.2	**39.3**
Currency translation adjustment	(3.0)	(10.8)	(0.1)	**(13.8)**
Other changes	—	0.1	—	**0.1**
Accumulated amortization and depreciation as of December 31, 2021	**(109.1)**	**(509.5)**	**(28.1)**	**(646.7)**
Depreciation expense	(5.9)	(55.2)	(2.0)	**(63.0)**
Impairment losses	(0.1)	—	—	**(0.1)**
Release	1.5	17.4	0.1	**19.0**
Currency translation adjustment	—	(2.0)	—	**(2.0)**
Other changes (1)	—	4.9	0.3	**5.2**
Accumulated amortization and depreciation as of December 31, 2022	**(93.8)**	**(534.4)**	**(29.4)**	**(657.7)**
Carrying amount as of January 1, 2021	**61.7**	**179.6**	**12.0**	**253.3**
Carrying amount as of December 31, 2021	**69.3**	**183.6**	**18.9**	**271.9**
Carrying amount as of December 31, 2022	**76.2**	**214.5**	**16.1**	**306.8**

(1) Mainly reflecting asset held for sale classification (see note 14.).

12.4 Leases

The Group applies a single recognition and measurement model for all leases except for short-term leases and leases of low-value assets. The Group recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Right-of-use assets

- At the commencement date, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
- The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
- Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease term

- Lease term represents the non-cancellable term of the lease, together with any periods covered by an option to extend or to terminate the lease if it is reasonably certain to be exercised.
- Relevant factors that create an economic incentive to exercise a renewal option are considered on a site by site basis among which: the cost of relocation (including the effect of potential business disruptions on operations resulting from a lease termination), the attractiveness of the location, and the investments in leasehold improvements.
- After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (i.e. adverse changes in the attractiveness of the location or business strategy change).
- Amendments to IFRS 16 “Covid-19-Related Rent concessions beyond June 30, 2021":

  The amendment provides lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification and Rexel elected to apply this practical expedient. This exemption did not have a significant impact on the Group’s financial statements at 31 December 2021.

Lease liabilities

- At the commencement date, lease liabilities are measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees if any. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.
- Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.
- After the commencement date, lease liabilities increase to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities carrying can also be remeasured if there is a modification (a change in the lease term, in the in-substance fixed lease payments or in the assessment to purchase the underlying asset).

Discount rate

- At the commencement date, and as the implicit interest rate of lease agreement is not readily available in the contracts, the Group uses the incremental borrowing rate (IBR) to measure the present value of lease liabilities.
- IBR is determined by reference to the 7-year currency swap applicable to each of the Group’s entities in their own functional currencies after adding back the Group’s credit spread. The Group credit spread is derived from the cost of issuing senior notes which is the primary source of funding of the Group.

Short-term leases and leases of low-value assets exemptions

The Group applies recognition exemptions for:

- short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).
- low-value assets to leases of office equipment (including copiers, printers, lap-tops) that are individually considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as part of the distribution and administrative expenses on a straight-line basis over the lease term.

12.4.1 Right-of-Use assets

Set out below are the carrying amounts of right-of-use assets recognized and changes of the period:

(in millions of euros)	PROPERTIES	EQUIPMENTS AND VEHICLES	**TOTAL RIGHT-OF-USE**
As of January 1, 2021	**821.4**	**74.1**	**895.5**
Change in consolidation scope [(1)]	81.6	10.1	**91.7**
Additions	188.2	31.2	**219.5**
Depreciation expenses and impairment	(159.9)	(37.1)	**(197.0)**
Currency translation adjustment	34.3	3.2	**37.5**
As of December 31, 2021	**965.7**	**81.5**	**1,047.1**
Change in consolidation scope	21.5	(0.2)	**21.3**
Additions	245.0	39.3	**284.3**
Depreciation expenses and impairment	(180.4)	(41.2)	**(221.6)**
Transfer to Assets held for sale	(25.6)	(0.5)	**(26.1)**
Currency translation adjustment	16.2	1.8	**18.0**
As of December 31, 2022	**1,042.3**	**80.8**	**1,123.1**

(1) Mainly reflecting the effect of Mayer's acquisition in 2021 (see note 4.1).

12.4.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities recognized and changes of the period:

	AS OF DECEMBER 31, 2022			AS OF DECEMBER 31, 2021		
(in millions of euros)	CURRENT	NON-CURRENT	**TOTAL**	CURRENT	NON-CURRENT	**TOTAL**
Properties	166.9	987.1	**1,154.0**	158.2	921.9	**1,080.1**
Equipments & vehicles	36.6	52.4	**89.1**	35.5	53.1	**88.7**
Total lease liabilities	**203.6**	**1,039.5**	**1,243.1**	**193.7**	**975.1**	**1,168.8**

(in millions of euros)	**2022**	**2021**
As of January 1,	**1,168.8**	**1,005.7**
Change in scope [(1)]	15.4	91.8
Additions	279.9	218.0
Interest expenses	46.5	40.4
Payments	(258.6)	(229.2)
Transfer to Liabilities directly associated with the assets held for sale	(28.7)	—
Currency translation adjustment	19.8	42.1
As of December 31,	**1,243.1**	**1,168.8**

(1) Mainly reflecting the effect of Mayer's acquisition in 2021 (see note 4.1).

Set out below are the lease liabilities maturity of the period:

	DUE WITHIN						
(in millions of euros)	One year	Two years	Three years	Four years	Five years	Thereafter	Total
As of December 31, 2022	203.6	188.7	162.2	133.4	114.9	440.2	**1,243.1**
As of December 31, 2021	193.7	179.7	158.1	133.5	105.4	398.3	**1,168.8**

12.4.3 Lease expense analysis

Set out below are the amounts recognized in profit or loss for the year ended December 31, 2022 and for the year ended December 31, 2021:

	FOR THE YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2022**	**2021**	**Statement of Profit and Loss classification**
Depreciation of right-of-use assets	(220.5)	(192.0)	Depreciation expenses (note 7)
Interest on lease liabilities	(46.5)	(40.4)	Other financial expenses (note 9)
Rent on short term and low-value assets leases	(18.2)	(13.3)	Building and occupancy costs (note 7)
Impairment losses	(1.1)	(5.0)	Other expenses (note 8)
Net gain on lease termination	3.8	1.7	Other income (note 8)
Total amount recognized in P&L	**(282.5)**	**(248.9)**	

12.5 Long-term investments

		AS OF DECEMBER 31,	
(in millions of euros)		**2022**	**2021**
Deposits		44.5	41.7
Derivatives		15.6	1.7
Loans		0.6	0.4
Other long-term investments	(1)	5.7	12.8
Long-term investments		**66.5**	**56.6**

(1) Including purchase price of Winkle Electric investment in 2021 (see note 4.1).

13. Current assets

13.1 Inventories

Inventories are mainly composed of goods held for resale and are initially stated at cost.

At each reporting date, inventories are stated at the lower of (i) cost and (ii) net realizable value.

- Cost is calculated by reference to a first-in first-out basis, including freight in costs, net of any purchase rebates.
- Net realizable value is the estimated selling price at balance sheet date, less the estimated selling expenses, taking into account technical or marketing obsolescence and risks related to slow moving inventory.

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Cost	2,406.7	2,157.7
Allowance	(131.3)	(100.5)
Inventories	**2,275.4**	**2,057.2**

Changes in the carrying amount of inventories:

		AS OF DECEMBER 31,	
(in millions of euros)		**2022**	**2021**
As of January 1,		**2,057.2**	**1,511.1**
Change in consolidation scope	(1)	(4.1)	120.9
Change in inventories at cost		260.8	371.5
Impairment net of release		(34.1)	(20.6)
Currency translation adjustment		29.8	74.3
Transfer to assets held for sale		(34.2)	—
As of December 31,		**2,275.4**	**2,057.2**

(1) Mainly reflecting the effect of Mayer's acquisition in 2021 (see note 4.1).

13.2 Trade accounts receivable

Trade receivables are initially measured at amortized cost which is reflected by the principal amount.

Impairment losses are recognized for expected credit losses (ECLs) to take into account credit risk. The Group applies a simplified approach:

- For non-defaulted receivables (when contractual payments are less than 30 days or non-due) ECLs are based on the historical ratio of credit loss to sales;
- For defaulted receivables (when contractual payments are 30 days past-due), ECLs are based on a standard ageing matrix for defaulted receivables.

An additional allowance may be recognized on a case-by-case basis when there is objective evidence that the Group is unlikely to receive the outstanding contractual amounts in full.

Derecognition of trade receivables

Rexel runs several on-going securitization and factoring programs which allow the Group to assign eligible trade receivables and receive cash payments in exchange.

Trade receivables are derecognized from the balance sheet when the Group has transferred (i) its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party under a ‘pass-through’ arrangement and (ii) substantially all the risks and rewards attached to the receivables.

When the Group evaluates that all the risks and rewards of the asset have not been transferred, the transferred receivables are still recognized in the balance sheet with an associated liability for the cash received in exchange of the assigned receivables.

Receivables in connection to securitization and factoring programs are disclosed note 19.

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Nominal value	2,768.6	2,481.8
Impairment losses	(151.6)	(128.6)
Trade accounts receivable	**2,617.0**	**2,353.2**

Trade accounts receivable includes sales taxes collected on behalf of tax authorities that, in certain circumstances, may be recovered when the client defaults. Recoverable taxes amounted to €322.4 million as of December 31, 2022 (€278.3 million as of December 31, 2021).

The Group has implemented credit insurance programs in certain significant countries. Trade accounts receivable covered by these programs amounted to €1 034.2 million as of December 31, 2022 (€912.3 million as of December 31, 2021).

Also, in some countries, the Group benefits from additional guarantees according to the specificities of local jurisdictions, such as in North America. Trade accounts receivable covered by these guarantees represented €406,8 million as of December 31, 2022.

Impairment losses on trade accounts receivable

(in millions of euros)		**2022**	**2021**
As of January 1,		**(128.6)**	**(101.8)**
Change in consolidation scope		9.7	(1.9)
Net allowance	(1)	(52.6)	(50.0)
Write off		20.9	31.8
Foreign exchange movement		0.5	(5.1)
Other changes		(1.5)	(1.7)
As of December 31,		**(151.6)**	**(128.6)**

(1) In 2021, €23.4 million net allowances were recognized in other expenses (see note 8).

As of December 31, 2022, trade receivables are subject to an impairment loss based on aging-based matrix for €38.1 million as of December 31, 2022 (€32.7 million as of December 31, 2021).

In addition, trade receivables were subject to impairment losses estimated on an individual basis following the assessment of the customer default risk for €111.1 million (€89.5 million as of December 31, 2021).

Aging of receivables is detailed as follows:

(in millions of euros)		Non due	From 1 to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	Above 180 days	Total
	2022	2,221.5	357.2	107.1	41.3	33.9	7.7	**2,768.6**
	2021	2,018.1	319.1	77.1	27.7	25.0	14.7	**2,481.8**

13.3 Other accounts receivable

		AS OF DECEMBER 31,	
(in millions of euros)		**2022**	**2021**
Suppliers' rebates and services	(1)	396.3	336.9
VAT receivable and other sales taxes		22.2	23.5
Prepaid expenses		40.1	34.1
Derivatives		9.6	5.5
Other receivables		275.1	159.2
Total other accounts receivable		**743.3**	**559.2**

(1) Suppliers' rebates and services income recognized for the year ended December 31, 2022, were €1,160.6 million (€980.5 million for the year ended December 31, 2021).

14. Assets held for sale

Assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Group must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amount and fair value less costs to sell.

Elektroskandia Norge AS (Norway)

Following a binding agreement received from a third party on December 13, 2022, the Group entered into a share purchase agreement on January 27, 2023 to divest from its operations in Norway. The transaction is subject to approval from local competition authorities and should be completed in the first half of 2023.

As a result, assets and liabilities associated with the contemplated sale transaction have been reclassified as Assets Held For sale as of December 31, 2022.

Assets and liabilities associated with activities classified as held for sale are as follows:

(in millions of euros)		AS OF DECEMBER 31, 2022		
Assets	Notes	Gross value	Depreciation	Net value
Goodwill	12,1	147.8	(99.8)	48.1
Distribution networks	12,1	11.8	—	11.8
Other intangible assets	12,1	13.0	(8.1)	4.9
Other tangible assets	12.3	7.3	(5.1)	2.2
Right-of-use assets	12.4	38.7	(12.6)	26.1
Other non-current assets		0.9	—	0.9
Non-current assets		219.5	(125.5)	93.9
Inventory	13.1	34.2	—	34.2
Trade receivables		50.9	—	50.9
Other current assets		6.2	—	6.2
Cash and cash equivalents		1.6	—	1.6
Current assets		92.9	—	92.9
Total assets		**312.3**	**(125.5)**	**186.8**
Liabilities				
Lease liabilities	12.4	28.7	—	28.7
Non current liabilities		2.6	—	2.6
Current liabilities		56.3		56.3
Total liabilities		**87.6**	**—**	**87.6**
Net assets held for sale		**224.7**	**(125.5)**	**99.2**

15. Share capital and premium

Rexel's share capital is composed of ordinary shares, with a par value of €5.

Purchases of company treasury shares including those acquired through a liquidity agreement are recognized as a reduction in equity. Any gains or losses connected with the purchase, sale or cancellation of these shares are recognized directly in equity without affecting the income statement.

15.1 Changes in share capital and issuance premium

The following table shows changes in the share capital and issuance premium:

			(in millions of euros)	
		NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
As of January 1, 2021		**304,425,106**	**1,522.1**	**1,450.5**
Issuance of shares in connection with free shares plans	(1)	1,103,051	5.5	—
Employee share purchase plan		188,334	0.9	0.2
Allocation of free shares		—	—	(10.4)
Free shares cancelled		—	—	10.4
Cash dividends		—	—	(139.6)
Share premium transfer to retained earnings		—	—	(21.3)
As of December 31, 2021		**305,716,491**	**1,528.6**	**1,289.8**
Issuance of shares in connection with free shares plans	(2)	1,176,532	5.9	—
Allocation of free shares		—	—	(9.9)
Free shares cancelled		—	—	4.8
Cancellation of shares under the stock repurchase program	15.2	(3,479,758)	(17.4)	(38.8)
Cash dividends		—	—	(230.1)
As of December 31, 2022		**303,413,265**	**1,517.1**	**1,015.8**

(1) Issuance of 1,103,051 shares in connection with the 2017 and 2018 bonus shares plans.

(2) Issuance of 1,176,532 shares in connection with the 2019 bonus share plans.

15.2 Capital Management and treasury shares

Rexel has a share repurchase plan approved by its Shareholders' Meeting held on April 21, 2022 for a period of 18 months (ending October 21, 2023) with a maximum purchase amount of €250 million at a maximum share price of €30 and a number of shares representing up to 10% of the share capital.

The objectives of this program in decreasing order of priority are as follows:

- Ensuring liquidity and activity in the market for the shares through an investment service provider;
- Setting up any stock option plan of the Company, allotment of free shares or any other granting, allotment or sale of shares to the employees or the Corporate officer of the Company;
- Retaining and delivering shares further to an exchange or as a consideration in the context of external growth transactions within the limit of 5% of the share capital of Rexel;
- Granting shares in connection with the exercise of rights attached to securities conferring access to Rexel shares;
- Cancelling all or part of any shares so repurchased;
- Any other actions that comply with applicable regulations in force.

On June 16, 2022, Rexel announced a share buy-back program of €400 million of its share capital by 2025.

As part of this program, 4.0 million of shares were repurchased for a total amount of €65.5 million in 2022, of which:

- 3.5 million of shares, representing an overall purchase price of €56.2 million, were cancelled;
- 0.5 million of shares purchased for €9.3 million to serve its free share plans.

The Group also entered into an agreement with a financial institution to promote the liquidity of Rexel shares on the market, in compliance with the Financial Markets Authority (Autorité des Marchés Financiers) requirements, for an amount of €21.5 million as of December 31, 2022 (€20.1 million as of December 31, 2021).

Net purchases of treasury shares under the agreement stood at €0.8 million in 2022. Net capital gains realized on the sale of treasury shares in 2022 amounted to €0.8 million net of tax and were recognized as increase in shareholders' equity (net capital gain of €1.7 million in 2021).

As of December 31, 2022, Rexel held in aggregate 555,407 treasury shares (613,465 as of December 31, 2021), of which 269,202 shares to serve its free share plans, valued at an average price of €17.87 per share (€14.41 per share as of December 31, 2021) that were recognized as a reduction in shareholders' equity, for a total of €9.9 million (€8.8 million as of December 31, 2021).

16. Dividends

Dividends are recognized as a liability in the period in which the distribution has been approved by the shareholders.

	FOR THE YEAR ENDED DECEMBER 31,	
	2022	**2021**
Dividends per share (in euros)	0.75	0.46
Dividends paid in cash through share premium distribution (in millions of euros)	230.1	139.6

17. Provisions and other non-current liabilities

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for restructuring

A restructuring is a program that is planned and controlled by management that materially changes either the scope of the business or the manner in which that business is conducted.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Restructuring expenses are presented in “Other expenses” and principally include personnel costs (severance payments, early retirement costs, notice period not worked), branch closure costs and indemnities for the breach of non-cancellable agreements.

Provisions for litigation and claims

Provisions for litigation and claims include estimated costs for risks, disputes (including personnel disputes), litigation, commercial and liability product claims, and the probable costs associated with warranties given by the Group in the context of the disposal of non-current assets or subsidiaries.

Any accepted assessment is recorded as a liability when the amount can be reasonably estimated.

(in millions of euros)		AS OF DECEMBER 31, 2022	2021
Provisions		23.8	25.1
Derivatives	(1)	47.4	3.0
Other non-current liabilities	(2)	8.3	6.9
Provisions and other non-current liabilities		**79.4**	**35.0**

(1) Of which €46.2 million fair value hedge derivatives on senior notes as of December 31, 2022 (€1.4 million as of December 31, 2021) - see note 19.3.

(2) Including employee profit sharing related payables in France in the amount of €8.3 million (€6.9 million at December 31, 2021).

The variation in provisions is detailed in the table below:

(in millions of euros)	RESTRUCTURING (1)	OTHER LITIGATION & CLAIMS (2)	LEASED ASSETS RESTORATION	**TOTAL PROVISIONS**
As of January 1, 2021	**12.1**	**18.6**	**2.1**	**32.8**
Increase	2.4	6.8	—	**9.2**
Use	(8.6)	(2.7)	(0.5)	**(11.8)**
Release	(2.6)	(1.3)	—	**(3.9)**
Currency translation adjustment	0.1	0.1	0.1	**0.3**
Other changes	1.8	(3.3)	—	**(1.5)**
As of December 31, 2021	**5.3**	**18.2**	**1.6**	**25.1**
Increase	3.9	9.1	0.8	**13.8**
Use	(3.6)	(7.1)	—	**(10.7)**
Release	(1.2)	(1.1)	—	**(2.3)**
Currency translation adjustment	(0.1)	(0.1)	—	**(0.1)**
Other changes	(0.9)	(1.0)	(0.1)	**(2.0)**
As of December 31, 2022	**3.4**	**18.1**	**2.3**	**23.8**

(1) Provisions for reorganization and business transformation programs. These restructuring plans are associated with shutdown activities, branch closures, optimization of distribution centers and back-office reorganization. Provisions for restructuring activities undertaken at December 31, 2022 mainly concerned Asia-Pacific for €1.9 million (€1.1 million in 2021) and Europe for €1.1 million (€3.7 million in 2021).

(2) of which €5.4 million relating to litigation with French social security (€2.7 million in 2021), €3.1 million to employee claims (€4.0 million in 2021) and €1.9 million to trade disputes (€1.6 million in 2021).

18. Post-employment and long-term benefits

In accordance with the laws and practices of each country, the Group participates in post-employment benefits and other long-term benefits (during employment) offering pensions, lump-sum payments on retirement, jubilees, early retirement benefits, and health care and life insurance benefits in favor of former employees, including retired employees.

These benefits are classified as either:

- defined contribution plans recognized as an expense in profit and loss in personnel costs and will have no legal or constructive obligation to pay further contributions; or
- defined benefit plans when the Group guarantees a future level of benefits.

Group's net obligation

The Group's net obligation in respect of defined post-employment benefit plans and of long-term benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

As per IFRS-IC Interpretation IAS 19 "Attributing Benefit to Periods of Service" (May 2021), when the rights of an employee are capped, the recognition of the obligation start when the service actually grants rights and not over the entire period of employment.

Benefit is discounted to determine its present value.

Discount rates are set by reference to market yields on high quality corporate bonds (AA rated-bonds by at least one of the top three rating agencies: Standard & Poor's, Moody's and Fitch) with a similar duration to the underlying obligation. Each future year expected benefit payments are discounted by the corresponding of the yield curve and when there is no deep market in bonds with a sufficiently long maturity to match the maturity of the benefit payments, the discount rate is estimated by extrapolating current market rates along the yield curve. Then a single discount rate is calculated that, when applied to all cash flows, results in the same interest cost as the application of the individual rates would have produced.

The calculation is performed periodically by an independent actuary using the projected unit credit method.

In addition, for post employment benefit plans:

- The liability recognized in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets;
- When the calculation results in plan assets exceeding liability, the recognized asset is limited to the present value of any currently available future refunds from the plan or reductions in future contributions to the plan;
- When the benefits of a plan are improved (reduced), the portion of the increased (decreased) benefit relating to past service by employees is recognized immediately as an expense (income) in the income statement. The current and past service costs as well as administrative costs paid from registered pension plans' assets are presented in the income statement as part of the distribution and administrative expenses. The net interest expenses (income) relating to the discounting of the net funded position (defined benefit obligation less plan assets) is presented in the income statement as part of the net financial expenses.

Remeasurements

Remeasurements including (i) actuarial gains and losses, (ii) actual return on plan assets including administrative expenses allocated to manage plan assets and (iii) changes in the effect of the asset ceiling are recognized in:

- Other comprehensive income for post-employments benefits;
- Distribution and administrative expenses for other long-term benefits.

18.1 Defined benefit plans description

The most significant funded defined benefit pension plans sponsored by the Group are in the United Kingdom, in Switzerland and in Canada. Related funds are managed through independent vehicles.

In the United Kingdom, Rexel operates deferred final salary defined benefits through the *Rexel UK Pension Scheme* fund. All sections under this plan are closed to new entrants with effect of April 5, 2002. Accrued benefits and pensions are subject to indexation. Statutory funding objectives are agreed between the Trustee board and the company. In that respect, the Trustee board carries out a full valuation of the Scheme at least every three years, after which a recovery plan of contributions is agreed with the company to restore any funding deficit. The most recent full valuation was performed on April 5, 2020. The Trustee board is also responsible for determining the investment strategy of the plan.

In Switzerland, Rexel provides a second pillar pension plan for its employees. Assets are managed through a pension fund "*Pension Kasse", the Elektro Material Pension Plan*. The plan runs under a contribution-based pension plan agreement with guaranteed return, thus qualifying as a defined benefit plan. The Pension Board *"Conseil de Fondation"* is responsible to set up adequate company's and employee's contribution and asset allocation strategy that seeks to meet at least guaranteed return. A full valuation of this plan is performed each year.

In Canada, defined benefit pension plans mainly include:

- The Employees' Plan which is a registered plan and has both defined benefit and defined contribution provisions. The defined benefit provision of the plan has a career average type formula. This plan was closed to new entrants on January 1, 2000.
- The Executives' Pension Plan and the Supplementary Executives' Retirement Plan ("SERP") which provide retirees with a pension based on a percentage of their prior earnings. The Executives' Plan is a final average earnings defined benefit registered plan. The SERP has two provisions: the first provides benefit in excess of the limits of the Executives' Plan and the second portion provides a term annuity upon retirement based on a notional account.

A full actuarial valuation of Canadian plans is performed every three years. The most recent valuations were performed in 2022.

18.2 Employee Benefit Plan information

The change in the present value of the obligation in respect of defined benefit plans is as follows:

	DEFINED BENEFIT OBLIGATIONS				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2021	**558.6**	**258.9**	**257.4**	**215.7**	**1,290.6**
Service cost	—	2.3	7.2	6.4	15.8
Interest cost	8.6	6.4	0.6	2.0	17.7
Benefit payments	(17.4)	(13.5)	(10.2)	(8.9)	(50.0)
Employee contributions	—	0.4	4.4	0.4	5.1
Change in consolidation scope	—	—	—	—	—
Currency translation adjustment	37.8	21.7	11.0	2.2	72.7
Past service cost / settlement and other	—	—	—	0.9	0.9
Remeasurements					
Effect of change in demographic assumptions	(15.0)	—	(11.0)	—	(25.9)
Effect of change in financial assumptions	(22.7)	(15.1)	(8.7)	(12.2)	(58.7)
Effect of experience adjustments	(5.7)	(1.0)	2.6	(4.8)	(9.0)
As of December 31, 2021	**544.2**	**260.2**	**253.3**	**201.7**	**1,259.3**
Service cost	—	2.2	6.9	5.7	14.7
Interest cost	9.2	7.7	1.3	2.8	21.0
Benefit payments	(16.4)	(14.4)	(8.7)	(16.7)	(56.3)
Employee contributions	—	0.4	5.0	0.4	5.8
Currency translation adjustment	(22.1)	2.4	11.8	0.9	(6.9)
Past service cost / settlement and other	—	—	—	(2.3)	(2.3)
Remeasurements					
Effect of change in demographic assumptions	—	—	(0.3)	—	(0.3)
Effect of change in financial assumptions	(195.8)	(58.4)	(38.7)	(46.9)	(339.8)
Effect of experience adjustments	34.7	(1.2)	8.8	2.5	44.8
As of December 31, 2022	**353.4**	**198.8**	**239.3**	**147.9**	**939.3**

The change in the fair value of the defined benefit plan assets breaks down as follows:

	PLAN ASSETS				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2021	**421.8**	**187.6**	**254.9**	**105.5**	**969.7**
Employer contributions	7.1	6.9	6.5	7.2	27.8
Employee contributions	—	0.4	4.4	0.4	5.1
Interest income	4.3	4.7	0.7	0.9	10.5
Benefit payments	(17.4)	(13.5)	(10.2)	(8.9)	(50.0)
Currency translation adjustment	30.1	16.5	10.8	0.5	58.0
Return on plan assets excluding interest income (1)	36.0	14.1	(16.5)	(4.3)	29.2
As of December 31, 2021	**481.8**	**216.6**	**250.6**	**101.3**	**1,050.4**
Employer contributions	12.6	7.4	7.5	8.2	35.8
Employee contributions	—	0.4	5.0	0.4	5.8
Interest income	5.9	6.5	1.7	0.9	14.9
Benefit payments	(16.4)	(14.4)	(8.7)	(17.2)	(56.8)
Currency translation adjustment	(18.5)	1.1	11.7	(0.4)	(6.1)
Return on plan assets excluding interest income (1)	(177.2)	(35.4)	(31.0)	(24.7)	(268.3)
As of December 31, 2022	**287.8**	**182.2**	**236.7**	**68.5**	**775.3**

(1) of which €(4.6) million of asset ceiling on the Switzerland plan (€(39.6) million in 2021).

The change in the net liability / (asset) breaks down as follows:

(in millions of euros)	NET LIABILITY / (ASSET) UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2021	**136.8**	**71.4**	**2.5**	**110.2**	**320.9**
Service cost	—	2.3	7.2	6.4	15.8
Interest cost	4.4	1.7	(0.1)	1.2	7.2
Past service cost/settlement and other	—	—	—	0.9	0.9
Employer contributions	(7.1)	(6.9)	(6.5)	(7.2)	(27.8)
Change in consolidation scope	—	—	—		
Currency translation adjustment	7.7	5.2	0.1	1.8	14.7
Remeasurements	(79.4)	(30.1)	(0.6)	(12.8)	(122.8)
As of December 31, 2021	**62.4**	**43.5**	**2.7**	**100.4**	**208.9**
Service cost	—	2.2	6.9	5.7	14.7
Interest cost	3.3	1.2	(0.4)	1.9	6.1
Past service cost/settlement and other	—	—	—	(2.3)	(2.3)
Employer contributions	(12.6)	(7.4)	(7.5)	(8.2)	(35.8)
Currency translation adjustment	(3.5)	1.3	0.1	1.3	(0.8)
Remeasurements	16.1	(24.2)	0.8	(19.7)	(27.0)
As of December 31, 2022	**65.6**	**16.6**	**2.5**	**79.4**	**164.1**

The reconciliation of the liability recognized on the balance sheet and the present value of the obligation in respect of defined benefit plans is as follows:

(in millions of euros)	LIABILITY RECONCILIATION UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2021					
Defined benefit obligations	544.2	260.2	253.3	201.7	1,259.3
of which Funded schemes	*543.7*	*237.9*	*250.7*	*118.3*	*1,150.6*
of which Unfunded schemes	*0.5*	*22.2*	*2.6*	*83.4*	*108.7*
Fair value of plan assets	(481.8)	(216.6)	(250.6)	(101.3)	(1,050.4)
Recognized net liability for defined benefit obligations	**62.4**	**43.5**	**2.7**	**100.4**	**208.9**
For the year ended December 31, 2022					
Defined benefit obligations	353.4	198.8	239.3	147.9	939.3
of which Funded schemes	*353.0*	*182.8*	*236.8*	*81.4*	*854.0*
of which Unfunded schemes	*0.4*	*16.0*	*2.5*	*66.5*	*85.4*
Fair value of plan assets	(287.8)	(182.2)	(236.7)	(68.5)	(775.3)
Recognized net liability for defined benefit obligations	**65.6**	**16.6**	**2.5**	**79.4**	**164.1**

18.3 Re-measurements of the net defined benefit liability

	OTHER COMPREHENSIVE INCOME				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income and asset ceiling	(36.0)	(14.1)	16.5	4.3	(29.3)
Effect of change in demographic assumptions	(15.0)	—	(10.8)	—	(25.8)
Effect of change in financial assumptions	(22.7)	(15.0)	(8.7)	(12.0)	(58.4)
Effect of experience adjustments	(5.7)	(1.0)	2.3	(4.7)	(9.1)
OCI recognized for the year ended December 31, 2021	**(79.4)**	**(30.1)**	**(0.7)**	**(12.4)**	**(122.6)**
Return on plan assets excluding interest income and asset ceiling	177.2	35.4	30.6	25.1	268.3
Effect of change in demographic assumptions	—	—	(0.1)	—	(0.1)
Effect of change in financial assumptions	(195.8)	(58.3)	(38.5)	(45.6)	(338.2)
Effect of experience adjustments	34.7	(0.9)	8.6	2.8	45.2
OCI recognized for the year ended December 31, 2022	**16.1**	**(23.9)**	**0.6**	**(17.7)**	**(24.8)**

18.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

		EXPENSE				
(in millions of euros)		UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service costs	(1)	—	2.3	7.2	6.4	15.8
Past service costs	(1)	—	—	—	0.9	0.9
Net Interest expense	(2)	4.4	1.7	—	1.2	7.3
Other	(1)	—	0.0	0.1	(0.3)	(0.3)
Expense recognized for the year ended December 31, 2021		**4.4**	**4.0**	**7.2**	**8.1**	**23.7**
Service costs	(1)	—	2.2	6.9	5.7	14.7
Past service costs	(1)	—	—	—	(2.3)	(2.3)
Net Interest expense	(2)	3.3	1.2	(0.4)	1.9	6.1
Other	(1)	—	(1.6)	0.2	(0.7)	(2.1)
Expense recognized for the year ended December 31, 2022		**3.3**	**1.8**	**6.7**	**4.6**	**16.4**

(1) Recognized as personnel costs (see note 7).

(2) Recognized as net financial expenses (see note 9).

There have been no significant plan amendments or settlements for the years ended December 31, 2022 and December 31, 2021.

18.5 Plan asset allocation

(in millions of euros)	PLAN ASSETS CLASS UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	3.0	1.0	14.5
Equity instruments (quoted in an active market)	19.4	94.8	125.5
Debt instruments (quoted in an active market)	101.7	87.0	108.0
Real estate	—	—	69.1
Investment funds	353.5	—	—
Asset held by insurance company	4.0	33.9	3.3
Other	0.4	—	2.9
As of December 31, 2021	**481.8**	**216.7**	**323.4**
Cash and cash equivalents	4.0	0.3	14.6
Equity instruments (quoted in an active market)	—	30.5	117.6
Debt instruments (quoted in an active market)	51.4	32.9	100.3
Real estate	—	—	76.4
Investment funds	228.9	—	—
Asset held by insurance company	2.8	118.5	1.5
Other	0.1	—	6.3
As of December 31, 2022	**287.0**	**182.3**	**316.7**

18.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	UNITED KINGDOM		CANADA		SWITZERLAND	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Average plan duration (in years)	14	16	11	12	12	14
Discount rate (in %)	4.75	1.75	5.10	2.90	2.25	0.50
Future salary increases (in %)	N/A	N/A	3.00	3.00	1.00	0.50

18.7 Post-employment plan risks

In order to identify and deal with the risks in relation to the management of pension and other post-retirement plans, a pension committee made up by Finance and Human Resources representatives, meets on a quarterly basis. This pension committee, supported by experts, reviews, in particular, the funding of pension plans, and the performance of the pension plan's assets. It is informed of any material event in relation to the benefits granted to employees, the financial impact in relation to the plans, or changes in the regulations. The committee reports to Audit Committee on a yearly basis.

The Group's major defined benefit plans are subject to funding requirements that mainly fluctuate based on interest rates, performance of plan assets and changes in local regulations. Depending on changes in the above parameters, the Group may be required to make additional contributions to the pension funds in a defined time frame.

- Volatility in discount rates and inflation

The defined benefit liability is calculated by discounting future expected cash flows. Discount rates are determined based upon bonds yield prevailing at the measurement date which may fluctuate from one period to another. In addition, accrued benefits and pension annuities are usually subject to salary increase and conditional or unconditional indexation which vary depending on inflation level. Any change in the above parameters may adversely affect the defined benefit liability and the service cost, and thus triggers additional contributions to comply with local minimum funding requirements.

- Volatility in asset values

Plan assets mainly include equities, fixed incomes securities and other assets which values are subject to market volatility. A downturn in financial markets would result in an increase of the net liability and, therefore, in reduced funding ratios requiring additional contributions from the Group in a defined time frame.

Sensitivity analysis

	SENSITIVITY TO A 50 BASIS POINTS DECREASE IN DISCOUNT RATE				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost (in millions of euros)	—	0.1	0.3	0.3	0.8
Defined Benefit Obligation (in %)	7 %	5 %	4 %	5 %	6 %

	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	—	(3.1)	(11.8)	(0.5)	(15.3)

Risk Management

To mitigate risks identified above, the Group has already implemented or is currently setting up the following actions which include changes in the design of the defined benefit schemes as well as financial measures:

- Closure of defined benefits schemes, where appropriate, and move to defined contribution plans, with frozen benefit rights;
- Rationalization of benefits including the level of pension benefits, conversion rate factors and indexation caps;
- Selective additional cash contributions to increase funding level, on top of regular contributions;
- Inflation and Interest rate hedging;
- Adoption of investment strategies that broadly match the nature of the liabilities, with a progressive alignment of asset allocation and pension plans duration;
- Regular meetings with trustees;
- Periodic review of investment performance by independent advisors to monitor investment volatility.

18.8 Expected cash flows

	EXPECTED CASH FLOW				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2023	18.5	13.7	9.3	9.1	50.6
Expected benefit payments for 2024	17.8	14.0	11.1	12.5	55.4
Expected benefit payments for 2025	19.0	14.3	9.4	10.3	53.0
Expected benefit payments for 2026	19.2	14.6	9.3	12.5	55.5
Expected benefit payments for 2027 and after	127.4	88.3	63.4	74.6	353.7
Expected employer contributions for 2023	11.3	6.9	7.4	7.0	32.6

19. Financing and financial risk management

19.1 Net financial debt

The definition of the Group for the net financial debt is the following:

- gross financial debt (loans and borrowings, bank overdraft and derivative financial instruments);
- less cash and cash equivalents (cash balance and demand deposits with banks and other short-term highly liquid investments subject to an insignificant risk of change in value).

At initial recognition, gross debt is recognized at fair value though profit and loss. Loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Transaction costs and debt premiums are included in the amortized cost using the EIR calculation and, in effect, amortized through financial expenses over the life of the instrument. Loan and borrowing transaction costs comprise (i) fees and commissions paid to agents and advisers, (ii) levies by regulatory agencies and securities exchanges, and (iii) transfer taxes and duties. These costs do not comprise debt premiums, or allocations of internal administrative or overhead expenses.

Gains and losses are recognized in financial result when the liabilities are derecognized.

Cash and cash equivalents are carried at fair value through profit and loss.

The classification of financial instruments is explained in note 19.3.

As of December 31, 2022, Rexel's consolidated net debt stood at €1,458.4 million, consisting of the following items:

		As of December 31, 2022			As of December 31, 2021		
(in millions of euros)		CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
Senior notes		—	953.2	953.2	—	999.5	999.5
Securitization		360.0	823.5	1,183.5	605.0	300.0	905.0
Bank loans		62.3	0.2	62.5	36.7	0.3	37.0
Commercial paper		45.0	—	45.0	125.5	—	125.5
Bank overdrafts and other credit facilities		75.1	—	75.1	68.7	—	68.7
Accrued interests	(1)	2.4	—	2.4	5.1	—	5.1
Less transaction costs		(2.3)	(8.4)	(10.7)	(3.6)	(9.2)	(12.9)
Total financial debt and accrued interest		***542.4***	***1,768.6***	***2,311.0***	***837.5***	***1,290.5***	***2,128.0***
Cash and cash equivalents				(895.4)			(573.5)
Accrued interest receivable				(3.5)			(1.4)
Debt hedge derivatives	(2)			46.3			(2.0)
Net financial debt				**1,458.4**			**1,551.2**

(1) Of which accrued interests on Senior Notes for €0.9 million as of December 31, 2022 (€2.2 million as of December 31, 2021).

(2) Debt hedge derivatives include fair value hedge interest rate derivatives and foreign exchange derivatives designated as hedge of financial debt.

19.1.1 Senior notes

Main components of existing senior notes are detailed as follows:

				CARRYING AMOUNT AS OF DECEMBER 31,	
(in millions of euros)	NOMINAL AMOUNT	DUE DATE	NOMINAL INTEREST RATE	**2022**	**2021**
2021 Sustainability linked senior notes (November)	600.0	December 2028	2.125 %	599.3	600.4
2021 Sustainability linked senior notes (May)	400.0	June 2028	2.125 %	353.9	399.1
TOTAL				**953.2**	**999.5**

€600 million senior sustainability-linked notes due 2028

On November 10, 2021, Rexel issued €600 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually.

The notes rank pari passu with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2022. The notes mature on December 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to December 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after December 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
REDEMPTION PERIOD BEGINNING ON:	Performance targets achieved	Performance targets not
December 15, 2024	101.063%	101.188%
December 15, 2025	100.531%	100.594%
December 15, 2026 and after	100.000%	100.000%

€400 million senior sustainability-linked notes due 2028

On May 5, 2021, Rexel issued €300 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually. On May 18, 2021, the Group placed additional €100 million notes at a price of 100.875% of nominal (i.e. an issuance price of €100.9 million). The additional notes are fully fungible with the previously issued notes and have identical terms and conditions.

The notes rank pari passu with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from December 15, 2021. The notes mature on June 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to June 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after June 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
REDEMPTION PERIOD BEGINNING ON:	Performance targets achieved	Performance targets not achieved
June 15, 2024	101.063%	101.188%
June 15, 2025	100.531%	100.594%
June 15, 2026 and after	100.000%	100.000%

Sustainability performance targets

The senior notes are subjected to sustainability performance targets:

- a 23% reduction in greenhouse gas emissions related to the consumption of products sold, per euro of turnover (scope 3) by December 31, 2023 from a 2016 baseline; and
- a 23.7% reduction in greenhouse gas emissions related to energy consumption (scope 1 & 2) in its operations by December 31, 2023 from a 2016 baseline.

The interest rate of the Notes shall be increased by 25 basis points to 2.375% per annum from June 15, 2024, if the Group does not achieve one of the above targets.

As of December 31, 2022, the Group considers that these sustainability performance targets will be achieved.

19.1.2 Securitization programs

Information with respect to Rexel's securitization programs including the off-balance sheet programs is provided in the table below:

MAIN PROGRAMS		AS OF DECEMBER 31, 2022			AS OF DECEMBER 31,		
		COMMITMENT	AMOUNT OF RECEIVABLES ASSIGNED	AMOUNT DRAWN DOWN	**2022**	**2021**	MATURITY
		(in millions of currency)			*(in millions of euros)*		
France	(1)	€360.0	€519.4	€360.0	360.0	300.0	12/16/2023
Europe (excl. France)	(2)	€219.0	€374.0	€216.2	216.2	220.2	7/19/2025
United States - on balance sheet	(3)	US$500.0	US$757.2	US$500.0	468.8	256.0	8/3/2025
United States - off balance sheet		US$225.0	US$225.0	US$225.0	210.9	197.9	8/3/2025
Canada	(4)	C$200.0	C$326.1	C$200.0	138.5	128.5	1/19/2026
TOTAL					**1,394.4**	**1,102.7**	
Of which:	–	on balance sheet:			1,183.5	905.0	
	–	off balance sheet:			210.9	197.9	

(1) Maximum commitment increased from €300 million to €360 million in 2022.

(2) In June 2022, Rexel amended its European securitization program to extend the maturity date to July 2025.

(3) In August 2022, Rexel amended its United States Securitization programs and extended the maturity date to August 2025. The maximum commitment of the program was increased from US$290 million to US$500 million.

(4) In September 2022, Rexel amended its Canadian Securitization program and extended the maturity date to January 2026. The maximum commitment of the program was increased from C$185 million to C$200 million.

The total outstanding amount authorized for these securitization programs was €1,394.4 million and was totally used as of December 31, 2022.

These securitization programs pay interest at variable rates including a specific credit spread to each program.

On balance sheet programs

Rexel runs several on-going securitization programs which enable it to assign receivables to special purpose vehicles in exchange of cash payment amounting to the value of the receivables minus an amount committed to guarantee their recovery, which latter amount is only reimbursed, in whole or in part, after complete payment of the receivables.

The special purpose vehicles obtain the financing required to purchase these receivables, notably through the issuance of short-term debt instruments such as French, US, or Canadian commercial paper, which is rated by rating agencies. Under certain programs, Rexel also has the option of contributing its receivables in exchange for subscribing the securitization vehicle's subordinated notes.

Relevant subsidiaries remain responsible for the collection of receivables once assigned and retains a significant part of the late payment and credit risks. As a consequence, these receivables assignment programs do not qualify for derecognition under IFRS 9 requirements. Therefore, assigned receivables remain classified as assets on the Group's balance sheet on the line "Trade accounts receivable" whereas the financing received is shown as financial debt.

Off Balance sheet program

The Group also entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of CALYON, to sell a participating interest in eligible trade receivables of Rexel's US subsidiaries under a *Receivables Participation Agreement* ("RPA"). This agreement was amended for 3 years in August 2022 and allows the Group to assign eligible receivables and receive cash consideration up to a maximum amount of US$225 million.

The purchase price of the receivables is equal to the face value of the receivables sold less a discount including a credit risk premium and the funding cost. Under the RPA, the Group is liable for collecting the receivables on behalf of the purchaser and receives servicing fees as remuneration of this obligation. As part of this transaction, the Group entered into a Collateral and Intercreditor Agreement to secure the performance of its obligations under the RPA. The obligations of the Group under the RPA guarantee the transfer of cash collected by the Group on behalf of the purchaser, as well as the payment of expenses and allowances due by the Group. However, these guarantees do not include any compensation obligation in relation to unrecovered receivables.

As a result of this agreement, credit risk, interest risk and late payments risk attached to the receivables assigned in relation to the Ester program are transferred to the purchaser through the credit and funding discounts. The dilution risk is not considered for risks and rewards analysis as this risk is not attached to the receivables but is analyzed as a risk of misuse of the securitization program as disputed receivables are not eligible to the program or as a risk attached to the servicing of the receivables that is guaranteed by a collateral.

Therefore, receivables sold under this agreement are derecognized from the balance-sheet at the transfer date and the difference between the sale price and the carrying value of these receivables is recorded in the income statement as a financial expense.

As of December 31, 2022, derecognized receivables totaled €210.9 million (€197.9 million as of December 31, 2021) and the discounting loss was recorded as a financial expense for €12.0 million (€5.3 million in 2021). Cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €31.2 million and was recognized in financial liabilities (€25.2 million as of December 31, 2021).

The Group did not retain any interests in the receivables sold under this program.

Covenant

Securitization programs are subject to certain covenants concerning the quality of the trade receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables).

As of December 31, 2022, Rexel had satisfied all of these covenants. All the programs are on-going programs and therefore are not subject to seasonality other than seasonality arising in the ordinary course of business.

19.1.3 Factoring arrangements

In addition to its securitization programs, Rexel entered into factoring agreements in France and Belgium. Under these arrangements, Rexel assigns trade receivables to the factor and receives cash payment for a maximum amount of €95 million.

As a result of these arrangements, the Group transfers the credit risk, interest risk and late payment risk to the factor, and remains liable for collecting the receivable on behalf of the factor.

As of December 31, 2022, Rexel derecognized the trade receivables sold to the factor for €84.1 million (€68.6 million as of December 31, 2021). Cash collected on behalf of the factor in relation with the transferred receivables was recognized in financial liabilities for €18.5 million as of December 31, 2022 (€20.4 million as of December 31, 2021).

19.1.4 Commercial paper program

Rexel runs a €300 million commercial paper program, with fixed maturities ranging from one to six months depending on the notes, issued to diversify its investor base and minimize the cost of financing.

As of December 31, 2022, the company had issued €45.0 million of commercial paper (€125.5 million as of December 31, 2021).

19.1.5 Promissory notes

In order to manage its credit risk in China, the Group discounts without recourse to various financial institutions non-matured promissory notes issued by banks ("Bank Acceptance Drafts") that are received from customers as payment of trade receivables. Rexel transfers risks and benefits associated with discounted Bank Acceptance Drafts.

As of December 31, 2022, Bank Acceptance Drafts were derecognized from the balance sheet for €68.2 million (€70.6 million as of December 31, 2021).

19.1.6 Cash and cash equivalents

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Cash at bank	894.5	572.6
Cash in hand	0.8	0.9
Cash and cash equivalents	**895.4**	**573.5**

19.2 Change in net financial debt

As of December 31, 2022, and December 31, 2021, the change in net financial debt was as follows:

(in millions of euros)	**2022**	**2021**
As of January 1,	**1,551.2**	**1,334.9**
Issuance of senior notes net of transaction costs	—	989.9
Repayment of senior notes	—	(1,119.6)
Transaction costs and refinancing costs	(1.6)	—
Net change in credit facilities, commercial papers and other financial borrowings	(52.4)	108.0
Net change in credit facilities	***(54.0)***	***(21.8)***
Net change in securitization	275.9	46.7
Net change in financial liabilities	**221.9**	**24.9**
Change in cash and cash equivalents	(371.4)	124.3
Effect of exchange rate changes on net financial debt	51.5	36.9
Effect of acquisition	—	1.1
Amortization of transaction costs	3.7	3.7
Non recurring redemption costs/ (gain)	—	22.6
Effect of assets held for sale classification	1.6	—
Other changes	0.1	2.7
As of December 31,	**1,458.4**	**1,551.2**

19.3 Market risks and financial instruments

The financial risks for which the Group is exposed are mainly interest rate risk and foreign exchange risk. In order to manage its exposure to market risks, Rexel use derivative financial instruments such as forward currency contracts or interest rate swap.

Derivative financial instruments are initially recognized at fair value. Most interest and foreign currency exchange rate derivatives used by the Group are designated as hedging instruments.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Change in fair value from one period to the next are recognized differently on whether the instrument is designated for accounting purposes as (i) a fair value hedge of an asset or a liability or an unrecognized firm commitment, (ii) a cash flow hedge or (iii) a hedge of net investment in a foreign operation.

(i) Fair value hedges

- Consist in hedging the variability of the fair value hedged item measured at amortized cost including fixed rate indebtedness such as senior notes;
- Changes in fair value of the hedging instrument are recognized in the income statement such as the change in value of the hedged item which is symmetrically recognized in the income statement for the period. Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement;
- For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining life of the hedging instrument using the effective interest rate method. When the hedged item is derecognized, the unamortized fair value is recorded immediately in profit or loss.

(ii) Cash flow hedges

- Consist in hedging the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction;
- The effective part of any gain or loss on the derivative financial instrument is recognized in the cash-flow hedge reserve as other comprehensive income. The ineffective part is recognized immediately in profit or loss;
- When the forecasted transaction subsequently results in the recognition of a non-financial asset or liability, the associated cumulative gain (loss) is removed from the cash-flow hedge reserve and included in the initial cost or other carrying amount of the non-financial asset or liability;
- For cash flow hedges, other than those described in the previous paragraph, the associated cumulative gain (loss) is reclassified from the cash-flow hedge reserve to profit or loss under the same line item as the hedged item – i.e. under “Operating income and expenses” for cash flows from operations and under “Financial income and expense” otherwise – when the hedged cash flow occurs;
- If the hedged relationship is no longer expected to take place, the cumulative unrealized gain (loss) recognized as other comprehensive income is immediately reclassified to profit or loss.

(iii) Net investment in foreign operations hedges

- Consist in hedging the exchange rate risk relating to the equity of an investment in a consolidated subsidiary.
- Changes in fair value of the effective portion are recognized directly in other comprehensive income under "net gain/ (loss) on net investment hedges". The ineffective portion is recognized immediately in "Financial income and expenses". Gains and losses accumulated in equity are recognized in the income statement when the foreign operation is disposed of.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments and changes in their fair value is recognized in the income statement.

The Group has applied the amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”and IFRS 7 “Financial Instruments: Disclosures”.

Rexel has conducted a Group-wide project to identify all contracts that could be affected by this reform and amended all the contracts where necessary its counterparties for the purpose of taking these index changes into account.

Hedging derivative instruments indexed to a benchmark rate are presented below. As of December 31, 2022, the Group’s exposure to financial instruments indexed to floating rates with a maturity date beyond the implementation date of the reform is low. The potential impact on financial information of the replacement of an existing benchmark rate by another will take effect as soon as Phase 2 of the benchmark interest rate reform is adopted.

As allowed by these amendments the Group did not to take into account uncertainties about the future of benchmark interest rates in assessing the effectiveness of hedging relationships.

19.3.1 Interest rate risk

Rexel is exposed to interest rate risk through its indebtedness and cash management. Hedged items include borrowings, cash and cash equivalents and highly probable forecasted transactions derived from the budget. The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s interest-bearing debt, including senior notes, securitization and factoring arrangements, credit facilities and commercial paper. The risk component is limited to the risk-free interest rate, excluding credit spread and other financing components.

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a 80% hedging ratio on a one-year rolling basis, 50% on a two-year rolling basis, 25% on a three-year rolling basis of its net financial debt at fixed or capped rates with the remainder at variable interest rates with a flexibility of +/- 20%. To manage this, the Group mainly enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	**2022**	**2021**
Senior Notes and other fixed rate debt before hedging	990.3	987.0
Fixed to floating rate swaps on Senior Notes	(350.0)	(600.0)
Floating to fixed rate swaps on securitization	784.5	724.7
Sub total fixed or capped rate instruments	***1,424.8***	***1,111.7***
% sub total fixed or capped rate instruments / Net debt before cash	61 %	52 %
Securitization at floating rate debt before hedging	1,183.5	905.0
Floating to fixed rate swaps on securitization	(784.5)	(724.7)
Other floating rate debt (not hedged)	179.9	232.6
Fixed to floating rate swaps on Senior Notes	350.0	600.0
Sub total floating rate debt instruments	***928.9***	***1,012.9***
% sub total floating rate debt instruments / Net debt before cash	39 %	48 %
Cash and cash equivalents	(895.4)	(573.5)
Total net financial debt	**1,458.4**	**1,551.2**

Fair value hedge derivatives

As of December 31, 2022, the portfolio of interest rate swaps used as hedge for exposure of changes in fair value of its senior notes disclosed in note 19.1.1 is as follows:

Swaps paying variable rate

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE (1) *(in millions of euros)*
Euro	50.0	50.0	June 2023	0.31 %	Euribor 3M	(0.5)
	300.0	300.0	June 2028	(0.02)%	Euribor 3M	(45.7)
Total		**350.0**				**(46.2)**

(1) Derivative instruments are presented at fair value, including accrued interest payable for €0.3 million.

As of December 31, 2021, the portfolio was as follows:

Swaps paying variable rate

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE (1) *(in millions of euros)*
Euro	250.0	250.0	June 2022	0.54 %	Euribor 3M	1.4
	50.0	50.0	June 2023	0.31 %	Euribor 3M	0.6
	300.0	300.0	June 2028	(0.02)%	Euribor 3M	(1.4)
Total		**600.0**				**0.6**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.2 million.

Fair value change of the hedging swaps and senior notes were as follows:

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2022**	**2021**
Fair value change of the hedging swaps	47.1	(4.8)
Fair value change of the senior notes	(46.1)	1.3

Cash-flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash-flow hedge swaps mature until January 2025. The Group intends to renew a significant portion of these swaps in order to hedge the variability of future interest expense related to its floating interest debt mainly associated with securitization programs, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

Interest rate swap contracts classified as cash flow hedges were as follows:

As of December 31, 2022:

Swaps paying fixed rate

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE[(1)] *(in millions of euros)*
American dollar	125.0	117.2	April 2023	Libor USD 3M	1.47%	1.6
	200.0	187.5	December 2023	Libor USD 3M	0.74%	7.9
	100.0	93.8	January 2025	Libor USD 3M	1.01%	7.2
	100.0	93.8	July 2025	SOFR capi	2.57%	3.9
	100.0	93.8	December 2025	SOFR capi	3.80%	0.6
Canadian dollar	20.0	13.9	January 2023	CDOR 3M	1.11%	0.1
	50.0	34.6	December 2024	CDOR 3M	1.77%	1.8
Australian dollar	75.0	47.8	June 2023	BBSW AUD 3M	0.65%	0.6
Swiss franc	50.0	50.8	November 2024	Saron	(0.28%)	1.8
	25.0	25.4	December 2024	Saron	1.37%	0.1
	150.0	152.3	December 2025	Saron	1.79%	(0.6)
Euro	150.0	150.0	March 2023	Euribor 3M	(0.53%)	1.0
Total		**1,060.7**				**26.0**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €2.5 million.

As of December 31, 2021

Swaps paying fixed rate

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE[(1)] *(in millions of euros)*
American dollar	100.0	88.3	January 2022	Libor USD 3M	2.54%	(0.5)
	125.0	110.4	April 2023	Libor USD 3M	1.47%	(1.5)
	200.0	176.6	December 2023	Libor USD 3M	0.74%	0.5
	100.0	88.3	January 2025	Libor USD 3M	1.01%	0.4
Canadian dollar	90.0	62.5	March 2022	CDOR 3M	1.70%	(0.2)
	20.0	13.9	January 2023	CDOR 3M	1.11%	—
	50.0	34.7	December 2024	CDOR 3M	1.77%	—
Australian dollar	75.0	48.0	June 2023	BBSW AUD 3M	0.65%	(0.1)
Swiss franc	100.0	96.8	March 2022	Libor CHF 3M	(0.75%)	—
	160.0	154.9	December 2022	Saron	(0.67%)	—
	50.0	48.4	November 2024	Saron	(0.28%)	(0.3)
Euro	150.0	150.0	March 2023	Euribor 3M	(0.53%)	0.1
Total		**1,072.8**				**(1.6)**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €1.0 million.

The change in fair value of the cash flow hedging instruments for the year ended December 31, 2022 was recorded as a €24.3 million increase in cash-flow hedge reserve before tax (€11.6 million increase for the year ended December 31, 2021). The ineffectiveness recognized in profit and loss in 2022 was immaterial.

Sensitivity to interest rate variation

As of December 31, 2022, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the current annual interest expense estimated to €3.6 million and a €14.3 million gain related to the change in fair value of the hedging instruments of which a €0.7 million in the net financial expenses and €13.6 million in other comprehensive income.

19.3.2 Foreign exchange risk

The Group's financing policy is to centralize external borrowings and to provide financing to its foreign subsidiaries in their own functional currencies. The foreign currency risk arises principally from intercompany financings denominated in currencies other than euro and is managed at corporate level. In order to neutralize foreign exchange risk exposure, the Group's parent company incurs external indebtedness in foreign currencies other than euro or enters into foreign exchange derivatives (forward contracts or exchange rate swaps).

For the year ended December 31, 2022, unrealized exchange loss in other comprehensive income related to external borrowings qualified as net investment hedges accounted for €22.4 million before tax.

As of December 31, 2022, the notional value of foreign exchange derivatives was €(8.2) million (€4.5 million of forward sales and €12.7 million of forward purchases). Forward contracts are recognized at their fair value for a net negative amount of €0.4 million. The change in fair value of forward contracts for the year ended December 31, 2022 was recorded as a financial loss of €1.7 million.

Sensitivity to changes in foreign exchange rates

On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British Pound) would lead to a decrease (increase) in sales of €465.7 million and a decrease (increase) in operating income before other income and other expenses of €33.4 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of December 31, 2022 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €37.0 million and €171.4 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	EURO	US $	CANADIAN $	AUSTRALIAN $	NORWEGIAN KRONE	SWEDISH KRONA	BRITISH £	SWISS FRANC	CHINESE RENMINBI	OTHER	TOTAL
Financial liabilities	1,540.8	499.7	138.2	1.3	0.1	(3.8)	94.9	2.6	77.4	5.9	2,357.2
Cash and cash equivalents	(828.1)	(39.8)	(80.5)	30.0	(6.8)	(8.4)	(213.0)	262.7	(6.2)	(8.7)	(898.8)
Net financial position before hedging	**712.7**	**459.9**	**57.7**	**31.3**	**(6.7)**	**(12.2)**	**(118.1)**	**265.3**	**71.2**	**(2.8)**	**1,458.4**
Impact of hedges	5.8	(11.7)	—	(0.3)	—	0.8	0.3	—	3.4	1.6	—
Net financial position after hedging	**718.5**	**448.3**	**57.7**	**31.1**	**(6.7)**	**(11.5)**	**(117.8)**	**265.3**	**74.6**	**(1.1)**	**1,458.4**
Impact of a 5% depreciation of the euro		*22.4*	*2.9*	*1.6*	*(0.3)*	*(0.6)*	*(5.9)*	*13.3*	*3.7*	*(0.1)*	*37.0*

19.3.3 Liquidity Risk

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its financial liabilities when they are due. The Group aims to maintain the level of its cash and cash equivalents and available credit facilities at an amount in excess of its cash outflows on financial liabilities over the next 12 months.

As of December 31, 2022, the remaining contractual cash-flows in relation to financial indebtedness and derivative instruments, including interest owed, are as follows:

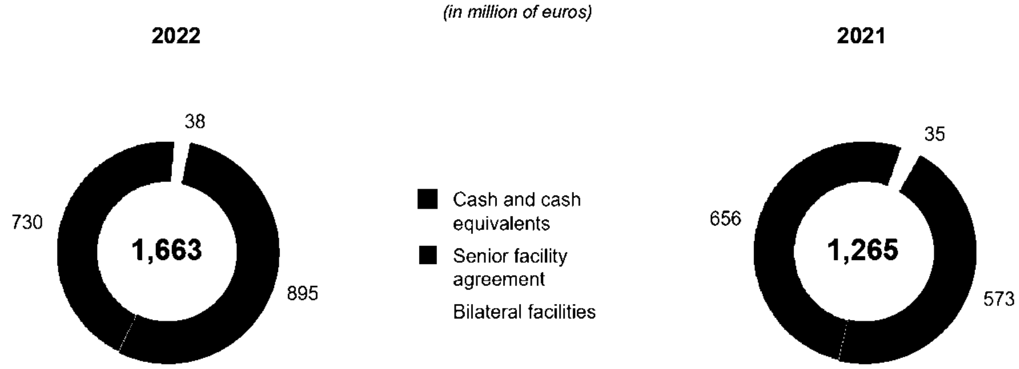
	DUE WITHIN						
(in millions of euros)	One year	Two years	Three years	Four years	Five years	Thereafter	**Total**
Senior notes	—	—	—	—	—	953.2	953.2
Securitization	360.0	—	685.0	138.5	—	—	1,183.5
Others	184.7	0.1	0.1	0.1	0.1	—	185.0
Total gross financial debt before transaction costs	**544.7**	**0.1**	**685.1**	**138.6**	**0.1**	**953.2**	**2,321.7**
Interests owed in relation to financial indebtedness	82.8	61.1	42.4	21.5	21.3	16.1	245.2
Interests owed (to receive) on derivatives	8.3	(3.9)	(8.9)	(8.8)	(8.9)	(4.1)	(26.3)
Total	**635.8**	**57.3**	**718.6**	**151.3**	**12.5**	**965.2**	**2,540.6**

Senior notes, issued in 2021, mature in 2028.

Securitization programs mature in 2023, 2025 and 2026 as a result of amendments executed in 2020 and 2022. The financing under securitization programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short-term debt (commercial paper) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

As of December 31, 2022, Group's liquidity stood at €1,662.8 million (€1,264.6 million as of December 2021) and exceeds the repayment obligation of its financial indebtedness due in the next twelve months. It breaks down as follows:

Group's liquidity
(in million of euros)



Senior Facility Agreement

The Senior Facility Agreement initially executed on March 15, 2013 subsequently amended - the latest amendment being dated January 31, 2018 - provides multicurrency revolving credit facility for an aggregate maximum initial amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING BANK N.V., French branch, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can also be drawn down through swingline loans for an aggregate amount of €137.8 million.

This Senior Facility Agreement matures in 2025 for €829 million and in 2024 for €21 million.

Interest and margin

This facility bears interest at a rate determined in reference to (i) EURIBOR rate when funds are made available in Euro, LIBOR rate for other currencies and EONIA rate for swingline loans, (ii) an applicable margin ranges from 0.60% to 2.25% depending on the leverage ratio, (iii) other costs such as mandatory costs or utilization and non-utilization fees. As from 3 January 2022, EONIA is replaced by ESTR plus 8.5 basis points.

Leverage ratio

This facility is subject to the ratio of to (i) adjusted total net debt relative to (ii) adjusted EBITDA and determined on a pre IFRS 16 basis:

"Adjusted EBITDA" means, in relation to a measurement period, consolidated operating income without double counting before other income (or expenses) as defined in the relevant consolidated accounts of the Group:

- Including the last 12 months of Adjusted EBITDA of any Subsidiary acquired in that measurement period *pro rata* the participation of the Group;
- Including proceeds related to commodity price derivatives entered into to hedge exposure to the price fluctuation of certain commodities which do not qualify for cash flow hedge accounting as per applicable IFRS;
- After adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the measurement period;
- After adding back net operational depreciation/amortization;
- Taking no account of any expense referable to equity settled share based compensation of employees or management, to the extent the balance of it is taken in account into financial indebtedness;
- After adding back non-cash employee share, incentive or remuneration scheme costs entered into as part of equity-based remuneration of employees of the Group, as well as legal profit sharing, to the extent the balance of it is taken into account in financial indebtedness;
- Excluding the non-recurring impact of the evolution of the copper prices as disclosed in the press release published in connection with the consolidated financial statements for such measurement period;
- After adding back any other restructuring and/or acquisition costs relating to any permitted acquisition.

"Adjusted total net debt" means:

- Any indebtedness for or in respect of interest bearing debt (whether or not in cash or in kind, both current and non-current) but which shall:
  - Exclude any upfront, legal, advisory costs related to the implementation of such debt as well as the financial charges accounted for as a result of the repayment of any outstanding debt of the borrower;
  - Exclude intragroup loans between members of the Group;
  - Include any indebtedness for or in respect of any amount payable in respect of securities issued by any member of the Group which are not mandatorily redeemable in shares; and
  - Include any other amount raised under any other transaction accounted for as borrowing under the accounting standards;
- Any indebtedness for or in respect of accrued interest (including capitalized interest and any payment in kind) other than in respect of intragroup loans between members of the Group; less
- Cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement.

As of December 31, 2022, this credit facility was undrawn.

Other facilities

Rexel can also access to a €37.5 million bilateral term loan agreement (US$ 40.0 million) with Wells Fargo Bank internation which matures in June 2024.

As of December 31, 2022, this facility was undrawn.

Trade accounts payables, amounting to €2,371.8 million as of December 31 2022 (€2,170.0 million as of December 31, 2021), are due in less than one year and are funded through recurring positive free cash flow from operating activities.

19.3.4 Counterparty risk

The financial instruments that could expose the Group to counterparty risk are mainly trade accounts receivable, cash and cash equivalents and derivative instruments.

Credit risk with respect to trade accounts receivable is limited due to the large number of customers, the diversity of their activities (contractors, manufacturers, municipalities) and their geographical spread in France and abroad. In addition, credit insurance programs have been implemented within the Group.

Counterparty risk concerning cash, cash equivalents and derivatives instruments is likewise limited by the quality of the relevant counterparties, which are the Group's traditional banking partners for its financing and are almost exclusively based in Europe.

As of December 31, 2022, the maximum risk corresponding to the total accounts receivable amounted to €2,617.0 million (€2,353.2 million as of December 31, 2021) and is detailed in note 13.2 Trade accounts receivable.

The outstanding amount was €920.6 million as of December 31, 2022 (€580.7 million as of December 31, 2021), which equals the net book value of cash, cash equivalents and derivatives instruments.

The maximum counterparty risk on the Group's other financial assets was €716.6 million (€538.1 million as of December 31, 2021) and mainly corresponds to supplier discounts receivable.

19.4 Carrying amount and fair value of financial instruments by accounting category

The following table shows the carrying amounts and fair values of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9 and the related fair value hierarchy as defined in IFRS 13:

AS OF DECEMBER 31, 2022		ACCOUNTING CATEGORIES					
(in millions of euros)	Note	Measured at fair value through profit or loss	Measured at fair value through OCI	Stated at amortized cost	CARRYING AMOUNT	FAIR VALUE	Fair value hierarchy (1)
ASSETS							
Derivative instruments	12.5/ 13.3	1.0	24.2	—	25.3	25.3	2
Deposits	12.5	—	—	44.5	44.5	44.5	
Loans	12.5	—	—	0.6	0.6	0.6	
Trade accounts receivable	13.2	—	—	2,617.0	2,617.0	2,617.0	
Supplier rebates receivable	13.3	—	—	396.3	396.3	396.3	
Other accounts receivable	13.3	—	—	275.1	275.1	275.1	
Cash and cash equivalents	19.1	895.4	—	—	895.4	895.4	
LIABILITIES							
Senior notes	19.1	—	—	953.2	953.2	870.4	1
Other financial debts, including accrued interest	19.1	—	—	1,357.8	1,357.8	1,357.8	
Derivative instruments	17/ 20	47.2	1.0	—	48.2	48.2	2
Trade accounts payable		—	—	2,371.8	2,371.8	2,371.8	
Customer rebates payable	20	—	—	222.4	222.4	222.4	
Other liabilities	20	—	—	378.0	378.0	378.0	

AS OF DECEMBER 31, 2021		ACCOUNTING CATEGORIES					
(in millions of euros)	Note	Measured at fair value through profit or loss	Measured at fair value through OCI	Stated at amortized cost	CARRYING AMOUNT	FAIR VALUE	Fair value hierarchy (1)
ASSETS							
Derivative instruments	12.5/ 13.3	6.1	1.2	—	7.2	7.2	2
Deposits	12.5	—	—	41.7	41.7	41.7	
Loans	12.5	—	—	0.4	0.4	0.4	
Trade accounts receivable	13.2	—	—	2,353.2	2,353.2	2,353.2	
Supplier rebates receivable	13.3	—	—	336.9	336.9	336.9	
Other accounts receivable	13.3	—	—	159.2	159.2	159.2	
Cash and cash equivalents	19.1	573.5	—	—	573.5	573.5	
LIABILITIES							
Senior notes	19.1	—	—	999.5	999.5	1,007.2	1
Other financial debts, including accrued interest	19.1	—	—	1,128.5	1,128.5	1,128.5	
Derivative instruments	17/ 20	4.1	1.6	—	5.7	5.7	2
Trade accounts payable		—	—	2,170.0	2,170.0	2,170.0	
Customer rebates payable	20	—	—	203.3	203.3	203.3	
Other liabilities	20	—	—	338.7	338.7	338.7	

(1) Fair value hierarchy:

- Level 1: quoted market prices (current bid prices for financial assets/current ask prices for financial liabilities) and cash;
- Level 2: internal model using observable factors.

20. Other current liabilities

(in millions of euros)	AS OF DECEMBER 31, 2022	2021
Customer rebates payable	222.4	203.3
Personal and social obligations	405.9	385.1
VAT payable and other sales tax	72.8	70.4
Derivatives	0.9	2.7
Other liabilities	378.0	338.7
Deferred income	8.3	7.3
Total other current liabilities	**1,088.3**	**1,007.5**

21. Related party transactions

Expenses relating to compensation of the Executive Committee members of the Group are as follows:

(in millions of euros)		FOR THE YEAR ENDED DECEMBER 31, 2022	2021
Salaries and other short-term benefits	(1)	9.9	11.3
Post-employment benefits (service costs)		0.5	0.4
Indemnities at termination of contract		0.8	0.7
Free shares and stocks options	(2)	4.3	3.9

(1) Comprising social security contributions and payroll taxes paid by the Group.

(2) Share-based payment expense is detailed in note 7.

In the event of a breach of employment contract, the Group could have to compensate the Executive Committee members a total amount of €13,9 million.

22. Statutory auditors fees

The table below is provided in accordance with regulation n° 2016-09 of the French Accounting Standard Authority (ANC) and sets forth the fees paid to statutory auditors in connection with their engagement in the parent company and the French subsidiaries. Amounts are exclusive of VAT and out-of pocket expense.

	PWC Audit		KPMG Audit		Total	
(in millions of euros)	2022	2021	2022	2021	2022	2021
Audit services	1.0	0.9	1.0	0.9	2.1	1.8
Non audit services	0.2	0.2	0.1	0.2	0.3	0.4
Total	**1.2**	**1.1**	**1.1**	**1.1**	**2.4**	**2.2**

Other related services include the fees related to mandatory services performed in accordance with French regulation, as well as comfort letters and Corporate Social Responsability (CSR) report.

23. Contingent liabilities

Rexel Group is subject to legal, administrative and regulatory proceedings in the normal course of its business. A provision is recognized in the balance sheet when it is probable that an outflow of economic benefits from Rexel or one of its subsidiaries will be required to settle the obligation and when the amount can be estimated reliably.

The principal proceeding is set out below:

Antitrust investigation

On September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the Tribunal de Grande Instance of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment in France.

On July 4, 2022, Rexel received a statement of objections from the French Competition Authority. The Competition Authority's investigators believe that Rexel had implemented practices with some of its suppliers which purpose was allegedly to restrict its freedom to determine its resale prices. The statement of objection specifically targets the special price agreement ("dérogation") mechanism, which is a price reduction aimed at providing customers with the most competitive offer. This mechanism is a transparent practice that is known to all market players and is standard practice in the world of professional electrical equipment distribution.

As part of the judicial investigation underway, Rexel Group has been required to set aside a bank guarantee of €20 million and a cash guarantee of €48 million paid by January 15, 2023 out of which €36 million as of December 31, 2022. This decision is a step in the procedure which in no way prejudges Rexel's guilt. Rexel continues to vigorously contest the basis and validity of this procedure and intends to exercise the appropriate means of recourse to assert its rights.

As customary in the matter, the statement of objections does not contain any element making it possible to quantify the amount of a possible sanction. It is therefore not possible to date to evaluate the outcome of this procedure and the financial risk which Rexel is potentially exposed to.

24. Events after the reporting period

At the presentation date of the consolidated financial statements there have been no subsequent events to December 31, 2022 that would have a significant impact on Rexel's financial situation other than two acquisitions in North America and a divestment of Rexel's activities in Norway, further strengthening the Group's portfolio.

The acquisition of Buckles Smith Electric Company in the USA was signed and closed on January 5, 2023. A recognized industrial automation player and authorized reseller of Rockwell automation solutions, Buckles Smith reinforces Rexel's expertise, footprint and customer relationship capabilities in the San Francisco Bay area. The combination of both companies will allow them to accelerate development in a high growth and technology-oriented area. Buckles Smith operates 6 branches and generated 2022 sales of circa USD 150 million.

The acquisition of Lineman's Testing Laboratories in Canada was signed and closed on January 17, 2023. This company expands Rexel Canada's footprint in the attractive utility market with a set of services, products and solutions that will be a valuable complement to Rexel's portfolio. Lineman's Testing Laboratories operates 2 branches and generated sales of circa CAD 25 million in 2022.

Rexel also announced the signing of the divestment of its operations in Norway to Kesko on January 27, 2023. Rexel's activities in Norway, generating sales of approximately €250 million 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.

25. New Accounting Pronouncements

The following amendments which are effective for annual periods beginning after January 1, 2023 have not been early applied and are not expected to have a significant impact on the Group's consolidated financial statements:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Accounting Policies, Changes in Accounting Estimatesand Errors: Definition of Accounting Estimates (Amendments to IAS 8);
- Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Non-current Liabilities with Covenants (Amendments to IAS 1).

26. Consolidated entities as of December 31, 2022

	HEAD OFFICE	% INTEREST & CONTROL
FRANCE		
Holding companies and Group services companies		
Rexel	Paris	Parent company
Rexel Développement S.A.S.	Paris	100.00
Rexel Amérique Latine S.A.S.	Paris	100.00
Operating companies		
Rexel France S.A.S.	Paris	100.00
Espace Elec S.A.S.	Ajaccio	100.00
Bizline S.A.S.	Paris	100.00
BCCT	Paris	100.00
Gigamedia S.A.S.	Paris	100.00
Francofa Eurodis S.A.S.	Neuilly-Plaisance	100.00
La Boîte Electrique	Paris	100.00
Esabora Digital Services	Paris	100.00
Sofinther	Bouguenais	100.00
Cordia	Mitry-Mory	100.00
Freshmile Services S.A.S.	Entzheim	100.00
Trace Software International S.A.S.	Saint-Romain-de-Colbosc	25.00
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Rexel Germany GmbH & Co KG	Munich	100.00
Rexel Germany Verwaltungs GmbH	Munich	100.00
Rexel Germany Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich am Rhein	100.00
Rexel Industrial Solutions GmbH	Munich	100.00
United Kingdom		
Rexel Senate Ltd.	Birmingham	100.00
Denmans Electrical Wholesalers Ltd.	Birmingham	100.00
Senate Group Ltd.	Birmingham	100.00
Rexel UK Holdings Ltd.	Birmingham	100.00
Rexel UK Ltd.	Birmingham	100.00
Newey & Eyre Ltd.	Birmingham	100.00
Parker Merchanting Limited	Birmingham	100.00
WF Electrical Plc	Birmingham	100.00
Warrior (1979) Ltd.	Birmingham	100.00
Rexel UK Pension Trustees Ltd.	Birmingham	100.00
J&N Wade Limited	Birmingham	100.00
Clearlight Electrical Company	Birmingham	100.00
Sweden		
Rexel Sverige AB	Älvsjö	100.00
Austria		
Rexel Central Europe Holding GmbH	Vienna	100.00
Rexel Austria GmbH	Vienna	100.00
Comtech IT Solutions GmbH	Annaberg	100.00
The Netherlands		
Rexel Nederland B.V.	Zoetermeer	100.00

	HEAD OFFICE	% INTEREST & CONTROL
Rexel Holding Netherlands B.V.	Hoofddorp	100.00
Rexel Holding Benelux B.V.	Hoofddorp	100.00
S. Van Westerborg & Zonen B.V.	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Milano	100.00
Belgium		
Rexel Belgium S.A.	Zellik	100.00
CLG N.V	Asse	100.00
Trilec N.V.	Asse	100.00
Ireland		
M Kelliher 1998 Ltd.	Tralee	100.00
Switzerland		
Elektro Material AG	Zurich	100.00
Digitalfeld AG	Zurich	88.66
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
Rexel RE S.A.	Luxembourg	100.00
Slovenia		
Rexel d.o.o.	Ljubljana	100.00
Finland		
Rexel Finland Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Langhus	100.00
Elektroskandia Norway Holding AS	Langhus	100.00
NORTH AMERICA		
United States		
Rexel USA, Inc.	Dallas	100.00
SKRLA LLC	Dallas	100.00
SPT Holdings Inc.	Dallas	100.00
Rexel of America LLC	Dallas	100.00
Rexel Patriot Acquisition, LLC	Dallas	100.00
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	Mississauga	100.00
ASIA PACIFIC		
Hong Kong SAR		
Huazhang Electric Automation Holding Co. Ltd.	Hong Kong	100.00
China		
Rexel Ouneng (Beijing) Technology Co. Ltd.	Beijing	100.00
Rexel Electric Co. Ltd.	Shanghai	100.00
Zhejiang Huazhang Automation Equipment Co. Ltd.	Hangzhou	100.00
Rexel intelligent control Ltd.	Hangzhou	100.00
Rexel Integrated Solutions (Shanghai) Co. Ltd.	Shanghai	100.00
Rexel China Management Co. Ltd.	Shanghai	100.00
Suzhou Xidian Co. Ltd.	Suzhou	100.00
Beijing Zhongheng Hengxin Automation Equipment Co. Ltd.	Beijing	100.00
Henan Qixin Automation Equipment Co. Ltd.	Zhengzhou	100.00
Shanghai Suhua Industrial Control Equipment Co. Ltd.	Shanghai	100.00
LinElec Business Consulting (Shanghai) Limited	Shanghai	100.00

	HEAD OFFICE	% INTEREST & CONTROL
Zhonghao (Shanghai) Technology Co. Ltd.	Shanghai	100.00
Jinan Rexel Enterprise Management Service Co., Ltd.	Jinan	100.00
India		
Rexel India Private Limited	Pune	100.00
Australia		
Rexel Holdings Australia Pty Ltd.	Sydney	100.00
Rexel Electrical Supplies Pty Ltd.	Sydney	100.00
Australian Regional Wholesalers Pty Ltd.	Sydney	100.00
New Zealand		
Rexel New Zealand Limited	Auckland	100.00
Redeal Pensions Ltd.	Auckland	100.00
United Arab Emirates		
Redco FZE	Jebel Ali	100.00
Rexel Emirates LLC	Abu Dhabi	100.00

III. Statutory auditors' report

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG S.A.
Tour EQHO
2, avenue Gambetta
CS60055
92066 Paris La Défense

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

Rexel S.A.

13 Boulevard du Fort de Vaux
CS 60002
75838 Paris Cedex 17

To the Annual General Meeting of Rexel S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Rexel S.A. ("the Group") for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Notes 12.1 and 12.2 to the consolidated financial statements

Description of risk

As of December 31, 2022, goodwill were recorded in the balance sheet for a net carrying amount of €3,454.5 million, representing 27% of the Group's total assets. An impairment test for these assets is performed at least once a year at the level of the cash-generating units (CGU) to which they have been allocated. As described in the Note 12.2 to the consolidated financial statements, an impairment exists when the carrying value of a cash-generating unit exceeds its recoverable amount, which is determined based on value in use. As of December 31, 2022, recoverable amounts of CGUs appeared to be in excess over their carrying value.

The value in use of a CGU (country) is measured based on discounted future cash flows and requires a degree of judgment from management, especially for the determination of revenue and EBITA margin forecasts as well as the selection of discount rates and long-term growth rates.

We deemed the measurement of the recoverable amount of goodwill to be a key audit matter, due to the weighting of these assets in the consolidated balance sheet, and the inherent uncertainty and subjectivity of specific inputs, in particular the likelihood of achieving forecast results included in the recoverable amount measurement.

How our audit addressed this risk

We gained an understanding of the Group's budget process from which projected cash-flows used for the impairment test are based.

We assessed:

- the compliance of the methodology used as per the existing accounting standards;
- with the assistance of our valuation experts, the reasonableness of the long-term growth rates as well as discount rates applied to the projected cash flows of the CGU;
- the components of the carrying value of the CGU.

As no CGU is materially sensitive to the EBITA, discount rate or long-term growth rate assumptions in 2022, we performed additional procedures on Germany CGU, which has been sensitive to these assumptions in 2021 and on which we:

- Assessed the consistency of projected cash-flow with the local economic environment;
- Reviewed the reliability of the assumptions process notably by analyzing the root cause of any differences between prior years cash-flow projections and actual cash flows;
- Corroborated, including through interviews with management, the reasonableness of the main data and assumptions underlying projected cash-flow (sales growth, EBITA margin);
- Reviewed the mathematical accuracy of the discounted cash-flow model used and the sensitivity analysis.

Finally, we verified that the Notes 12.1 and 12.2 to the consolidated financial statements included the appropriate disclosures.

Suppliers rebates

Notes 6, 13.1 and 13.3 to the consolidated financial statements

Description of risk

The Group enters into annual agreements with a number of suppliers whereby volume-based rebates, marketing support and other discounts are received. Volume-based rebates are determined by reference to guaranteed rates of rebate (unconditional rebates) and/or subject to stepped targets (conditional rebates). The Group also receives rebates determined by qualitative targets.

These rebates are recorded as reduction of the cost of goods sold.

We deemed the recognition of suppliers' rebates to be a key audit matter, due to:

- The significance of suppliers' rebates
- The variety of contractual terms
- The estimates required in terms of determining the purchasing data and other qualitative data to which contract clauses apply to calculate receivables at the year-end closing date
- And their impact on the valuation of inventories.

How our audit addressed this risk

We analyzed the internal control procedures relating to the follow-up of rebates on contracts signed with suppliers and to estimate rebates in order to determine the cost of goods sold. We ensured the consistency of the methods used to determine supplier discounts and we assessed the design and implementation of some controls.

We also performed the following procedures:

- Analyzed, on a sample basis, the contracts signed with suppliers as well as the proper application of the terms and conditions of those contracts when used to determine rebates recognized during the year, as well as the rebates accrued at year-end, based on the landing of purchases volumes and achievement of qualitative criteria, if any;
- Reconciled, on a sample basis, the purchases amount with the data used to calculate rebates receivables at year-end, as well as with any purchasing confirmations received from suppliers, and assessed the fulfillment of any conditional targets in terms of purchases volumes;
- Assessed the recoverability of supplier rebate receivables and verified that there are no aged uncollected receivables;
- Analyzed the rebates collected during the year related to the prior year rebates receivable to assess the reliability of management estimates;
- Verified, on a sample basis, the appropriate allocation of suppliers rebates to the valuation of inventories.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's information given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits which are inherent to the macro-tagging of the consolidated financial statements according to the European single electronic information format, it is possible that the content of certain tags in the notes may not be reproduced identically to the consolidated financial statements attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rexel S.A. by the Annual General Meeting held on May 16, 2012 for PricewaterhouseCoopers Audit and May 25, 2016 for KPMG S.A.

As at December 31, 2022, PricewaterhouseCoopers Audit and KPMG S.A. were in the 11th year and 7th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, February 17, 2023

PricewaterhouseCoopers Audit		KPMG S.A.
Amélie Wattel	Pierre Clavié	Eric Jacquet

Til generalforsamlingen i Elektroskandia Norway Holding AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for Elektroskandia Norway Holding AS som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2022, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Oslo, 12. april 2023
PricewaterhouseCoopers AS

Jone Bauge
Statsautorisert revisor
(elektronisk signert)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Bauge, Jone	BANKID_MOBILE	2023-04-12 22:06

Elektroskandia Norway Holding AS
Org.nr: 992360194

Årsrapport for 2022

Årsberetning

Årsregnskap
- Resultatregnskap
- Balanse
- Kontantstrømoppstilling
- Noter

Revisjonsberetning

Årsberetning 2022

Elektroskandia Norway Holding AS
Adresse: Fugleåsen 6, 1405 Langhus
Org.nr: 992360194 MVA

Virksomhetens art
Elektroskandia Norway Holding AS ble stiftet den 18.02.2008 og eier alle aksjene i Elektroskandia Norge AS. Selskapet har forretningslokale på Fugleåsen 6, 1405 Langhus.

Selskapet eies 100% av Rexel Holding Netherlands b.v i Nederland, mens det øverste morselskapet er Rexel SA i Frankrike.

Rettvisende oversikt
Styret mener at årsregnskapet gir et rettvisende bilde av Elektroskandia Norway Holding AS's eiendeler og gjeld, finansielle stilling og resultat.

Elektroskandia Norway Holding AS baserer sin inntjening på konsernbidrag/utbytte fra datterselskapet Elektroskandia Norge AS.

Resultat før skattekostnad ble 29 MNOK og selskapets egenkapital er på 877 MNOK. Økningen skyldes mottatt konsernbidrag fra datterselskap. Egenkapitalandel er på 99%.

Kontantstrøm fra drift er -69 MNOK mot et driftsresultat på -1,1 MNOK. Differansen skyldes utbetalt skatt og tidsavgrensingsposter.

Selskapet vurderer likviditeten i konsernet som god, og det er ikke besluttet å innføre tiltak som endrer likviditetsrisikoen.

Redegjørelse for foretakets utsikter
Driftsselskapet Elektroskandia Norge AS leverer elektro/tekniske produkter inn mot bygg- og anleggsektoren. Det forventes en svak vekst i markedet i 2023 basert på Euro Construct og Prognosesenteret. I de delene hvor Elektroskandia opererer er det forventet lik eller høyere vekst enn totalmarkedet, med en stigende vekst takt i 2024 og 20254.

Selskapet har utarbeidet en forretningsplan for kommende 3 år som skal sikre konsernet grunnlag for fortsatt drift og resultatutvikling, og som tar høyde for de endrede markedsutsiktene og fremtidig rentenivå.

Fortsatt drift
I samsvar med regnskapsloven § 3-3 bekreftes det at forutsetningene for fortsatt drift er til stede.
Til grunn for antagelsen ligger konsernets forretningsplan for kommende 3 år.

Elektroskandia Norway Holding AS
Org.nr: 992360194

Resultatdisponering
Resultatet i Elektroskandia Norway Holding AS på 22 623 TNOK foreslås disponert som følger:

Beløp vises i tusen kr

Overføringer fra annen egenkapital	22 623

Arbeidsmiljø og ansatte
Elektroskandia Norway Holding AS har ingen ansatte og det er ikke utbetalt lønn eller annen godtgjørelse til styret eller daglig leder.

Bedriften forurenser ikke det ytre miljø.

Det er tegnet forsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredje parter, premien er kr. 59 000.

Likestilling
Selskapets styre består av 0 kvinner og 2 menn. Både styret og ledelsen er bevist på de samfunnsmessige forventningene om tiltak for å fremme likestilling i styret. Det er for øyeblikket ikke iverksatt konkrete tiltak for å fremme dette arbeidet.

Langhus, 24. mars 2023.
Styret i Elektroskandia Norway Holding AS

Edouard Pichon	Pierre Benoit
Styreleder	Styremedlem

Elektroskandia Norway Holding AS
Org.nr: 992360194

Resultatregnskap

Beløp vises i tusen kr	Note	2022	2021
Driftskostnader			
Annen driftskostnad	2	1 158	265
Driftsresultat		-1 158	-265
Finansinntekter og finanskostnader			
Annen finansinntekt		2 863	103
Konsernbidrag		27 300	69 300
Annen finanskostnad		2	2
Netto finansposter		30 161	69 401
Ordinært resultat før skattekostnad		29 004	69 136
Skattekostnad på ordinært resultat	3	6 381	15 210
Årsresultat		**22 623**	**53 926**
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	4	22 623	53 926

Elektroskandia Norway Holding AS
Org.nr: 992360194

Kontantstrømoppstilling

Beløp vises i tusen kr	Note	2022	2021
Anleggsmidler			
Immaterielle Eiendeler			
Utsatt Skattefordel	3	4 371	5 809
Sum Immaterielle Eiendeler		4 371	5 809
Finansielle anleggsmidler			
Investeringer i datterselskap	5	652 894	652 894
Sum finansielle anleggsmidler		652 894	652 894
Sum anleggsmidler		657 265	658 703
Omløpsmidler			
Fordringer			
Fordringer på selskaper i samme konsern	6	198 443	138 353
Konsernbidrag	6	27 300	69 300
Sum fordringer		225 743	207 653
Sum omløpsmidler		225 743	207 653
Sum eiendeler		883 008	866 356

Elektroskandia Norway Holding AS
Org.nr: 992360194

Kontantstrømoppstilling

Beløp vises i tusen kr	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Aksjekapital	4	41 004	41 004
Annen innskutt egenkapital	4	1 510 432	1 510 432
Sum innskutt egenkapital		1 551 436	1 551 436
Opptjent egenkapital			
Annen egenkapital	4	-674 090	-696 713
Sum opptjent egenkapital		-674 090	-696 713
Sum egenkapital		877 346	854 723
Gjeld			
Kortsiktig gjeld			
Betalbar skatt	3	4 943	11 413
Gjeld til foretak i samme konsern	7	604	95
Annen kortsiktig gjeld	7	115	125
Sum kortsiktig gjeld		5 662	11 633
Sum gjeld		5 662	11 633
Sum egenkapital og gjeld		883 008	866 356

Langhus, 24. mars 2023.
Styret i Elektroskandia Norway Holding AS

Edouard Pichon	Pierre Benoit
Styreleder	Styremedlem

Elektroskandia Norway Holding AS
Org.nr: 992360194

Kontantstrømoppstilling

Beløp vises i tusen kr	Note	2022	2021
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		29 004	69 136
Periodens betalte skatt		-11 413	-11 447
Andre tidsavgrensingsposter		-59 591	-58 189
Nedskrivning aksjer i datterselskap		0	0
Poster klassifisert som investerings- /finansieringsaktiviteter		-27 300	-69 300
Netto kontantstrøm fra operasjonelle aktiviteter		-69 300	-69 800
Kontantstrømmer fra finansieringsaktiviteter			
Nedbetaling av lån		0	0
Økning egenkapital		0	0
Mottatt konsernbidrag		69 300	69 800
Netto kontantstrøm fra finansieringsaktiviteter		69 300	69 800
Netto endring i likvider i året		0	0
Kontanter og bankinnskudd per. 31.12		0	0

Elektroskandia Norway Holding AS
Org.nr: 992360194

Noter til regnskapet for 2022

Beløp vises i tusen kr

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk i Norge.

Konsolidering
Det er ikke utarbeidet konsernregnskap for Elektroskandia Norway Holding AS da dette er en del av et større fransk konsern. Konsernselskapet er Rexel Group, 13 boulevard du Fort du Vaux, 75017 Paris, France. Konsernselskapet kan utleveres ved å henvende seg på telefon +33 1 42 85 85 00, email; investisseurs@rexel.com eller gå inn på www.rexel.com.

Datterselskap
Datterselskapet og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen.

Valuta
Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt.

Kortsiktige plasseringer
Kortsiktige plasseringer (aksjer og andeler vurdert som omløpsmidler) vurderes til laveste av anskaffelseskost og virkelig verdi på balansedagen. Mottatt utbytte og andre utdelinger fra selskapene inntektsføres som annen finansinntekt.

Skatter
Skattekostnad består av betalbar skatt og endring i utsatt skatt. Utsatt skatt/skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.
Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

I den grad konsernbidraget ikke er resultatført er skatteeffekten av konsernbidraget ført direkte mot investering i balansen.

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Elektroskandia Norway Holding AS
Org.nr: 992360194

Noter til regnskapet for 2022

Beløp vises i tusen kr

Note 2 - Lønnskostnader, antall ansatte, lån til ansatte og godtgjørelse til revisor

Selskapet har i regnskapsåret sysselsatt totalt 0 årsverk.

Ytelser til ledende personer

Elektroskandia Norway Holding AS har ikke ansatte og ikke lønnskostnader, heller ikke ytelser til ledende personer eller styret.

Godtgjørelse til revisor er fordelt på følgende:	**2022**	**2021**
Revisjon	214	207
Diverse honorar	288	
Sum	502	207

Merverdiavgift er ikke inkludert i revisjonshonoraret.

Elektroskandia Norway Holding AS
Org.nr: 992360194

Noter til regnskapet for 2022

Beløp vises i tusen kr

Note 3 - Skatt

Årets skattekostnad fordeler seg på:	**2022**	**2021**
Endring i utsatt skatt	1 438	3 797
Betaltbart Skatt	4 943	11 413
Årets totale skattekostnad	6 381	15 210

Beregning av årets skattegrunnlag:	**2022**	**2021**
Ordinært resultat før skattekostnad	29 004	69 136
Permanente forskjeller	0	0
Endring i midlertidig forskjeller	-6 535	-17 258
Årets skattegrunnlag	22 469	51 878
Betalbar skatt (22%) av årets skattegrunnlag	4 943	11 413

Oversikt over midlertidig forskjeller	**2022**	**2021**
Ikke fradragsberettigede renter per 31.12	19 868	26 403
22% Utsatt Skattefordel	4371	5 809

Oversikt over permanente forskjeller	**2022**	**2021**
Renteinntekt/rentekostnad på utlignet skatt	0	0
Sum permanente forskjeller	0	0

Forklaring til hvorfor årets skattekostnad ikke utgjør 22% av resultat før skatt	**2022**
22% skatt av resultat før skatt	6 381
Endring utsatt skatt (22%)	-1 438
Permanente forskjeller (22%)	0
Beregnet skattekostnad	4 943
Effektiv skattesats *)	17 %

*) Skattekostnad i forhold til resultat før skatt

Elektroskandia Norway Holding AS
Org.nr: 992360194

Noter til regnskapet for 2022

Beløp vises i tusen kr

Note 4 – Egenkapital og aksjonærinformasjon

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Egenkapital 01.01.	41 004	1 510 432	-696 713	854 723
Årsresultat	0	0	22 623	22 623
Egenkapital 31.12.	41 004	1 510 432	-674 090	877 346

Aksjekapitalen består av:

	Antall	Pålydende	Balanseført
Ordinære	201 000	204 kr	41 004

Oversikt over aksjonærene i selskapet pr. 31.12:

	Ordinære aksjer	Eier-andel	Stemme-andel
Rexel Holding Netherlands BV	201 000	100 %	100 %

Note 5 - Datterselskap, tilknyttet selskap m v

Selskap	Ervervet	Kontor	Eier-/ stemme-andel	EK siste år (100 %)	Resultat siste år (100 %)
Elektroskandia Norge AS	01-04-2008	Oslo	100 %	303 978	25 231

Note 6 - Fordring på selskap i samme konsern

	2022	2021
Fordring på datterselskap (konsernbidrag)	27 300	69 300
Kortsiktig lån til datterselskap (konsernkonto i bank)	198 443	138 353
Andre fordringer	0	0
Sum	225 743	207 653

Alle fordringene i selskapet har forfall innen ett år.

Elektroskandia Norway Holding AS
Org.nr: 992360194

Noter til regnskapet for 2022
Beløp vises i tusen kr

Note 7 - Annen kortsiktig gjeld

	2022	2021
Gjeld til foretak i samme konsern	604	136
Andre påløpte kostnader	115	124
Sum	719	260

All kortsiktig gjeld i selskapet har forfall innen ett år.

Note 8 - Transaksjoner med nærstående parter

	2022	2021
Netto operasjonelle transaksjoner med morselskap	-655	-45
Netto finansielle transaksjoner med morselskap	0	-12

Note 9. Hendelser etter balansedagen

Rexel Group har annonsert salg av Elektroskandia Norge AS til Onninen AS.