
REXEL SIGNS AGREEMENT TO SELL ITS GEXPRO SERVICES BUSINESS TO LKCM HEADWATER

Rexel and US-based private investment firm LKCM Headwater Investments (“LKCM Headwater”) announced today that they have signed an agreement for LKCM Headwater to acquire the Gexpro Services business from Rexel in a transaction that is expected to close in the first quarter of 2020, subject to the satisfaction of certain conditions precedent.

The transaction will provide enhanced development opportunities for Gexpro Services, which has been a non-core activity run independently from Rexel’s core Electrical Distribution Business. The Gexpro banner remains a core element of Rexel USA’s electrical distribution business. This divestment will enable Rexel to focus its resources on its core strategy, including the US electrical distribution business and digital transformation across the Rexel Group, and also to accelerate its deleveraging, in line with its capital allocation policy.

Gexpro Services, which was acquired by Rexel as part of the GE Supply acquisition completed in August 2006, specializes in providing integrated customized supply chain solutions centered around C-Part products (fasteners, fabrication, mechanical and electrical) primarily to high specification OEM industries (Power and renewables, technology, transportation, aerospace, etc.). With approximately 400 employees, Gexpro Services generated sales over the last twelve months through end-September 2019 of circa 260 million USD, mostly in the US.

Patrick Berard, Chief Executive Officer of Rexel, declared: “Under LKCM Headwater, Gexpro Services will become core and will benefit from a new owner with extensive specialty, value added distribution experience to add investment and focus, driving continued growth and high levels of customer service. This divestment, which follows a disposal program of 650 million euros in 2017 and 2018, is in line with our strategy aiming at optimizing our portfolio with targeted divestments or acquisitions, to continue refocusing on our core business and create further value.”

Jefferies LLC served as financial advisor and Sidley Austin LLP served as legal counsel to Rexel.

ABOUT REXEL GROUP

Rexel, worldwide expert in the multichannel professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its residential, commercial and industrial customers by providing a tailored and scalable range of products and services in energy management for construction, renovation, production and maintenance. Rexel operates through a network of some 2,000 branches in 26 countries, with nearly 27,000 employees. The Group’s sales were €13.37 billion in 2018. Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Ethibel Sustainability Index Excellence Europe, Euronext VigeoEiris Eurozone 120, Dow Jones Sustainability Index Europe and STOXX® Global Climate Change Leaders, in recognition of its performance in corporate social responsibility (CSR). Rexel is on the CDP “Climate A List”.

For more information, visit Rexel’s web site at www.rexel.com

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