



ACQUISITION OF DISTRELEC*

Accelerating European growth
and value creation

27 April 2023

* Subject to customary closing conditions, including German, Austrian and Italian regulatory clearances

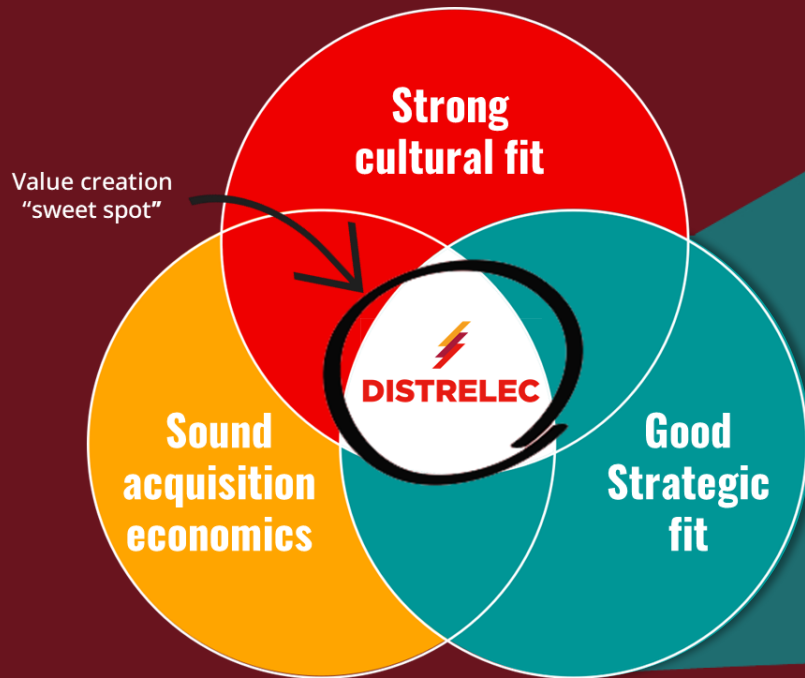


Disclaimer

This presentation contains certain statements, statistics and projections that are or may be forward-looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of RS Group plc and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although RS Group plc believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct.

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Distrelec meets all our criteria...



	Product and service solutions	Product extensions and adjacencies	Geographic opportunities	Operational efficiencies
Jul 2023*	✓		✓	✓
Jan 2023	✓	✓	✓	
Jun 2022	✓		✓	
Feb 2021		✓		✓
Jan 2021	✓		✓	
Dec 2020		✓		✓
Jan 2019	✓			
May 2018	✓			

...and is in our strategic sweet spot

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Distrelec is an exciting opportunity...



High-service,
digital-led
distributor of
industrial and MRO¹
products in Europe²

€270m
Revenue³

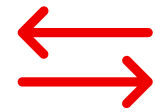
€34m
EBIT³



Significantly
expands our
European² presence



Strong
combination
potential



Material cost
synergies and
revenue growth
opportunity

...to accelerate value creation

1. Maintenance, repair and operations
2. Excluding UK
3. Year ended 31 December 2022



Increased presence...

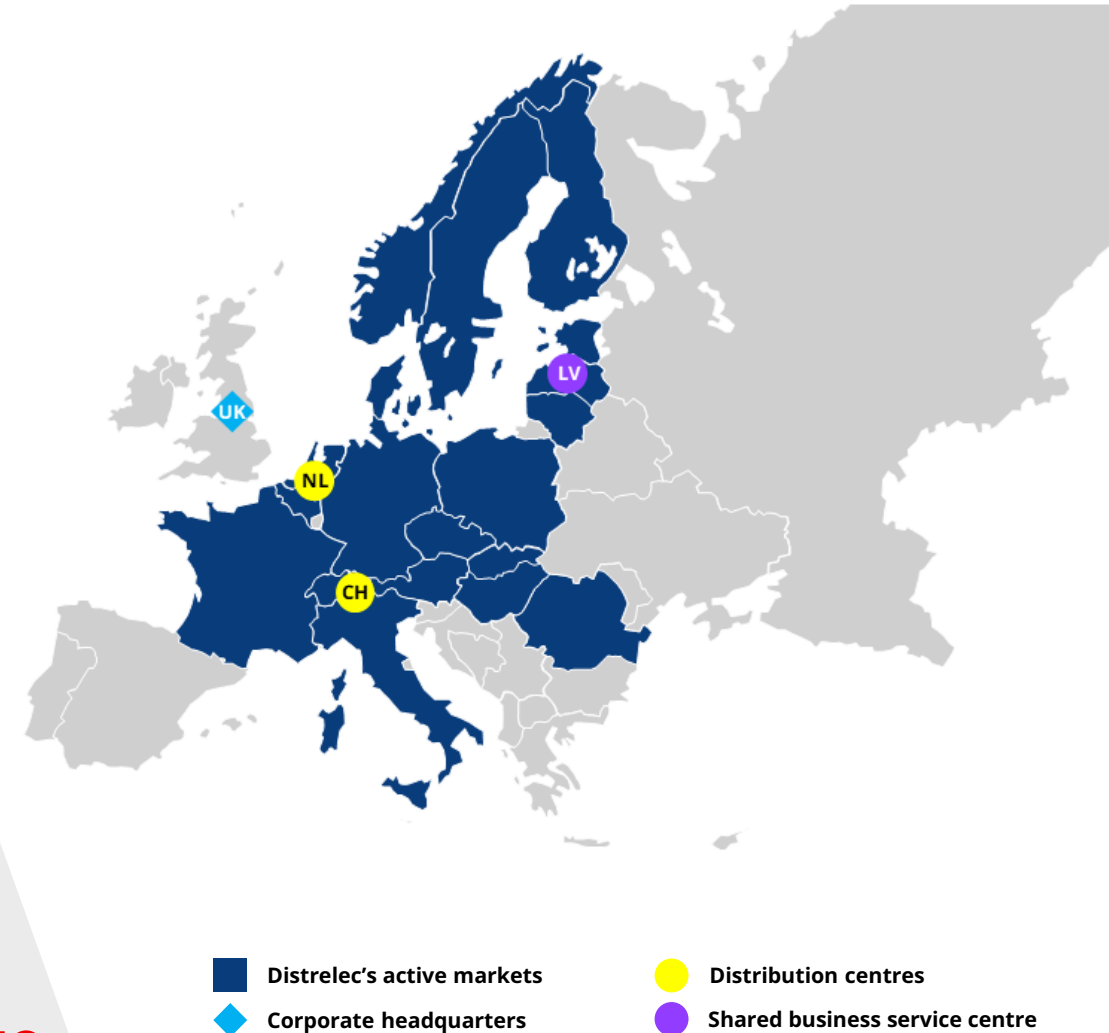
Large and attractive markets

- Europe is a large and attractive market for industrial MRO
- GDP+ growth
- Importance of local presence

Distrelec accelerates our regional growth strategy

- Strengthens competitive position in key European markets
- Increases DACH¹ and Scandinavian revenue by 40% and 80% respectively
 - Significant increase in Germany
 - Critical mass in Switzerland and Sweden
- Adds scale in Italy, Benelux and Eastern Europe

...in key European markets



1. Germany, Austria and Switzerland



There is strong operational alignment...

Similar business mix

- c. 70% of revenue from industrial and MRO products¹
- Around two thirds of revenue is from digital channels¹
- Low customer concentration
- Extensive supplier base
- Wide and long tail of stocked and non-stocked product

People and cultural alignment

- Purpose-led culture
- Good talent that can prosper in RS
- Strong ESG focus

Complementary operational footprint

- Two distribution centres in Switzerland and Netherlands
- Shared business service centre
- 12 European sales offices servicing customers across 19 countries

...with significant combination potential

1. For the year ended 31 December 2022

RS

- 1 Digitally led**
- 2 High service**
- 3 MRO focused**
- 4 Extensive supplier base**
- 5 Broad product range**

DISTRELEC

**Similar business models
reduces transaction risk**



Strong synergies...

Cost savings

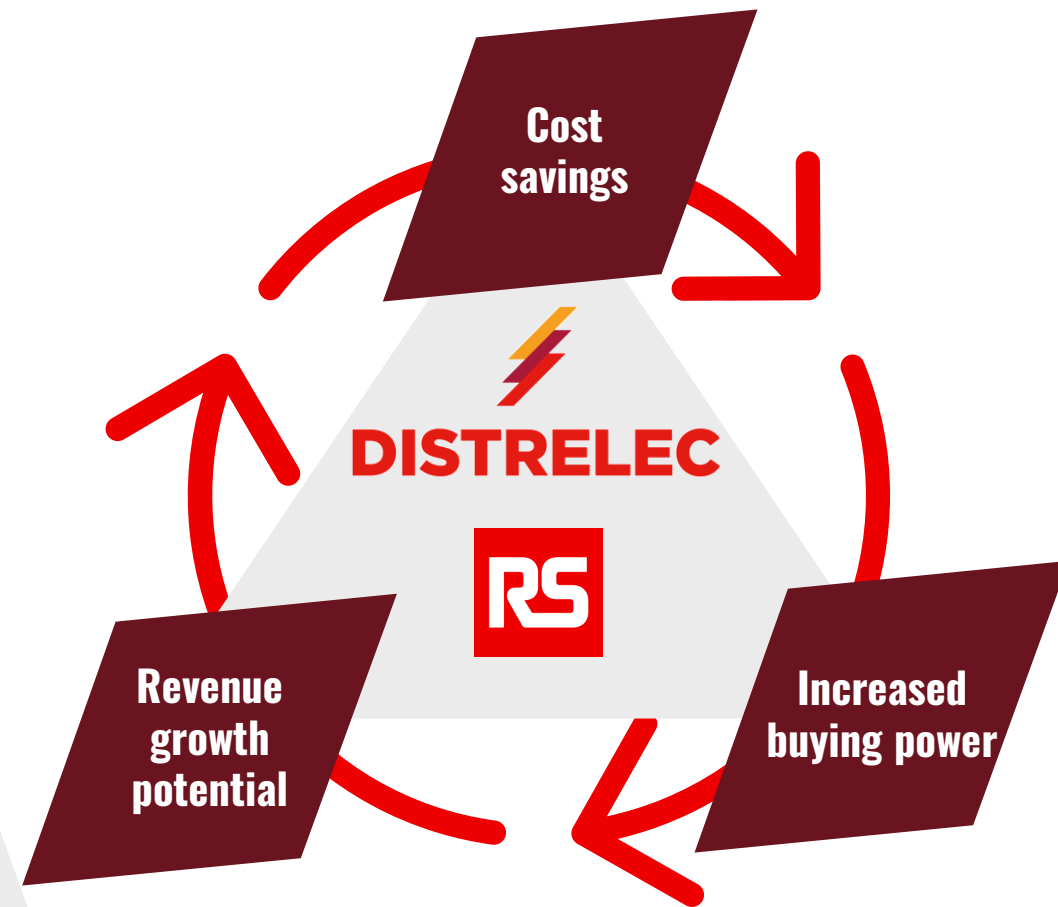
- Combining central functions and indirect spend
- Consolidating transport and freight
- Improved distribution footprint
- Significant operational efficiencies

Increased buying power

- Procurement benefits
- Enhanced supplier relationships

Revenue growth potential

- RS broader product range including rolling out RS PRO to Distrelec customers
- Expanding service solutions
- Extending marketing reach



...with significant upside

Financial rationale



Acquisition price of €365 million¹ funded from existing debt facilities and a new €150 million loan

- Consideration represents under 11x adjusted EBIT (year ended 31 December 2022)



>€15 million of synergies from easier-to-realise cost savings



Additional revenue synergies from cross-selling potential and enhanced marketing reach



Accretive to adjusted EPS in first full year and comfortably exceeds Group cost of capital within three years



RS Group balance sheet remains strong post acquisition, with pro forma March 2023 net debt of c. 1x²

1. c. £323 million using EUR / GBP FX rate of 1.13
2. Using consensus estimates of net debt and adjusted EBITDA for the year ended 31 March 2023



Effective execution of the RS strategy...

- ✓ Developing product and service solutions and enhancing customer experience to increase share of wallet
- ✓ Gaining share in key industrial and MRO growth markets
- ✓ Accelerating digitisation and driving operational excellence
- ✓ Strategic opportunities and capacity to enhance organic growth

...accelerating value creation

Q&A