

# INVESTOR

**DAY** December 5<sup>th</sup>, 2017

# PROGRAM

8:45 › 9:15	Fnac Darty - Our Next Big Thing	› Enrique Martinez
9:15 › 10:15	Enrich our Ecosystem Product offering / marketplace Service offering Brands & loyalty programs	› Elodie Perthuisot › Vincent Gufflet › Alexandre Viros
10:15 › 11:15	An Open Omnichannel Platform Store network Operational efficiency Digital excellence	› Benoît Jaubert › Olivier Theulle › Alexandre Viros
11:15 › 11:45	<b>BREAK</b>	
11:45 › 12:00	International operations	› Jean-Brieuc Le Tinier › Charles-Henri de Maleissye
12:00 › 12:15	Human Capital	› Frédérique Giavarini
12:15 › 12:30	Financial trajectory	› Jean-Brieuc Le Tinier
12:30 › 13:00	General conclusion / Q&A with moderator	
13:00 › 14:15	<b>LUNCH</b>	
14:15 › 14:30	Transfer	
14:30 › 16:00	Store visits	

「**ROUNDTABLE 1**」

「**ROUNDTABLE 2**」



# STRATEGIC REVIEW

Enrique Martinez,  
CEO

# A SKILLED MANAGEMENT TEAM



**ENRIQUE MARTINEZ**  
Group CEO



**CHARLES-HENRI DE MALEISSYE**  
CEO of Fnac Vanden Borre



**FRÉDÉRIQUE GIAVARINI**  
Human Resources Director



**VINCENT GUFFLET**  
Services Director



**FLORIAN INGEN-HOUSZ**  
Executive committee secretary  
Fnac Darty Strategy  
and M&A Director



**ERIC IOOSS**  
Information Systems Director



**BENOÎT JAUBERT**  
Retail Director



**JEAN-BRIEUC LE TINIER**  
Group CFO  
and General Secretary



**BENJAMIN PERRET**  
Communications  
and Public Affairs Director



**ELODIE PERTHUISOT**  
Commercial Director



**MARCOS RUAO**  
CEO of Fnac Spain



**OLIVIER THEULLE**  
Operations Director



**ALEXANDRE VIROS**  
Marketing  
and E-commerce Director

# FNAC DARTY TRANSFORMATION LEADING TO A UNIQUE OMNICHANNEL EXPERTISE

## 5 years ago

*We have anticipated today's customers needs*



### **Belief #1**

Customer agnosticity

### **Belief #2**

The store network is the bedrock of a successful omnichannel strategy

## Key initiatives taken

*We have completed our business transformation*



Omnichannel capabilities:  
c.€70m invested in digital over 6 years and c.€60m in logistics

New store formats  
& **Franchise expansion:**  
6 formats and 200+ stores in franchise

Diversification:  
10+ new categories

Reduction of cost base



UNIQUE  
OMNICHANNEL  
EXPERTISE

# FNAC DARTY A STRONG LEADER



**700+**

multi-format  
stores across  
the world

**2<sup>nd</sup>**

E-commerce  
player  
in France<sup>1</sup>

**85M**

Transactions  
in 2016

**1<sup>st</sup>**

After-sales  
service  
in France<sup>2</sup>

**7M**

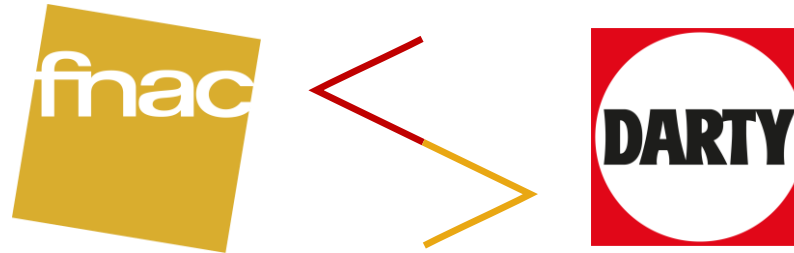
loyalty  
members

**[ 45% of web sales are Omnichannel ]**

<sup>1</sup> Source: FEVAD, Q2 2017

<sup>2</sup> Internal customer studies

# FNAC DARTY INTEGRATION IS WELL ON TRACK



## TEAMS

- Common Group HQ organization
- Single Belgian HQ
- Group Ex. Committee

**BUILDING A  
COMMON  
CULTURE**

## COMMERCE

- Shop-in-shops
- Darty.com on Fnac.com marketplace
- Opening of the first store branded Fnac & Darty

**HIGHLIGHTING  
THE BEST OF OUR  
OFFER**

## OPERATIONS

- Pick-up of Fnac.com purchases in the Darty network
- Fnac TV delivery by Darty
- Distribution centers' mutualization

**MERGING OUR  
OMNICHANNEL  
PLATFORMS**

## SERVICES

- Photo printing corners at Darty
- Darty+ launch
- Cross-fertilization of best practices (warranty, insurance...)

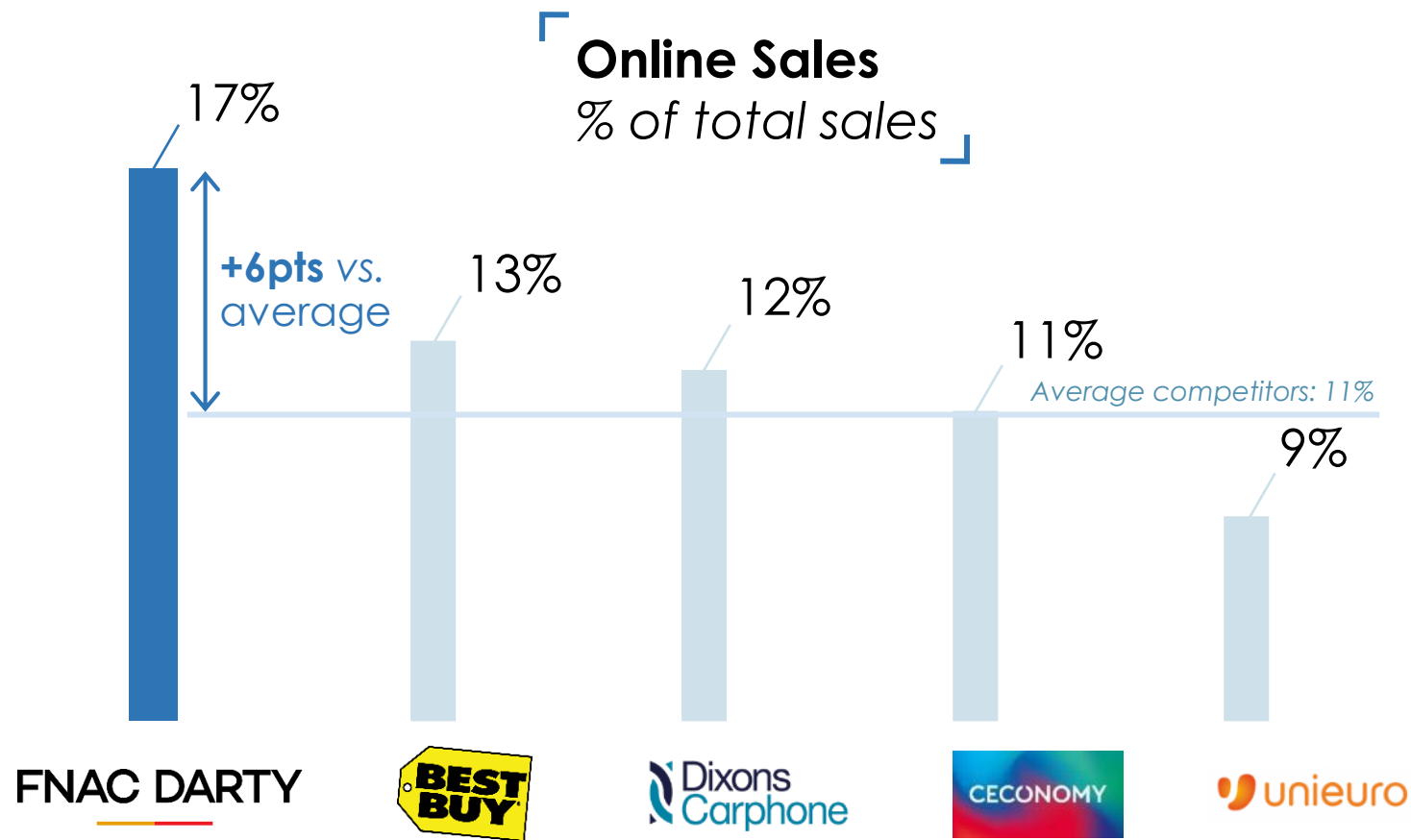
**LEVERAGING OUR  
GALAXY OF  
SERVICES**

## IT

- Launch of IT platforms convergence

**CREATING A  
COMMON IT  
BEDROCK**

# FNAC DARTY MOST DIGITAL OMNICHANNEL RETAILER



Brick&mortar assets continue their development

Broadest digital exposure in the industry with growing digital capabilities

UNIQUE  
OMNICHANNEL  
EXPERTISE

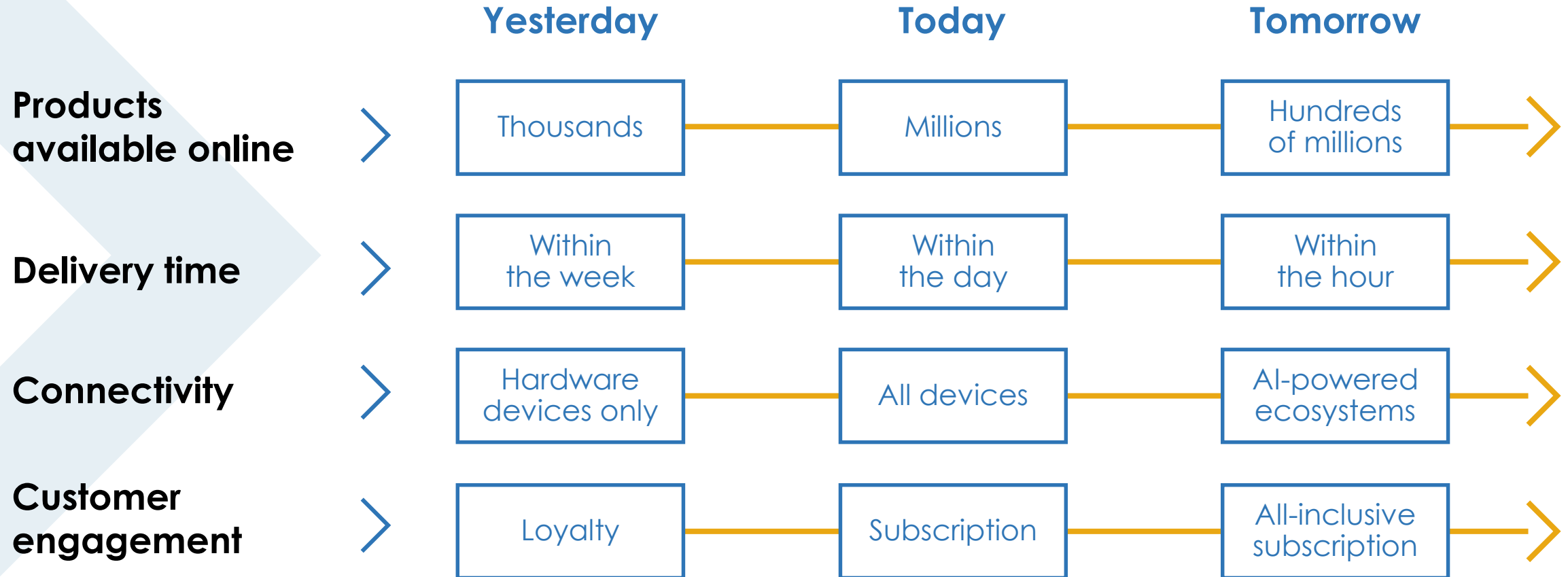
Source: latest published figures, Group level, except for Best Buy (Domestic sales)



# THE NEXT BIG THING NEW CUSTOMER BEHAVIOR



# THE NEXT BIG THING IMMEDIACY IN A DIGITAL WORLD

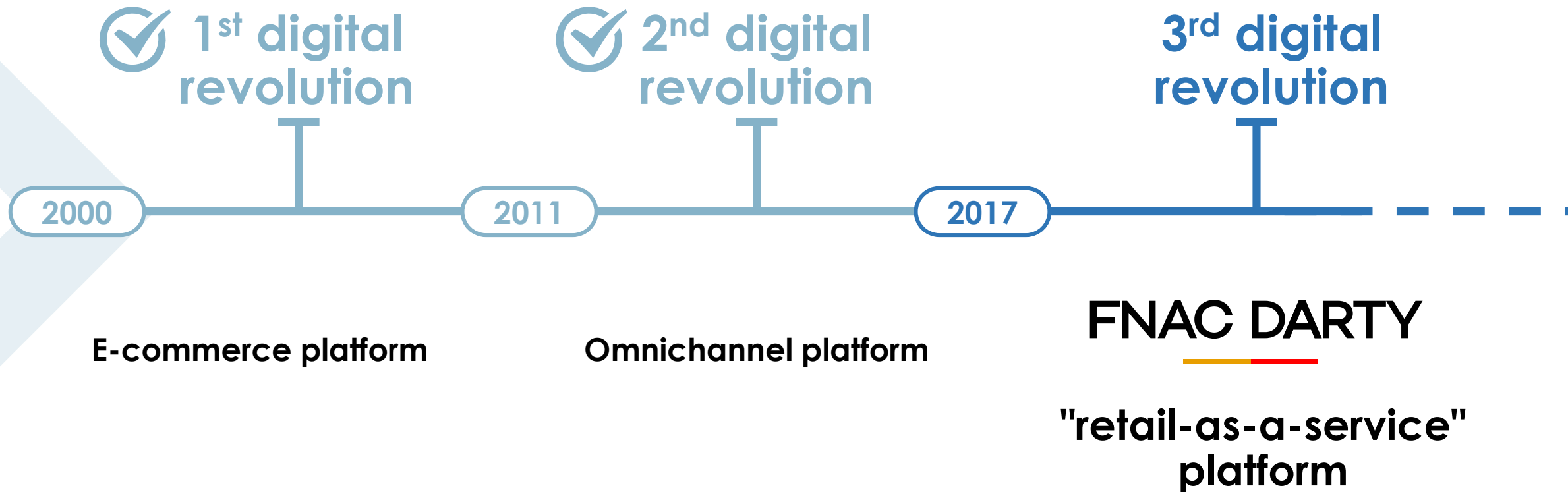


# FNAC DARTY



IS READY FOR THE NEXT BIG THING

# THE 3<sup>RD</sup> DIGITAL REVOLUTION WILL BE ABOUT SERVICES



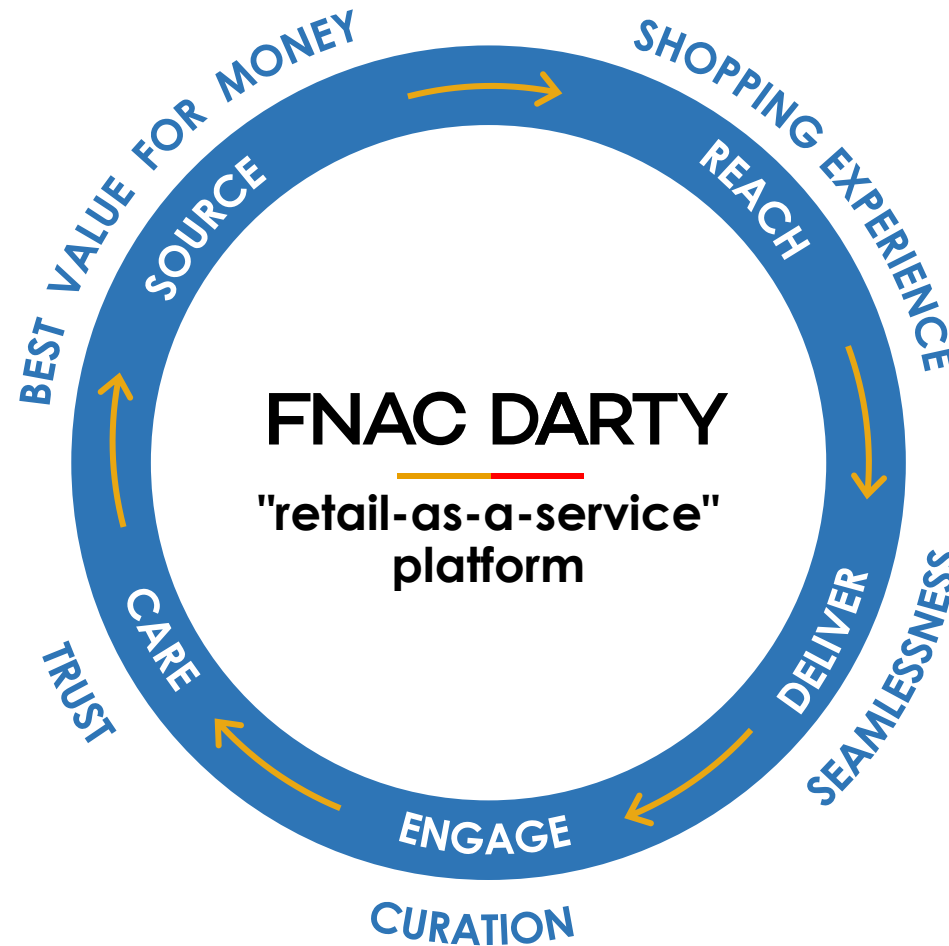
**CONFIANCE +**

# A "RETAIL AS A SERVICE" PLATFORM WHAT DOES THAT MEAN?

## FOR BRANDS AND PARTNERS

Strong sourcing platform  
Reach a large consumer base  
Leveraging innovation  
and protecting value  
Marketplace vendors access  
Opened logistic platform  
(deliveries...)  
Open channel for content  
providers (Deezer, Canal+,  
Daphni fund...)

ENSURING REACH  
PROTECTING VALUE



## FOR CLIENTS

Offering a unique seamless  
customer journey  
Product offer: large, premium,  
competitive  
Customization: targeted offer  
Unique services experience:  
premium deliveries, after-sales,  
home assistance, loyalty programs

OFFER THE BEST CLIENT EXPERIENCE  
BEST VALUE FOR MONEY

# THE "RETAIL AS A SERVICE" PLATFORM IS BUILT ON TWO STRATEGIC PILLARS

## AN ENRICHED ECOSYSTEM FOR OUR CUSTOMERS

1. Smart sourcing and marketplace development
2. Become a services aggregator leader
3. Leverage our brands, develop a differentiating loyalty program

## AN OPEN OMNICHANNEL PLATFORM

1. Store network agility
2. Continuously adapt our operations
3. Enhanced digital capabilities

**Consolidate leadership in existing geographies outside of France**

**Developing our human capital**

**Ensuring a sound financial trajectory: mid-term operating margin objective 4.5% to 5%**

# INVESTOR

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# FNAC DARTY ECOSYSTEM



# OFFER

Elodie Perthuisot,  
Commercial Director

# WHY SOURCING IS STRATEGIC

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┌ Seizing key market trends  
Offering a large choice  
Conquering new markets └



┌ Sharing our experience  
through the platform  
to leverage supplier  
innovation and protect  
value └



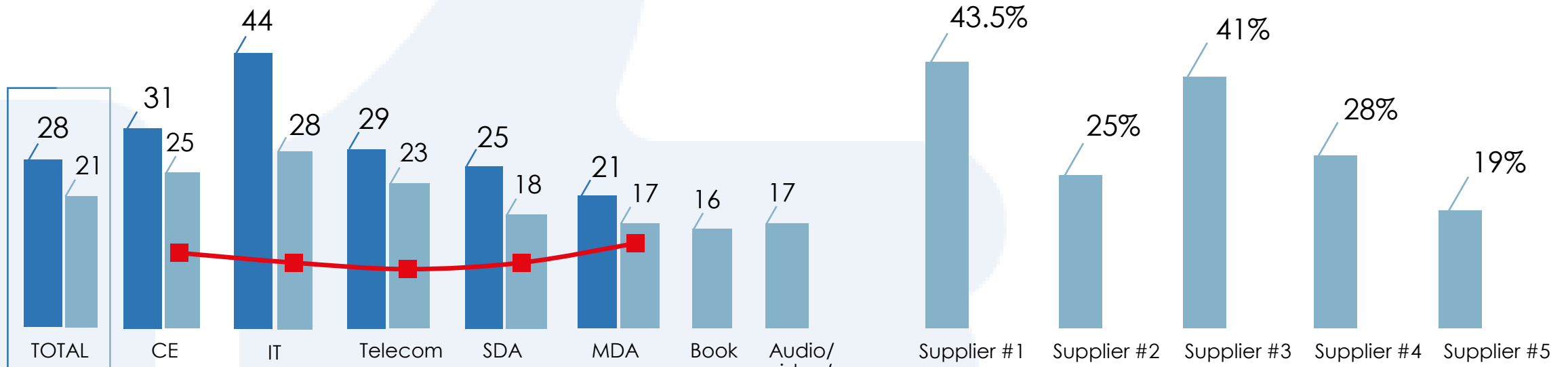
┌ Ensuring the best  
value for money  
for customers └



# AN UNMATCHED SCALE IN OUR MARKETS...

#1 in all our markets, specifically on high-end products

#1 client for key suppliers, in share of wallet



■ Fnac Darty market share in Premium segments: 3<sup>rd</sup> and 4<sup>th</sup> quartile<sup>1</sup>

■ Fnac Darty market share (total market)<sup>1</sup>

■ Second competitor market share<sup>2</sup>

<sup>1</sup> Source: GFK - 2016 FY data - France

<sup>2</sup> Source: Fnac Darty estimate

Source: GFK YTD Sept. 2017 - Fnac Darty - France

# ... ALLOWING US TO PROVIDE THE BEST COMMERCIAL PROPOSITION...

## LEVERAGE INNOVATION

Grow **c.+5pts market share** in the upper price quartiles of our markets

Deliver **outstanding customer experience**, in particular thanks to our supplier partnerships



## TAILORED AND EXCLUSIVE OFFERS

Exclusive launches  
(e.g. Google Home)

### Exclusive products:

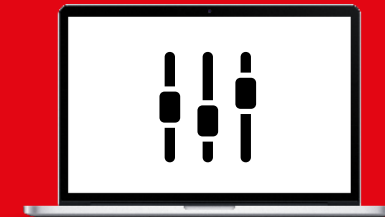
- Best value for money packs
- Own brands
- Exclusive contents



## BEST IN CLASS OFFERS ON WEB CHANNEL

Largest long tail **catalogs** in our markets

Products dedicated to **web channel customization**



# ... AND THE BEST VALUE FOR MONEY

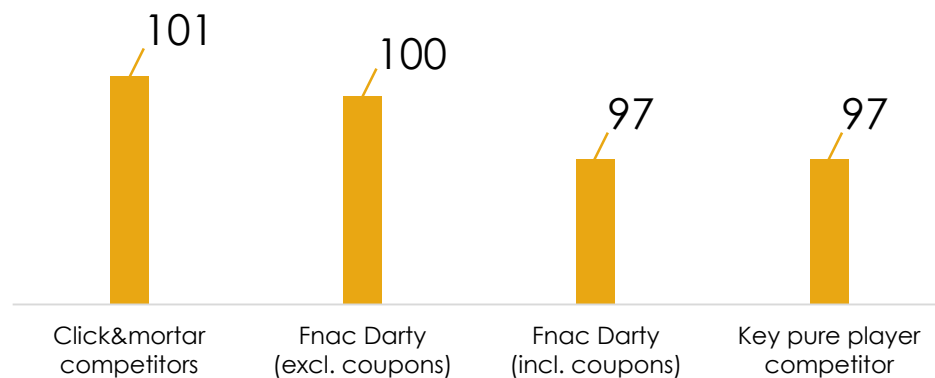
## OUR PRICING POLICY TODAY

**More competitive than click&mortar  
Very close to pure players**

Fnac Darty prices alignment policy across channels

2017 Facial Pricing index is below our click&mortar competitors

**2017 Facial Pricing index is already competitive vs. pure players when taking coupons into account**



Source : Fnac Darty internal studies based on 55,000 references excluding Editorial Products – competitors based on websites' daily prices

## OUR AMBITION

**Affordability**

Maintain promotional campaigns

Leverage **sourcing products to match entry price**

**Best value for our loyal customers**

**Price investments on loyal consumers**

Develop targeted offers for most loyal or valuable customers (purchasing frequency, upselling, Fnac+, Darty+ ...)

# BUILDING A PROFITABLE BLACK FRIDAY

## Sourcing exclusive and negotiated offers

- 50% of our offers are on exclusive products
- Driving traffic and purchases to these offers on a large scale

## Offers focused on A brands and premium quartiles

## Special partnerships

## Targeted and limited adjustments to competitors' attacks

MDA sourcing product with high margin and strong marketing

Special order – exclusive – 11 000 units

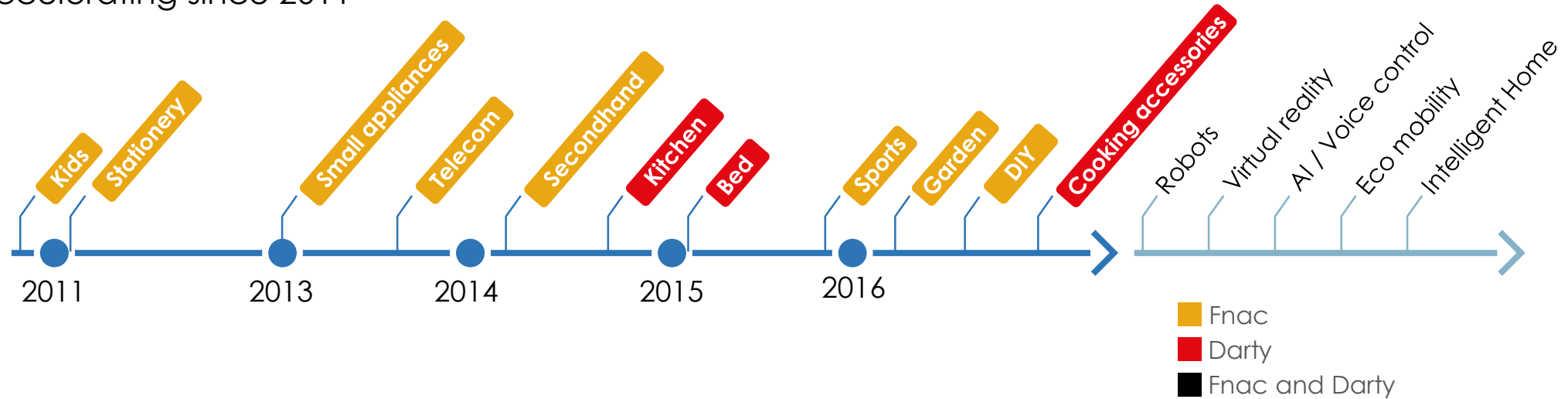
Very premium TV with offered insurance – partnership with Samsung

Strong partnerships with Microsoft and Google

# AN ONGOING DIVERSIFICATION AMBITION BASED ON A SOLID TRACK RECORD...

## NEW CATEGORIES INTRODUCTION

is accelerating since 2011



40,000  
REFERENCES

already deployed in new  
categories\*

### 3 MAIN DIFFERENTIATIONS:

- SDA growth at Fnac, leveraging Darty experience
- Existing segments still offering strong growth potential (Toys, Kitchen...)
- New segments around already offered products (Robots, VR...)

\* at Fnac



# KITCHEN ACCELERATION

## Kitchen development plan: 100+ openings targeted in the mid-term

Dedicated stores

Corners in Darty stores

Network expansion mainly through franchise

European reach

## Important growth opportunities

Accompanied customer lifestyle

Significant upsell for Darty

Participate in the French market consolidation



# ... AND SUPPORTED BY STRONG MARKETPLACE DEVELOPMENT

## TODAY

30M REFERENCES

C.12% OF WEB  
BUSINESS VOLUMES<sup>1</sup>

2,000 VENDORS

## INITIATIVES

### Product portfolio

- Rapidly increase our volumes in appliances
- Launch and consolidate new product categories (secondhand, DIY, cookware, gardening, sports, accessories, etc.)

### Internationalization

- Immediate vendor access to all Fnac Darty geographies
- Develop vendors operating from abroad

### Services

- Third-party ecosystem development
- Delivery and after-sales services development

## MID TERM TARGET

STORED OFFER STILL REPRESENTING  
THE MAJORITY OF VOLUMES

MARKETPLACE BUSINESS  
VOLUMES TO BE x3 COMPARED TO 2016

<sup>1</sup> in 2016

# SERVICES

Vincent Gufflet,  
Director of Services

DARTY INVENTE UN BOUTON  
POUR TOUS LES APPAREILS  
DE LA MAISON.

LE BOUTON  
CONNECTÉ


DARTY

◀ VOUS APPUYEZ  
▶ ON VOUS RAPPELLE

# WHY ARE SERVICES KEY?

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**A GROWING SOURCE  
OF REVENUE AND  
MARGIN**

A light blue icon representing a network or flow diagram, consisting of several circles connected by lines, positioned behind the first text block.

**A TRUE AXIS FOR  
DIFFERENTIATION**

A light blue icon representing a target or bullseye, consisting of concentric circles, positioned behind the second text block.

**A KEY COMPONENT FOR  
CUSTOMER ENGAGEMENT  
AND SATISFACTION**

A light blue icon representing a thumbs up gesture, symbolizing approval or satisfaction, positioned behind the third text block.

# FNAC DARTY ECOSYSTEM IS ENRICHED BY OUR HISTORICAL SERVICES VALUE PROPOSITION

## LARGEST RANGE OF SERVICES AVAILABLE ON THE MARKET

BEFORE & DURING THE SALE

AFTER THE SALE

- INDEPENDANT TECHNICAL ADVICE

- CREDIT CARD
- LEASING
- BUY BACK

- HOME DELIVERY
- INSTALLATION

- WARRANTY
- INSURANCE
- INTERNET PROTECTION AND CLOUD

- REMOTE ASSISTANCE
- IN-STORE ASSISTANCE
- AT-HOME ASSISTANCE
- ONLINE ASSISTANCE AND COMMUNITIES

- MOBILE / BOX
- ENERGY
- PAY TV
- ...



ADVISE



FINANCE



DELIVER



PROTECT & CARE



ASSIST



GET ACCESS

Labofnac



# DARTY SERVICES REPRESENT A UNIQUE COMBINATION OF ASSETS



## UNRIVALED HOME DELIVERY SERVICE FOR LARGE PRODUCTS (MDA, TVs)

- c.2M home deliveries each year
- Multiple premium options: Same-day delivery (Paris area), 7a.m.-9p.m. delivery, etc.



## BEST-IN CLASS AFTER-SALES CAPABILITIES

- 2,000 technicians and technical advisors, 1.5 M repairs per year
- 24/7 Remote Assistance



## ABILITY TO SELL & MANAGE SUBSCRIPTION-BASED SERVICES

- Energy, Box, Mobile, Pay TV, Insurance, Antivirus, etc.
- Billing and Customer management capabilities
- Partnerships with some leading operators



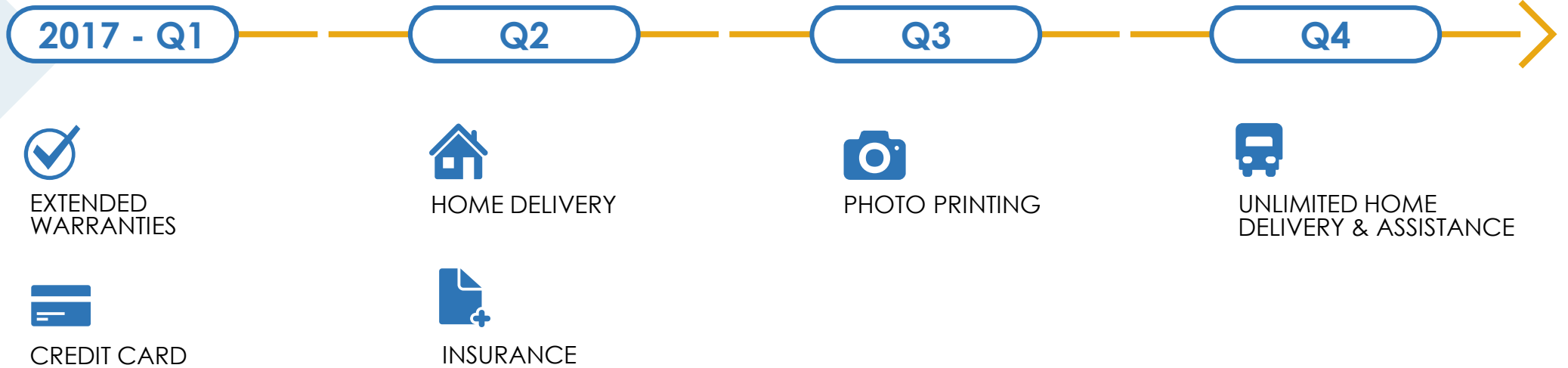
## UNIQUE DATA COLLECTION ON PRODUCT USAGE AND FAILURES

- Deep data collection on products (data from >100 M customer contacts)
- Data primarily used for tech training and operating efficiency

# FNAC DARTY LEVERAGES THESE EXISTING ASSETS WITH ALREADY STRONG RESULTS

FNAC AND DARTY SERVICE KNOW-HOWS  
ARE PERFECTLY COMPLEMENTARY

2017 IS A FULL YEAR FOCUSED ON CROSS-FERTILIZATION





# HOW WE WILL KEEP ON LEADING THE INDUSTRY RACE ON SERVICES

## LEVERAGE OUR SERVICES ASSETS

- Enlarged service offer (open platform / marketplace)
- New customers: B2B...
- New sales channels



## REJUVENATE SERVICE CUSTOMER EXPERIENCE

- Dedicated services approach in store
- Improved services experience online



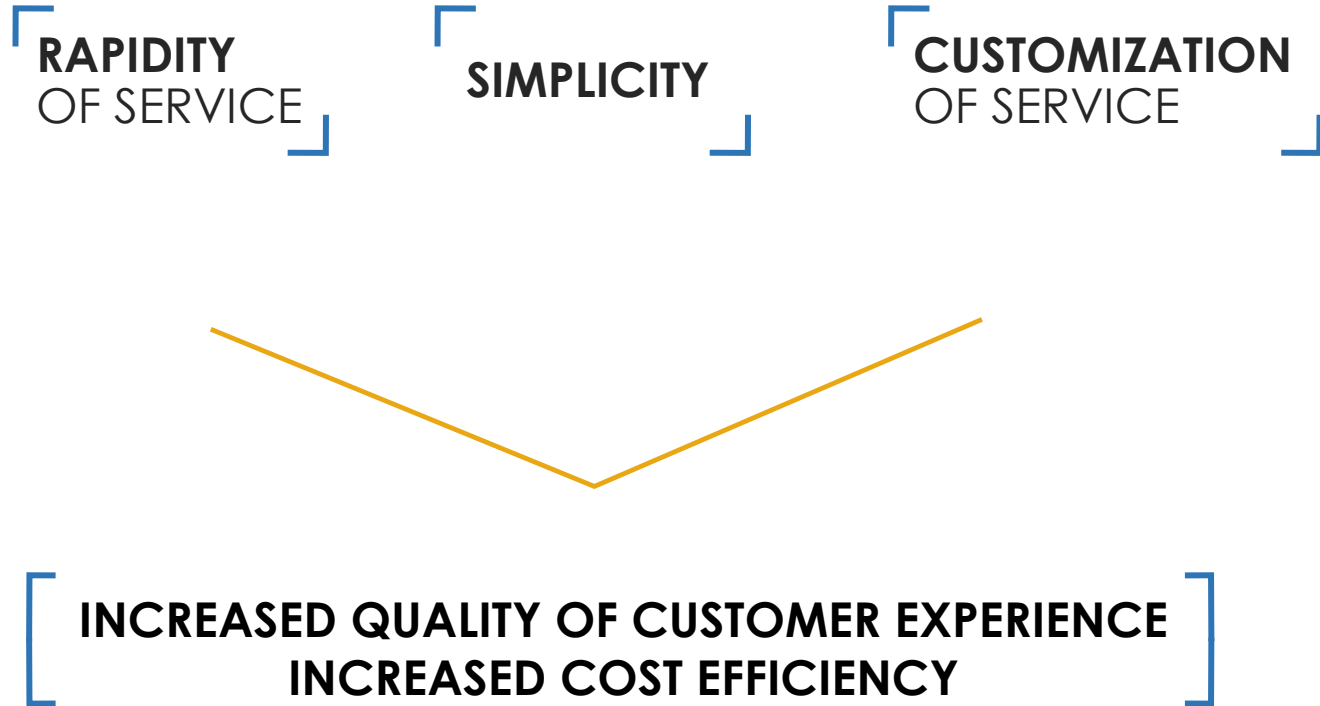
## TRANSFORM INTO A SMART HOME OPERATOR

- Launch of dedicated connected devices service offer
- Google home partnership





# FNAC DARTY SERVICES MOVING AHEAD ADAPTING TO NEW CUSTOMER DEMANDS





fnac

DARTY

# BRANDS & LOYALTY

Alexandre Viros,  
Marketing and  
e-commerce Director

JEU

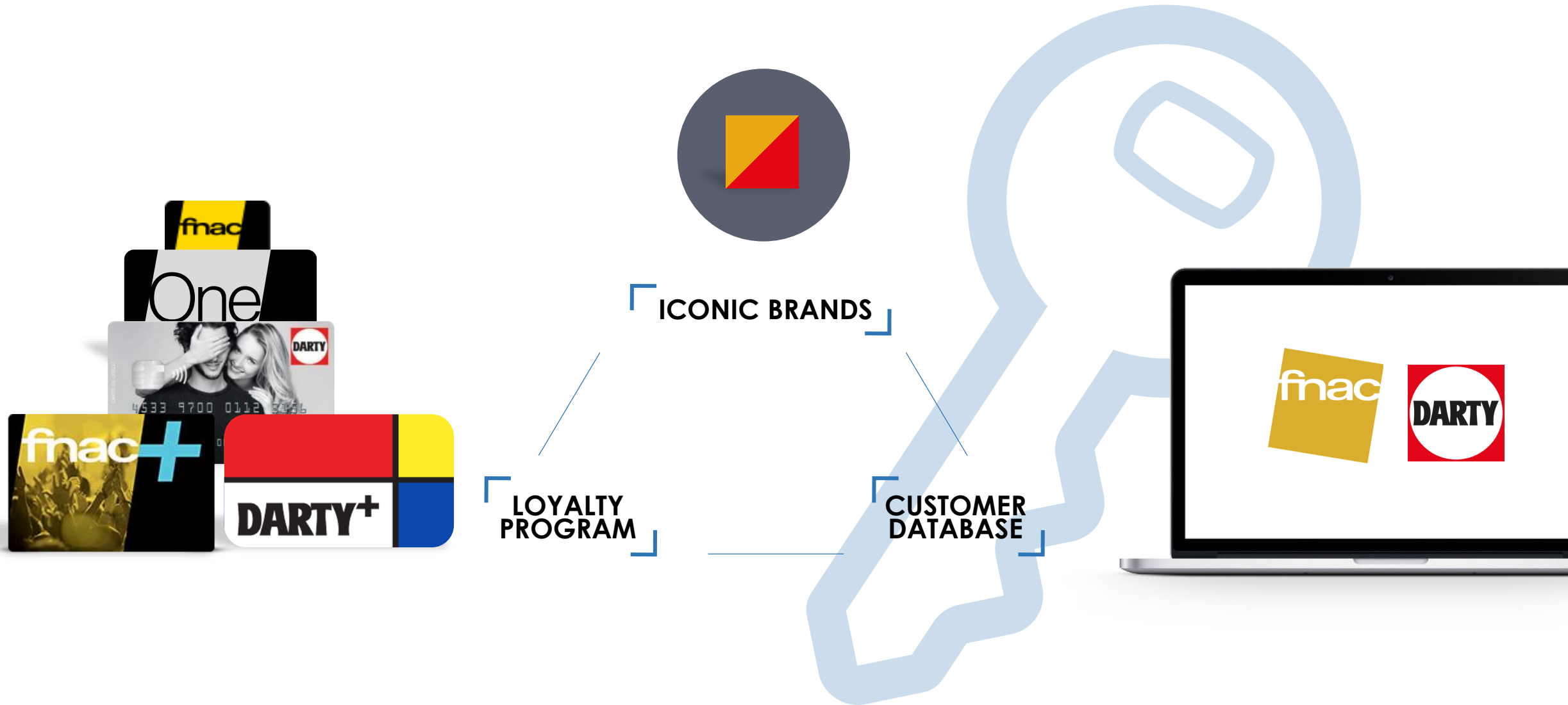
SON

HIGH TECH

LIVRE

SMARTPHONES

# WHY BRANDS AND LOYALTY ARE STRATEGIC



# TWO ICONIC & COMPLEMENTARY BRANDS



BRAND BIRTH	>	1954	1957
BRAND AWARENESS	>	99%	98%
BRAND HISTORICAL ATTRIBUTE	>	CURIOSITY	"CONTRAT DE CONFIANCE"
KEY BRAND DNA PILLARS	>	INDEPENDENCE, PASSION, DISCOVERY	SERVICE, TRUST, ACCESSIBILITY
BRAND MISSION	>	CULTIVATE CURIOSITY IN EVERYONE	REVEAL THE MAGIC OF DAILY LIFE

## [ GROUP COMBINED STRENGTHS ]

[ QUALITY / TRUST / ADVICE / EXPERTISE / HUMAN / SERVICES & OMNICHANNEL MODEL ]

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QUEST FOR  
INDIVIDUALITY

DARTY

QUEST FOR  
ESSENTIAL



DARE  
Self-fulfilment, discovery



CARE  
Serenity, simplicity

# A UNIQUE CUSTOMER BASE SUPPORTING A LEADING POSITION IN DATA-DRIVEN RETAIL



TOTAL CLIENTS<sup>1</sup>



COMMON CLIENTS<sup>1</sup>



TOTAL CLIENTS<sup>1</sup>



CUSTOMERS<sup>1</sup>

**29M**

25-49 YEARS.OLD

>100K INHAB.

DIGITAL CUSTOMERS

**8M**

**16M**

35-64 YEARS OLD

>20K INHAB.

HOME (≥2 PERS.)

**36M**

COMMON DATABASES  
AND CRM CAMPAIGNS

DATA MONETIZATION

GROUP OPT-IN & GROUP DATA  
MANAGEMENT PLATFORM

<sup>1</sup> In France

# ENHANCING CROSS-SELLING VIA BEST-IN-CLASS CRM AND LOYALTY PROGRAMS



CROSS-FERTILIZATION  
OF DATABASES

+

360° CUSTOMER VIEW

+

COMMON CRM  
CAMPAIGNS

+

LOYALTY PROGRAMS

DATA MONETIZATION & DATA  
MANAGEMENT PLATFORM

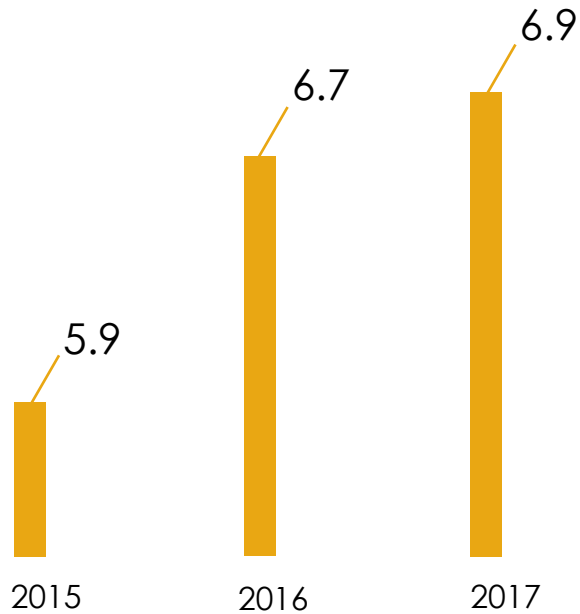
BETTER CUSTOMER  
KNOWLEDGE & CARE

TARGETED & CROSS-SELL OFFERS

NEW LOYALTY ECOSYSTEM

# FNAC DARTY CLIENT STICKINESS THROUGH UNIQUE LOYALTY PROGRAMS

EVOLUTION OF FNAC MEMBERS SINCE 2015  
(IN MILLIONS OF MEMBERS)



- Fnac's loyalty program: a strong asset: c.7M loyal customers
- Loyal customers represented 64% of 2016 total Fnac sales

LOYALTY  
REPURCHASE  
x2



- Services offer acts as loyalty program
- A wide panel of services: credit and payment card, premium delivery & aftersales services...

LOYALTY BREEDS  
CONSIDERATION

LE CONTRAT  
DE CONFIANCE 



# FNAC+, DARTY+: BUILDING THE FUTURE LOYALTY PROGRAMS FOR THE GROUP

I SUBSCRIBE TO...



30<sup>D</sup> FREE  
€49/year



30<sup>D</sup> FREE  
€49/year

KEY ADVANTAGES  
IN THE SUBSCRIPTION  
BANNER



REBATES &  
PROMOTIONS

PRIORITY  
CHECKOUT

DEDICATED  
CALL LINES

ADVANTAGES  
& PROMOTIONS



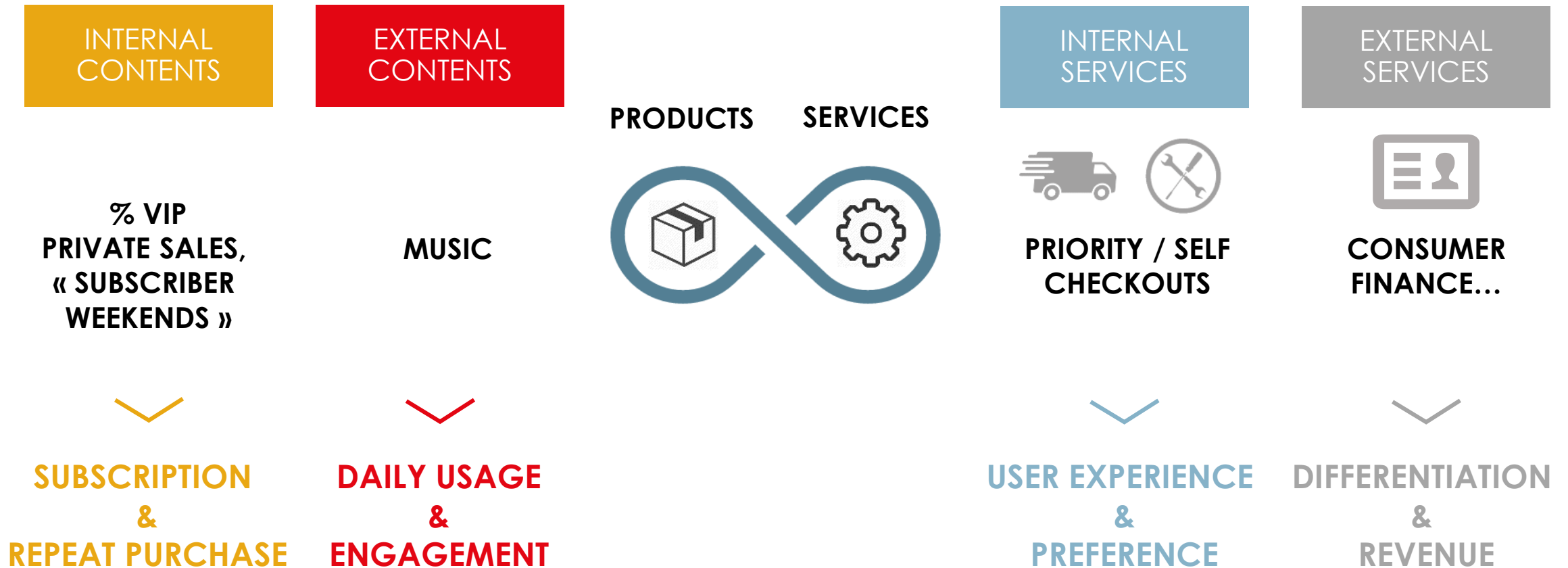
30 DAYS  
TO CHANGE  
YOUR MIND

CONNECTED BUTTON  
& AFTER-SALES FOR ALL PRODUCTS,  
INCLUDING THOSE NOT BOUGHT AT DARTY

KEY ADVANTAGES  
IN BOTH BANNERS

**FREE PREMIUM FNAC DARTY DELIVERY**

# NEXT STEP: CREATING A CUSTOMER-CENTRIC ECOSYSTEM FOCUSED ON SERVICES



# INVESTOR

**DAY** December 5<sup>th</sup>, 2017

**OPEN**  
**OMNICHANNEL**  
**PLATFORM**

fnac



# STORE NETWORK

Benoît Jaubert,  
Director of Retail

# WHY STORES ARE KEY

THE STORE NETWORK IS THE CORNERSTONE OF THE FNAC DARTY OMNICHANNEL EXPERIENCE





# WHY THE STORE NETWORK HAS TO BE DENSE AND AGILE

## THE STORE NETWORK IS THE CORNERSTONE OF OUR OMNICHANNEL ASSETS

- SCALE** > 700+ stores
- PROXIMITY** > 92% of the French population in the catchment area
- AGILITY** > 6 formats from 60 to 6,000 m<sup>2</sup>
- EXPERIENCE** > 180 stores digitalized

## MODULAR FORMATS ALLOWING PRODUCT HIGHLIGHTING

### IN LARGE STORES

- > Large number of references
- > Premium Brands Corners (Ex: Devialet / Samsung)



### IN STORES < 2,000 m<sup>2</sup>

- > Best sellers with access to full catalogue online



# IMPROVING THE EFFICIENCY OF OUR SELLING SURFACES

Optimizing surface

Rolling-out shop-in-shops

Developing new specialized stores: Kitchen plan

Re-thinking services experience via dedicated corners

Developing B2B

fnac

EXAMPLE:  
BORDEAUX LAC

Selling surface:  
**-28%**

Turnover:  
**+10%**

Sales/m<sup>2</sup>:  
**+53%**



fnac pro

+

DARTY  
PRO

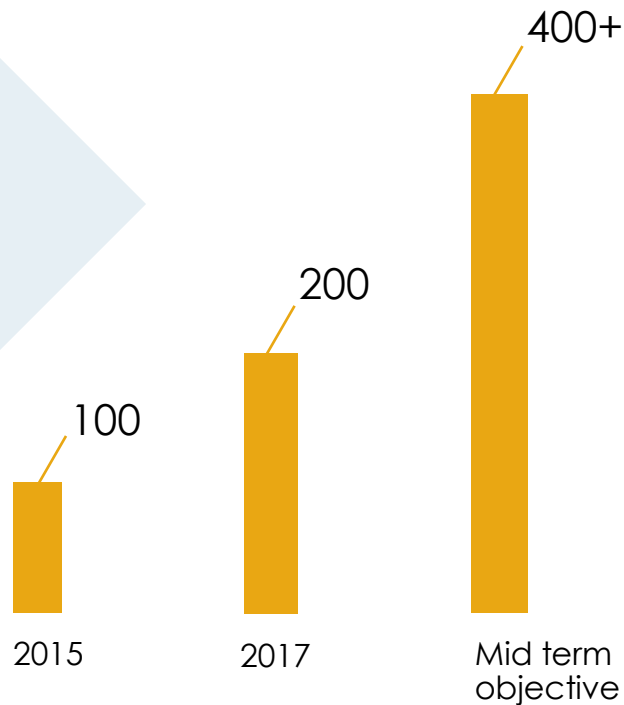
FNAC DARTY  
BUSINESS



# FAST PACED FRANCHISE EXPANSION TO FUEL GROWTH

## FRANCHISE SUCCESS OPENS GROWTH OPPORTUNITIES

Number of franchised stores



## CONSOLIDATE THE MARKET TO REINFORCE OMNICHANNEL REACH

### Leverage attractiveness of Fnac and Darty brands

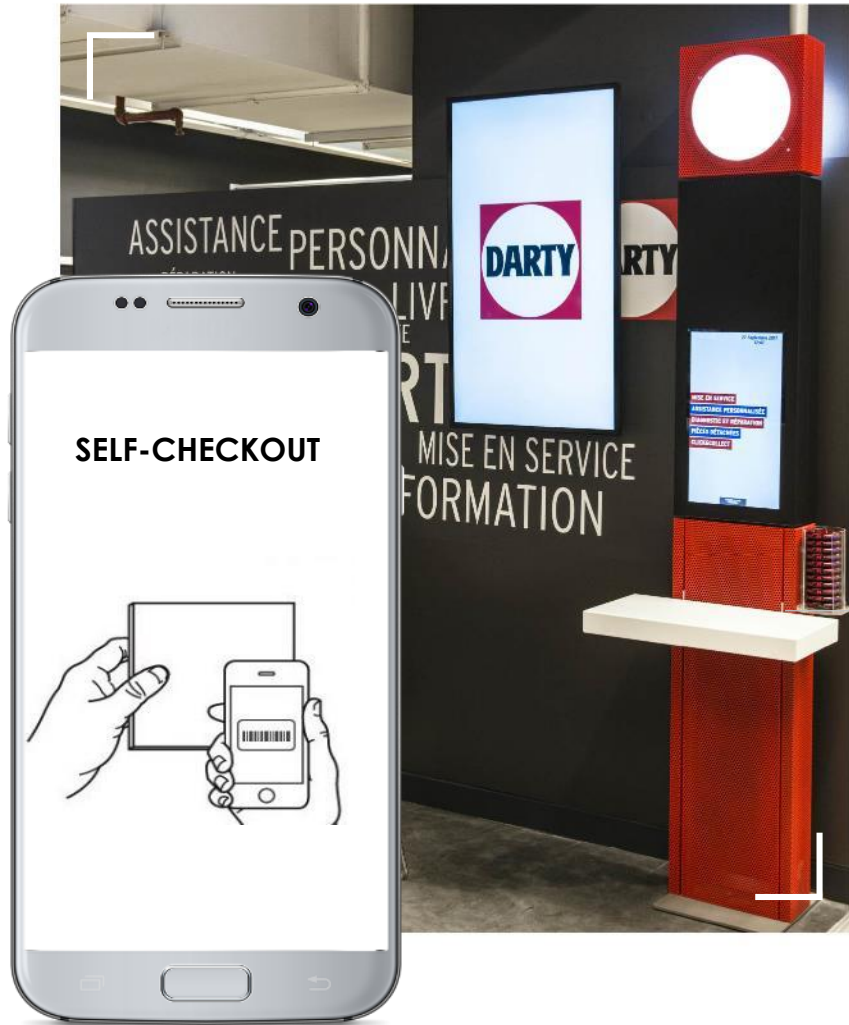
- Roll out existing concepts
- Integrate small independents under our banners





### Accelerate online sales

- When opening a new store<sup>1</sup>, over 50% of C&C orders are made by customers who never order on Fnac.com

<sup>1</sup> Fnac Darty Study

# REINVENTING IN-STORE EXPERIENCE WITH A FOCUS ON SERVICES



-  Rethink stores as a lever for omnichannel experience
-  Reduce in-store friction (*self-checkout, product availability*)  
**> mid-term target of stores digitalized: 100% of the network vs. 180 stores today**
-  Develop "store-to-web" (wishlist)
-  Connected "store as a device" (self checkout)



# OPERATIONAL EFFICIENCY

Olivier Theulle,  
Operations Director

# WHY ARE OPERATIONS KEY?

## OMNICHANNEL TRANSFORMATION SETS NEW STANDARD FOR CLIENT EXPERIENCE



### TECHNICAL PRODUCTS

2014

2017

WEIGHT OF D/D+1 DELIVERIES

30%

70%

WEIGHT OF IN-STORE PICKUP

25%

50%

## OPERATIONAL EXCELLENCE DRIVES CLIENT SATISFACTION

Change in after-sales NPS

+8 pts

2015

2017



Change in home delivery NPS

+7 pts

2015

2017



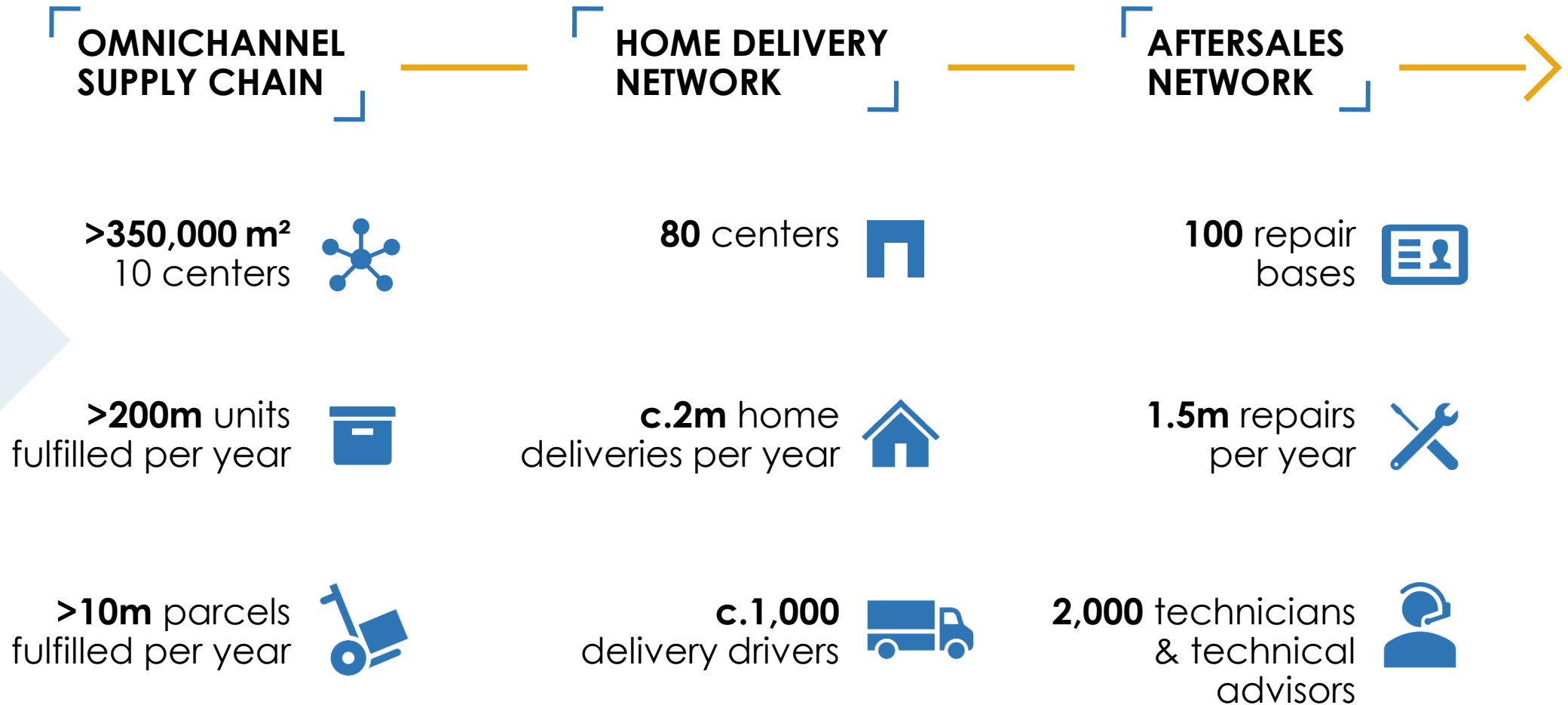
+5 pts

2015

2017



# FNAC DARTY: BEST IN CLASS OMNICHANNEL ASSETS



# A LEADING OMNICHANNEL DELIVERY PROPOSITION



## 'SMALL' PACKAGES



## HEAVY / BULKY



### SAME DAY



- 1hr pickup for technical products in 100 stores
- 2hr delivery in big cities



- 1hr pickup in over 300 stores
- 2hr delivery in 50 cities



- 1hr pickup in 300 stores
- Scheduled delivery in Paris area and Lyon



### DAY +1



- In-store pickup



- Express delivery in all of France



- Paris/Paris region delivery



- Delivery in big cities

# BEST IN CLASS OMNICHANNEL DELIVERY

## EXAMPLE

### ORDER CUTOFF FOR NEXT-DAY DELIVERY

NEW / JUST LAUNCHED



ILE-DE-FRANCE



Midnight

PURE PLAYER 1



5.45 p.m. – 7.45 p.m.  
(depending on areas)



REST OF FRANCE



6 p.m.

PURE PLAYER 2



2 p.m. – 4 p.m.  
(depending on areas)

# INTEGRATION WELL ON TRACK, ALREADY DELIVERING STRONG RESULTS

## AN EXPANDING OMNICHANNEL ECOSYSTEM

- Cross-banner click and collect ✓
- Fnac TV deliveries and installations Operated by Darty ✓

## AN OPTIMIZED SUPPLY CHAIN

- Distribution centers' mutualisation: Wissous 2 transfer completed ✓
- Warehouse specialization (common inventories) **IN PROGRESS**

## A MORE EFFICIENT AFTERSALES SERVICE

- Improved repair service ✓
  - One centralized spare part distribution platform in France (vs. 12 previously)
  - Specialization of the workshop network, from 8 to 4 repair workshops
  - Development of in-store repair initiatives
- Leverage Darty After-sales to Fnac for small domestic appliance & TV **JUST LAUNCHED**



# NEW INITIATIVES TO BUILD THE BEST OMNICHANNEL JOURNEY **IN EUROPE**



## INCREASED RESPONSIVENESS

Increase same-day and next-day deliveries and home repairs



## CUSTOMIZED EXPERIENCE

Launch time definite home deliveries and home repairs



## BEST OF BOTH WORLDS

Enhanced Click & Collect for editorial products services and connected after-sales

Reinforce our omnichannel differentiation



Leverage existing capacity and develop ecosystem by opening our assets to 3<sup>rd</sup> parties

CLICK & COLLECT

Je commande en ligne Je choisis mon magasin Je récupère ma commande

ICI, RETIREZ VOS ACHATS

DARTY.COM

&

NOUVEAU

FNAC.COM

# E-COMMERCE

Alexandre Viros,  
Marketing and  
e-commerce Director

# FNAC DARTY AN E-COMMERCE CHAMPION

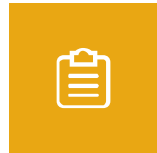
## A SOLID OFFER

Large number of references online  
-  
Strong marketplace



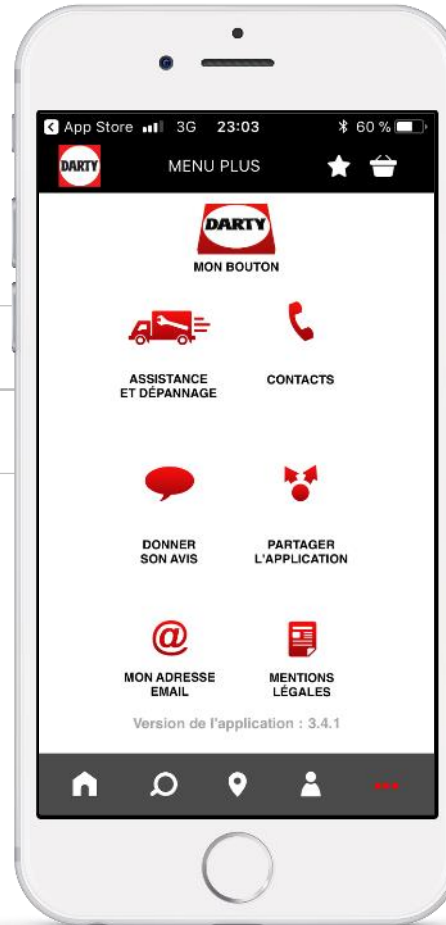
## OPERATIONAL EXCELLENCE

Mobile weight of traffic c.50% (incl. tablets)  
-  
Continuous increase of conversion rates



## STRONG RESULTS

2<sup>nd</sup> web player in France  
-  
2 digit traffic & sales growth

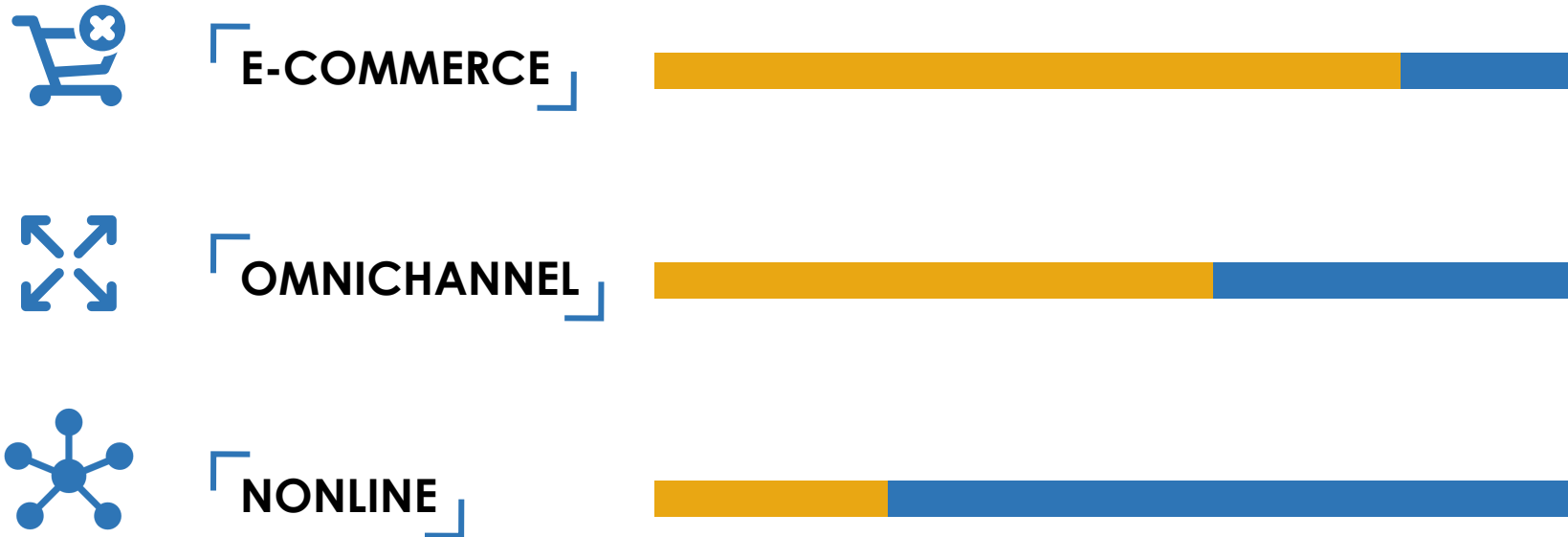


## INVESTMENTS FOCUSED ON DIGITAL

- Media mix shifting to digital: from 30% to 50% over the last 5 years
- c.€70m CAPEX allocated to Digital over the last years

# TODAY'S CHALLENGE CREATING THE NONLINE EXPERIENCE

DONE   
TO BE DONE 



# NEW DIGITAL INITIATIVES

## ONGOING MARKETING INITIATIVES



- New technology velocity to target new clients
- “Brandformance” marketing efficiency tool

## PERSONALIZATION



- Product and content customization
- Predictive marketing
- Upselling

## USER EXPERIENCE



- Performance
- Customer journey simplification

## MOBILE



- Applications
- Chat Bot
- One click

# NEW OMNICHANNEL INITIATIVES

**STRONG GROWTH OF OUR  
OMNICHANNEL FOOTPRINT**

Omnichannel sales represent 45% of online

**ENHANCEMENT OF OUR  
DELIVERY PROMISE**

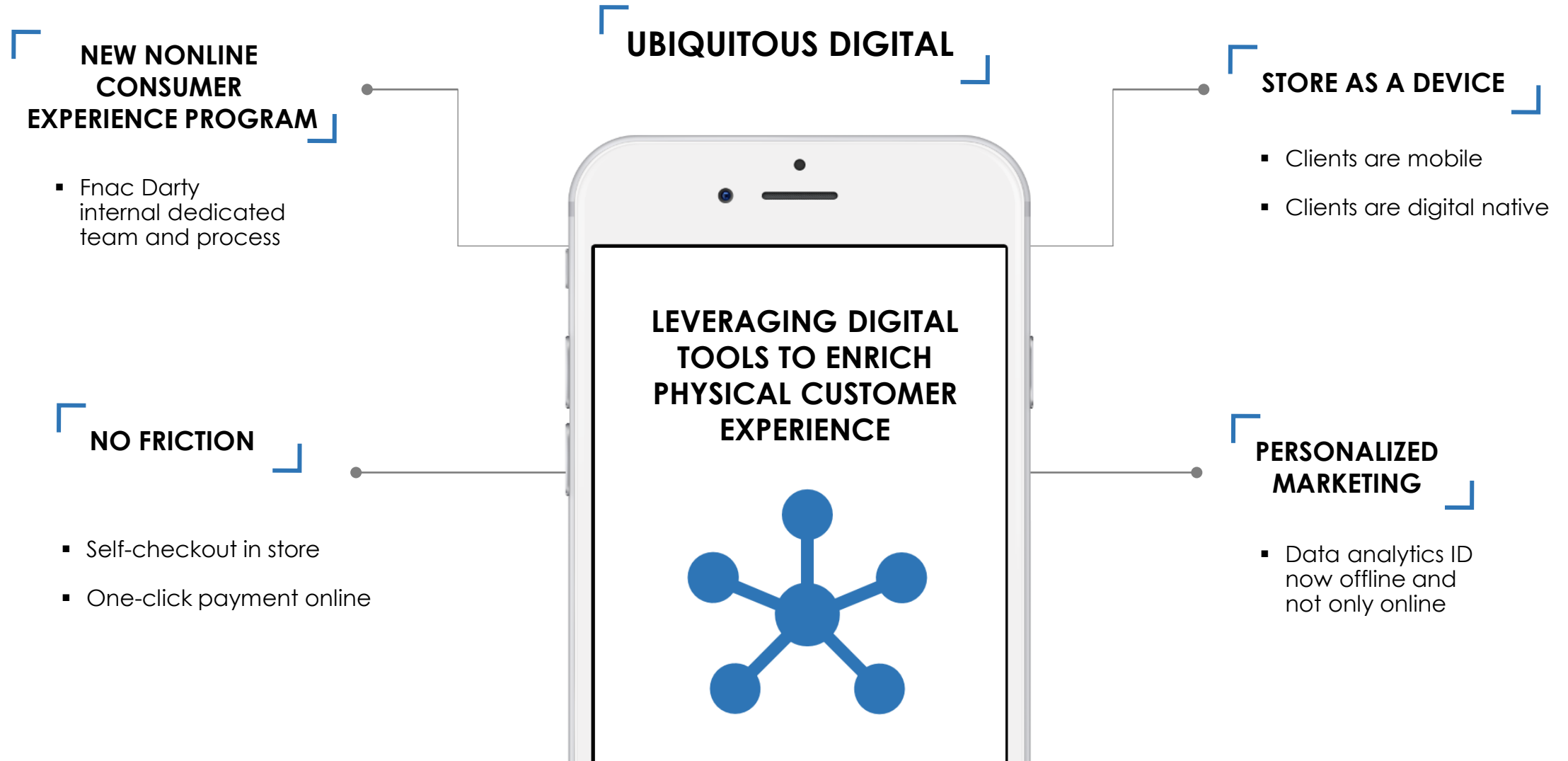
Time definite home deliveries

**IN-STORE DIGITALIZATION**

Fast checkout with vendor mobile devices

Electronic tag: price alignment, NFC

# BECOMING A NONLINE BENCHMARK



# INVESTOR

**DAY** December 5<sup>th</sup>, 2017



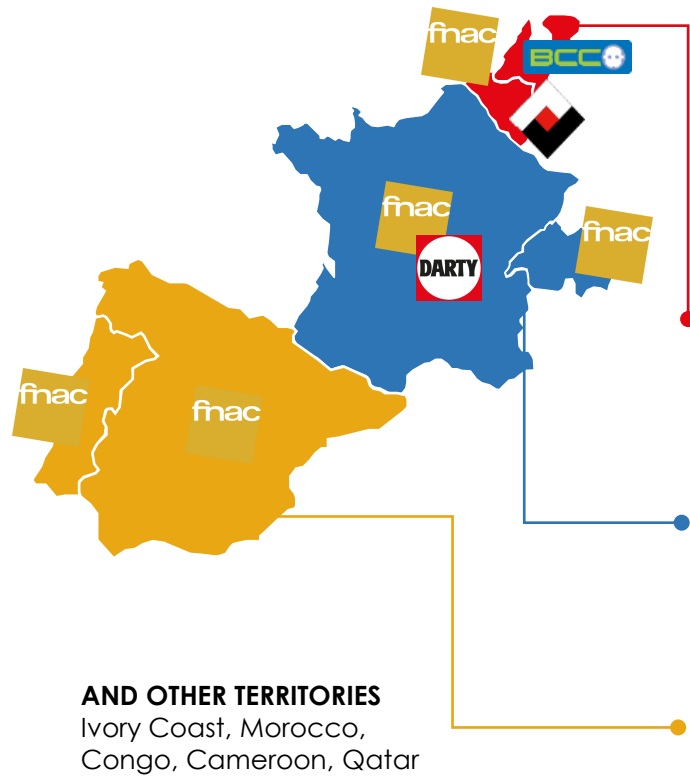


# INTERNATIONAL OPERATIONS

Jean-Brieuc Le Tinier,  
Chief Financial Officer

Charles-Henri de Maleissye,  
CEO Fnac Vanden Borre

# STRONG POSITIONS IN WESTERN EUROPE



**BENELUX**  
12% of 2016 sales

## A DENSE OWN STORE NETWORK

**152 stores:**

- 10 Fnac
- 71 VdB
- 71 BCC

## AN EXPANDING FRANCHISE NETWORK

Franchised kitchen business JV

## STRONG DIGITAL PLATFORMS

Fnac.be + Marketplace  
Vandenborre.be + Marketplace  
Bcc.nl

## LEADING OMNICHANNEL & SERVICES

Logistics platforms  
Click&collect  
After-sales

**FRANCE & SWITZERLAND**  
79% of 2016 sales

**310 stores<sup>1</sup>:**

- 94 Fnac
- 216 Darty

**186 stores:**

- 69 Fnac
- 117 Darty<sup>2</sup>

Fnac.com + Marketplace  
Darty.com + Marketplace  
Fnac.ch

Logistics platforms  
After-sales  
Click&collect  
Click&mag

**AND OTHER TERRITORIES**  
Ivory Coast, Morocco, Congo, Cameroon, Qatar

**IBERIAN PENINSULA**  
9% of 2016 sales

**52 Fnac stores**

**3 Fnac stores**

Fnac.es + Marketplace  
Fnac.pt + Marketplace

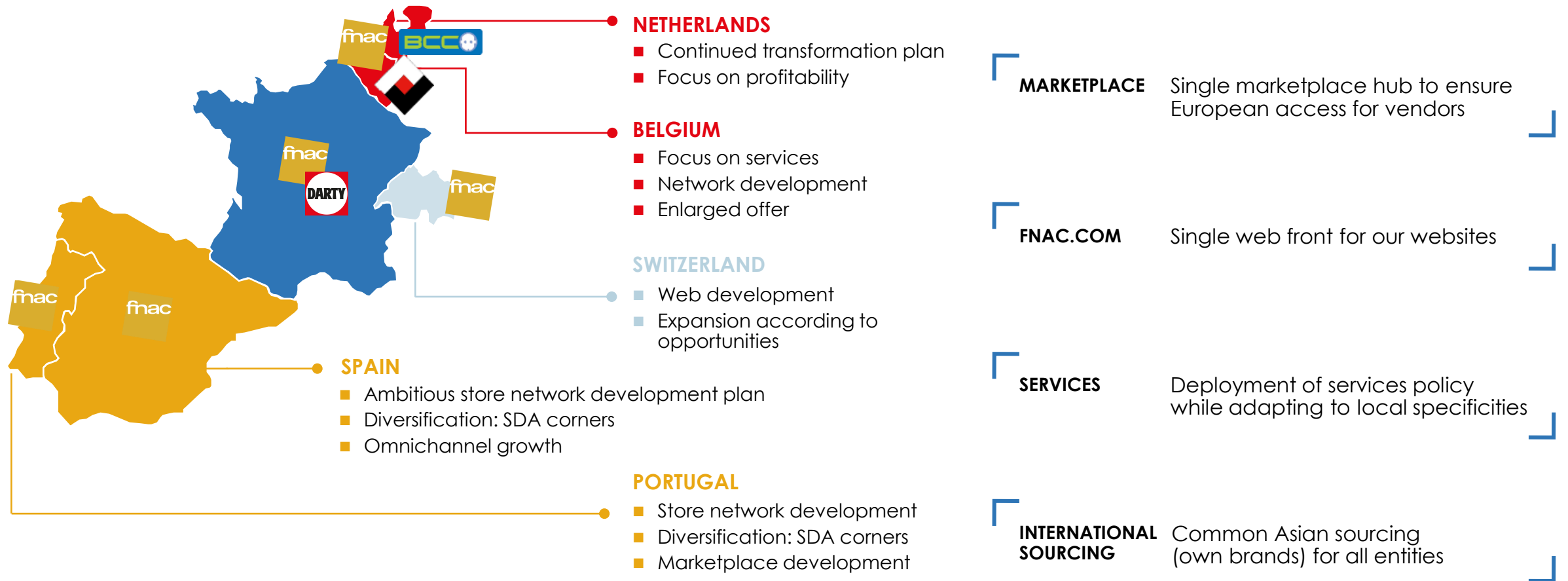
Logistics platforms  
Click&collect  
Click&mag

<sup>1</sup> Including franchise operations in Qatar, Morocco, Congo, Cameroon and Ivory Coast

<sup>2</sup> Including 1 Fnac-Darty store

Store network data as at September 30, 2017

# WE ARE INTEGRATING OUR GEOGRAPHIES IN OUR STRATEGIC ROADMAP



# FOCUS ON GROUP OPERATIONS IN BELGIUM

## FNAC AND VANDEN BORRE INTEGRATION WELL ON TRACK

### 71 VANDEN BORRE STORES

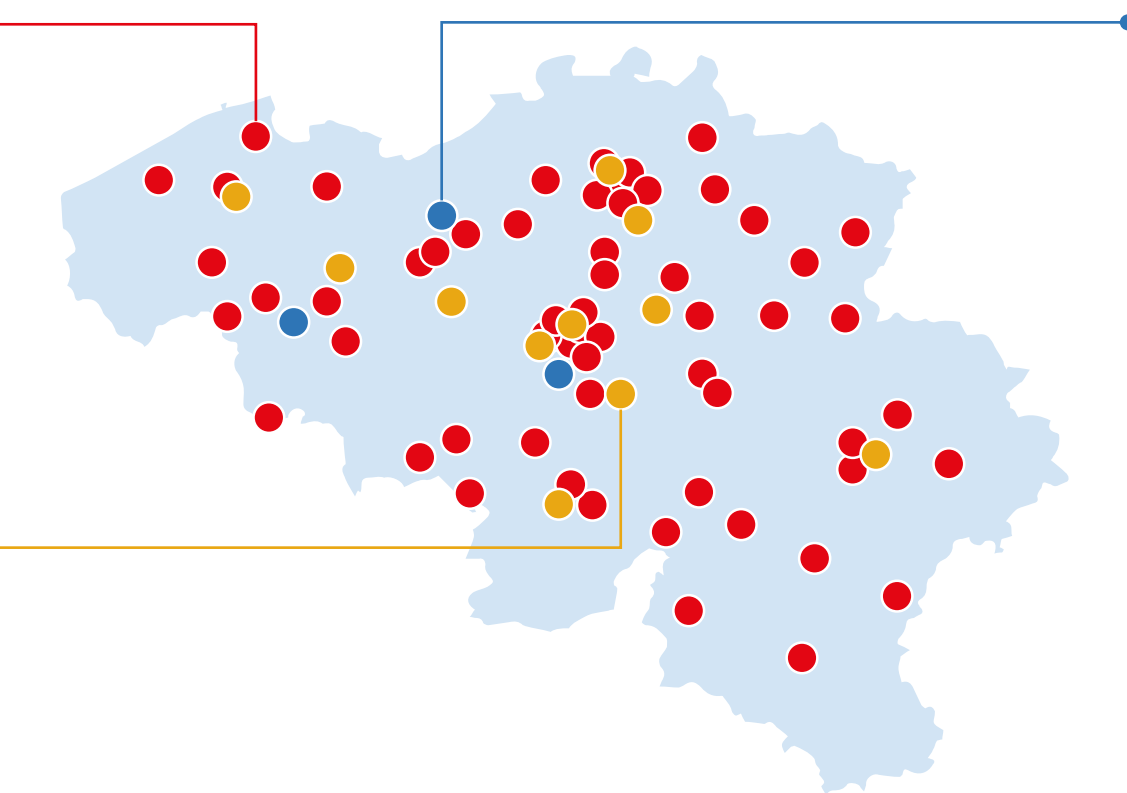
900 m<sup>2</sup>  
Mainly destination stores

Leader in  
White Goods

### 11 FNAC STORES

2,000 m<sup>2</sup>  
in city centers

Biggest  
Editorial offer  
in store

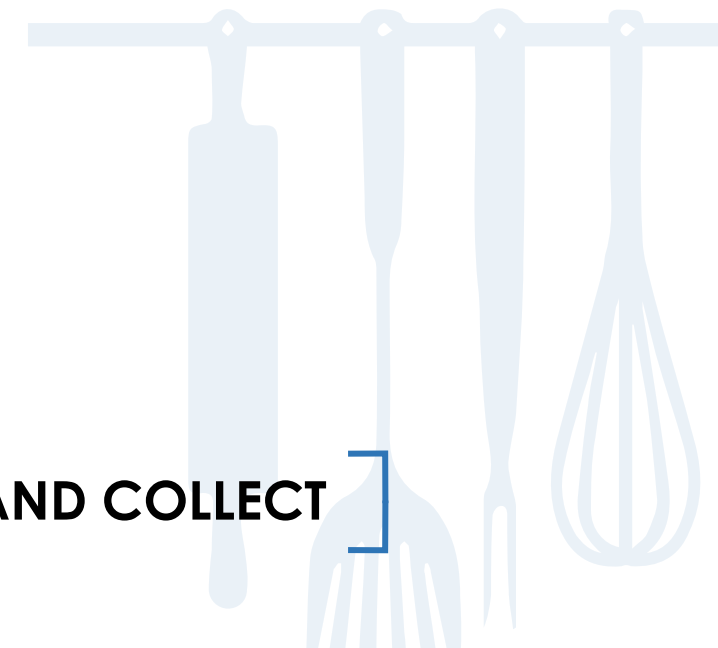


### 3 VANDEN BORRE KITCHEN

Franchised stores /  
JV with FBD Group

Potential of  
50 stores

2 E-COMMERCE WEBSITES STRONG CLICK AND COLLECT



# STRONG ASSETS FOR FNAC VANDEN BORRE

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## OMNICHANNEL PROPOSITION

Brand awareness  
(Contrat de Confiance, carte Fnac)

Omnichannel sales approach

Own engineers for home repairs

Multimedia Service extension  
by subscriptions

## LOGISTICS SETUP

Own logistic facilities to deliver  
and install big appliances D+1

2-hour paid delivery in almost all parts  
of the country on Technical products

Free next-day delivery of orders placed  
before 10.30 p.m. (incl. Sunday)

**We will accelerate on time-definite deliveries**

# STRATEGIC INITIATIVES TO DEVELOP MARKET SHARE

## BE THE BELGIAN MARKET BENCHMARK FOR CLIENT SERVICE

Digitalization of all client-facing staff (e.g. shops, deliveries, after-sales)

"0% effort program" to reinforce customer experience

## ENLARGE OFFER

Common offers Fnac / Vanden Borre (e.g. shop in shops, digital gift cards, common payment card)

Marketplace ramp-up

Cross-docking with suppliers

Dropshipment based on Group facilities

## ENLARGE NETWORK

Network coverage improvement

Accelerated rollout of Vanden Borre Kitchen franchises

New Fnac store in Luxembourg (2019)

A woman with short blonde hair, wearing a light-colored sweater and dark pants, is walking away from the camera in a Darty store. She is carrying a black shoulder bag and a white shopping basket. The store has a tiled floor and shelves with various products. Two boxes with the Darty logo are visible in the foreground. The entire image is overlaid with a white grid pattern.

# HUMAN CAPITAL

Frédérique Giavarini,  
HR Director



# OUR PEOPLE ARE OUR KEY ASSET

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# ATTRACTIVE RETAIL EMPLOYER

## LARGE & DIVERSE WORKFORCE

25,000 employees in France & International  
18,000 in France,  
with 13,000 customer touchpoints  
(38% sales / 36% customer services  
+11% supply chain)

## SOCIALLY & ENVIRONMENTALLY RESPONSIBLE

## OUR COMMITMENTS

# CARE

WELL-BEING AT AND THROUGH WORK

## OUR PEOPLE



## CUSTOMER CENTRIC, EXPERT, PASSIONATE & ENGAGED

80% engagement rate<sup>1</sup>

## 60 YEARS OF HISTORY IN RETAIL - ENTREPRENEURSHIP & INNOVATION

## OUR HISTORY

# DARE

PROVEN ABILITY TO EMBRACE  
DISRUPTION AND ADAPT

<sup>1</sup> Internal study

# ORGANIZATION TO SUPPORT 1 GROUP, 2 BANNERS



## 1 GROUP – 2 BANNERS

RAPID EFFECTIVE  
COLLABORATION

UNIQUE  
HEADQUARTER  
ORGANIZATION

HR AND  
TOP MANAGEMENT  
IMPLICATION

NO BUSINESS DISRUPTION

DELIVERING OUR COMMITMENT:  
€130m SYNERGIES CONFIRMED

# OUR STRATEGIC IMPERATIVES

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## ANCHOR CHANGE AND ENGAGE TO GROW

Develop  
an inclusive  
environment where  
people feel inspired  
and committed

Leverage reward to  
sustain a performing  
organization

## MAINTAIN AN AGILE ORGANIZATION

Maintain a flexible and  
efficient organization

Improve social climate

## SECURE KEY COMPETENCIES TO SUPPORT BUSINESS

Develop competencies  
on customer centricity,  
Digital & Services

And secure sourcing,  
esp. on key roles



# FINANCIAL TRAJECTORY

Jean-Brieuc Le Tinier,  
Group CFO

# TRENDS IN OUR MARKETS

## CONSUMER ELECTRONICS

Subject to innovation cycles

Telephony expected to peak

**FLAT**

## WHITE GOODS

Increased penetration of connected usage

Small Domestic Appliances dynamic

Kitchen plan

**LOW SINGLE DIGIT GROWTH**

## EDITORIAL PRODUCTS

Continued decline of physical disk and DVD

Resilience of books

**DECLINING MARKETS**

# KEY TOP LINE DRIVERS

BELIEFS

OMNI-CHANNEL

Customers are agnostic

FRANCHISE

Growth driver

DIVERSIFICATION

Targeting new markets to find new opportunities

SERVICES

Differentiating asset

LOYALTY

Ecosystem cornerstone

NEW INITIATIVES

Marketplace x3

Logistics open to third parties

UX Program

Self-checkout



200+ openings



Kitchen plan:  
100+ new stores

Shop-in-Shops  
rollout



Launch of  
Smart Home







Subscription programs





Further gains in market share

# KEY MARGIN DRIVERS

## GROSS MARGIN DRIVERS

-  Stable commercial policy (prices)
-  Product and franchise mix effect
-  Higher margin from services and marketplace
-  Purchasing synergies

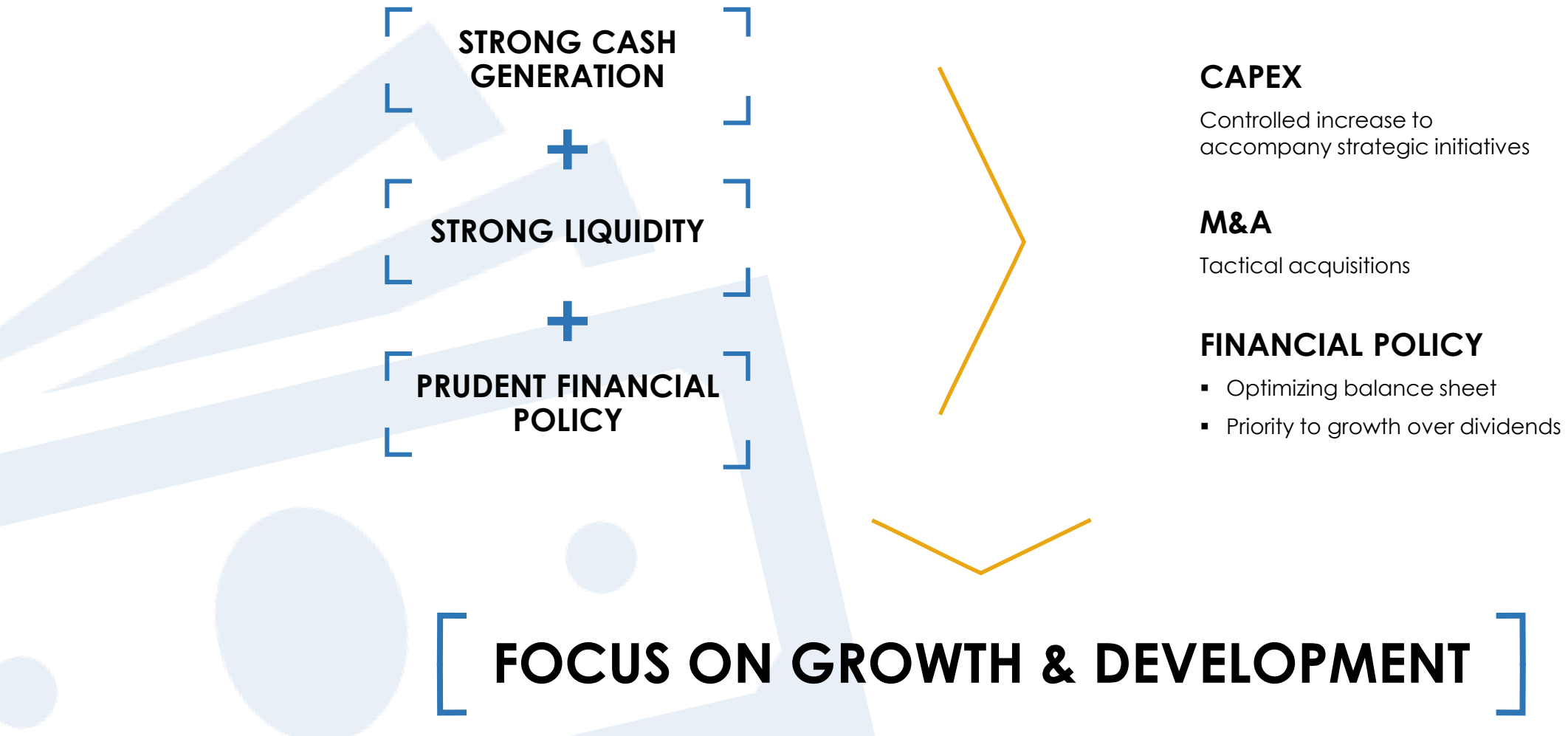
## TRANSFORMATION PLAN

-  Operation optimization: continuing cost-cutting programs
-  Synergies targeted: €130m confirmed

**Operating margin mid-term objective: 4.5-5%**

*Depending on market conditions*

# LIQUIDITY & USE OF CASH





# INVESTOR

**DAY** December 5<sup>th</sup>, 2017



# CONCLUSION

Enrique Martinez,  
CEO

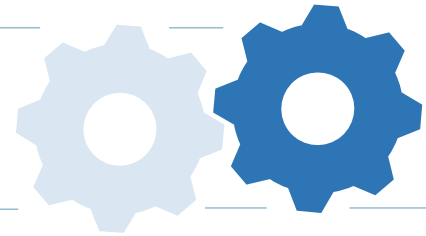
# CONCLUSION

BEST VALUE FOR MONEY



STORE AS A DEVICE

GROWTH



NONLINE

OPEN OMNICHANNEL  
PLATFORM

SERVICES

CUSTOMER EXPERIENCE

LOYALTY ECOSYSTEM

**VALUE CREATION – 4.5% TO 5% OPERATING MARGIN**

# INVESTOR

**DAY** December 5<sup>th</sup>, 2017

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