FNAC DARTY

Ivry, July 29, 2020

Excellent operational performance during the first half-year driven by strength of omni-channel model in a health crisis situation
Strong business recovery post-lockdown limiting the impact of the loss of in-store sales due to the crisis

- **Revenue of €2,849 million, down 10% on a like-for-like basis[1] in an unprecedented health crisis situation**
- **Closure of almost all the Group's physical stores from March 15 to May 10, resulting in lost revenue of approximately €400 million, excluding the contribution from Nature & Découvertes**
- **Excellent operational performance on digital platforms during the period, with online sales accounting for 31% of Group revenue, partially offsetting the loss in in-store revenues**
- **Over 1 million new online customers gained during the lockdown, with momentum accelerating during the final weeks of the half-year period**
- **Continued positive store recovery and solid online sales performance since May 11**
- **Gross profit margin rate down 110 basis points, impacted by an unfavorable product/service mix effect despite a positive contribution from the integration of Nature & Découvertes**
- **Excellent cost control thanks to the rapid rollout of a readjustment plan**
- **Current operating losses of €57.6 million, a decrease of €104 million compared to the first half of 2019**
- **Solid financial position at the end of June 2020**

Enrique Martinez, Chief Executive Officer of Fnac Darty, says: *"After a very promising start to the year, the Group was able to handle the COVID-19 crisis by relying on its digital and logistical strength to serve its customers as effectively as possible. Our omni-channel model continued to prove its worth as lockdown measures were eased, with good levels of footfall and business at our stores, which reopened on May 11, and a continuation of the excellent momentum on our digital platforms. This success can largely be attributed to the commitment of our employees, the loyalty of our customers and the quality of our relationships with our partners. Given consumption patterns will remain uncertain, we will maintain a rigorous financial management policy during the second half of the year and put our business priorities first, with a strong boost to our digital platforms, the diversification of our business activities, and the development of our service offerings. We are well prepared to meet the challenges of the months ahead, starting with the important back to school period in September."*

KEY FIGURES

(in €m)	H1 2020	H1 2019	Change
Revenues	**2,849.0**	**3,092.5**	**-7.9%**
Like-for-like change[1]			*-10.1%*
Current operating income	**-57.6**	**46.2**	***-103.8***
Net income from continuing operations for the fiscal year, Group share	**-76.7**	**-33.2**	**-43.5**

HIGHLIGHTS OF THE FIRST HALF OF THE YEAR

Resilient sales amid an unprecedented health crisis

Fnac Darty reported revenue of €2,849.0 million, down 8% on a reported basis and down 10% on a like-for-like basis[1] compared to the first half of 2019. This performance was sustained by very resilient sales during the lockdown thanks to significant growth in e-commerce, as well as an encouraging in-store recovery that started on May 11 and continued into June. The integration of Nature & Découvertes helped generate revenue of €56.2 million during the period. In June, Group revenue was up 21% on a like-for-like basis overall and up 25% in France and Switzerland.

Gross profit for the first half of the year was €844.2 million, down compared to the first half of 2019. The gross margin rate remained high at 29.6%, down 110 basis points compared to the previous year. Nature & Découvertes' entry into the scope of consolidation positively impacted the gross margin by 60 basis points. However, this contribution was more than offset by an unfavorable product/service mix effect. In fact, store closures led to a decline in the sale of editorial products, which are highly sensitive to impulse purchasing, and a decrease in services linked to a structurally lower attach rate in the internet sales channel. The gradual ramp-up of new offerings following a change in insurance provider in April 2019 continued to impact the gross margin rate over the first quarter.

The Group implemented an action plan to reduce its costs when the crisis started. The use of part-time work while stores were closed significantly reduced staffing costs during the first half of the year. The Group posted a drop in its operating expenses, which totaled €901.8 million during the period, despite a negative scope effect of €55 million linked to the integration of Nature & Découvertes and a €11 million increase in logistics costs due to increased home deliveries during the period. Excluding these items, solid cost control allowed the Group to post operating expenses of €836 million, down by €69 million compared to the first half of 2019.

Current operating losses totaled €57.6 million, compared to operating income of €46.2 million the previous year (excluding BCC). The integration of Nature & Découvertes had a negative technical impact of €15 million on current operating income for the period due to the retailer's usual seasonality that was in line with initial forecasts.

For the first half of the year, Net income, Group share was a loss of €76.7 million, excluding discontinued operations.

Free cash flow from operations, excluding IFRS 16, resulted in a cash outflow of €503 million at the end of June 2020, down during the period primarily due to the decrease in EBITDA compared to the first half of 2019 and the unfavorable change in working capital requirements.

[1] Like-for-like data: excludes effect of changes in foreign exchange rates, variations in scope, store openings and closings

STRONG AGILITY OF FNAC DARTY'S UNIQUE OMNICHANNEL MODEL AND SOLID OPERATIONAL EXECUTION

During the first half of the year, the Group demonstrated its ability to adapt quickly and its operational agility, which enabled it to guarantee the health and safety of both employees and customers, while ensuring the continuity of its activities in a context of unprecedented crisis.

At the beginning of the year when the COVID-19 epidemic broke out in China, the Group was forced to adapt its merchandise-purchasing policy to cope with the production delays caused by disruptions at manufacturing bases in China. In close collaboration with its suppliers, the Group developed a tactical purchasing plan for key product categories, which ensured a high level of availability for these products and met the strong demand on e-commerce platforms during the lockdown.

In January, prolonged strikes in France and a shorter promotional sales period negatively impacted sales at the start of the year. Despite less than favorable consumption, the Group posted revenue at the end of February that was up 2.8% on a reported basis and stable on a like-for-like basis overall.

Starting in March, the COVID-19 pandemic spread across Europe, leading governments to implement lockdown measures in all the countries where Fnac Darty operates. These measures led to the closure of almost all the Group's stores on the evening of March 14 and the complete shutdown of in-store sales, which normally represent 80% of the Group's total sales.

In addition to its commitment to ensure the health and safety of its employees, partners and customers, one of the Group's priorities was to ensure the continuity of its services, delivery and after-sales activities during the lockdown and respond to consumers' urgent need to get supplies to be able to work from home and homeschool their children. The Group therefore reallocated all the resources it needed to strengthen its digital capabilities and services activities. Backed by the unwavering commitment of its teams, the Group was able to capitalize on its centralized digital and logistics platforms, which were already designed to support very high level of demand during consumption peaks in major commercial events. Fnac Darty also relied on its partnership ecosystem of delivery providers and its in-house delivery capabilities, which allowed it to ensure delivery times at the highest market standards. The high level of attractiveness of the Fnac and Darty brands combined with highly agile operations and business execution allowed the Group to record growth of 160% in its e-commerce platforms during the lockdown with more than 1 million new online customers identified during this period. The addition of new online customers has accelerated since the end of the lockdown and over 190,000 new Fnac+ members were recorded during the first half of the year. At the end of June, Fnac Darty had a significant membership base of more than 9 million members, 7 million of which were in France.

Faced with this unprecedented crisis and the abrupt shutdown of in-store operations, another of Fnac Darty's priorities was the rapid implementation of cost-cutting measures to protect the Group's profitability. The Group has implemented a temporary unemployment scheme for 80% of its employees following the closure of the store network. The Group has adjusted its rent payments, postponed the payment of taxes and social security charges, and put in place merchandise-purchasing and inventory target policies. The Group also negotiated longer payment terms with its suppliers in accordance with the French law on economic modernization (known as the "LME"). The investment plan was revised downward while maintaining its priority projects.

Finally, Fnac Darty was one of the first issuers in France to receive a €500 million government-guaranteed loan to significantly strengthen the Group's liquidity and cope with the natural seasonality of the Group's cash flow, which is characteristic of the distribution sector but was exacerbated this year by the loss of in-store sales. The €400 million revolving credit facility (RCF) was also drawn on a preventive basis in mid-March. This facility was not used during the first half of the year and was repaid on June 18, 2020.

Following the end of government-imposed lockdown measures, the Group proceeded to gradually reopen its stores. Almost all stores in France, Switzerland and Belgium re-opened the week of May 11, while stores in

Portugal re-opened on May 15. In Spain, stores reopened very gradually throughout the month with the last of them opening at the end of the first week in June.

In line with its commitment to ensure the health and safety of its employees, partners and customers, Fnac Darty implemented all necessary health measures to ensure the successful reopening of its stores. The excellent execution of the business recovery was made possible thanks to the upstream preparation of employees and their unfailing commitment, which enabled the Group to record an encouraging recovery with revenue growth of 9%[1] on a same-store basis between May 11 and the end of June, driven by high conversion rates and high average checkout value, despite the sharp decrease in footfall in stores. The Group posted this solid performance even though shopping malls with an area greater than 40,000 m^2 remained closed until the end of May in France.

At the same time, the strong growth in online sales continued from May 11 to the end of June, increasing by nearly 85%[2], driven by the strength of the Group's omni-channel model.

At the end of June, e-commerce accounted for more than 31% of Group revenue for the first half of the year, compared to 18% a year earlier. The Group recorded growth of almost 60% in its online sales during the period, driven by the very strong momentum of its digital platforms across all geographical regions. The Group is also accelerating on mobile devices, which account for more than 63% of the traffic on its sites, up this half-year. Marketplaces also posted very strong double-digit growth. The omni-channel model, which was impacted by store closures, achieved 35% of online sales at the end of June, of which 51% occurred in the month of June, up by more than 3 points compared to June 2019.

The territorial network expanded slightly with the opening of 13 stores this half-year, 10 of which are franchise stores. The Group opened 3 directly owned stores, including 2 Fnac stores and 1 Darty store. Fnac opened 4 stores during the first half of the year, including 2 in France, 1 in Portugal, and 1 in Belgium. Darty opened 9 stores in France. At the end of June 2020, Fnac Darty had a total of 889 stores, including 329 franchise stores. This expansion trend will continue during the second half of the year but at a slower pace than in the past. The Group has scaled down its store opening plan following the health crisis, with around 40 openings planned in 2020.

FURTHER DIVERSIFICATION OF THE FNAC DARTY OFFERING

Fnac Darty continued its innovation and customer experience initiatives during the period by further diversifying its product portfolio, despite the difficulties it encountered during this unprecedented crisis.

The integration of WeFix continued this half-year with the opening of five new corners, bringing the total number at the end of June to 101. The gradual rollout of the XForce screen protection solution continued. It had been integrated in 179 Group stores as of the end of June. Finally, the repair and sale of repackaged products have rebounded sharply since stores were reopened.

Nature & Découvertes recorded a significant increase in online sales of over 120% during the half-year period, partially offsetting the loss of in-store sales following the closure of the entire store network between March 15 and May 15. The strong recovery of in-store sales, which continued in June, was primarily driven by the Well-being, Flavor and Outdoor Activity categories. The three Nature & Découvertes stores in Germany were closed during the first half of the year to reposition the brand in its key markets. The first implementation of the brand in Spain has been a success, and the Group intends to continue to expand Nature & Découvertes in France and on the Iberian Peninsula.

[1] Excluding online, franchise stores, services and Nature & Découvertes
[2] Excluding Nature & Découvertes and services

Services were significantly impacted during the period by a high comparison base effect until April, the closure of integrated and franchise stores, and the suspension of ticket sales as a result of the government-imposed measures on the entertainment industry. At the same time, the momentum in new Darty Max customer acquisitions, which was negatively impacted by the lockdown, resumed once stores reopened.

The rollout of the Darty Kitchen offering continued this half-year with the opening of 8 new point of sales, including 4 new stores dedicated exclusively to this offering. At the end of June 2020, the Group had more than 160 Kitchen point of sales, including 15 stores dedicated exclusively to this offering.

Finally, Fnac Darty continued to streamline its stores during the period by redistributing in-store sales areas to provide more space for the diversification categories that continued to grow over the past half-year, driven by the Home & Design and Urban Mobility categories. Fnac Darty is capitalizing on its exclusive high-end positioning in the urban mobility segment. Following the success of its partnership with Xiaomi for the exclusive sale of its electric scooter, the Group entered into an exclusive distribution agreement to sell Xiaomi's folding electric bicycle. This partnership complements the agreement made with Angell Bike to distribute its electric bicycles. Fnac Darty also expanding its offering in the urban mobility segment by signing a unique partnership with Citroën to exclusively market the Ami, the Citroën's fully electric mobility solution, in 39 Fnac and Darty stores. The Group would like to continue its selective mobility strategy in terms of its geographical penetration and expanding its product range.
Fnac Darty has also partnered with Cyclofix, the French leader in micromobility maintenance, to offer customers an immediate repair service for electric scooters and bikes in Fnac and Darty retail stores. This partnership is fully aligned with the Group's commitment to extending the lifespan of its products.

HALF-YEAR OPERATING PERFORMANCE AND RESULTS

Analysis of second-quarter revenue

Group revenue in the second quarter of 2020 totaled €1,359 million, down 8% on a reported basis and down 10% on a like-for-like basis compared to last year. The strong online sales performance in all regions during the quarter and the strong recovery of in-store sales once lockdown ended made it possible to post resilient sales during the quarter.

In France and Switzerland, revenue was down 8.2% on a like-for-like basis.
The region recorded resilient technology product sales, driven by growth in computer product sales associated with the increase in working from home and homeschooling. TV was resilient while the sales of the audio, telephony and photo segments decreased. Home appliance sales were down despite good momentum for freezers, small kitchen appliances, and air conditioners and fans triggered by the heatwaves in May and June. Editorial products, which are very sensitive to impulse purchasing, showed a sharp fall in the book, audio and video segments, hit by the decrease in store traffic. Conversely, the gaming segment posted a sharp increase.
At the same time, services shrank due to the decline in merchant services caused by the closure of stores and the suspension of sales in the ticketing segment following government measures banning gatherings. The diversification categories, on the other hand, grew during the quarter thanks primarily to the home & design and urban mobility segments.

On the Iberian Peninsula, revenue fell sharply by 31.6% on a like-for-like basis owing to a longer lockdown and a more gradual reopening of stores in this region. E-commerce platforms tripled their sales during the quarter. Spain saw a sharp decline in revenue linked to the closure of the entire store network in this country up to and including the first week of June. Portugal, though, was hit by a drop in footfall in shopping malls, despite good sales momentum.

In Belgium and Luxembourg, sales fell slightly by 2.4% on a like-for-like basis, carried by strong growth in e-commerce during the quarter and the early reopening of stores on May 11. Good sales momentum for IT and refrigeration equipment, small kitchen appliances and gaming contributed to the resilience of this region.

Analysis of first-half revenues and results by segment

During the first half of the year, revenue totaled €2,849 million, down 10.1% on a like-for-like basis compared to 2019. Services were significantly impacted by the closure of stores and the drop in ticketing, despite a buoyant marketplace during the half-year.

France and Switzerland registered a 9.7% decrease in revenue on a like-for-like basis, mitigated by strong sales in the IT, freezer, air conditioner and gaming categories. During the half year, the Group continued to keep its commercial investments under control and adjusted its operating expenses. Current operating losses were €45.6 million, compared to a current operating income of €39.3 million during the first half of 2019, due to revenue lost as a result of the crisis and gross profits affected by an unfavorable product/service mix effect.

During the half-year, sales on the **Iberian Peninsula** were down 20.5% on a like-for-like basis. In both countries, digital platform sales doubled during the period. Current operating income for the region was a loss of €12.7 million, falling sharply compared to the first half of 2019 in both Spain and Portugal, heavily impacted by a macroeconomic environment and purchasing power affected by the health crisis, despite good business execution.

In **Belgium and Luxembourg,** revenue was resilient, down by 3.0% on a like-for-like basis during the half-year, driven in particular by very good e-commerce performance. Despite continued competitive pressure, Belgium recorded good operating performance in white goods. As a result, current operating income for Belgium and Luxembourg was €0.7 million, down slightly by €0.7 million compared to the first half of 2019.

Analysis of first half results

Gross margin

The gross margin rate remained solid at 29.6%, compared to 30.7% for the first half of 2019. This decrease is mainly due to an unfavorable product mix effect related to the decline in sales of editorial products, which are highly sensitive to impulse purchases, and in-store footfall, as well an unfavorable service mix due to a lower attach rate to services in the internet sales channel, which more than offset the positive 60-basis-point impact from the integration of Nature & Découvertes. Gross profit was therefore €844.2 million, compared to €950.8 million for the first half of 2019.

Operating expenses

Operating expenses in the first half of 2020 were €901.8 million, down €2.8 million compared to the first half of 2019, despite the technical effect of the change in the scope of consolidation linked to the integration of Nature & Découvertes, which generated expenses of €55 million and an increase in logistics costs of €11 million as a result of an increase in home deliveries during the period. Excluding these items, solid cost control allowed the Group to post operating expenses of €836 million, down by €69 million compared to the first half of 2019.

EBITDA totaled €118.8 million, including €124 million related to the application of IFRS 16, down by €86.8 million compared to the first half of 2019. Excluding IFRS 16, EBITDA was negative €5.0 million, compared to €95.5 million the previous year, excluding activities in the Netherlands.

Current operating income therefore was a loss of €57.6 million, compared to income of €46.2 million the previous year, excluding activities in the Netherlands. The integration of Nature & Découvertes had a negative technical impact of €15 million on current operating income for the period as a result of the brand's normal seasonality, and in line with the initial outlook.

Non-recurring items amounted to an expense of €24.9 million over the half-year, including €14 million in relation to technical effects associated with the depreciation of the Darty brand due to changes in the discount rate and €6 million in incremental costs directly linked to the health crisis. Excluding these items, non-recurring expenses amounted to €4.9 million.
Operating income was a loss of €82.6 million during the first half of the year.

Financial expenses
In the first half of 2020, financial expenses fell sharply by €29.3 million to €22.9 million. Excluding IFRS 16, financial costs amounted to €12.1 million over the half-year, compared to €42.2 million for the first half of 2019. As a reminder, the financial result for the first half of 2019 was impacted by an expense of €27 million associated with the bond refinancing that took place in May 2019.

Net income
Current operating income fell by €104 million during the first half of 2020. Once non-recurring items, financial expenses and a tax credit of €26 million have been taken into account, net income from continuing operations for the fiscal year fell by €46 million to show a loss of €79.7 million for the first half of 2020.
The Group's discussions regarding the search for a partner for the Dutch subsidiary BCC are ongoing. The loss of €42 million from discontinued operations is mainly composed of the adjusted value of the net assets of the subsidiary BCC, with no significant cash effect, which brings the consolidated net income, Group share for the first half-year to a loss of €118 million.

FINANCIAL STRUCTURE

The Group's net financial debt excluding IFRS 16 stood at €549 million as of June 30, 2020.
The change in financial debt is mainly due to an unfavorable change in free cash flow from operations, excluding IFRS 16 of €503 million, mainly due to the decrease in EBITDA compared to the first half of 2019 and the reduction in working capital requirements. The latter was impacted by the reduction in trade payables, which was partly offset through inventory optimization as a result of a controlled purchasing policy in response to the COVID-19 crisis, and the sharp decline in sales during the lockdown.

As of June 30, 2020, the Group's liquidity position was €909 million, after the implementation of a government-guaranteed loan of €500 million, with a maturity of 1 year and with a 5-year extension option, in addition to a confirmed revolving credit facility of €400 million, unused as of that date.
Fnac Darty used this additional financing to secure its liquidity in light of the unprecedented health crisis. The Group was supported by all its French partner banks: Arkea, BNP Paribas, Bred, CIC, Crédit Agricole CIB, La Banque Postale, LCL, Natixis and Société Générale. Crédit Agricole CIB coordinated the transaction. The €400 million revolving credit facility, which was drawn down in full as a preventive measure in mid-March, was not used during the half-year and was repaid on June 18, 2020. The Group has implemented cost readjustment measures, agile inventory management and a controlled merchandise-purchasing policy, the initial positive effects of which, together with the good recovery of post-lockdown activities, enabled the Group to post solid financial results for the first half of the year.
Furthermore, the Group's lenders agreed to suspend its financial covenants for the months of June and December 2020.
Once again, the Group has demonstrated its operational agility by being among the first issuers in France to access this additional line of government-guaranteed credit within a very short timeframe. The success of this operation also demonstrates the confidence partner banks have in Fnac Darty's business model.

The Group remains very attentive to its cash position and is carrying out a plan to adjust its investment spending in 2020, which should settle at a level below €100 million, while continuing its priority projects around e-commerce, digitization and services. The Group also lowered the number of new stores it plans to open, especially franchise stores, and expects to open approximately 40 stores in 2020.

The Group is rated by the ratings agencies S&P Global, Scope Ratings and Moody's. Following the increased uncertainty caused by the COVID-19 crisis, on March 27, 2020, Moody's confirmed Fnac Darty's Ba2 rating and lowered the rating outlook from stable to negative. On April 7, 2020, S&P Global downgraded Fnac Darty's rating from BB+ to BB and lowered the rating outlook from stable to negative. Finally, on May 12, 2020, Scope Rating indicated that it would review Fnac Darty's BBB-.

In view of the evolution of the COVID-19 epidemic and in accordance with the conditions imposed for the implementation of a State Guaranteed Term Loan, the Board of Directors withdrew the proposed dividend of €1.50 per share for 2019 and will not proceed with the 2020 share buyback program.
The medium-term shareholder returns policy has also been suspended and will be reviewed at a later date.

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CONCLUSION AND OUTLOOK

Given the magnitude of the crisis and the ongoing uncertainty about an uptick in consumer spending and how the product/service mix will play out, Fnac Darty is remaining cautious about how its markets will perform during the second half of the year.

However, the Group remains confident in its resilience thanks to the strong adaptation of its omni-channel model, demonstrated in the first half of the year, and will remain focused on its commercial execution to fully succeed at the major commercial events of the second half as well as on controlling costs, investments and cash flow generation.

PRESENTATION OF 2020 HALF-YEARLY RESULTS

Enrique Martinez, Chief Executive Officer, and Jean-Brieuc Le Tinier, Chief Financial Officer, will host a conference call for investors and analysts on Wednesday, July 29, 2020 at 6:45 p.m. (Paris time); 5:45 p.m. (UK); 12:45 p.m. (East Coast USA).

A live webcast of the presentation of the 2020 half-yearly results will be available by clicking here.

A recording will also be available on the Group's website.

Conference call dial-in numbers:
France: +33 (0) 1 7099 4740
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ANNEXES

The half-yearly financial statements approved by the Board of Directors on July 29, 2020 have been subject to a limited audit conducted by the statutory auditors. The limited audit report is in the process of being issued.

The 2020 published data reflects the application of IFRS 16.

SUMMARY INCOME STATEMENT

(in €m)	H1 2019	H1 2020	Change
Revenues	**3,093**	**2,849**	**-7.9%**
Gross margin	**951**	**844**	**-11.2%**
As a % of revenues	*30.7%*	*29.6%*	*-1.1 pts*
Total costs	**905**	**902**	**-0.3%**
As a % of revenues	*29.2%*	*31.7%*	
Current operating income	**46**	**-58**	**-€104m**
Other non-current operating income and expenses	-22	-25	
Operating income	**25**	**-83**	**-€107m**
Net financial expense	-52	-23	
Income tax	-7	26	
Net income from continuing operations for the financial year	**-34**	**-80**	**-€46m**
Net income from continuing operations for the fiscal year, Group share	**-33**	**-77**	**-€44m**
Net income from discontinued operations	*-6*	*-42*	
Consolidated net income, Group share	**-39**	**-118**	**-€79m**

EBITDA[1]	**206**	**119**	**-€87m**
As a % of revenues	*6.6%*	*4.2%*	
EBITDA excluding IFRS 16	**95**	**-5**	**-€100m**

[1] EBITDA = Earnings (current operating income) Before Interest, Tax, Depreciation, Amortization and provisions on fixed operational assets.

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CURRENT OPERATING INCOME BY OPERATING SEGMENT

(in €m)	H1 2019	As a % of revenues	H1 2020	As a % of revenues	Change
France and Switzerland	39.3	1.6%	-45.6	-1.9%	-84.9
Iberian Peninsula	5.5	1.9%	-12.7	-5.3%	-18.2
Belgium and Luxembourg	1.4	0.5%	0.7	0.3%	-0.7
Group	**46.2**	**1.5%**	**-57.6**	**-2.0%**	**-103.8**

CASH FLOW STATEMENT

(in €m)	In €M	
	H1 2019	H1 2020
Cash flow from operations before tax, dividends and interest	**176**	**109**
IFRS 16 impact	-110	-124
Cash flow from operations before tax, dividends and interest, excluding IFRS 16	**65**	**-14**
Change in working capital requirement, excluding IFRS 16	-366	-415
Income tax paid	-15	-24
Net cash flows from operating activities, excluding IFRS 16	**-316**	**-453**
Operating investments	-54	-38
Change in debt and receivables relating to non-current assets	6	-13
Operating divestments	0	0
Net cash flows from operating investment activities	-48	-50
Free cash flow from operations, excluding IFRS 16	**-364**	**-503**

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BALANCE SHEET

Assets (in €m)	**At December 31, 2019**	**At June 30, 2020**
Goodwill	1,654	1,654
Intangible non-current assets	511	497
Tangible non-current assets	615	596
Rights of use relating to lease agreements	1,026	962
Investments in companies accounted for using the equity method	21	22
Non-current financial assets	28	31
Deferred tax assets	83	63
Other non-current assets	0	0
Non-current assets	**3,938**	**3,825**
Inventory	1,079	945
Trade receivables	275	168
Tax receivables due	3	58
Other current financial assets	12	10
Other current assets	369	244
Cash and cash equivalents	996	909
Current assets	**2,733**	2,333
Assets held for sale	**201**	**205**
Total assets	**6,872**	**6,362**

Liabilities (in €m)	**At December 31, 2019**	**At June 30, 2020**
Share capital	27	27
Equity-related reserves	971	971
Translation reserves	(6)	(4)
Other reserves	396	268
Shareholders' equity, Group share	**1,388**	**1,262**
Shareholders' equity - Share attributable to non-controlling interests	10	9
Shareholders' equity	**1,398**	**1,271**
Long-term borrowings and financial debt	936	928
Leasing debts with a maturity of over one year	801	749
Provisions for pensions and other equivalent benefits	177	193
Other non-current liabilities	190	155
Deferred tax liabilities	203	203
Non-current liabilities	**2,307**	**2,227**
Short-term borrowings and financial debt	77	530
Leasing debts with a maturity of less than one year	215	209
Other current financial liabilities	18	21
Trade payables	1,889	1,227
Provisions	39	34
Tax liabilities payable	9	5
Other current liabilities	785	672
Current liabilities	**3,032**	**2,698**
Liabilities relating to assets held for sale	**135**	**166**
Total liabilities	**6,872**	**6,362**

FIRST HALF 2020 REVENUES

	H1 2020 In €m	Change compared with H1 2019		
		Actual	At comparable scope of consolidation and at constant exchange rates	like-for-like basis
France and Switzerland	**2,343**	-7.2%	-9.5%	-9.7%
Iberian Peninsula	**240**	-19.0%	-19.0%	-20.5%
Belgium and Luxembourg	**267**	-2.1%	-2.1%	-3.0%
Group	**2,849**	**-7.9%**	**-9.8%**	**-10.1%**

2020 SECOND QUARTER REVENUES

	Q2 2020 In €m	Change compared with Q2 2019		
		Actual	At comparable scope of consolidation and at constant exchange rates	like-for-like basis
France and Switzerland	**1,137**	-5.7%	-8.0%	-8.2%
Iberian Peninsula	**99**	-31.2%	-31.2%	-31.6%
Belgium and Luxembourg	**123**	-1.5%	-1.5%	-2.4%
Group	**1,359**	**-7.9%**	**-9.7%**	**-10.0%**

STORE NETWORK

	Dec. 31, 2019	Opening	Closing	Jun. 30, 2020
France and Switzerland*	**726**	**11**	**4**	**733**
Traditional Fnac	95	0	0	95
Suburban Fnac	17	0	0	17
Travel Fnac	29	0	1	28
Proximity Fnac	59	2	0	61
Fnac Connect	14	0	0	14
Darty	412	9	0	421
Fnac/Darty France	1	0	0	1
*Nature & Découvertes***	99	0	3	96
Of which franchised stores	*315*	*10*	*1*	*324*
Iberian Peninsula	**70**	**1**	**0**	**71**
Traditional Fnac	49	0	0	49
Travel Fnac	2	0	0	2
Proximity Fnac	15	1	0	16
Fnac Connect	4	0	0	4
Of which franchised stores	*5*	*0*	*0*	*5*
Belgium and Luxembourg	**84**	**1**	**0**	**85**
*Traditional Fnac****	11	1	0	12
Proximity Fnac	1	0	0	1
Darty	72	0	0	72
Fnac Darty Group	**880**	**13**	**4**	**889**
Traditional Fnac	155	1	0	156
Suburban Fnac	17	0	0	17
Travel Fnac	31	0	1	30
Proximity Fnac	75	3	0	78
Fnac Connect	18	0	0	18
Darty	484	9	0	493
Fnac/Darty	1	0	0	1
Nature & Découvertes	99	0	3	96
Of which franchised stores	*320*	*10*	*1*	*329*

*Including 11 Fnac stores abroad: two in Tunisia, three in Morocco, one in Congo, one in Cameroon, two in the Ivory Coast, two in Qatar and two Darty stores in Tunisia; 17 stores in the French overseas territories

**Nature & Découvertes and its subsidiaries, which are managed from France. Including four stores in Belgium, one store in Luxembourg and eight franchises in Switzerland

***Including one store in Luxembourg, which is managed from Belgium

FNAC DARTY

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUES AT CONSTANT EXCHANGE RATES AND COMPARABLE SCOPE OF CONSOLIDATION

The change in revenues at constant exchange rates and comparable scope of consolidation means that the impact of exchange rate fluctuations has been excluded and that the effect of changes in scope is corrected to not take modifications (acquisition, sale of subsidiary) into account. The exchange rate impact is eliminated by recalculating sales for financial year N-1, based on the exchange rates used for financial year N. The revenues of subsidiaries acquired or sold since January 1 of financial year N-1 are excluded from the calculation of the change. This indicator can be used to measure the change in revenues excluding the effects of exchange rates and scopes of consolidation.

CHANGE IN REVENUES (LIKE-FOR-LIKE)

The change in revenues on a like-for-like basis means that the impact of exchange rate fluctuations has been excluded, that the effect of changes in scope has been corrected (acquisition, disposal of subsidiary) and that the effect of directly-owned store openings and closures since January 1 of financial year N-1 has been excluded. This indicator can be used to measure the change in revenues excluding the effects of exchange rates, scopes of consolidation and directly owned store openings and closings.

EBITDA

EBITDA = Earnings (current operating income) Before Interest, Tax, Depreciation, Amortization and provisions on fixed operational assets.

EBITDA	***+ Rent within the scope of IFRS 16 =***	**EBITDA excluding IFRS 16**
Current operating income before depreciation, amortization and provisions on fixed operational assets		EBITDA including rental expenses within the scope of IFRS 16

Free cash flow from operations	***+ Payment of rent within the scope of IFRS 16 =***	**Free cash flow from operations, excluding IFRS 16**
Net cash flow from operating activities, less net operating investments		Free cash flow from operations, including cash impacts relating to rents within the scope of IFRS 16

Net financial debt	***- Lease liabilities =***	**Net debt excluding IFRS 16**
Gross financial debt less gross cash and cash equivalents		Net financial debt less lease liabilities

Financial result	***- Financial interest on lease liabilities =***	**Financial result excluding IFRS 16**