



# CORPORATE PRESENTATION 2021

**FNAC DARTY**



*February 2021*

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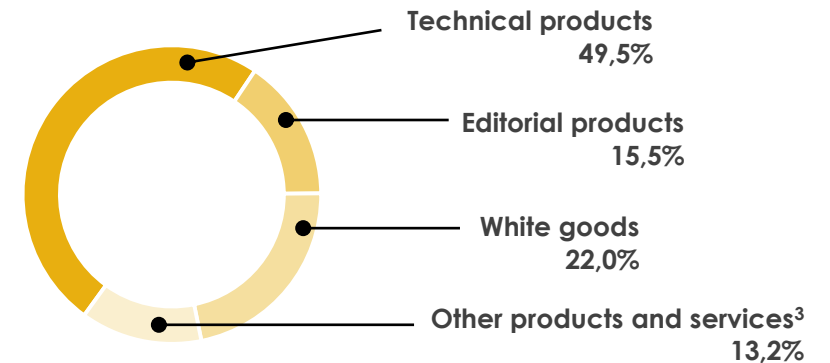
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# FNAC DARTY AT A GLANCE

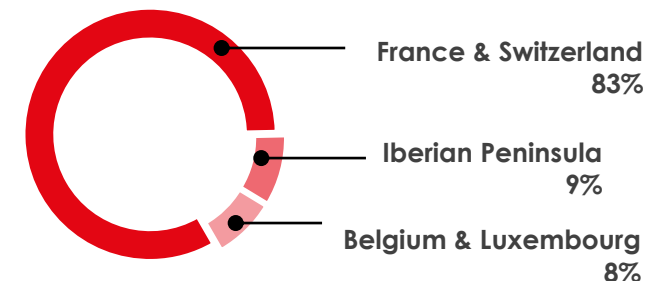
## A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **7.5bn in revenue – c.25,000 employees**
- **Top 3 European Omnichannel Retailer:**
  - 30 million references available
  - 42% of online sales are omnichannel
- **908 multiformat stores in 13 countries**
- **2<sup>nd</sup> largest e-commerce retailer in France<sup>1</sup>**
- **No. 1 after-sales service in France<sup>2</sup>**
- **c.10 million loyalty program members**
- **A portfolio of complimentary brands and new acquisitions**

2020 revenue breakdown by category



2020 revenue breakdown by region



<sup>1</sup> Source: FEVAD, 2020

<sup>2</sup> Internal customer studies

<sup>3</sup> Include: Ticketing, B2B, after sales service, membership fees, franchise fees, insurance, consumer credit



**FNAC DARTY**



# SOLID 2020 PERFORMANCE DESPITE THE CRISIS

## Pre-lockdown

January 1 – March 14

## Reopening of stores

From May 11 to end of September

## Post 2<sup>nd</sup> lockdown

November 29 – December 31  
Black Friday postponed to Dec 4



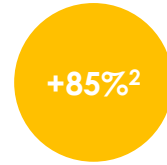
### 1<sup>st</sup> lockdown

March 15 – May 10

- Stores
- Online
- Click & Collect



From May 11 to end of June



From July to end of September

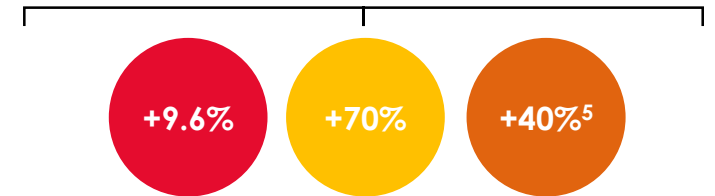


### 2<sup>nd</sup> lockdown

October 29 - November 28

- Stores<sup>4</sup>
- Online
- Click & Collect

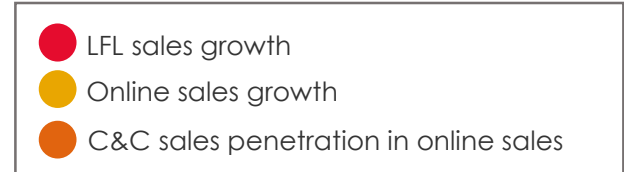
Q4 2020



Strong Fnac Darty **brand awareness**  
Quality of its **operational execution**  
Robustness of the **IT and logistics capabilities**



Maintained **high standards of after-sales services and delivery**



<sup>1</sup> Jan-Feb cumulative reported growth

<sup>2</sup> Excluding Nature & Découvertes and services

<sup>3</sup> Constant store sales growth excluding web, franchises, services and Nature & Découvertes

<sup>4</sup> Stores open for technical products (excl. photo), small domestic appliances and urban mobility

<sup>5</sup> Orders processed via C&C

# 2020 FNAC DARTY MAIN ACHIEVEMENTS

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- **Success of the full scale Covid-19 stress test on Fnac Darty's business model confirming the relevance of the Group's strategy**
  - *Disrupted logistics and digital capacity*: switch from offline to online sales and ability to cope with strong peaks in demand with proactive and targeted goods inventory policy
  - *Closure and reopening of stores*: successful reopening of stores with high levels of health and safety thanks to the upstream preparation of employees and their unfailing commitment
  - *Delivery capacity under pressure*: partnership ecosystem of delivery providers as well as omnichannel strength with C&C availability and strong internal delivery capacities
- **BCC disposal to Mirage Retail Group**: rapid and qualitative execution
- **Creating further opportunities in promising markets**
  - Continued deployment of the subscription model through Darty Max: c.200,000 subscribers in one year
  - Pursuing the diversification business strategy mainly in:
    - Urban mobility market: creating a full ecosystem with product range extended to electric bicycles, scooters and vehicles (AMI) as well as repair services through strategic partnerships
    - Kitchen market: continued deployment of the Darty Kitchen offer
- **Continuation of innovative initiatives to become a major player in the circular economy and a contributor to broader access to culture**
  - Further disruption of educated choice and durable consumption initiatives: creation of a sustainability score, extension of the selection of products under the label "Choix durable" (durable choice), 3rd edition of the after-sales service barometer, extension of the second life offer
  - Commitment to support new talent and promote creation and culture, with digital and original formats: La Claque Fnac



# GROUP REVENUES & CURRENT OPERATING INCOME

€m (IFRS 5 excluding BCC)	2019	2020	% Change
Revenues	<b>7,349</b>	<b>7,491</b>	<b>+1.9%</b>
Gross Margin % Revenues	<b>2,235</b> 30.4%	<b>2,186</b> 29.2%	<b>-2.2%</b> -1.2pt
Total costs % Revenues	<b>-1,942</b> 26.4%	<b>-1,971</b> 26.3%	<b>+1.5%</b> -0.1pt
Current operating income	<b>293</b>	<b>215</b>	<b>-€78m</b>

- **Sales growth** of +0.6% on a like-for-like basis<sup>1</sup> driven by the strong momentum in online sales despite the in-store traffic impacted by two lockdowns in the context of the Covid-19 crisis
- **Gross margin rate** reached 29.2%, down by -120 bps due to:
  - Unfavorable product mix effect of -80 basis points due to a decline in in-store traffic
  - Negative impact of -45 basis points due to declining Ticketing sales
  - The consolidation of Nature & Découvertes offset the decline in other services, which were impacted by lower in-store traffic
- **Operating costs** as a percentage of sales below the last year's level despite a negative scope effect of -€63m related to the consolidation of Nature & Découvertes
- **Current operating income** totaled €215m
  - The Nature & Découvertes consolidation had a negative technical impact of -€16m, due to the brand's seasonality as expected

<sup>1</sup> Like-for-like: excluding the effect of changes in foreign exchange rates and scope of consolidation, openings and closures of integrated stores

# PERFORMANCE BY GEOGRAPHIC REGION

€m	2019	2020	Change
<b>France &amp; Switzerland</b>			
Revenues	6,031	6,228	+3.3%
<i>Like-for-like<sup>1</sup></i>			+1.9%
Current operating income	257	194	-€63m
<b>Iberian Peninsula</b>			
Revenues	722	654	-9.5%
<i>Like-for-like<sup>1</sup></i>			-11.1%
Current operating income	25	8	-€17m
<b>Belgium &amp; Luxembourg</b>			
Revenues	596	609	+2.2%
<i>Like-for-like<sup>1</sup></i>			+1.4%
Current operating income	12	13	+€1m

- **France & Switzerland**

- Strong sales growth thanks to excellent digital performance which fully offset the drop in in-store traffic related to the crisis
- Current operating income impacted by the decline of the gross margin rate as a result of the drop in in-store traffic, the decrease in Ticketing sales and the negative technical impact of the consolidation of Nature & Découvertes

- **Iberian Peninsula**

- Sales significantly impacted by health restrictions imposed in large cities, where Fnac has a strong presence
- Despite good business execution, current operating income declined due to a macroeconomic environment and purchasing power impacted by the crisis

- **Belgium & Luxembourg**

- Sales growth thanks to good performance in White Goods and strong momentum in online sales
- Operating margin increased thanks to solid operating execution and cost control despite an increased competitive pressure

<sup>1</sup> Like-for-like: excluding the effect of changes in foreign exchange rates and scope of consolidation, openings and closures of integrated stores



# GROUP REPORTED FINANCIAL RESULTS

€m (IFRS 5 excluding BCC)	2019	2020
<b>Current operating Income</b>	<b>293</b>	<b>215</b>
Non-current operating income and expenses	-29	-16
<b>Operating income</b>	<b>265</b>	<b>199</b>
Financial charges	-79	-51
<i>o/w cost related to new financings</i>	-27	-3
Tax charges	-72	-60
<b>Net income from continuing activities, Group share</b>	<b>115</b>	<b>96</b>

- **Financial expense of €51m in 2020** including the cost of guarantee of the State-guaranteed loan and related set-up costs amounting to €2.6m, and the impact of IFRS 16 totaling €22m
  - Excluding these items, the financial expense was significantly lower than its normal historical level of around €45m
- **Effective tax rate normalized at 40%**
- **Net income from continuing activities, Group share** decreased by only -€19m thanks to the reduction in non-current items and income tax liability as well as good management of financial expenses

# SIMPLIFIED H1 & H2 2020 P&L VS. 2019

€m	H1 2019	H2 2019	H1 2020	H2 2020
<b>Revenues</b>	<b>3,093</b>	<b>4,256</b>	<b>2,849</b>	<b>4,642</b>
Gross Margin <i>% Revenues</i>	951 30.7%	1,285 30.2%	844 29.6%	1,342 28.9%
Total costs <i>% Revenues</i>	-905 29.3%	-1,038 24.4%	-902 31.7%	-1,069 23.0%
<b>Current operating income</b>	<b>46</b>	<b>247</b>	<b>-58</b>	<b>273</b>
Non-current operating income and expenses	-22	-7	-25	9
<b>Operating income</b>	<b>25</b>	<b>240</b>	<b>-83</b>	<b>282</b>
Financial expense	-52	-27	-23	-29
Tax	-7	-65	26	-85
<b>Consolidated net income from continuing operations, Group share</b>	<b>-33</b>	<b>148</b>	<b>-77</b>	<b>172</b>

# STRONG FREE CASH FLOW GENERATION IN 2020

€m (IFRS 5 excluding BCC)	2019	2020
<b>EBITDA</b>	<b>626</b>	<b>567</b>
IFRS 16 impact	-231	-245
Non-recurring cash elements <sup>1</sup>	-57	-22
<b>Cash flow from operations before tax, dividends and interest</b>	<b>339</b>	<b>300</b>
Change in working capital	57	57
CAPEX <sup>2</sup>	-152	-99
Tax	-70	-66
<b>Operating free cash flow<sup>1</sup></b>	<b>173</b>	<b>192</b>

- **EBITDA<sup>1</sup> down €59m** in line with current operating income evolution
- **CAPEX<sup>2</sup> of €99m**, in line with the indication given by the Group
- **Solid operating free cash-flow<sup>1</sup> of €192m** sustained by working capital cash generation thanks to year-end inventory management as a result of a controlled purchasing policy in the context of the Covid-19 crisis and better debt recovery

<sup>1</sup> Excluding IFRS 16

<sup>2</sup> Gross CAPEX; the change in working capital requirements for fixed assets is included in the change in working capital requirements

# SOLID LIQUIDITY POSITION REINFORCED IN 2020

€m	2019	2020
<b>Shareholders' equity</b>	<b>1,398</b>	<b>1,373</b>
<b>Net Debt<sup>1</sup></b>	<b>18</b>	<b>-114</b>
Gross debt	1,013	1,455
Cash & cash equivalents	-996	1,569
Rental debt (IFRS 16)	1,179	1,114

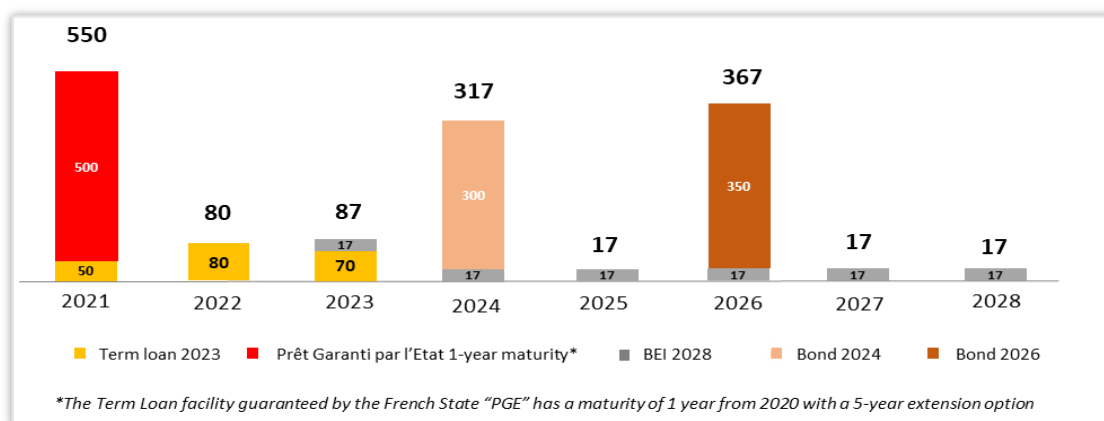
- **Solid liquidity position of €1.9 billion**, thanks to the implementation of the Guaranteed Government Loan combined with our strong business recovery and solid financial management

- Cash and cash equivalents of €1,569m unused at end of December 2020:

- Including a €500m term loan facility guaranteed by the French State ("Prêt Garanti par l'Etat") with a maturity of 1 year and with a 5-year extension option

- €400m revolving credit facility not drawn down to date

## Gross debt repayment schedule



<sup>1</sup> Excluding IFRS 16

# CURRENT HIGHLIGHTS & OUTLOOK

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- In France, since January 31, shopping malls with a surface area of more than 20,000 square meters have been closed without the possibility to pick-up products through click & collect
    - More than 60 Fnac and Darty stores have been closed, as well as half of the Nature & Découvertes stores
    - As demonstrated in 2020, the Group has the capacity to continue to operate through its digital platforms
  - In Switzerland, all stores have been closed since mid-January; all product categories are accessible on our website and through Click & Collect
  - In the Iberian Peninsula, restricted traffic and opening hours limitations continue to impact footfall in-store
- 
- **Cumulative revenue trend until mid-February 2021 in line with Q4 2020 performance**
    - Since the beginning of January 2021 and despite some store closures and in-store traffic restrictions, sales were reported in open stores and online
  - **Confirmation of the 2021 guidance of a slight growth in sales and current operating profit compared with 2020**

# RELAUNCH OF A SHAREHOLDER RETURN POLICY

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- Resilience of the Group's business model in a year of unprecedented crisis
  - Solid cash flow generation and strong liquidity position
- 
- **Reimbursement of the State Guaranteed Loan of €500m by April 2021**
  - **Proposed distribution<sup>1</sup> of an ordinary dividend of €1.00 per share in 2021 for the 2020 financial year, payment in cash**

<sup>1</sup>Subject to the approval of the General Meeting on May 27, 2021



**NEW STRATEGIC PLAN  
EVERYDAY**

**FNAC DARTY**



# TWO ICONIC BRANDS WITH A UNIQUE POSITIONING AND MODEL, WHICH STRENGTH WAS PROVEN BY THE COVID CRISIS

### ICONIC AND POWERFUL BRANDS

**DARE**  
Self-fulfillment, discovery

**fnac**

**DARTY**

**CARE**  
Serenity, simplicity

**30M** active customers<sup>1</sup>

**10M** loyal customers<sup>2</sup>

**fnac+**

**NOUVEAU CAGNOTTE COMMUNE FNAC & DARTY**

### ATTRACTIVE CATEGORY MIX

**c.75%** of growth categories in our mix

a growth particularly strong in the **post-covid world**

New growing categories



EXCLUSIVITÉ SPEEDTROT LA TROTTINETTE ÉLECTRIQUE

### LEADERSHIP ON HIGH-VALUE<sup>3</sup>

Fnac Darty 2019 market share

Fnac Darty 2019 premium market share

	26%	46%
	20%	30%
	18%	30%

### SUCCESSFUL OMNICHANNEL MODEL

**900+** multi-format stores<sup>4</sup>

**44M** average monthly online unique visitors<sup>4</sup>

Online market share gain (pts<sup>5</sup>)

Pre-Covid	Covid 1 <sup>st</sup> Lockdown	Post covid 1 <sup>st</sup> lockdown
+0,7	+4,0	+2,6

### UNMATCHED SERVICE OFFERING

PRE-PURCHASE

PURCHASE

POST-PURCHASE

Bonjour, que puis-je faire pour vous?

Labofnac

WeFix

### STRONG CSR POSITIONING

Responsible consumption



**vigeoeiris** Rating

**#9/73**

Vigeo Eiris 2020 ranking among European retailers

THE WILL TO EMBRACE AND LEAD THE CUSTOMER BEHAVIORS TRENDS WITH OUR NEXT TRANSFORMATION

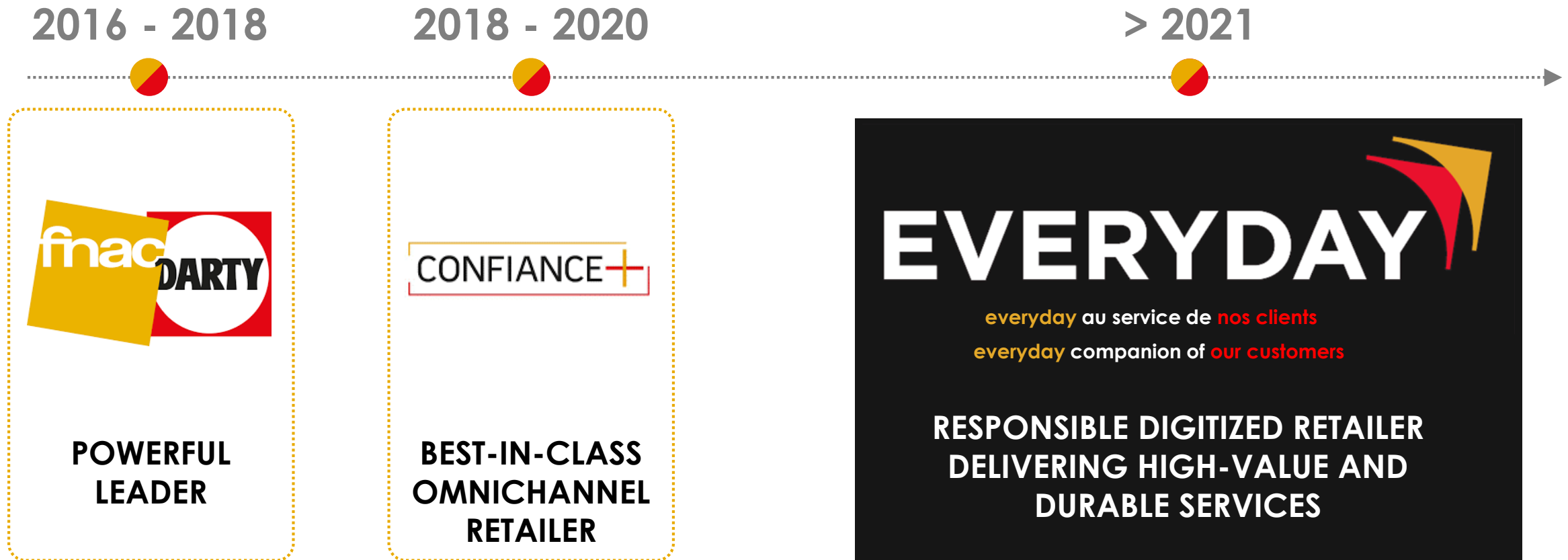
1. Have made at least one purchase in the last 24 months, France  
 2. Members, Group level  
 3. Source : Gfk

4. Group level, sum of all websites, 2020  
 5. Source - GfK, House equipment online market shares vs. 2019, France  
 Note: other brands within the Group: Nature & Découverts, Wefix, France Billet, PC Clinic





# OUR MODEL IS EVOLVING TOWARDS A RESPONSIBLE DIGITIZED RETAILER DELIVERING HIGH-VALUE AND DURABLE SERVICES



# HOW DO WE COMMIT TO AN EDUCATED CHOICE AND A SUSTAINABLE CONSUMPTION, EVERYDAY?

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» Build a digitized omnichannel retail

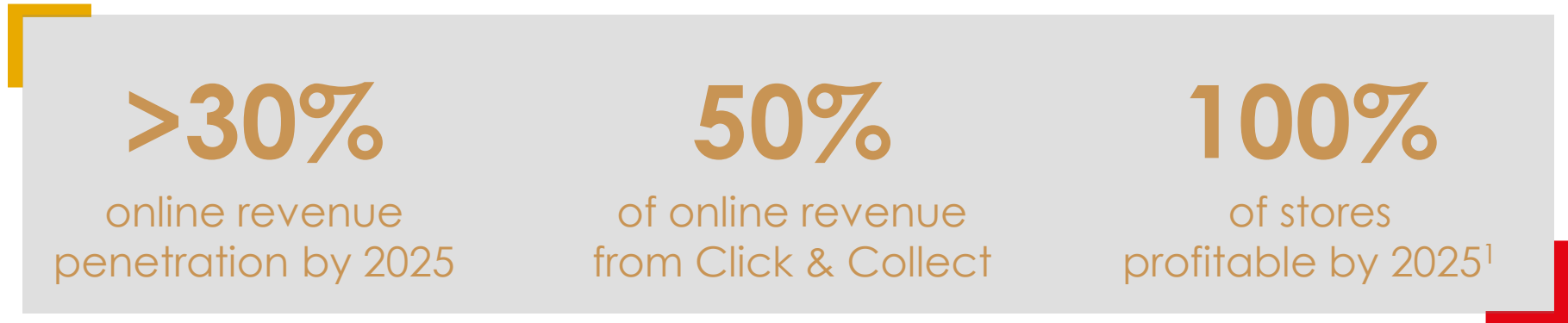


» Scale the next in-home subscription-based assistance service

» Lead durable behaviors

# BUILD A DIGITIZED OMNICHANNEL RETAIL, THANKS TO...

- best-in-class online capacities
- a profitable and digitized store network
- a high-value offer



- #convenience
- #experience
- #uniqueness
- #profitability

1. Group owned stores perimeter

# BEST-IN-CLASS ONLINE CAPACITIES

> **50% of total Capex** invested by 2025 to offer the best experience, bearing Fnac Darty's **distinctive signature**

## Best-in-class user experience

- Immersive experience
- New search algorithm
- AI-based personalization
- Mobile-first

## Distinctive signature through expert advice

- Expert salesperson advice and news
- Face-to-face live with expert salespersons
- Development of livestreams
- Digital cultural animation

## Enhanced logistics to increase capacity

- New modern equipment
- High level of mechanization
- Unit costs reduced by over 20%
- Increase of capacity and level of services



# A PROFITABLE AND DIGITIZED STORES NETWORK

A **stronger and more digitized network**, fostering the expertise of salespeople and digital footprint

## The cornerstone of our digital footprint

- Immediacy of omnichannel services
- Store contribution to online profitability

## Optimized current store network

- 100% profitability of our store network<sup>1</sup> through space reallocation, real estate negotiations,...
- Development opportunities under franchise model : kitchen, small and new formats

## Expertise and experience

- Empowered in-store experts : salespeople training and coaching, new smart IA platform
- Enhanced customer journey : “Welcomer” role in every store, “Single point of Resolution” approach

# A HIGH-VALUE AND LASTING OFFER

An **uncompromised acceleration** to offer **high-value products to all**

## Conquest of legitimate territories

- Focus on white goods
- A full-stack action plan to further consolidate our leadership position : small networks rallying, service & logistics offer, customers key life moments targeting,...

## Dynamic and spot-on diversification

- Focus on urban mobility
- A holistic offer promoting eco-friendly urban mobility
  - Omnichannel dedicated distribution

## Enhanced access

- Financing services
- Exclusivities and promotions



# WE SET THE NEW STANDARDS OF HUMAN-TO-HUMAN OMNICHANNEL EXCELLENCE BY CLOSING THE LOOP OF WEB AND STORES SYNERGIES

From bringing the **web** into our stores...

... to bringing **our stores** online, with the strength of our 12,000 in-store salespeople



In-store salespeople with **digital tools**



**100% of the offer available** in every store



Peerless **omnichannel services**



**Expertise and customer knowledge** enhanced by data and technology



**Online companionship** from the **expert influencer**<sup>1</sup>



A **“single point of resolution”** approach

1. The salesperson has a strong online presence



# A HIGH-VALUE AND LASTING OFFER

- a more durable offer, combined with customers' orientation towards durable products
- the promotion of responsible behaviors, notably through eased access to repair



*#durability*

*#repair*

*#use*

*#transparency*

1. Products durability scores weighted by volumes  
2. Repaired or dysfunction resolved



# LEAD THE TRANSITION TOWARDS MORE SUSTAINABLE CONSUMPTION AND BEHAVIORS

From a sustainable choice to a **sustainable ecosystem** of products and services

## A more durable offer

- Durability criteria applied to our offer selection, suppliers and marketplace vendors
- Second life offer
- A unique scoring of the durability of our offer, visible in the stores and on the web

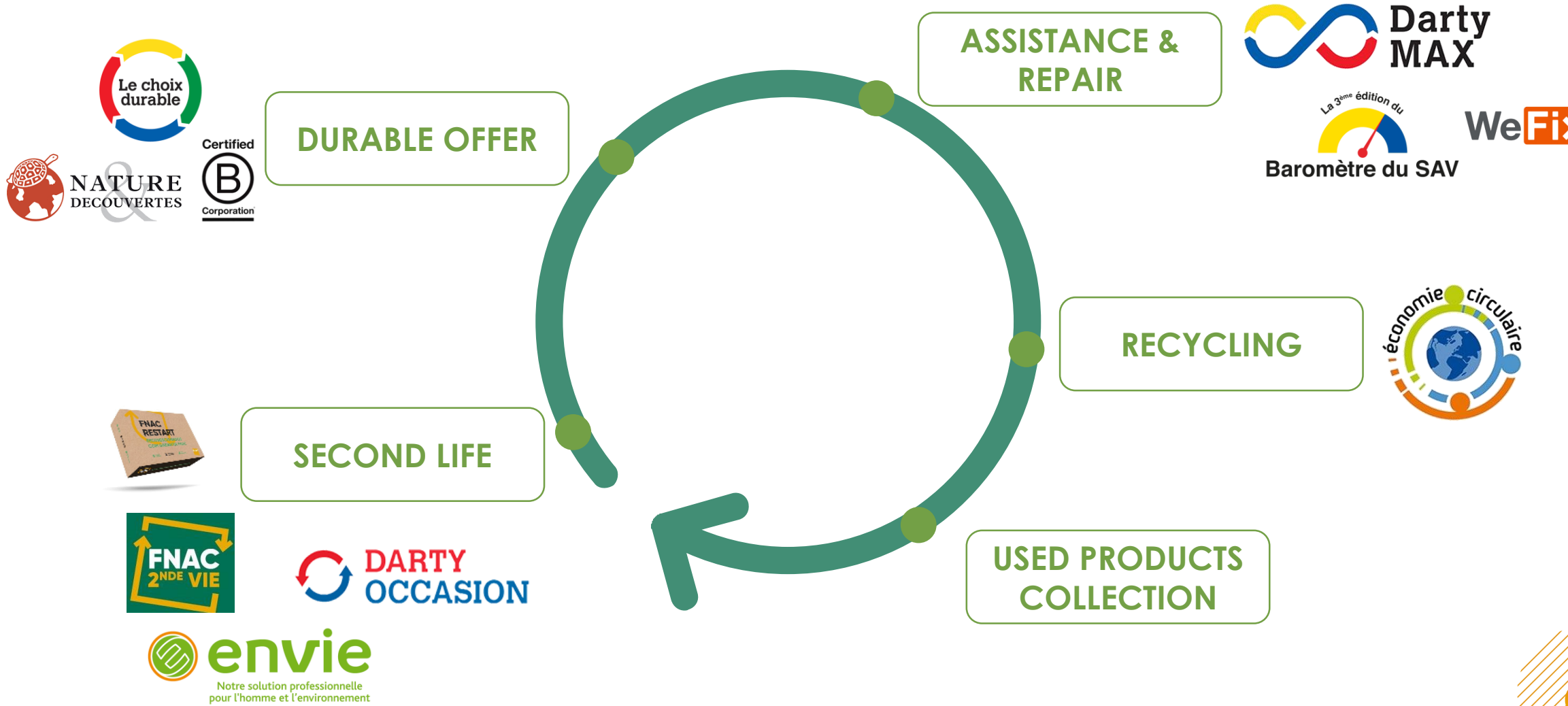
## The right solutions and advice to consume better

- Solutions to purchase better and guide customers towards durable consumption
- Solutions to use better and foster repair (communities, services)

## A well-established reputation

- Unique brand positioning, supported by Marketing

# THIS AMBITION WILL STRENGTHEN OUR LEADERSHIP ON DURABILITY WITH A HOLISTIC ECOSYSTEM



# SCALE THE NEXT IN-HOME SUBSCRIPTION-BASED ASSISTANCE SERVICES BY...

- ▶ unlocking the full potential of our exclusive unlimited repairs subscription program

>2M

subscribers to our unlimited repairs subscription program by 2025

*#subscription*

*#margin*

*#use*

*#derisked retail*



# BECOME THE INDISPUTED LEADER OF IN-HOME ASSISTANCE SOLUTIONS LEVERAGING OUR UNIQUE SUBSCRIPTION BASED SERVICE : DARTY MAX

**Tremendous potential** to unlock to become the **leader of in-home assistance solutions**

## Whole home, available everywhere

- From MDA, to all our products, to the entire home
- From our stores to every customer touchpoint, to B2B partners

## A subscription- based model

- For the customer : eased access, maximum convenience, durability
- For Fnac Darty : recurring cash flows, customer loyalty and retention

## A valuable bond with customers

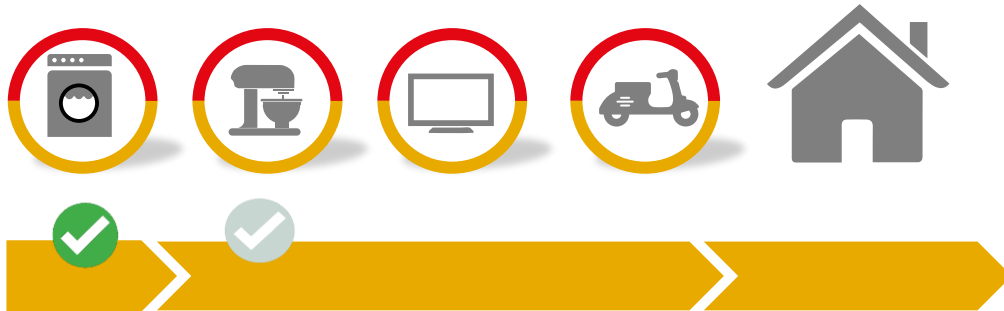
- A customer and data driven service (zero-hassle, transparent, personalized, advice)...
- ...accompanying the customers in their home with a lasting and trusting relationship



# WHOLE HOME, AVAILABLE EVERYWHERE

From our products...  
to the entire home

From our stores...  
to everywhere



From MDA...

... to all our products

... to the entire home



From our stores...

... to every customer touchpoint

... to B2B partners

c.1Bn touchpoints today<sup>1</sup>

The path to become  
the **undisputed leader of in-home assistance solutions**

1. France – web, stores, call centers and delivery

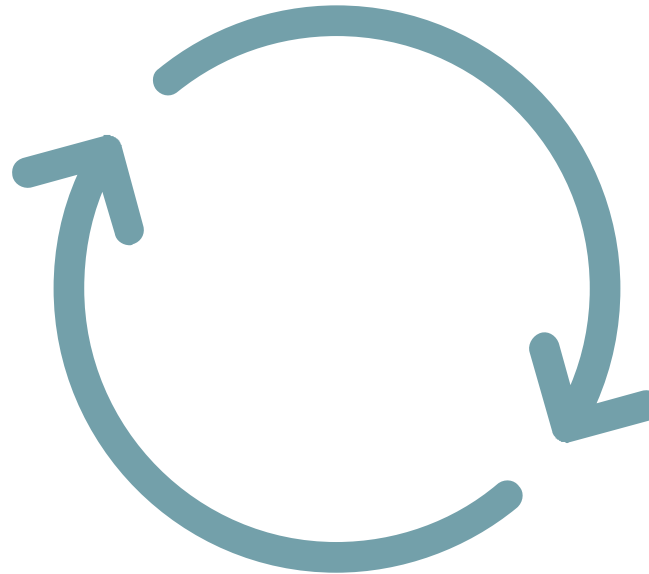




# A SUBSCRIPTION-BASED MODEL



**FNAC DARTY**



**<10€<sup>1</sup>**  
a month to protect  
one's every appliance

**Eased access  
to high-value  
services**

**Recurring  
cash flows**

**x2,5**  
margin generated  
over a 5 year-period  
vs. warranty extension

**50%<sup>2</sup>**  
of French households  
declare they would  
use this service<sup>1</sup>

**Maximum  
convenience**

**Loyalty and  
retention**

**>50%<sup>1</sup>**  
MDA additional  
expenses of Darty Max  
customers

**Up to 15 yrs<sup>1</sup>**  
of guaranteed  
reparability

**Extension of  
durability**

**Durable use  
promotion**

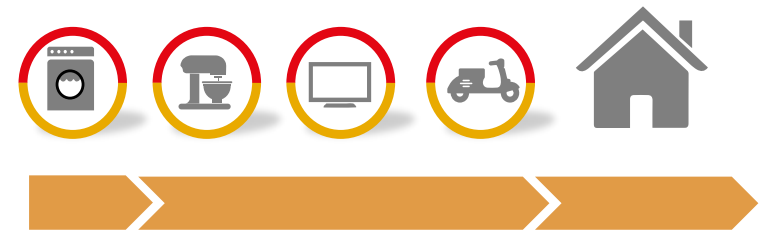
**Durability**  
Commitment for the  
good of the customers  
and the planet

1. Current Darty Max figures, indicative  
2. Internal study



# WE LEVERAGE OUR PROVEN ABILITY TO LAUNCH, SELL AND OPERATE SUBSCRIPTIONS, AND TO REPAIR

**Design the service**



**Recruit customers**

Customers		Non customers
Stores fnac DARTY	B2C Other contact points	B2B2C ENGIE, Orange, papernest, CREDIT AGRICOLE

**Operate the repair**

>700 technicians<sup>1</sup>  
>550 recruitments<sup>2</sup>

**Bond and retain subscribers**

11M subscribers operated today<sup>2</sup>

No one else than Fnac Darty can offer such a complete expertise to run this exclusive service and become the undisputed leader of in-home assistance

1. In home interventions  
2. Group level



# ALL OF EVERYDAY IS IN EACH OF ITS AMBITIONS



» Build a digitized omnichannel retail



» Scale the next in-home subscription-based assistance service

» Lead durable behaviors

# KEY FINANCIAL DRIVERS...



- Revenue growth mainly driven by increased online activity**
  - >30% online revenue penetration by 2025 o/w 50% is click & collect
- Significant contribution in gross margin of the subscription-driven service offering**
  - >2M subscribers to our unlimited repairs subscription program by 2025
  - Mitigating the impact of the product mix sold online and the development of the franchise
- Cost-cutting program to offset more than the expected inflation**
  - Continuous reduction of our operational cost base in line with our Performance Plan
  - 100% of our stores profitable<sup>1</sup> by 2025
- Controlled capex level focused on strategic initiatives**
  - Total annual normative capex budget of c.€120m excluding major strategic initiatives
  - o/w more than 50% invested in online capacities
  - Additional c.€40m to be invested over the period in new modern and high level logistic equipment

# ... TO GENERATE RECURRING CASH FLOWS



- Revenue growth mainly driven by increased online activity
- Significant contribution in gross margin of the subscription-driven service offering
- Cost-cutting program to offset more than the expected inflation
- Controlled capex level focused on strategic initiatives

**Cumulative Free Cash Flow<sup>1</sup> ~€500m 2021-2023**  
**Run rate Free Cash Flow<sup>1</sup> ≥ €240m in 2025**

# A STEP FURTHER IN CAPITAL ALLOCATION **ENSURING SUSTAINABLE SHAREHOLDER RETURNS**



**Increased  
Free Cash Flow**



**Controlled net debt**

Leverage<sup>1</sup> (net debt/ EBITDA)  
of max 2.0x

**Fund profitable growth**

- Reinvest in the business
- Tactical bolt-on M&A



**Shareholder return policy**

- Proposal for a **dividend** of **€1/share for 2020<sup>2</sup>**
- Target **dividend** of **≥ €1.5/share from 2021<sup>3</sup>**
- Target mid-term **payout ratio > 30%**

*Opportunity-driven decision*

**Incremental  
shareholder  
return**

- Leverage<sup>1</sup> of max 2.0x
- Via special dividend or share buyback

1. Leverage measured as of end of June with net debt excluding IFRS16 measured as of end of June and 12-month rolling EBITDA excluding IFRS16

2. Subject to approval by the Annual General Meeting of 27 May 2021

3. Dividend for 2021 paid in 2022, subject to approval by the Annual General Meeting

# OUTLOOK FOR 2021-2023



**2021**

Slight increase in revenues vs 2020

Slight increase in current operating income vs 2020

Proposal for a dividend of **€1/share for 2020**<sup>1</sup>

**2021-2023**

**c.€500m** of cumulative Free Cash Flow<sup>2</sup>

**From 2021**

Target dividend of **≥ €1.5/share**<sup>3</sup>

**Additional opportunistic shareholder return**

Leverage<sup>4</sup> of max 2.0x

1. Subject to approval by the Annual General Meeting of 27 May 2021  
2. Net cash provided by operating activities excluding net financial charges less net operating investments and cash impacts relating to rents within the scope of IFRS 16

3. Dividend for 2021 paid in 2022, subject to approval by the Annual General Meeting  
4. Leverage measured as of end of June with net debt excluding IFRS16 measured as of end of June and 12-month rolling EBITDA excluding IFRS16

# FNAC DARTY PROFILE IN 2025



**>30%**

Online revenue penetration  
by 2025

**>2M**

Subscribers to our unlimited repairs  
subscription program by 2025

**100%**

Stores profitable by 2025<sup>1</sup>

**c.€120m**

Total annual normative capex budget  
over the period by 2025<sup>2</sup>

**≥ €240m**

Run rate Free Cash Flow<sup>3</sup> in 2025

**Shareholder return**

>30% mid-term payout ratio

Add. opportunistic shareholder return  
Leverage<sup>4</sup> of max 2.0x

**135**

“Durability score”  
by 2025<sup>5</sup>

**c.2,5M**

Products repaired in 2025<sup>6</sup>

**-50%**

Transport & energy CO<sub>2</sub>  
emissions in 2030 vs 2019

1. Group owned stores perimeter

2. Excluding major strategic initiatives

3. Net cash provided by operating activities excluding net financial charges less net operating investments and cash impacts relating to rents within the scope of IFRS 16

4. Leverage measured as of end of June with net debt excluding IFRS16 measured as of end of June and 12-month rolling EBITDA excluding IFRS16

5. Durability scores weighed by volumes

6. Repaired or dysfunction resolved



# APPENDICES

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**FNAC DARTY**

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# DEFINITIONS

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- **Definition of Like-for-like sales growth**

- This indicator measures changes in revenue excluding exchange rate fluctuations, the impact of variations in scope and the impact of the opening and closing of directly owned stores since January 1, N-1.

- **Definition of Current operating income**

- The monitoring of the Group's operating performance uses the current operating income as the main operating balance. It is defined as the difference between the total operating profit and the "Other non-current operating income and expenses."
- Recurring operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance that can be used as a way to estimate recurring performance.

- **Definition of EBITDA**

- EBITDA = Current operating income before depreciation, amortization and provisions on fixed operational assets.

- **Definition of Free cash flow from operations**

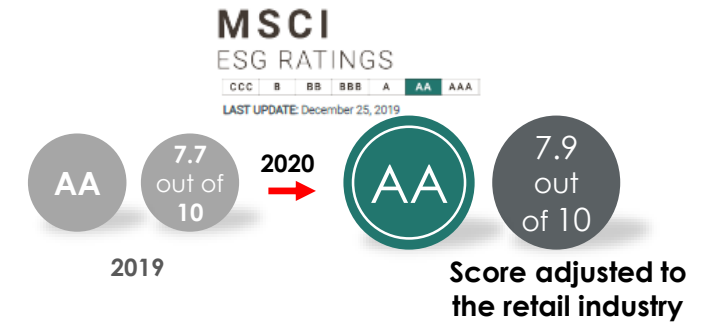
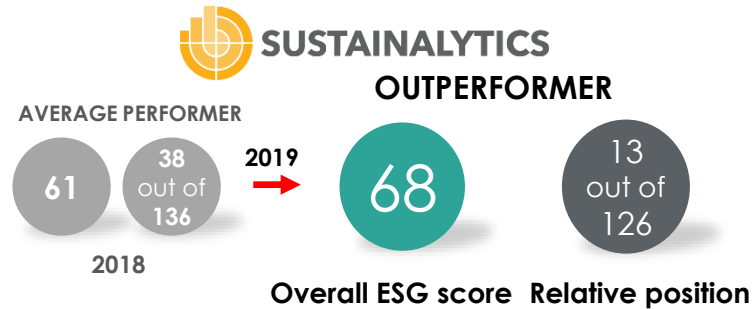
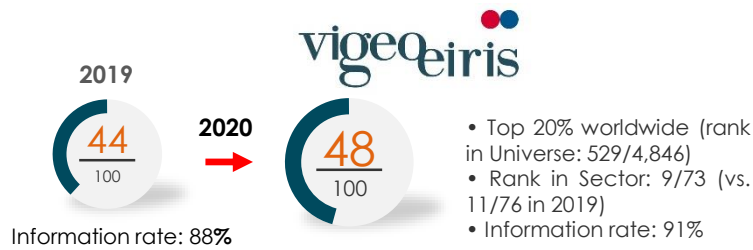
- This financial indicator measures net operating cash flow and gross operating investment flow (defined as purchases and sales of tangible and intangible non-current assets, and the change in supplier accounts payable for non-current assets).



# DEFINITIONS

<b>EBITDA</b>	<b>+ Rents within the scope of IFRS 16 =</b>	<b>EBITDA excluding IFRS 16</b>
Current operating income before depreciation, amortization and provisions on fixed operational assets		EBITDA including rental expenses within the scope of IFRS 16
<b>Free cash flow from operations</b>	<b>+ Disbursement of rents within the scope of IFRS 16 =</b>	<b>Free cash flow from operations excluding IFRS 16</b>
Net cash provided by operating activities less net operating investments		Free cash flow from operations including cash impacts relating to rents within the scope of IFRS 16
<b>Net cash</b>	<b>- Rental debt =</b>	<b>Net cash excluding IFRS 16</b>
Gross cash and cash equivalents less gross financial debt		Net cash less rental debt
<b>Net debt</b>	<b>- Rental debt =</b>	<b>Net debt excluding IFRS 16</b>
Gross financial debt less gross cash and cash equivalents		Net financial debt less rental debt
<b>Net financial income</b>	<b>- Financial interest on rental debt =</b>	<b>Net financial income excluding IFRS 16</b>

# FNAC DARTY, A RESPONSIBLE COMPANY



## Fnac Darty's 4 key CSR assets

### 1) Fnac Darty has a strong and stable governance

As of December 2020, the Board is composed of **14** directors, **11** of them are independent  
 A diverse and committed Board of Directors with broad experience and an average participation rate of **98%**  
 Reinforced integration of CSR criteria in the bonus of all the Group's executives in addition to an increase in the weight of these criteria for the members of the Executive Committee

### 2) Developing our core asset, human capital

Evolution of the social structure and organizations for greater efficiency and agility within the Group  
 Employees with strong expertise:

- An average training rate of 75% at Group level
- "Fnac Darty Académie", a global business unit dedicated to people development

### 3) Reducing the environmental impact directly related to the Group's activities

Objective to reduce **50%** of the Group's CO<sub>2</sub> emissions in France by 2030

- A Climate Committee has been created in order to manage the objective
- Its aim is to discuss and validate the roadmaps and action plans undertaken in the pursuit of the stated CO<sub>2</sub> reduction target

Fnac Darty CDP (carbon disclosure project) rating of C in 2020

### 4) A strong commitment toward a more circular economy...



# FNAC DARTY, A RESPONSIBLE COMPANY

## FOCUS ON A STRONG COMMITMENT TOWARD A MORE CIRCULAR ECONOMY

A strong commitment to the **circular economy** with a clear engagement in **extending product durability** through a **unique service proposal**

### Customer information from independent experts

- 733 tests on 380 products carried out in the Labo Fnac in 2020
- Extended selection of products with the "Darty Sustainable Choice" label created in 2019 based on a sustainability score
- 3<sup>rd</sup> "After-sales service barometer" and extending the scope of the Reparability index to smartphones



### An activity dedicated to the second life of products

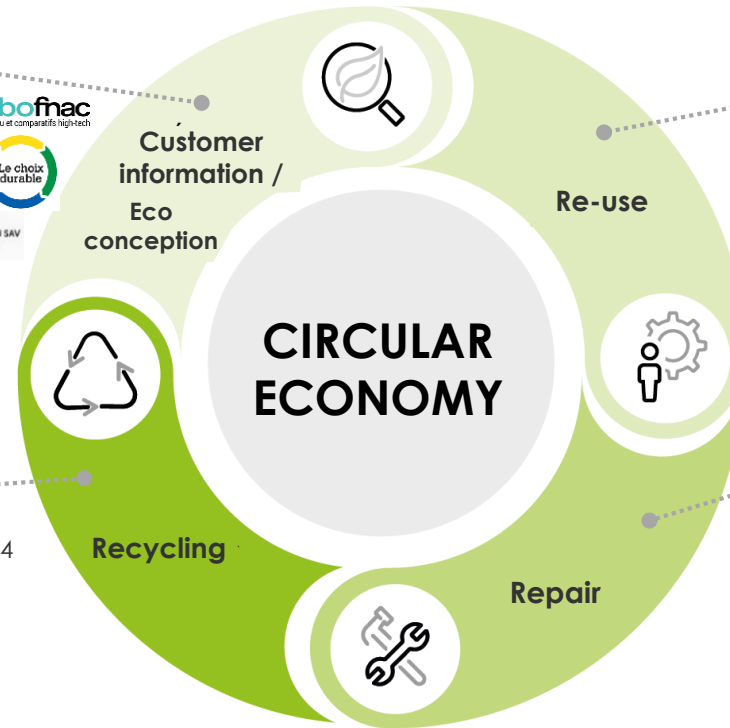
- Fnac Occasion and Darty Occasion
  - +60,000 products resold in 2020, up +40% vs. 2019
- Extension of the Darty Occasion scheme to cold-category household appliances
- +326,000 products given to 'ENVIE' for a second life
- Launch of the Smartphone roadworthiness test in 2018

### Fnac Darty promotes recycling

- A 100% Fnac Darty recycling yard in the Paris region since 1994
- "2 for 1" collecting systems
- +49,000 tonnes of waste collected and recycled in 2020

### 1st after-sales service in France

- +2.5 million of interventions and +1.5 million of repairs in 2020
  - 3,000 dedicated maintenance employees
- Launch of Darty+ in 2017
- Launch of sav.darty.com in 2018, the 1<sup>st</sup> support community platform for Darty users
- Deployment of WeFix corners
- Deployment of Darty Max launched in October 2019
- Cyclofix partnership



FNAC DARTY No. 1 COLLECTOR OF WEEE IN FRANCE



FNAC DARTY No. 1 REPAIR PROVIDER IN FRANCE



# Q4 AND FY 2020 REVENUE VS. 2019

€m (IFRS 5 excluding BCC)	Q4 2020	Change vs. Q4 2019			2020	Change vs. 2019		
		Reported	At constant FX and comparable scope of consolidation	Like-for-like		Reported	At constant FX and comparable scope of consolidation	Like-for-like
France and Switzerland	2,348	11.3%	12.1%	11.7%	6,228	3.3%	2.2%	1.9%
Iberian Peninsula	252	-2.4%	-2.4%	-3.3%	654	-9.5%	-9.5%	-11.1%
Belgium and Luxembourg	183	4.2%	4.2%	3.8%	609	2.2%	2.2%	1.4%
<b>Group</b>	<b>2,782</b>	<b>9.4%</b>	<b>10.0%</b>	<b>9.6%</b>	<b>7,491</b>	<b>1.9%</b>	<b>1.0%</b>	<b>0.6%</b>

# Q1-Q2-Q3 2020 REVENUE VS. 2019

€m (IFRS 5 excluding BCC)	Q1 2020	Change vs. Q1 2019			Q2 2020	Change vs. Q2 2019			Q3 2020	Change vs. Q3 2019		
		Reported	At constant FX and comparable scope of consolidation	Like-for-like		Reported	At constant FX and comparable scope of consolidation	Like-for-like		Reported	At constant FX and comparable scope of consolidation	Like-for-like
France and Switzerland	1,206	-8.5%	-11.0%	-11.1%	1,137	-5.7%	-8.0%	-8.2%	1,538	10.1%	9.4%	9.0%
Iberian Peninsula	140	-7.3%	-7.3%	-9.8%	99	-31.2%	-31.2%	-31.6%	163	-3.7%	-3.7%	-6.1%
Belgium and Luxembourg	144	-2.6%	-2.6%	-3.5%	123	-1.5%	-1.5%	-2.4%	159	7.9%	7.9%	6.6%
<b>Group</b>	<b>1,490</b>	<b>-7.9%</b>	<b>-9.9%</b>	<b>-10.3%</b>	<b>1,359</b>	<b>-7.9%</b>	<b>-9.7%</b>	<b>-10.0%</b>	<b>1,859</b>	<b>8.5%</b>	<b>7.9%</b>	<b>7.3%</b>

# CASH FLOW STATEMENT

€m (IFRS 5, excluding BCC)	2019	2020
<b>Net cash as of January 1</b>	<b>7</b>	<b>-18</b>
Operating free cash Flow	173	192
Interest paid net of interest and dividends received	-46	-25
Acquisition/disposal of subsidiaries net of cash transferred	-107	-9
Acquisition/disposal of other financial assets (net)	-1	-1
Increase/decrease in equity and other transactions with shareholders	-21	1
Cash flow related to discontinued activities	-28	-25
Others	4	-1
<b>Change in Net Cash</b>	<b>-25</b>	<b>132</b>
<b>Net Cash as of December 31</b>	<b>-18</b>	<b>114</b>

# SIMPLIFIED P&L

€m (IFRS 5, excluding BCC)	Reported	
	2019	2020
<b>Revenues</b>	<b>7,349</b>	<b>7,491</b>
<b>Current operating income</b>	<b>293</b>	<b>215</b>
Non-current operating income and expenses	-29	-16
<b>Operating income</b>	<b>265</b>	<b>199</b>
Financial expense	-79	-51
Tax	-72	-60
<b>Consolidated net income from continuing operations, Group share</b>	<b>115</b>	<b>96</b>
Net income from discontinued operations	-10	-94
Consolidated net income, Group share	105	1
<b>Operating free cash flow<sup>(1)</sup></b>	<b>173</b>	<b>192</b>

# BALANCE SHEET

Assets in €m	FY 2019	FY 2020
Goodwill	1,654	1,654
Intangible assets	511	506
Tangible assets	615	594
Rights of use relating to lease agreements	1,190	1,109
Investments in associates	21	0
Non-current financial assets	28	33
Deferred tax assets	83	67
Other non-current assets	0	0
<b>Non-current assets</b>	<b>4,102</b>	<b>3,964</b>
Inventories	1,079	960
Accounts receivable	275	285
Current tax receivables	3	4
Other current financial assets	12	7
Other current assets	369	361
Cash & cash equivalents	996	1 569
<b>Current assets</b>	<b>2,733</b>	<b>3,186</b>
Assets held for sale	201	0
<b>Total assets</b>	<b>7,036</b>	<b>7,149</b>

Equity and Liabilities in €m	FY 2019	FY 2020
Share capital	27	27
Reserves related to equity	971	971
Conversion reserves	-6	-5
Other reserves	396	375
<b>Equity, Group Share</b>	<b>1,388</b>	<b>1,369</b>
Equity attributable to minority interests	10	5
<b>Equity</b>	<b>1,398</b>	<b>1,373</b>
Long-term liabilities	936	902
Long-term leasing debt	967	884
Provisions for retirement and similar benefits	177	206
Other non-current liabilities	190	124
Deferred tax liabilities	203	165
<b>Non-current liabilities</b>	<b>2,473</b>	<b>2,281</b>
Short-term liabilities	77	553
Short-term leasing debt	212	230
Other current financial liabilities	18	13
Accounts payable	1,889	1,784
Provisions	39	31
Tax liabilities	9	30
Other current liabilities	785	854
<b>Current liabilities</b>	<b>3,030</b>	<b>3,495</b>
Liabilities associated with assets classified as held for sale	135	0
<b>Total liabilities and equity</b>	<b>7,036</b>	<b>7,149</b>



# STORE NETWORK

(IFRS 5, excluding BCC)	December 31, 2019			December 31, 2020		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland <sup>(1)</sup>	411	315	726	412	339	751
Iberian Peninsula	65	5	70	67	5	72
Belgium and Luxembourg	84	0	84	85	0	85
<b>Group</b>	<b>560</b>	<b>320</b>	<b>880</b>	<b>564</b>	<b>344</b>	<b>908</b>

<sup>1</sup> Including 13 stores outside France: 4 in Tunisia, 3 in Morocco, 1 in Congo, 1 in Cameroon, 2 in Ivory Coast, 2 in Qatar as well as 17 stores in French overseas territories

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# CORPORATE PRESENTATION 2021

**FNAC DARTY**

