



INVESTOR PRESENTATION

FNAC DARTY



May 2021

CONTENTS

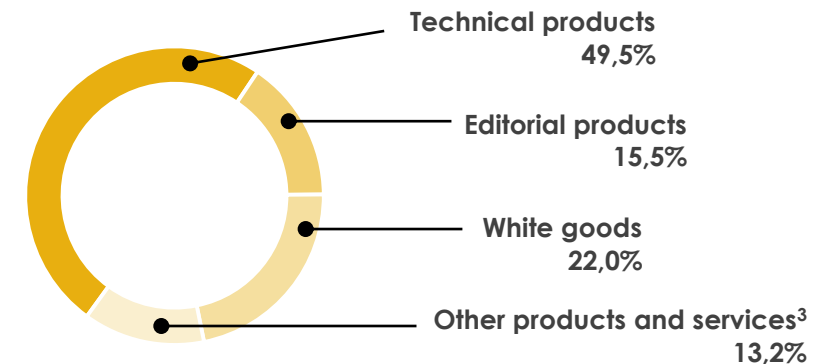
Fnac Darty at a glance	3
Q1 2021 revenue	4
FY 2020 results	8
New strategic plan, Everyday	16
Appendices	26

FNAC DARTY AT A GLANCE

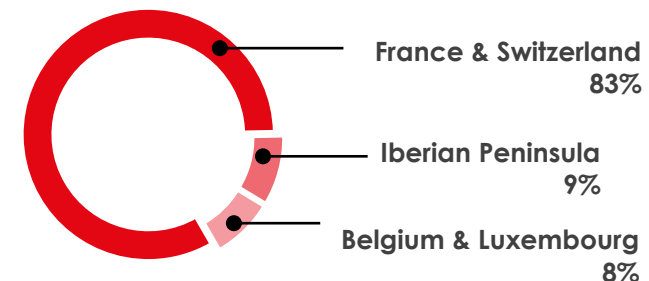
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **7.5 bn€ Group revenue in 2020 – c.25,000 employees**
- **Top 3 European Omnichannel Retailer:**
 - 30 million references available
 - 42% of online sales are omnichannel
- **910 multiformat stores in 12 countries**
- **2nd largest e-commerce retailer in France¹**
- **No. 1 after-sales service in France²**
- **c.10 million loyalty program members**
- **A portfolio of complimentary brands and new acquisitions**

2020 revenue breakdown by category



2020 revenue breakdown by region



¹ Source: FEVAD, 2020

² Internal customer studies

³ Include: Ticketing, B2B, after sales service, membership fees, franchise fees, insurance, consumer credit



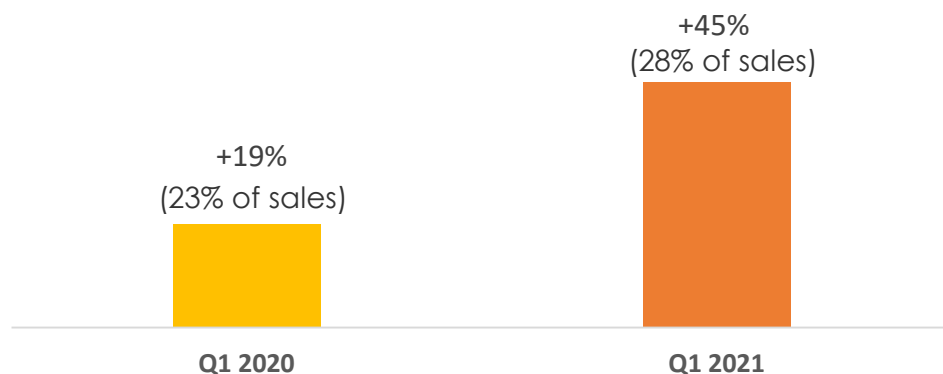
FNAC DARTY



Q1 2021 REVENUE

Revenue €m	Q1 2021	Change vs Q1 2020	
		Reported	Like-for-Like ¹
France & Switzerland	1,505	+24.8%	+24.5%
Iberian Peninsula	145	+3.5%	+3.0%
Belgium & Luxembourg	168	+16.7%	+16.3%
Group	1,818	+22.0%	+21.7%

Continued strong online performance



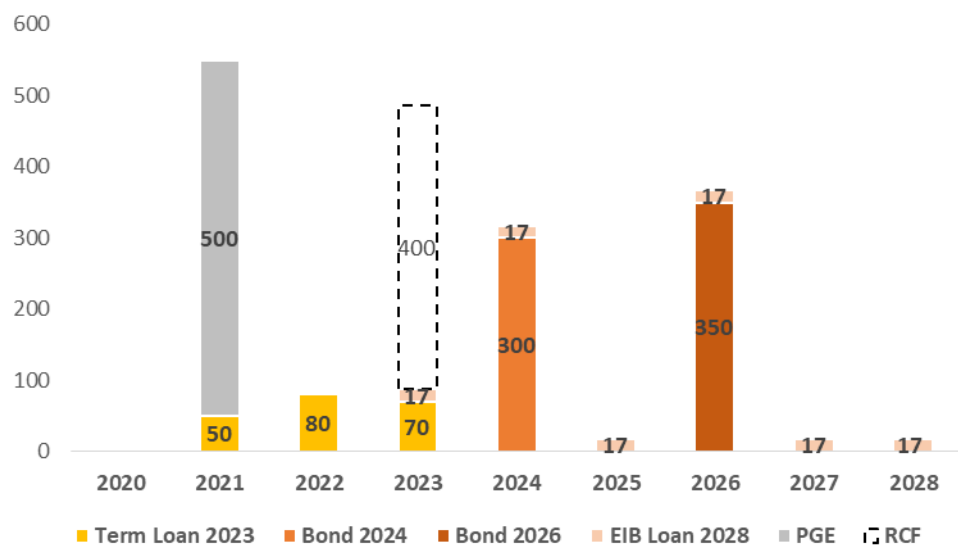
- **Q1 2021 sales at €1,818m, up +21.7%** on a like-for-like basis¹ vs Q1 2020
 - Ongoing restrictions impacting physical stores
 - Solid momentum in almost all product categories: IT, TV, appliances, gaming
- **Strong dynamic of online sales: +45%** in Q1 2021 vs Q1 2020
 - +1 million of new active online customers
- Gross margin rate is down in Q1 2021 vs Q1 2020
 - Negative impact of the decline in ticketing sales
 - Technical dilutive effect of the franchise model
 - Excluding these two effects, gross margin rate is up slightly in Q1 2021 compared with Q1 2020

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

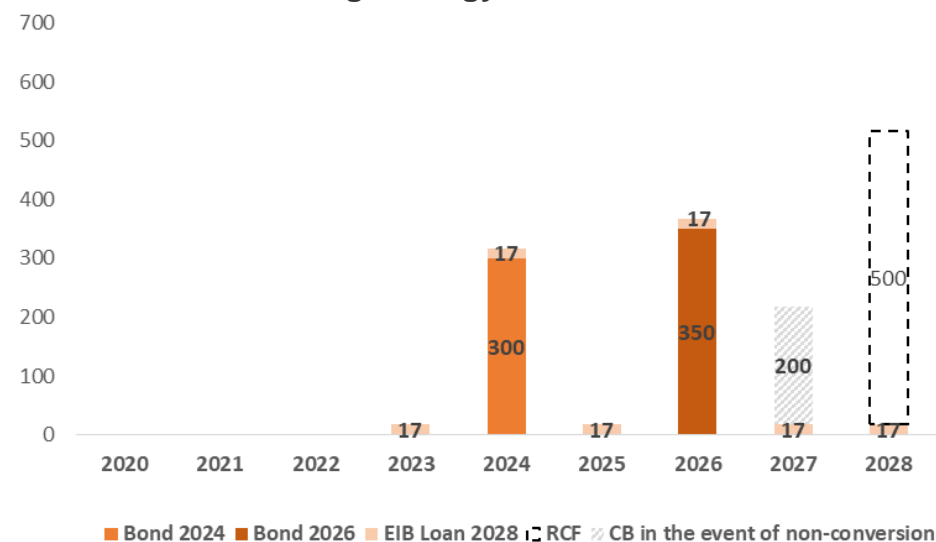
NEW FINANCING STRATEGY AS OF 16 MARCH 2021

- Full **repayment of its €500 million State-guaranteed Loan**
- Extension of its **RCF line** of credit to **€500 million** maturing maximum in 2028
- **Repayment of the Senior Term Loan Facility** of €200 million maturing in April 2023 and **placement of its first convertible bond (OCEANE) for €200 million** maturing in 2027

Fnac Darty's debt schedule at December 31, 2020



New debt schedule for the Group as a result of the new financing strategy



OUTLOOK

- The Covid crisis is still ongoing with **restrictions remaining in some countries** in which the Group operates, but with **encouraging evolution to come**
 - **In France, reopening of all the stores to be expected from May 19th**. France has entered a 3rd national lockdown from end of March with more than 80 Fnac and Darty stores closed and the closure of the non-essential departments
 - **In Belgium, reopening of all the stores since April 26th**, after a month of lockdown resulting in the closure of non-essential departments
 - In the Iberian Peninsula, fewer traffic limits and time restrictions in the stores
- **Confirmation of the 2021 guidance** of a **slight growth in sales and current operating profit** compared with 2020



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 2nd lockdown

November 29 – December 31
Black Friday postponed to Dec 4



1st lockdown

March 15 – May 10

- Stores
- Online
- Click & Collect



From May 11 to end of June



From July to end of September



2nd lockdown

October 29 - November 28

- Stores⁴
- Online
- Click & Collect

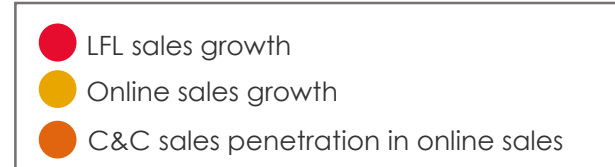
Q4 2020



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**



¹ Jan-Feb cumulative reported growth

² Excluding Nature & Découvertes and services

³ Constant store sales growth excluding web, franchises, services and Nature & Découvertes

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

⁵ Orders processed via C&C

2020 FNAC DARTY MAIN ACHIEVEMENTS

- **Success of the full scale Covid-19 stress test on Fnac Darty's business model confirming the relevance of the Group's strategy**
 - Switch from offline to online sales and ability to cope with strong peaks in demand with proactive and targeted goods inventory policy
 - Successful reopening of stores with high levels of health and safety thanks to the upstream preparation of employees and their unfailing commitment
 - Partnership ecosystem of delivery providers as well as omnichannel strength through C&C 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 and kitchen markets
- **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, etc.
 - 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	7,349	7,491	+1.9%
Gross Margin % Revenues	2,235 30.4%	2,186 29.2%	-2.2% -1.2pt
Total costs % Revenues	-1,942 26.4%	-1,971 26.3%	+1.5% -0.1pt
Current operating income	293	215	-€78m

- **Sales growth** of +0.6% on a like-for-like basis¹ 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 bps due to a decline in in-store traffic
 - Negative impact of -45 bps 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

¹ 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
Current operating Income	293	215
Non-current operating income and expenses	-29	-16
Operating income	265	199
Financial charges	-79	-51
<i>o/w cost related to new financings</i>	-27	-3
Tax charges	-72	-60
Net income from continuing activities, Group share	115	96

- **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
Revenues	3,093	4,256	2,849	4,642
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%
Current operating income	46	247	-58	273
Non-current operating income and expenses	-22	-7	-25	9
Operating income	25	240	-83	282
Financial expense	-52	-27	-23	-29
Tax	-7	-65	26	-85
Consolidated net income from continuing operations, Group share	-33	148	-77	172

STRONG FCF GENERATION & SOLID LIQUIDITY POSITION

€m (IFRS 5 excluding BCC)	2019	2020
EBITDA	626	567
IFRS 16 impact	-231	-245
Non-recurring cash elements ¹	-57	-22
Cash flow from operations before tax, dividends and interest	339	300
Change in working capital	57	57
CAPEX ²	-152	-99
Tax	-70	-66
Operating free cash flow¹	173	192

- **EBITDA¹ down €59m** in line with current operating income evolution
- **CAPEX² of €99m**, in line with the indication given by the Group
- **Solid operating free cash-flow¹ 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
- **Solid liquidity position of €1.9 billion at end 2020**
 - Cash and cash equivalents of €1,569m unused, including a €500m term loan facility guaranteed by the French State (“Prêt Garanti par l’Etat”)
 - €400m revolving credit facility not drawn down to date

¹ Excluding IFRS 16

² Gross CAPEX; the change in working capital requirements for fixed assets is included in the change in working capital requirements

RELAUNCH OF A SHAREHOLDER RETURN POLICY

- Resilience of the Group's business model in a year of unprecedented crisis
 - Solid cash flow generation and strong liquidity position
- **Proposed distribution¹ of an ordinary dividend of €1.00 per share in 2021 for the 2020 financial year, payment in cash**

¹Subject to the approval of the General Meeting on May 27, 2021



**NEW STRATEGIC
PLAN
EVERYDAY**

FNAC DARTY



BECOMING A RESPONSIBLE DIGITIZED RETAILER DELIVERING HIGH-VALUE AND DURABLE SERVICES

2016 - 2018

2018 - 2020


> 2021



**POWERFUL
LEADER**



**BEST-IN-CLASS
OMNICHANNEL
RETAILER**



EVERYDAY
everyday au service de nos clients
everyday companion of our customers

**RESPONSIBLE DIGITIZED RETAILER
DELIVERING HIGH-VALUE AND
DURABLE SERVICES**

3 MAIN AMBITIONS

» Build a digitized omnichannel retail

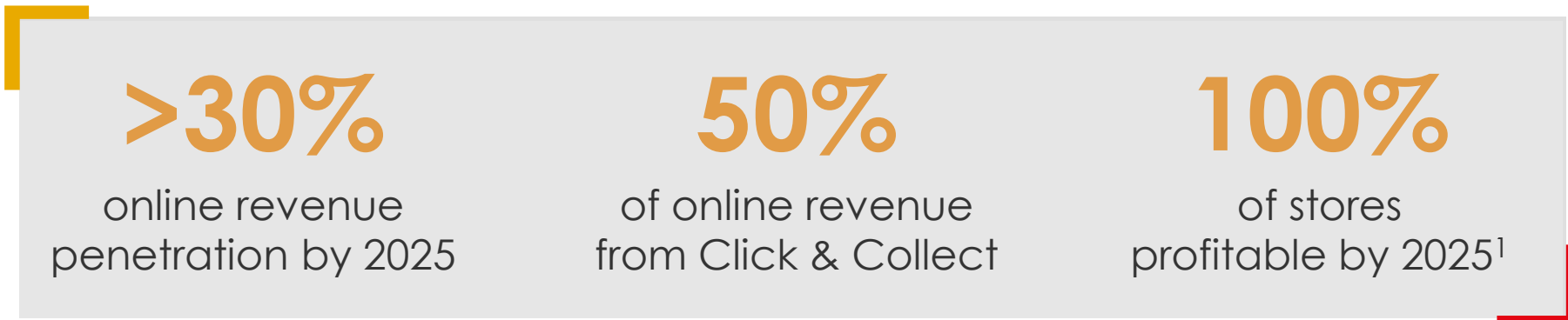


» Lead durable behaviors

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

BUILD A DIGITIZED OMNICHANNEL RETAIL

- **Best-in-class online capacities**
>50% of total Capex invested by 2025 to offer the best experience
- **A profitable and digitized store network**, fostering the expertise of salespeople and digital footprint
- **An uncompromised acceleration to offer high-value products to all**



LEAD DURABLE BEHAVIORS

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

135

"durability score"
by 2025¹

c.2,5M

products repaired
in 2025²



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

THIS AMBITION WILL ACTIVELY CONTRIBUTE TO OUR REFERENCE CSR STRATEGY

➤ Acceleration on durable consumption

+50% | repaired products in 2025 vs 2019

➤ Uncompromising behavior on the basics

35% | women in the Group top 200 managers in 2025 (+11pts vs 2020)

-50% | transport & energy CO₂ emissions in 2030 vs 2019 (Group perimeter)

➤ A commitment recognized by extra-financial rating agencies



#9/73

Vigeo Eiris 2020 ranking among European retailers



MSCI 2020 rating with a retail industry-adjusted score of 7.9/10

SCALE THE NEXT IN-HOME SUBSCRIPTION-BASED ASSISTANCE SERVICES

- **Unlocking the full potential of our exclusive unlimited repairs subscription program**
- **To become the leader of in-home assistance solutions**

>2M

subscribers to our unlimited repairs
subscription program by 2025

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, CREDIT AGRICOLE, papernest



Operate the repair

>700 technicians¹
>550 recruitments²



Bond and retain subscribers

11M subscribers operated today²



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




KEY FINANCIAL DRIVERS TO GENERATE RECURRING CASH FLOWS

- **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
- **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 profitable¹ by 2025
- **Controlled capex level focused on strategic initiatives**
Total annual normative capex budget of c.€120m excluding major strategic initiatives
Additional c.€40m to be invested over the period in new modern and high level logistic equipment

Cumulative Free Cash Flow² ~€500m 2021-2023

Run rate Free Cash Flow² ≥ €240m in 2025

1. Group owned stores perimeter

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

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

Increased
Free Cash Flow



Controlled net debt

Leverage¹ (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 2020²**
- Target **dividend** of **≥ €1.5/share from 2021³**
- Target mid-term **payout ratio > 30%**

Opportunity-driven decision

**Incremental
shareholder
return**

- Leverage¹ 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



FNAC DARTY



DEFINITIONS

- **Like-for-like sales growth** : 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.
- **Current operating income** : difference between the total operating profit and the “Other non-current operating income and expenses.”

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

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%
Group	1,490	-7.9%	-9.9%	-10.3%	1,359	-7.9%	-9.7%	-10.0%	1,859	8.5%	7.9%	7.3%

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%
Group	2,782	9.4%	10.0%	9.6%	7,491	1.9%	1.0%	0.6%

CASH FLOW STATEMENT

€m (IFRS 5, excluding BCC)	2019	2020
Net cash as of January 1	7	-18
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
Change in Net Cash	-25	132
Net Cash as of December 31	-18	114

SIMPLIFIED P&L

€m (IFRS 5, excluding BCC)	Reported	
	2019	2020
Revenues	7,349	7,491
Current operating income	293	215
Non-current operating income and expenses	-29	-16
Operating income	265	199
Financial expense	-79	-51
Tax	-72	-60
Consolidated net income from continuing operations, Group share	115	96
Net income from discontinued operations	-10	-94
Consolidated net income, Group share	105	1
Operating free cash flow¹	173	192

¹ Excluding IFRS 16

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
Non-current assets	4,102	3,964
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
Current assets	2,733	3,186
Assets held for sale	201	0
Total assets	7,036	7,149

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
Equity, Group Share	1,388	1,369
Equity attributable to minority interests	10	5
Equity	1,398	1,373
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
Non-current liabilities	2,473	2,281
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
Current liabilities	3,030	3,495
Liabilities associated with assets classified as held for sale	135	0
Total liabilities and equity	7,036	7,149

STORE NETWORK

	December 31, 2019			December 31, 2020			March 31, 2021		
	Owned	Franchised	Total	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland ⁽¹⁾	411	315	726	412	339	751	412	341	753
Iberian Peninsula	65	5	70	67	5	72	67	5	72
Belgium and Luxembourg	84	0	84	85	0	85	85	0	85
Group	560	320	880	564	344	908	564	346	910

¹ 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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