



ISR PRESENTATION 2021

FNAC DARTY



June 2021

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GROUP PRESENTATION & STRATEGY

FNAC DARTY

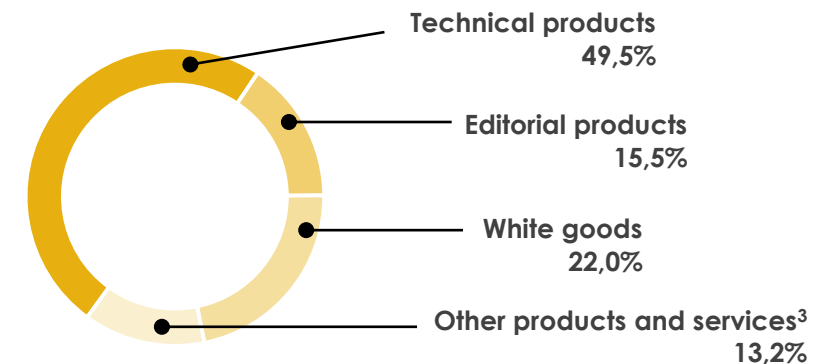


FNAC DARTY AT A GLANCE

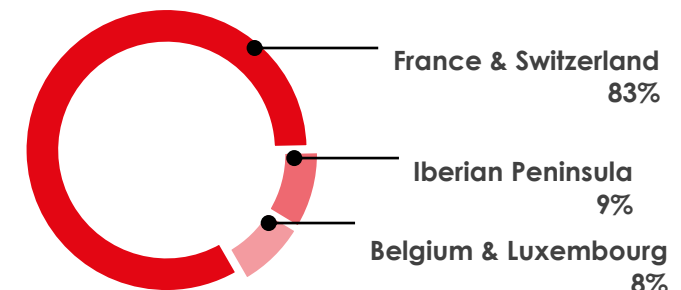
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **€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 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, TWO ICONIC BRANDS WITH **RESPONSIBLE VALUES** IN THEIR **DNA**



INDEPENDENT EXPERTISE AND CUSTOMERS' ADVICE

- ◆ Give access to culture
- ◆ Independent vendors to give best advice for an educated purchase

1972 launch of Fnac Labo



RESPONSIBLE PRODUCTS AND SERVICES

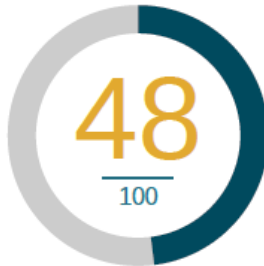
- ◆ Strong services offer for repair, re-use and product recycling
- ◆ #1 after-sales service

1973 launch of Darty
« contrat de confiance »

A RESPONSIBLE RETAILER RECOGNIZED BY **EXTERNAL ESG ORGANISATIONS**



2020



- Top 20% worldwide (rank in Universe: 529 / 4,846)
- Rank in Sector 9 / 73 (vs. 11/76 in 2019)
- Information rate of 91%



OUTPERFORMER

AVERAGE PERFORMER



2019

2020



Overall ESG score Relative position



LAST UPDATE: November 05, 2020



2019

2020



Score adjusted to the retail industry

OUR NEXT TRANSFORMATION WILL BE DRIVEN BY OUR POWERFUL **GROUP RAISON D'ÊTRE**

Since 2018, Fnac Darty has adopted a **corporate raison d'être**

“

COMMIT TO AN EDUCATED CHOICE AND A SUSTAINABLE CONSUMPTION

”

At a time of hyperchoice and consumer expectations for more responsible consumption, this mission aims to guarantee the best offer of products and services, enriched by the strong expertise of our vendors

This raison d'être is intended to irrigate the entire Group and guide our strategic choices

3 CSR RELATED AMBITIONS IN OUR NEW STRATEGIC PLAN, EVERYDAY, INCLUDING 1 CLEARLY STATED CSR PILLAR

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

» Build a digitized omnichannel retail



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

» Lead durable behaviors

OUR 5-PILLAR CSR STRATEGY



CSR OBJECTIVES ALSO INCLUDED IN OUR FINANCING STRATEGY



In our new financing strategy launched in March 2021, we have extended our RCF line of credit to €500 million maturing maximum in 2028 with **a CSR component** that will permit the Group to improve its financing terms if the designated targets are achieved:

- **A durability score indicator** to reach >135 by 2025
- **A repair indicator** to reach > 2.5M of products repaired by 2025
- **A gender equality indicator** to reach > 35% of female in the top 200 managers of the Group by 2025

OUR STRATEGY AND COMMITMENTS MEETS BUSINESS CHALLENGES & OPPORTUNITIES

CONSUMERS' EXPECTATIONS

AGILITY / PROXIMITY



GREATER ENVIRONMENTAL CONCERN
MORE DURABLE PRODUCTS



EXPERIENCE OVER GOODS
QUALITY
ADVICE



FNAC DARTY STRATEGY

**BEST IN CLASS
OMNICHANNEL EXPERIENCE**

**A MORE DURABLE OFFER
PROMOTION OF RESPONSIBLE
BEHAVIORS**

**BEST IN CLASS PRODUCTS
OFFER AND LINEUP
UNIQUE AFTER-SALES SERVICE**



FNAC DARTY CSR COMMITMENTS



CONTRIBUTION TO THE **LOCAL ECONOMY, CULTURAL AND SOCIAL LIFE** THROUGH FNAC DARTY **OMNICHANNEL PLATFORM**

KEY INITIATIVES TO A MORE **CIRCULAR ECONOMY**

- Durable offer and customers' information
- Re-use & Second Life
- Repair
- Recycling

→ **COMMITMENT TO EXTENDING THE DURABILITY OF PRODUCTS**

- Best advice through **Fnac Labo**
- **Disruptive initiatives** to highlight the most sustainable products and promote Products repair
 - ✓ Fnac Darty Barometer,
 - ✓ Sustainable choice label
 - ✓ Unlimited MDA repair subscription service, **Darty Max**

OUR CSR RELATED AMBITIONS WILL HELP US TO ACHIEVE OUR FINANCIAL OBJECTIVES

Everyday ambitions

Build a digitized omnichannel retail

Lead durable behaviors

Scale the next in-home subscription-based repair service

ESG related objectives by 2025

- ✓ 50% of online sales will be Click & Collect
- ✓ Continued stores network deployment mainly through franchise
- ✓ Reach a durability score of 135¹
- ✓ +50% of product repair vs. 2019
- ✓ >2M subscribers to our unlimited repairs subscription program

Business value added

- ✓ Favor C&C, less environmental impacting, than home delivery
- ✓ Widen access to culture
- ✓ Increase the positive impact on the territories (employment and solidarity)
- ✓ Differentiated offering
- ✓ Extended equipment durability
- ✓ Increased customer loyalty
- ✓ Differentiated offering
- ✓ A captive ecosystem and increased customer loyalty
- ✓ A solution to tackle planned product obsolescence
- ✓ Premiumisation

Financial objectives by 2025

Generating recurring cash flows

- ✓ Cumulative Free Cash Flow²c.€500m 2021-2023
- ✓ Run rate Free Cash Flow² ≥ €240m in 2025

¹ Durability scores weighed by volumes

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

FNAC DARTY PROFILE IN 2025: FINANCIAL AND EXTRA-FINANCIAL AMBITIONS

ESG AMBITIONS

135

"Durability score"
by 2025¹

-50%

Transport & energy CO₂
emissions in 2030 vs 2019

+50%

Products repaired in 2025²
vs. 2019 to reach c. 2.5M

35%

Of women in Top 200
managers of the Group

BUSINESS & FINANCE AMBITIONS

>30%

Online revenue penetration
by 2025

>2M

Subscribers to our unlimited repairs
subscription program by 2025

100%

Stores profitable by 2025³

c.€120m

Total annual normative capex budget
over the period by 2025⁴

≥ €240m

Run rate Free Cash Flow⁵ in 2025

Shareholder return

>30% mid-term payout ratio

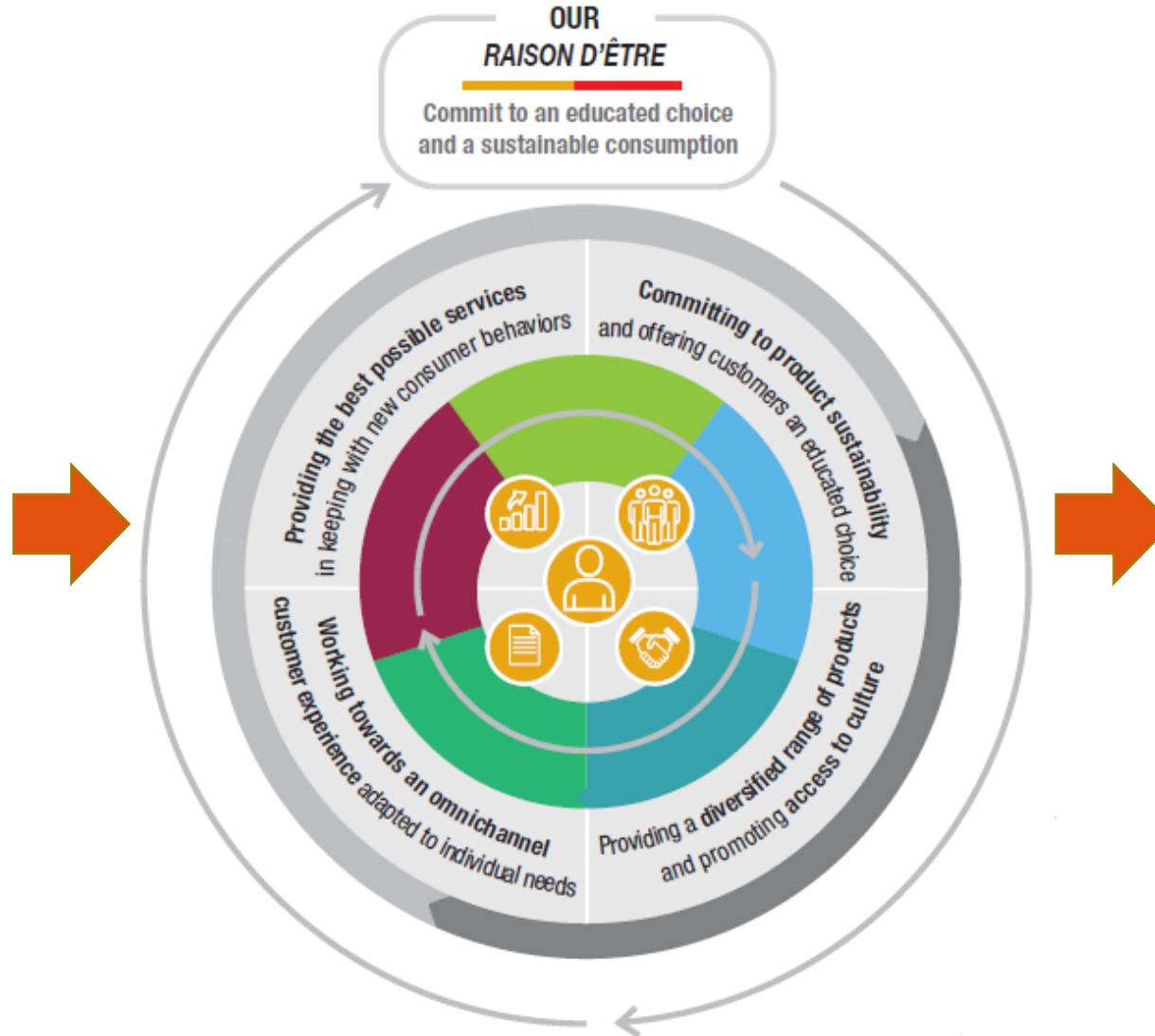
Add. opportunistic shareholder return
Leverage⁶ of max 2.0x

1. Durability scores weighed by volumes 2. Repaired or dysfunction resolved
3. Group owned stores perimeter
4. Excluding major strategic initiatives

5. 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
6. 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

A BUSINESS MODEL THAT CREATES SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

- Committed human capital
- A strong financial position
- An omnichannel model
- A centralized and internalized logistics network
- Key markets
- Governance at the highest standards



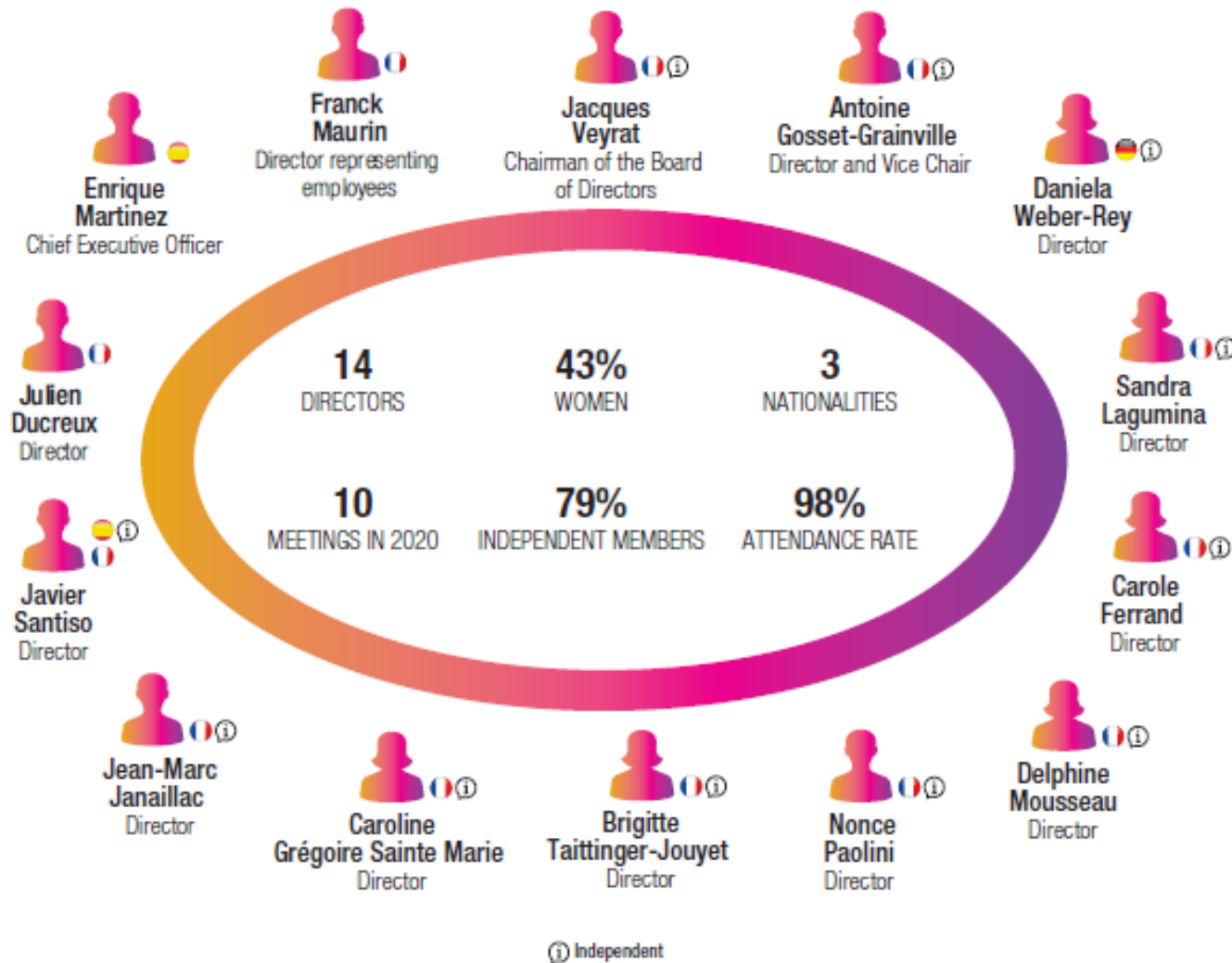
- **CLIENTS:** services, independent advice and diversified product offerings
- **EMPLOYEES:** training, quality of life at work and professional equality
- **PARTNERS:** a sustainable partnership ecosystem
- **SHAREHOLDERS:** a healthy balance sheet and a solid liquidity position
- **SOCIETY AND PUBLIC AUTHORITIES:** democratization of culture and fiscal responsibility
- **ENVIRONMENT:** extending product lifespan, reducing CO₂ emissions and products recycling



A SOLID GOVERNANCE

FNAC DARTY

A SOLID AND STABLE BOARD OF DIRECTORS...



- 79% of independent members
- 43% of female members
- 2 employees Directors
- 4 committees chaired by independent Directors of which:
 - Audit Committee
 - Appointments and Compensation Committee
 - Strategy Committee
 - **Corporate, Environmental and Social Responsibility Committee**
- Chairman of CSR committee is also member of Appointments & Compensation Committee and Strategy Committee

... WITH STRONG, DIVERSE AND MIX EXPERIENCES AND SKILLS THAT SUPPORT LONG-TERM VALUE CREATION

Name	Retail	International	Finance	Governance	Management/ Strategy	CSR	HR	Digital
Jacques Veyrat			X	X	X	X		
Antoine Gosset-Grainville			X	X	X		X	
Daniela Weber-Rey		X	X	X	X			
Sandra Lagumina			X	X	X			
Carole Ferrand	X		X		X			
Delphine Mousseau	X	X			X	X		X
Nonce Paolini	X			X	X		X	
Brigitte Taittinger-Jouyet		X			X	X	X	
Caroline Grégoire Sainte Marie		X	X		X	X		
Jean-Marc Janailac		X	X	X	X	X		
Javier Santiso		X	X		X			X
Enrique Martinez	X	X			X		X	
Franck Maurin	X							
Julien Ducreux	X							X

A **QUALIFIED** AND **EXPERIENCED** EXECUTIVE TEAM FULLY DEDICATED TO THE NEW STRATEGIC PLAN



ENRIQUE MARTINEZ
CHIEF EXECUTIVE OFFICER of Fnac Darty

- ✓ More than 20 years at Fnac Darty in various positions of responsibility
- ✓ Member of the Executive Committee since 2004

 38% of female members

 13 members



BENOÎT JAUBERT
COMMERCIAL Director



OLIVIER THEULLE
E-Commerce and
DIGITAL Director



ANNE-LAURE FELDKIRCHER
Executive Director of
TRANSFORMATION & STRATEGY



JEAN-BRIEUC LE TINIER
Group Chief **FINANCIAL**
Officer



SAMUEL LOISEAU
CLIENT, Marketing and Business
Development Director



VINCENT GUFFLET
SERVICES and Operations
Director



FRÉDÉRIQUE GIAVARINI
Group's **GENERAL SECRETARY**, **CSR**
and Managing Director of
NATURE & DÉCOUVERTES



TIFFANY FOUCAULT
HUMAN RESOURCES Director



FRANCOIS GAZUIT
OPERATIONS Director



ANNABEL CHAUSSAT
Managing Director of
Fnac **SPAIN**



CHARLES-HENRI DE MALEISSYE
CEO of **FNAC VANDEN BORRE** in
BELGIUM



CELINE TRUNET FAVRE
COMMUNICATIONS & PUBLIC AFFAIRS
Director

GOVERNANCE THAT STRENGTHENS THE INTEGRATION OF CSR CHALLENGES

- A **Corporate, Environmental and Social Responsibility Committee** has been created at Board level since 2013
- **CSR is overseen by the General Counsel in charge of CSR and Governance**, a member of the Executive Committee
- The **Ethics Committee (2018)** oversees compliance with transparency, due diligence and data protection laws
- A **Climate committee (2019)**, presided by the CSR Group Director, manages the **climate roadmap** in order to **meet** the Group's **CO₂ reduction commitments**
- A **Circular Economy committee (2021)**, presided by the General Counsel in charge of CSR and Governance, manages the issues related to **waste recycling**
- Involvement of all the business lines daily through the nomination of a **CSR referee**, the creation of **roadmaps** with the **definition of objectives specific** to each department of the Group, and regular monitoring of those **objectives**

CSR ALSO INCLUDED IN REMUNERATION POLICY

- **10% of the total bonus of the Executive Committee** members is related to **CSR objectives**, 5% of which to the Group's extra-financial rating
- Continued to strengthen the integration of CSR criteria in the variable compensation with **10% of the bonus of all Group managers** based of CSR objectives
- Increased weight of CSR criterion in **long term benefit for members of the Executive Committee** to **10%**
- Nomination in 2021 of an **employee Director** at the **Appointments and Compensation Committee** to represent the employees interest in this committee



FNAC DARTY CSR STRATEGY

4 MAJOR KEY RISKS, COVERED BY OUR CSR POLICY, HAVE BEEN IDENTIFIED BY A MATERIALITY ANALYSIS



Key issues



Fnac Darty Focus

Reduce impacts on the climate



**Promote sustainable consumption & an educated choice
Contribute to the social & cultural development of territories**



Develop human capital



Ensure exemplary Business conduct



A 5-PILLAR CSR POLICY TO ADDRESS OUR RISKS AND SEIZE BUSINESS OPPORTUNITIES





PROMOTING A SUSTAINABLE CONSUMPTION

OUR RECENT ACHIEVEMENTS

- 1.7M** of repair products in 2020
 **No. 1 REPAIR IN FRANCE**
- +50KT** WEEE collected and recycled at Group level
 **No. 1 WEEE COLLECTOR IN FRANCE**
- +21** new **WeFix** openings in 2020 to 117 points of sale
- +40%** of products resold in 2020 through Fnac 2nd vie or Darty Occasion
- +5pts** Durability score¹ (105 in 2020)
- 9%** proportion of Sustainable Choice products in revenue in 2020

OUR COMMITMENTS

- Help customers to make an **educated choice**
- Encourage **repairs**, give a **second life** to products and ensure **waste collection** and **recycling**
- Contribute to **public debate** around **sustainability**

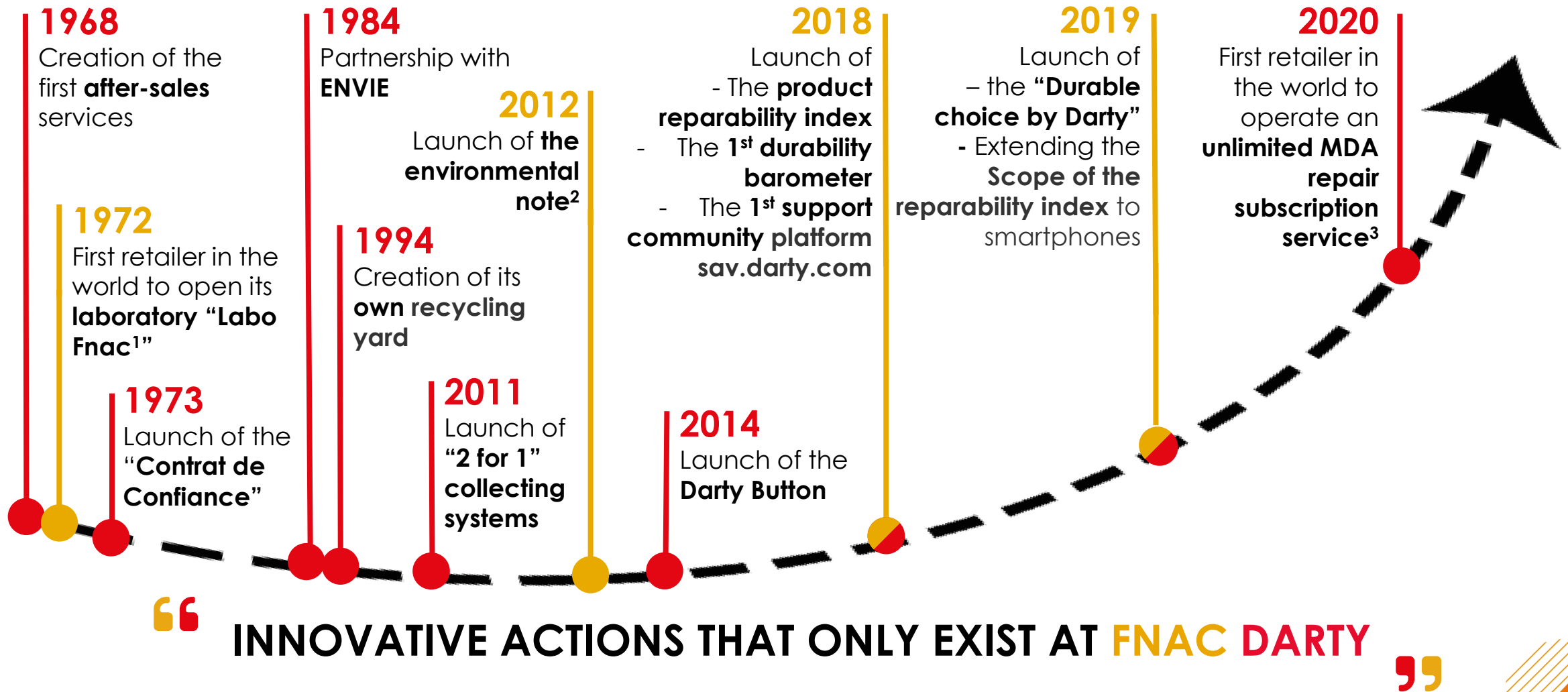
-  **+50% OF PRODUCTS REPAIR BY 2025 (2.5M)**
- DURABILITY SCORE¹ OF 135 BY 2025**
- INTEGRATION 100% OF “NON-SALEABLE” NEW PRODUCTS INTO A SECONDLIFE SECTOR BY 2025**

OUR ACTIONS

- Highlight the most **sustainable products** through the **After-Sales Service Barometer** and the **Sustainable Choice label**
- Deployment of **subscription repair service, Darty Max** through B2C and B2B
- Rapid development of the **second-hand product offers**
- Continuation of partnerships with the **social inclusion body, “Envie”**

¹ Products durability scores weighted by volumes

AN INDEPENDENT EXPERTISE AND CUSTOMERS' ADVICE FOR A RESPONSIBLE CONSUMPTION



1. The Labo Fnac compares the characteristics and performance of technical products **1 038 tests on 492 products in 2018** **FNAC DARTY**

2. The environmental note indicates the environmental impact of TVs, Tablets, PCs and smartphones

3. Official launch : end 2019

EXTENDING PRODUCTS' LIFE SPAN IS A KEY ENGAGEMENT TO OUR CUSTOMERS



ASSISTANCE &
REPAIR

SECOND LIFE



CIRCULAR
ECONOMY

EDUCATED
CHOICE

RECYCLING

2+1 collecting system
A 100% Fnac Darty
recycling yard since 1994



FNAC DARTY, AN ECONOMIC, SOCIAL AND CULTURAL ACTOR



OUR RECENT ACHIEVEMENTS



#1

Bookstore in France
Ticket vendor in France
Record shop owner in France



Creation of a digital medium, **La Claque Fnac**

908

multi-format stores of which 742 stores in France and 166 international stores

2,000

free cultural events organized in France

411K

books passed on to associations

13,7 M€

2,803 projects financed to protect biodiversity and educate about nature



OUR COMMITMENTS

- Provide **access to culture** to as many people as possible
- Increase the **positive impact on the territories** (employment and solidarity)



OUR ACTIONS

- Gradually **expansion of the territorial network** with the opening of some additional stores every year mainly in Franchise
- Continuation of **cultural events in stores and online**
- **Solidarity operations** maintained despite the context
- Local projects financed by the Nature & Découvertes Foundation (108 in 2020)





FNAC DARTY'S CLIMATE STRATEGY



OUR RECENT ACHIEVEMENTS

-12%

CO₂ emissions resulting from site energy consumption in France vs. revenue

14%

renewable energy in France

>95%

renewable energy in Spain, Portugal, Belgium and Switzerland

8%

replaced trucks by CNG trucks in internal fleet



OUR COMMITMENTS

- Limiting the environmental impact of our activities through an ambitious CO₂ and waste policy



REDUCING BY 50% CO₂ EMISSIONS BY 2030 vs. 2019



OUR ACTIONS

- **Transport**
 - ✓ Optimisation of flow and truck filling
 - ✓ Renewal of part of Diesel truck fleet with Compressed Natural Gas (CNG) trucks
 - ✓ Selection of partners with less impact on environment: bike deliveries in major cities
 - ✓ Effective actions to reduce delivery failures and to develop in-store pick-up (between 25% and 65% fewer CO₂ emission compared to home delivery)
- **Energy consumption**
 - ✓ Investing in equipment to reduce energy consumption: central building energy management system, LED roll-out
 - ✓ Supplying electricity from renewable sources (PPA)

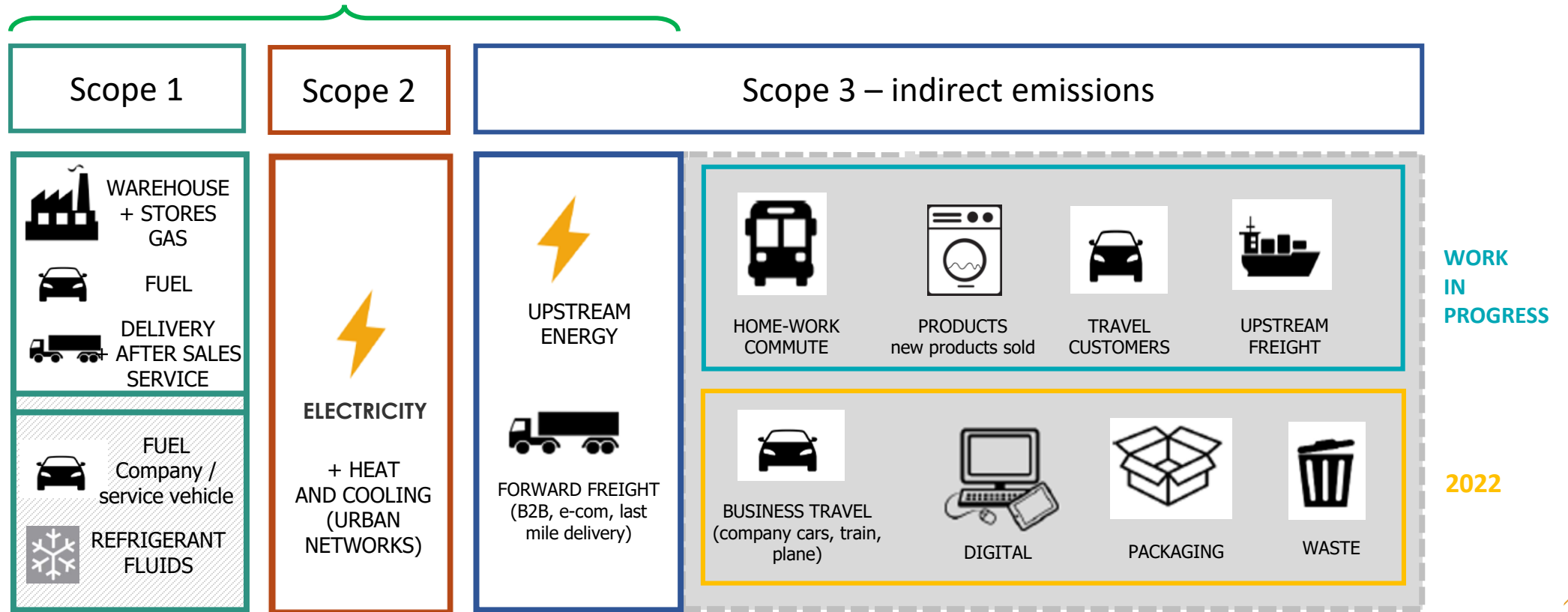


FNAC DARTY'S CLIMATE STRATEGY

SCOPE OF COVERAGE

FNAC DARTY IS COMMITTED TO REDUCING CO₂ EMISSIONS BY 50% BY 2030 vs. 2019

An objective in line with science and the 1.5°C trajectory



HUMAN CAPITAL OUR KEY ASSET

DEVELOP SKILLS AND EMPLOYABILITY



OUR RECENT ACHIEVEMENTS

NEW

career website enhancing the recruitment experience

2.8%

payroll allocated to training

>9hrs

hours of training per employee trained

3 out of 4

employee which has validated at least one e-learning training



OUR COMMITMENTS

- Continuation of strategic training programs
- Development of sales expertise and strengthening managers' leadership skills
- Development of programs to train in professions where staff are harder to find



RECRUIT 500 ADDITIONNAL TECHNICIANS BY 2025



OUR ACTIONS

- In-house training Academy
- 18-month graduation program, Project Manager 2020 – 700+ employees trained
- 18-month / 84-hour graduation program, Excellence Client – 800+ employees trained
- Launch of the **Tech Academy** and opening of 7 apprentice classes in France to develop technicians' skills



HUMAN CAPITAL OUR KEY ASSET

PROMOTE GENDER EQUALITY AND QUALITY OF LIFE IN THE WORKPLACE



OUR RECENT ACHIEVEMENTS

Professional equality

40% women in the total workforce

24% women in the Leadership Group¹

38% women in the Executive Team

90 /100 gender equality index

Diversity & professional integration

4.1% people with disabilities in the total workforce as of December 31

4.3% employees under professional development or apprenticeship contracts



OUR COMMITMENTS

- Guaranteeing equal treatment, promoting diversity in its teams, and fostering equal opportunities



>40% OF THE UNDER-REPRESENTED GENDER ON THE EXECUTIVE COMMITTEE BY 2025

35% FEMALE REPRESENTATION IN THE “LEADERSHIP GROUP” BY 2025



OUR ACTIONS

- Support for **women in leadership positions**¹ – partnership with Assises de la Parité, an event organized by the International Women’s Forum
- **Female Store Manager Program** launched in 2018
- Increase **diversity recruitments** and integration through the use of **recruitment partners**
- Creation of a **internal network dedicated to gender**

¹ Top 200 managers in the Group

HUMAN CAPITAL OUR KEY ASSET

GUARANTEE EMPLOYEE HEALTH & SAFETY AND DEVELOP COMMITMENT



OUR RECENT ACHIEVEMENTS

Employee commitment

75%

internal net promoting score at Group level in december¹

c.20%

overall subscription rate to employee stock purchase plan

10%

Nature & Découvertes employees members of a green network, lever of commitment

Employee health and safety

-5%

frequency rate of accidents in the Fnac Logistics entity, despite increased activities

-16%

accident severity rate for Fnac warehouses



OUR COMMITMENTS

- Give **meaning to work** and manage **employee commitment**
- **Prevention** for delivery **and installation personnel** and **after-sales technicians**
- **Risk prevention in logistics:**



c.40M€ OF ADDITIONAL CAPEX BY 2025 ALLOCATED TO MODERNIZE LOGISTICS WAREHOUSE



OUR ACTIONS

- A digital, short and monthly employees survey **Supermod**
- Employee stock purchase plans implemented in 2018 and 2019
- Modernization of one of the Group's warehouse continued with the extension of a fully-automated solution to reduce handling work and to optimize workstation ergonomics
- Signing of the Charter of employers committed to road safety in 2018

¹ 75% of respondents recommend Fnac Darty as a great place to work (% of scores from 7 to 10, on a scale from 0 to 10)



FNAC DARTY FACES **ETHICAL REQUIREMENTS**



OUR RECENT ACHIEVEMENTS

NEW

BUSINESS CODE OF CONDUCT in Feb 2021 available in all countries where the Group operates

NEW

ETHICS ALERT MECHANISM in 2021

+1pt

proportion of **plants whose audit result deemed to be average or compliant** (99% in 2020)

2.6%

level of **repairs and post-sale exchanges for branded products**

122M

Taxes and contributions paid in each country where the Group operates (91% in France)



OUR COMMITMENTS

- Protecting the personal data of employees and customers
- Preventing the risks of corruption
- Implementing a Vigilance Plan
- Ensuring fiscal responsibility



OUR ACTIONS

- Ensure compliance with regard to cookies and advertising tracking techniques
- Integrate tests on compliance with the requirements of the French Sapin II law during audits and in self-assessment questionnaires
- Inform and support the subsidiaries (countries and Nature & Découvertes) in mapping their risks
- Prepare subsidiaries for the new rules under the e-Commerce Directive
- Standardize the tax risk recognition process and increase transparent in terms of tax paid by country



FINANCE

FNAC DARTY



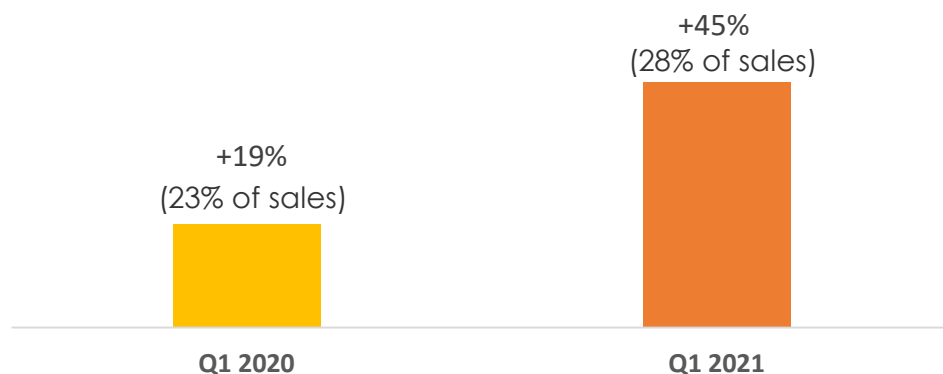
Q1 2021 REVENUE

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

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



FY 2020 RESULTS

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



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**

From May 11 to end of June



From July to end of September



2nd lockdown

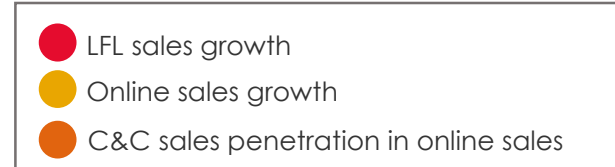
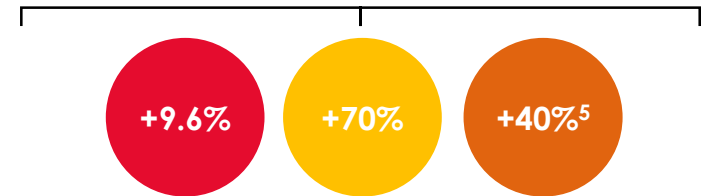
October 29 - November 28

Stores⁴

Online

Click & Collect

Q4 2020



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 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

¹ 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
France & Switzerland			
Revenues	6,031	6,228	+3.3%
<i>Like-for-like¹</i>			+1.9%
Current operating income	257	194	-€63m
Iberian Peninsula			
Revenues	722	654	-9.5%
<i>Like-for-like¹</i>			-11.1%
Current operating income	25	8	-€17m
Belgium & Luxembourg			
Revenues	596	609	+2.2%
<i>Like-for-like¹</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

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 FREE CASH FLOW GENERATION IN 2020

€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**, thanks to the implementation of the Guaranteed Government Loan combined with our strong business recovery and solid financial management

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

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