



**H1 2021  
RESULTS  
PRESENTATION**

**FNAC DARTY**



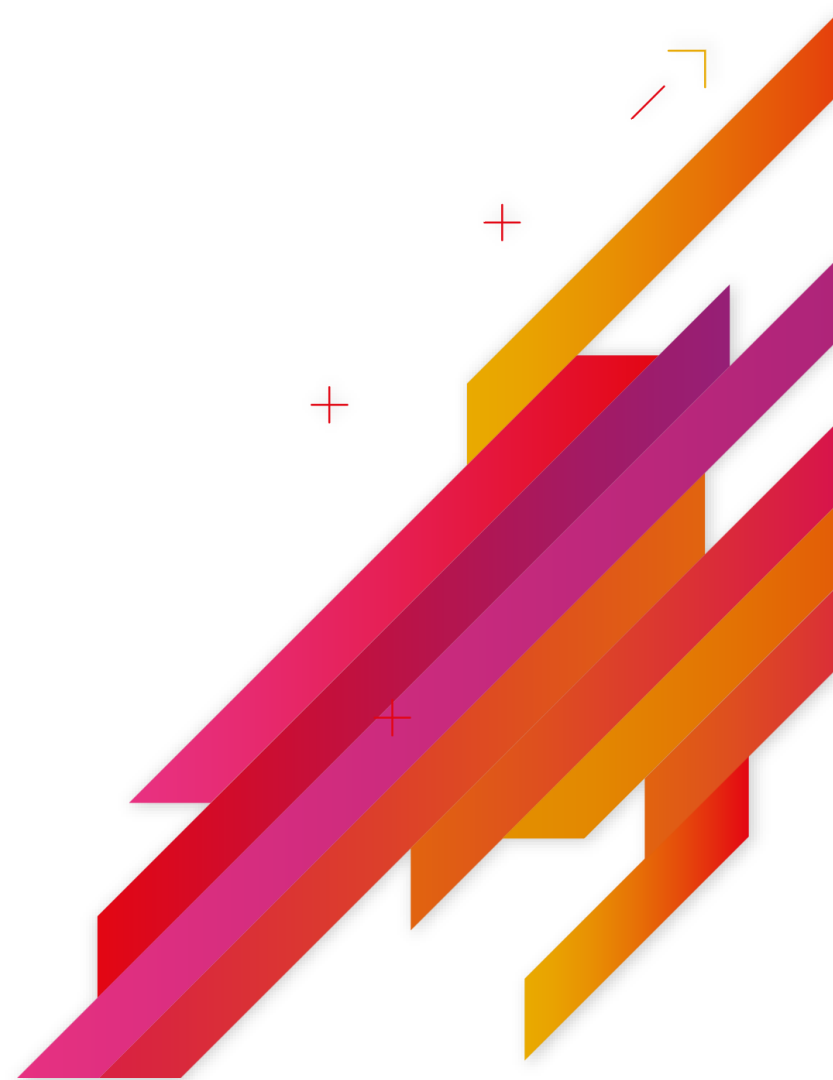
*July 29, 2021*



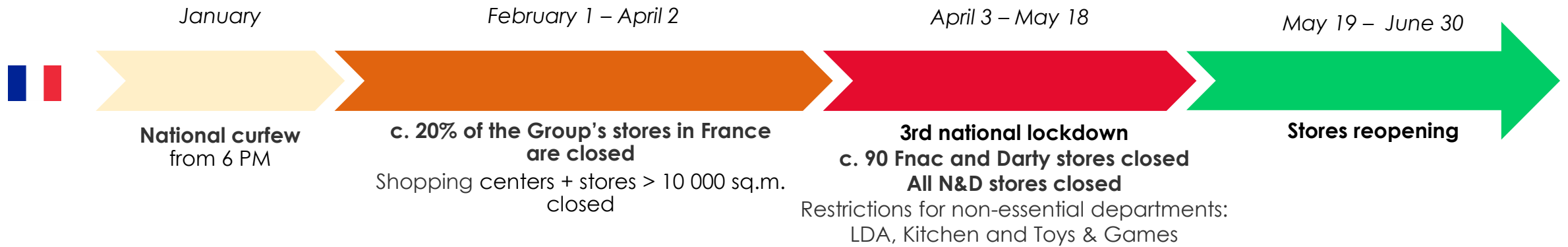
# BUSINESS REVIEW


Enrique Martinez, CEO

**FNAC DARTY**



# CONTINUING PUBLIC HEALTH RESTRICTIONS IN H1 2021 IN ALL REGIONS WHERE THE GROUP OPERATES



 All stores closed for 6 weeks (from Jan. 18 to Feb. 28) with Click & Collect permitted

 Lockdown by region with shopping centers and stores affected > 400 sq.m. closed in Catalonia

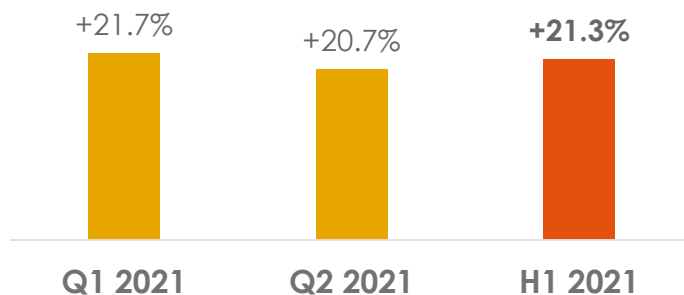
 Lockdown by region with the closure of stores deemed as non-essential and opening hours restricted on weekdays and weekends from April 19

 3<sup>rd</sup> national lockdown for a period of 6 weeks (from March 27 to May 11), with a limited impact on the Group's stores

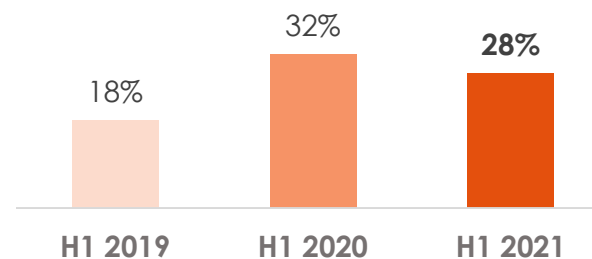
# SOLID H1 2021 RESULTS DESPITE THE UNPRECEDENTED CONTEXT

- **Strong operational execution in H1 2021**
  - **Group revenue at €3,465m in H1 2021, up +21% on a like-for-like basis<sup>1</sup>** thanks to the strong momentum in all regions and all product categories
  - **Strong performance of stores of c.+28%<sup>1</sup> and online sales growth of +7%<sup>1</sup>**, despite some store closures and the high basis of comps for online sales
  - **Online sales penetration remains of a high level of 28%**
- **Gross margin rate at 29.7%, up +10 bps vs. H1 2020 and up +65 bps excl. ticketing and franchise**
  - **A more favorable product mix and good performance in services...**
  - ... more than compensate for the decline in ticket sales caused by health measures, the decline in Nature & Découvertes' sales due to the closure of the stores for several weeks, and the technical dilutive impact of the strong performance of the franchise business
- **Current operating income at €34m, up vs. H1 2020 and vs. H1 2019 proforma<sup>2</sup>**

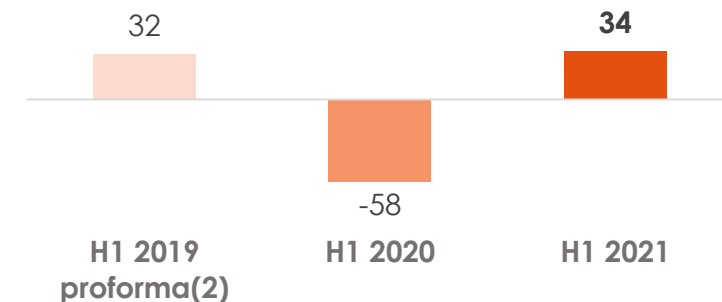
Group LFL revenue growth<sup>1</sup>



Online sales penetration



Current operating income  
(in €m)



(1) Like-for-like: excluding FX, scope and expansion effects  
 (2) Including Nature & Découvertes on a full-year basis and excluding BCC

# STRONG H1 2021 REVENUE GROWTH BOOSTED BY ALL PRODUCT SEGMENTS

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- **Strong group revenue growth in H1 2021 driven by:**
  - **Demand remaining strong for categories linked to home office supplies** despite some component shortages that have affected all the industry
  - **Continued momentum in home equipment especially on TV** which were boosted by the EURO football tournament as well as **domestic appliances** with the sale of more high-end products
  - **Solid sales of books** linked notably to the reopening of stores and the “Pass Culture”<sup>1</sup>, historically supported by Fnac to facilitate access to culture for all young people
  - **Good performance in services, in particular on Darty Max**, in connection with the reopening of stores, but excluding ticketing
  - **Continued diversification** of our product offering with:
    - Rollout of the Darty Cuisine offer with the opening of 11 new points of sale in H1, leading to a total of 180 points of sale by the end of June
    - Continued good performance in Urban Mobility and launch of a new partnership to develop the electric scooters range with Zeway

(1) The “Pass Culture” allows young people aged 18 of having a budget of €300 during 24 months to enjoy cultural activities in France

# MAIN ACHIEVEMENTS ON THE 3 STRATEGIC PILLARS OF THE EVERYDAY PLAN (1/2)

## ➤ **Embodying the new standards of the successful omnichannel retail strategy of the future, both digitalized and human**

- **Growing e-commerce activities**

- **Over 2 million new active web customers** registered in H1 2021, which sustained the online growth
- **Good dynamic of Click & Collect** and launch of the Click & Collect service directly provided by salespeople in all integrated Darty stores and in testing in some integrated Fnac stores
- **Good complementarity between the web and stores:**
  - c.70,000 sales made through video conference or sales chat since the launch in February 2021
  - “Mixed” customers penetration (customers active<sup>1</sup> on both channels, web and stores): +4 pts year-on-year

- **Continued expansion of the Group’s store network**

- **Opening of 18 new stores in H1**, mainly through franchises, with a total of 923 stores at the end of June 2021
- Strengthening of the Fnac brand's presence in Switzerland through the **deployment of 27 Fnac shop-in-shops within Manor stores by H1 2022**, with an objective of generating at least an additional €100m in revenue on a FY basis

MANOR

(1) Customers who have made at least 2 purchases over the last 12-month rolling period. Measured at the end of June 2021.

# MAIN ACHIEVEMENTS ON THE 3 STRATEGIC PILLARS OF THE EVERYDAY PLAN (2/2)

## ➤ Helping consumers to adopt sustainable behaviors

- **Continued expansion of WeFix** with the opening of 16 new points of sale in H1
- **Continued training and recruitment of technicians** to reach an additional 500 technicians by 2025
- Reaffirmation of the Group's **commitment to the climate** by recently joining the **Ambition 4 Climate movement**, as part of its objective to achieve a 50% reduction in CO<sub>2</sub> emissions by 2030<sup>1</sup>
- Signature of a **voluntary commitment charter** with the French government to reduce the **environmental footprint** of the Group's **e-commerce** activity

WeFix

Ambition 4 climate  
by afep

## ➤ Deploying the benchmark subscription-based home assistance service

- **Recent launch of 3 Darty Max offers** covering **additional product categories** and confirming the Group's position as a **leader in home assistance solutions**
- **+25% between the average basket** of a **Darty Max subscriber** and a Darty customer

Darty MAX	Essentiel	Évolution	Intégral
Price incl. VAT	€9.99/month	€14.99/month	€19.99/month
Large Domestic Appliances	•	•	•
Small Domestic Appliances	•	•	•
TV Home Cinema, Sound	•	•	•
Photography	•	•	•
Multimedia	•	•	•





# FINANCIAL HIGHLIGHTS



Jean-Brieuc Le Tinier, CFO

**FNAC DARTY**



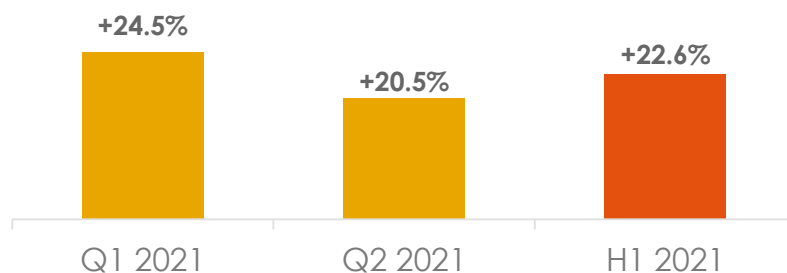


# FRANCE AND SWITZERLAND IN H1 2021

€m	H1 2020	H1 2021	Change
Revenue	<b>2,343</b>	<b>2,878</b>	+22.9%
Current operating income	<b>-45.6</b>	<b>32.7</b>	+78.3

- Revenue growth sustained by **strong momentum in almost all product categories**, especially Hardware, TV, LDA, SDA, Books and Gaming
- Nature & Découvertes strongly affected by continued public health restrictions
- **Services performed well**, driven by solid growth from franchises, insurance & warranty and marketplace, while ticketing is still in decline
- **Current operating income increased by €78m year-on-year** thanks to good sales momentum and tight control over commercial investments and operating expenses

H1 2021 revenue<sup>1</sup> evolution



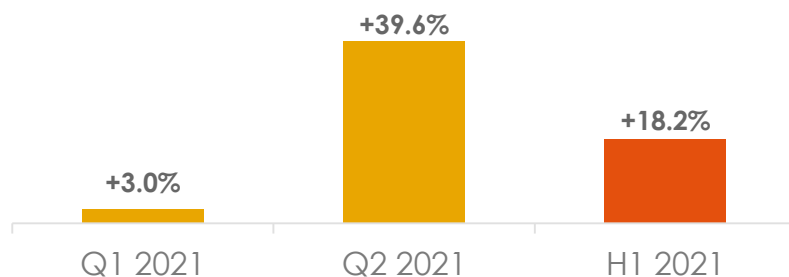
(1) Like-for-like: excluding FX, scope and expansion effects

# IBERIAN PENINSULA IN H1 2021

€m	H1 2020	H1 2021	Change
Revenue	240	285	+19.1%
Current operating income	-12.7	-4.2	+8.5

- **Strong revenue growth** mainly driven by significant store performance, boosted by a more favorable comparable basis due to the later end of lockdown measures in 2020
- **All product categories** sustained the sales growth in both countries, mainly books, telephony, photo, sound and television
- Current operating income impacted by tough competitive pressure and a weak macroeconomic environment, despite good commercial execution

H1 2021 revenue<sup>1</sup> evolution

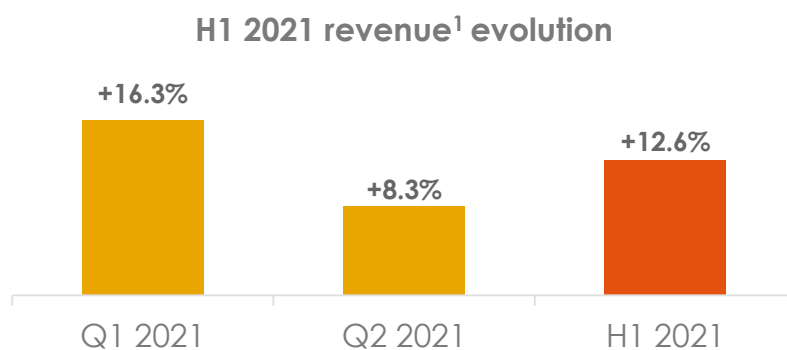


(1) Like-for-like: excluding FX, scope and expansion effects

# BELGIUM AND LUXEMBOURG IN H1 2021

€m	H1 2020	H1 2021	Change
Revenue	<b>267</b>	<b>301</b>	+12.8%
Current operating income	<b>0.7</b>	<b>5.6</b>	+4.9

- **Solid revenue growth** driven by both significant store performance as well as online growth
- Solid sales momentum in computer equipment, appliances and books, despite restrictive public health conditions for Vanden Borre
- The quality of operational execution enabled the region to post growth in its current operating income of €5m compared with H1 2020



(1) Like-for-like: excluding FX, perimeter and expansion effects

# H1 2021 GROUP FINANCIAL RESULTS

€m	H1 2020	H1 2021
<b>Revenue</b>	<b>2,849</b>	<b>3,465</b>
Gross margin	844	1,029
Costs	902	995
<b>Current operating income</b>	<b>-58</b>	<b>34</b>
Non-current operating income and expenses	<b>-25</b>	<b>-3</b>
<b>Operating income</b>	<b>-83</b>	<b>32</b>
Financial expense	-23	-25
Tax expense	26	-9
<b>Net income from continuing operations, Group share</b>	<b>-77</b>	<b>1</b>
Discontinued operations	-42	17
<b>Consolidated net income, Group share</b>	<b>-118</b>	<b>17</b>

- **Current operating income** at €34m, up €92m compared to H1 2020 and higher than the level in H1 2019 on a comparable basis<sup>1</sup>
- **Continued tight control of operating costs**, enabling the Group to significantly reduce costs as a percentage of revenues by 300 bps to 28.7%
- **Consolidated net income, Group share for H1 2021 is positive at €17m**, up by €136m year-on-year

(1) Including Nature & Découvertes on a full-year basis and excluding BCC

# FREE CASH FLOW GENERATION

€m	H1 2020	H1 2021
<b>EBITDA</b>	<b>119</b>	<b>210</b>
IFRS 16 impact	-124	-125
Non-recurring cash elements	-9	2
<b>Cash flow from operations before tax, dividends and interest</b>	<b>-14</b>	<b>88</b>
Change in working capital <sup>1</sup>	-415	-581
CAPEX <sup>2</sup>	-50	-46
Tax	-24	-38
<b>Operating free cash flow<sup>1</sup></b>	<b>-503</b>	<b>-577</b>

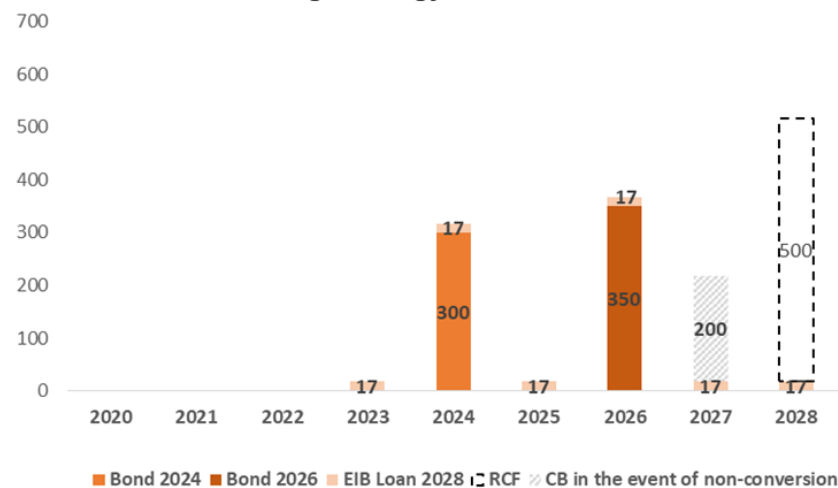
- **EBITDA up €92m** including the impact of IFRS 16 vs. H1 2020, in line with the current operating income trend
- **Operating free cash flow stands at -€577m**, mainly impacted by:
  - The **reduction in working capital requirements** due to the **rebuilding of inventories** as a result of the strong sales momentum in Q4 2020, which continued in H1 2021
  - The higher level of tax paid due to higher income achieved in H1 2021
- CAPEX for the year 2021 amounts to €46m in H1 2021, down by -€4m vs. H1 2020

(1) Excluding IFRS 16  
 (2) Including CAPEX for 2019 disbursed in 2020 for €13m in H1 2020

# A STRONG LIQUIDITY POSITION

€m	At December 31, 2020	At June 30, 2021
<b>Shareholders' equity</b>	<b>1,373</b>	<b>1,409</b>
Net debt <sup>1</sup>	<b>-114</b>	<b>454</b>
Gross debt	1,455	933
Cash & cash equivalents	1,569	479
Rental debt (IFRS 16)	1,114	1,050

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



- **New financing structure** implemented in March 2021 to strengthen the Group's financial flexibility, with:
  - Placement of a first OCEANE bond for €200m maturing in 2027
  - Extension of the RCF credit line to €500m with a CSR component, maturing at the latest in 2028, and repayment of the Senior Term Loan Facility of €200m, maturing in April 2023
  - Full repayment of the €500m state-guaranteed loan
- **Good cash position at €479m**, thanks to the strong business dynamics and solid financial management
- **1<sup>st</sup> dividend of €1/share paid** on July 7

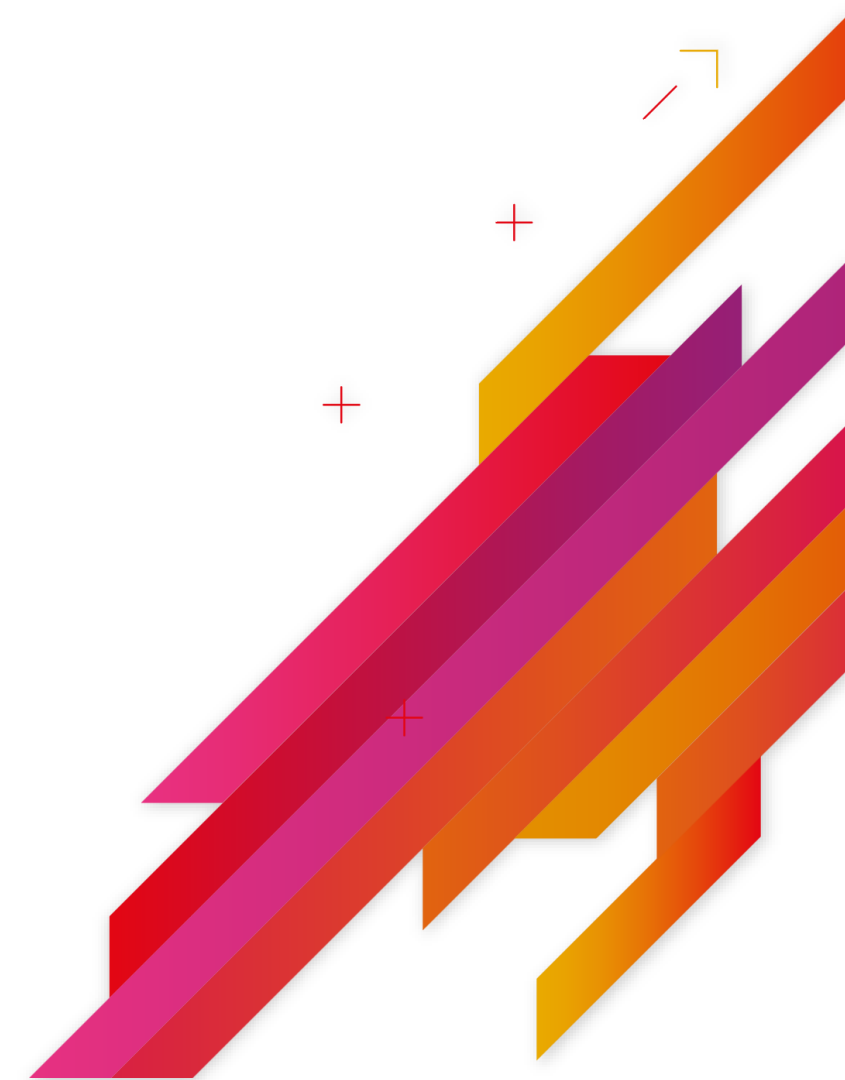
(1) Excluding IFRS 16



# OUTLOOK

Enrique Martinez, CEO

**FNAC DARTY**



# OUTLOOK

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- Current restrictions on opening hours in the Iberian Peninsula and following the latest announcements by the French government, the conditions of access to shopping centers of more than 20,000 sq.m. may change and consequently could affect the operating conditions of some of the stores in the 2<sup>nd</sup> half of 2021.
- However, the Group remains confident but cautious about the performance of its markets for the rest of 2021, and will continue to focus on its commercial execution in order to fully succeed in the major commercial events of the 2<sup>nd</sup> half of the year, as well as on cost control and cash-flow generation.
- Consequently, the **Group is upgrading its FY2021 guidance**<sup>1</sup> with:
  - **Total revenue expected to increase by c.5%**<sup>2</sup> compared with 2020
  - **Current operating income expected to stand between €260m and €270m**, which is equivalent to pro-forma<sup>3</sup> FY2019 current operating income, excluding ticketing.

<sup>1</sup> Subject to there being no further prolonged periods of store closures.

<sup>2</sup> Like-for-like: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.





Q&A

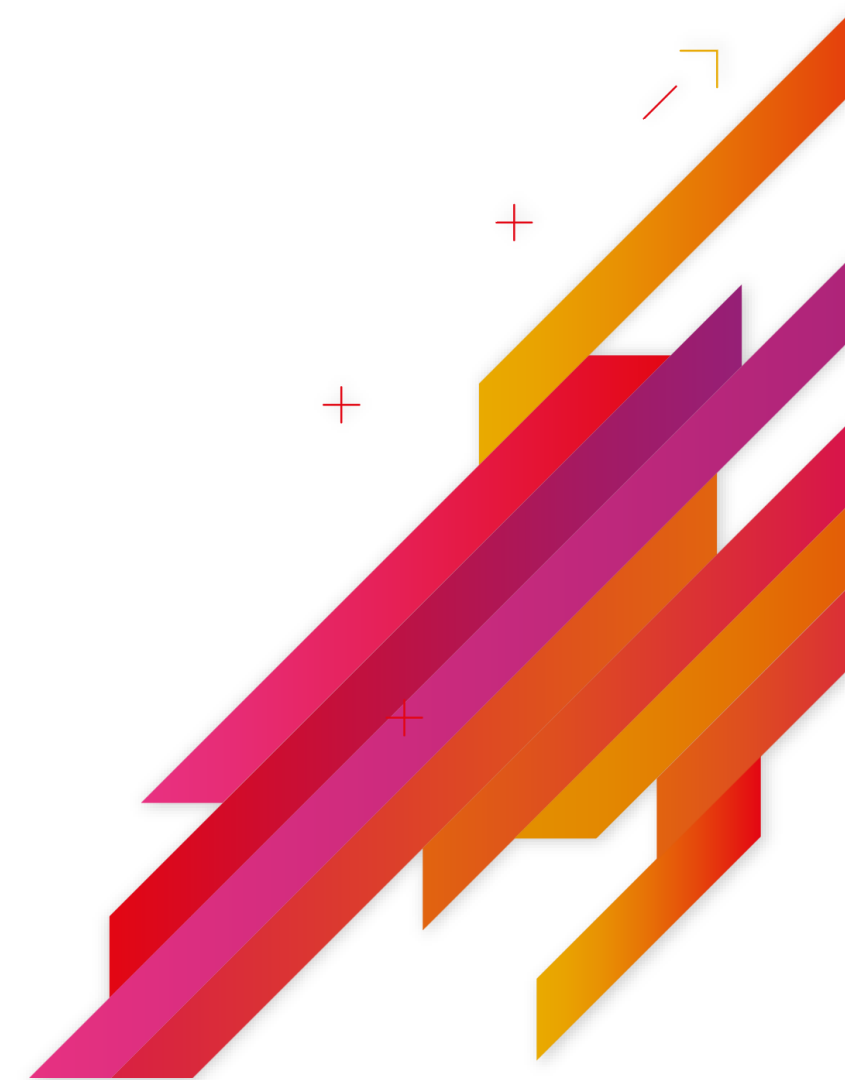
**FNAC DARTY**





# APPENDICES

**FNAC DARTY**  

# DEFINITIONS (1/2)

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

- This indicator measures changes in revenue excluding exchange rate fluctuations, the impact of change 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 current operating income as the main operating balance. It is defined as the difference between the total operating profit and "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 and that can be used as a way to estimate recurring performance.

# DEFINITIONS (2/2)

With application of IFRS 16	IFRS 16	Without application of IFRS 16
<b>EBITDA</b> Current operating income before depreciation, amortization and provisions on fixed operational assets	<i>Rents within the scope of IFRS 16</i>	<b>EBITDA excluding IFRS 16</b> EBITDA including rental expenses within the scope of IFRS 16
<b>Free cash flow from operations</b> Net cash provided by operating activities less net operating investments	<i>Disbursement of rents within the scope of IFRS 16</i>	<b>Free cash flow from operations excluding IFRS 16</b> Free cash flow from operations including cash impacts relating to rents within the scope of IFRS 16
<b>Net cash</b> Gross cash and cash equivalents less gross financial debt	<i>Rental debt</i>	<b>Net cash excluding IFRS 16</b> Net cash less rental debt
<b>Net debt</b> Gross financial debt less gross cash and cash equivalents	<i>Rental debt</i>	<b>Net debt excluding IFRS 16</b> Net financial debt less rental debt
<b>Net financial income</b>	<i>Financial interest on rental debt</i>	<b>Net financial income excluding IFRS 16</b>

# Q1/Q2/H1 REVENUE

(€m)	Q1 2021	Change vs. Q1 2020			Q2 2021	Change vs. Q2 2020			H1 2021	Change vs. H1 2020		
		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	1,505	24.8%	24.8%	24.5%	1,374	20.9%	20.9%	20.5%	2,878	22.9%	22.9%	22.6%
Iberian Peninsula	145	3.5%	3.5%	3.0%	140	41.1%	41.1%	39.6%	285	19.1%	19.1%	18.2%
Belgium and Luxembourg	168	16.7%	16.7%	16.3%	133	8.3%	8.3%	8.3%	301	12.8%	12.8%	12.6%
<b>Group</b>	<b>1,818</b>	<b>22.0%</b>	<b>22.0%</b>	<b>21.7%</b>	<b>1,647</b>	<b>21.2%</b>	<b>21.3%</b>	<b>20.7%</b>	<b>3,465</b>	<b>21.6%</b>	<b>21.7%</b>	<b>21.3%</b>

# CASH FLOW STATEMENT

(€m)	H1 2020	H1 2021
<b>Net debt excluding IFRS 16 as of January 1</b>	<b>18</b>	<b>(114)</b>
Cash flow from operations before tax, dividends and interest	109	212
Change in working capital	(415)	(579)
Corporate income tax paid	(24)	(38)
Operating investments	(50)	(46)
<b>Operating free cash flow</b>	<b>(380)</b>	<b>(451)</b>
Interest paid net of interest and dividends received	(15)	(17)
Acquisition / disposal of subsidiaries net of cash transferred	(1)	0
Acquisition / disposal of other financial assets (net)	0	2
Increase / decrease in equity and other transactions with shareholders (incl. OCEANE)	1	20
<b>Repayment of rental debts</b>	<b>(112)</b>	<b>(116)</b>
<b>Interest paid on rental obligations</b>	<b>(11)</b>	<b>(11)</b>
Cash flow related to discontinued operations	(13)	(2)
Other	(1)	8
<b>Change in net debt, excluding IFRS 16</b>	<b>(531)</b>	<b>(568)</b>
<b>Net debt excluding IFRS 16 as of June 30</b>	<b>549</b>	<b>454</b>
<b>Rental debt</b>	<b>958</b>	<b>1,050</b>
<b>Net debt including IFRS 16 as of June 30</b>	<b>1,507</b>	<b>1,504</b>



Operating free cash flow excluding IFRS 16: **€(577)m**



# BALANCE SHEET

Assets in €m	At December 31, 2020	At June 30, 2021
Goodwill	1,654	1,654
Intangible assets	506	512
Tangible assets	594	575
Rights of use relating to lease agreements	1,109	1,042
Investments in associates	0	1
Non-current financial assets	33	32
Deferred tax assets	67	60
Other non-current assets	0	0
<b>Non-current assets</b>	<b>3,964</b>	<b>3,875</b>
Inventories	960	1,055
Accounts receivable	285	168
Current tax receivables	4	21
Other current financial assets	7	6
Other current assets	361	170
Cash & cash equivalents	1,569	479
<b>Current assets</b>	<b>3,186</b>	<b>1,899</b>
Assets held for sale	0	0
<b>Total assets</b>	<b>7,149</b>	<b>5,774</b>

Equity and Liabilities in €m	At December 31, 2020	At June 30, 2021
Share capital	27	27
Reserves related to equity	971	971
Conversion reserves	-5	-6
Other reserves	375	416
<b>Equity, Group share</b>	<b>1,369</b>	<b>1,408</b>
Equity attributable to minority interests	5	2
<b>Equity</b>	<b>1,373</b>	<b>1,409</b>
Long-term liabilities	902	930
Long-term leasing debt	884	820
Provisions for retirement and similar benefits	206	178
Other non-current liabilities	124	106
Deferred tax liabilities	165	165
<b>Non-current liabilities</b>	<b>2,281</b>	<b>2,199</b>
Short-term liabilities	553	3
Short-term leasing debt	230	230
Other current financial liabilities	13	5
Accounts payable	1,784	1,231
Provisions	31	30
Tax liabilities	30	0
Other current liabilities	854	667
<b>Current liabilities</b>	<b>3,495</b>	<b>2,166</b>
Liabilities associated with assets classified as held for sale	0	0
<b>Total liabilities and equity</b>	<b>7,149</b>	<b>5,774</b>

← €1,050m of IFRS 16 impact related to rental debt

# STORE NETWORK

	December 31, 2020			June 30, 2021		
	Owned	Franchised	Total	Owned	Franchised	Total
<b>France and Switzerland<sup>(1)</sup></b>	412	339	751	412	354	766
<b>Iberian Peninsula</b>	67	5	72	67	5	72
<b>Belgium and Luxembourg</b>	85	0	85	85	0	85
<b>Group</b>	<b>564</b>	<b>344</b>	<b>908</b>	<b>564</b>	<b>359</b>	<b>923</b>

(1) including 13 stores abroad: 3 in Morocco, 4 in Tunisia, 1 in Congo, 1 in Cameroon, 2 in Ivory Coast and 2 in Qatar; and 17 overseas stores



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