



INVESTOR PRESENTATION

FNAC DARTY



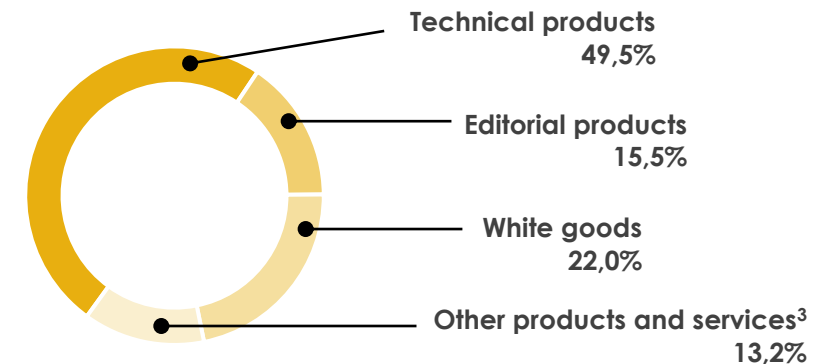
September 2021

FNAC DARTY AT A GLANCE

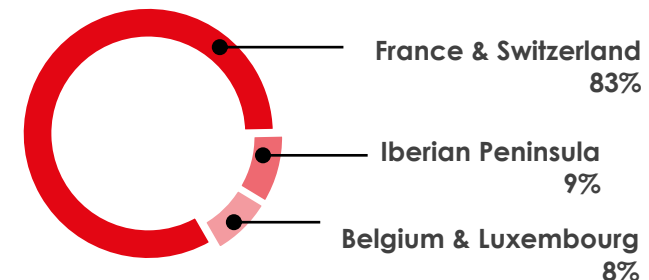
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **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
- **923 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



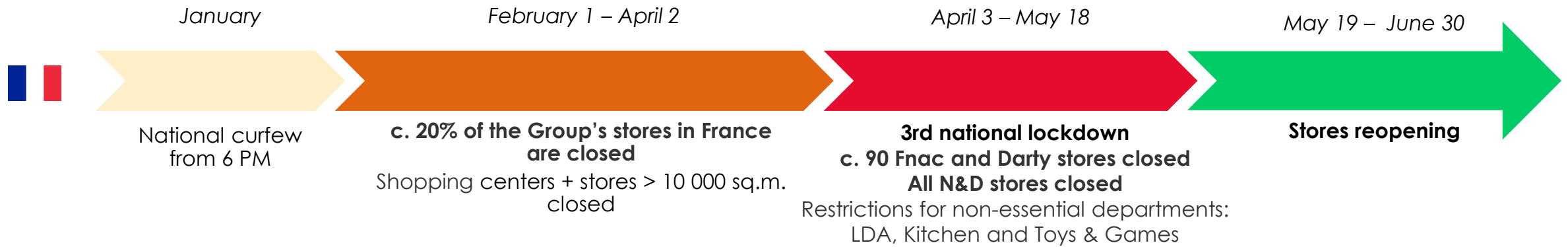
H1 2020 BUSINESS REVIEW & MAIN ACHIEVEMENTS



FNAC DARTY



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



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

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

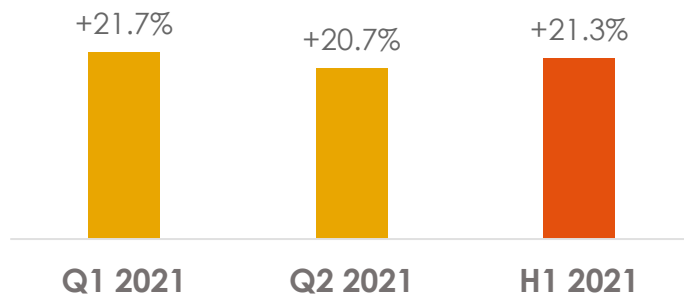
 Lockdown by region with the closure of stores deemed as non-essential and opening hours restricted on weekdays and weekends from April 19

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

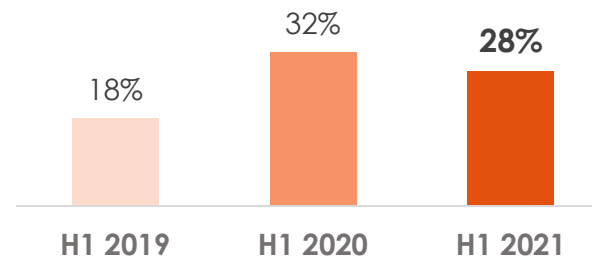
SOLID H1 2021 RESULTS DESPITE THE UNPRECEDENTED CONTEXT

- **Strong operational execution in H1 2021**
 - **Group revenue at €3,465m in H1 2021, up +21% on a like-for-like basis¹** thanks to the strong momentum in all regions and all product categories
 - **Strong performance of stores of c.+28%¹ and online sales growth of +7%¹**, 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 proforma²**

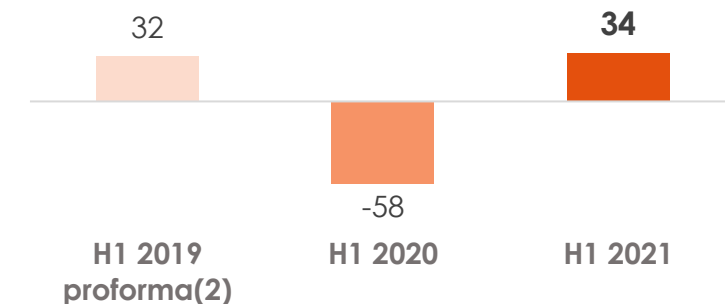
Group LFL revenue growth¹



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

- **Strong group revenue growth in H1 2021 was 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 2020 football tournament as well as **appliances** with the sale of more high-end products
 - **Solid sales of books** linked notably to the reopening of stores and the “Pass Culture”¹, 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 from the age of 18 years 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 active¹ on both channels, web and stores): +4 pts yoy

- **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 CO₂ emissions by 2030¹
- Signature of a **voluntary commitment charter** with the French government to reduce the **environmental footprint** of the Group's **e-commerce** activity



▶ 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

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





H1 2021 FINANCIAL RESULTS

FNAC DARTY



H1 2021 GROUP FINANCIAL RESULTS

€m	H1 2020	H1 2021
Revenue	2,849	3,465
Gross margin	844	1,029
Costs	902	995
Current operating income	-58	34
Non-current operating income and expenses	-25	-3
Operating income	-83	32
Financial expense	-23	-25
Tax expense	26	-9
Net income from continuing operations	-80	-2
Discontinued operations	-42	17
Consolidated net income, Group share	-118	17

- **Current operating income** at €34m, up €92m compared to H1 2020 and higher than the level in H1 2019 on a comparable basis¹
- **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
EBITDA	119	210
IFRS 16 impact	-124	-125
Non-recurring cash elements	-9	2
Cash flow from operations before tax, dividends and interest	-14	88
Change in working capital ¹	-415	-581
CAPEX ²	-50	-46
Tax	-24	-38
Operating free cash flow¹	-503	-577

- **EBITDA up €91m** 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

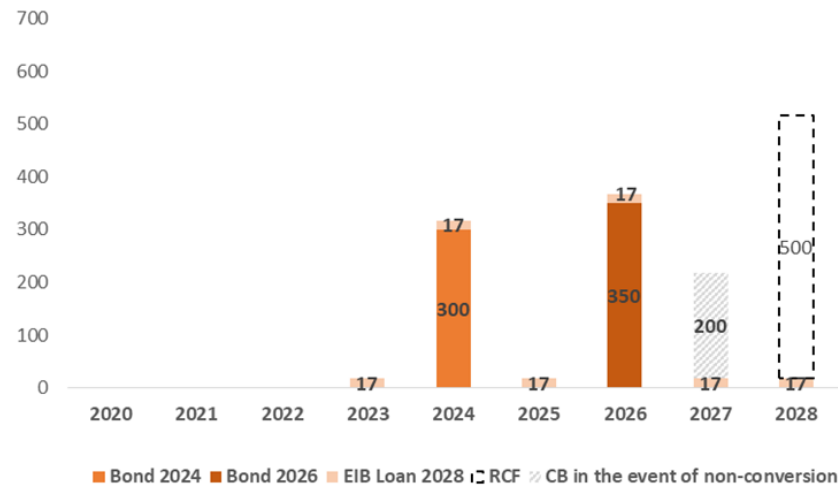
¹ excluding IFRS 16

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
Shareholders' equity	1,373	1,409
Net debt ¹	-114	454
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



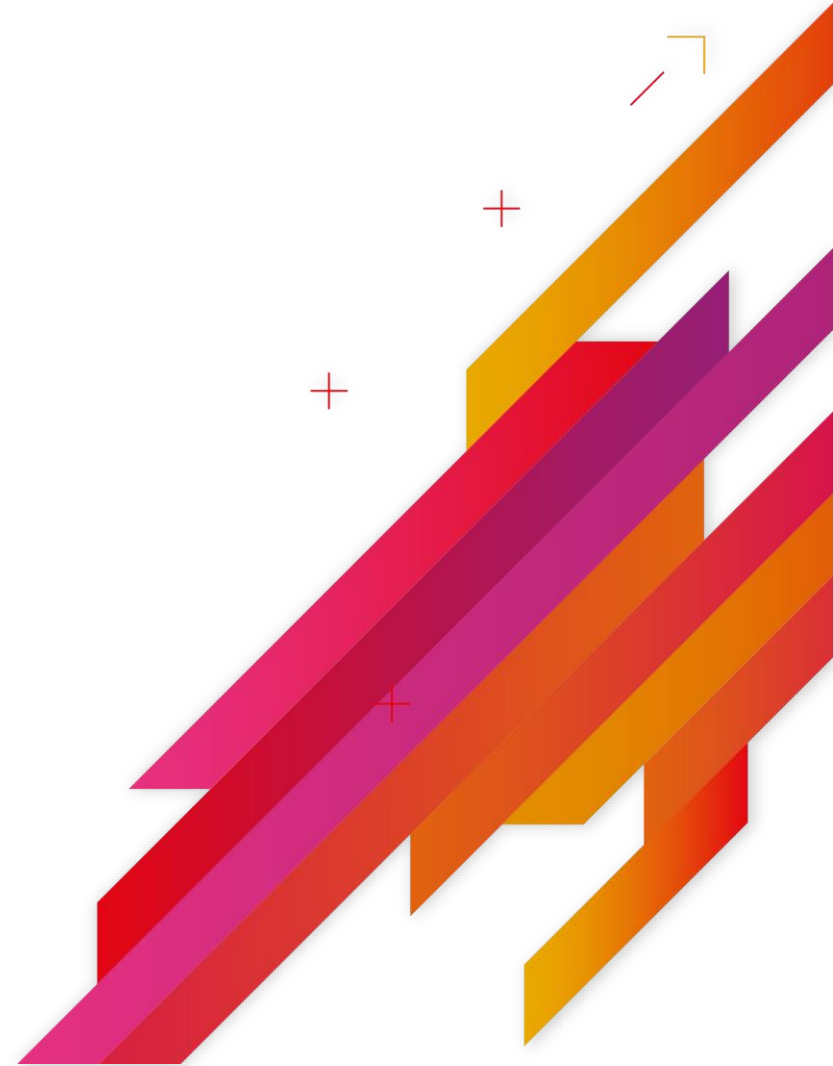
- **New financing structure** implemented in March 2021 to strengthen the Group's financial flexibility, with:
 - Placement of a first OCEANE bond for €200m maturing in 2027
 - Extension of the RCF credit line to €500m with a CSR component, maturing at the latest in 2028, and repayment of the Senior 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
- **1st dividend of €1/share paid** on July 7

¹ excluding IFRS 16



OUTLOOK

FNAC DARTY



OUTLOOK

- 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 2nd 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 2nd half of the year, as well as on cost control and cash-flow generation.
- Consequently, the **Group is upgrading its FY2021 guidance**¹ with:
 - **Total revenue expected to increase by c.5%**² compared with 2020
 - **Current operating income expected to stand between €260m and €270m**, which is equivalent to pro-forma³ FY2019 current operating income, excluding ticketing.

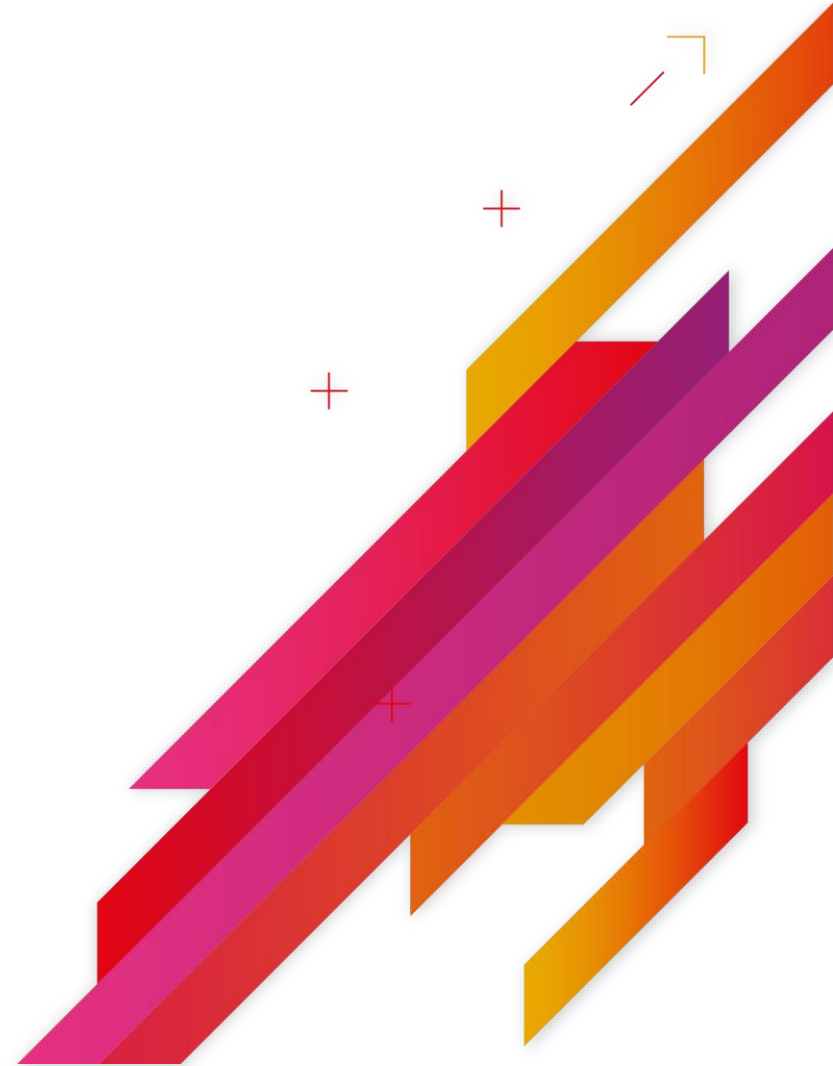
¹ Subject to there being no further prolonged periods of store closures.

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



STRATEGIC PLAN, EVERYDAY

FNAC DARTY



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

» Build a digitized omnichannel retail



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

» Lead durable behaviors

KEY 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
 - 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 profitable¹ by 2025
- **Controlled capex level focused on strategic initiatives**
 - c.€120m of annual normative capex, 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

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

- **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. Approved at the Annual General Meeting of 27 May 2021
3. Dividend for 2021 paid in 2022, subject to approval by the Annual General Meeting



APPENDICES H1 2021

FNAC DARTY



DEFINITIONS (1/2)

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

Q1/Q2/H1 2021 REVENUE VS. 2020

(€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%
Group	1,818	22.0%	22.0%	21.7%	1,647	21.2%	21.3%	20.7%	3,465	21.6%	21.7%	21.3%

H1 2021 CASH FLOW STATEMENT VS. 2020

(€m)	H1 2020	H1 2021
Net debt excluding IFRS 16 as of January 1	18	(114)
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)
Operating free cash flow	(380)	(451)
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
Repayment of rental debts	(112)	(116)
Interest paid on rental obligations	(11)	(11)
Cash flow related to discontinued operations	(13)	(2)
Other	(1)	8
Change in net debt, excluding IFRS 16	(531)	(568)
Net debt excluding IFRS 16 as of June 30	549	454
Rental debt	958	1,050
Net debt including IFRS 16 as of June 30	1,507	1,504



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
Non-current assets	3,964	3,875
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
Current assets	3,186	1,899
Assets held for sale	0	0
Total assets	7,149	5,774

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
Equity, Group share	1,369	1,408
Equity attributable to minority interests	5	2
Equity	1,373	1,409
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
Non-current liabilities	2,281	2,199
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
Current liabilities	3,495	2,166
Liabilities associated with assets classified as held for sale	0	0
Total liabilities and equity	7,149	5,774

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

STORE NETWORK EVOLUTION

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

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



APPENDICES FY 2020

FNAC DARTY




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/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%

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

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