

Very good performance of the 3rd quarter 2021 revenue, stable year-on-year and up +7.4%^{1&2} vs. the 3rd quarter of 2019

- 3rd quarter 2021 revenue of €1,854 million, almost stable at -0.3% on a reported basis and -0.5% on a like-for-like basis² compared to the 3rd quarter of 2020
- Revenue over the first nine months of 2021 was up +12.7% compared to 2020² and +9.3% compared to 2019^{1&2}
- Continued growth in e-commerce over the 3rd quarter as all stores reopened, with the weight of online sales reaching almost 26% over the first nine months of 2021
- Recognition of Fnac Darty's corporate social responsibility commitments with a V.E (Moody's ESG Solutions) ESG Assessment of 54/100, up +6 points year-on-year
- Revenue growth in 2021 expected to be slightly above +5%² compared to 2020 and current operating income in 2021 expected to be at the top end of €260-270 million

Enrique Martinez, Chief Executive Officer of Fnac Darty, declared: "The Group posted excellent sales figures for this quarter, driven by sustained market momentum and the continued acceleration of online sales. Our commercial positioning, together with our proven agility, would allow us to ensure the good availability and quality of our products and services for the end of the year, a crucial time for the Group. Alongside this, our efforts in terms of corporate social responsibility identify us as a leader in sustainable consumption and have been recognized in our new extra-financial rating from Vigeo Eiris."

3RD QUARTER 2021 REVENUE AND CUMULATIVE REVENUE OVER THE FIRST 9 MONTHS OF 2021

	Q3 2021	Change vs. Q3 2020		9M 2021	Change vs. 9M 2020	
	In €m	Reported	Like-for-like ²	In €m	Reported	Like-for-like ²
France and Switzerland	1,539	0.1%	-0.2%	4,418	13.9%	13.6%
Iberian Peninsula	165	1.1%	0.8%	450	11.8%	11.2%
Belgium and Luxembourg	150	-5.6%	-5.5%	451	5.9%	5.8%
Group	1,854	-0.3%	-0.5%	5,319	13.0%	12.7%

¹Excluding Nature & Découvertes and excluding BCC.

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

THIRD QUARTER 2021 HIGHLIGHTS

GOOD SALES RESILIENCE IN THE THIRD QUARTER OF 2021

Group revenue amounted to €1,854 million in the 3rd quarter of 2021, down slightly by -0.5% on a like-for-like basis¹ and -0.3% on a reported basis. This performance was driven by continued growth in online sales, while stores posted a slight decline, impacted by a very high comparison basis effect linked to the reopening of stores after the first lockdown, which had particularly supported sales growth last year. This quarter, all of the Group's stores remained open. However, the introduction of the health pass in certain shopping malls of more than 20,000 sq.m. continued to impact store traffic, despite the limited number of Fnac and Darty shops affected at the Group level. Nature & Découvertes stores, which have a strong presence in shopping malls, were more impacted by this measure.

Over the first nine months of 2021, the Group's revenue reached €5,319 million, up +12.7% on a like-for-like basis³ and +13.0% on a reported basis.

By product category over the quarter, **large and small domestic appliances** posted a decline in revenue due to a very high comparison basis in 2020, but a higher level of sales than in 2019. Sales of **consumer electronics** were stable, driven by the good momentum of the telephony segment. This included particularly strong interest in the iPhone 13, which was released a month before the previous model last year, and television and sound, which offset the decline in photo and IT sales, which was greatly affected by a very high comparison basis.

In all regions, **editorial products** benefited from good growth in audio, gaming and books, mainly due to the rise in comic and manga sales driven by the positive impact of the Culture Pass⁴ in France.

Lastly, the **diversification** category posted strong growth driven by urban mobility, the games & toys and home & design segments.

Services saw very good performance from Darty Max, which continued its roll out, although this was offset by the adjustment of part of the Marketplace offering following recent tensions on the consumer electronics market, notably in telephony, and recent changes in European regulation.

By region, during the quarter, sales in the **France and Switzerland** segment amounted to €1,539 million, down slightly by -0.2% on a like-for-like basis³, despite a very high comparison basis effect. E-commerce sales continued to grow during the quarter. In-store traffic is gradually returning to normal, although it is still lagging behind, particularly impacted this quarter by the introduction of the health pass in large shopping malls.

Domestic appliances posted a decline in sales, impacted by a very high comparison basis effect and by the absence of a heat wave that had particularly boosted sales in the category last year. Consumer electronics performance remains solid, driven by telephony, television and sound, while the photography and IT segments are in decline. Editorial products show strong growth in book, audio and gaming sales. Books benefited from the continued roll-out of the Culture Pass² and good momentum in comic and manga sales.

The diversification segment continues to grow, thanks to solid momentum in the urban mobility, home & design and games & toys segments.

In the first nine months of the year, the France and Switzerland region posted a +13.6% increase in revenue on a like-for-like basis³ to €4,418 million.

Revenue for the **Iberian Peninsula** reached €165 million in the third quarter of 2021, up by +1.1% on a reported basis and +0.8% on a like-for-like basis⁵. As health restrictions were gradually lifted, the region benefited from good sales momentum in store where only footfall limits remained during the quarter. In a context of continued competitive pressure, Spain posted good performance in editorial products, telephony and services.

¹ Like-for-like data: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned-store openings and closures.

² Ability given to all 18-year-olds to use their €300 Culture Pass to buy books, audio and video products, or show tickets in all Fnac stores in France.

³ Like-for-like data: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned-store openings and closures.

Portugal benefited from growth in online sales and strong momentum in telephony, audio, books, gaming and services.

In the first nine months of the year, the Iberian Peninsula posted a +11.2% increase in revenue on a like-for-like basis⁵ to €450 million.

Finally, revenue for the **Belgium and Luxembourg** region reached €150 million, down -5.6% on a reported basis and -5.5% on a like-for-like basis⁵. As a reminder, the region benefited from very strong sales momentum in the 3rd quarter of 2020 as stores reopened after the first lockdown and heat waves improved sales of domestic appliances last year. This quarter, the region saw solid growth in editorial products, driven by books, audio and gaming, and diversification categories that were more than offset by declines in domestic appliances, consumer electronics and services.

In the first nine months of the year, the Belgium and Luxembourg region posted a +5.8% increase in revenue on a like-for-like basis⁵ to €451 million.

KEY OPERATIONAL PROGRESS DURING THE QUARTER

An omnichannel model that continues to strengthen and prove its worth

As health restrictions were clearly reduced in all countries where the Group operates, the relevance of the omnichannel model is once again demonstrated by the complementarity of online and in-store purchases. Online sales continued to grow this quarter, albeit in a more normalized way as the entire store network was opened, with the **Click & Collect** rate remaining high at 46% of online sales. To enhance the purchasing experience, the Group continued to roll out the Click & Collect service provided by a salesperson in all integrated Darty stores, with an objective of rolling out to all Fnac integrated stores by the end of the year. In addition, the ability to video chat with a salesperson on the Group's e-commerce sites has continued to be rolled out across both brands, with all Darty integrated stores rolling this feature out this quarter.

Finally, in a world of hyperchoice, and in line with the Group's purpose, which is "to commit to providing an educated choice and more sustainable consumption," Fnac recently launched **L'Éclaireur Fnac** <https://leclaireur.fnac.com/>, a digital media site to help people form educated choices and opinions. The objective of this new site is to support readers by providing content designed to enlighten their opinions and choices on major themes related to the worlds of culture and technology. This platform will be supplied by existing trendsetting content, such as that of Claque Fnac or Labo Fnac, as well as new content that will expand interactions with customers on the web.

The relevance of the omnichannel model is based on **dense geographical coverage**. The Group opened 14 stores this quarter, including 12 franchises in France. Fnac opened 6 stores during the quarter, including 5 in France and 1 in Spain. Darty opened 8 franchised stores in France. Since the beginning of the year, Fnac Darty has opened a total of 32 stores and, consequently, now has a total of 936 points of sale, including 370 franchises at the end of September 2021. The partnership with Manor in Switzerland is unfolding as expected, with 9 shop-in-shops scheduled to open by the end of the year, reaching a total of 27 shop-in-shops by the end of the first half of 2022. This partnership will contribute to strengthening Fnac's reputation in Switzerland with denser geographical coverage, also promoting the development of Click & Collect.

Finally, the Group continued to roll out its Darty Kitchen offer during the quarter with the opening of three new sales spaces, all in the franchise format. At the end of September 2021, the Group had more than 180 Kitchen sales outlets, including 24 stores dedicated exclusively to this service offer.

Continued action on product sustainability and social commitment

As a socially responsible player, Fnac Darty is accelerating one of the key pillars of its strategic plan Everyday by continuing its actions to increase the life span of products. During the quarter, the Group, as the leading repairer in France, published its **4th after-sales service barometer**, an indispensable benchmark and source of information, which allows consumers to find out about the sustainability and reliability of products and brands, while enabling the industry to take stock of the extension of product life spans and identify the margins for progress in this area. This year, 77 product families were studied and analyzed, compared to 63 last year. Awareness of sustainability issues is growing within the industry, with a notable increase in the availability of spare parts this year.

Furthermore, in order to encourage consumers to repair their products more often, the Group has continued to expand its **WeFix** network, the French leader in express smartphone repair. It opened 6 new points of sale, bringing the total number to almost 140 by the end of September 2021. A new class dedicated to training technicians was also launched during the quarter with the objective of reaching 13 classes opened in 2021. These training courses are designed to ensure the continued quality of the after-sales service and to meet the growing need for home call-out services, particularly since the launch of the Darty Max repair subscription service and the desire to recruit 500 more technicians by 2025 in addition to the current 2,500 technicians.

Finally, the Group has continued to set up channels to recycle products in order to give them a second life. In this respect, a partnership with the French startup **La Bourse aux Livres** was entered into during the quarter to offer a new service that allows users to leave their old books at Fnac bookstores so that they can be resold at the best price, thereby strengthening the Group's second life offer for entertainment products.

CSR commitments once again recognized by extra-financial rating agencies

All of the corporate social responsibility initiatives were once again recognized by the extra-financial ratings agencies in 2021. Fnac Darty thus saw its AA rating renewed by **MSCI** for the third consecutive time. The Group ranks in the Top 17% of the MSCI specialized retail sector universe, with a score of 7.8 out of 10¹.

Furthermore, Fnac Darty was classified in the "Robust" category of the **V.E (Moody's ESG Solutions)** ranking with an ESG Assessment of 54/100, up +6 points compared to 2020. Progress was seen across all CSR components, with a pronounced increase in environmental aspects (+14 points vs. 2020). Fnac Darty is ranked 8th out of 74 companies in its sector², with an ESG Assessment well above the sector average of 35/100.

GROSS MARGIN RATE

The Group's gross margin rate is stable over the first nine months of the year compared to 2020. Excluding the impact of ticketing, which is recovering very gradually in line with expectations, and the dilutive technical effect of franchising, the Group posted a slightly higher gross margin rate for the first nine months of the year compared with 2020.

¹ MSCI Industry Adjusted Score.

² European specialized distribution sector as defined by V.E.

FNAC DARTY



OUTLOOK

Thanks to the strength of its logistics and digital capabilities and the quality of its relationships with its suppliers in a context of supply chain tensions, Fnac Darty remains confident in its operational ability to succeed in the major sales events at the end of the year, with an inventory level higher at the end of September 2021 than at the end of September 2020. The Group will be able to draw on its proven operational agility and its ability to conclude exclusive partnerships in order to ensure the good availability and quality of products and services for the end of the year, a key time for the Group.

This is why, provided that the health situation does not deteriorate significantly in the next few months, the Group expects revenue growth for 2021 to be slightly above +5%¹, compared to 2020, and current operating income to be at the top end of the previously communicated guidance range of between €260 and €270 million. The Group will also remain focused on cost control and cash flow generation in line with the Everyday plan objectives.

¹ Like-for-like data: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned-store openings and closures.

FNAC DARTY

ANALYSTS / INVESTORS CONFERENCE CALL

Jean-Brieuc Le Tinier, Group Chief Financial Officer, will host a conference call for investors and analysts on Thursday, October 21, 2021, at 6:30 p.m. (CET); 5:30 p.m. (UK), 12:30 p.m. (East Coast USA).

A live broadcast of the presentation of 3rd quarter 2021 revenue will be available by clicking [here](#).

The presentation will be available before the start of the conference call on the Group's website, under the Investors section.

A recording will also be available on the Group's website.

Conference call dial-in numbers

France (French): +33 1 70 71 01 59 – Access code: 95670904#

International (English): +33 1 72 72 74 03 / +44 207 194 3759 – Access code: 73138553#

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APPENDICES

STORE NETWORK

	31-Dec-20	Opening	Closing	30-Sept-21
France and Switzerland*	751	30	3	778
<i>Traditional Fnac</i>	95	1	0	96
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	29	1	1	29
<i>Proximity Fnac</i>	67	4	1	70
<i>Fnac Connect</i>	14	0	0	14
<i>Darty</i>	432	21	1	452
<i>Fnac/Darty France</i>	1	0	0	1
<i>Nature & Découvertes**</i>	96	3	0	99
<i>Of which franchised stores</i>	<i>339</i>	<i>27</i>	<i>1</i>	<i>365</i>
Iberian Peninsula	72	2	1	73
<i>Traditional Fnac</i>	50	2	1	51
<i>Travel Fnac</i>	2	0	0	2
<i>Proximity Fnac</i>	16	0	0	16
<i>Fnac Connect</i>	4	0	0	4
<i>Of which franchised stores</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>5</i>
Belgium and Luxembourg	85	0	0	85
<i>Traditional Fnac***</i>	12	0	0	12
<i>Proximity Fnac</i>	1	0	0	1
<i>Darty (Vanden Borre)</i>	72	0	0	72
Fnac Darty Group	908	32	4	936
<i>Traditional Fnac</i>	157	3	1	159
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	31	1	1	31
<i>Proximity Fnac</i>	84	4	1	87
<i>Fnac Connect</i>	18	0	0	18
<i>Darty</i>	504	21	1	524
<i>Fnac/Darty</i>	1	0	0	1
<i>Nature & Découvertes</i>	96	3	0	99
<i>Of which franchised stores</i>	<i>344</i>	<i>27</i>	<i>1</i>	<i>370</i>

*Including 11 Fnac stores abroad: two in Tunisia, three in Morocco, one in Congo, one in Cameroon, two in Ivory Coast, two in Qatar and two Darty stores in Tunisia; Including 17 stores in the French overseas territories.

**Including four stores in Belgium, one store in Luxembourg and eight franchises in Switzerland. Nature & Découvertes and its subsidiaries are managed from France.

***Including one store in Luxembourg, which is managed from Belgium.

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUE ON A LIKE-FOR-LIKE BASIS (CONSTANT EXCHANGE RATES, COMPARABLE SCOPE OF CONSOLIDATION AND ON A SAME-STORE BASIS)

The change in revenue on a like-for-like basis means that the impact of exchange rate fluctuations has been excluded, that the effect of changes in scope has been corrected (acquisition, disposal of subsidiary) and that the effect of directly-owned store openings and closures since January 1 of year N-1 has been excluded. This indicator can be used to measure the change in revenue excluding the effect of changes in foreign exchange rates, scopes of consolidation and directly-owned store openings and closings.