



FEBRUARY 23RD, 2021

FNAC DARTY





2020 BUSINESS REVIEW & ACHIEVEMENTS

Jean-Brieuc Le Tinier, CFO

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

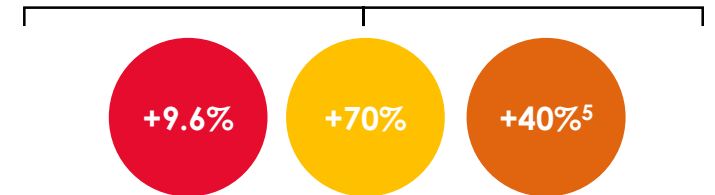


2nd lockdown

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**

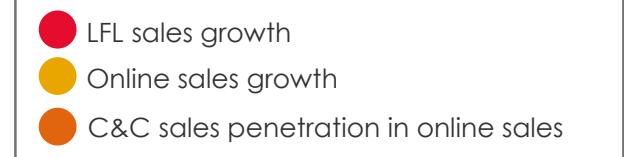
¹ Jan-Feb cumulative reported growth

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**
 - *Disrupted logistics and digital capacity:* switch from offline to online sales and ability to cope with strong peaks in demand with proactive and targeted goods inventory policy
 - *Closure and reopening of stores:* successful reopening of stores with high levels of health and safety thanks to the upstream preparation of employees and their unfailing commitment
 - *Delivery capacity under pressure:* partnership ecosystem of delivery providers as well as omnichannel strength with C&C availability 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 market: creating a full ecosystem with product range extended to electric bicycles, scooters and vehicles (AMI) as well as repair services through strategic partnerships
 - Kitchen market: continued deployment of the Darty Kitchen offer
- **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, extension of the second life offer
 - Commitment to support new talent and promote creation and culture, with digital and original formats: La Claque Fnac





FY 2020 RESULTS

Jean-Brieuc Le Tinier, CFO

FNAC DARTY

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%
Like-for-like ¹			+1.9%
Current operating income	257	194	-€63m
Iberian Peninsula			
Revenues	722	654	-9.5%
Like-for-like ¹			-11.1%
Current operating income	25	8	-€17m
Belgium & Luxembourg			
Revenues	596	609	+2.2%
Like-for-like ¹			+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

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

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



SOLID LIQUIDITY POSITION REINFORCED IN 2020

€m	2019	2020
Shareholders' equity	1,398	1,373
Net Debt¹	18	-114
Gross debt	1,013	1,455
Cash & cash equivalents	-996	1,569
Rental debt (IFRS 16)	1,179	1,114

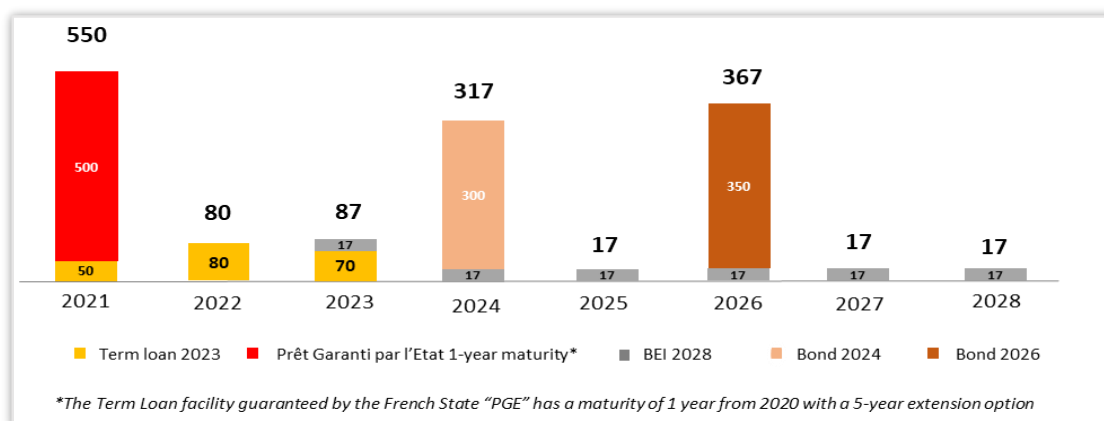
- **Solid liquidity position of €1.9 billion**, thanks to the implementation of the Guaranteed Government Loan combined with our strong business recovery and solid financial management

- Cash and cash equivalents of €1,569m unused at end of December 2020:

- Including a €500m term loan facility guaranteed by the French State ("Prêt Garanti par l'Etat") with a maturity of 1 year and with a 5-year extension option

- €400m revolving credit facility not drawn down to date

Gross debt repayment schedule



¹ Excluding IFRS 16



CURRENT HIGHLIGHTS & OUTLOOK

Enrique Martinez, CEO

CURRENT HIGHLIGHTS & OUTLOOK

- In France, since January 31, shopping malls with a surface area of more than 20,000 square meters have been closed without the possibility to pick-up products through click & collect
 - More than 60 Fnac and Darty stores have been closed, as well as half of the Nature & Découvertes stores
 - As demonstrated in 2020, the Group has the capacity to continue to operate through its digital platforms
 - In Switzerland, all stores have been closed since mid-January; all product categories are accessible on our website and through Click & Collect
 - In the Iberian Peninsula, restricted traffic and opening hours limitations continue to impact footfall in-store
-
- **Cumulative revenue trend until mid-February 2021 in line with Q4 2020 performance**
 - Since the beginning of January 2021 and despite some store closures and in-store traffic restrictions, sales were reported in open stores and online
 - **Confirmation of the 2021 guidance of a slight growth in sales and current operating profit compared with 2020**

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
-
- **Reimbursement of the State Guaranteed Loan of €500m by April 2021**
 - **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



FEBRUARY 23RD, 2021

FNAC DARTY





APPENDICES

DEFINITIONS

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

- This indicator measures 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.

- **Definition of Current operating income**

- The monitoring of the Group's operating performance uses the current operating income as the main operating balance. It is defined as the difference between the total operating profit and the "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 that can be used as a way to estimate recurring performance.

- **Definition of EBITDA**

- EBITDA = Current operating income before depreciation, amortization and provisions on fixed operational assets.

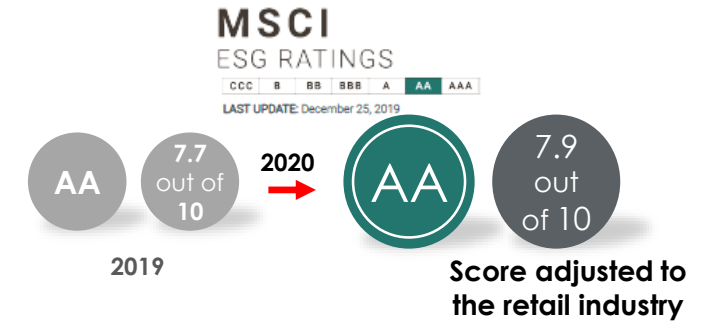
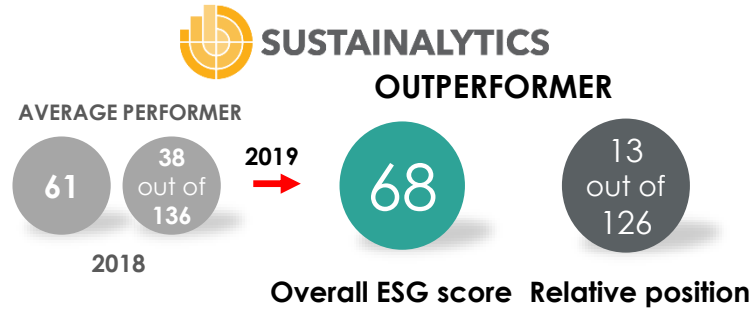
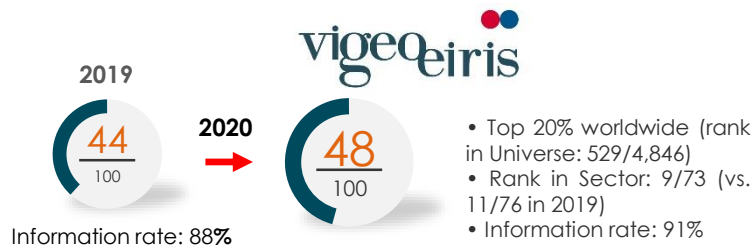
- **Definition of Free cash flow from operations**

- This financial indicator measures net operating cash flow and gross operating investment flow (defined as purchases and sales of tangible and intangible non-current assets, and the change in supplier accounts payable for non-current assets).

DEFINITIONS

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

FNAC DARTY, A RESPONSIBLE COMPANY



Fnac Darty's 4 key CSR assets

1) Fnac Darty has a strong and stable governance

As of December 2020, the Board is composed of **14** directors, **11** of them are independent
 A diverse and committed Board of Directors with broad experience and an average participation rate of **98%**
 Reinforced integration of CSR criteria in the bonus of all the Group's executives in addition to an increase in the weight of these criteria for the members of the Executive Committee

2) Developing our core asset, human capital

Evolution of the social structure and organizations for greater efficiency and agility within the Group
 Employees with strong expertise:

- An average training rate of 75% at Group level
- "Fnac Darty Académie", a global business unit dedicated to people development

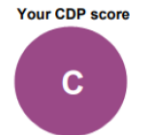
3) Reducing the environmental impact directly related to the Group's activities

Objective to reduce **50%** of the Group's CO₂ emissions in France by 2030

- A Climate Committee has been created in order to manage the objective
- Its aim is to discuss and validate the roadmaps and action plans undertaken in the pursuit of the stated CO₂ reduction target

Fnac Darty CDP (carbon disclosure project) rating of C in 2020

4) A strong commitment toward a more circular economy...



FNAC DARTY, A RESPONSIBLE COMPANY

FOCUS ON A STRONG COMMITMENT TOWARD A MORE CIRCULAR ECONOMY

A strong commitment to the **circular economy** with a clear engagement in **extending product durability** through a **unique service proposal**

Customer information from independent experts

- 733 tests on 380 products carried out in the Labo Fnac in 2020
- Extended selection of products with the "Darty Sustainable Choice" label created in 2019 based on a sustainability score
- 3rd "After-sales service barometer" and extending the scope of the Reparability index to smartphones



An activity dedicated to the second life of products

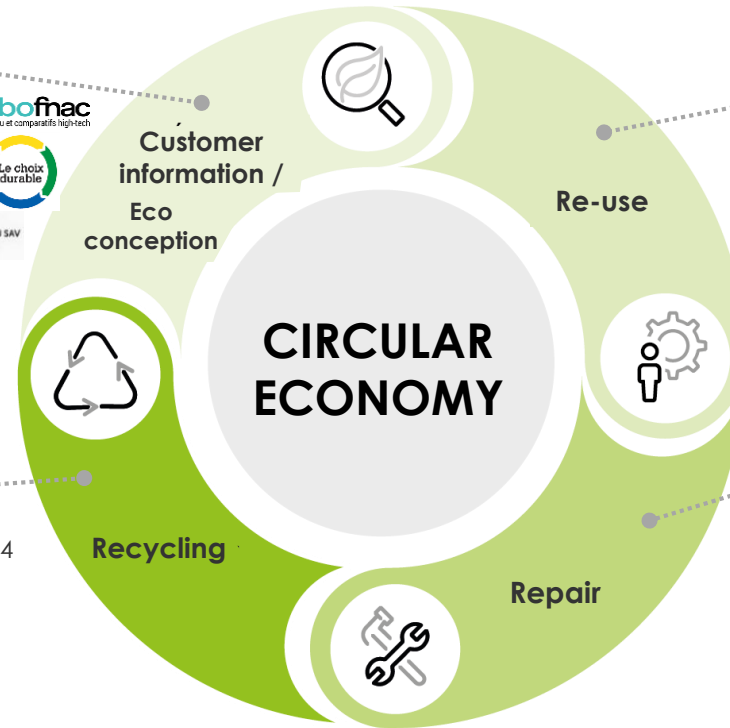
- Fnac Occasion and Darty Occasion
 - +60,000 products resold in 2020, up +40% vs. 2019
- Extension of the Darty Occasion scheme to cold-category household appliances
- +326,000 products given to 'ENVIE' for a second life
- Launch of the Smartphone roadworthiness test in 2018

Fnac Darty promotes recycling

- A 100% Fnac Darty recycling yard in the Paris region since 1994
- "2 for 1" collecting systems
- +49,000 tonnes of waste collected and recycled in 2020

1st after-sales service in France

- +2.5 million of interventions and +1.5 million of repairs in 2020
 - 3,000 dedicated maintenance employees
- Launch of Darty+ in 2017
- Launch of sav.darty.com in 2018, the 1st support community platform for Darty users
- Deployment of WeFix corners
- Deployment of Darty Max launched in October 2019
- Cyclofix partnership



FNAC DARTY No. 1 COLLECTOR OF WEEE IN FRANCE



FNAC DARTY No. 1 REPAIR PROVIDER IN FRANCE



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%

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%

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 flow⁽¹⁾	173	192

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

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

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

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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