

INVESTOR PRESENTATION



FNAC DARTY

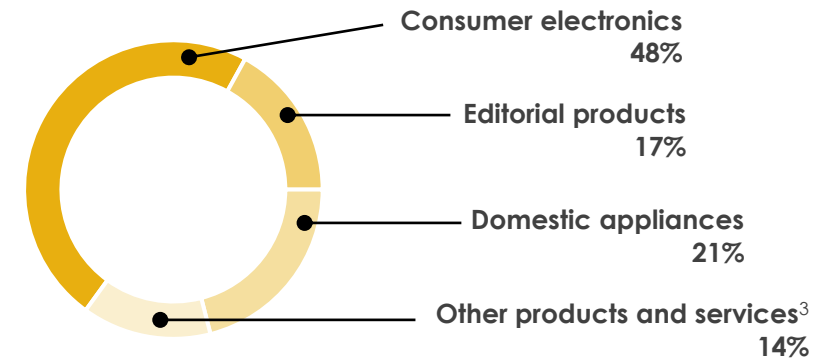


FNAC DARTY AT A GLANCE

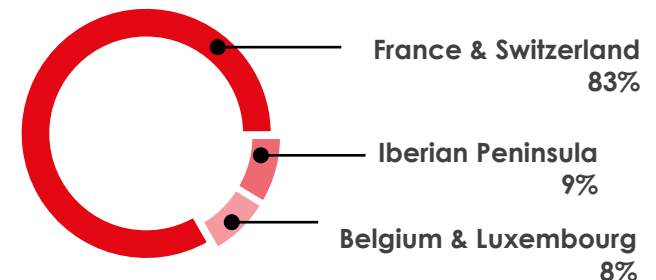
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- 📌 **7.9bn€ Group revenue in 2022 – 25,000 employees**
- 📌 **Top European omnichannel retailer**
 - 22% of total sales in 2022 are online sales
 - c. 50% of online sales are omnichannel (click & collect)
- 📌 **987 multiformat stores¹**
 - 420 franchises stores (43%)
 - c. 90% of customers have a store less than 15' from home
- 📌 **No. 1 after-sales service in France²**
 - 2.3 million products repaired in 2022
 - c. 3,000 employees dedicated to after-sales service

2022 revenue breakdown by category



2022 revenue breakdown by region



¹ As of 31 December 2022

² Internal customer studies

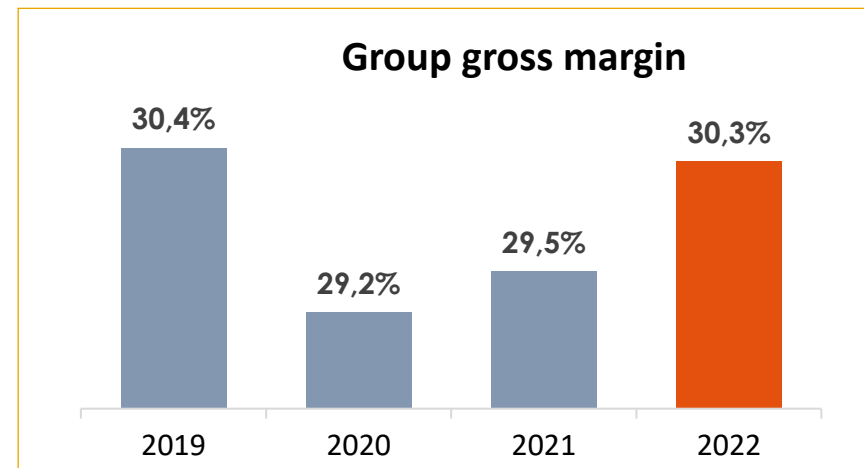
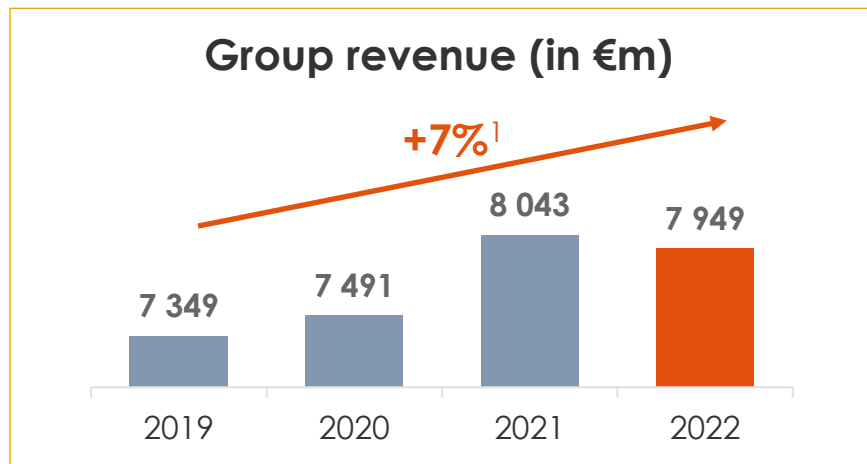
³ Including ticketing, B2B, after sales service, franchise fees, insurance, consumer credit

FY2022 ACTIVITY AND STRATEGIC EXECUTION REVIEW

FNAC DARTY



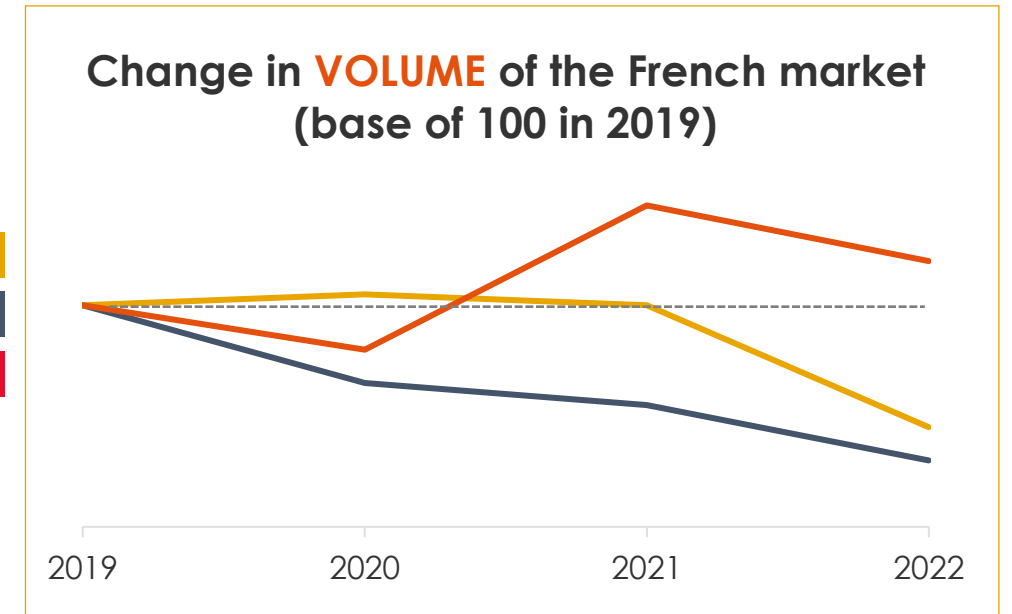
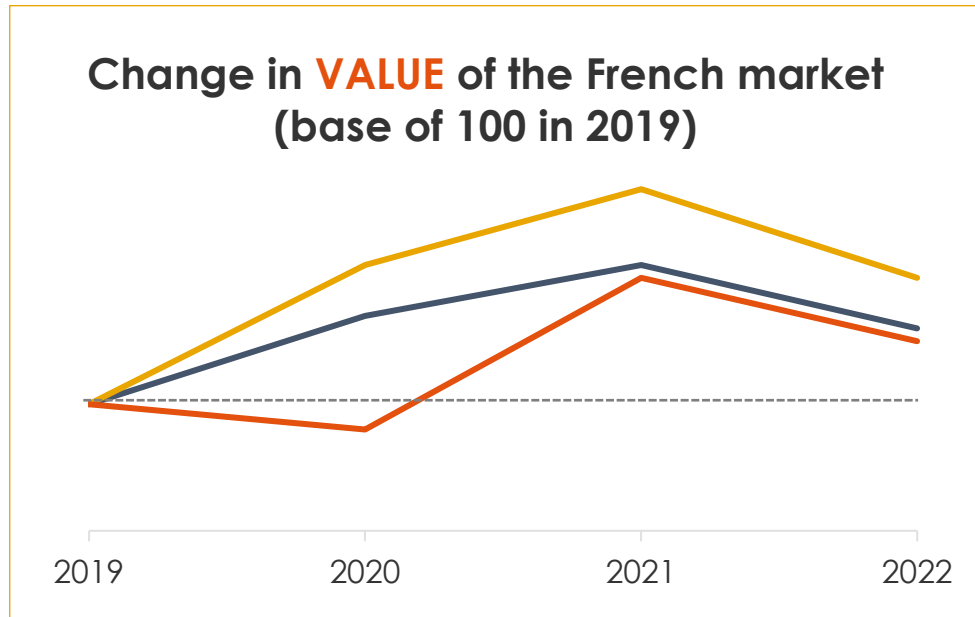
GROUP'S RESILIENCE



- 📌 **Resilient sales of €7,949 million in 2022**
 - Growth of **+7%** compared to pro-forma 2019 figures¹
- 📌 **Solid gross margin performance, up by +€36 million year on year**
 - Gross margin rate in **line with 2019 level**
- 📌 **2022 current operating income of €231 million**
 - Period of inflation much higher than in previous years, impacting costs

¹ Excluding BCC and including Nature & Découvertes on a full-year basis.

BACKGROUND INFORMATION



- 📌 Markets that have recorded **positive growth in value since 2019**, with mixed changes in volume depending on the product category
- 📌 **A retail sector undergoing a profound transformation**, with some players struggling **and a greater focus on specialists**
- 📌 An e-commerce market with lower-than-expected growth, primarily impacting pure players

FNAC DARTY SHOWED RESILIENCE BY RELYING ON ITS STRENGTHS

🏆 A winning complementarity of its stores and web platforms

- This year, **stores performed well**, as they were open and popular with customers
- **Omnichannel sales** remain **high** (≈ 50%)

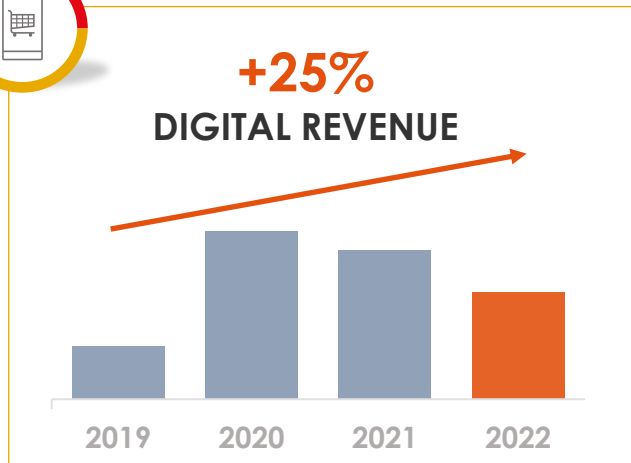
🏆 A wide range of products and services

- A **positioning increasingly focused on premium products**, making it easier to pass on price increases to customers and thus secure a high gross margin level
- A **wide range of products and services available throughout the year** to meet various customer expectations: innovative products, Second Life, services (repair, etc.)
- **Targeted sales events** during peak sales periods, allowing high sales to be recorded while maintaining the gross margin



The 2022 results for the Group attest to the power of its omnichannel model and its operational agility, confirming its strategic choice to transform its model

DIGITAL EXPERIENCE AT THE HEART OF THE GROUP'S STRATEGY



- 📌 Online penetration up **3 points** compared to 2019, at **22%** at the end of 2022
- 📌 **+8% increase in active online customers¹** in France between 2019 and 2022
- 📌 **1 in 2 online sales** is **omnichannel**



- 📌 **3,000** Fnac/Darty salespeople already trained
- 📌 Conversion rate up to **4x** higher



¹ Active online customers = customers who have made at least one purchase on fnac.com or darty.com in the last 12 months.

TARGETING A 100% PROFITABLE STORE NETWORK BY 2025



Network of **987 stores**, **43% of which are franchises**

📌 Primarily franchise stores opened

- **46 franchise stores opened in 2022**
 - I.e., 87% of total store openings
- **Continued development of Darty Kitchen**
 - Six Darty Kitchen franchise openings
- **Franchise openings targeted at an international market**
 - Guyana, Qatar, Senegal, etc.

📌 Action plans set reached for the few unprofitable stores

- **Unit transfer/restructuring** to reduce retail floor space: **five** stores transferred in 2022
- **fnac MANOR[®] partnership refocused** in French-speaking Switzerland
- **Agreements reached** for all unprofitable stores



11 Darty Kitchen points of sale opened in 2022



First Nature & Découvertes store opened in Guyana



Transfer of Fnac from Evry 2 to Carré Sénart



Unit restructuring planned for Fnac Callao (Madrid)



At the end of the first half of 2023, Fnac will have 17 shop-in-shops within Manor

MAKING THE MOST OF OUR LOYAL CUSTOMER BASE

📌 **Recent launch** of **fnac & moi** to meet new customer expectations



– For **all current and future customers that are members or subscribers**, with **no maximum duration**



– **Enhanced loyalty card** to reward any **responsible actions**



– **Partner pass** to enjoy discounts throughout the year at over 90 brands

11M+
members/subscribers



STRONG UPSWING OF NEW DARTY MAX SUBSCRIBERS



800,000+
subscribers
by the end of 2022



2 million subscribers
in 2025

Subscription rolled out at



High level of
customer
satisfaction
Churn rate
below **3%**



+50%
repeat shops
compared to a
standard Darty
customer



+50%
average cart size
compared to a
standard Darty
customer



6 million+ **products**
covered
for repairs



Fnac Darty, a standard-setting player aiming to become a subscription provider

ENABLING AN EDUCATED CHOICE

- 📌 **A sustainability score that**
 - enables customers to **learn about the repairability and reliability** of hundreds of products



- 📌 **An After-Sales Service Barometer that**
 - allows customers to **compare product categories and brands**



- 📌 **And more**

900 “sustainable choice” items in Fnac and Darty retail stores



800,000 visits on average per month in 2022

With **Informed Delivery**, Fnac Darty informs its online customers about the CO2 impact of different delivery methods



Hundreds of **products tested** each year by Labo Fnac, which has just turned 50

ACCELERATING PRODUCT REPAIRS



2.3 million products repaired in **2022**



📌 Recruitment of technicians

- 2,500 staff members dedicated to repairs
- 41 Tech Academies opened since 2019 and the first apprentice training center (centre de formation d'apprentis – CFA) opened
- Opportunistic acquisitions (Next France Service)



Objective: Recruit 500 additional technicians by 2025



2.5 million products repaired in **2025**

📌 More m² dedicated to repair

- New Tours Val de Loire site with four repair workshops
- New service center in Chilly-Mazarin with the capacity to repair 220,000 devices per year




Tours Val de Loire site located over nearly 8,000 m² with a central spare parts warehouse (140,000 parts in stock)

DEVELOPING SECOND LIFE

1.5 million
Second Life
products sold in
2022

 **Darty 2nd VIE**



- 📈 **+34% increase in Second Life products¹** sold in 2022 compared to 2021
- 📈 **1 in 3** products sold on Marketplace is a second-hand product
- 📈 **Quality and service levels identical** to those of new products (delivery, reliability, etc.)  



Second Life products available on the Group's web platforms and in Fnac and Darty stores

¹ Second Life operations of Fnac Darty.
B2C figure, excluding marketplace.

A GROUP INVESTED IN ENERGY EFFICIENCY

📌 Objective: Reduce the Group's electricity consumption in France by -15% by the end of 2024

- Signature of the **Ecowatt commitment charter**
- Objective included in the **variable compensation** for Group employees

📌 Numerous initiatives to reduce emissions, including

- Plan to **modernize in-store equipment**
LED lighting and centralized building management systems
- Rollout of the **corporate PPA** signed with Valeco to increase the Group's share of green energy



Charter signed in October 2022



≈ €20 million invested in stores by 2024



FNAC DARTY+



Solar farm expected to be operational by mid-2023

FY2022 FINANCIAL RESULTS

FNAC DARTY



REVENUE AND GROSS MARGIN

€M	2021	2022	% change
Revenues	8,043	7,949	-1.2%
<i>France and Switzerland</i>	6,701	6,613	-1.3%
<i>Iberian Peninsula</i>	702	720	+2.6%
<i>Belgium and Luxembourg</i>	640	616	-3.7%
Gross margin <i>As a % of revenue</i>	2,374 29.5%	2,410 30.3%	+36 +0.8pt

📌 Resilient sales of €7,949 million in 2022

- This was a drop of just **-1.2% on a reported basis and -1.9% on a like-for-like basis¹** compared to 2021
- Continued growth at **+7% compared to pro-forma 2019 figures²**
- Only the **Iberian Peninsula posted sales growth in 2022**, which was linked to a more gradual lifting of health restrictions compared to the other two regions

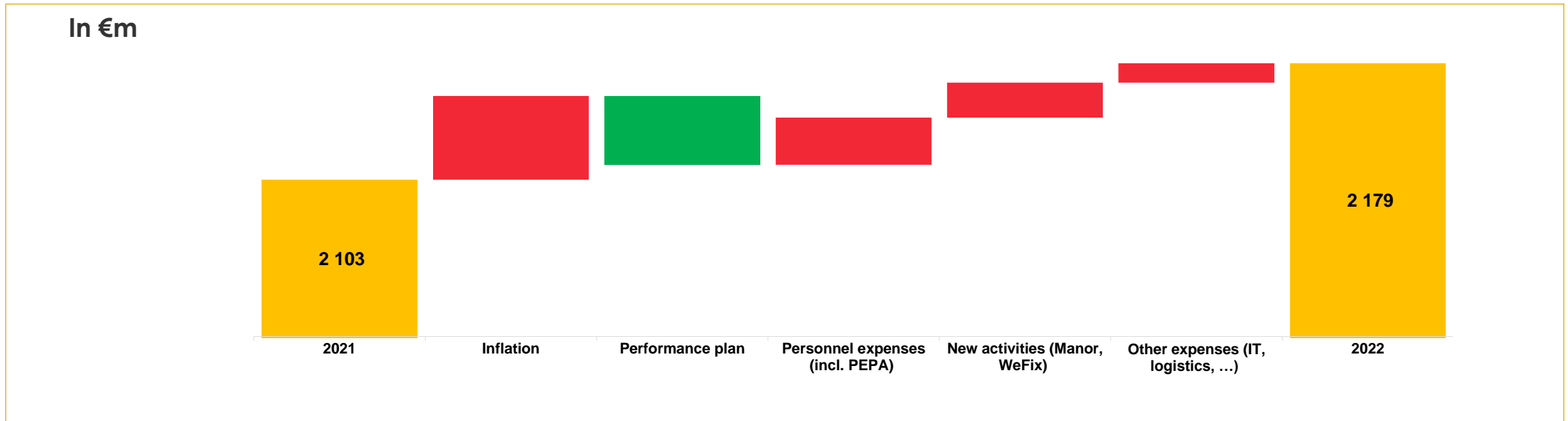
📌 Solid gross margin performance: +€36 million in 2022

- **Gross margin rate of 30.3%**, up **+80 bps** compared to 2021
- **More favorable product mix effect, growth of services and recovery of ticket sales** more than compensated for the dilutive technical effect of the franchise activity

¹ Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, and openings and closings of directly-owned stores.

² Excluding BCC and including Nature & Découvertes on a full-year basis.

OPERATING EXPENSES



- 📌 Against the backdrop of high inflation, operating costs were €2,179 million in 2022, up +3.6% compared to 2021
- 📌 The increase in inflation-related costs was almost entirely contained by the performance plans
- 📌 Payroll rose by +3% between 2022 and 2021, representing 40% of the total increase in costs
 - Historic impact of the closure of certain stores related to the health crisis in the first half of 2021
 - Average increase in salaries in 2022 higher than previous years against a backdrop of high inflation
 - PEPA of approximately €7 million distributed at the start of the year

FINANCIAL RESULTS

€M	2021	2022
Current operating income	271	231
Other non-current operating income and expenses	-10	-27
Operating income	260	204
Net financial expense	-42	-45
Income tax	-74	-54
Net income from continuing operations, Group share	145	100
Income from discontinued operations	15	-132
Net income, Group share	160	-32

📌 Current operating income of €231 million

- Down -€40 million compared to 2021, in a period when inflation was much higher than in previous years

📌 Net income from continuing operations, Group share of €100 million

- **Non-current items of -€27 million**, including exceptional expenses incurred by the restructuring of the property portfolio (including the closure of the Fnac Italie 2 store)
- **Financial expenses¹ unchanged year on year at -€45 million**
- **Tax expense of -€54 million**, down -€20 million in line with the reduction in the Group's results; effective tax rate virtually stable compared to 2021

📌 Net income from discontinued operations of -€132 million

- In connection with the litigation relating to the **disposal of Comet Group Limited in 2012**, the Group was ordered to pay a total of €129.3 million in addition to legal fees totaling €2.6 million.

¹ Including IFRS 16.

FREE CASH-FLOW FROM OPERATIONS

€M	2021	2022
EBITDA	621	580
IFRS 16 impact	-247	-254
Non-current cash items and EBITDA non-cash items	15	-9
Cash-flow before tax, dividends and interest, excluding IFRS 16	389	317
Change in WCR ¹	-34	-146
Operating investments ²	-116	-131
Income tax paid	-69	-70
Free cash-flow from operations³	170	-30

Free cash-flow from operations decreased by -€200 million between 2021 and 2022

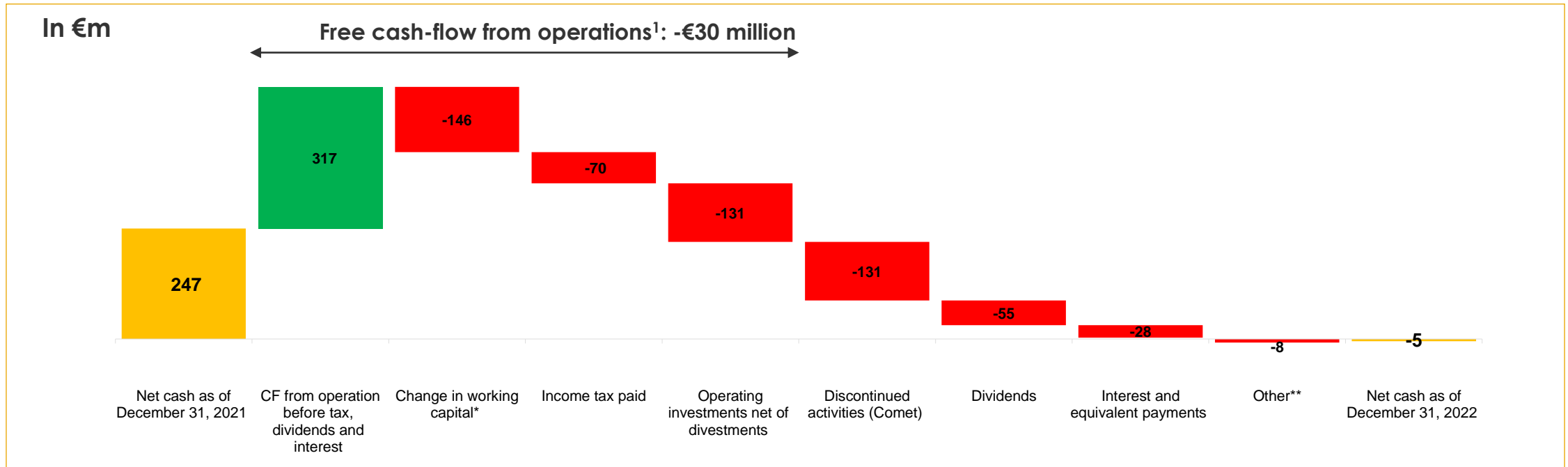
- Cash-flow decrease in relation to a drop in income
- A sharp decline in WCR linked to:
 - ✓ Reduced cash inflows, which are in line with lower-than-expected sales in December 2022
 - ✓ More cash outflows early in the year, due to especially robust activity in late 2021
 - ✓ Inventories remained under control, rising by just +3% as a result of lower-than-expected activity at the end of the year
- Investments increased by +€15 million, in line with expectations

¹ Includes the change in payables and receivables relating to non-current assets.

² Investments net of divestments.

³ Excluding IFRS 16.

NET FINANCIAL DEBT



📌 The change in the Group's net cash in 2022 was primarily due to:

- The change in free cash-flow from operations, explained in the previous slide
- The outflow of a total of €131 million in connection with the litigation at the end of 2022 relating to the sale of Comet Group Limited in 2012. This includes £89.6 million in penalties in addition to interest, court costs and legal fees.

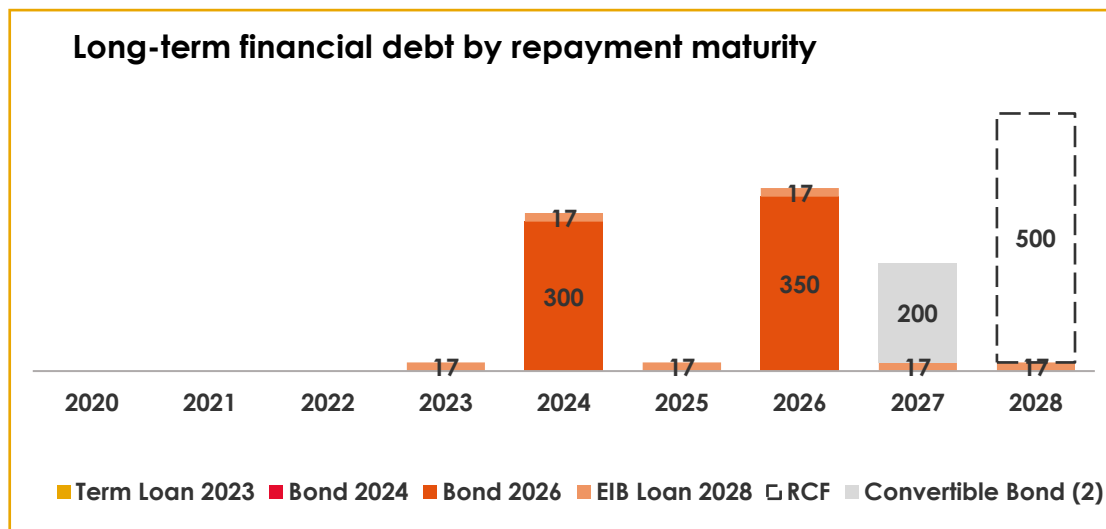
¹ Excluding IFRS 16.

* Includes the change in payables and receivables relating to non-current assets.

** Includes acquisitions and disposals of subsidiaries net of debt as well as acquisitions and disposals of other financial assets.

FINANCIAL STRUCTURE

€M	2021	2022
Shareholders' equity	1,564	1,523
Net cash ¹	247	-5
Gross financial debt	934	937
Cash and cash equivalents	1,181	932
Leasing debt IFRS 16	1,130	1,141



📌 **Strong cash and cash equivalents position amounted to €932 million**, and there was also an undrawn €500 million revolving credit facility as of 12/31/2022

📌 **Securing the refinancing of the next major bond debt maturity of 2024**

- Additional bank credit line (in the form of a delayed drawn term loan) of €300 million, which is as yet undrawn
- Drawn down only once by the Group and only to repay the bond loan maturing in 2024
- Maturity of three years in case of a drawdown, which can be extended by two years

¹ Excluding IFRS 16.

² In the event of non-conversion.

OUTLOOK

FNAC DARTY



OUTLOOK

📌 Market climate remains uncertain for 2023

- For the first half of 2023, the Group is expected to post slightly lower sales due to sluggish consumption coupled with a sharp rise in costs, particularly in energy;
- For the second half of 2023, the Group should benefit from less unfavorable market conditions with a level of inflation that could be lower than that in the first half.

📌 As a result, the Group will ensure that it:

- remains fully committed to continuing to **outperform the markets**;
- **maintains its gross margin level** as much as possible thanks to a positioning focused on premium products and to a growing contribution from services;
- **limits the increase in costs** as much as possible through performance plans expected to be at least twice the level of previous years.

ENERGY

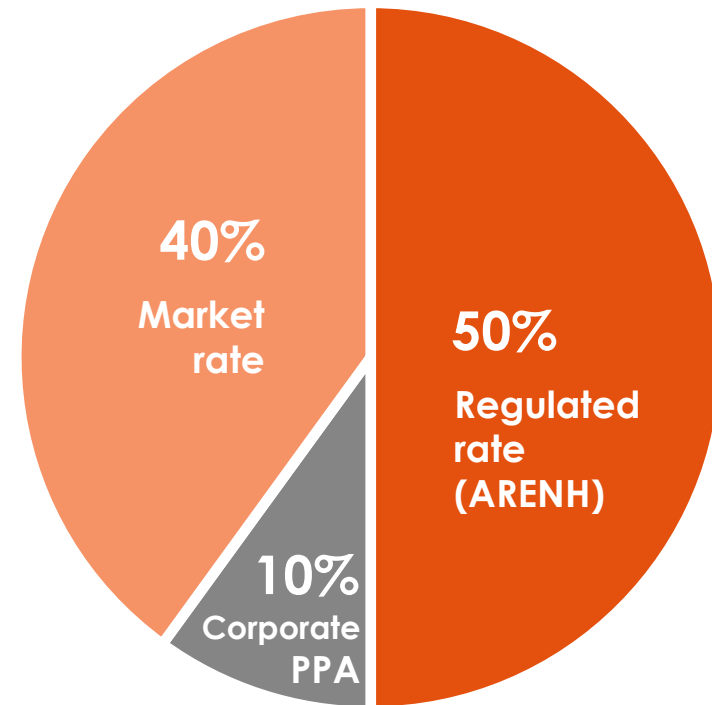
📌 Background information

- General context of **rising energy prices**
- The Group agreed a hedging policy with Solvay that will run until 2024 for volumes that are subject to market rates
- At the end of 2022, Solvay wanted to revise this agreement → Fnac Darty was **forced to enter an agreement with another supplier** at a time when prices were the highest

📌 Expected increase in energy costs in 2023

- Increase in energy costs estimated to be between **+€30 million and +€50 million** in 2023 compared to 2022
- Impact of this increase expected to be **more significant over the first** half of the year compared to the second half

Breakdown of the Group's energy sources in 2023



OBJECTIVES

📌 **Current operating income (COI) expected to be around €200 million in 2023**

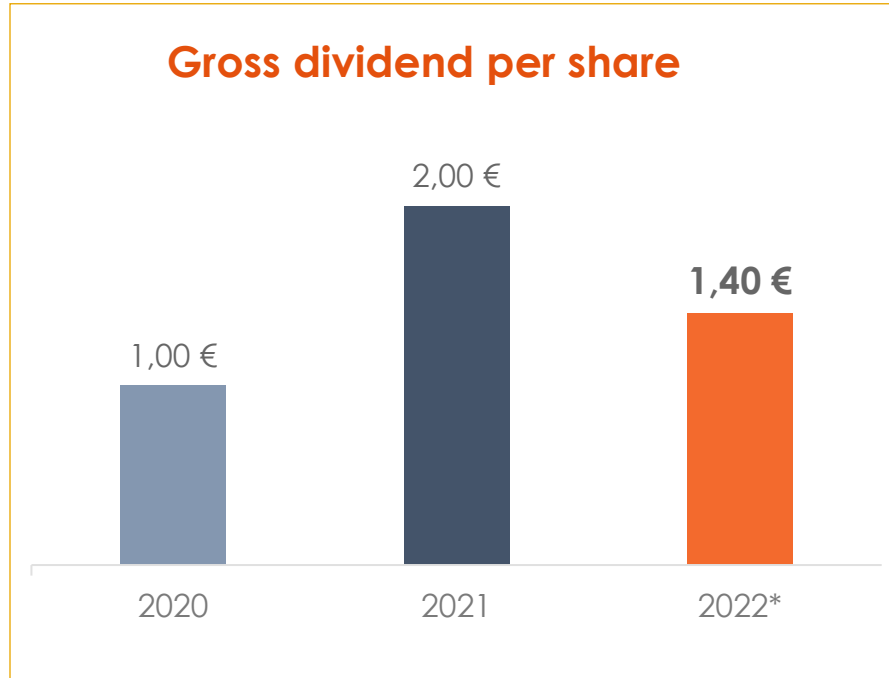
- 2023 COI in line with or improved compared to 2022, excluding the impact of the rise in energy costs.
- In 2023, the drop in COI expected to be more pronounced in the first half of the year than in the second half.

📌 **Objective of ≈ €500 million in cumulative free cash-flow from operations¹ confirmed for the 2021–2024 period**

- Return to a change in WCR that is in line with the standard level of previous years
 - Strict management of the goods purchasing policy
 - Controlled level of inventories with good rotation
- Investments down compared to 2022, with a maximum level of €120 million

¹ Excluding IFRS 16.

SHAREHOLDER RETURN



📌 Distribution rate: 38%¹

- In line with the strategic plan Everyday shareholder return policy
- Stable compared to 2021

📌 Rate of return: 4.1%²

- This dividend will be payable in **cash or shares*** (5% discount), at **the shareholder's discretion**.
- "Ex-date" June 13, 2023.
- Distribution date (payment or new share issue): July 06, 2023.

¹ Calculated on the basis of the 2022 net income from continuing operations, Group share.

² Calculated on the basis of the last market price of 2022.

*Subject to approval at the General Meeting on May 24, 2023.

APPENDICES

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


EVERYDAY MAIN CSR KPIs

KPIs	2021	2022	2025 targets
Durability score¹	111	115	135
Number of products repaired	2.1m	2.3m	2.5m
Proportion of women in the Top 200 managers	27%	30%	35%
Share of women in the Executive Committee	38%	42%²	>40%

¹ Average of a reliability score and a repairability score, based on data collected by Fnac Darty's after-sales service department over the last two years for each reference, weighted by the volume of products sold by the Group over the year.

² As of 20 February 2023, the Fnac Darty Executive Committee contains 12 members, of which 5 are women.

ESG RATINGS

Agencies	2019	2020	2021	2022
	44/100	48/100	54/100	61/100
	12.2	11.5	11.4	12.0 Low ESG risks
	AA	AA	AA	AA
	B	C	A-	A-

CASH-FLOW STATEMENT

€m	2021	2022
Net Cash as of January 1 excl. IFRS 16	114	247
Operating free cash-flow (excl. IFRS 16)	170	-30
Dividends paid	-27	-55
Shareholders' equity component – OCEANE bonds	21	0
Interest paid net of interest and dividends received	-27	-28
Acquisition/disposal of subsidiaries net of cash transferred	-2	-2
Acquisition/disposal of other financial assets (net)	2	-6
Increase/decrease in equity and other transactions with shareholders	-1	-1
Cash-flow related to discontinued activities	-1	-131
Other	-2	1
Change in Net Cash excl. IFRS 16	133	-252
Net Cash as of December 31 excl. IFRS 16	247	-5

SIMPLIFIED P&L

€m	2021	2022
Revenue	8,043	7,949
Current operating income	271	231
Non-current operating income and expenses	-10	-27
Operating income	260	204
Financial expense	-42	-45
Tax	-74	-54
Consolidated net income from continuing operations, Group share	145	100
Net income from discontinued operations	15	-132
Consolidated net income, Group share	160	-32

SIMPLIFIED P&L (H1 & H2)

€m	H1 2021	H2 2021	H1 2022	H2 2022
Revenue	3,465	4,578	3,428	4,521
Current operating income	34	237	19	212
Non-current operating income and expenses	-3	-8	-14	-13
Operating income	32	229	5	199
Financial expense	-25	-17	-18	-27
Tax	-9	-65	-3	-51
Consolidated net income from continuing operations, Group share	1	144	-17	117
Net income from discontinued operations	17	-1	0	-132
Consolidated net income, Group share	17	143	-18	-14

BALANCE SHEET

Assets in €m	31 Dec. 2021	31 Dec. 2022
Goodwill	1,654	1,654
Intangible assets	528	562
Tangible assets	575	570
Rights of use relating to lease agreements	1,115	1,115
Investments in associates	1	2
Non-current financial assets	40	44
Deferred tax assets	69	60
Other non-current assets	0	0
Non-current assets	3,982	4,008
Inventories	1,104	1,144
Accounts receivable	304	250
Current tax receivables	1	6
Other current financial assets	9	19
Other current assets	378	389
Cash & cash equivalents	1,181	932
Current assets	2,978	2,739
Assets held for sale	0	0
Total assets	6,960	6,747

Equity and Liabilities in €m	31 Dec. 2021	31 Dec. 2022
Share capital	27	27
Reserves related to equity	971	971
Conversion reserves	-6	-4
Other reserves	563	518
Equity, Group share	1,555	1,512
Equity attributable to minority interests	8	11
Equity	1,564	1,523
Long-term liabilities	932	917
Long-term leasing debt	891	897
Provisions for retirement and similar benefits	188	145
Other non-current liabilities	79	22
Deferred tax liabilities	165	165
Non-current liabilities	2,255	2,147
Short-term liabilities	2	20
Short-term leasing debt	239	244
Other current financial liabilities	9	10
Accounts payable	2,037	1,965
Provisions	31	37
Tax liabilities	8	0
Other current liabilities	816	803
Current liabilities	3,142	3,078
Liabilities associated with assets classified as held for sale	0	0
Total liabilities and equity	6,960	6,747

STORE NETWORK

	December 31, 2021			December 31, 2022		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland ¹	413	385	798	412	414	826
Iberian Peninsula	69	5	74	69	6	75
Belgium and Luxembourg	85	0	85	86	0	86
Group	567	390	957	567	420	987

¹ Including 11 Fnac stores abroad: 3 in Qatar, 2 in Tunisia, 2 in Senegal, 2 in Ivory Coast, 1 in the Congo, 1 in Cameroon and 2 Darty stores abroad in Tunisia; and including 18 stores in the French overseas territories. And including Nature & Découvertes subsidiaries managed from France.

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FNAC DARTY

