

**Continued implementation of the strategic plan Everyday**  
**Resilience of revenue in Q3 2023 in a deteriorated environment**  
**2023 Current operating income expected to be around €180 million<sup>1</sup>**

- **Q3 2023 revenue stable at €1,840 million**, -0.5% on a reported basis and -0.1% on a like-for-like basis<sup>2</sup> compared to Q2 2022
- **Sales for the first nine months of the year at €5,184 million**, -1.8% on a reported basis and -1.5% on a like-for-like basis<sup>2</sup> compared to 9m 2022, impacted by poor second quarter performance
- **Gross margin rate of 30.4%, up +40 bps** over the first nine months of the year, excluding dilutive impact from franchise
- **Agreement for the creation of a joint venture dedicated to e-commerce logistics and SaaS Marketplace with CEVA Logistics**
- **Closing of the acquisition of MediaMarkt in Portugal, which is consolidated from 1 October 2023**
- **Positive ruling from the Court of Appeal in London in the Comet disposal**
- **Launch of a €20 million share buyback program**

**Enrique Martinez, Chief Executive Officer of Fnac Darty, declared:**

*"Fnac Darty sales were stable in the third quarter, outperforming its respective markets in an environment that remains under inflationary pressure and marked by a deteriorated consumer confidence. We are continuing to successfully implement our strategic plan Everyday: Darty Max, our trademark unlimited repair service, passed the million-subscribers mark and we have signed an ambitious agreement with CEVA Logistics, a subsidiary of CMA-CGM, to create an e-commerce logistics joint venture.*

*These milestones demonstrate the Group's agility in successfully delivering its structural services and logistics projects while at the same time preparing for the year-end's major sales events.*

*We are confident about the fourth quarter, but we are more cautious about the rebound in consumption initially anticipated. We are maintaining our efforts to deliver a current operating income in the second half of 2023 in line with that of the second half of 2022."*

<sup>1</sup>Compared with the guidance of "around €200 million" communicated on February 23, 2023

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

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## Q3 2023 REVENUE AND CUMULATIVE REVENUE OVER THE FIRST 9 MONTHS OF 2023

	Q3 2023	Change vs. Q3 2022		9M 2023	Change vs. 9M 2022	
	In €m	Reported	Like-for-like basis <sup>2</sup>	In €m	Reported	Like-for-like basis <sup>2</sup>
France and Switzerland	<b>1,526</b>	-0.1%	+0.4%	<b>4,292</b>	-1.8%	-1.5%
Iberian Peninsula	<b>160</b>	-5.2%	-5.7%	<b>453</b>	-4.6%	-4.8%
Belgium and Luxembourg	<b>154</b>	+0.7%	+1.4%	<b>439</b>	+1.7%	+1.6%
<b>Group</b>	<b>1,840</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>5,184</b>	<b>-1.8%</b>	<b>-1.5%</b>

### Sales analysis

After a first half of the year down by -2.3%<sup>1</sup>, sales in the third quarter reached €1,840 million at -0.5% on a reported basis and -0.1% on a like-for-like basis<sup>1</sup> stable in a market environment still impacted by inflationary pressures.

Over the first nine months of the year, the Group's revenue reached €5,184 million, -1.8% on a reported basis and -1.5% on a like-for-like basis<sup>1</sup>.

The strong performance of in-store sales in the period partially offset the drop in the digital business, which represented 21% of the Group's total sales. However, the level of online sales remained +3 points higher than in 2019. The omnichannel model represented 50% of total online sales in the first nine months of the year.

### Changes by product category

During this quarter, **editorial products** continued to benefit from the good momentum of gaming and books, driven by an attractive line-up and the Culture Pass in France. **Services** continued to grow, benefiting from steady growth in the Darty Max/Vanden Borre Life subscriber base. The service offer passed the million-subscribers mark in September, in line with the strategic plan Everyday aim of 2 million subscribers by 2025.

**Domestic appliances** sales declined, having reached a particularly high level in previous years. The drop in volumes was mainly concentrated in the entry-level segments for large domestic appliances. However, this category continued to record slight growth compared with 2019.

Trends in **consumer electronics** varied greatly by product category. Sound (mainly headphones) and television performed well during Q3. IT and telephony declined, albeit with a high comparison basis. Lastly, **diversification** categories were driven by the toys and games and stationery segments, while urban mobility still experienced a slowdown.

### Changes by region

Sales in **France and Switzerland** reached €1,526 million in the third quarter, up +0.4% on a like-for-like basis<sup>1</sup> compared with the third quarter of 2022, and €4,292 million for the first nine months, down -1.5% on a like-for-like basis<sup>1</sup>. Performance in the third quarter was notably driven by an extra week of sales in July, as well as the positive impact of the Culture Pass in France and the ongoing development of services, particularly Darty Max.

<sup>1</sup> Like-for-like basis excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.

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**Iberian Peninsula** revenue stood at €160 million for the third quarter, down -5.7% on a like-for-like basis<sup>2</sup> compared with the third quarter of 2022, and €453 million for the first nine months, down -4.8% on a like-for-like basis<sup>1</sup>, against a backdrop of very high inflation and competitive pressure, especially in Spain.

Revenue for the **Belgium and Luxembourg** region was €154 million in the third quarter, up +1.4% on a like-for-like basis<sup>1</sup> compared with the third quarter of 2022, and €439 million for the first nine months, up +1.6% on a like-for-like basis<sup>1</sup>. The slowdown in business mainly reflected an increased competitive pressure.

## **Gross margin rate**

Driven mainly by the growing positive impact of services linked to Darty Max and a more favorable product mix, the Group's gross margin rate rose by +70 basis points in Q3 and by +40 basis points over the first nine months of the year, excluding dilutive impact from franchise.

## **CONTINUED IMPLEMENTATION OF THE STRATEGIC PLAN EVERYDAY**

### **Reinforced position as European leader in omnichannel retail**

The Group strengthened its position as a major player in omnichannel retail through innovative partnerships with leading companies.

A partnership agreement with Rakuten France, signed in September, allowed Darty to increase its web presence and to reach around 15 million new users each month.

On October 4, Fnac Darty announced that it had signed an agreement with CEVA Logistics for the creation of a joint venture dedicated to e-commerce logistics and SaaS Marketplace. This innovative offering would meet all the needs of e-commerce players, such as the complete management of marketplaces, direct sales to consumers and omnichannel delivery. This new partnership demonstrates the determination of the two groups to strengthen their position in an addressable European market valued at around 80 billion euros<sup>2</sup>, with growth estimated at over 10% a year. Over the next 5 years, the joint venture could generate more than €200 million revenue, with a double-digit operating margin. The envisaged cooperation would take the form of a 50-50 joint venture between Fnac Darty and CEVA Logistics, operational from 2024, subject to approval by the relevant authorities.

### **Leader in home assistance services promoting more sustainable and responsible consumption**

The trademark Darty Max unlimited repair service, which generates recurring cash flow, recently passed the million-subscribers mark, with a target of two million by 2025. To achieve its ambition, the Group is continuing to develop acquisition channels and external partnerships, while relying on the expertise of its 2,500 specialist technicians.

A pioneer in the circular economy and the leading repairer in France, Fnac Darty has published the sixth edition of its After-Sales Service Barometer. This tool provides a reference framework for consumer purchase decisions, creating a unique overview of the reparability and reliability of more than 150 brands, thanks to their associated sustainability scores.

As part of its ongoing commitment to sustainability, Fnac Darty is strengthening its assistance solutions with the launch of "Fnac Vie Digitale", a subscription service aimed at supporting consumers in everything they need for daily life in the digital world (device protection, the user protection and advice).

These projects demonstrate the Group's acceleration toward high value-added services for its customers and its transformation toward a service-based model.

<sup>1</sup> Like-for-like basis excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.

<sup>2</sup> Europe's e-commerce logistics market according to Global e-commerce Logistics 2023 - Ti Research - March 2023

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## ACQUISITION OF MEDIAMARKT IN PORTUGAL

On September 28, Fnac Darty announced the completion of the 100% MediaMarkt acquisition in Portugal. Leading retailer of electronic products and domestic appliances, MediaMarkt employs around 450 people and operates 10 stores as well as its own website. In financial year 2021-2022, MediaMarkt Portugal recorded sales of c. €140 million. With this acquisition, the Group consolidates its number 2 position in Portugal. The operation is an opportunity to accelerate growth in its historic businesses, diversify and develop in the large and small domestic appliances categories, as well as strengthen its services and improve its global efficiency.

## COURT OF APPEAL IN LONDON RULES IN FAVOR OF FNAC DARTY IN PROCEEDINGS RELATING TO THE DISPOSAL OF COMET

In early October, the Court of Appeal in London unanimously allowed an appeal by Darty Holdings SAS (Darty), a subsidiary of the Fnac Darty group, in the context of litigation relating to the disposal of Comet Group Limited in 2012.

Now that the Court of Appeal has overturned the High Court's first instance decision, the Group should be entitled to repayment of all sums paid by Darty before the end of the year, as well as the reimbursement of interest and legal costs incurred, representing a positive cash impact estimated at around €130 million.

## IMPLEMENTATION OF A SHARE BUYBACK PROGRAM FOR €20M<sup>1</sup>

At its meeting on October 26, 2023, the Board of Directors decided to implement the share buyback program approved by the General Meeting of May 24, 2023, for the purpose of allocating performance shares.

Fnac Darty will appoint an investment services provider (ISP) to acquire a maximum of €20 million. This decision reflects the management's confidence in the Group's operating performance, free cash flow generation and future prospects.

A description of the share buyback program is provided in the 2022 Universal Registration Document (Chapter 7.2.3.2) available on the company's website.

## SHAREHOLDERS

On October 26, 2023, the Autorité des Marchés Financiers announced that it had been informed by letter dated October 25, 2023, that Indexia had fallen below the 10% and 5% thresholds, declaring that it no longer holds any Fnac Darty shares. At the same time, the Autorité des Marchés Financiers announced that it has been informed by letter dated 25 October 2023 that the 5% and 10% thresholds have been exceeded by GLAS SAS, acting as security agent, and that it held 3,026,422 Fnac Darty shares representing 10.89% of the share capital.

## OUTLOOK

After posting a stable activity in the third quarter and in a deteriorated consumer environment, Fnac Darty is cautious about the rebound in consumer consumption initially anticipated. Nevertheless, the Group is confident in its ability to achieve a good level of activity in Q4 2023 driven by the year-end major sales events, Black Friday and Christmas.

Thanks to its ongoing performance plans to limit inflation in operating costs, the current operating income for H2 2023 is expected to be in line with that of H2 2022. Current operating income for the full year 2023 is therefore expected to be around €180 million<sup>2</sup>.

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<sup>1</sup> The implementation of these buybacks, their duration as well as the final amounts thus repurchased will depend on market conditions. Fnac Darty reserves the right to change all or part of the terms of the program, with the described limits.

<sup>2</sup> Compared with the guide figure of "around €200 million" communicated on February 23, 2023

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In addition, the Group reiterates that it is still targeting an operating investment budget for 2023 of around €120 million.

Lastly, Fnac Darty is continuing to implement its Everyday strategic plan to achieve its targets of cumulative free cash-flow from operations<sup>1</sup> of approximately €500 million over the 2021–2024 period, and at least €240 million annually from 2025.

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## 2023 THIRD-QUARTER REVENUE

**Enrique Martinez, Chief Executive Officer**, and **Jean-Brieuc Le Tinier, Group Chief Financial Officer**, will host a conference call in French (simultaneous translation into English) for investors and analysts on Thursday October 26, 2023 at 6:30 p.m. (CEST); 5:30 p.m. (UK); 12:30 p.m. (East Coast USA).

The presentation will be broadcast live, and you will be able to access it by clicking on the following link: [here](#)

### In French

For people wishing to connect to the conference call in French and ask questions by phone: France: +33 (0)1 70 91 87 04

### In English

For people wishing to connect to the conference call in English and ask questions by phone: UK: +44 (0)1 212 818 004; USA: +1 (0)718 705 8796

### Replay

Replays, in French and English, will be available on the website [www.fnacdarty.com/en](http://www.fnacdarty.com/en).

## CONTACTS

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<sup>1</sup> Excluding IFRS 16.

# FNAC DARTY

## APPENDIX — STORE NETWORK

	Dec. 31, 2022	Opening	Closure	Sep. 30, 2023
<b>France and Switzerland*</b>	<b>826</b>	<b>15</b>	<b>7</b>	<b>834</b>
<i>Traditional Fnac</i>	96	1	2	95
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	36	2	0	38
<i>Proximity Fnac</i>	79	1	0	80
<i>Fnac Connect</i>	7	0	0	7
<i>Darty</i>	486	11	4	493
<i>Fnac/Darty France</i>	1	0	0	1
<i>Nature &amp; Découvertes**</i>	104	0	1	103
<i>Of which franchised stores</i>	414	15	2	427
<b>Iberian Peninsula</b>	<b>75</b>	<b>4</b>	<b>1</b>	<b>78</b>
<i>Traditional Fnac</i>	53	0	0	53
<i>Travel Fnac</i>	2	2	0	4
<i>Proximity Fnac</i>	16	2	0	18
<i>Fnac Connect</i>	4	0	1	3
<i>Of which franchised stores</i>	6	0	0	6
<b>Belgium and Luxembourg</b>	<b>86</b>	<b>1</b>	<b>1</b>	<b>86</b>
<i>Traditional Fnac***</i>	13	0	0	13
<i>Proximity Fnac</i>	1	0	0	1
<i>VDB (Darty)</i>	72	1	1	72
<b>Fnac Darty Group</b>	<b>987</b>	<b>20</b>	<b>9</b>	<b>998</b>
<i>Traditional Fnac</i>	162	1	2	161
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	38	4	0	42
<i>Proximity Fnac</i>	96	3	0	99
<i>Fnac Connect</i>	11	0	1	10
<i>Darty</i>	558	12	5	565
<i>Fnac/Darty</i>	1	0	0	1
<i>Nature &amp; Découvertes</i>	104	0	1	103
<i>Of which franchised stores</i>	420	15	2	433

\* Including 12 foreign Fnac stores: 1 in Saudi Arabia, 1 in Cameroon, 1 in Congo, 2 in Ivory Coast, 3 in Qatar, 2 in Senegal and 2 in Tunisia, and 2 foreign Darty stores in Tunisia; 18 stores in the French overseas territories. Excluding Fnac shop-in-shops opened in Manor stores.

\*\* Nature & Découvertes and its subsidiaries are managed from France. This includes 4 stores in Belgium, 1 in Luxembourg, 7 franchised stores in Switzerland and 1 franchised store in Portugal as well as 5 franchised stores in French overseas territories: 1 in Martinique, 1 in Réunion, 1 in Guadeloupe, 1 in New Caledonia, 1 in French Guiana

\*\*\* Including 1 store in Luxembourg, which is managed from Belgium.