

FNAC DARTY

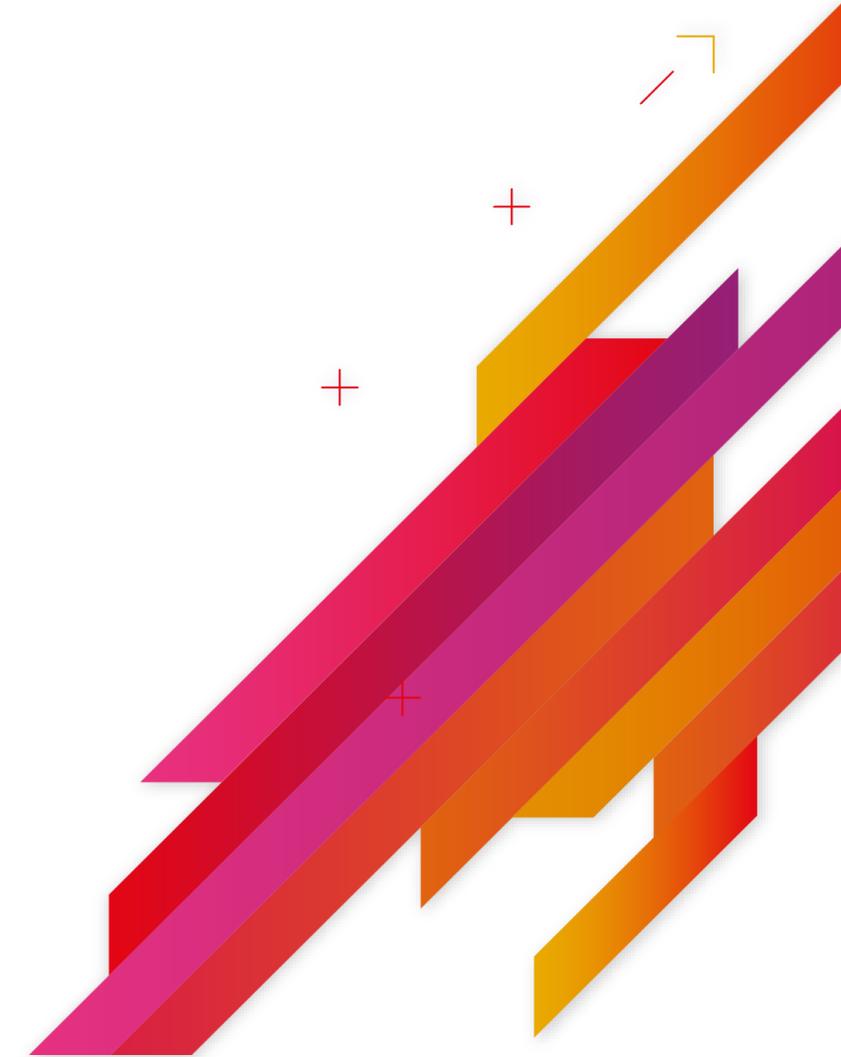




BUSINESS REVIEW

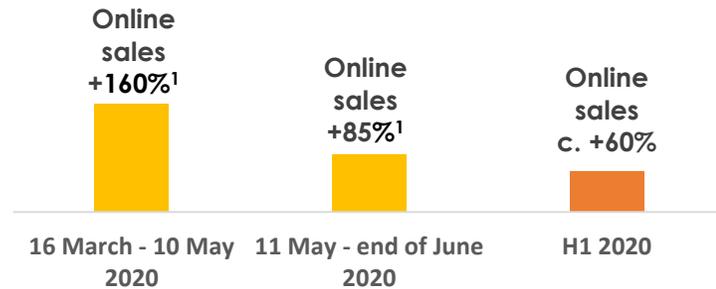
Enrique Martinez, CEO

FNAC DARTY



RESILIENCE OF TOP LINE GROWTH

Strong online performance in H1 2020



Store performance² by region from 11 May, 2020

€m	May 11 – End of June, 2020	Change compared with 2019 Like-for-like basis
France – Switzerland and Belgium - Luxembourg	526	+15.6%
Iberian Peninsula	40	-36.3%
Group	566	+9.3%

+ Unprecedented context

- Continued strikes in France and shorter winter sales in January
- Unprecedented health crisis that led to the closure of the store network from March 15 to May 10

+ Solid and rigorous operational execution

- Resistance of Group revenue at €2,849m in H1 2020, down -10% on a like-for-like basis
- Online sales increased by +60% in H1 with +160% during the lockdown period and continued significant growth after the stores reopened from May 11 of +85%
- Over 1 million of new web customers registered during the lockdown period with a continued dynamics post-containment
- 190,000+ new members “Fnac+” in H1
- Good store recovery has continued in June

+ Gross margin rate down -110 basis points

- Positive effects of the integration of Nature & Découvertes of +60bps
- Unfavorable product and service mix effect which more than offset this positive impact

+ Excellent cost control thanks to the rapid implementation of a readjustment plan

+ Solid cash position at the end of June 2020

- Implementation of a €500 million Term Loan facility guaranteed by the French State
- Withdrawal of the proposed dividend payment of €1.50 per share for the 2019 financial year

¹ excluding services and Nature & Découvertes

² excluding web, franchises, services and Nature & Découvertes

SUCCESS IN ADDRESSING H1 2020 CHALLENGES

1/ Before the lockdown in January/February: a good start to 2020 with revenues up +2.8%

- +2.8% growth in cumulative January/February sales on a reported basis and stable on a like-for-like basis, against a backdrop of consumer spending marked by continuing strikes in France and a shorter sales period

2/ From March 15 to May 10: the strength of our omnichannel model

- Solid performance during the lockdown mainly driven by the strong Fnac Darty brand awareness, the quality of its operational execution and the robustness of the IT and logistics capabilities
- Good performance of Gaming, Small Domestic Appliances within Kitchen Equipment and resistance from White Goods and Technical products categories
- Maintained high standards of after-sales services and delivery
- Fnac Darty was among the first companies in France to obtain access to this state-guaranteed credit line within a very short timeframe
- Strong support for the network of franchisees to help them overcome the crisis

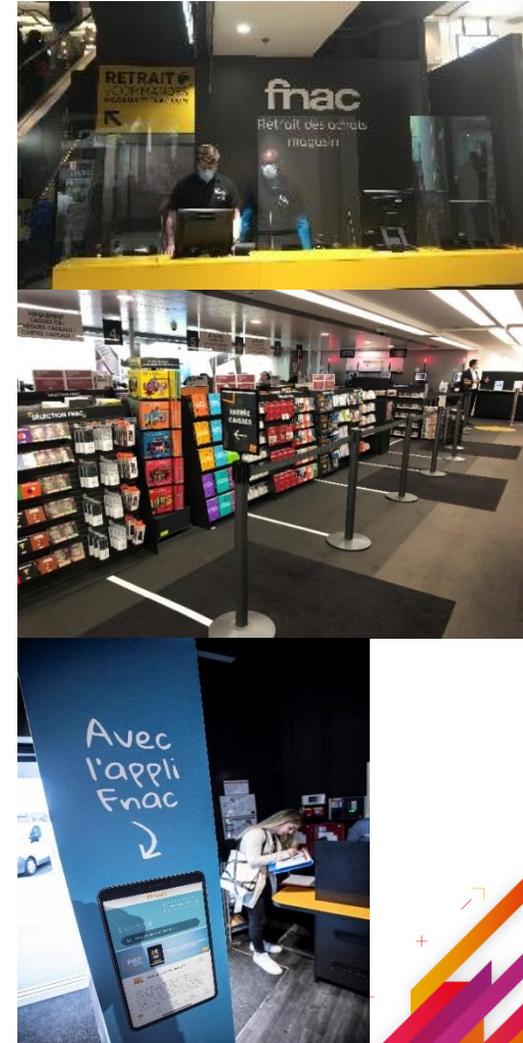
3/ Successful restart

- Successful stores reopening since May 11, driven by the Group's operational excellence: safety, employee commitment, listing the right products, with constant store sales growth of +9%¹
 - Growth of +21% on a like-for-like basis at Group level in June, of which +25% in France – Switzerland
- Continued solid E-commerce sales dynamics with +85%² of growth from May 11 to end of June
- Success of Click & Collect, which represented 51% of online sales in June, +3pts vs. June 2019

FNAC DARTY

¹ Excluding web, franchises, services and Nature & Découvertes

² Excluding Nature & Découvertes and services



2020 HALF YEAR: MAIN ACHIEVEMENTS

+ Continuing the diversification business strategy in new and promising markets

- Continued selective deployment of the Group's stores network
 - 13 new store openings, mainly under the franchise model, strengthening the Group's territorial coverage
 - Development of Darty Cuisine network with the opening of 8 new corners, of which 4 are exclusively dedicated to this offer
 - Continued integration of WeFix with the opening of 5 new corners, bringing the total number of points of sale to 101 at the end of June
- Acceleration in **urban mobility**
 - **Launch of the Citroën AMI electrical solution with a deployment in 39 stores Fnac and Darty** since mid-June
 - Boost in electric-assisted bicycles and electric scooters sales through exclusive partnerships
- **Restart of services since the reopening of stores**, with the good resumption of the dynamic of new customers benefits scheme for the Darty Max offer, which affirms the move from a transactional to a subscription model



Fnac Darty's omnichannel model demonstrated its resilience and strength during the crisis, allowing the Group to satisfy its customers, develop its business activities and be confident for the rest of the year

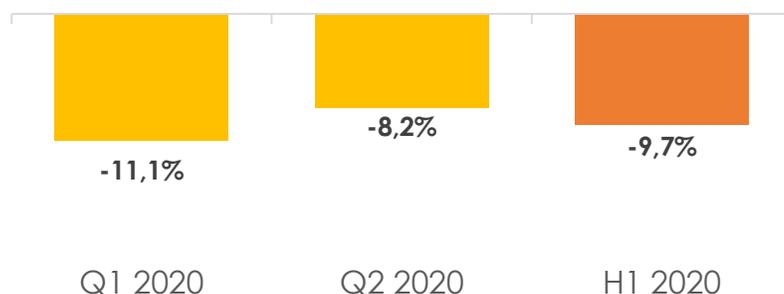


FRANCE AND SWITZERLAND IN H1 2020

€m	H1 2019	H1 2020	Change
Revenue	2,524	2,343	-7.2%
Current operating income	39.3	-45.6	-€85m

- + Strong momentum in IT, freezers, air conditioners and gaming categories mitigated the revenue decline
- + Gross margin has been impacted by negative product and service mix effects as well as the continued negative impact of the introduction of the new telephone insurance offers
- + Tight control of commercial investments and operating expenses
- + Current operating income decreased due to the loss of revenue related to the crisis and a gross margin rate decline

H1 2020 revenue¹ evolution



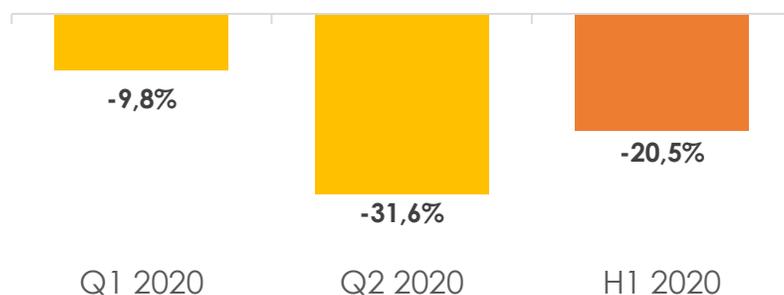
(1) Like-for-like: excluding FX, perimeter and expansion effects

IBERIAN PENINSULA IN H1 2020

€m	H1 2019	H1 2020	Change
Revenue	296	240	-19.0%
Current operating income	5.5	-12.7	-€18m

- + Strong dynamic of web sales, which doubled during the semester in both countries
- + Good performance in IT and gaming segments
- + Sales performance strongly impacted by a later end to lockdown and a more gradual reopening of stores in this region
- + Current operating income strongly impacted by a weak macroeconomic environment and purchasing power penalized by the health crisis, despite good commercial execution

H1 2020 revenue¹ evolution

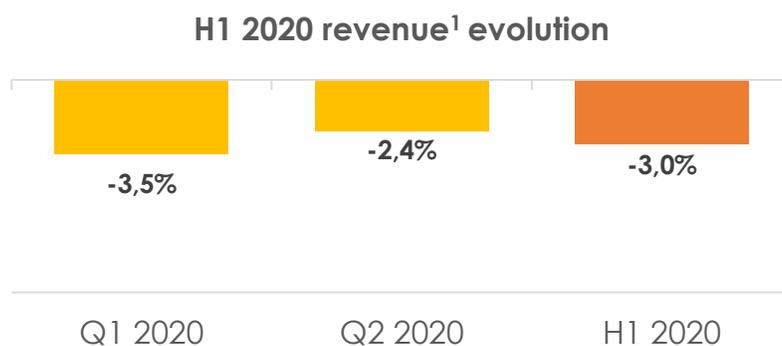


(1) Like-for-like: excluding FX, perimeter and expansion effects

BELGIUM - LUXEMBOURG IN H1 2020

€m (IFRS 5 excluding BCC)	H1 2019	H1 2020	Change
Revenue	273	267	-2.1%
Current operating income	1.4	0.7	-€0.7m

- + Significant E-commerce performance and successful reopening of stores since May 11
- + Solid sales momentum in computer equipment, refrigeration, small kitchen appliances and gaming
- + Strong resilience of profitability mainly driven by good performance of white goods despite continuing competitive pressure



H1 2020 GROUP FINANCIAL RESULTS

€m	H1 2019	H1 2020
Revenue	3,093	2,849
Gross margin	951	844
Costs	-905	-902
Current operating income	46	-58
Non-current operating income and expenses	-22	-25
Operating income	25	-83
Financial expense	- 52	-23
Tax expense	-7	26
Net income from continuing operations	-34	-80
Discontinued operations	-6	-42
Consolidated net income, Group share	-39	-118

- + Current operating income at -€58 million strongly impacted by the revenue loss due to the crisis and an unfavorable product and service mix effect
 - The Nature & Découvertes integration had a negative technical impact of € -15 million, due to the brand's seasonality as expected
- + Cost-cutting plans that have been implemented rapidly have enabled the Group to significantly decrease its operating expenses
- + Non-current operating expenses coming from one-off effects:
 - -€14m of technical effects due to the depreciation of the Darty brand
 - -€6m of incremental costs directly related to the COVID-19 crisis

IFRS 16 IMPACTS

- Regarding lease contracts within the scope of IFRS16, rental expenses are no longer recognized in the income statement, but in D&A and financial charges. The payment of rent is divided between the repayment of the capital of the debt and financial charges.
- The main impacts of IFRS 16 are on the EBITDA, the Group's debt position and the P&L financial costs related to the rental debt

	H1 2020	IFRS 16 impact	Comment	H1 2020, excl. IFRS 16
EBITDA	€119m	€124m	<i>Rental debt amortization</i>	-€5m
Net debt	€1,507m	€958m	<i>Rental debt</i>	€549m
Financial costs	€23m	€11m	<i>Financial expense related to rental debt</i>	€12m

FREE CASH FLOW GENERATION

€m	H1 2019*	H1 2020
EBITDA	206	119
IFRS 16 impact	-110	-124
Non-recurring cash elements	-30	-9
Cash flow from operations before tax, dividends and interest	65	-14
Change in working capital ¹	-366	-415
CAPEX ²	-48	-50
Tax	-15	-24
Operating Free Cash flow¹	-364	-503

- + EBITDA down €87m including the impact of IFRS 16 vs. H1 2019, in line with the current operating income evolution
- + Operating free cash-flow impacted by:
 - The decrease of the EBITDA vs. H1 2019
 - The reduction in working capital requirements due to the decrease in trade payables, partly offset by the optimization of inventories as a result of a controlled merchandise-purchasing policy
- + CAPEX for the year 2020 amounts to €38m in H1 2020, down by -€16m as a consequence of the reduced CAPEX plan which will mainly impact H2 2020

¹ excluding IFRS 16

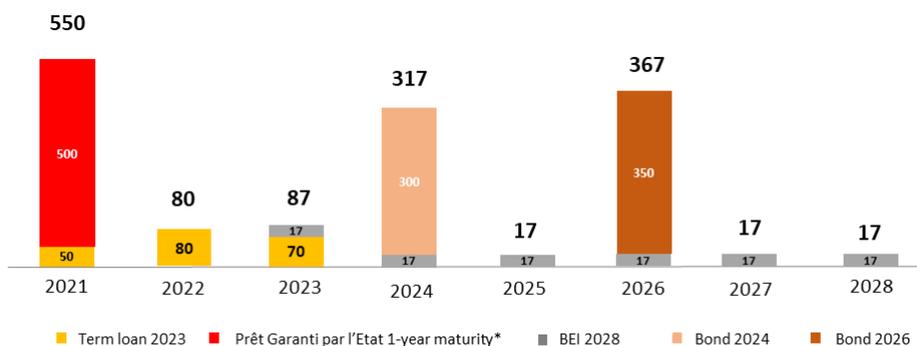
² including CAPEX for 2019 disbursed in 2020 for 13M€ in H1 2020

* Operations in the Netherlands are recognized as discontinued operations for H1 2019, following the application of IFRS 5

A STRONG LIQUIDITY POSITION

€m	31/12/2019	30/06/2020
Shareholders' equity	1,398	1,271
Net Debt¹	18	549
<i>Gross debt</i>	1,013	1,458
<i>Cash & cash equivalents</i>	(996)	(909)
Rental debt (IFRS16)	1,016	958

Gross debt repayment schedule



*The Term Loan facility guaranteed by the French State "PGE" has a maturity of 1 year from 2020 with a 5-year extension option

- + Strengthening liquidity and financial flexibility in the context of unprecedented crisis
 - €400 million revolving loan facility was fully drawn down on a preventive basis in mid-March and reimbursed on June 18, 2020
 - €500 million 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
 - The corresponding cash was not used at end of June 2020
- + Strong support from the French State and all the Group's banking partners which demonstrates their confidence in the Fnac Darty model
- + Solid cash position at €909 million, thanks to the implementation of the Guaranteed Government Loan combined with our strong business recovery and solid financial management

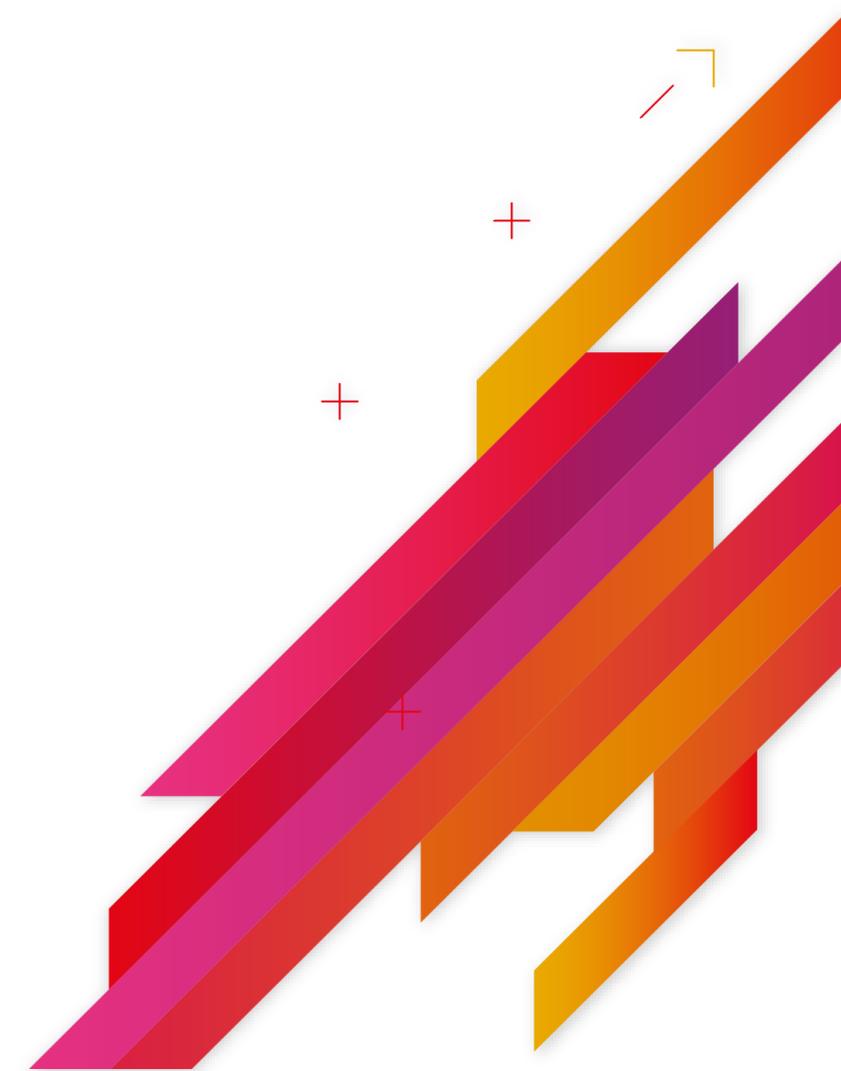
¹ excluding IFRS 16



OUTLOOK

Enrique Martinez, CEO

FNAC DARTY



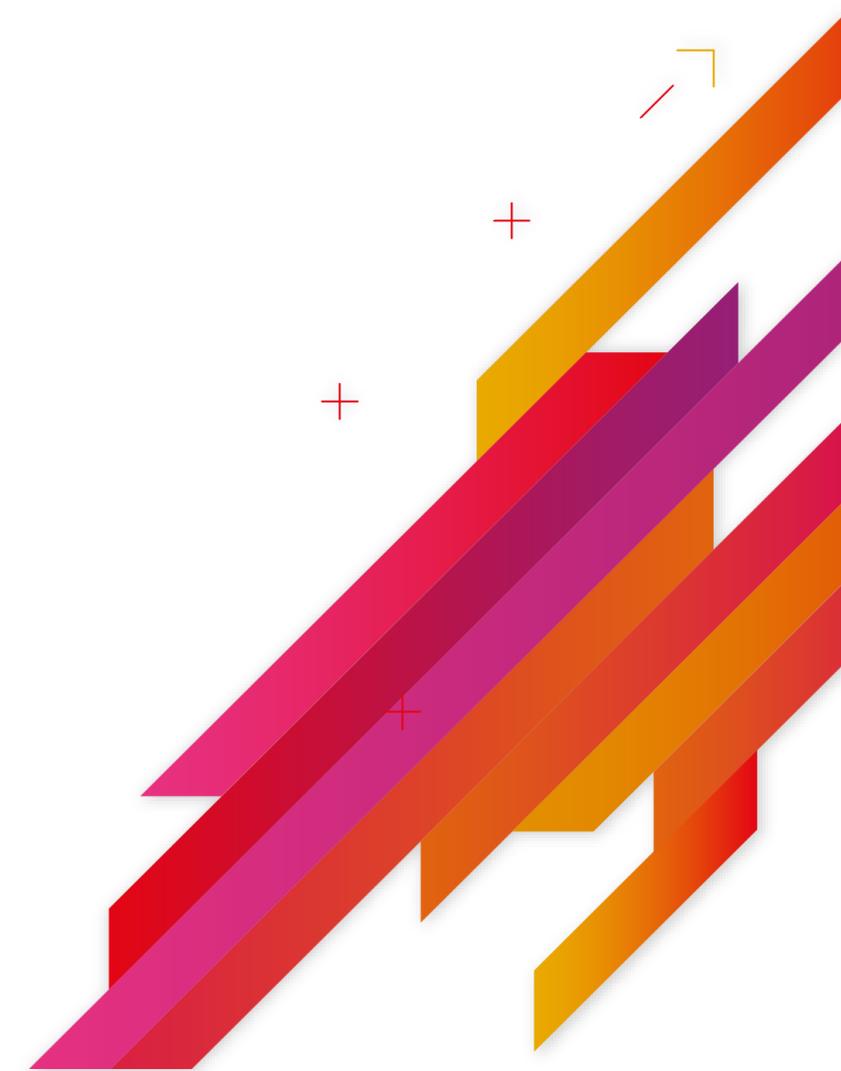
OUTLOOK

- + Fnac Darty continues to be cautious regarding the performance of its markets in H2 2020 due to the sustained uncertainty surrounding the recovery in consumption and the evolution of the product and service mix
- + However, the Group remains confident as the crisis has proven the strong capacity of Fnac Darty to adapt and continue operating in an unprecedented situation thanks to best-in-class digital capacities
- + The quality and strong commitment from its teams, customers and partners have been key
- + The Group will continue to concentrate on its commercial execution in order to fully succeed in the major commercial events of the S2, as well as on cost control, investments and cash flow generation



APPENDICES

FNAC DARTY

DEFINITIONS

+ Definition of Like-for-like sales growth

- This indicator measures changes in revenue excluding exchange rate fluctuations, the impact of changes in the scope and the impact of the opening and closing of integrated 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 of estimating recurring performance.

+ Definition of EBITDA

- EBITDA = Earnings before interest, taxes, depreciation and amortization 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	+ Rent 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 rent within the scope of IFRS 16 =	Free Cash flow from operations excluding IFRS 16
Net cash provided by operating activities minus net operating investments		Free cash flow from operations including cash impacts relating to rents within the scope of IFRS 16
Net debt	- Rental debt =	Net debt excluding IFRS 16
Gross financial debt minus gross cash and cash equivalents		Net financial debt minus rental debt
Financial result	- Financial interest on rental debt =	Financial result excluding IFRS 16

SALES PERFORMANCE BY REGION - MONTH

April 2020

€m	April 2020	Change compared with 2019	
		Reported change	Like-for-like basis
France and Switzerland	185	-52.7%	-53.6%
Iberian Peninsula	23	-52.8%	-51.5%
Belgium and Luxembourg	25	-37.0%	-37.1%
Group	233	-51.4%	-52.0%

May 2020

€m	May 2020	Change compared with 2019	
		Reported change	Like-for-like basis
France and Switzerland	412	+4.3%	+2.1%
Iberian Peninsula	29	-37.0%	-36.6%
Belgium and Luxembourg	46	+6.3%	+5.2%
Group	487	+0.5%	-1.3%

June 2020

€m	June 2020	Change compared with 2019	
		Reported change	Like-for-like basis
France and Switzerland	539	28.7%	24.6%
Iberian Peninsula	47	-3.5%	-6.5%
Belgium and Luxembourg	52	23.3%	21.7%
Group	638	25.2%	21.4%

Q1/Q2/H1 REVENUE

(€m)	Q1 2020	Change vs. Q1 2019			Q2 2020	Change vs. Q2 2019			H1 2020	Change vs. H1 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%	2,343	-7.2%	-9.5%	-9.7%
Iberian Peninsula	140	-7.3%	-7.3%	-9.8%	99	-31.2%	-31.2%	-31.6%	240	-19.0%	-19.0%	-20.5%
Belgium and Luxembourg	144	-2.6%	-2.6%	-3.5%	123	-1.5%	-1.5%	-2.4%	267	-2.1%	-2.1%	-3.0%
Group	1,490	-7.9%	-9.9%	-10.3%	1,359	-7.9%	-9.7%	-10.0%	2,849	-7.9%	-9.8%	-10.1%

CASH FLOW STATEMENT

(€m)	H1 2019*	H1 2020
Net debt excluding IFRS 16 as of January 1	(7)	18
Cash flow from operations before tax, dividends and interest	176	109
Change in working capital	(361)	(415)
Corporate income tax paid	(15)	(24)
Operating investments	(48)	(50)
Operating free cash flow	(248)	(380)
Interest paid net of interest and dividends received	(33)	(15)
Acquisition / disposal of subsidiaries net of cash transferred	(30)	(1)
Acquisition / disposal of other financial assets (net)	(1)	0
Increase / decrease in equity and other transactions with shareholders	(13)	1
Repayment of rental debts	(106)	(112)
Interest paid on rental obligations	(10)	(11)
Cash flow related to discontinued activities	(28)	(13)
Others	(2)	(1)
Change in net debt, excluding IFRS 16	(471)	(531)
Net debt excluding IFRS 16 as of June 30	464	549
Rental debt	863	958
Net debt including IFRS 16 as of June 30	1,327	1,507



Operating Free
Cash Flow
excluding IFRS 16:
€(503)m

BALANCE SHEET

Assets in €m	At December 31, 2019	At June 30, 2020	Equity and Liabilities in €m	At December 31, 2019	At June 30, 2020
Goodwill	1,654	1,654	Share capital	27	27
Intangible assets	511	497	Reserves related to equity	971	971
Tangible assets	615	596	Conversion reserves	(6)	(4)
Right of use related to rental contracts	1,026	962	Other reserves	396	268
Equity interests	21	22	Equity Group Share	1,388	1,262
Non-current financial assets	28	31	Equity attributable to minority interests	10	9
Deferred tax assets	83	63	Equity	1,398	1,271
Other non-current assets	0	0	Long-term liabilities	936	928
Non-current assets	3,938	3,825	Long-term rental debt	801	749
Inventories	1,079	945	Provisions for retirement and similar benefits	177	193
Accounts receivable	275	168	Other non-current liabilities	190	155
Current tax receivables	3	58	Deferred tax liabilities	203	203
Other current financial assets	12	10	Non-current liabilities	2,307	2,227
Other current assets	369	244	Short-term liabilities	77	530
Cash & cash equivalents	996	909	Short-term rental debt	215	209
Current assets	2,733	2,333	Other current financial liabilities	18	21
Assets held for sale	201	205	Accounts payable	1,889	1,227
Total assets	6,872	6,362	Provisions	39	34
			Tax liabilities	9	5
			Other current liabilities	785	672
			Current liabilities	3,032	2,698
			Liabilities associated with assets classified as held for sale	135	166
			Total liabilities and equity	6,872	6,362

← €958m
of
IFRS 16
impact
related
to rental
debt

STORE NETWORK

	December 31, 2019			June 30, 2020		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland⁽¹⁾	411	315	726	409	324	733
Iberian Peninsula	65	5	70	66	5	71
Belgium and Luxembourg	84	0	84	85	0	85
Group	560	320	880	560	329	889

FNAC DARTY

(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

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Q&A

FNAC DARTY

