Q1 2020 REVENUE UPDATE ON COVID-19 IMPACTS
COVID-19 IMPACTS ON FNAC DARTY

- COVID-19 crisis strongly impacts Fnac Darty’s activities
  - In February, the Group had to cope with a supply crisis due to production delays in China
  - Since mid-March, the COVID-19 epidemic has turned into a global health crisis leading to the closure of all the Group’s physical stores
- Continuity plan to ensure the health and safety of employees and customers by providing the best possible service
- Leveraging on its strong omnichannel capacities and ensuring the continuation of its service activities
  - Free delivery offered to all customers
- Implementation of a cost readjustment plan with the reduction in personnel costs with technical unemployment scheme for 80% of employees, and downward adjustment of the Group’s investments plan
- Implementation of a 1+5-years €500 million Term Loan facility guaranteed by the French State (“Prêt Garanti par l’Etat”) to significantly strengthen liquidity and prepare the recovery
- 2019 dividend proposal withdrawn, in compliance with French Government recommendations for issuers benefiting from State support
Q1 2020 HIGHLIGHTS

Group LFL revenue growth in Q1 2020

- Q1 2020 revenue of €1,490 million, down -7.9% on a reported basis and -10.3% on a like-for-like basis
- Stable LFL growth in January and February, despite a difficult context in France
- Closure of almost all of the Group's physical stores from mid-March due to COVID-19 crisis, leading to a drop in Group sales in March of c.30%
- All geographic regions and all product categories have been impacted
STRONG ONLINE PERFORMANCE

- Online sales increased by c.19% in Q1 2020
- Excellent operational execution on the Group's digital platforms enabled to absorb a strong growth of c. +100% on the last two weeks of March 2020 vs. 2019
- Strong online performance mainly driven by:
  - Technical products with good dynamics from IT, Telephony and Television categories
  - Appliances notably refrigerators, freezers and washing machines
  - Editorial products with double-digit growth in online sales of Books and Gaming

2nd e-commerce player in France
Online sales represented c.20% of revenue in 2019
14 main e-commerce sites
Scalable digital infrastructure allowing to absorb strong increase in online sales
Group centralized organization enables Fnac Darty to adapt quickly its supply chain

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FNAC DARTY
SECURING LIQUIDITY AND PREPARING THE RECOVERY

→ Given the abrupt shutdown of the Group’s in-store activities, taking place at a time that is usually low in the annual cash cycle, the Group has decided to resort to additional financing to secure its liquidity.

→ All the available financial resources have been requested since mid-March to anticipate the April seasonal peak in liquidity need, amplified this year by COVID-19 impact.

→ €400m revolving facility drawn down mid-March but not used at the end of March.

→ The Group has successfully secured a new €500m Term Loan facility with the guarantee of the French State in order to ensure a robust liquidity and enabling the Group to be fully ready for the recovery.

→ Strong support of the French State towards a key player of the French distribution sector.

→ Commitment of Fnac Darty banking pool.

→ Group’s agility to execute a complex transaction in a very short time frame.

→ Long-term financing.

→ Suspension of 2020 financial covenants of existing debts documentation under negotiation.
DIVIDEND AND MANAGEMENT COMPENSATION

- 2019 dividend proposal withdrawn, in compliance with the conditions imposed for the implementation of a State Guaranteed Loan
- Long-term shareholder return policy is suspended and will be reviewed at a later date
- The total compensation paid in 2020 to the Chairman, the Chief Executive Officer and the members of the Board of Directors will be reduced by 25% for the entire period during which the Group's employees are in technical unemployment due to the COVID-19 crisis
- Enrique Martinez, Chief Executive Officer, has also chosen to reinvest in Group shares, 50% of his variable compensation for 2019 net of payroll taxes and taxes, paid in 2020, once it has been submitted and approved by the shareholders at the Annual General Meeting.
- The Group executive committee members have also decided to reduce by 15% their 2020 fixed compensation for the same period
OUTLOOK

→ The loss of in-store sales will have a significant negative impact on the Group's financial results in 2020
→ The estimated gross margin rate deteriorated sharply in March due to store closures, which had a significant negative impact on the services/products mix with a lower level of attachment rate online for services (mainly warranty extension and insurance)
→ In this context, on the 17th of March, Fnac Darty announced that the Group is no longer in a position to confirm its 2020 objectives, i.e. slight growth in sales and current operating income compared to 2019
→ To date, Fnac Darty is not in a position to update its 2020 and medium-term objectives as impacts on the Group’s activities in 2020 will depend on the duration of the lockdown period, possible legal restrictions / operational challenges on deliveries and consumption recovery post lockdown period
→ The Group continues to monitor and periodically re-evaluate the evolution of the situation and the impacts on its activities
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