

## **Fnac Darty announces its strategic plan: Confiance +**

### **The Group's objectives in the mid-term are faster growth than its markets and an operating margin of 4.5% to 5%**

Fnac Darty announces its new strategic plan "Confiance +". This first Fnac Darty plan is built on the strengths of both banners and the good progress of the integration. In addition to the €130m synergy plan, to be delivered by end 2018, the new Group's goal is to create **Europe's benchmark omnichannel services platform**. Fnac Darty's **mid-term objectives are faster growth than its markets<sup>1</sup> and an operating margin of 4.5% to 5%<sup>2</sup>**.

Enrique Martinez, Chief Executive Officer of Fnac Darty, declared about Confiance +:

*"Since 2010, Fnac and Darty have been able to anticipate the advent of omnichannel and have successfully implemented the necessary changes in their business models. The rapid progress made in the integration of Fnac and Darty now allows the new Group to present a strong forward-looking vision through Confiance +. Confiance + will usher Fnac Darty into a new era, the era of services platforms. In a world where digital is everywhere and where human contact is becoming a luxury, our plan will also rely on the exceptional quality of our teams, in order to offer to our customers Europe's best omnichannel experience, and establish the Group's momentum over the long-term. Therefore, our objectives for the mid-term are faster growth than our markets and an operating margin of 4.5% to 5%."*

Confiance + aims to make the Group a leader in the era of "Retail as a Service", a new challenge for retail operators, requiring innovative services to be offered throughout the purchasing experience. Implementation of the Fnac Darty platform is based on 2 pillars, an enriched Fnac Darty ecosystem and an open omnichannel platform.

#### **1. Enriched ecosystem**

The Group, which already has a relevant and competitive range of products, in line with the latest innovations, intends to develop its position as a specialist while relying on targeted diversification levers (kitchen, new categories mainly as part of the marketplace).

Moreover, this product offering is complemented by the best offer of services in the market (including advice, financing, delivery and after-sales services).

Finally, the Group's customers will benefit from innovative subscription and loyalty programs. These will be backed by the Group's services offering, will allow cross-benefits between banners, will be enhanced by customized offers, and be open to third-parties.

By capitalizing on its two flagship brands, **Fnac Darty will deploy an enriched ecosystem offering its customers the best value proposition.**

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<sup>1</sup> In reported figures

<sup>2</sup> Under comparable market conditions

## 2. An open omnichannel platform

With the aim of offering the Group's customers and partners products and services that are accessible anywhere, in any format, and at any time, Fnac Darty intends to continue to extend its network of stores by stepping up the pace of its franchise development. The Group also intends to capitalize on the modernity and efficiency of its logistical assets by progressively opening them up to third parties. Lastly, Fnac Darty will be rolling out a "best in class" digital in-store experience, in order to better respond to consumers' evolving habits. **The Group's goal therefore is to offer the best omnichannel experience in its sector.**

### **Confiance + is based on ambitious initiatives:**

- Gains in market share in the three major product categories, particularly white goods
- Development of the omnichannel footprint supported by an investment plan dedicated to the digitalization of stores, e-commerce platforms and logistics assets
- A multi-banner, multi-country marketplace whose business volume should triple compared to 2016
- Over 200 new franchise stores opened
- More than 100 new stores or corners dedicated to the Kitchen offering
- A strengthened range of services based mainly on partnerships with sector leaders, like the Darty connected button in the Google Home ecosystem
- Launch of "Smart Home": a support service operated by Darty for connected devices
- Creation of an entity dedicated to a BtoB service offering
- Enhancement of subscription programs (Fnac+ and Darty+)

As a result of these initiatives, the Group is positioning itself as a solid and profitable alternative to digital "*pure players*", and has ambitious medium-term financial objectives.

**The mid-term objective of this strategic offensive is to achieve faster growth than the Group's reference markets<sup>1</sup>.**

**Fnac Darty's mid-term objective is also to achieve an operating margin of 4.5% to 5%<sup>2</sup>, thanks to the deployment of synergies and internal performance plans.**

**The Group targets strong cash generation**, and will maintain its controlled financial policy allowing both the necessary investments to strengthen the Group's assets, as well as tactical acquisitions based on market opportunities.

*The detailed presentation of the "Confiance+" as well as the replay of the conference will be available on the Group's corporate website.*

# FNAC DARTY

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