

2019 ESTIMATED PERFORMANCE

Activity in Q4 2019 impacted by an estimated loss in revenues of around €70 million in December, due to social movements in France

Good resilience of estimated current operating margin and Free Cash Flow

Announcement of the launch of an active search for a partner for operations in the Netherlands

In a particularly difficult context for the retail sector due to major social movements in France in December, Fnac Darty announces an estimate of its sales and results for the 2019 period. The Group is also launching a search for a partner for its operations in the Netherlands.

The estimates of the 2019 key figures for continuing operations would be the following:

Operations in the Netherlands are recognized as discontinued operations, following the application of IFRS 5, unaudited figures.

- **Revenues: around €7,340 million**
- **Current operating income: around €293 million**
- **Free Cash Flow: around € 170 million**

Enrique Martinez, Chief Executive Officer of Fnac Darty, commented: *“For the second year in a row, business in France was impacted by social movements in December, the most critical period for our sector. In 2019, these events will materially impact the Group’s performance. Despite this, thanks to our agility and cost control, our current operating margin should show strong resilience and would reach 4% in 2019 based on our most recent estimates. In addition, I have decided to initiate a search for a partner for our Dutch subsidiary BCC. In 2020, in a remaining uncertain environment, we would target slight growth in our revenues and our current operating income. Lastly, Fnac Darty’s unique assets, its omnichannel platform, its range of products and services, and the quality of its teams, should enable the Group to achieve, in the mid-term, a growth higher than its markets and a current operating margin of 4.5% to 5%.”*

Preliminary analyses of 2019 estimated performances - continuing operations

- In 2019, Group **revenues** would be around €7,340 million with a +0.7% growth on a like-for-like basis (2) compared to 2018, despite an estimated loss in Christmas sales of around €70 million caused by the year-end strikes in France which particularly impacted the Fnac brand and its city-center stores.
- **The gross margin rate would reach 30.4%, down by -20 bps in 2019 compared to 2018**, mainly due to the weight of Christmas sales, which was impacted by the social movements in France, and the dilutive technical effect of the growth of the franchise network. The product/service mix effect would remain slightly positive as a result of the favorable impact of the integration of Nature & Découvertes.
- Thanks to good cost control, **Current Operating Income from Continuing Operations is estimated at around €293 million**. It would include a contribution from acquired companies for slightly more than €20 million in 2019. The **current operating margin from continuing operations** would thus reach 4%.
- Despite the considerable unforeseeable revenue losses related to the strikes in December, the Group’s sound execution and the positive effects of the consolidation scope should enable it to generate **estimated Free Cash Flow of around €170 million, up compared to 2018**.

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Search for a partner for activities in the Netherlands

Given the efforts made to improve its operational agility and a renewed focus on markets in which the Group has a critical size, Fnac Darty has decided to launch an active search for a partner for its operations in the Netherlands so as to allow its Dutch subsidiary BCC to better seize its market opportunities.

Group's objectives

In a still uncertain social climate in France, the Group remains cautious about the performance of its markets in 2020, but confirms its ability to outperform their growth and remains focused on cost control.

As a result, the Group would target a slight growth in revenues and current operating income in 2020.

Fnac Darty confirms its mid-term objectives and aims to achieve higher growth than its markets and a current operating margin between 4.5% and 5%.

Important notices

All figures relating to the period from January 1, 2019 to December 31, 2019 presented in this press release are estimated financial data. These estimated financial data have been prepared in accordance with an accounting and consolidation process similar to the process generally used to prepare the consolidated financial statements. However, not all the annual closing procedures have been completed.

These estimated financial data were reviewed by the Board of Directors of the Company on January 16, 2020 and have not been audited by the Company's statutory auditors.

The final complete consolidated financial statements of the Group, which will be the subject of an audit report by the Company's statutory auditors, will be published on February 26, 2020 after the stock market closes according to the provisional publication timetable.

CONFERENCE CALL TODAY AT 7 PM

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 today at 7:00 p.m. (CET); 6:00 p.m. (UK) ; 1:00 p.m. (East Coast USA).

Dial-in numbers for conference call in French:

France: + 33 1 70 71 01 59

Access code: 75688753#

Dial-in numbers for conference call simultaneously translated into English

Germany: +49 69 222 225429

UK: +44 20 7194 3759

US: +1 646 722 4916

Access code: 82147285#

Replay dial-in numbers (available until Friday, April 17, 2020)

France: +33 (0)1 72 72 74 02

Replay access code: 418898658#

Germany: +49 211 97190087

UK: +44 20 3364 5147

US: +1 646 722 4969

Replay access code: 418898660#

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APPENDICES

Summary of unaudited key figures of continuing operations for 2018 and reminder of reported and audited data for 2018

(€ millions)	2018 Continuing operations ⁽¹⁾	2018 reported
Revenues	7,132	7,475
<i>Change on like-for-like basis⁽²⁾</i>		+1%
Gross margin <i>As a % of revenues</i>	2,182 30.6%	2,265 30.3%
Operating costs	1,878	1,969
Current operating income (COI)	304	296
<i>Operating margin</i>	4.2%	4.0%
Free Cash Flow⁽³⁾	158	153

(1) Operations in the Netherlands are recognized as discontinued operations for 2018, following the application of IFRS 5 - unaudited data.

(2) Like-for-like: excluding the impact of currency, the scope of consolidation, openings and closures of integrated stores

(3) Free Cash Flow including payment of the €20 million fine to the Competition Authority

Disclaimer - Forward-looking statements

This release may contain statements concerning the objectives, prospects and areas of development of the Group as well as forward-looking statements. Although these statements are based on data, assumptions and estimates that are considered to be reasonable by Fnac Darty at the date of this press release, Fnac Darty cannot guarantee that the objectives described will be achieved or that the projections will be realized nor that the assumptions made by Fnac Darty will prove to be fair. These statements and projections may change over time as a result of uncertainties relating to the vagaries of any business and to the change in the financial, economic, competitive and regulatory environment in which the Group operates. Fnac Darty makes no undertaking to update or revise the objectives, projections, prospects and forward-looking information contained in this release except pursuant to any legal or regulatory obligation that might apply to it. Fnac Darty cannot guarantee and give an assurance that the objectives described in this press release will be achieved.

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