



INVESTOR PRESENTATION

FNAC DARTY



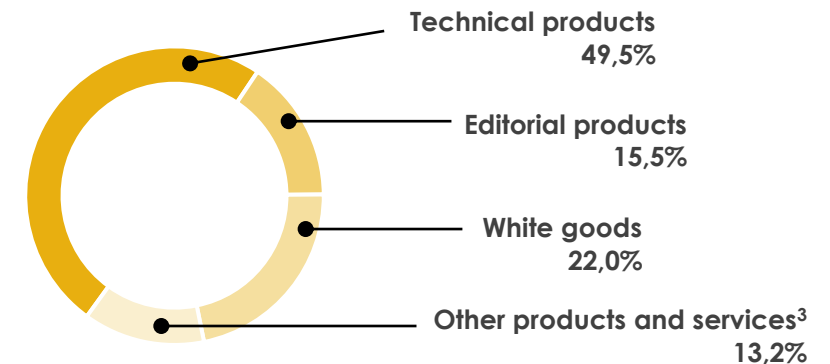
November 2021

FNAC DARTY AT A GLANCE

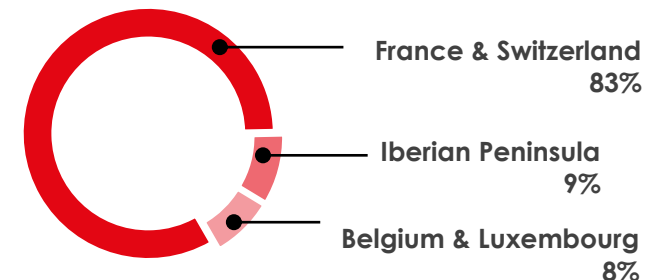
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **7.5 bn€ Group revenue in 2020 – c.25,000 employees**
- **Top 3 European Omnichannel Retailer:**
 - 30 million references available
 - 42% of online sales are omnichannel
- **923 multiformat stores in 12 countries**
- **2nd largest e-commerce retailer in France¹**
- **No. 1 after-sales service in France²**
- **c.10 million loyalty program members**
- **A portfolio of complimentary brands and new acquisitions**

2020 revenue breakdown by category



2020 revenue breakdown by region



¹ Source: FEVAD, 2020

² Internal customer studies

³ Include: Ticketing, B2B, after sales service, membership fees, franchise fees, insurance, consumer credit



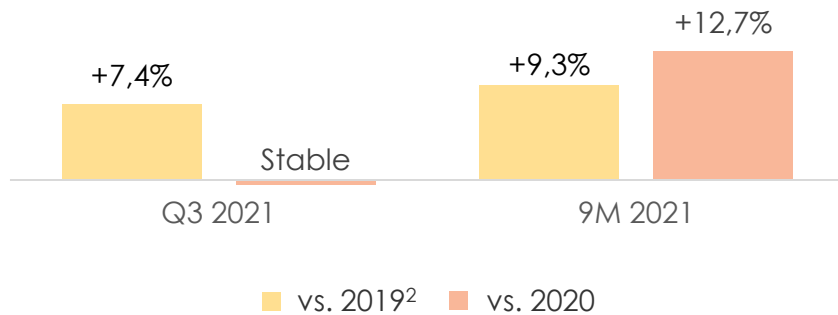
Q3 2021 REVENUE

FNAC DARTY

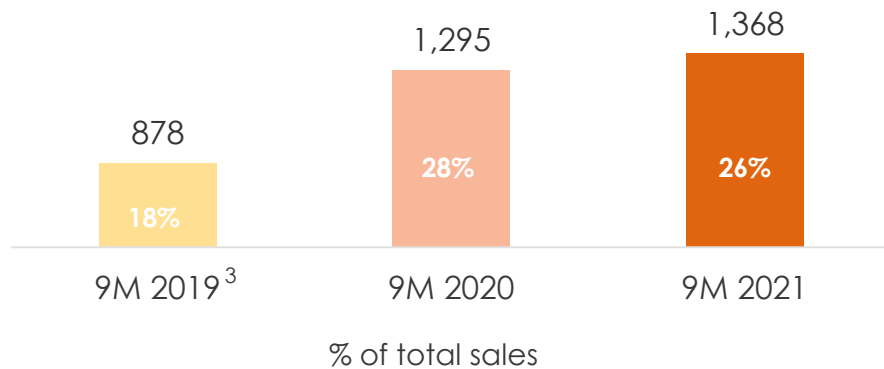


KEY HIGHLIGHTS

Group LFL¹ revenue growth evolution



Online sales still growing - €m



- **Q3 2021 sales at €1,854m, roughly stable¹ vs. Q3 2020**
 - All the Group's stores remaining open
 - Very few health restrictions (Pass Sanitaire in France and restrictions on opening hours in Portugal)
- **9M 2021 sales up +12.7%¹ compared with 9M 2020**
- **Continued growth in e-commerce** over the quarter in a normal store opening context
 - **Online sales representing c. 26% of total sales** for 9M 2021
 - **Click & Collect rate remains high at 46%** of online sales in Q3 2021
- **Gross margin rate stable for 9M 2021 versus 9M 2020** and slightly up excluding the impact of ticketing and the technical dilutive effect of the franchise

¹ Like-for-like: excluding the effect of changes in foreign exchange rates and scope of consolidation, openings and closures of integrated stores

² Excluding Nature & Découvertes and BCC

³ Proforma Nature & Découvertes

A QUARTER ALMOST STABLE YOY UNDERLYING A SOLID LEVEL OF SALES

- **France and Switzerland** showed good resilience, with sales growth roughly stable in Q3 yoy, but up compared to Q3 2019
- **Belgium and Luxembourg** reported a decrease mainly due to a high comparable basis last year, but still above Q3 2019 sales
- The **Iberian Peninsula** is gradually recovering as expected with positive sales growth in Q3 thanks to a progressive lifting of health restrictions and a gradual return of tourism

€m	Q3 2021	Change compared with Q3 2020 (LFL ¹)	Change compared with Q3 2019 (LFL ^{1&2})
France and Switzerland	1,539	-0.2%	+9,4%
Iberian Peninsula	165	+0.8%	-3,5%
Belgium and Luxembourg	150	-5.5%	+1.5%
Group	1,854	-0.5%	+7.4%

¹ Like-for-like: excluding the effect of changes in foreign exchange rates and scope of consolidation, openings and closures of integrated stores

² Excluding Nature & Découvertes and BCC

Q3 2021 REVENUE SPLIT BY PRODUCT CATEGORY

- **Product categories that overperformed last year posted a slowdown in sales due to a high comparable basis while showing growth versus 2019**
 - **Technical products** showed strong resilience with solid growth in telephony linked to the launch of the iPhone 13, TV and sound, which offset the decline in IT
 - **Appliance** sales were notably impacted by lower sales for cooler categories due to fewer heatwave periods in Q3 this year compared to last year
- **Editorial products performed well in all regions**
 - Good growth in **books**, mainly driven by the positive impact of comics and the continued positive impact of the Pass Culture in France
 - **Gaming** still positively impacted by the new generation consoles even with a low level of inventory on the market
- **Services performance**
 - **Darty Max** continued its full roll-out with the three complementary offers
 - **Marketplace** activity impacted by lower product availability on marketplaces, particularly in telephony, and the recent change in European regulation

RECENT STRATEGIC INITIATIVES

- **Enhanced customer experience**

- Sales made through video conference or chat extended to all integrated Darty stores and to be extended to all integrated Fnac stores in the coming months
- **More than 100,000 visio/chat with salespeople** since the launch in February 2021

- **Fnac new digital platform media: L'Éclaireur Fnac**

- A digital platform for informed opinions and choices on themes related to **culture** and **technology**
- Existing prescriber content (La Claque Fnac, Labo Fnac) as well as new content that will intensify interactions with customers on the web



- **CSR initiatives once again recognized by the extra-financial rating agencies in 2021**

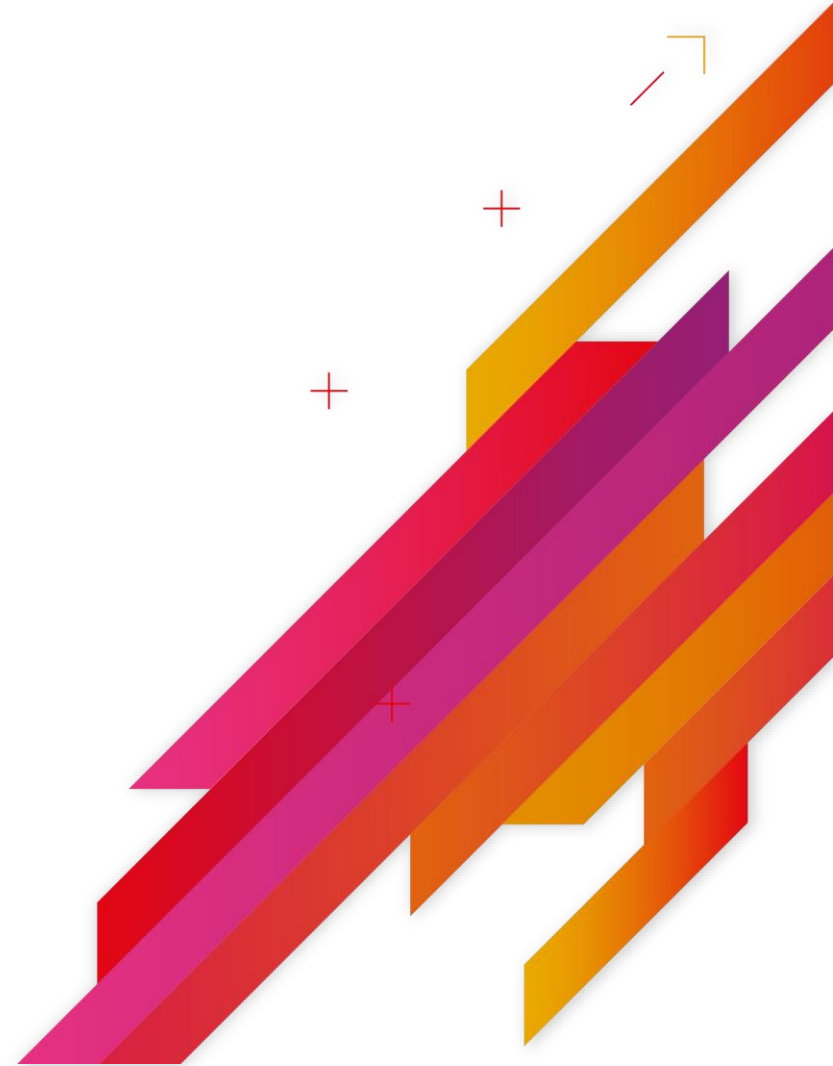
- Rating **AA** by **MSCI** for the third time in a row
 - **Top 17% of MSCI specialized retail sector** with an Industry-Adjusted Score of 7.8/10
- Integration of the **V.E (Moody's ESG Solutions)** category "**Robust**" with an ESG Assessment of **54/100 (+6 pts yoy)**
 - **Top 10 in the specialized distribution sector**¹ with an ESG Assessment well above the sector average of 35/100
 - **All of the E, S and G components have improved**, with a strong increase in **environmental aspects** (+14 pts yoy)

¹ European specialized distribution sector as defined by V.E.



OUTLOOK

FNAC DARTY



OUTLOOK

- We expect our store network to remain open by the end of the year in all our countries with no major health constraints
- The Group remains **confident in its operational ability to succeed in the major commercial events** at the end of the year thanks to:
 - The strength of its logistics and digital capabilities
 - The good level of inventories thanks to the quality of its relationships with suppliers in the context of supply chain tensions
 - A strong operational agility already demonstrated in uncertain circumstances and a good capacity to conclude exclusive partnerships in order to offer a good quality in product and service offering
- The Group is expecting for FY 2021¹:
 - **Total revenue to increase by slightly more than +5%²** compared to 2020;
 - **Current operating income to be at the high end of the previously communicated guidance range, between €260m and €270m.**

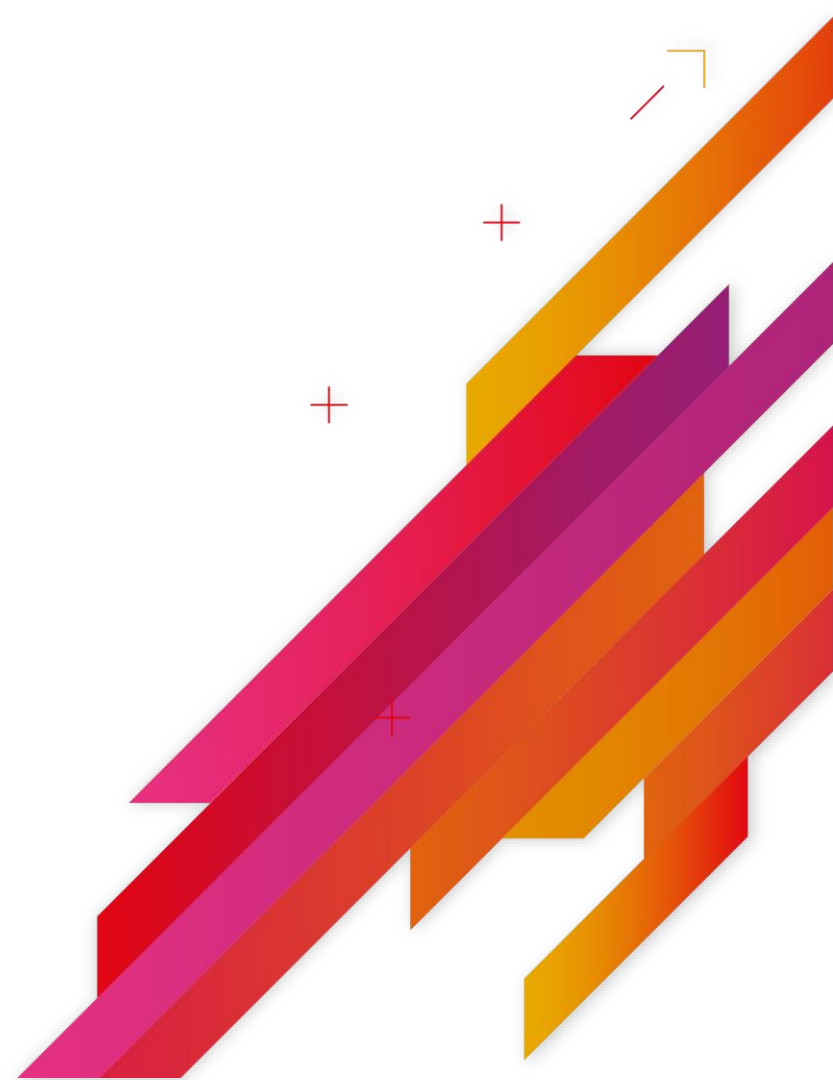
¹ Subject to the health situation not deteriorating significantly by the end of the year.

² Like-for-like: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.



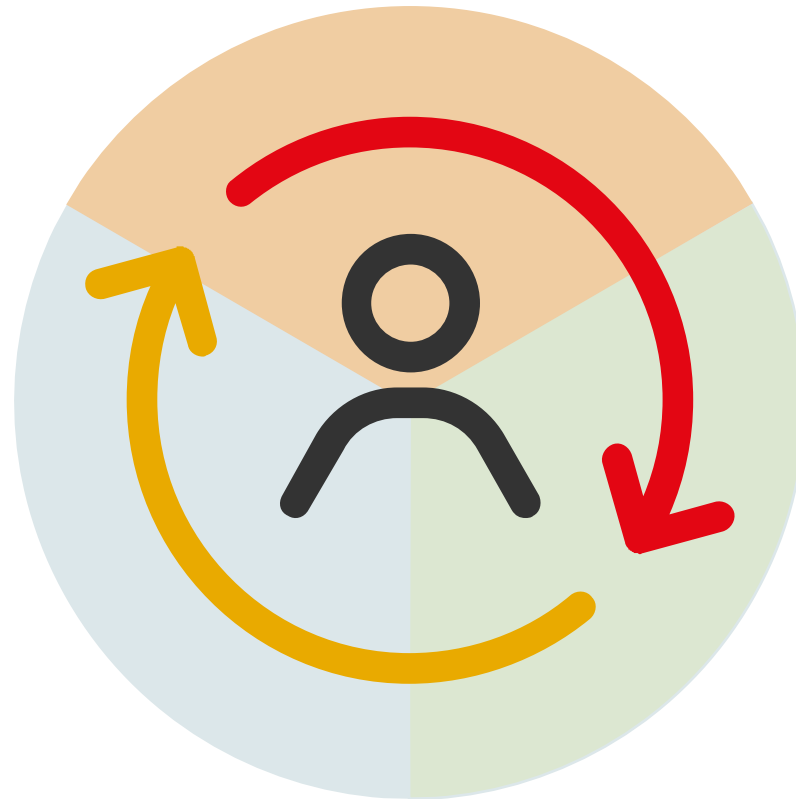
STRATEGIC PLAN, EVERYDAY

FNAC DARTY

BECOMING A RESPONSIBLE DIGITIZED RETAILER DELIVERING HIGH-VALUE AND DURABLE SERVICES

» Build a digitized omnichannel retail



» Scale the next in-home subscription-based assistance service

» Lead durable behaviors

KEY DRIVERS TO GENERATE RECURRING CASH FLOWS

- **Revenue growth mainly driven by increased online activity**
 - >30% online revenue penetration by 2025 o/w 50% is click & collect
- **Significant contribution in gross margin of the subscription-driven service offering**
 - >2M subscribers to our unlimited repairs subscription program by 2025
 - Mitigating the impact of the product mix sold online and the development of the franchise
- **Cost-cutting program to offset more than the expected inflation**
 - Continuous reduction of our operational cost base in line with our Performance Plan
 - 100% of our stores profitable¹ by 2025
- **Controlled capex level focused on strategic initiatives**
 - c.€120m of annual normative capex, excluding major strategic initiatives
 - Additional c.€40m to be invested over the period in new modern and high-level logistic equipment

Cumulative Free Cash Flow² ~€500m 2021-2023

Run rate Free Cash Flow² ≥ €240m in 2025

1. Group owned stores perimeter

2. Net cash provided by operating activities excluding net financial charges less net operating investments and cash impacts relating to rents within the scope of IFRS 16

ENSURING SUSTAINABLE SHAREHOLDER RETURNS

Increased
Free Cash Flow



Controlled net debt

Leverage¹ (net debt/ EBITDA)
of max 2.0x



Fund profitable growth

- Reinvest in the business
- Tactical bolt-on M&A



Shareholder return policy

- **Dividend of €1/share for 2020²**
- Target **dividend** of **≥ €1.5/share from 2021³**
- Target mid-term **payout ratio > 30%**



Opportunity-driven decision

**Incremental
shareholder
return**

- Leverage¹ of max 2.0x
- Via special dividend or share buyback

1. Leverage measured as of end of June with net debt excluding IFRS16 measured as of end of June and 12-month rolling EBITDA excluding IFRS16

2. Approved at the Annual General Meeting of 27 May 2021 and paid in July 2021
3. Dividend for 2021 paid in 2022, subject to approval by the Annual General Meeting

H1 2021 GROUP FINANCIAL RESULTS

€m	H1 2020	H1 2021
Revenue	2,849	3,465
Gross margin	844	1,029
Costs	902	995
Current operating income	-58	34
Non-current operating income and expenses	-25	-3
Operating income	-83	32
Financial expense	-23	-25
Tax expense	26	-9
Net income from continuing operations	-80	-2
Discontinued operations	-42	17
Consolidated net income, Group share	-118	17

- **Current operating income** at €34m, up €92m compared to H1 2020 and higher than the level in H1 2019 on a comparable basis¹
- **Continued tight control of operating costs**, enabling the Group to significantly reduce costs as a percentage of revenues by 300 bps to 28.7%
- **Consolidated net income, Group share for H1 2021 is positive at €17m**, up by €136m year-on-year

(1) Including Nature & Découvertes on a full-year basis and excluding BCC

FREE CASH FLOW GENERATION

€m	H1 2020	H1 2021
EBITDA	119	210
IFRS 16 impact	-124	-125
Non-recurring cash elements	-9	2
Cash flow from operations before tax, dividends and interest	-14	88
Change in working capital ¹	-415	-581
CAPEX ²	-50	-46
Tax	-24	-38
Operating free cash flow¹	-503	-577

- **EBITDA up €91m** including the impact of IFRS 16 vs. H1 2020, in line with the current operating income trend
- Operating free cash flow stands at -€577m, mainly impacted by:
 - The reduction in working capital requirements due to the **rebuilding of inventories** as a result of the strong sales momentum in Q4 2020, which continued in H1 2021
 - The higher level of tax paid due to higher income achieved in H1 2021
- CAPEX for the year 2021 amounts to €46m in H1 2021, down by -€4m vs. H1 2020

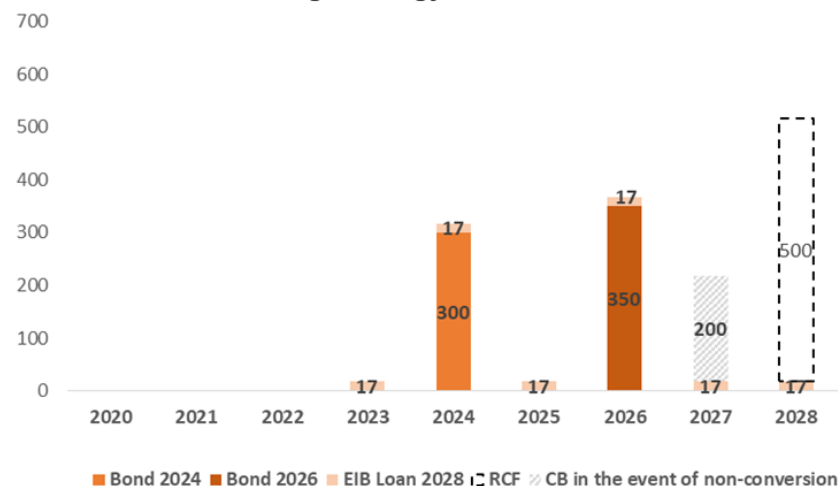
¹ excluding IFRS 16

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

A STRONG LIQUIDITY POSITION

€m	At December 31, 2020	At June 30, 2021
Shareholders' equity	1,373	1,409
Net debt ¹	-114	454
Gross debt	1,455	933
Cash & cash equivalents	1,569	479
Rental debt (IFRS 16)	1,114	1,050

New debt schedule for the Group as a result of the new financing strategy



- **New financing structure** implemented in March 2021 to strengthen the Group's financial flexibility, with:
 - Placement of a first OCEANE bond for €200m maturing in 2027
 - Extension of the RCF credit line to €500m with a CSR component, maturing at the latest in 2028, and repayment of the Senior Term Loan Facility of €200m, maturing in April 2023
 - Full repayment of the €500m state-guaranteed loan
- **Good cash position at €479m**, thanks to the strong business dynamics and solid financial management
- **1st dividend of €1/share paid** on July 7

¹ excluding IFRS 16



APPENDICES H1 2021

FNAC DARTY



DEFINITIONS (1/2)

- **Definition of Like-for-like sales growth**

- This indicator measures changes in revenue excluding exchange rate fluctuations, the impact of change in scope and the impact of the opening and closing of directly owned stores since January 1, N-1.

- **Definition of Current operating income**

- The monitoring of the Group's operating performance uses current operating income as the main operating balance. It is defined as the difference between the total operating profit and "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 and that can be used as a way to estimate recurring performance.

DEFINITIONS (2/2)

With application of IFRS 16	IFRS 16	Without application of IFRS 16
EBITDA Current operating income before depreciation, amortization and provisions on fixed operational assets	<i>Rents within the scope of IFRS 16</i>	EBITDA excluding IFRS 16 EBITDA including rental expenses within the scope of IFRS 16
Free cash flow from operations Net cash provided by operating activities less net operating investments		Free cash flow from operations excluding IFRS 16 Free cash flow from operations including cash impacts relating to rents within the scope of IFRS 16
Net cash Gross cash and cash equivalents less gross financial debt	<i>Rental debt</i>	Net cash excluding IFRS 16 Net cash less rental debt
Net debt Gross financial debt less gross cash and cash equivalents		Net debt excluding IFRS 16 Net financial debt less rental debt
Net financial income	<i>Financial interest on rental debt</i>	Net financial income excluding IFRS 16

Q1/Q2/H1 2021 REVENUE VS. 2020

(€m)	Q1 2021	Change vs. Q1 2020			Q2 2021	Change vs. Q2 2020			H1 2021	Change vs. H1 2020		
		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	1,505	24.8%	24.8%	24.5%	1,374	20.9%	20.9%	20.5%	2,878	22.9%	22.9%	22.6%
Iberian Peninsula	145	3.5%	3.5%	3.0%	140	41.1%	41.1%	39.6%	285	19.1%	19.1%	18.2%
Belgium and Luxembourg	168	16.7%	16.7%	16.3%	133	8.3%	8.3%	8.3%	301	12.8%	12.8%	12.6%
Group	1,818	22.0%	22.0%	21.7%	1,647	21.2%	21.3%	20.7%	3,465	21.6%	21.7%	21.3%

H1 2021 CASH FLOW STATEMENT VS. 2020

(€m)	H1 2020	H1 2021
Net debt excluding IFRS 16 as of January 1	18	(114)
Cash flow from operations before tax, dividends and interest	109	212
Change in working capital	(415)	(579)
Corporate income tax paid	(24)	(38)
Operating investments	(50)	(46)
Operating free cash flow	(380)	(451)
Interest paid net of interest and dividends received	(15)	(17)
Acquisition / disposal of subsidiaries net of cash transferred	(1)	0
Acquisition / disposal of other financial assets (net)	0	2
Increase / decrease in equity and other transactions with shareholders (incl. OCEANE)	1	20
Repayment of rental debts	(112)	(116)
Interest paid on rental obligations	(11)	(11)
Cash flow related to discontinued operations	(13)	(2)
Other	(1)	8
Change in net debt, excluding IFRS 16	(531)	(568)
Net debt excluding IFRS 16 as of June 30	549	454
Rental debt	958	1,050
Net debt including IFRS 16 as of June 30	1,507	1,504



Operating free cash flow excluding IFRS 16: **€(577)m**



BALANCE SHEET

Assets in €m	At December 31, 2020	At June 30, 2021
Goodwill	1,654	1,654
Intangible assets	506	512
Tangible assets	594	575
Rights of use relating to lease agreements	1,109	1,042
Investments in associates	0	1
Non-current financial assets	33	32
Deferred tax assets	67	60
Other non-current assets	0	0
Non-current assets	3,964	3,875
Inventories	960	1,055
Accounts receivable	285	168
Current tax receivables	4	21
Other current financial assets	7	6
Other current assets	361	170
Cash & cash equivalents	1,569	479
Current assets	3,186	1,899
Assets held for sale	0	0
Total assets	7,149	5,774

Equity and Liabilities in €m	At December 31, 2020	At June 30, 2021
Share capital	27	27
Reserves related to equity	971	971
Conversion reserves	-5	-6
Other reserves	375	416
Equity, Group share	1,369	1,408
Equity attributable to minority interests	5	2
Equity	1,373	1,409
Long-term liabilities	902	930
Long-term leasing debt	884	820
Provisions for retirement and similar benefits	206	178
Other non-current liabilities	124	106
Deferred tax liabilities	165	165
Non-current liabilities	2,281	2,199
Short-term liabilities	553	3
Short-term leasing debt	230	230
Other current financial liabilities	13	5
Accounts payable	1,784	1,231
Provisions	31	30
Tax liabilities	30	0
Other current liabilities	854	667
Current liabilities	3,495	2,166
Liabilities associated with assets classified as held for sale	0	0
Total liabilities and equity	7,149	5,774

← €1,050m of IFRS 16 impact related to rental debt

STORE NETWORK EVOLUTION

	December 31, 2020			June 30, 2021		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland⁽¹⁾	412	339	751	412	354	766
Iberian Peninsula	67	5	72	67	5	72
Belgium and Luxembourg	85	0	85	85	0	85
Group	564	344	908	564	359	923

(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



APPENDICES FY 2020

FNAC DARTY




Q1/Q2/Q3 2020 REVENUE VS. 2019

€m (IFRS 5 excluding BCC)	Q1 2020	Change vs. Q1 2019			Q2 2020	Change vs. Q2 2019			Q3 2020	Change vs. Q3 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%	1,538	10.1%	9.4%	9.0%
Iberian Peninsula	140	-7.3%	-7.3%	-9.8%	99	-31.2%	-31.2%	-31.6%	163	-3.7%	-3.7%	-6.1%
Belgium and Luxembourg	144	-2.6%	-2.6%	-3.5%	123	-1.5%	-1.5%	-2.4%	159	7.9%	7.9%	6.6%
Group	1,490	-7.9%	-9.9%	-10.3%	1,359	-7.9%	-9.7%	-10.0%	1,859	8.5%	7.9%	7.3%

Q4/FY 2020 REVENUE VS. 2019

€m (IFRS 5 excluding BCC)	Q4 2020	Change vs. Q4 2019			2020	Change vs. 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
France and Switzerland	2,348	11.3%	12.1%	11.7%	6,228	3.3%	2.2%	1.9%
Iberian Peninsula	252	-2.4%	-2.4%	-3.3%	654	-9.5%	-9.5%	-11.1%
Belgium and Luxembourg	183	4.2%	4.2%	3.8%	609	2.2%	2.2%	1.4%
Group	2,782	9.4%	10.0%	9.6%	7,491	1.9%	1.0%	0.6%

SIMPLIFIED P&L

€m (IFRS 5, excluding BCC)	Reported	
	2019	2020
Revenues	7,349	7,491
Current operating income	293	215
Non-current operating income and expenses	-29	-16
Operating income	265	199
Financial expense	-79	-51
Tax	-72	-60
Consolidated net income from continuing operations, Group share	115	96
Net income from discontinued operations	-10	-94
Consolidated net income, Group share	105	1
Operating free cash flow¹	173	192

¹ Excluding IFRS 16

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