

SRI 
PRESENTATION
 2022

FNAC DARTY


June 2022

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GROUP PRESENTATION & STRATEGY

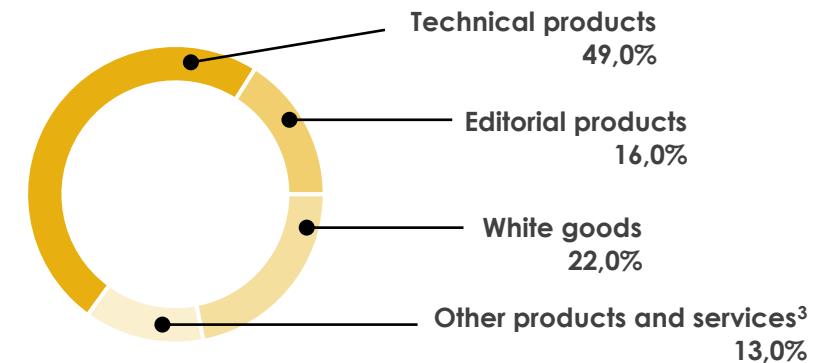
FNAC DARTY

EXCEPTIONAL PERFORMANCE IN 2021

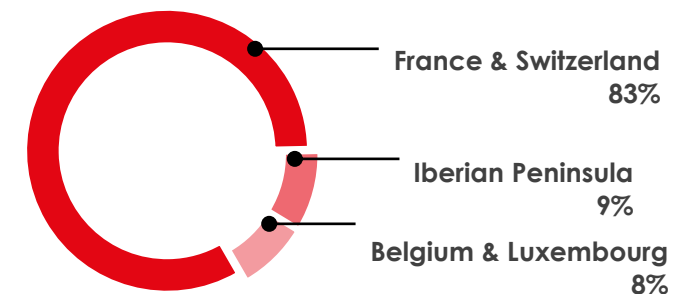
A EUROPEAN OMNICHANNEL LEADER WITH AN EFFICIENT CENTRALISED OPERATIONS PLATFORM

- **€8.0bn in revenue and >25,000 employees**
- **Leading European Omnichannel Retailer**
- **957 multiformat stores in 13 countries**
- **One of the top largest e-commerce retailer in France¹**
 - 17 million actives references available
 - 46% of online sales are omnichannel
- **No. 1 after-sales service in France²**
- **c.10 million loyalty program members**
- **A portfolio of complimentary brands and new acquisitions**

2021 revenue breakdown by category



2021 revenue breakdown by region



¹ Source: FEVAD, 2021

² Internal customer studies

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

FNAC DARTY, TWO ICONIC BRANDS WITH RESPONSIBLE VALUES IN THEIR DNA



INDEPENDENT EXPERTISE AND CUSTOMERS' ADVICE

- ◆◆ Give access to culture
- ◆◆ Independent vendors to give best advice for an educated purchase

1972 launch of Fnac Labo








RESPONSIBLE PRODUCTS AND SERVICES

- ◆◆ Strong services offer for repair, re-use and product recycling
- ◆◆ #1 after-sales service

1973 launch of Darty
« contrat de confiance »

A RESPONSIBLE RETAILER VALUED BY EXTERNAL ESG ORGANISATIONS

Agencies	Evolution	2018 (as of 2017)	2019 (as of 2018)	2020 (as of 2019)	2021 (as of 2020)
 	<p>Since 2019, Fnac Darty has been rated A2 Top 20% worldwide and 8th out of 72 in its sector in Europe The Group has integrated the "Robust" category for the first time</p>	35/100	44/100	48/100	54/100
	<p>Fnac Darty is rated as low ESG risks Fnac Darty ranks 1st and in the 1st percentile of the specialised retail sector assessed by Sustainalytics Sustainalytics rates Fnac Darty's management of ESG issues as robust, with a score of 60.8/100</p>		12.2	11.5	11.4
	<p>MSCI ESG Ratings has given Fnac Darty an AA rating for the 3rd consecutive year (on a scale ranging from AAA to CCC) Fnac Darty ranks in the Top 17% of specialised retail companies to earn an AA rating</p>	A	AA (7.7/10)	AA (7.9/10)	AA (7.8/10)
	<p>Fnac Darty received a A- grade, above the average of European companies (B) and above the average of the specialized retail sector (B-) The Group has integrated the "Leadership" category for the first time</p>	D	B	C	A-



For the 3rd time in a row

OUR NEXT TRANSFORMATION WILL BE DRIVEN BY OUR POWERFUL **GROUP RAISON D'ÊTRE**

Since 2018, Fnac Darty has adopted a **corporate raison d'être**

“

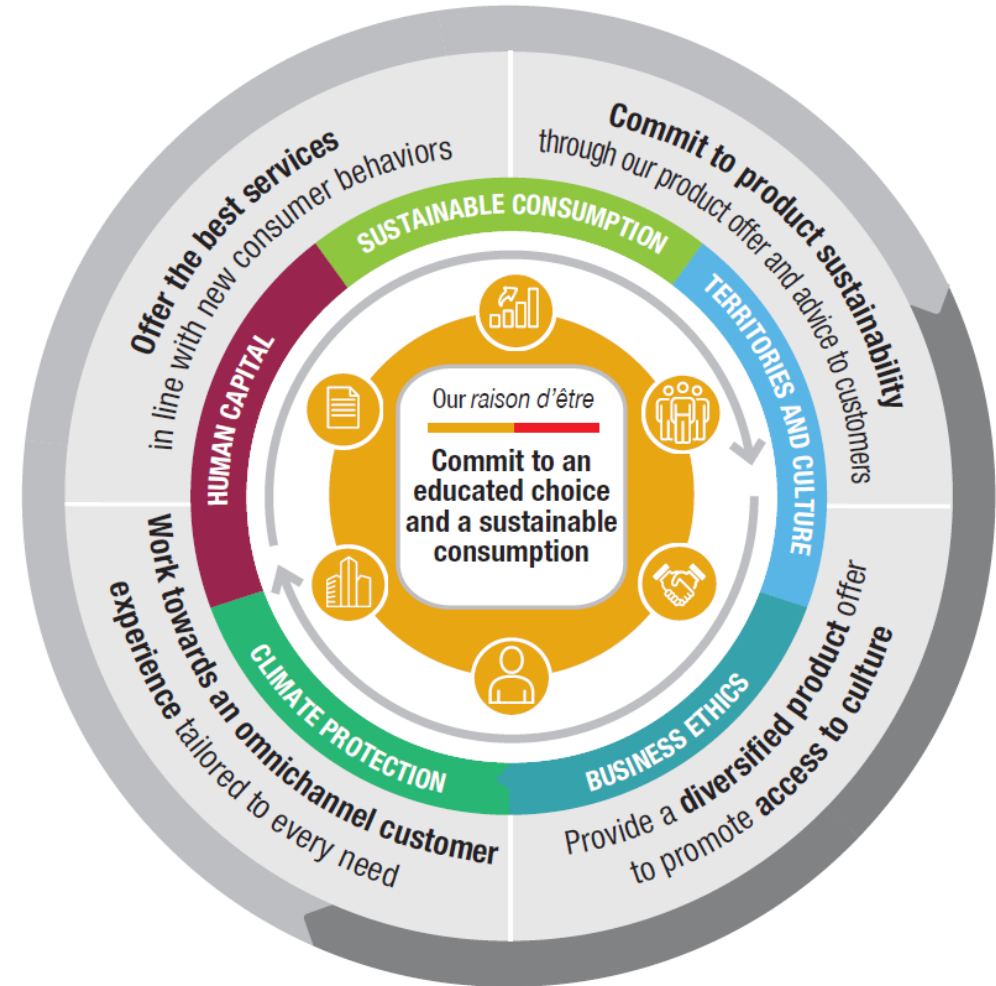
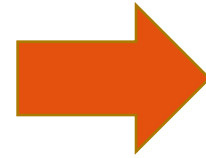
COMMIT TO AN EDUCATED CHOICE AND A SUSTAINABLE CONSUMPTION

”

At a time of hyperchoice and consumer expectations for more responsible consumption, this mission aims to guarantee the best offer of products and services, enriched by the strong expertise of our vendors

This raison d'être is intended to irrigate the entire Group and guide our strategic choices

OUR 5-PILLAR CSR STRATEGY CREATES SUSTAINABLE VALUE



3 CSR RELATED AMBITIONS IN OUR NEW STRATEGIC PLAN, EVERYDAY, INCLUDING 1 CLEARLY STATED CSR PILLAR

HOW DO WE COMMIT TO AN EDUCATED CHOICE AND A SUSTAINABLE CONSUMPTION, EVERYDAY?

» Build a digitized omnichannel retail



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

» Lead durable behaviors

CSR OBJECTIVES ALSO INCLUDED IN OUR FINANCING STRATEGY



In our new financing strategy launched in March 2021, we have extended our RCF line of credit to €500 million maturing maximum in 2028 with **a CSR component** that will permit the Group to improve its financing terms if the designated targets are achieved:

- **A durability score indicator** to reach 135 by 2025
- **A repair indicator** to reach c. 2.5M of products repaired by 2025
- **A gender equality indicator** to reach > 35% of female in the top 200 managers of the Group by 2025



OUR CSR VALUE PROPOSITION

FNAC DARTY

OUR CSR VALUE PROPOSITION

A GOVERNANCE AT THE HIGHEST STANDARDS

CONSUMERS' EXPECTATIONS

- AGILITY / PROXIMITY
- A DEMAND FOR IMMEDIACY
- EXPERIENCE OVER GOODS
- REDEFINITION OF CONSUMPTION PRIORITIES AND PRODUCT USE
- GREATER ENVIRONMENTAL CONCERN
- EXPERIENCE OVER GOODS
- QUALITY
- ADVICE

CSR AT THE HEART OF FNAC DARTY'S STRATEGY PLAN EVERYDAY



DIFFERENTIATING CSR VALUE OFFER

- Favor **click&collect** than home delivery with the unique “**informed delivery**” **information**
- A renowned Fnac brand as cultural agitator to **widen access to culture**
- Increase **positive impacts on territories** (employment and solidarity) through store openings
- Acting on the **largest CO₂ emission**, the products with **customers** and **suppliers**
- **Second life differentiating offering** through historical brands, Darty and Fnac Seconde Life
- Disruptive initiatives to highlight the **most sustainable products** through Fnac Darty Barometer and the proprietary Sustainable Choice label
- Monitoring **extended durability** of the product offerings through the Durability score
- A solution to **tackle** planned **product obsolescence**
- Premiumisation of the demand towards **better quality products**
- Prevent **products repair** through **a maintenance service included**

¹ Durability scores weighed by volumes

² Number of Darty Max subscribers x number of products covered per subscriber

OUR CSR RELATED AMBITIONS WILL HELP US TO ACHIEVE OUR FINANCIAL OBJECTIVES

EVERYDAY AMBITIONS

ESG related objectives by 2025

Business value added

Financial objectives by 2025

BUILD A DIGITIZED OMNICHANNEL RETAIL

- ✓ 50% of online sales will be Click & Collect
- ✓ Continued stores network deployment mainly through franchise

- ✓ A click&collect service to reach the **same online profitability as offline**
- ✓ A service run by salespeople to **provide assistance, attached services** and accessories to online sales
- ✓ A **franchise business accretive in EBIT margin** as less cost intensive to have a significant store footprint

LEAD DURABLE BEHAVIORS

- ✓ Reach a durability score of 135¹
- ✓ 2.5 million product repaired
- ✓ Integration 100% of “non-saleable” products into a second life sector

- ✓ **Differentiated offering** with a large and diversified range of products
- ✓ Increased **customer loyalty**
- ✓ Qualitative and sustainable product offerings with **higher margins**

SCALE THE NEXT IN-HOME SUBSCRIPTION-BASED REPAIR SERVICE

- ✓ >2M subscribers to our unlimited repairs subscription program

- ✓ **Recurring revenue** and **cash flow**
- ✓ Differentiated offering with a **unique service proposition**
- ✓ A captive ecosystem and **increased customer loyalty**
- ✓ Premiumisation of the demand to favour **higher margin products**

Generating strong cash-flow

- ✓ **Cumulative Free Cash Flow²c.€500m 2021-2023**
- ✓ **Run rate Free Cash Flow² ≥ €240m in 2025**

1. Durability scores weighed by volumes
2. Excluding IFRS 16

FNAC DARTY PROFILE IN 2025: FINANCIAL AND EXTRA-FINANCIAL AMBITIONS

ESG AMBITIONS

135

"Durability score"
by 2025¹

-50%

Transport & energy CO₂
emissions in 2030 vs 2019

2.5M

Products repaired in 2025²

35%

Of women in Top 200
managers of the Group

BUSINESS & FINANCE AMBITIONS

>30%

Online revenue penetration
by 2025

>2M

Subscribers to our unlimited repairs
subscription program by 2025

100%

Stores profitable by 2025³

c.€120m

Total annual normative capex budget
over the period by 2025⁴

≥ €240m

Run rate Free Cash Flow⁵ in 2025

Shareholder return

>30% mid-term payout ratio

Add. opportunistic shareholder return
Leverage⁶ of max 2.0x

1. Durability scores weighed by volumes 2. Repaired or dysfunction resolved
3. Group owned stores perimeter
4. Excluding major strategic initiatives

5. 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
6. 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

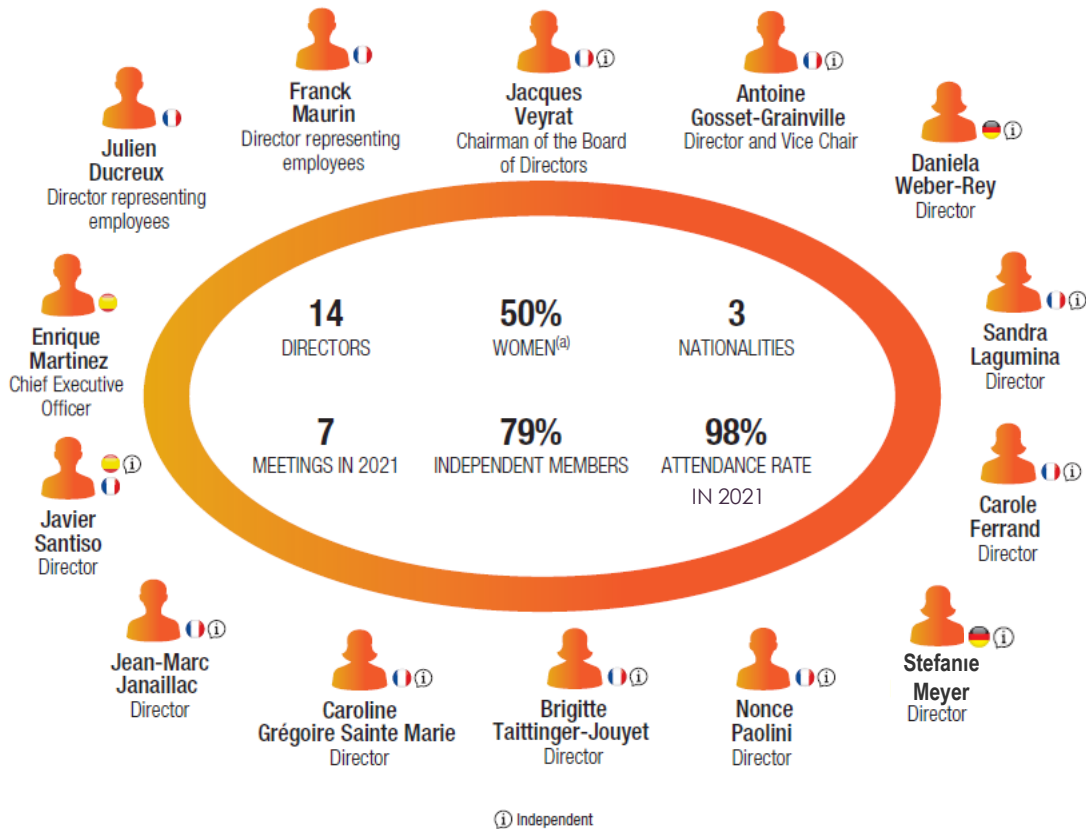


A SOLID GOVERNANCE

FNAC DARTY

A SOLID AND STABLE BOARD OF DIRECTORS...

As of 19 May 2022



- 79% of independent members
- 50% of female members*
- 2 employees Directors
- 4 committees chaired by independent Directors of which:
 - Audit Committee
 - Appointments and Compensation Committee
 - Strategy Committee
 - **Corporate, Environmental and Social Responsibility Committee**
- Chairman of CSR committee is also member of Appointments & Compensation Committee and Strategy Committee

... WITH STRONG, DIVERSE AND MIX EXPERIENCES AND SKILLS THAT SUPPORT LONG-TERM VALUE CREATION

Nom	Distribution	International	Finance	Gouvernance	Management / Stratégie	RSE	RH	Digital
Jacques Veyrat			X	X	X	X		
Antoine Gosset-Grainville			X	X	X		X	
Daniela Weber-Rey		X	X	X	X			
Sandra Lagumina			X	X	X			
Carole Ferrand	X		X		X			
Stefanie Meyer	X	X			X			X
Nonce Paolini	X			X	X		X	
Brigitte Tainttinger-Jouyet		X			X	X	X	
Caroline Grégoire Sainte Marie		X	X		X	X		
Jean-Marc Janailac		X	X	X	X	X		
Javier Santiso		X	X		X			X
Enrique Martinez	X	X			X		X	
Franck Maurin	X							
Julien Ducreux	X							X

Caroline Gregoire Sainte Marie is also a Board member of <http://chapterzero-france.com/> whose objective is to raise awareness of climate issues among directors, including the transition to net zero carbon

A QUALIFIED AND EXPERIENCED EXECUTIVE TEAM FULLY DEDICATED TO THE NEW STRATEGIC PLAN



ENRIQUE MARTINEZ

CHIEF EXECUTIVE OFFICER of Fnac Darty

- ✓ More than 20 years at Fnac Darty in various positions of responsibility
- ✓ Member of the Executive Committee since 2004

 46% of female members
 13 members



JULIEN PEYRAFITTE
COMMERCIAL Director



OLIVIER THEULLE
E-Commerce and
DIGITAL Director



ANNE-LAURE FELDKIRCHER
Executive Director of
TRANSFORMATION & STRATEGY



JEAN-BRIEUC LE TINIER
Group Chief **FINANCIAL**
Officer



FLORENCE LEMETAIS
CLIENT, Marketing and Business
Development Director



VINCENT GUFFLET
SERVICES and Operations
Director



FRÉDÉRIQUE GIAVARINI
GENERAL COUNSEL in charge of **CSR**
and Managing Director of
NATURE & DÉCOUVERTES



TIFFANY FOUCAULT
HUMAN RESOURCES Director



FRANCOIS GAZUIT
OPERATIONS Director



ANNABEL CHAUSSAT
Managing Director of
Fnac **SPAIN**



CHARLES-HENRI DE MALEISSYE
CEO of **FNAC VANDEN BORRE** in
BELGIUM



CELINE TRUNET FAVRE
COMMUNICATIONS & PUBLIC AFFAIRS
Director

GOVERNANCE THAT STRENGTHENS THE INTEGRATION OF CSR CHALLENGES

- A **Corporate, Environmental and Social Responsibility Committee** has been created at Board level since 2013 and **CSR is overseen by the General Counsel in charge of CSR and Governance**, a member of the Executive Committee
- The **Ethics Committee (2018)** oversees compliance with transparency, due diligence and data protection laws
- A **Climate committee (2019)**, presided by the CSR Group Director, manages the **climate roadmap** in order to **meet** the Group's **CO₂ reduction commitments**
- A **durability committee (2021)**, with 2 Comex sponsors, aims to develop the Group's product offer to make it more sustainable
- A **Circular Economy committee (2021)**, presided by the General Counsel in charge of CSR and Governance, manages the issues related to **waste recycling**
- Involvement of all the business lines daily through the nomination of a **CSR referee**, the creation of **roadmaps** with the **definition of objectives specific** to each department of the Group, and regular monitoring of those **objectives**

CSR ALSO INCLUDED IN REMUNERATION POLICY

- **10% of the total bonus of the CEO is linked to CSR objectives**, 5% of which to the Group's extra-financial rating
- **10% of the total bonus of the Executive Committee** members is related to **CSR objectives**, 5% of which on specific indicator and 5% on CO₂ reduction objective
- Continued to strengthen the integration of CSR criteria in the variable compensation with **10% of the bonus of all Group managers** based of CSR objectives
- Increased weight of CSR criterion in **long term benefit from 20% to 25% with 2 measurable objectives, specific to Fnac Darty and different from those of the CEO's variable compensation, with a more focus on climate**
- Presence of a director representing the employees at the **Appointments and Compensation Committee** to represent the employees' interest in this committee
- Presence of a **common director** between the **CSR Committee** and the **Appointments and Compensation Committee** to increase the **link** between **the remuneration policy and CSR issues**



FNAC DARTY CSR STRATEGY

FNAC DARTY

4 MAJOR KEY RISKS, COVERED BY OUR CSR POLICY, HAVE BEEN IDENTIFIED BY A MATERIALITY ANALYSIS



Key issues

THE CLIMATE EMERGENCY & ITS CONSEQUENCES ON COMPANIES

SUSTAINABILITY OF THE BUSINESS MODEL & NEW PATTERNS OF CONSUMPTION

THE DEVELOPMENT OF BUSINESS LINES DUE TO DIGITAL ACCELERATION

ETHICS FOR ALL BASED ON A MODEL OF DEVELOPMENT THROUGH PARTNERSHIP

Fnac Darty Focus

Reduce impacts on the climate

Promote sustainable consumption & an educated choice
Contribute to the social & cultural development of territories

Develop human capital

Ensure exemplary Business conduct



A 5-PILLAR CSR POLICY TO ADDRESS OUR RISKS AND SEIZE BUSINESS OPPORTUNITIES



PROMOTING A SUSTAINABLE CONSUMPTION



OUR RECENT ACHIEVEMENTS

2.1M

of repair products in 2021



No. 1 REPAIR IN FRANCE²

52KT

WEEE collected and recycled at Group level



No. 1 WEEE COLLECTOR IN FRANCE

+22

new **WeFix** openings in 2021 to 139 points of sale

+50%

of products resold in 2021 through Fnac 2nd vie or Darty Occasion

+6pts

Durability score¹ (111 in 2021)



OUR COMMITMENTS

- Help customers to make an **educated choice**
- Encourage **repairs**, give a **second life** to products and ensure **waste collection** and **recycling**
- Contribute to **public debate** around **sustainability**



- **2.5M PRODUCTS REPAIR BY 2025**
- **DURABILITY SCORE¹ OF 135 BY 2025**



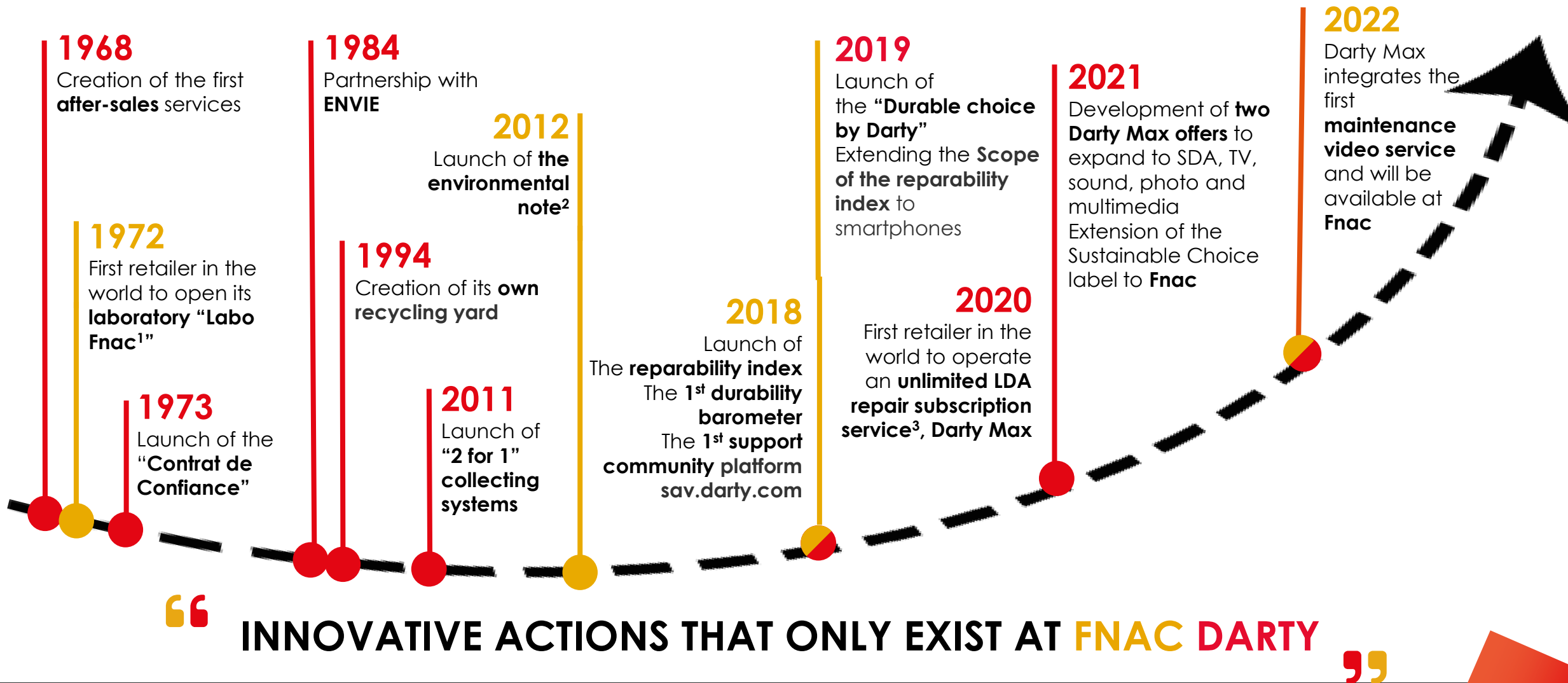
OUR ACTIONS

- Highlight the most **sustainable products** through the **After-Sales Service Barometer** and the **Sustainable Choice label**
- Deployment of **subscription repair service, Darty Max** through B2C and B2B
- Rapid development of the **second-hand product offers**
- Continuation of partnerships with the **social inclusion body, "Envie"**

¹ Products durability scores weighted by volumes

² OpinionWay study carried out online, from December 15 to 16, 2021, with a sample of 1,013 people representative of the French population aged 18 and over

AN INDEPENDENT EXPERTISE AND CUSTOMERS' ADVICE FOR A RESPONSIBLE CONSUMPTION



1. The Labo Fnac compares the characteristics and performance of technical products **849 tests on 447 products in 2021**

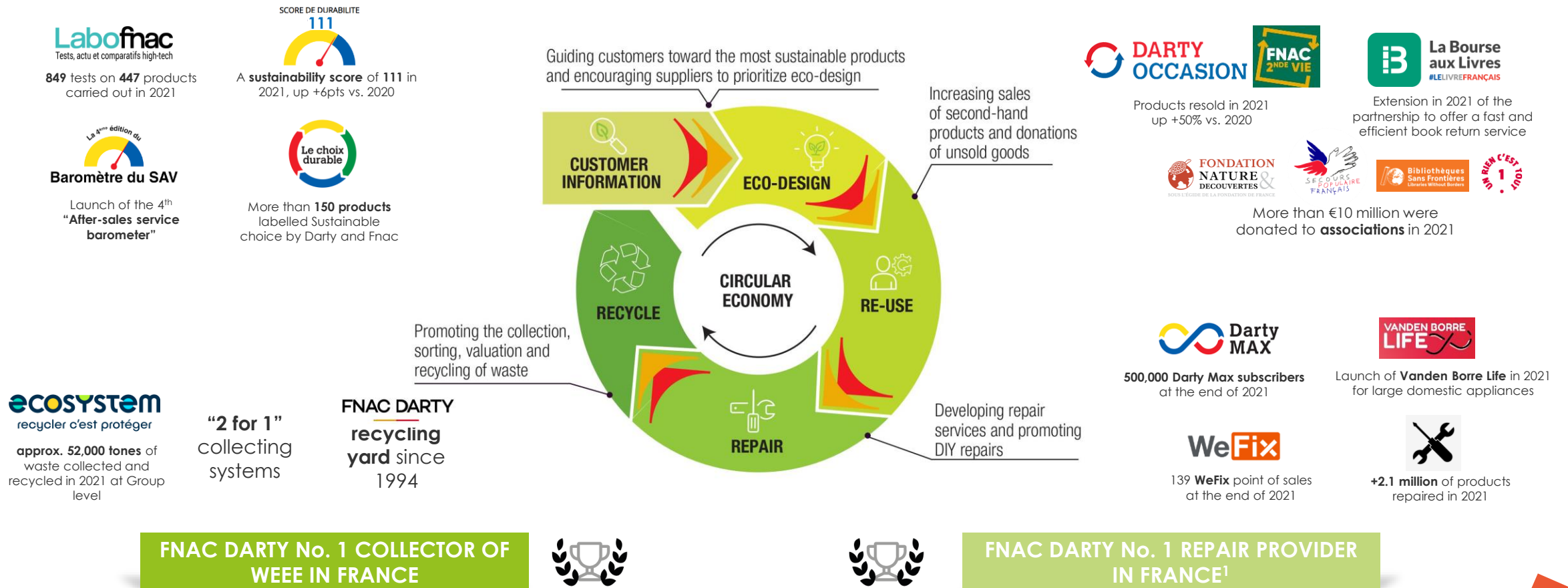
2. The environmental note indicates the environmental impact of TVs, Tablets, PCs and smartphones

3. Official launch : end 2019

FNAC DARTY, A RESPONSIBLE COMPANY

FOCUS ON A STRONG COMMITMENT TOWARD A MORE CIRCULAR ECONOMY

A strong commitment to the **circular economy** with a clear engagement in **extending product durability** through a **unique service proposal**



¹ OpinionWay study carried out online, from December 15 to 16, 2021, with a sample of 1,013 people representative of the French population aged 18 and over.

FNAC DARTY, AN ECONOMIC, SOCIAL AND CULTURAL ACTOR



OUR RECENT ACHIEVEMENTS



#1

Bookstore in France
Ticket vendor in France
Record shop owner in France



Creation of a digital medium, **La Claque Fnac**



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

957

multi-format stores of which 789 stores in France and 168 international stores

5,700

free cultural events organized, in-store and online

>10M€

in donations



OUR COMMITMENTS

- Provide **access to culture** to as many people as possible
- Increase the **positive impact on the territories** (employment and solidarity)



OUR ACTIONS

- Gradually **expansion of the territorial network** with the opening of some additional stores every year mainly in Franchise
- Continuation of **cultural events in stores and online**
- **Solidarity operations** maintained despite the context
- 2,931 local projects financed by the Nature & Découvertes Foundation (128 in 2021)
- Historical partner of the "Pass Culture¹" in France



¹ The "Pass Culture" allows young people aged 18 of having a budget of €300 for 24 months to enjoy cultural activities in France



FNAC DARTY'S CLIMATE STRATEGY



OUR RECENT ACHIEVEMENTS

NEW

Member of the **Ambition 4 Climate movement**



Signature of the **Charter of Commitments** for Reducing the Environmental Impact of E-Commerce

-14%

in its CO₂ revenue-related emissions compared to 2019

24%

renewable energy in France

99%

renewable energy in Spain, Portugal, Belgium and Switzerland



OUR COMMITMENTS

• Limiting the environmental impact of our activities through an ambitious CO₂ and waste policy



• **REDUCING BY 50% CO₂ EMISSIONS BY 2030 vs. 2019** (scope 1+2)



OUR ACTIONS

• Transport

- ✓ Optimisation of flow and truck filling
- ✓ Renewal of part of Diesel truck fleet with Compressed Natural Gas (CNG) trucks
- ✓ Selection of partners with less impact on environment
- ✓ Effective actions to reduce delivery failures and to develop in-store pick-up
- ✓ launched the "Informed Delivery" information which allows customers to estimate the environmental impact of the various delivery methods

• Energy consumption

- ✓ Investing in equipment to reduce energy consumption: central building energy management system, LED roll-out
- ✓ Signature of a 10-year Corporate PPA agreement with Valeco for the construction and operation of a photovoltaic farm in France



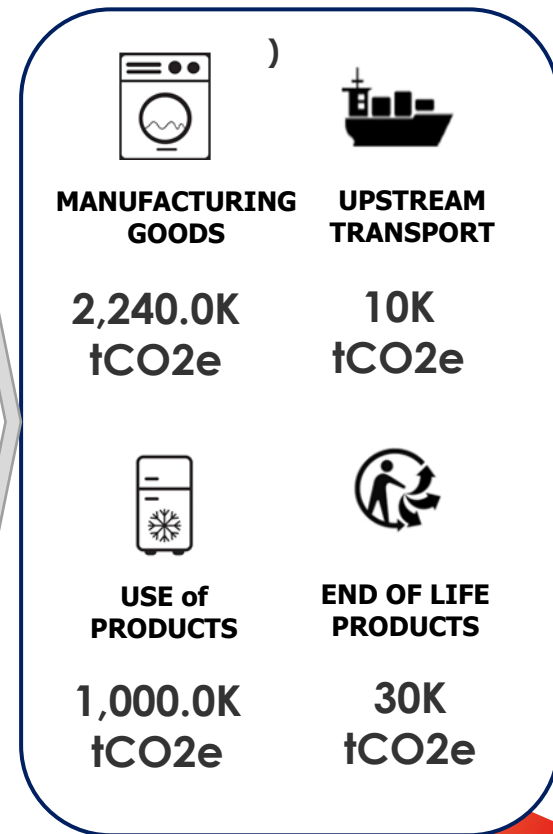
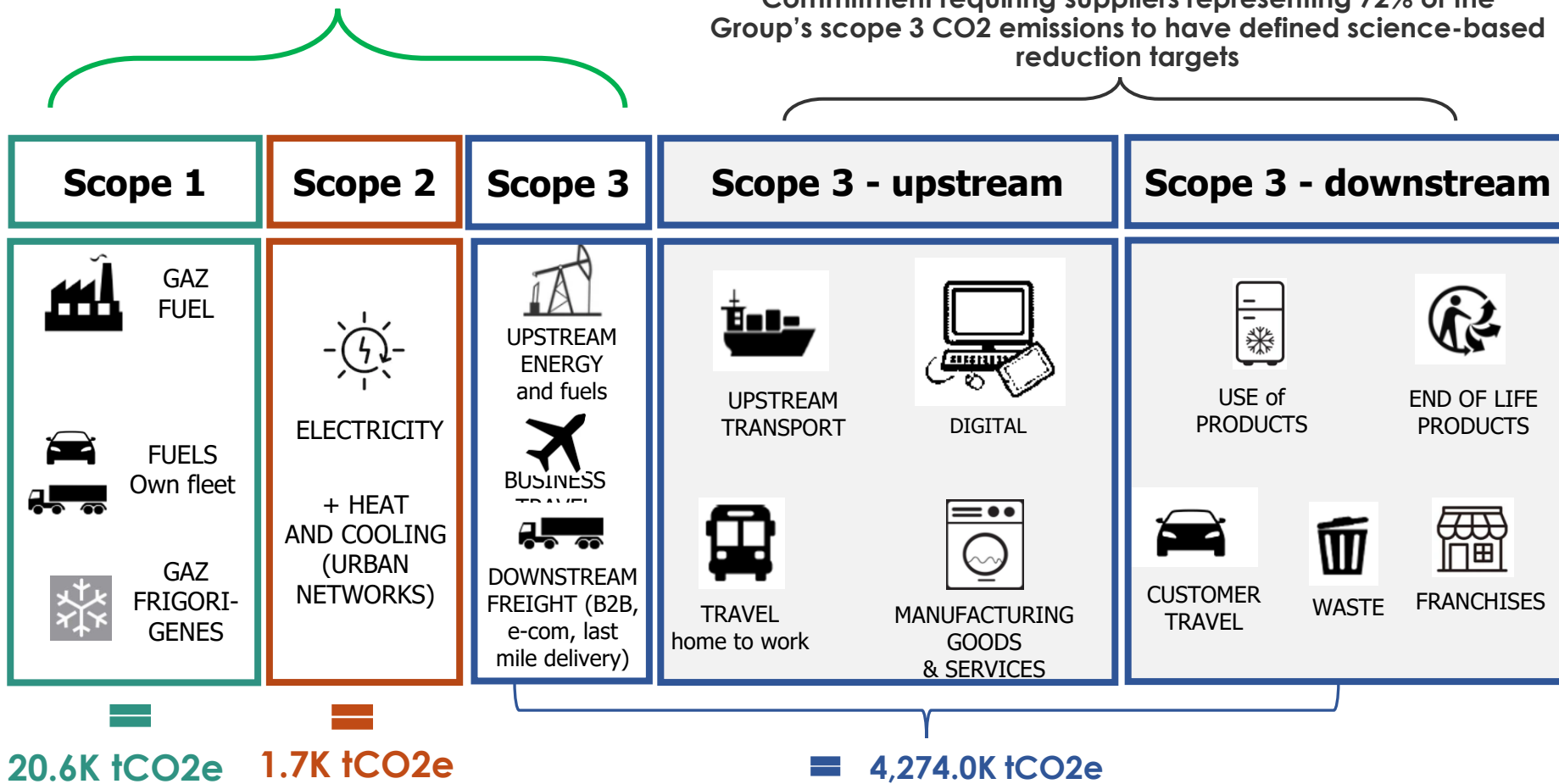
FNAC DARTY'S CLIMATE STRATEGY

SCOPE OF COVERAGE

FNAC DARTY IS COMMITTED TO REDUCING CO₂ EMISSIONS BY 50% BY 2030 vs. 2019

Commitment requiring suppliers representing 72% of the Group's scope 3 CO₂ emissions to have defined science-based reduction targets

Products sold = 90% Group's scope 3 CO₂ emissions (76% with customer travel)



HUMAN CAPITAL OUR KEY ASSET

DEVELOP SKILLS AND EMPLOYABILITY



OUR RECENT ACHIEVEMENTS

16% Staff turnover

88% Percentage of open-ended contracts

>12 yrs Average seniority of employees on open-ended contracts

94% Percentage of total headcount trained via classroom programs or remotely during the year

>15 hrs Average number of training hours per employee trained via classroom programs

OUR COMMITMENTS

- Continuation of strategic training programs
- Development of sales expertise and strengthening managers' leadership skills
- Development of programs to train in professions where staff are harder to find

 • **RECRUIT 500 ADDITIONAL TECHNICIANS BY 2025**

OUR ACTIONS

- In-house training **Academy**
- **18-month graduation program, Project Manager 2020** – 700+ employees trained
- **18-month / 84-hour graduation program, Excellence Client** – 800+ employees trained
- Launch of the **Tech Academy** and ongoing opening of 13 apprentice classes in France to develop technicians' skills
- Signature of a first agreement on **Job and Career Management**





HUMAN CAPITAL OUR KEY ASSET

PROMOTE GENDER EQUALITY AND QUALITY OF LIFE IN THE WORKPLACE

OUR RECENT ACHIEVEMENTS

Professional equality

39% women in the total workforce

27% women in the Leadership Group¹

38% women in the Executive Team

88
/100 gender equality index

Diversity & professional integration

5.0% people with disabilities in the total workforce as of December 31

12% percentage of employees on open-ended contracts who are young people



OUR COMMITMENTS

- Guaranteeing equal treatment, promoting diversity in its teams, and fostering equal opportunities



- **MAINTAIN >40% OF THE UNDER-REPRESENTED GENDER ON THE EXECUTIVE COMMITTEE BY 2025**
- **35% FEMALE REPRESENTATION IN THE “LEADERSHIP GROUP” BY 2025**



OUR ACTIONS

- Support for **women in leadership positions**¹ – partnership with Assises de la Parité
- **Female Store Manager Program** launched in 2018
- Signing of the **Diversity Charter**
- Creation of an **internal network dedicated to gender**
- First agreement signed on **Quality of Life at Work**

¹ Top 200 managers in the Group



HUMAN CAPITAL OUR KEY ASSET

GUARANTEE EMPLOYEE HEALTH & SAFETY AND DEVELOP COMMITMENT



OUR RECENT ACHIEVEMENTS

Employee commitment

- 7/10** internal net promoting score at Group level¹
- c.20%** overall subscription rate to employee stock purchase plan
- 10%** Nature & Découvertes' employees members of a green network, lever of commitment

Employee health and safety

- 45,125 hrs** total number of hours of safety training



OUR COMMITMENTS

- Give **meaning to work** and manage **employee commitment**
- **Prevention** for delivery and installation personnel and **after-sales technicians**
- **Risk prevention in logistics:**



- **c.40M€ OF ADDITIONAL CAPEX BY 2025 ALLOCATED TO MODERNIZE LOGISTICS WAREHOUSE**



OUR ACTIONS

- A digital, short and monthly **employees survey** **Supermod**
- **Employee stock purchase plans** implemented in 2018 and 2019
- **Modernization of one of the Group's warehouse** continued with the extension of a fully-automated solution to reduce handling work and to optimize workstation ergonomics
- Signing of the **Charter of employers** committed to road safety in 2018
- First agreement signed on **teleworking** for 3 days max/week

¹ c.70% of respondents recommend Fnac Darty as a great place to work (% of scores from 7 to 10, on a scale from 0 to 10)



FNAC DARTY FACES ETHICAL REQUIREMENTS



OUR RECENT ACHIEVEMENTS

NEW

BUSINESS CODE OF CONDUCT in Feb 2021 available in all countries where the Group operates

RE-BUILD

the **warning system** has been completely redesigned, with the implementation of an **outsourced ethical alert platform**

28

number of **alerts** received, processed and reviewed, of which 18 were not relevant

>130_{ME}

taxes and contributions paid in each country where the Group operates (94% in France)



OUR COMMITMENTS

- Protecting the personal data of employees and customers
- Preventing the risks of corruption Implementing a Vigilance Plan
- Ensuring fiscal responsibility



OUR ACTIONS

- Ensure **compliance** with regard to **cookies and advertising tracking techniques**
- Integrate tests on compliance with the requirements of the French Sapin II law during **audits and in self-assessment questionnaires**
- Incorporate **ethics training** into the mandatory training courses which must be done by all employees
- Establishment of **ethical referents in all countries** to ensure wider dissemination and compliance with the ethical processes
- **Standardize** the **tax risk recognition process** and increase **transparent** in terms of tax paid by country

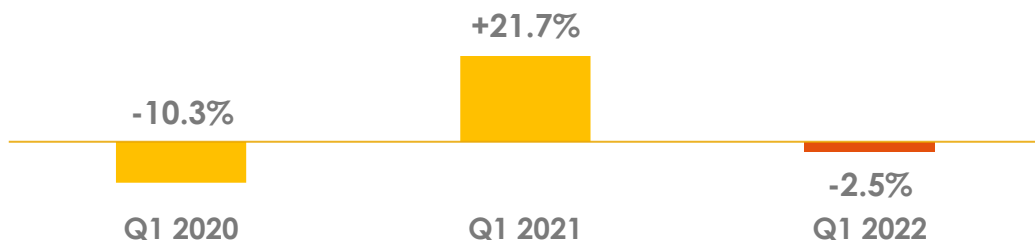


Q1 2022 REVENUE

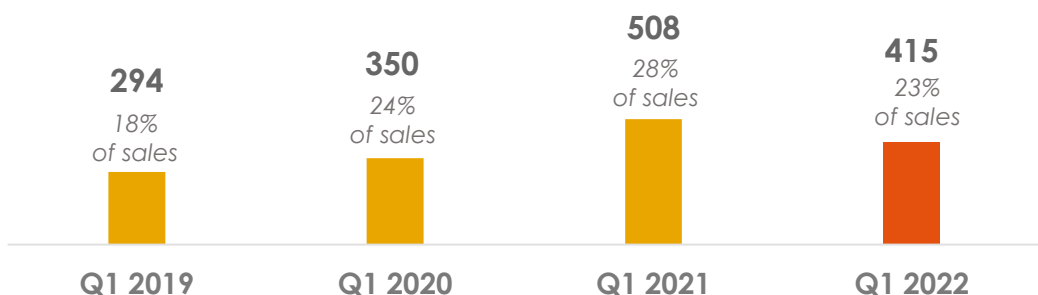
FNAC DARTY

RESILIENCE OF Q1 2022 REVENUE

Group LFL¹ revenue evolution (%)



Online sales remain at a high level (€m)



- **Q1 2022 revenue at €1,782m**, down slightly by -2.0% on a reported basis and -2.5% on a like-for-like basis¹ compared with Q1 2021, in the context of a very high comparison basis and increased inflation
- Compared to proforma 2019², Q1 sales show strong growth of +7.8%, driven by an increase in the average basket and conversion rate
- Performance driven by **solid in-store sales growth** while **digital remains at a high level** with the click & collect rate up +6 pts yoy to 47% of online sales
- **Gross margin rate up +40bps vs. Q1 2021** mainly driven by the ticketing recovery and the positive impact of services related to the Darty Max roll-out

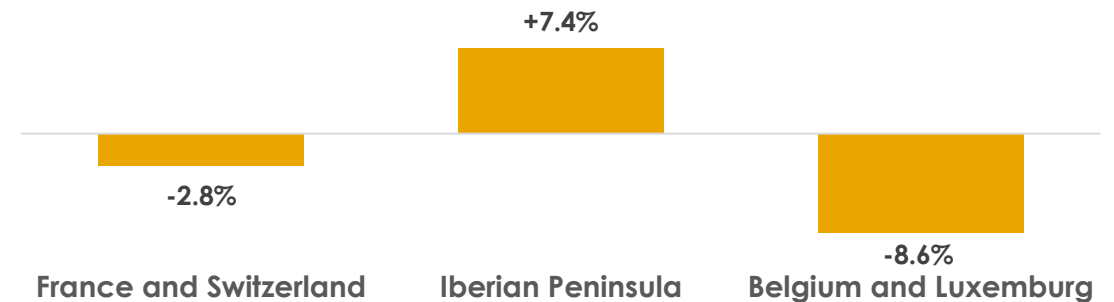
¹ Like-for-like: excluding the effect of changes in foreign exchange rates and scope of consolidation, openings and closures of integrated stores

² Including Nature & Découvertes on a full-year basis

Q1 2022 REVENUE BY REGION AND PRODUCT CATEGORY

- Mixed sales performance by region with resilience of sales in **France and Switzerland**, good momentum in the **Iberian Peninsula** while the **Belgium and Luxembourg** region declined

Group LFL revenue growth¹ by region in Q1 2022 vs. Q1 2021



- By product category,
 - In the context of a high comparison basis, market volumes in **appliances** declined, while the average sale price continued to rise for large domestic appliances
 - Good momentum in **telephony**, **sound** and **photo** offset by the decline in categories that outperformed in the crisis
 - **Books** continued to post strong sales growth, in line with the gradual recovery in store traffic
 - Growth of **services** thanks to Darty Max roll out, good credit momentum as well as encouraging recovery in ticketing

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

STRATEGIC PARTNERSHIPS IN DIGITAL AND REPAIR

Game-changing partnership with Google in Cloud to accelerate in digital

- ✓ Increasing the relevance and intuitive experience of fnac.com and darty.com search engines by implementing Google Cloud Retail Search technology;
- ✓ Integration of data analysis and processing tools, artificial intelligence and machine-learning technologies to offer enriched experiences and services to our customers.

→ Will contribute to reach the target of 30% online sales by 2025



Strong partnership with Apple to strengthen the Group's commitment to the repair and durability of products

- ✓ Our 142 WeFix points of service will join the network of Apple Authorised Service Centres (AASC) in France by summer 2022 and have access to Apple spare parts;
- ✓ AppleCare Services integrated into the range of mobile insurance products offered by the Group.

→ Will contribute to achieve the target of 2.5 million products repaired by 2025





FY 2021 RESULTS

FNAC DARTY

GROUP REVENUE & CURRENT OPERATING INCOME

€m	2020	2021	% Change
Revenue	7,491	8,043	+7.4%
Gross margin % Revenue	2,186 29.2%	2,374 29.5%	+8.6% +0.3pt
Total costs % Revenue	-1,971 26.3%	-2,103 26.1%	+6.7% -0.2pt
Current operating income	215	271	+€55m

- **Sales growth of +7.0% on a like-for-like basis¹** due to a solid momentum in store sales, driven mainly driven by a higher conversion rate and average basket
- **Gross margin rate** reached 29.5%, up +30 bps thanks to:
 - **Favorable product mix effect**, thanks to the mitigation of store closures compared with 2020, which benefited sales of editorial products
 - **Positive impact of services**, driven in particular by the rollout of Darty Max offers and the gradual recovery in ticketing
 - More than offsetting the negative impact of the decline in Nature & Découvertes' business linked with store closures and the technical dilutive effect of the franchise
- **Operating costs contained** with a level below -20bps compared to last year, as a % of total sales, thanks to the effectiveness of the cost-cutting plans put in place
- **Current operating income** totaled €271m, **up vs. 2020 and 2019 proforma²** excluding ticketing, which implies an EBIT margin of 3.4%, up +50bps yoy

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

² Including Nature & Découvertes on a full-year basis

PERFORMANCE BY GEOGRAPHIC REGIONS

€m	2020	2021	Change
France & Switzerland			
Revenue	6,228	6,701	+7.6%
<i>Like-for-like</i> ¹			+7.2%
Current operating income	194	245	+€51m
Iberian Peninsula			
Revenue	654	702	+7.3%
<i>Like-for-like</i> ¹			+6.5%
Current operating income	8	11	+€2m
Belgium & Luxembourg			
Revenue	609	640	+5.1%
<i>Like-for-like</i> ¹			+5.0%
Current operating income	13	15	+€2m

- **France & Switzerland**

- **Strong momentum in in-store sales**, which offset the normalization of online sales due to a very high comparison basis last year.
- Current operating income increased thanks to the revenue growth and an improved gross margin rate linked to a positive product and service mix, which more than offset the sharp drop in ticket sales and the decline in Nature & Découvertes' business. The operating margin was up +60 bps vs. 2020

- **Iberian Peninsula**

- **Recovery is ongoing** with a better performance in in-stores sales driven by the gradual lifting of sanitary restrictions throughout the year, in a context of continuing competitive pressure, particularly in Spain
- Current operating income increased thanks to the solid commercial execution and the good management of operating costs, but **has not yet regained its pre-crisis level**

- **Belgium & Luxembourg**

- **Sales growth** thanks to good performance in White Goods, Telephony, Book and Services in stores while online sales were impacted by high comparison basis
- Current operating margin increased despite continued competitive pressure

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

GROUP REPORTED FINANCIAL RESULTS

€m	2020	2021
Current operating Income	215	271
Non-current operating income and expenses	-16	-10
Operating income	199	260
Financial charges	-51	-42
Tax charges	-60	-74
Net income from continuing activities, Group share	96	145

- **Financial charges** of €42m in 2021 down vs. 2020 mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple venture capital fund
- **Tax charges** up +€14m yoy in line with the increase of sales but including a weaker tax rate and less CVAE as expected. Effective tax rate is down by -6 points vs. 2020
- **Net income from continuing activities, Group share** increased significantly to €145m

SOLID FREE CASH-FLOW GENERATION IN 2021

€m	2020	2021
EBITDA	567	621
IFRS 16 impact	-245	-247
Non-recurring cash elements	-22	15
Cash-flow from operations before tax, dividends and interest	300	389
Change in working capital	57	-34
CAPEX ²	-99	-117
Tax	-66	-69
Operating free cash-flow¹	192	170

- **EBITDA up +€54m** in line with current operating income evolution
- **CAPEX²** of €117m include the investments required to roll out the partnership with Manor in Switzerland and is in line with the normative level announced in the Everyday plan
- **Operating free cash-flow¹** remain at high level of €170m, demonstrating the Group's ability to manage its merchandise purchases in order to ensure a good level of availability of its products and services in a context of tensions in the supply chain

¹ Excluding IFRS 16

² Gross CAPEX; the change in working capital requirements for fixed assets is included in the change in working capital requirements

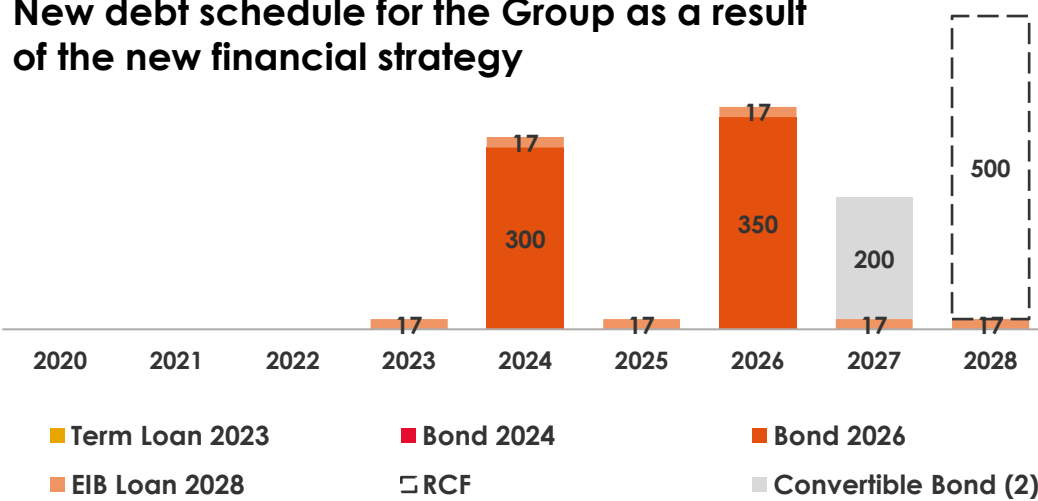
STRONG LIQUIDITY POSITION REINFORCED IN 2021

€m	2020	2021
Shareholders' equity	1,373	1,564
Net cash¹	114	247
Gross debt	1,455	934
Cash & cash equivalents	1,569	1,181
Rental debt (IFRS 16)	1,114	1,130

- **Strong liquidity position of €1.2bn**, in addition to a €500m revolving credit facility (RCF), which has not yet been drawn down.
- **Solid net cash position¹: €247m**, up +€133m.
- **New financing structure put in place in March 2021** to strengthen the Group's financial flexibility with:

- Placement of the first OCEANE bond for €200m maturing in 2027
- Extension of the RCF credit line to €500m, 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

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



¹ Excluding IFRS 16

² In the event of non-conversion

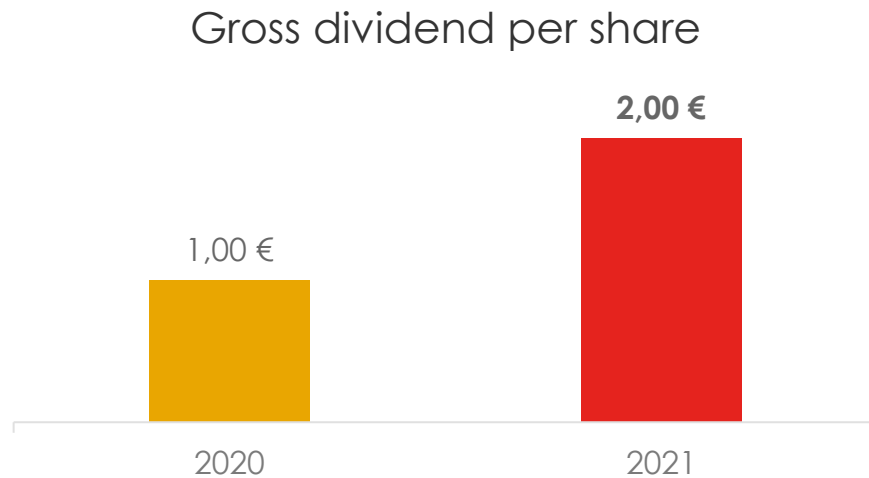


CURRENT HIGHLIGHTS & OUTLOOK

FNAC DARTY

RETURN TO SHAREHOLDERS

- Dividend in line with the shareholder return policy of the Everyday plan
- **2021 dividend of €2.0 per share¹**



- Payout ratio: **37%**²
- Dividend yield: **3.5%**³

¹ Subject to the approval of the General Meeting on May 18, 2022

² Based on the 2021 consolidated net income from continuing operations, Group share

³ Based on the last share price of 2021

HIGHLIGHTS & OUTLOOK AS AT 21ST OF APRIL

- Against a backdrop of rising inflation and geopolitical uncertainties that will impact visibility in the coming months, the Group remains attentive to the evolving situation and its potential impact on its activities and results.
- Fnac Darty's **priorities** for this year remain to:
 - ✓ **optimize its gross margin rate** thanks to the positive impact of services and the ticketing recovery as well as its ability to pass on price increases, particularly in the most premium product categories;
 - ✓ **implement solid cost control through efficient performance plans** to partially offset the impact of inflation, which is expected to be higher than in previous years.
- The Group will continue to execute its **strategic plan Everyday** and **confirms its objectives** of achieving:
 - ✓ **Cumulative Free cash-flow** from operations¹ **of c. €500m** over the **2021-2023 period**;
 - ✓ **Free cash-flow** from operations¹ **≥ €240m from 2025 onwards.**

¹ Excluding IFRS 16



APPENDICES

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 "non-current operating income and expenses."
- Current 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
Operating free cash-flow Net cash provided by operating activities less net operating investments		Operating free cash-flow 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

EVERYDAY MAIN CSR KPIs

KPIs	2020	2021	2025 objectives
Durability score ¹	105	111	135
Number of products repaired	1.8 million	2.1 million	2.5 million
Proportion of women in the Leadership Group ²	24%	27%	35%
Share of underrepresented gender in the Executive Committee	33%	38%	>40%

¹ Average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service department over the last two years for each reference, weighted by the volume of products sold by the Group over the year

² Top approx. 200 managers at the Group level

Q4 AND FY 2021 REVENUE VS. 2020

€m	Q4 2021	Change vs. Q4 2020			2021	Change vs. 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
France and Switzerland	2,283	-2.8%	-2.8%	-3.3%	6,701	7.6%	7.6%	7.2%
Iberian Peninsula	252	0.0%	0.0%	-1.1%	702	7.3%	7.3%	6.5%
Belgium and Luxembourg	189	3.3%	3.3%	3.2%	640	5.1%	5.1%	5.0%
Group	2,724	-2.1%	-2.1%	-2.7%	8,043	7.4%	7.4%	7.0%

Q1-Q2-Q3 2021 REVENUE VS. 2020

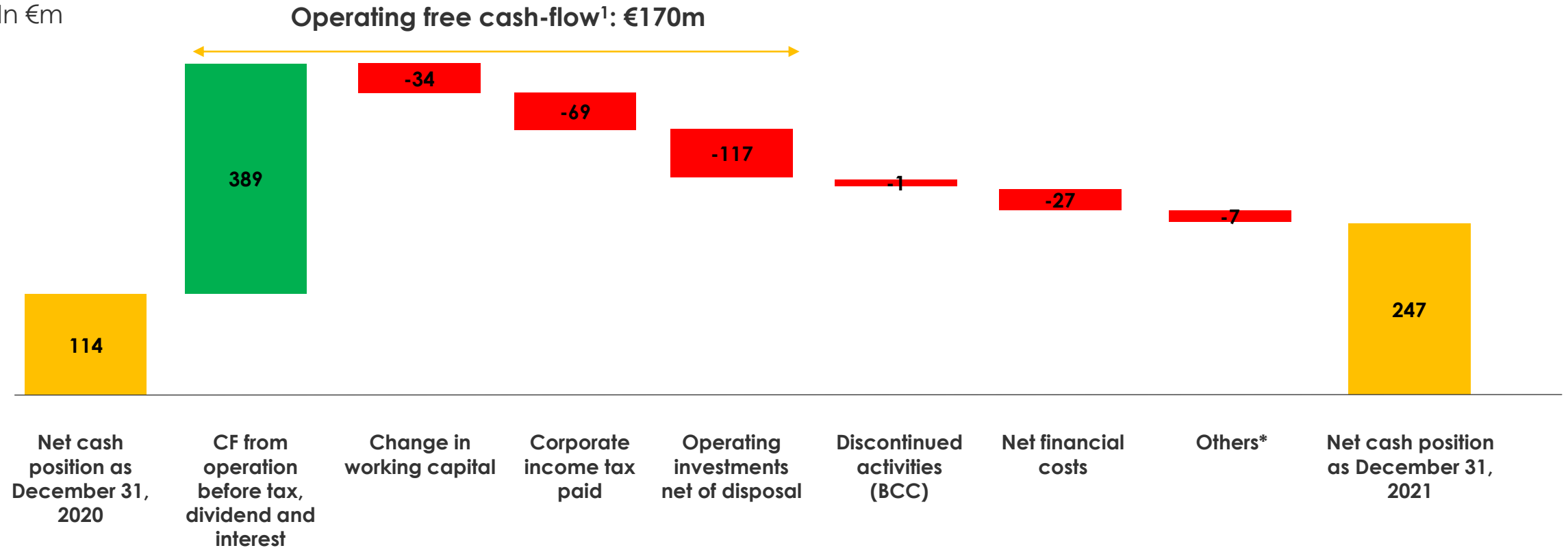
€m	Q1 2021	Change vs. Q1 2020			Q2 2021	Change vs. Q2 2020			Q3 2021	Change vs. Q3 2020		
		Reported	At constant FX and comparable scope of consolidation	Like-for-like		Reported	At constant FX and comparable scope of consolidation	Like-for-like		Reported	At constant FX and comparable scope of consolidation	Like-for-like
France and Switzerland	1,505	+24.8%	+24.8%	+24.5%	1,374	+20.9%	+20.9%	+20.5%	1,539	+0.1%	+0.1%	-0.2%
Iberian Peninsula	145	+3.5%	+3.5%	+3.0%	140	+41.1%	+41.1%	+39.6%	165	+1.1%	+1.1%	+0.8%
Belgium and Luxembourg	168	+16.7%	+16.7%	+16.3%	133	+8.3%	+8.3%	+8.3%	150	-5.6%	-5.6%	-5.5%
Group	1,818	+22.0%	+22.0%	+21.7%	1,647	+21.2%	+21.3%	+20.7%	1,854	-0.3%	-0.3%	-0.5%

CASH FLOW STATEMENT

€m	2020	2021
Net Cash as of January 1	-18	114
Operating free cash-flow	192	170
Dividends paid	0	-27
Shareholders' equity component – OCEANE bonds	0	21
Interest paid net of interest and dividends received	-25	-27
Acquisition/disposal of subsidiaries net of cash transferred	-9	-2
Acquisition/disposal of other financial assets (net)	-1	2
Increase/decrease in equity and other transactions with shareholders	1	-1
Cash-flow related to discontinued activities	-25	-1
Change in Net Cash	132	133
Net Cash as of December 31	114	247

NET CASH POSITION

In €m



¹ Excluding IFRS 16
* including €27m of dividends paid in 2021, based on 2020 results and €21m OCEANE equity components

SIMPLIFIED P&L

€m	Reported	
	2020	2021
Revenue	7,491	8,043
Current operating income	215	271
Non-current operating income and expenses	-16	-10
Operating income	199	260
Financial expense	-51	-42
Tax	-60	-74
Consolidated net income from continuing operations, Group share	96	145
Net income from discontinued operations	-94	15
Consolidated net income, Group share	1	160
Operating free cash-flow⁽¹⁾	192	170

¹ Excluding IFRS 16

SIMPLIFIED H1 & H2 2021 P&L VS. 2020

€m	H1 2020	H2 2020	H1 2021	H2 2021
Revenue	2,849	4,642	3,465	4,578
Gross margin <i>% Revenue</i>	844 29.6%	1,342 28.9%	1,029 29.7%	1,345 29.4%
Total costs <i>% Revenue</i>	-902 31.7%	-1,069 23.0%	-995 28.7%	-1,108 24.2%
Current operating income	-58	273	34	237
Non-current operating income and expenses	-25	9	-3	-8
Operating income	-83	282	32	229
Financial expense	-23	-29	-25	-17
Tax	26	-85	-9	-65
Consolidated net income from continuing operations, Group share	-77	172	1	144

BALANCE SHEET

Assets in €m	FY 2020	FY 2021
Goodwill	1,654	1,654
Intangible assets	506	528
Tangible assets	594	575
Rights of use relating to lease agreements	1,109	1,115
Investments in associates	0	1
Non-current financial assets	33	40
Deferred tax assets	67	69
Other non-current assets	0	0
Non-current assets	3,964	3,982
Inventories	960	1,104
Accounts receivable	285	304
Current tax receivables	4	1
Other current financial assets	7	9
Other current assets	361	378
Cash & cash equivalents	1,569	1,181
Current assets	3,186	2,978
Assets held for sale	0	0
Total assets	7,149	6,960

Equity and Liabilities in €m	FY 2020	FY 2021
Share capital	27	27
Reserves related to equity	971	971
Conversion reserves	-5	-6
Other reserves	375	563
Equity, Group share	1,369	1,555
Equity attributable to minority interests	5	8
Equity	1,373	1,564
Long-term liabilities	902	932
Long-term leasing debt	884	891
Provisions for retirement and similar benefits	206	188
Other non-current liabilities	124	79
Deferred tax liabilities	165	165
Non-current liabilities	2,281	2,255
Short-term liabilities	553	2
Short-term leasing debt	230	239
Other current financial liabilities	13	9
Accounts payable	1,784	2,037
Provisions	31	31
Tax liabilities	30	8
Other current liabilities	854	816
Current liabilities	3,495	3,142
Liabilities associated with assets classified as held for sale	0	0
Total liabilities and equity	7,149	6,960

STORE NETWORK

	December 31, 2020			December 31, 2021		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland ⁽¹⁾	412	339	751	413	385	798
Iberian Peninsula	67	5	72	69	5	74
Belgium and Luxembourg	85	0	85	85	0	85
Group	564	344	908	567	390	957

¹ Including 14 stores outside France: 4 in Tunisia, 3 in Morocco, 1 in Congo, 1 in Cameroon, 1 in Senegal, 2 in Ivory Coast, 2 in Qatar as well as 17 stores in French overseas territories

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PRESENTATION
 2022

FNAC DARTY


June 2022