

**EXCELLENT POST-LOCKDOWN BUSINESS RECOVERY FOLLOWING GOOD SALES RESILIENCE
IN APRIL THANKS TO STRONG E-COMMERCE GROWTH**
Initial estimates of the COVID-19 crisis impacts

- April was marked by the closure of all stores during the lockdown period, e-commerce sales almost tripled compared to 2019, driven by the power of the Fnac and Darty brands and the strength of the digital and logistics platforms
- The Group posted 1 million new customers for the period, and over 4 million transactions on its e-commerce sites
- Successful reopening of stores beginning on May 11 with a +10% increase in sales¹ on a constant store basis, confirming the Group's operational excellence and consumers' appetite for the two brands
- Sharp increase in customer satisfaction index since stores reopened, primarily due to high levels of health and safety
- Loss of revenue related to the COVID-19 crisis estimated at c. €400 million at the end of May, excluding Nature & Découvertes
- Current operating income at the end of June is expected to be €100 million to €120 million lower than current operating income released in the first half 2019, which stood at €46 million excluding Natures & Découvertes and operations in the Netherlands.

Enrique Martinez, Chief Executive Officer of Fnac Darty, commented: *"I am particularly proud of the exceptional work done by our teams, which has enabled the Group to continue all of its non-store operations without any interruptions while meeting our customers' needs during the lockdown, and to ensure the successful reopening of the stores from May 11. The Group's excellent financial management and the strong commitment of its teams have been decisive over the past three months. In the face of the upheaval caused by this health crisis, the Group once again demonstrated the power of its Fnac and Darty brands, the relevance and the agility of its omnichannel model, and the quality of its products and services offerings."*

¹ Excluding web, franchises, services and Nature & Découvertes

Revenue analyses for the period of April–May 2020

- As at the end of May 2020, revenues were down -14.4% on a reported basis and -16.4% on a like-for-like basis at €2,211 million. Group revenue for April reached €233 million, down -51.4% on a reported basis and -52.0% on a like-for-like basis. This decline resulted from the closure of all stores but was mitigated by the strong growth of e-commerce. Group revenue in May reached €487 million, up +0.5% on a reported basis and down slightly by -1.3% on a like-for-like basis, despite all stores remaining closed until May 11 and driven by the solid in-store performance following reopening in addition to sustained high-level e-commerce sales throughout the month.
- By geographic segment and on a like-for-like basis, the France-Switzerland region posted a -16.5% drop in revenue as of the end of May, which includes a -53.6% drop in April and a +2.1% increase in May. The Iberian Peninsula posted a -23.2% drop in revenue as of the end of May, including a -51.5% drop in April and a -36.6% drop in May caused by the closure of the physical network in Spain, which lasted the entire month. Lastly, the Belgium-Luxembourg region posted a -7.6% drop in sales as of the end of May, which includes a -37.1% drop in April and a significant +5.2% increase in sales in May 2020 compared to 2019.

From an operational standpoint, the COVID-19 crisis occurred in two distinct phases:

Phase 1: Lockdown

- While nearly all of the Group's stores were closed from March 15, i.e., representing around 80% of normative Group's total sales, Fnac Darty posted a solid resilience of its revenues thanks to the excellent performance of its digital platforms, which recorded a +160%¹ increase in sales for the period compared with 2019.
- This solid performance is the result of the strong name recognition of Fnac Darty brands and the high-quality operational performance, which made it possible to offer a wide range of available products. This performance also reflects the proactive and targeted goods inventory policy in addition to Fnac Darty's robust digital and logistics platforms. The Group ensured the continuity of its first rate customer promise, with delivery times of around three days, confirming the relevance of its logistics model based on a partnership ecosystem and supplemented by strong internal delivery capacities. With this, the Group increased home deliveries four-fold during the period. At the same time, the loyal customer base continued to grow with 1 million new identified customers and 120,000 new Fnac+ members for the period. Lastly, the quality of the e-commerce site's referencing significantly increased spontaneous traffic; the Group recorded over 100 million unique visitors in the period along with a significantly higher conversion rate. Loyal to its historic values, Fnac Darty ensured continuity in home after-sales service despite the difficulties encountered during this unprecedented crisis.
- By product category, sales for the period showed strong momentum especially in Technical Products, led by the IT and Gaming segments which posted strong market-share gains, in addition to the Large Domestic Appliances segment. The Small Domestic Appliances segment showed good momentum in Kitchen Equipment categories starting in the 2nd half of the lockdown period. The Imaging, Telephony and Television segments, on the other hand, posted a strong decrease in sales. Books and Services, segments particularly associated with in-store traffic, were also severely impacted.

¹ Excluding Nature & Découvertes and services

Phase 2: End of lockdown and store reopenings

- All Group stores were closed from March 15 through May 11, 2020. Following the end of government-imposed lockdown measures, the Group proceeded to gradually reopen its stores. Almost all stores in France, Switzerland and Belgium reopened in the week of May 11 and all stores in Portugal reopened from May 15. In Spain, stores reopened gradually throughout the month with the last of them opening in early June.
- In line with its commitment to ensure the health and safety of its employees, partners and customers, Fnac Darty implemented all necessary health measures to ensure the successful reopening of its stores. The excellent execution of the business recovery was made possible thanks to the upstream preparation of employees and their unfailing commitment which enable the Group to record an encouraging recovery with revenue growth of +10%¹ on a constant store basis between May 11 and May 31, 2020, driven by high conversion rates and average checkout value, despite the sharp decrease in traffic. The Net Promoter Score (NPS) rose +5 points since the reopening, demonstrating the quality of the rapid rollout of the store experience.
- The France-Switzerland and Belgium-Luxembourg regions posted a +20%¹ growth in sales since stores reopened in May, while sales on the Iberian Peninsula, where store reopenings were the most delayed following a prolonged lockdown, were down sharply by -64%¹. The second half of May was impacted by the continued closure in France of shopping centers larger than 40,000 m².
- At the same time, online sales continued their strong growth between May 11 and May 31 with an increase of c. +110%², driven by the strength of the Group's omnichannel model.
- By product category, the strong momentum in the IT and Gaming segments continued in May. The Group also posted a solid performance in Large Domestic Appliances and Urban Mobility, related to a catch-up effect following store closures. The Telephony and Television segments, which had softened during the lockdown, have recorded a better performance since store reopenings. Books, on the other hand, remains sharply down.

Initial analyses of the COVID-19 crisis impacts on profitability and liquidity

- The COVID-19 crisis is expected to have a material negative impact on the current operating income in the first half of 2020, due to an estimated revenue loss of c. €400 million, a sharp decline in the gross margin rate with an unfavorable product and services mix effect linked in particular to a structurally lower rate of attachment of services to the Internet channel, and a decrease in Editorial products, both impacted by lower in-store traffic.

At the same time, the Group has implemented agile cost-cutting plans, which should enable it to partially offset these impacts.

In addition, the integration of Nature & Découvertes is expected to negatively impact the current operating income by c. -€20 million in the first half as a result of the brand's normal seasonality, and in line with the initial outlook.

The current operating income is expected to decline €100 million to €120 million in the first half of 2020, compared to the first half of 2019, which stood at €46 million, excluding Nature & Découvertes and operations in the Netherlands.

- At the end of May 2020, the cash position exceeded €900 million after the drawdown from the RCF and the Guaranteed Government Loan. The Group's strong business recovery and solid financial management enable it

¹ Excluding web, franchises, services and Nature & Découvertes

² Excluding Nature & Découvertes and services

to take advantage of the initial positive effects of the cost readjustment measures, agile inventory management, and the controlled merchandise-purchasing policy.

Outlook

The Group remains cautious with regard to the performance of its markets in the second half of the year, which will depend on the recovery of consumption following the end of the health emergency, in addition to the evolution of the product/service mix. Due to the ongoing uncertainty of these elements to date, Fnac Darty is not in a position to communicate its financial objectives for 2020 at this time. The Group remains very attentive to its cash position and is carrying out a plan to adjust its capital expenditure in 2020, which should settle at a level below €100 million, while maintaining its priority projects around e-commerce, digitalization and services.

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APPENDIX

APRIL 2020 REVENUE

	APRIL 2020 In €m	Change vs 2019	
		Reported	Like-for-Like ¹
France and Switzerland	186	-52.7%	-53.6%
Iberian Peninsula	23	-52.8%	-51.5%
Belgium and Luxembourg	25	-37.0%	-37.1%
Group	233	-51.4%	-52.0%

MAY 2020 REVENUE

	MAY 2020 In €m	Change vs 2019	
		Reported	Like-for-Like ¹
France and Switzerland	412	+4.3%	+2.1%
Iberian Peninsula	29	-37.0%	-36.6%
Belgium and Luxembourg	46	+6.3%	+5.2%
Group	487	+0.5%	-1.3%

END OF MAY 2020 REVENUE

	END OF MAY 2020 In €m	Variations vs. 2019	
		Reported	Like-for-Like ¹
France and Switzerland	1,804	-14.3%	-16.5%
Iberian Peninsula	193	-22.0%	-23.2%
Belgium and Luxembourg	214	-6.8%	-7.6%
Group	2,211	-14.4%	-16.4%

¹ Like-for-like: excluding the impact of currency, the scope of consolidation, openings and closures of integrated stores

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APRIL AND MAY 2020 REVENUE

Initial analyses of the COVID-19 crisis impacts

Enrique Martinez, Chief Executive Officer, and Jean-Briec Le Tinier, Group Chief Financial Officer, will host a conference call for investors and analysts on Thursday, June 18, 2020 at 8:00 a.m. CET; 7:00 a.m. BST.

A live **broadcast** will be available [here](#).

A recording will also be available on the Group's website.

Conference call dial-in numbers:

France: +33 (0) 1 7099 4740

UK: +44 (0) 20 3003 2666

Access code: Fnac Darty

Important information

All revenue data concerning the months of April and May 2020 presented in this press release are non-audited financial data. These estimated financial data have been prepared using an accounting and consolidation process similar to the process generally used to prepare the consolidated financial statements. However, not all the half-yearly closing procedures have been completed.

These estimated financial data 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 Wednesday, July 29, 2020 after the stock market closes, in accordance with the provisional publication timetable.

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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