

Strong revenue growth of +7.3%¹ in the third quarter of 2020

- Revenue of €1,859 million, up +8.5% on a reported basis and +7.3% on a like-for-like¹ basis, in the 3rd quarter of 2020
- Over the first 9 months of the year, revenue down -2.0% on a reported basis and -4.0% on a like-for-like¹ basis
- Continued solid growth in online sales at nearly +30% and strong recovery in stores over the quarter, which limited the revenue loss related to the crisis to less than €100 million at the end of September
- Profound transformation of the range of Services with the overhaul of the Group's loyalty program and the launch of the new Fnac+ cross-brand card
- Stronger partnerships ecosystem with the deployment of 4 Fnac pilot shop-in-shops in Manor stores in Switzerland
- Exclusive negotiations entered into with Mirage Retail Group for the disposal of BCC in the Netherlands

Enrique Martinez, Chief Executive Officer of Fnac Darty, declared: *"Fnac Darty was able to generate a good level of activity during the 3rd quarter of 2020, demonstrating the quality of its teams' commitment and the excellence of its business execution, despite facing challenges and difficulties specific to the health situation. The success of our Darty Max offer, for which we have opened online subscriptions, along with the overhaul of our loyalty program and the publication of our third edition of the "After-Sales Service Barometer" are all proof in this quarter of our commitment to innovate and our ability to offer our customers the best omnichannel experience on the market, supported by a unique product and service offering. We are thus continuing to invest in a specialized retail model toward the goal of quality and more sustainable consumption. We are now prepared for the fourth quarter, traditionally decisive and even more this year in particular, thanks to our robust logistics and digital model, yet we remain cautious due to health constraints."*

THIRD QUARTER 2020 REVENUE

	Q3 2020 in €M	Change vs Q3 2019	
		Reported	Like-for-Like ¹
France and Switzerland	1,537	10.1%	9.0%
Iberian Peninsula	163	-3.7%	-6.1%
Belgium and Luxembourg	159	7.9%	6.6%
Group	1,859	8.5%	7.3%

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

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THIRD QUARTER 2020 HIGHLIGHTS

Good third-quarter sales momentum

Group revenues totaled €1,859 million in the 3rd quarter of 2020, up +7.3% on a like-for-like basis¹ and +8.5% on a reported basis. The scope effect related to the integration of Nature & Découvertes in July came in at around €12 million during the quarter.

At the end of September 2020, the Group's revenue reached €4,708 million, down -4.0% on a like-for-like¹ basis and -2.0% on a reported basis. The continued strong growth in online sales of nearly +30% over the quarter, along with the recovery in store sales, helped the Group to reduce losses related to the health crisis to less than €100 million at the end of September 2020.

During the quarter, the France - Switzerland and Belgium - Luxembourg regions posted solid sales momentum, while the Iberian Peninsula continued to be impacted by severe restrictions related to the health crisis throughout the quarter and a less favorable macroeconomic environment. Sales in France - Switzerland were up +9.0%¹, driven by all product categories. The Belgium - Luxembourg region posted growth of +6.6%¹, mainly driven by the ongoing strong sales of domestic appliances in Belgium. Lastly, the Iberian Peninsula posted a decline in revenue of -6.1%¹, suffering from the continued decline of in-store sales.

Domestic appliances posted solid growth driven by almost all major large and small appliance categories. Consumer electronics continue to post strong momentum in categories related to working from home, television and telephony despite a delay in new smartphones launches. In the opposite, the sound segment posted a downturn and the photo segment, which faces a structural decline, is penalized by the drop in travel. Editorial products benefited from the strong recovery of the book sector, driven by the literary season and the success of the "1-hour Click & Collect" service in all Fnac stores. Gaming posted a downturn over the quarter due to consumers waiting for new consoles to be released.

Lastly, the diversification category posted strong growth driven by urban mobility, the games & toys and home & design segments.

Services suffered from the sharp drop in ticket sales, but posted slight growth over the quarter driven by a gradual normalization of in-store services sales.

Strengthening of Fnac Darty's omnichannel model

The Group demonstrated the relevance of its omnichannel model in a context of an unprecedented health crisis and continued to record strong momentum in its digital platforms in all geographical regions. E-commerce accounted for more than 21% of Group revenue for the 3rd quarter, compared to 18% a year earlier. Marketplaces also posted very strong double-digit growth. The omnichannel achieved 40% of online sales at the end of September, of which 50% occurred in the 3rd quarter, up nearly +1 point compared to the 3rd quarter of 2019. While in-store traffic is still suffering, mainly in shopping centers and city centers, Click & Collect volume is up across all of the Group's geographical regions.

The relevance of this model is based on a dense geographical coverage. The Group opened 8 stores this quarter, including 5 franchises in France, 1 Fnac integrated store in Spain and 2 Darty integrated stores in France. Fnac opened 5 stores during the quarter, including 4 in France and 1 in Spain. Darty opened 3 stores in France. Since the beginning of the year, Fnac Darty has opened 21 stores and, consequently, now has a total of 894 points of sale, including 333 franchises at the end of September 2020. The expansion dynamic will

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

continue in the 4th quarter, mainly through the opening of franchise stores. The Group is expected to open around 40 stores in 2020.

Continued diversification of offerings and the Group's commitment to more responsible consumption

Diversification categories, mainly Urban Mobility, Games & Toys and Home & Design, posted very strong growth over the quarter.

Nature & Découvertes recorded an increase in online sales of more than +40% during the quarter and strong growth in its marketplace and omnichannel sales.

The kitchen segment posted solid momentum and continued to expand with the opening of 7 points of sale, including 5 dedicated Darty stores. At the end of September 2020, the Group has more than 165 points of sale.

Services continued to be impacted by the sharp drop in ticket sales following government measures imposed on the entertainment industry. At the same time, the momentum at which the Darty Max service offer earned new customers continued during the quarter. Customers can now subscribe to this new service online.

The Group is also continuing to develop WeFix corners with the opening of 6 new points of sale during the quarter, bringing the total number of points of sale to 106 at the end of September. The deployment of the XForce screen protection solution within the Fnac and Darty networks continued, with the launch of an antibacterial version of this flexible and universal screen protector.

As part of its commitment to extending the lifespan of products and to a more circular economy, the Group has continued its initiatives helping its customers to make an “educated choice”. The third edition of the "After-Sales Service Barometer" was launched this quarter with the goal of providing the public with more information about the lifespan of 63 product families in the domestic appliances and multimedia area, compared to 15 last year. This new edition, available to all our customers on our websites and in stores, now features an easily identifiable sustainability score, aggregating both reliability and repairability criteria, an innovation that lets consumers compare all product categories against one another and make comparisons between brands. The Group also used this sustainability score to expand the selection of products referenced by the “sustainable choice by Darty” label, which now covers 152 products, 83 large domestic appliances and 69 small domestic appliances. Finally, Fnac Darty has also extended its Darty Occasion offer to include domestic appliances in the refrigeration category, including refrigerators and freezers in an effort to provide a second life for the family of electronic products and domestic appliances offered by the Group and to strengthen its positioning in this growing market.

Redesign of the Group's loyalty program

Fnac Darty has overhauled its loyalty program with the launch of a cross-brand loyalty card, Fnac+, which boasts many promotional offers common to both brands, free and unlimited delivery in 1 business day, a shared cross-brand balance allowing customers to accumulate loyalty points that can be converted into vouchers and used for both brands in-store and online. This new card, priced at €9.99 for the first year and €14.99 after that, will increase the shared customer base between the brands and the number of subscribers, a key asset for the Group. At the end of September, Fnac Darty boasted a solid membership base of over 9 million subscribers, 7 million of whom were in France.

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Entry into exclusive negotiations with Mirage Retail Group for the disposal of its subsidiary BCC in the Netherlands

Following the announcement of the search for a partner to withdraw from the Netherlands in January 2020, the Group entered into exclusive negotiations in September with Mirage Retail Group for the disposal of 100% of its Dutch subsidiary, demonstrating once again its timeliness within the context of an unprecedented health crisis. Mirage Retail Group has real experience in retail in the Netherlands and specializes in recovery strategies, combining its in-depth knowledge and experience in retail, real estate and logistics to drive forward-looking brands with high profit potential. Fnac Darty is convinced that the proposed transaction will provide BCC with the support necessary to perform successfully in its markets. The transaction is subject to consultation with the relevant works councils and the required regulatory authorizations, and should be completed during the 4th quarter of 2020.

ANALYSIS OF REVENUE BY REPORTING SEGMENT

France - Switzerland

In the third quarter, sales for the France - Switzerland segment stood at €1,537 million, up +10.1% on a reported basis and +9.0% on a like-for-like basis¹ in the context of continued recovery of post-lockdown consumption. E-commerce sales continued to post very strong growth at nearly +30% over the quarter. In-store traffic, which is still down, is normalizing but remains penalized in the in large shopping centers and city centers.

Domestic appliances posted a solid level of growth driven by almost all of the major large and small domestic appliances categories. Consumer electronics performance remains solid, driven by categories linked to working from home, telephony and television, while the sound and photography segments are in decline. In addition, the quarter was marked by a good performance in books, particularly on the Internet sales channel. The diversification segment experienced strong growth, thanks to solid momentum in the urban mobility, home & design and games & toys segments. Finally, services posted slight growth over the quarter, driven by a gradual normalization of in-store services sales despite the sharp drop in ticket sales.

Iberian Peninsula

Revenue for the Iberian Peninsula totaled 163 million euros, down -3.7% on a reported basis and -6.1% on a like-for-like basis¹ in the context of increasingly restrictive measures related to the health crisis, which strongly impacted in-store traffic. The region's e-commerce platforms posted strong double-digit sales growth for the quarter. In the context of health crisis and sustained competitive pressure, Spain is showing resilience in its revenue, driven by good momentum in the television and IT segments. Portugal was penalized by a drop in footfall in shopping malls, despite strong sales momentum and solid online sales growth.

Belgium - Luxembourg

Revenues for the Belgium - Luxembourg region stood at 159 million euros, up +7.9% on a reported basis and +6.6% like-for-like¹, driven by sales on the Internet sales channel, which were up over 50%. The region's performance is the result of strong sales momentum in domestic appliances, against a backdrop of ongoing competition.

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

GROSS MARGIN RATE

The gross margin rate for the quarter is down by around -50 basis points from last year's level. This decline is due to a dilutive effect of around -15 basis points linked to the solid performance of franchisees and an unfavorable effect from the sharp drop in ticket sales estimated at around -35 basis points. The slightly positive effect of the integration of Nature & Découvertes in July offsets the negative impact of the products and services mix effect.

OUTLOOK

Fnac Darty remains confident in its resilience and the quality of its operational performance to succeed in major end-of-year commercial events, which will benefit from a rich portfolio of new product launches and product exclusives, particularly in gaming, IT and telephony. Thanks to the strength of its logistics and digital capacities, its leading position in France in its markets, and the quality of its relationship with its suppliers, the Group is ready to meet the business challenges that lie ahead at the end of the year.

The ticketing business is heavily penalized by the restrictive measures affecting the entertainment industry, and the Group does not anticipate a return to normal activity before the second half of 2021.

The Group remains focused on controlling costs, investments and cash flow, but remains cautious in the face of economic and health uncertainties, which remain to date and could impact the traffic in its stores, particularly in shopping centers in the 4th quarter, a decisive period for the Group.

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2020 THIRD QUARTER REVENUES

Enrique Martinez, Chief Executive Officer, and Jean-Brieuc Le Tinier, Chief Financial Officer, will host a conference call for investors and analysts on Wednesday, October 21, 2020 at 7:00 p.m. (Paris time); 6:00 p.m. (UK); 1:00 p.m. (East Coast USA).

A live broadcast of the presentation of 3rd quarter 2020 revenue will be available by clicking [here](#).

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

Conference call dial-in numbers:

France (French): +33 (0) 1 7099 4742

Access code: 0443696#

International (English): +44 (0) 20 3003 2666 (UK) | +1 646 843 4609 (US)

Access code: 8715613#

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ANNEXES

STORE NETWORK

	Dec. 31, 2019	Opening	Closing	Sept. 30, 2020
France and Switzerland*	726	18	7	737
<i>Traditional Fnac</i>	95	0	0	95
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	29	2	1	30
<i>Proximity Fnac</i>	59	4	0	63
<i>Fnac Connect</i>	14	0	0	14
<i>Darty</i>	412	12	1	423
<i>Fnac/Darty France</i>	1	0	0	1
<i>Nature & Découvertes**</i>	99	0	5	94
<i>Of which franchised stores</i>	<i>315</i>	<i>15</i>	<i>2</i>	<i>328</i>
Iberian Peninsula	70	2	0	72
<i>Traditional Fnac</i>	49	1	0	50
<i>Travel Fnac</i>	2	0	0	2
<i>Proximity Fnac</i>	15	1	0	16
<i>Fnac Connect</i>	4	0	0	4
<i>Of which franchised stores</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>5</i>
Belgium and Luxembourg	84	1	0	85
<i>Traditional Fnac***</i>	11	1	0	12
<i>Proximity Fnac</i>	1	0	0	1
<i>Darty</i>	72	0	0	72
Fnac Darty Group	880	21	7	894
<i>Traditional Fnac</i>	155	2	0	157
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	31	2	1	32
<i>Proximity Fnac</i>	75	5	0	80
<i>Fnac Connect</i>	18	0	0	18
<i>Darty</i>	484	12	1	495
<i>Fnac/Darty</i>	1	0	0	1
<i>Nature & Découvertes</i>	99	0	5	94
<i>Of which franchised stores</i>	<i>320</i>	<i>15</i>	<i>2</i>	<i>333</i>

*Including 11 Fnac stores abroad: two in Tunisia, three in Morocco, one in Congo, one in Cameroon, two in the Ivory Coast, two in Qatar and two Darty stores in Tunisia; 17 stores in the French overseas territories

**Nature & Découvertes and its subsidiaries, which are managed from France. Including four stores in Belgium, one store in Luxembourg and eight franchises in Switzerland

***Including one store in Luxembourg, which is managed from Belgium

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CUMULATIVE REVENUE OVER 9 MONTHS

	9 months 2020 in €M	Change vs. 9 months 2019	
		Reported	Like-for-Like ¹
France and Switzerland	3,880	-1.0%	-3.1%
Iberian Peninsula	402	-13.4%	-15.3%
Belgium and Luxembourg	426	1.4%	0.4%
Group	4,708	-2.0%	-4.0%

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUE ON A LIKE-FOR-LIKE BASIS (CONSTANT EXCHANGE RATES, COMPARABLE SCOPE OF CONSOLIDATION AND ON A SAME-STORE BASIS)

The change in revenue on a like-for-like basis means that the impact of exchange rate fluctuations has been excluded, that the effect of changes in scope has been corrected (acquisition, disposal of subsidiary) and that the effect of directly-owned store openings and closures since January 1 of year N-1 has been excluded. This indicator can be used to measure the change in revenues excluding the effects of changes in foreign exchange rates, scopes of consolidation and directly-owned store openings and closings.

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