FNAC DARTY

Ivry, July 29, 2021

# Strong revenue growth and solid results in the first half of 2021 against a background of continuing health restrictions

## First successes of the strategic plan Everyday

## Upward revision of the 2021 guidance for expected revenues, up by nearly +5%[1] compared to 2020 and expected current operating income between €260 million and €270 million

- **Revenues for the first half of 2021 at €3,465 million, up 21.3% on a like-for-like basis[1], against a background of continuing health restrictions penalizing the operating conditions of the Group's brands**
- **Continued growth in digital over the half-year, which represents almost 28% of Group sales, driven by the gaining of two million active new online customers over the period**
- **Gross margin rate at 29.7%, up by +10 basis points from last year and by +65 basis points excluding the impact of ticketing and franchise**
- **Current operating income at €34 million, up by €92 million compared to the first half of 2020 and by €2 million compared to the first half of 2019, on a comparable basis[2]**
- **Consolidated net income, Group share, at €17 million, up €136 million compared to the first half of 2020**
- **Implementation of the strategic plan Everyday, including the launch of the new Darty Max offerings and the signing of the partnership with Manor in Switzerland**
- **Strengthening of the Group's financial structure with an extended maturity profile, diversified financing sources and optimized cost**

**Enrique Martinez, Chief Executive Officer of Fnac Darty, stated**: *"We are very pleased with the solid results achieved during the first half of 2021, driven by the strong sales momentum of our markets. Despite the continuing health restrictions in our various countries of operation, the Group was able to rely on the strength of its omnichannel model through the power of its stores and the relevance of its digital offering, which represents around 28% of the activity for the half-year. In this context, which is still uncertain, the Group is demonstrating its ability to regain a level of profitability, as of this half-year, higher than that of the first half of 2019, which makes it confident of meeting the challenges ahead and achieving, over the year, a revenue growth of nearly +5% compared to 2020 and a current operating income between €260 and €270 million. Finally, we are proud of the first successes in the rollout of the strategic plan Everyday, including the launch of the three new Darty Max offerings, and the rollout of the Manor partnership in Switzerland, and we will continue our efforts throughout the rest of the year, focused on advice, sustainability and services."*

[1] *Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.*
[2] *Including Nature & Découvertes for the full-year and excluding BCC.*

FNAC DARTY

## KEY FIGURES OF THE FIRST HALF OF 2021

| (€ millions) | H1 2021 | H1 2020 | Change |
|---|---|---|---|
| **Revenues** | **3,464.7** | **2,849.0** | **21.6%** |
| *Comparable var.*[1] | | | *21.3%* |
| **Current operating income** | **34.1** | **-57.6** | ***91.7*** |
| **Consolidated net income, Group share** | **17.2** | **-118.3** | ***135.5*** |

## HIGHLIGHTS OF THE FIRST HALF OF 2021

Fnac Darty recorded **revenues** of €3,465 million in the first half of 2021, up by +21.6% on a reported basis and by +21.3% on a like-for-like basis[1] compared to the first half of 2020, driven both by an increase in volumes and in average basket. This solid growth is based on continued growth in online sales at +7.1%[1], despite a very high comparison basis effect last year during the first lockdown, and on strong in-store momentum of +27.8%[1], despite operating conditions still penalized by the continuation of health restrictions over the half-year. Thus in France, after the closure of shopping malls and shops of more than 20,000 sq.m. and then of more than 10,000 sq.m. and the introduction of a curfew at the beginning of the year, a third national lockdown was put in place from April 3 to May 18 inclusive, leading to the closure of several Group stores. In Belgium, the Government imposed a strict lockdown from March 27 to May 11 inclusive, resulting in the closure of non-essential businesses, with no major impact on the Group's brands. In Switzerland, the stores were closed for a month and a half from January 18. Finally, on the Iberian Peninsula, regional lockdowns were imposed with continued footfall control, hourly restrictions in some stores and closures for shopping mall stores.

**Gross margin** for the half-year was €1,029 million, up compared to the first half of 2020. The gross margin rate remains at a high level of 29.7%, up +10 basis points year-on-year and up +65 basis points excluding the impact of ticketing and franchise. Indeed, the decrease in ticketing sales in the first half of 2021 caused by government measures imposed on the entertainment industry compared with the start to 2020 unaffected by these measures, as well as the decline in the Nature & Découvertes activity associated with the closing of the brand's stores for several weeks, negatively impacted the Group's gross margin rate over the six months. Moreover, the high franchise activity, up +63% over the half-year, also had a dilutive technical impact on the gross margin. These effects were more than offset by a more favorable product mix and by a good services performance in a context where fewer stores were closed compared to the first half of 2020.

Good control of **operational costs** during the first half allowed the Group to show a significant decrease in costs expressed as a percentage of revenues of 300 basis points at 28.7%, despite a slight increase in logistics costs of nearly €3 million, caused by more home deliveries over the period, in line with increased online sales.

**EBITDA** totaled €210 million, including €125 million related to the application of IFRS 16, up €92 million compared to the first half of 2020.

[1]*Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.*

**Current operating income** amounted to €34 million in the first half of 2021, up €92 million compared to the first half of 2020. Current operating income for the half-year was also higher than that for the first half of 2019, which was €32 million, on a comparable basis[1], despite ticketing and business on the Iberian Peninsula still heavily impacted by the crisis. The current operating margin rate for the first half of 2021 is in line with that for the first half of 2019, on a comparable basis[4].

Once non-recurring items, financial expenses of €25 million and a tax expense of €9 million were taken into account, **net income, Group share, from continuing operations** for the first half of 2021 posted growth of €77 million to reach €0.5 million in the first half of 2021. Consolidated net income Group share increased by €136 million compared with the first half of 2020 to €17 million.

**Free cash flow from operations**, excluding IFRS 16, amounted to -€577 million in the first half of 2021, down on the year mainly due to the unfavorable change in the working capital requirement caused in particular by the need to replenish inventories following the strong sales momentum in the last quarter of 2020, which continued in the first half of 2021, and the anticipated purchases of goods against a background of shortages of certain components essential to manufacturing products sold by the Group. At the end of June 2021, the Group's inventory level is broadly in line with that at the end of June 2019.

## IMPLEMENTING THE AIMS OF THE STRATEGIC PLAN EVERYDAY

On February 23, Fnac Darty unveiled its strategic plan Everyday with the ambition of being, both on a daily basis and over the long term, a vital ally to consumers, helping them be sustainable in their consumption habits and in their daily household tasks.

The launch of Everyday is based on three goals that are to be achieved by 2025:
- Embodying new standards for successful digital and human omnichannel retail in the future;
- Helping consumers adopt sustainable practices;
- Rolling out the benchmark subscription-based home assistance service.

### Embodying new standards for successful digital and human omnichannel retail in the future

During the half-year, Fnac Darty began to implement these aims by first pursuing the strengthening of the Group's **omnichannel platform** and **product offering**.

The e-commerce activities represent almost 28% of the Group's revenues and posted growth of +7% this half-year, despite a very high comparison basis effect and more intense competition. The winning of new online customers continued during the half-year with more than two million active new online customers gained over the period. As a reminder, the Group aims to achieve, by 2025, at least 30% of the Group's revenues online.

The Group has thus demonstrated the complementary nature of its stores and its digital platforms, and the relevance of its omnichannel model. In this regard, for Darty or for Fnac in France, the share of active customers[2] at the end of June 2021 across both channels, online and in-store, increased by +4 points over a year. In addition, the share of active customers[5] in both Fnac and Darty brands stood at nearly 35%, up by +4 points over a year. Overall, the volume of active customers[5] at the end of June 2021 is up +7% year-on-year.

[1] *Including Nature & Découvertes for the full year and excluding BCC.*
[2] *Customers who have made at least two purchases in the last 12 months on a rolling basis.*

To support consumers' increasingly digital-oriented purchasing behavior and as part of its continuous improvement of the customer experience, the Group has entered into a partnership with the French start-up Glaze. The aim is to provide a new online merchandising tool to better inform customers and guide them in their purchasing actions by simplifying access to additional suggestions related to the selected product, directly visible on the pages of the Fnac.com and Darty.com websites. Consequently, in addition to live shopping, livestreaming, and the facility to video chat with a salesperson, which the Group rolled out in both brands during the half-year to bring the expertise of our 12,000 salespeople to e-commerce platforms, this new tool promotes an ever more immersive and effective online experience and allows the benefit of in-store advice to be translated into the digital sphere. The Group has also strengthened its streaming content offering through a partnership with BrutX, thus giving Fnac Darty customers the opportunity to discover the next generation of innovative streaming offered by Brut, free of charge. Lastly, the Group has continued to simplify its customer journey by launching the Click & Collect service provided by a salesperson in all integrated Darty stores and under test in some Fnac integrated stores with a target of deploying the service to all stores in the coming months.

Furthermore, the momentum of Click & Collect held up thanks to the Group's dense geographical store network. Fnac Darty thus continued its expansion pace during the half-year, with the opening of 18 new stores, including 15 franchises. The store network now boasts 923 stores, 359 of which were franchises at the end of June. Lastly, the test phase initiated at the end of 2020 for the deployment of four Fnac shop-in-shops within Manor stores in Switzerland confirmed the operational feasibility and relevance of a larger-scale implementation, creating value for customers of both brands. As a result, a partnership agreement was recently concluded, with a total of 27 Fnac shop-in-shops to be deployed within Manor by the first half of 2022, significantly enhancing the presence of the Fnac brand in all regions of Switzerland. With this partnership, Fnac Darty aims to generate at least an additional €100 million in full-year revenue, without having a material impact on the Group's free cash-flow objective[1], which is expected to be approximately €500 million for the 2021–2023 period, despite the investments associated with implementing the partnership.

At the same time, the diversification of the product offering has strengthened this half of the year with new double-digit growth in the Urban Mobility, Home & Design and Games & Toys segments. In this regard, Fnac Darty continued to strengthen its urban mobility offering by signing a partnership with the French start-up Zeway, to distribute in-store and on the Group's e-commerce platforms, the swapperOne the first scooter with a battery that can be recharged in 50 seconds by swapping battery at stations throughout Paris and its inner suburbs. In addition, the deployment of its Darty Kitchen offering also continued during the half-year with the opening of 11 new sales spaces, four fully owned and seven in franchise format. At the end of June 2021, the Group had more than 180 Kitchen points of sale, including 19 stores dedicated exclusively to this offering.

**Helping consumers adopt sustainable practices**

The Group also continued its actions around **extending the life span of products**. The expansion of WeFix continued, despite the difficult operational conditions imposed by the continuation of health restrictions, with the opening of 16 new points of sale, bringing the total number of points of sale to more than 130 at the end of June 2021. Note that the reconditioned products and accessories sales activities increased in a context in which in-store footfall was impacted by the current crisis. In addition, WeFix continued to deploy the XFORCE screen protection solution, voted product of the year 2021[2], and continued its partnership with Bouygues Telecom to repair its subscribers' phones. Lastly, the brand has partnered with OPPO, the leading brand in the smartphone and connected objects market, to become an OPPO authorized repairer, thus allowing it access to the brand's official spare parts. In parallel, the Group is continuing its plan to recruit 500 technicians, as anticipated, and the training of its future employees dedicated to the repair of domestic appliances, through the opening of seven

[1] *Excluding IFRS 16.*

[2] *Study and test conducted on XFORCE Antibacterial by Nielsen/treetz on a total of more than 15,000 consumers in France, end of 2020 – poyfrance.com.*

training classes in several cities in France, and aims to have 13 classes opened by the end of 2021. These various developments reinforce the Group's commitment to more responsible consumption and contribute to the target of 2.5 million products repaired per year by 2025 (i.e., up +50% compared to 2019).

Committed to acting on all the elements of the circular economy, the Group is also working to facilitate the reuse of products and this half of the year launched a PlayStation 4 trade-in service, enabling Fnac and non-Fnac customers to drop off their old consoles and controllers, which are still working. Moreover, as a leader in the retailing of cultural products, Fnac extended its partnership with the French start-up La Bourse aux Livres to offer a fast and efficient book collection service, in all Fnac stores in France, in order to give them a second life. These collection services enrich the Group's second-life offering, whose ambition is to incorporate 100% of "unsaleable" new products into a Second Life channel by 2025.

Lastly, in addition to the emphasis placed on extending the life span of products, the Group is continuing its actions in the other areas related to social and environmental responsibility. In this respect, Fnac Darty reaffirmed its commitment to climate issues by recently joining the Ambition 4 Climate initiative, which illustrates the concrete commitment of large companies to fighting climate change by introducing various projects to reduce carbon footprint. There the Group describes its policy on the purchase of renewable energy, one of its priorities being to achieve its target of reducing its $CO_2$ emissions by 50% by 2030[1]. And, for the third time in a row, Nature & Découvertes has obtained B Corp certification, demonstrating its continued commitment to supporting its customers in a sustainable way of life.

**Rolling out the leading subscription-based home assistance service**

Fnac Darty is making rapid progress in **services** by extending its unique subscription-based repair service offering, Darty Max, to new product categories: small domestic appliances, home cinema TV, sound, photo and multimedia[2]. This means three separate offers, Darty Max Essentiel at €9.99 (inc. tax) per month, Darty Max Evolution at €14.99 (inc. tax) per month and Darty Max Intégral at €19.99 (inc. tax) per month are now available to customers. These complementary offers are designed to meet customer repair expectations better and to enable us to cover every part of the house, with the ambition of reaching at least two million Darty Max subscribers by 2025.

| Darty MAX<br>Price incl. VAT | Essentiel<br>€9.99/month | Évolution<br>€14.99/month | Intégral<br>€19.99/month |
|---|---|---|---|
| Large Domestic Appliances | • | • | • |
| Small Domestic Appliances | | • | • |
| TV Home Cinema, Sound | | • | • |
| Photography | | | • |
| Multimedia | | | • |

The Group will also draw upon B2B partnerships to achieve this objective. Accordingly, during the half-year, a first retail agreement was concluded with Sofinco, a subsidiary of Crédit Agricole S.A. specializing in consumer credit, which allows us to deploy Darty Max on a larger scale, drawing on the specialist's expertise and customer

1 *Compared to the 2019 level.*

2 *Almost all products covered by warranty extensions are eligible for Darty Max. Appliances not covered by Darty Max include smartphones, drones, urban mobility products, game consoles, connected watches and wristbands, digital picture frames, e-book readers, network hard drives, network attached storage, 3D printers, VR headsets, film cameras, radio MP3 players, portable minidisc players and portable CD players.*

base. This agreement is also supported by the deployment of a joint offer of special access to sustainable products and services, by offering credit—even free credit—on “sustainable choice” labeled products.
In deploying Darty Max, the Group confirms its position as a leader in home support service solutions and increases its commitment to extending the life span of products, while strengthening a relationship of trust with its customers by supporting them with a sustainable approach for repairing their appliances.

## HALF-YEAR OPERATING PERFORMANCE AND RESULTS BY SEGMENT

In the second quarter of 2021, Group sales totaled €1,647 million, up +21.2% on a reported basis and up +20.7% on a like-for-like basis[1] from the previous year. The quarter was marked by continuing health restrictions with the introduction of new lockdowns in France and Belgium, as well as regional lockdowns on the Iberian Peninsula, resulting in the closure of several Group stores. However, the strong sales momentum was driven primarily by the growth of in-store sales across all regions and the strong resilience of online sales despite a very high comparison basis effect.
In the first half of 2021, revenues amounted to €3,465 million, up +21.3% on a like-for-like basis[1] compared to the first half of 2020, driven by all regions and product categories. Services were up over the half-year, despite health restrictions that have continued to impact in-store traffic, while ticketing activities are still in sharp decline.

**In France and Switzerland**, revenues increased by +20.5% on a like-for-like basis[1] in the second quarter and by +22.6% in the first half of the year, driven by almost all product categories. The region therefore experienced solid growth in domestic appliance categories, with the exception of air conditioners, with countries suffering fewer heat waves than they did last year. Consumer electronics continue to show strong growth in all categories, including IT equipment related to the continuation of home working and TVs driven in particular by the European Football Championship. Finally, editorial products are growing rapidly, driven by books, gaming and audio. This category benefited in particular from the opportunity given to all young people aged 18 to be able to use their Culture pass to purchase books, audio and video products or shows in all Fnac stores in France. At the same time, services are showing good momentum, despite continuing health restrictions and the continued decline in ticketing activities due to the continuation of government measures imposed on the entertainment industry. The diversification categories also show strong growth, driven mainly by the Urban Mobility and Home & Design segments. In addition, franchise showed solid growth during the half-year, up +63% compared to the first half of 2020. On the other hand, Nature & Découvertes saw a decline in sales, heavily penalized by health measures that have resulted in more days of store closures this half of the year than last year.

During the half-year, current operating income for the region increased to €33 million, compared to -€46 million in the first half of 2020, owing to the strong revenue momentum and good control of sales costs and operational expenditure.

**On the Iberian Peninsula**, revenues grew by +39.6% on a like-for-like basis[1] over the second quarter and by +18.2% over the first half of the year despite continuing health restrictions. The region benefited from a favorable comparison basis effect following a later end of lockdown in 2020, with in-store momentum driving the region’s performance. Strong growth was driven by all product categories in both countries, mainly books, gaming, telephony, photo, sound and TV. For its part, IT posted more normalized growth given the very high base effect. Finally, services showed solid growth over the quarter.

The region’s current operating income was -€4 million, compared to -€13 million in the first half of 2020. Despite good sales momentum over the half-year in both Spain and Portugal, brought about by a solid commercial

[1]*Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.*

performance, the regions continued to be affected by a macroeconomic environment penalized by the health crisis and more intense competition.

**In the Belgium and Luxembourg region,** sales grew by +8.3% in the second quarter and by +12.6% over the first half of the year on a like-for-like basis[1]. Good sales momentum in consumer electronics, domestic appliances and books enabled the region to post strong growth, despite an appointment being required to make purchases in Vanden Borre stores.

The quality of operational performance enabled the Belgium and Luxembourg region to record growth of €5 million in its current operating income compared to the first half of 2020, at €6 million.

## FINANCIAL STRUCTURE

**The Group's net financial debt** excluding IFRS 16 stood at €454 million as at June 30, 2021.
The change in financial debt was mainly due to the negative free cash-flow from operations excluding IFRS 16 at -€577 million, which essentially stemmed from the unfavorable change in the working capital requirement resulting, in particular, from the replenishment of inventories as a result of the strong sales momentum during the last quarter of 2020, which continued into the first half of 2021, and the anticipated purchases of goods against a background of shortages of certain components essential for the manufacturing of products sold by the Group. At the end of June 2021, the Group's inventory level is broadly in line with that at the end of June 2019.

At June 30, 2021, the liquidity position amounted to €479 million, to which is added a revolving credit facility of €500 million, not yet drawn. During the first half of the year, Fnac Darty introduced a new financing structure allowing it to strengthen its financial flexibility, with an extended maturity profile and diversified funding sources, and to continue to optimize the average cost of its debt, in line with the objectives for recurring free cash-flow generation under the strategic plan Everyday.

Fnac Darty has therefore:
- repaid its €500 million State-guaranteed loan (Prêt Garanti par l'Etat, PGE) in full,
- successfully placed a bond convertible into new shares and/or exchangeable for existing shares (Obligation Convertible En Action Nouvelle ou Existante, OCEANE) maturing in 2027, for an amount of €200 million, and lastly,
- extended the revolving credit facility to €500 million with maximum maturity in 2028 with a CSR component[2], and repaid the Senior Term Loan Facility of €200 million that matures in April 2023.

In addition, the Group is rated by the S&P Global, Scope Ratings and Moody's rating agencies. In March 2021, the rating agencies S&P and Moody's both raised their outlook from "negative" to "stable" associated with their respective Fnac Darty 'BB' and 'Ba2' credit ratings. Lastly, in May 2021, Scope Ratings confirmed Fnac Darty's credit rating at BBB- and raised its outlook from "under review" to "stable." As of June 30, 2021, all financial covenants for the half-year were complied with.

Lastly, the Group has reactivated its shareholder return policy with the payment of a first ordinary dividend of €1.00 per share[3], paid in cash on July 7. In accordance with its strategic plan Everyday and in line with the

[1] *Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.*
[2] *In line with the strategic objectives of the strategic plan Everyday, this new credit facility includes a CSR component that will permit the Group to improve its financing terms in the event that the designated targets are achieved.*
[3] *Approved at the General Meeting on May 27, 2021.*

objectives for generating free cash-flow from operations[1], Fnac Darty aims to increase this amount from next year.

## CONCLUSION AND OUTLOOK

The Group is very satisfied with the solid performance in the first half of 2021.

During May, the Group's stores reopened in all countries, albeit with restrictions on opening hours still applicable on the Iberian Peninsula given a still uncertain public health situation. Moreover, following the latest announcements by the French government, the conditions of access to shopping centers of more than 20,000 sq.m. may change and consequently affect the operating conditions of some of the Group's stores. Lastly, as anticipated, the Ticketing activity is very gradually recovering, with a return to normal expected at the beginning of 2022, and the recovery of economic activity on the Iberian Peninsula is slower than in the other countries where the Group is present, compared to pre-crisis levels.

As a result, Fnac Darty remains confident but cautious about the performance of its markets in the second half of the year and will remain focused on its commercial execution to achieve full success in the business challenges of the second half of the year, as well as on controlling costs and generating cash flow in line with the objectives of the strategic plan Everyday.

This is why, with an encouraging start to the year but in a still uncertain public health situation, and subject to there being no further extended periods of store closure, **the Group is revising its 2021 outlook for expected revenues upward by nearly +5%[2] compared to 2020** and for expected **current operating income of between €260 million and €270 million**, i.e., a level equivalent to the 2019 pro forma current operating income[3], excluding ticketing.

[1] *Cumulative free cash-flow from operations excluding IFRS 16 of around €500 million over the 2021–2023 period and at least €240 million at annual rate from 2025.*
[2] *Like-for-like basis: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closures.*
[3] *Including Nature & Découvertes for the full year and excluding BCC.*

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## PRESENTATION OF 2021 HALF-YEARLY RESULTS

**Enrique Martinez, Chief Executive Officer, and Jean-Brieuc Le Tinier, Group Chief Financial Officer,** will host a conference call for investors and analysts on Thursday, July 29, 2021 at 6:30 p.m. (Paris time), 5:30 p.m. (UK), 12:30 p.m. (East Coast USA).

A live webcast of the presentation of the 2021 half-yearly results will be available by clicking here.

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

The presentation will be available before the start of the conference call on the Group's website, under "Investors".

In addition, Fnac Darty releases today, July 29, its half-year report on its website, under "Investors".

**Conference call dial-in numbers:**
France: +33 1 70 71 01 59 – access code: 79030138#
International – access code: 12673265#
  Germany: +49 69 222 225 429
  United Kingdom: +44 207 1943 759
  United States: +1 646 722 4916

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## APPENDIX

The half-yearly financial statements approved by the Board of Directors on July 29, 2021 have been subject to a limited audit conducted by the statutory auditors.

### SUMMARY INCOME STATEMENT

| (in €m) | H1 2020 | H1 2021 | Change |
|---|---|---|---|
| **Revenues** | **2,849** | **3,465** | **+21.6%** |
| **Gross margin** | **844** | **1,029** | **+21.4%** |
| *As a % of revenues* | *29.6%* | *29.7%* | *+0.1pt* |
| **Total costs** | **902** | **995** | **+10.3%** |
| *As a % of revenues* | *31.7%* | *28.7%* | *-3.0pt* |
| **Current operating income** | **-58** | **34** | **+92** |
| *Other non-current operating income and expenses* | *-25* | *-3* | |
| **Operating income** | **-83** | **32** | **+115** |
| Net financial expense | -23 | -25 | |
| Income tax | 26 | -9 | |
| **Net income from continuing operations** | **-80** | **-2** | **+78** |
| **Net income from continuing operations, Group share** | **-77** | **1** | **+77** |
| *Net income from discontinued operations, Group share* | *-42* | *17* | |
| **Consolidated net income, Group share** | **-118** | **17** | **+136** |

| | | | |
|---|---|---|---|
| **EBITDA**[1] | **119** | **210** | **+92** |
| *As a % of revenues* | *4.2%* | *6.0%* | |
| **EBITDA excluding IFRS 16** | **-5** | **86** | **+91** |

[1] *EBITDA = Earnings (current operating income) before interest, tax, depreciation, amortization and provisions on fixed operational assets.*

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## CURRENT OPERATING INCOME BY OPERATING SEGMENT

| (in €m) | H1 2020 | As a % of revenues | H1 2021 | As a % of revenues | Change |
|---|---|---|---|---|---|
| France and Switzerland | -45.6 | -1.9% | 32.7 | 1.1% | +78.3 |
| Iberian Peninsula | -12.7 | -5.3% | -4.2 | -1.5% | +8.5 |
| Belgium and Luxembourg | 0.7 | 0.3% | 5.6 | +1.9% | +4.9 |
| **Group** | **-57.6** | **-2.0%** | **34.1** | **+1.0%** | **+91.7** |

## CASH FLOW STATEMENT

| | € millions | |
|---|---|---|
| | H1 2020 | H1 2021 |
| **Cash flow from operations before tax, dividends and interest** | **109** | **212** |
| IFRS 16 impact | -124 | -125 |
| **Cash flow from operations before tax, dividends and interest, excluding IFRS 16** | **-14** | **88** |
| Change in working capital requirement, excluding IFRS 16 | -415 | -581 |
| Income tax paid | -24 | -38 |
| **Net cash flows from operating activities, excluding IFRS 16** | **-453** | **-530** |
| Operating investments | -38 | -46 |
| Change in payables and receivables relating to non-current assets | -13 | -1 |
| Operating divestments | 0 | 0 |
| **Net cash flows from operating investment activities** | -50 | -46 |
| **Free cash flow from operations, excluding IFRS 16** | **-503** | **-577** |

## BALANCE SHEET

| *Assets (€ millions)* | At December 31, 2020 | At June 30, 2021 |
|---|---|---|
| Goodwill | 1,654 | 1,654 |
| Intangible assets | 506 | 512 |
| Property, plant and equipment | 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** |
| Inventory | 960 | 1,055 |
| Trade receivables | 285 | 168 |
| Tax receivables due | 4 | 21 |
| Other current financial assets | 7 | 6 |
| Other current assets | 361 | 170 |
| Cash and cash equivalents | 1,569 | 479 |
| **Current assets** | **3,186** | **1,899** |
| **Assets held for sale** | **0** | **0** |
| **Total assets** | **7,149** | **5,774** |

| *Liabilities (€ millions)* | At December 31, 2020 | At June 30, 2021 |
|---|---|---|
| Share capital | 27 | 27 |
| Equity-related reserves | 971 | 971 |
| Translation reserves | (5) | (6) |
| Other reserves | 375 | 416 |
| **Shareholders' equity, Group share** | **1,369** | **1,408** |
| Shareholders' equity – Share attributable to non-controlling interests | 5 | 2 |
| **Shareholders' equity** | **1,373** | **1,409** |
| Long-term borrowings and financial debt | 902 | 930 |
| Leasing debts with a maturity of over one year | 884 | 820 |
| Provisions for pensions and other equivalent benefits | 206 | 178 |
| Other non-current liabilities | 124 | 106 |
| Deferred tax liabilities | 165 | 165 |
| **Non-current liabilities** | **2,281** | **2,199** |
| Short-term borrowings and financial debt | 553 | 3 |
| Leasing debts with a maturity of less than one year | 230 | 230 |
| Other current financial liabilities | 13 | 5 |
| Trade payables | 1,784 | 1,231 |
| Provisions | 31 | 30 |
| Tax liabilities payable | 30 | 0 |
| Other current liabilities | 854 | 667 |
| **Current liabilities** | **3,495** | **2,166** |
| **Liabilities relating to assets held for sale** | **0** | **0** |
| **Total liabilities** | **7,149** | **5,774** |

## FIRST HALF 2021 REVENUES

| | H1 2021 In €m | Change compared with H1 2020 | | |
|---|---|---|---|---|
| | | actual | At comparable scope of consolidation and at constant exchange rates | like-for-like basis |
| France and Switzerland | 2,878 | 22.9% | 22.9% | 22.6% |
| Iberian Peninsula | 285 | 19.1% | 19.1% | 18.2% |
| Belgium and Luxembourg | 301 | 12.8% | 12.8% | 12.6% |
| **Group** | **3,465** | **21.6%** | **21.7%** | **21.3%** |

## 2021 SECOND QUARTER REVENUES

| | Q2 2021 In €m | Change compared with Q2 2020 | | |
|---|---|---|---|---|
| | | actual | At comparable scope of consolidation and at constant exchange rates | like-for-like basis |
| France and Switzerland | 1,374 | 20.9% | 20.9% | 20.5% |
| Iberian Peninsula | 140 | 41.1% | 41.1% | 39.6% |
| Belgium and Luxembourg | 133 | 8.3% | 8.3% | 8.3% |
| **Group** | **1,647** | **21.2%** | **21.3%** | **20.7%** |

FNAC DARTY

## STORE NETWORK

| | Dec. 31, 2020 | Opening | Closing | June 30, 2021 |
|---|---|---|---|---|
| **France and Switzerland*** | **751** | **17** | **2** | **766** |
| *Traditional Fnac* | 95 | 0 | 0 | 95 |
| *Suburban Fnac* | 17 | 0 | 0 | 17 |
| *Travel Fnac* | 29 | 0 | 0 | 29 |
| *Proximity Fnac* | 67 | 1 | 1 | 67 |
| *Fnac Connect* | 14 | 0 | 0 | 14 |
| *Darty* | 432 | 13 | 1 | 444 |
| *Fnac/Darty France* | 1 | 0 | 0 | 1 |
| *Nature & Découvertes*** | 96 | 3 | 0 | 99 |
| *Of which franchised stores* | *339* | *15* | *0* | *354* |
| **Iberian Peninsula** | **72** | **1** | **1** | **72** |
| *Traditional Fnac* | 50 | 1 | 1 | 50 |
| *Suburban Fnac* | 0 | 0 | 0 | 0 |
| *Travel Fnac* | 2 | 0 | 0 | 2 |
| *Proximity Fnac* | 16 | 0 | 0 | 16 |
| *Fnac Connect* | 4 | 0 | 0 | 4 |
| *Of which franchised stores* | *5* | *0* | *0* | *5* |
| **Belgium and Luxembourg** | **85** | **0** | **0** | **85** |
| *Traditional Fnac**** | 12 | 0 | 0 | 12 |
| *Suburban Fnac* | 0 | 0 | 0 | 0 |
| *Travel Fnac* | 0 | 0 | 0 | 0 |
| *Proximity Fnac* | 1 | 0 | 0 | 1 |
| *Fnac Connect* | 0 | 0 | 0 | 0 |
| *Darty (Vanden Borre)* | 72 | 0 | 0 | 72 |
| *Of which franchised stores* | *0* | *0* | *0* | *0* |
| **Fnac Darty Group** | **908** | **18** | **3** | **923** |
| *Traditional Fnac* | 157 | 1 | 1 | 157 |
| *Suburban Fnac* | 17 | 0 | 0 | 17 |
| *Travel Fnac* | 31 | 0 | 0 | 31 |
| *Proximity Fnac* | 84 | 1 | 1 | 84 |
| *Fnac Connect* | 18 | 0 | 0 | 18 |
| *Darty/Vanden Borre* | 504 | 13 | 1 | 516 |
| *Fnac/Darty* | 1 | 0 | 0 | 1 |
| *Nature & Découvertes* | 96 | 3 | 0 | 99 |
| *Of which franchised stores* | *344* | *15* | *0* | *359* |

* Including 11 Fnac stores abroad: two in Tunisia, three in Morocco, one in Congo, one in Cameroon, two in 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 seven franchises in Switzerland; 2 stores in the French overseas territories.

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

## DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

### CHANGE IN REVENUES AT CONSTANT EXCHANGE RATES AND COMPARABLE SCOPE OF CONSOLIDATION

The change in revenues at constant exchange rates and comparable scope of consolidation means that the impact of exchange rate fluctuations has been excluded and that the effect of changes in scope is corrected to not take modifications (acquisition, sale of subsidiary) into account. The exchange rate impact is eliminated by recalculating sales for year N-1, on the basis of the exchange rates used for year N. The revenues of subsidiaries acquired or sold since January 1 of year N-1 are excluded from the calculation of the change. This indicator can be used to measure the change in revenues excluding the effect of changes in foreign exchange rates and scopes of consolidation.

### CHANGE IN REVENUES (LIKE-FOR-LIKE)

The change in revenues 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 subsidiaries) and that the effect of openings and closures of directly owned stores since January 1 of year N-1 has been excluded. This indicator can be used to measure the change in revenues excluding the effect of changes in foreign exchange rates, scopes of consolidation and directly-owned store openings and closings.

| With application of IFRS 16 | Restatement of IFRS 16 | Without application of IFRS 16 |
|---|---|---|
| **EBITDA**<br>Current operating income before depreciation, amortization and provisions on fixed operational assets | ***Rent within the scope of IFRS 16*** | **EBITDA excluding IFRS 16**<br>EBITDA including rental expenses within the scope of IFRS 16 |
| **Free cash flow from operations**<br>Net cash flow from operating activities, less net operating investments | ***Payment of rent within the scope of IFRS 16*** | **Free cash flow from operations, excluding IFRS 16**<br>Free cash flow from operations, includingimpacts relating to rents within the scope of IFRS 16 |
| **Net cash**<br>Gross cash and cash equivalents less gross financial debt | ***Lease liabilities*** | **Net cash excluding IFRS 16**<br>Net cash excluding leasing debt |
| **Net financial debt**<br>Gross financial debt less gross cash and cash equivalents | ***Lease liabilities*** | **Net debt excluding IFRS 16**<br>Net financial debt less lease liabilities |
| **Net financial income** | ***Financial interest on lease liabilities*** | **Net financial income excluding financial interest on rental debt** |