

Envisaged acquisition of Unieuro

Fnac Darty to consolidate its European leadership in specialized retail

Stable H1 2024 preliminary results¹

2024 outlook confirmed

ENVISAGED ACQUISITION OF UNIEURO

- **Intention to acquire Unieuro, the leading Italian distributor of Consumer electronic products and Domestic appliances**
- **Mixed Public Offer² to be jointly filed by Fnac Darty and Ruby Equity Investment³**
- **Offer consideration includes €9.0 in cash and 0.10 Fnac Darty shares, valuing Unieuro at €12.0 per share⁴**
- **Creation of a Group with over €10 billion in revenue and nearly 30,000 employees⁵**
- **Strong operational and geographical complementarities**
- **Aligned strategic visions and ambitions on omnichannel, services, private label, and sustainability**
- **Projected synergies of over €20 million⁶, mostly from improving buying terms**
- **EPS accretion above 10% from 2025, including synergies**
- **Positive impact on Group's current operating income and free cash flow**
- **Closing expected in Q4 2024**

H1 2024 PRELIMINARY RESULTS¹

- **H1 2024 revenue of €3,390 million**, up +1.4% on a reported data basis
- **Stable current operating income**

¹ Unaudited figures

² Mixed Offer made of a cash branch for 75% and a share branch for 25%

³ Joint investment vehicle held at 51% by Fnac Darty and by 49% by Ruby Equity Investment (an affiliate of Vesa Equity Investment), consolidated by Fnac Darty

⁴ Based on Fnac Darty closing share price of €30.20 as of July 15, 2024

⁵ Combination of public annual information made public by the 2 entities as of December 31, 2023 for Fnac Darty and as of February 28, 2024 for Unieuro

⁶ Run rate starting 2025

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Enrique Martinez, CEO of Fnac Darty, states:

« This project is a unique opportunity for Fnac Darty to continue its long-term ambition to consolidate its markets and strengthen its business model at the European level.

Our geographical presence would be significantly expanded, and we would support Unieuro in continuing its digitalization and transformation towards more services, in line with our Everyday strategic plan.

Ultimately, this project enables us to pursue our collective ambition: to be the essential ally for European consumers, supporting them in sustainable consumption.

In a challenging context for our sector, Fnac Darty has also achieved stable results, allowing us to confirm our annual guidance and approach the second half of the year with confidence and determination. »

#1 POSITION IN ITALY THAT CONSOLIDATES THE GROUP'S PRESENCE IN EUROPE

Unieuro is the Italian Leader in Consumer electronics and Domestic appliances with a 17% market share. In 2023, Unieuro achieved revenue of €2.6 billion, with a compound annual growth rate of 8% over the 2016/17-2023/24 period¹. It has a dense network of integrated and affiliated stores throughout Italy, with a significant presence in the North and Centre of the country (71% of stores). Additionally, Unieuro is developing its services activities, including the integration of Covercare, a specialist in repair and home services.

The envisaged combination of Fnac Darty and Unieuro is in line with the Everyday plan. Both entities share common strategic ambitions focused on omnichannel, the development of home assistance services, and guiding customers towards more sustainable and responsible behaviours.

Fnac Darty, with a long tradition of integration respecting local specificities, will ensure the sharing of expertise to create new opportunities for both companies' employees.

The combination between Fnac Darty and Unieuro would create a leader in Consumer electronics, Domestic appliances, Editorial products and Services in Southern and Western Europe, with over €10 billion in revenue, 30,000 employees and more than 1,500 stores. The combined entity would hold #1 or #2 positions in its main markets.

The combination offers a potential for operational run-rate synergies projected at over €20 million before taxes, primarily from improved buying terms and the integration of private label activity. Unieuro would also benefit from Fnac Darty's expertise in terms of operational efficiency. Further synergies will be explored post transaction.

The Group anticipates an accretive impact on its Earnings Per Share above 10% from 2025, including run-rate synergies, as well as a positive impact on its current operating income and free cash flow.

DEAL STRUCTURING

The public offer would include for each Unieuro share:

- €9.0 in cash; and
- 0.10 Fnac Darty newly issued shares².

This offer values Unieuro at €12.0 per share, representing a premium of 42% based on the spot volume-weighted average closing price as of July 15, 2024, and a 34% premium on the volume-weighted average closing price over the last 3 months. This implies an equity value³ for Unieuro of c.€249 million, of which Fnac Darty already owns 4.4% of Unieuro's share capital.

¹ Unieuro's fiscal year: end-February

² Based on latest Fnac Darty closing share price of €30.20 as of July 15, 2024

³ Based on 20.7 million outstanding shares

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The offer would allow Unieuro's shareholders to cash in their stake and to become shareholders of the combined entity, with an opportunity to benefit from value creation potential.

The Offer would be financed as follows:

- Fnac Darty and Ruby Equity Investment plan to create a Joint investment vehicle (held respectively at 51% and 49%) that will hold the stake in Unieuro. This company would be controlled and consolidated by Fnac Darty Group.
- The cash component representing c.75% of the offer amount, would be financed by Ruby Equity Investment and Fnac Darty in the respective proportion of c.2/3 and c.1/3.
- The equity component representing c.25% of the offer amount would be financed by Fnac Darty through a share issuance of approximately 2.0 million shares¹, within the limits of the current authorizations, and representing around 6.6% of Fnac Darty's share capital post-transaction.
- The Group's net debt increase would be limited to around +€56 million², allowing Fnac Darty to protect its financial flexibility and pursue its capital allocation policy.

The launch of the Public Tender should occur after customary conditions related to Italian regulatory approvals have been met. This transaction will be subject to review by the relevant competition authorities.

Closing of the offer is expected over the course of Q4 2024.

PRELIMINARY H1 2024 RESULTS, 2024 GUIDANCE CONFIRMED

The preliminary and unaudited IFRS results for H1 2024 are estimated at:

- **€3,390 million revenue**, up +1.4% reported data and +0.1% LFL³ (+2.1% reported data and +0.8% LFL³ in Q2 2024).
- **Current operating income of -€36 million**, stable compared to H1 2023.

The Group reaffirms its target to reach a **Current Operating Income (COI) for 2024 at least equal to that of 2023** and a **cumulative free cash flow from operations⁴ of approximately €500 million** over the period 2021–2024 (i.e. €180 million in 2024).

The Group will publish its full H1 2024 results on July 24, 2024, after market close, as already scheduled.

CONFERENCE CALL

Enrique Martinez, Group Chief Executive Officer and **Jean-Brieuc Le Tinier, Group Chief Financial Officer**, will host a conference call on the envisaged transaction in French, with live translation into English, **today at 6.30 PM Paris time**, 5:30 p.m. (UK) or 12:30 p.m. (East Coast USA).

Dial-in numbers:

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¹ Based on Fnac Darty latest closing price of €30.20 as of July 15, 2024

² Excluding transaction fees

³ Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures

⁴ Excluding IFRS 16.

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Important information

This press release is for information purposes only and does not constitute an offer to purchase, or a solicitation of an offer to sell, any Unieuro financial instruments.

The tender offer documentation which, if filed, will include the terms and conditions of the tender offer, will be subject to review by the Italian market authority (CONSOB). Investors and shareholders are strongly advised to consult the documentation relating to the tender offer when it becomes available, if the offer is filed, as well as any amendments or additions to these documents since they will contain important information about the proposed transaction.

In particular, the transaction is subject to the execution of definitive documentation and the obtaining of the required regulatory approvals and other customary conditions.

The tender offer has not been and will not be made in the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia), Canada, Japan, Australia and any other jurisdictions where making the offer or tendering therein would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority, by using national or international instruments of communication or commerce of such excluded jurisdictions (including, by way of illustration, the postal network, fax, telex, e-mail, telephone and internet), through any structure of any of the excluded jurisdictions' financial intermediaries or in any other way. No actions have been taken or will be taken to make the offer possible in any of the excluded jurisdictions.

Copies of any documents relating to the tender offer, including this press release, are not and should not be sent, or in any way transmitted, or otherwise distributed, directly or indirectly, in the excluded jurisdictions. Any person receiving any such documents shall not distribute, send or dispatch them (whether by post or by any other mean or device of communication or international commerce) in the excluded jurisdictions. Any document relating to the offer, including this press release, does not constitute and shall not be construed as an offer of financial instruments addressed to persons domiciled and/or resident in the excluded jurisdictions. No securities may be offered or sold in the excluded jurisdictions without specific authorization in accordance with the applicable provisions of the local law of such jurisdictions or a waiver thereof.

Tendering in the offer by parties residing in jurisdictions other than Italy may be subject to specific obligations or restrictions imposed by applicable legal or regulatory provisions of such jurisdictions. Recipients of the offer are solely responsible for complying with such laws and, therefore, before tendering in the offer, they are responsible for determining whether such laws exist and are applicable by relying on their own counsel or other advisors. Fnac Darty does not accept any liability for any violation by any person of any of the above restrictions.

Disclaimer

Pursuant to Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and has been communicated to Fnac Darty SA's authorised distributor.

This press release may include forward-looking statements and language indicating trends, such as the words "anticipates", "estimates", "expects", "believes", "could", "should", "would", "intends", "may", "potential" and similar expressions. These forward-looking statements are based solely on information currently available and are applicable only as of the date of this press release. Such forward-looking statements are based on current expectations and are subject to important economic, competitive and business risks, uncertainties and contingencies, which are unknown or which Fnac Darty and Unieuro are unable to predict or control. Such factors could cause Fnac Darty's and/or Unieuro's actual results, performance or plans in connection with the transaction to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. Neither Fnac Darty, Unieuro nor any of their advisers accepts responsibility for any financial information contained in this press release relating to the business, operations, results or financial position of the other entity or its group. Fnac Darty, Unieuro and their advisers disclaim any obligation or undertaking to release any update or revision to any forward-looking statement contained in this press release to reflect any change in expectations or events, conditions or circumstances on which any such statement is based.

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About Fnac Darty

Operating in 13 countries, Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics and domestic appliances. The Group, which has almost 25,000 employees, has a multi-format network of more than 1,000 stores at the end of December 2023, and is ranked as a major e-commerce player in France (more than 27 million unique visitors per month on average) with its three merchant sites, fnac.com, darty.com and natureetdecouvertes.com. A leading omnichannel player, Fnac Darty's revenue was around €8 billion in 2023, 22% of which was realized online. For more information: www.fnacdarty.com

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