

Excellent 2021 performance with exceptional sales growth of +7%¹ and free cash-flow from operations² of €170 million supported by solid operational performance

Initial successes of the plan Everyday marking the start of the Group's profound transformation with an acceleration in the number of Darty Max subscribers to almost 500,000

- **Strong growth in revenue, which stood at €8,043 million in 2021, up +7.4% compared to 2020 on a reported basis and +8.2% compared to pro-forma 2019 figures³**
- **Consolidation of digital performance with the gain of 5 million new active web customers and a share of online sales of 26% of total sales**
- **Initial successes of Everyday: nearly 500,000 Darty Max subscribers, more than 150,000 visio with salespeople, 13 Fnac shop-in-shops opened within Manor, a +6-point increase in product sustainability⁴ and a strong +5-point increase in customer satisfaction compared to 2020**
- **Current operating income stood at €271 million, up +€55 million compared to 2020 and up compared to the pro-forma 2019 level³, excluding the impact of ticketing**
- **Free cash-flow from operations² remains very high at €170 million, driven by robust results and good management of merchandise purchases throughout the year**
- **Proposed payment of an ordinary dividend of €2⁵ per share, in line with the plan Everyday's shareholder return policy and representing a payout ratio of 37%⁶**
- **First retailer in France to form a new partnership with Google to give customers an enhanced online shopping experience**
- **Improvement in the Group's non-financial ratings, with an A- rating from CDP and a +6-point increase in Moody's ESG Solution rating and the signing of a second PPA (Power Purchase Agreement) with Valeco to increase the proportion of green energy used by the Group in France**

Enrique Martinez, Chief Executive Officer of Fnac Darty, stated: *"Fnac Darty's remarkable performance in 2021 reflects, above all, the commitment of our 25,000 employees. They are the ones who made this success possible. Throughout this period of uncertainty, which has prevailed for two years now, the Group has successfully anticipated its customers' expectations, adapted its organization and stepped up its digital development. We are proud of the initial success of our strategic plan Everyday, which is helping us to ramp up our Group's transformation while ensuring that advice, sustainability and service remain our top priorities. Its successful implementation, in its very first year, has strengthened our ambition to become a key ally to consumers, helping them be sustainable in their consumption habits and in their daily household tasks."*

¹ Like-for-like basis: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.

² Excluding IFRS 16.

³ Including Nature & Découvertes over the full year.

⁴ Sustainability score: average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service over the last two years for each product and weighted by the volumes of products sold by the Group in the year in question.

⁵ Submitted to a vote at the General Meeting on May 18, 2022.

⁶ Calculated on the net income from continuing operations, Group share, 2021.

FNAC DARTY

KEY FIGURES

(€ millions)	2020	2021	Change
Revenues	7,491	8,043	+7.4%
<i>Change on like-for-like basis¹</i>			+7.0%
Current operating income (COI)	215	271	+55
Net income from continuing operations, Group share	96	145	+49
Free cash-flow from operations²	192	170	-22

KEY HIGHLIGHTS AND ANALYSIS OF 2021 FINANCIAL RESULTS

Fnac Darty's 2021 **revenue** was €8,043 million, up +7.4% based on a reported basis and +7.0% on a like-for-like basis¹ compared to 2020 and up +8.2% compared to pro-forma 2019 figures³. This performance was achieved in the context of a health crisis that continued into 2021 with a lockdown and several periods of store closures in the first half of the year. These health measures disrupted store operating conditions, but to a lesser extent than in 2020. As a result, revenue growth in 2021 is based on solid sales momentum in stores, driven by a higher conversion rate and average checkout value, while store traffic is gradually returning to normal. This performance also reflects the success of the major sales events at the end of the year. The level of online sales remains high at 26% of the Group's total sales, driven in particular by the gain of 5 million new active web customers and the power of omnichannel, which represents 46% of online sales in 2021, with a marked acceleration during the fourth quarter when all stores were open. The year 2021 thus marks the consolidation of the Group's digital positioning with a share of online sales up +7 points compared to the pre-crisis level of 2019.

The **gross margin rate** reached 29.5% in 2021, up +30 basis points from 2020. This increase is mainly due to a favorable mix effect as the easing of restrictions led to fewer store closures compared to 2020 and thus boosted sales of editorial products, which are very sensitive to impulse buying. This increase was also driven by services and the rollout of Darty Max offerings in particular, as well as the very gradual recovery of ticketing, where sales accelerated in the last quarter. These factors more than offset the impact of the decline in Nature & Découvertes' business, which was heavily impacted this year by the drop in store traffic caused by the closure of stores for several weeks and the dilutive technical effect of the franchise.

Operating expenses reached €2,103 million in 2021, up compared to 2020 in line with the increase in activity. Operating expenses, as a percentage of revenue, were 26.1% in 2021, down -20 basis points compared to last year. This decline reflects the Group's very good management of operating expenses thanks to the effectiveness of the performance plans put in place.

EBITDA amounted to €621 million, including €247 million related to the application of IFRS 16, up +€54 million from 2020.

Current operating income amounted to €271 million, versus €215 million the previous year. The operating margin in 2021, at 3.4%, is up +50 basis points compared to 2020.

Excluding ticketing activities, which are still heavily impacted by the health restrictions, current operating income in 2021 is higher than that of 2019 pro forma³.

¹ Like-for-like basis: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.

² Excluding IFRS 16.

³ Including Nature & Découvertes over the full year.

FNAC DARTY



Non-current items amounted to -€10 million in 2021, down -€6 million compared to 2020 and mainly include restructuring costs. As a reminder, the non-current items recognized in 2020 included one-off effects such as the impairment of the Darty brand and incremental costs directly related to the health crisis.

Operating income stood therefore at €260 million in 2021.

In 2021, **financial expenses** amounted to -€42 million versus -€51 million in 2020. This decrease is mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple venture capital fund in which the Group invested in 2016. In addition, the new financing strategy put in place in March 2021 has optimized interest expenses and extended the average maturity of the Group's debt.

Net income from continuing operations, Group share was up +€49 million to €145 million in 2021 after taking into account non-current items, financial expenses and a tax expense of -€74 million. The latter, up year-on-year due to the increase in the Group's results, includes a decrease in the tax expense related to the CVAE of nearly €10 million compared to 2020. As a result, the effective tax rate is down by more than -6 points compared to 2020.

Net income from discontinued operations was €15 million, corresponding to an adjustment in 2021 for the tax treatment of the disposal of the Dutch subsidiary BCC in 2020, which brought **consolidated net income, Group share**, to €160 million in 2021, compared to €1 million in 2020.

Fnac Darty continued a strong generation of **free cash-flow from operations**¹ at €170 million in 2021, compared to the exceptionally high level of €192 million in 2020. This change is mainly the result of the necessary replenishment of inventories at the beginning of the year in order to support the high level of demand. In 2021, the Group once again demonstrated its ability to manage its merchandise purchases and to control its inventories in order to ensure a good level of availability of its product and service offering throughout the year, in a context of tensions in the supply chain.

¹ Excluding IFRS 16.

A GROUP COMMITTED TO ITS EMPLOYEES

In the context of the health crisis that continued into 2021, the Group maintained its priority of guaranteeing the health and safety of employees and customers by continuing to enforce the best possible protective measures and social distancing rules. The Group has been able to count on the commitment and mobilization of its teams throughout the two years of crisis. Moreover, Fnac Darty is committed to supporting the purchasing power of its employees and has decided to pay an exceptional purchasing power bonus to the employees who are most directly affected by the current inflationary pressures. For employees working in France with a gross annual salary of less than 35,000 euros, this bonus will be 400 euros. The Group will introduce a similar purchasing power measure for every country in which it operates—except for countries where one has already been implemented—which will be adapted to the specific context of each country. This bonus will be paid in March to over 19,000 Group employees.

The Group continued to work this year to improve the working conditions of its employees and, in March 2021, signed its first agreement on Quality of Life at Work, which applies to all employees. For example, this new agreement covers new measures for employees recognized as “disabled workers,” the right to disconnect, the fight against discrimination and professional equality.

Convinced that diversity is the foundation of a socially and economically successful society, the Group is committed to going beyond the legal framework of the fight against discrimination through proactive actions. This strong commitment has been renewed with the signing of the Diversity Charter in 2021, which expands and strengthens the actions already implemented in the Group’s diversity policy. In this respect, Fnac Darty has been rewarded for promoting the inclusion of deaf and hard-of-hearing people in the workplace by obtaining, in 2021, the *Inclusion Surdités* Award from the Fondation Pour l’Audition. An internal company network dedicated to gender parity, which is cross-functional and open to all of the Group’s business lines, was also created this year to promote the rise in responsibility of women. In particular, Fnac Darty has made a formal commitment to achieve a 35% share of women in the Leadership Group¹ by 2025. This share reached 27% in 2021, an increase of +3 points compared to 2020. Following the implementation of the strategic plan Everyday and the changes to the Executive Committee that took place last March, the proportion of women in the Executive Committee has now reached 38%, with a target of over 40% of the underrepresented gender by 2025. All of the Group’s actions in favor of gender parity have been recognized and Fnac Darty was awarded the “LSA - La Conso s’engage Trophy” in the Retailers category, which ranks nearly 100 companies in the industry according to their diversity and CSR commitments.

INITIAL SUCCESS OF THE STRATEGIC PLAN EVERYDAY MARKING THE START OF THE GROUP’S PROFOUND TRANSFORMATION

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

In 2021, the first year of the plan’s rollout, the Group can already measure its initial successes in terms of the three goals it has set itself for 2025:

- Embody new standards for successful digital and human omnichannel retail in the future;
- Helping consumers adopt sustainable behaviors;
- Rolling out the reference subscription-based home assistance service.

¹ About the top 200 managers at Group level.

1) Embody new standards for successful digital and human omnichannel retail in the future

Innovations for a reinvented customer experience

Fnac Darty is reinventing the customer experience and the way it serves them on a daily basis, both in its stores and on its increasingly popular e-commerce platforms. This year, for example, the Group rolled out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely. More than 150,000 exchanges by video/chat have already been carried out in 2021. Thanks to the 1,500 salespeople trained in this new service, the conversion rate of a web customer using the video service is two to three times higher than that of a standard web customer. While this video service is available for all consumer electronics, it will soon be expanded to other product categories.

The Group has also launched the L'Eclaireur Fnac <https://leclaireur.fnac.com/>, a digital medium designed to enable French people to reach educated opinions and choices on the major themes related to culture and technology. In line with the Group's desire to humanize the digital experiences it offers, L'Eclaireur Fnac allows the greatest number of people to share in the result of the hours that our teams of enthusiasts spend reading, listening, watching and testing on a daily basis. Launched last October, the site already attracts more than 500,000 unique visitors per month. This platform has also enabled the Group, in a context of health restrictions particularly affecting the world of entertainment, to continue to broadcast its cultural events in new hybrid formats to facilitate access to culture for all. This was notably the case for the Fnac Livres fair and the Fnac Live concerts.

All of these initiatives enable the Group to improve the mix of customers between the store and web channels and thus offer a complete omnichannel experience. As such, for both Darty and Fnac in France, the proportion of customers who have been active¹ on both the web and store channels continued to increase in 2021 compared to 2020. Customer satisfaction measured throughout the customer journey continued to improve in 2021 with an aggregate NPS (Net Promoter Score) that increased by almost +5 points compared to 2020.

Finally, Fnac Darty works every year to enrich its loyalty programs and its membership base, a real competitive advantage for the Group. By the end of 2021, the Group had a solid customer base of almost 10 million members, including over 7 million in France.

Digital ambitions to serve the omnichannel

In 2021, the Group consolidated its performance on its e-commerce sites with the gain of 5 million new active web customers. Online sales remain at a high level, at 26% of total sales in 2021, despite a very high comparison basis effect in 2020 and show an increase of +7 points compared to 2019. In response to the growing use of mobile devices by customers, Fnac Darty has continued to improve customer journeys and has redesigned the homepage of the fnac.com website. In 2021, mobile traffic represented 62% of total traffic on the fnac.com and darty.com e-commerce sites, an increase of +2 points compared to 2020.

Click & collect accounted for 46% of online sales in 2021, up in all regions, with momentum accelerating sharply in the fourth quarter by more than +8 points since the previous year. To improve the omnichannel customer journey, the Group has rolled out the click & collect service, which is led by a salesperson, to all integrated Darty stores, increasing the attach rate of accessories and services to products collected in store by an average of +10% over the year. This service is also being rolled out to integrated Fnac stores, with a target completion date of the first half of 2022.

¹ Customers who have made at least two purchases in the last 12 months on a rolling basis.

Fnac Darty confirms its ambition to achieve, by 2025, at least 30% of its total revenue on the web, while maintaining a click & collect rate of 50%. In order to accelerate its digital transformation, the Group has just announced a key strategic partnership with Google, focused on Cloud. This partnership is based on the deployment of the Google Cloud Retail Search solution on the Fnac.com and Darty.com websites, in order to increase their performance through a simpler, more customised and enhanced online shopping experience for customers. Fnac Darty is the first retailer in France to implement this new Google Cloud solution, a move which aims to set new standards in terms of online and mobile shopping experience. This partnership will also enable Fnac Darty to further improve the management of its activities (managing promotions more effectively, improving methods for prioritising after-sales customer service actions among others) through the integration of data analytics, Machine Learning and Artificial Intelligence.

An optimized store network

Fnac Darty continued to expand its store network with the opening of 55 stores in 2021, including 47 franchises. New stores continued to be opened on an opportunistic basis, such as the opening of the first Fnac store in Senegal, which allowed the Group to strengthen its presence in Africa, or the opening of the first Nature & Découvertes store in Portugal. The Group is now present in 13 countries and has 957 stores¹, including 390 franchises, as of the end of December 2021.

Kitchen also continued to expand this year with the opening of 19 points of sale, including 14 dedicated Darty stores². At the end 2021, the Group had more than 185 Kitchen point of sales, including 35 stores dedicated exclusively to this offer².

At the same time, a partnership agreement was concluded this year with Manor for the rollout of 27 Fnac shop-in-shops within Manor by the first half of 2022, significantly enhancing the presence of the Fnac brand in all regions of Switzerland. In 2021, 9 new Fnac shop-in-shops have been opened, in addition to the 4 test shop-in-shops already rolled out at the end of 2020. Thanks to this partnership, Fnac Darty is aiming for an additional revenue of at least €100 million in the full year.

The Group has also supported the development of its existing store base by activating various levers to optimize it. Thus, the Group has reviewed its entire existing stores network and launched all the necessary action plans for the stores concerned this year, in order to achieve its objective of having 100% of its integrated store network profitable by 2025. For example, the Group has transferred stores from city centers to retail parks in order to benefit from a more attractive catchment area and transferred stores to reduce the retail floor space and thus gain productivity per square meter.

At the same time, in order to adapt to the structural decline in the audio (excluding vinyl) and video categories in Fnac stores, part of the assortment areas for these products was reallocated to categories offering good levers for growth with the opening of seven Fnac Home areas³, the development of toys and games areas, and new urban mobility areas. In this respect, the Group has rolled out three XXL urban mobility spaces in stores, including a bicycle and electric scooter repair and maintenance workshop in partnership with Repair and Run. This partnership confirms the Group's commitment to extending the life span of its products. The Group has also integrated Darty Kitchen corners in some of its stores in order to increase store productivity per square meter. Finally, Nature & Découvertes opened one shop-in-shop in a Fnac store in 2021 and 6 Nature & Découvertes stores, including 4 new franchise stores in Portugal, Martinique, Guadeloupe and Reunion.

¹ Excluding Fnac shop-in-shops within Manor stores.

² Some Darty Kitchens, exclusively dedicated to this offer, also include a bedding offer.

³ Excluding Manor.

2) Promote sustainable consumption and an educated choice

In 2021, as part of its strategic plan Everyday, Fnac Darty has accelerated its ambition to become a major player in the circular economy and a promoter of extending the life span of products.

Strengthening information on product sustainability

Support for customers in making educated choices and sustainable consumption was stepped up this year with the creation of a Sustainability committee, which aims to develop the Group's offer toward a more sustainable offer. In this respect, the fourth edition of the After-Sales Service Barometer was released and aims to better inform the public about the life span of 77 product families in the household appliances and multimedia universe, compared to 63 last year. Vanden Borre also launched its first sustainability barometer, which gives an overview of the overall sustainability per product category and brand in the segment of large domestic appliances sold by the company. This barometer is based on the sustainability score¹, which aggregates both reliability and reparability criteria by product. This score reached 111 in 2021 compared to 105 in 2020, with a significant improvement in the availability of spare parts. Fnac Darty confirms its ambition to reach a sustainability score of 135 by 2025. The "Sustainable Choice" label, which highlights the most sustainable products in stores and on the Group's websites, was also expanded to Fnac this year and now covers more than 150 products at Fnac and Darty.

Acceleration in product repair

Fnac Darty facilitates product repairs by both encouraging suppliers to embrace eco-design and better informing consumers about product sustainability. As a result, 2.1 million products were repaired by the Group in 2021, up from 2020, with a target of 2.5 million products repaired by 2025. Fnac Darty promotes self-repair by providing usage and maintenance advice via its collaborative website, <https://sav.darty.com/>, launched in 2018, which has recorded a +30% increase in traffic with over 10 million users in 2021.

In order to encourage product repairs, the rollout of WeFix points of sale – the French leader in express smartphone repair acquired in October 2018 – continued this year, with the opening of 22 points of sale in 2021, bringing the network to 139 outlets in France at the end of 2021.

The second life of products, a major challenge for the Group

Fnac Darty has reaffirmed its ambitions in the second-hand segment by improving the visibility of its second-life offer through the Fnac 2^{nde} vie and Darty Occasion brands, in-store and on the Group's websites. A partnership with YESYES for the trade-in of video consoles was also concluded in 2021. In addition, a Circular Economy committee was created in 2021 to oversee projects aimed at reducing packaging, optimizing unsold products, improving collection and recycling, and recovering materials. Finally, the Group is also committed to taking back its customers' old equipment and is the leading collector of WEEE (waste electrical and electronic equipment) with nearly 52,000 metric tons of products collected and recycled in 2021, including more than 46,000 metric tons in France.

At the same time, as a leading retailer of cultural products, Fnac has extended its partnership with the French start-up La Bourse aux Livres in 2021 to offer a fast and efficient book collection service, in all Fnac stores in France, in order to give them a second life.

¹ Sustainability score: average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service over the last two years for each product and weighted by the volumes of products sold by the Group in the year in question.

Fnac Darty has also strengthened its solidarity operations with the organization of the thirteenth annual Fnac Solidarity Flea Market in Dijon, the wide-scale book drive for Bibliothèques sans Frontières, and its partnership with Envie. More than €10 million was donated to associations in 2021 in the form of financial donations or products, either directly by the Group to partner associations or by customers by rounding up purchases at the time of checkout.

Climate issues integrated into all the Group's businesses

The Group has set itself a target of reducing its CO₂ emissions by 50% by 2030, compared to 2019 levels. The scope defined concerns transport, direct and indirect emissions, and site energy. In 2021, against a backdrop of strong growth in its business, Fnac Darty recorded a -14% drop in its revenue-related emissions compared to 2019. The Group relies on strengthened governance within a Climate committee, in order to monitor the trajectory of its CO₂ emissions, draw up action plans, ensure the follow-up of the roadmaps of the various operational sectors and work toward the expansion of the low-carbon strategy to other indirect emission items. In 2022, the ambition is to define a CO₂ reduction target for scope 3 and to submit it for validation by the Science-Based Targets (SBT) initiative.

In 2021, the Group also launched the "informed delivery" project, which allows the Group's customers to estimate the environmental impact of the various delivery methods when purchasing online. This tool will help reduce the environmental impact of the Group's e-commerce and is in line with the commitments made by Fnac Darty when it signed the e-commerce charter last July.

Finally, Fnac Darty has just signed a second agreement with Valeco for the construction of a solar power plant in France in 2023. This agreement is in addition to the renewable energy purchase contract signed at the beginning of 2021 and will enable the Group to cover 30% of its annual electricity consumption with green electricity in France, while making a positive contribution to biodiversity and developing local employment.

A responsible purchasing policy

Aware of the impact of the Group's indirect purchases, Fnac Darty is committed to a process of continuous and sustainable improvement with all the stakeholders in its ecosystem. In this respect, the *Médiation des Entreprises* (Business Ombudsman) has just awarded Fnac Darty the *Relations Fournisseurs & Achats Responsables* ("Responsible Supplier Relations & Purchasing") label for its indirect purchasing¹ for a period of three years, thus welcoming the Group into the community of 65 companies distinguished by public authorities for the sustainable and balanced relations they maintain with their suppliers on a daily basis.

Improved results recognized by the major non-financial rating agencies

Fnac Darty's concrete commitments in terms of corporate social responsibility were once again recognized in 2021 by the non-financial rating agencies. Thus, the Group obtained an A- rating from the CDP, above the average for European companies (B) and the average for the specialized retail market (B-), and was also included in the "Leadership" category for the first time. This recognition is in addition to the one obtained last October from Moody's ESG Solutions (Vigeo Eiris), which awarded an ESG score of 54/100, an increase of +6 points in one year, including +14 points for the environmental component; and the renewal by MSCI of Fnac Darty's AA rating for the third consecutive year. Finally, in 2021, Nature & Découvertes was renewed as a B Corp company for the third consecutive year.

¹ Excluding merchant purchases.

3) Roll out the reference subscription-based home assistance service

Acceleration in the number of subscribers to service offers

Fnac Darty has continued to roll out subscription-based services. In 2021, the Group recorded strong momentum for its Serenity Pack service offering, which protects each subscriber against device piracy and bank data theft with the use of Fnac Sécurité antivirus and password security via Fnac Mot de Passe, and prevents the loss of photos thanks to storage on the Fnac Cloud.

In addition, the Group is accelerating the rollout of its Darty Max repair service subscription to become the leader in home assistance services. The Group has thus developed two Darty Max offers that are complementary to the first offer launched at the end of 2019, which covers the repair of large domestic appliances. With these three Darty Max offers, the Group has expanded the service to the small domestic appliance, TV home cinema, sound, photo and multimedia segments, covering over 4 million products to date¹. The momentum in new customer acquisitions has accelerated, with nearly 500,000 subscribers by the end of 2021, compared to nearly 200,000 by the end of 2020, thanks to the rollout of these three offers combined with the use of new distribution channels such as the possibility of subscribing to the offers on the web, via the distribution partner Sofinco, and even the launch in early 2021 of the Vanden Borre Life offer in Belgium.

An enhanced service offering

In a context of strong growth in the network, a new Darty Max subscriber is a customer with a purchase frequency 1.5 times higher than that of a Darty customer and with an average checkout value 25% higher than the average checkout value of a Darty customer. This is evidence of a definite increase in value, linked to our service programs. The Group is committed to developing a range of offers for Darty Max customers, including exclusive offers on certain products and free delivery. The Darty Max service benefited from a high level of subscriber satisfaction with an NPS² for home or workshop call-out services that is above the Group average.

The Group is continually enhancing the exclusive services and customer experience of Darty Max subscribers, including the development of maintenance tips to help prevent breakdowns and the rollout of a video assistance service to complement the repair services.

All of these advances support the Group's ambition of having more than 2 million Darty Max subscribers by 2025. Fnac Darty was also awarded the LSA Innovation Trophy in the "Responsible Brands" category for its Darty Max repair subscription service. This award recognizes the Group's ability to invent the retail environment of the future.

Training and recruitment initiatives to support this new dynamic

In order to support the development of these services and the resulting increase in call-outs or repairs, Fnac Darty has clearly expressed its desire to recruit 500 technicians by 2025. In addition, the Group is eager to maintain the highest quality of service and places great importance on the regular training of its employees. To this end, 18 training classes were initiated in 2021, dedicated to the training of appliance technicians and repairers. The Group plans to open 21 Tech Academies across France in 2022 to train its future home appliance technicians.

¹ Number of Darty Max subscribers by average number of products per subscriber covered by Darty Max.

² Net Promoter Score.

2021 OPERATING PERFORMANCE AND RESULTS

Analysis of revenue by segment

In the fourth quarter of 2021, Group revenue totaled €2,724 million, down -2.1% on a reported basis and -2.7% on a like-for-like basis¹ from the previous year, in a context of a high comparison basis. Compared to pro-forma 2019 figures², the Group's revenue in the fourth quarter 2021 is up +7.1%. This performance is the result of good momentum in stores, which were all open this quarter, and online sales, which remain at a high level, with the share of click & collect orders accelerating by nearly +8 points to 53% of online sales.

In 2021, Group sales totaled €8,043 million, up +7.4% on a reported basis and +7.0% on a like-for-like basis¹. This solid growth was mainly driven by the France-Switzerland and Belgium-Luxembourg regions, while the Iberian Peninsula experienced a slower recovery than expected. This performance was driven by almost all product categories, with the exception of refrigerators, air conditioners and fans, whose sales were impacted by fewer heatwave periods than in 2020, and small kitchen appliances, whose high comparison basis is the result of strong consumer interest in these products during the first lockdown in 2020. The good availability of products supported this performance in all product categories, thanks to controlled supply management throughout the year.

In France and Switzerland, sales in the fourth quarter of 2021 were down -3.3% on a like-for-like basis¹ in a context of a very high comparison basis (as a reminder, sales growth in the region in the fourth quarter of 2020 was +11.7%¹). Sales in Switzerland benefited in the fourth quarter 2021 from the initial effects of the opening of the nine additional shop-in-shops in Manor stores. By segment, only the book, diversification and services segments grew compared to the fourth quarter 2020, mainly due to the opening of all stores during the quarter.

In 2021, revenue was up +7.2% on a like-for-like basis¹, driven mainly by the solid in-store sales momentum, while online sales were down slightly due to a very strong comparison basis. By product category, the region recorded strong sales momentum for appliances in 2021, driven by both large and small domestic appliances. Consumer electronics showed solid growth in the IT categories linked to the continuation of teleworking and learning from home, telephony, notably linked to the good sales of the iPhone 13 and television, with the European soccer championship and the Tokyo Olympic Games. Editorial products, which are very sensitive to impulse buying, showed strong momentum due to the improvement in store traffic compared to 2020, as a result of the easing of restrictions related to the health crisis. While the video category is in decline, books continue to perform well thanks to comics and mangas, driven in particular by the introduction of the Culture Pass³. Gaming, which benefitted from the pick-up in sales following the release of the new PlayStation and Xbox consoles at the end of 2020, also supported growth in this segment. Diversification categories continued to develop, primarily driven by the home & design, toys & games and urban mobility segments, particularly scooters. At the same time, services performed well with the continued rollout of Darty Max and franchising, driven by improved store opening conditions compared to 2020 and continued franchise openings. Ticketing activities, which were severely impacted by the government's ban on gatherings that continued into 2021, are showing a gradual recovery, with sales increasing particularly in the final quarter. Finally, the marketplace, impacted by the recent change in European regulations, has experienced pressure on the market for consumer electronics, particularly telephony.

The Group continued to manage its operating expenses well in 2021. Current operating income was up +€51 million to €245 million due to sales growth and an improved gross margin rate linked to a positive product and service mix. This effect largely offset the sharp drop in ticket sales and the decline in Nature & Découvertes'

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

² Including Nature & Découvertes over the full year.

³ A system introduced in May 2021 that allows all 18-year-olds to benefit from a €300 voucher to spend on books, audio and video products or shows in all Fnac stores in France.

business, which was particularly affected by the health restrictions impacting traffic in its stores, which are mainly located in shopping malls. The operating margin rose by +60 basis points compared to 2020.

The Iberian Peninsula reported a -1.1% decline in revenue in the fourth quarter on a like-for-like basis¹, with Spain recording a decline in sales against a backdrop of continued competitive pressure, while Portugal reported growth, driven in particular by books, diversification segments and services. The 2021 revenue of the region was up +6.5% on a like-for-like basis¹ due to the solid performance of stores, driven by the gradual lifting of health restrictions during the year. This performance was mainly driven by the positive momentum of the telephony, photo, books, gaming and services segments in both countries.

Current operating income for the region was €11 million in 2021, up compared 2020, driven by solid commercial execution and good management of operating expenses, particularly in Portugal. The operating margin rose by +20 basis points compared to 2020.

The Belgium and Luxembourg region recorded sales growth of +3.2% on a like-for-like basis¹ in the fourth quarter, driven mainly by the momentum of large domestic appliances, telephony, books and services. This performance underpinned the region's sales in 2021, which rose by +5.0% on a like-for-like basis¹, also driven by the solid momentum of stores, while online sales remained at a high level, albeit down on a very high comparison basis.

Despite continued competitive pressure, the Belgium and Luxembourg region posted current operating income of €15 million, up +€2 million compared to 2020. The operating margin rose by +20 basis points compared to 2020.

Financial structure

The Group's net cash position amounted to €247 million at December 31, 2021 versus €114 million at December 31, 2020. Free cash-flow from operations² was high at €170 million, compared to the exceptionally high level of €192 million in 2020. This performance reflects the necessary replenishment of inventories to support the sales momentum, as a result of a controlled merchandise purchasing policy. Operational excellence and financial discipline have enabled the Group to maintain a very solid level of positive net cash, in the context of an unprecedented crisis.

At December 31, 2021, the liquidity position amounted to €1,181 million, to which is added a revolving credit facility of €500 million, not yet drawn. During the year, Fnac Darty implemented a new financing structure and, as a result:

- 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 component³, and repaid the Senior Term Loan Facility of €200 million that matures in April 2023.

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

² Excluding IFRS 16.

³ 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.

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This new financing structure allows the Group to diversify its sources of financing, strengthen its financial flexibility with a long-term maturity profile and continue to optimize the average cost of its debt, in line with the recurring free cash-flow generation objectives of the strategic plan Everyday.

In addition, at December 31, 2021, the covenants relating to financing were met.

Investments stood at €117 million in 2021, up from the exceptionally low level in 2020. This level, which includes the investments required to roll out the partnership with Manor in Switzerland, is in line with the normal level of €120 million indicated by the Group. However, Fnac Darty anticipates a slight increase in its investments from 2022 onwards in line with the strategic plan Everyday, taking into account the rollout of an additional 14 Manor shop-in-shops in the first half of 2022 and some of the additional investments of around €40 million in total over the life of the plan dedicated to the modernization and upgrading of the Group's logistics facilities.

In addition, Fnac Darty 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 outlooks from "negative" to "stable" associated with their respective Fnac Darty 'BB' and 'Ba2' credit ratings. Lastly, in May 2021, Scope Ratings confirmed the Group's credit rating at BBB- and raised its outlook from "under review" to "stable."

Finally, in July 2021, Fnac Darty paid its first ordinary dividend of €1.0 per share, in respect of its 2020 results, for a total amount of €27 million.

CONCLUSION AND OUTLOOK

The very good 2021 performances confirm the Group's strategic choice to transform its model and its position as the European leader in omnichannel retail.

The beginning of 2022 remains disrupted by the health crisis and the gradual rise in inflation. In this context and given the strong comparison basis effect in the first half of the year, Fnac Darty remains cautious at this stage about the development of its markets in 2022. However, the Group will be able to rely on its positioning as a leading omnichannel player to ensure the best possible availability and quality of products and services, its positioning on premium products and its solid cost control.

2022 will also be a year in which the Group will ramp up the implementation of its plan Everyday based on service, advice and sustainability. Efforts will focus on continuing to improve the customer experience, expanding the store network primarily through franchises, strengthening its position in the circular economy, providing a differentiated educated choice for its customers and further developing the Darty Max subscription service model.

The Group confirms its objectives of achieving cumulative free cash-flow from operations¹ of approximately €500 million over the 2021–2023 period, and a free cash-flow from operations¹ of at least €240 million on an annual basis from 2025.

In accordance with the shareholder return policy announced at the launch of the strategic plan Everyday in February, Fnac Darty will propose to the General Meeting of Shareholders, on May 18, 2022, the distribution of an ordinary dividend of €2.00 per share², representing a payout ratio of nearly 37%³. This dividend will be payable entirely in cash. The ex-dividend date will be on June 21, 2022 and the dividend payment date on June 23, 2022.

PRESENTATION OF 2021 ANNUAL RESULTS

On February 24, 2022, a live **broadcast** of the presentation of the 2021 annual results will be available at 8:30 AM (Paris time) [here](#)

The presentation slides are available on the Group's website under Investors: www.fnacdarty.com/en/

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

¹ Excluding IFRS 16.

² Corresponding to an amount of around €54 million on the basis of the number of Fnac Darty shares at December 31, 2021.

³ Calculated on the 2021 net income from continuing operations, Group share.

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NOTES

The Board of Directors of Fnac Darty SA met on February 23, 2022 under the chairmanship of Jacques Veyrat to approve the consolidated financial statements for the year 2021. The procedures for auditing the consolidated financial statements were performed and the certification report will be issued after the verification of the management report and the due diligence relating to the ESEF electronic format of the 2021 accounts are finalized.

The Group's unaudited 2021 consolidated financial statements are available on the corporate website www.fnacdarty.com (investors/regulatory information section).

The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

SUMMARY INCOME STATEMENT

(in €m)	2020	2021	Change
Revenues	7,491	8,043	+7.4%
Gross margin	2,186	2,374	+8.6%
<i>As a % of revenues</i>	29.2%	29.5%	+0.3 pt
Total costs	1,971	2,103	+6.7%
<i>As a % of revenues</i>	26.3%	26.1%	-0.2 pt
Current operating income	215	271	+55
<i>Other non-current operating income and expenses</i>	-16	-10	+6
Operating income	199	260	+61
Net financial expense	-51	-42	+9
Income tax	-60	-74	-14
Net income from continuing operations for the year	88	145	+56
Net income from continuing operations for the year, Group share	96	145	+49
<i>Net income from discontinued operations</i>	-94	15	+109
Consolidated net income, Group share	1	160	+159
EBITDA¹	567	621	+54
<i>As a % of revenues</i>	7.6%	7.7%	
EBITDA excluding IFRS 16	322	374	+52

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)	2020	As a % of revenues	2021	As a % of revenues	Change
France and Switzerland	193.8	3.1%	244.6	3.7%	+50.8
Iberian Peninsula	8.4	1.3%	10.8	1.5%	+2.4
Belgium and Luxembourg	13.1	2.2%	15.3	2.4%	+2.2
Group	215.3	2.9%	270.7	3.4%	+55.4

FREE CASH-FLOW FROM OPERATIONS

	€ millions	
	2020	2021
Cash-flow before tax, dividends and interest	545	636
IFRS 16 impact	-245	-247
Cash-flow before tax, dividends and interest, excluding IFRS 16	300	389
Change in working capital requirement, excluding IFRS 16	65	-41
Income tax paid	-66	-69
Net cash-flows from operating activities, excluding IFRS 16	299	279
Operating investments	-99	-117
Change in payables and receivables relating to non-current assets	-9	7
Operating divestments	1	1
Net cash-flows from operating investment activities	-107	-109
Free cash-flow from operations, excluding IFRS 16	192	170

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BALANCE SHEET

<i>Assets (€ millions)</i>	At December 31, 2020	At December 31, 2021
Goodwill	1,654	1,654
Intangible assets	506	528
Property, plant and equipment	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
Trade receivables	285	304
Tax receivables due	4	1
Other current financial assets	7	9
Other current assets	361	378
Cash and cash equivalents	1,569	1,181
Current assets	3,186	2,978
Assets held for sale	0	0
Total assets	7,149	6,960

<i>Liabilities (€ millions)</i>	At December 31, 2020	At December 31, 2021
Share capital	27	27
Equity-related reserves	971	971
Translation reserves	(5)	(6)
Other reserves	375	563
Shareholders' equity, Group share	1,369	1,555
Shareholders' equity – Share attributable to non-controlling interests	5	8
Shareholders' equity	1,373	1,564
Long-term borrowings and financial debt	902	932
Long-term leasing debt	884	891
Provisions for pensions and other equivalent benefits	206	188
Other non-current liabilities	124	79
Deferred tax liabilities	165	165
Non-current liabilities	2,281	2,255
Short-term borrowings and financial debt	553	2
Short-term leasing debt	230	239
Other current financial liabilities	13	9
Trade payables	1,784	2,037
Provisions	31	31
Tax liabilities payable	30	8
Other current liabilities	854	816
Current liabilities	3,495	3,142
Payables relating to assets held for sale	0	0
Total liabilities	7,149	6,960

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2021 REVENUE

	2021 In €m	Change compared with 2020		
		Actual	At comparable scope of consolidation and at constant exchange rates	Like-for-like
France and Switzerland	6,701	+7.6%	+7.6%	+7.2%
Iberian Peninsula	702	+7.3%	+7.3%	+6.5%
Belgium and Luxembourg	640	+5.1%	+5.1%	+5.0%
Group	8,043	+7.4%	+7.4%	+7.0%

FOURTH QUARTER 2021 REVENUE

	Q4 2021 In €m	Change compared with Q4 2020		
		Actual	At comparable scope of consolidation and at constant exchange rates	Like-for-like
France and Switzerland	2,283	-2.8%	-2.8%	-3.3%
Iberian Peninsula	252	0.0%	0.0%	-1.1%
Belgium and Luxembourg	189	+3.3%	+3.3%	+3.2%
Group	2,724	-2.1%	-2.1%	-2.7%

MONITORING OF THE NON-FINANCIAL INDICATORS OF THE PLAN EVERYDAY

Indicators	2020	2021	2025 Objective
Sustainability score ¹	105	111	135
Number of products repaired	1.8 million	2.1 million	2.5 million
Percentage of women in the Top 200 Managers	24%	27%	35%
Percentage of women on the Executive Committee	33%	38%	>40%

¹ Sustainability score: average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service over the last two years for each product and weighted by the volumes of products sold by the Group in the year in question.

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STORE NETWORK

	Dec. 31, 2020	Opening	Closing	Dec. 31, 2021
France and Switzerland*	751	52	5	798
<i>Traditional Fnac</i>	95	2	0	97
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	29	2	1	30
<i>Proximity Fnac</i>	67	7	1	73
<i>Fnac Connect</i>	14	0	0	14
<i>Darty</i>	432	35	2	465
<i>Fnac/Darty France</i>	1	0	0	1
<i>Nature & Découvertes**</i>	96	6	1	101
<i>Of which franchised stores</i>	<i>339</i>	<i>47</i>	<i>1</i>	<i>385</i>
Iberian Peninsula	72	3	1	74
<i>Traditional Fnac</i>	50	3	1	52
<i>Suburban Fnac</i>	0	0	0	0
<i>Travel Fnac</i>	2	0	0	2
<i>Proximity Fnac</i>	16	0	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	85	0	0	85
<i>Traditional Fnac***</i>	12	0	0	12
<i>Suburban Fnac</i>	0	0	0	0
<i>Travel Fnac</i>	0	0	0	0
<i>Proximity Fnac</i>	1	0	0	1
<i>Fnac Connect</i>	0	0	0	0
<i>Darty (Vanden Borre)</i>	72	0	0	72
<i>Of which franchised stores</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Fnac Darty Group	908	55	6	957
<i>Traditional Fnac</i>	157	5	1	161
<i>Suburban Fnac</i>	17	0	0	17
<i>Travel Fnac</i>	31	2	1	32
<i>Proximity Fnac</i>	84	7	1	90
<i>Fnac Connect</i>	18	0	0	18
<i>Darty/Vanden Borre</i>	504	35	2	537
<i>Fnac/Darty</i>	1	0	0	1
<i>Nature & Découvertes</i>	96	6	1	101
<i>Of which franchised stores</i>	<i>344</i>	<i>47</i>	<i>1</i>	<i>390</i>

*Including 12 Fnac stores abroad: two in Tunisia, three in Morocco, one in Congo, one in Cameroon, two in Ivory Coast, two in Qatar, one in Senegal and two Darty stores in Tunisia; 17 stores in the French overseas territories. Excluding Fnac shop-in-shops opened in Manor stores.

** Nature & Découvertes and its subsidiaries are managed from France. Including four stores in Belgium, one store in Luxembourg, one franchise in Portugal, seven franchises in Switzerland and three franchises in the French overseas territories.

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

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DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUES AT CONSTANT EXCHANGE RATE AND COMPARABLE SCOPE OF CONSOLIDATION

The change in revenues at constant exchange rate 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, disposal of subsidiaries) 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 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 subsidiaries) 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 effect of changes in foreign exchange rates, scopes of consolidation and directly owned store openings and closings.

EBITDA

EBITDA = Earnings (current operating income) Before Interest, Tax, Depreciation, Amortization and provisions on fixed operational assets.

With the application of IFRS 16	<i>IFRS 16 restatement</i>	Without the application of IFRS 16
EBITDA	<i>Rent within the scope of IFRS 16</i>	EBITDA excluding IFRS 16
Current operating income before interest, tax, depreciation, amortization and provisions on fixed operational assets		EBITDA including rental expenses within the scope of application of IFRS 16
Free cash-flow from operations	<i>Payment of rent within the scope of IFRS 16</i>	Free cash-flow from operations, excluding IFRS 16
Net cash-flow from operating activities, less net operating investments		Free cash-flow from operations, including cash impacts relating to rent within the scope of application of IFRS 16
Net cash	<i>Leasing debt</i>	Net cash excluding IFRS 16
Gross cash and cash equivalents less gross financial debt		Net cash excluding leasing debt
Net financial debt	<i>Leasing debt</i>	Net financial debt excluding IFRS 16
Gross financial debt less gross cash and cash equivalents		Net financial debt less leasing debt
Net financial income	<i>Financial interest on leasing debt</i>	Net financial income excluding financial interest on leasing debt