

In the context of an unprecedented health crisis, Fnac Darty is releasing its estimated sales and earnings for 2020. The final results will be published on February 23, after markets close, in accordance with the provisional publications timetable.

VERY STRONG GROUP PERFORMANCE THANKS TO THE EXCELLENT GROWTH OF DIGITAL

Growth in 2020 revenues estimated at +0.6%¹ amid an unprecedented crisis, sustained by solid 4th quarter sales momentum, estimated at +9.6%¹

Solid growth in online sales, estimated at 29% of total Group sales, up +10 points from 2019

2020 current operating income estimated at €210 million

2020 free cash flow from operations² estimated at €190 million, higher than in 2019

The estimates of the 2020 key figures are as follows:

Unaudited figures

- **Revenues: around €7,490 million**
- **Current operating income: around €210 million**
- **Free cash flow from operations²: around €190 million**

Enrique Martinez, Chief Executive Officer of Fnac Darty, commented: *"The group demonstrated its strength in a year marked by exceptional challenges, thanks to the efforts of its teams to serve our customers in the best possible conditions, helping them to live and work better and be better equipped. The way in which we have dealt with the health crisis and its consequences highlights the skills in which we have been investing for many years. Fnac Darty therefore confirms its status as a major digital player in its sector, armed with an omnichannel model that is proving its relevance, with over 5 million new active web customers registered in 2020. Our service model continues to prove itself through our initiatives promoting a more sustainable consumption. "*

Preliminary analyses of the estimated 2020 performances

- Q4 2020 **revenues** are expected to come in up +9.6% on a like-for-like basis¹ and +9.4% on a reported basis compared to 2019, thanks to the sales outperformances recorded, notably during the major sales events in December (Black Friday and Christmas). With solid growth in online sales of nearly 70%, with click & collect orders up nearly 40% in the fourth quarter, the Group posted strong sales growth in second-half compared with 2019.

For 2020, Group revenues are expected to total around €7,490 million, on the back of growth of around +0.6% like-for-like¹ and +1.9% on a reported basis compared to 2019, amid an unprecedented health crisis. This performance is especially notable as 2020 was marked by a first lockdown period (March 15 – May 10) during which almost all of the Group's store network was closed, and a second lockdown (October 29 – November 28) when online and click & collect sales were available for all products, limiting the impact of the closure of the shelves of in-store items deemed non-essential. The solid growth of over +55% in online sales over the year and the strength of the omnichannel model allowed the Group to more than offset the drop in footfall in stores. The

¹ Like-for-like: excluding the effect of changes in foreign exchange rates, the scope of consolidation, openings and closures of integrated stores. Indicator defined in the 2019 Universal Registration Document filed with the AMF on 20 April 2020.

² Excluding IFRS 16. Indicator defined in the 2019 Universal Registration Document filed with the AMF on 20 April 2020.

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performance further confirms the relevance of the Group's omnichannel model, with over 5 million new active web customers registered during the year.

This solid sales growth in 2020 was driven by the strong momentum in household appliances and technical products, notably the segments related to working at home and television. Editorial products, which are very sensitive to impulse purchases, recorded a fall in the book, audio and video segments, hit by the drop in footfall in stores. The France/Switzerland and Belgium/Luxembourg regions posted solid sales momentum, of some +2% and +1% on a like-for-like¹, respectively, while the Iberian Peninsula, which continued to be impacted by the tight restrictions due to the health crisis and a more difficult macroeconomic environment, posted nearly an -11% drop on a like-for-like¹ over the year.

- The **gross margin rate** for Q4 2020 is expected to decrease by around -180 basis points compared to Q4 2019. This decline would be explained mainly by an unfavorable product mix impact of around -90 basis points linked to particularly high sales of technical products combined with a decrease in sales of editorial products due to the drop in footfall in stores. In addition, ticket sales continued to drop, as expected, with an impact on the gross margin rate of close to -65 basis points. Lastly, the Nature & Découvertes activity suffered in Q4 due to the closure of its stores following the health measures implemented by the French government in November, with a negative impact of around -25 basis points.

For 2020, the gross margin rate is estimated to reach 29.2%, down -120 basis points compared to 2019, due mainly to an unfavorable product mix effect of around -80 basis points linked to a drop in footfall in stores that notably penalized the sales of editorial products, which are very sensitive to impulse purchases, and a sharp rise in the sales of technical products. Lower ticket sales impacted the gross margin rate by around -45 basis points during the year. Lastly, the consolidation of Nature & Découvertes offsets the decline in other services, impacted by the drop in footfall in stores.

- The Group is set to generate a **current operating income** estimated at €210 million in 2020. Following an operating loss recorded in the first half of the year mainly due to the health crisis, good control of operating expenses and the full effect of the readjustment plans enabled Fnac Darty to maintain a stable operating margin in the second half of the year compared with last year.
- **Free cash flow from operations**² is expected at around €190 million, higher than in 2019. This performance reflects the very good management of the working capital requirement throughout the crisis, amplified in December thanks to the very strong sales momentum. As of December 31, 2020, the available **cash position** is estimated at close to €1.5 billion, including the State Guaranteed Loan of €500 million, to which is added a €400 million revolving credit line, undrawn to date. This solid financial position reflects the buoyant activity and positive effects of the implementation of cost readjustment measures and agile inventory management.

Outlook for the Group

In a still uncertain environment, with the Group anticipating a first half of 2021 still disrupted by the health crisis and a second half characterized by more normalized operating conditions, the Group remains confident but cautious on the performance of its markets in 2021. The Group moreover reiterates that it is not expecting a return to normal of the Ticketing activities until at least the second half of 2021. Lastly, the recovery of economic activity in the Iberian Peninsula is expected to be slower than the other countries in which the Group operates.

As a result, in 2021, Fnac Darty targets a slight increase in revenues and current operating income compared with 2020.

Important information

All figures relating to the period from January 1, 2020 to December 31, 2020 shown in this press release are estimated financial data. These estimated financial data have been prepared in accordance with an accounting and consolidation

¹ Like-for-like: excluding the effect of changes in foreign exchange rates, the scope of consolidation, openings and closures of integrated stores. Indicator defined in the 2019 Universal Registration Document filed with the AMF on 20 April 2020.

² Excluding IFRS 16. Indicator defined in the 2019 Universal Registration Document filed with the AMF on 20 April 2020.

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process similar to the process generally used to prepare the consolidated financial statements. The accounting basis used for the purposes of this forecast is consistent with the accounting methods applied by the issuer and described in its condensed consolidated interim financial statements at June 30, 2020. However, not all the annual closing procedures have been completed.

These estimated financial data were reviewed by the Board of Directors of the Company on Tuesday, January 19, 2021 and have not been audited by the Company's statutory auditors. These data are not derived from consolidated financial statements that have been officially approved by the Company's Board of Directors.

The 2020 results will be published on February 23, 2021, after the stock market closes, according to the provisional publication timetable and the financial statements, together with the statutory auditors' report, will be made available within the Universal registration document.

CONFERENCE CALL TODAY AT 6:45 P.M.

Enrique Martinez, Chief Executive Officer, and **Jean-Brieuc Le Tinier, Chief Financial Officer**, will host a conference call in French (simultaneous translation into English) for investors and analysts today at 6:45 p.m. (CET); 5:45 p.m. (UK); 12:45 p.m. (East Coast USA).

A live broadcast of the presentation will be available [here](#).

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

Conference call dial-in numbers:

France (French): +33 (0) 1 70 37 71 67

Access code: 7283664#

International (English): +44 (0) 33 0551 0211 (UK) | +1 646 843 4609 (US)

Access code: 1314403#

Disclaimer — Forward-looking statements

This release may contain statements concerning the objectives, prospects and areas of development of the Group as well as forward-looking statements. Although these statements are based on data, assumptions and estimates that are considered to be reasonable by Fnac Darty at the date of this press release, Fnac Darty cannot guarantee that the objectives described will be achieved or that the projections will be realized nor that the assumptions made by Fnac Darty will prove to be fair. These statements and projections may change over time as a result of uncertainties relating to the vagaries of any business and to the change in the financial, economic, competitive and regulatory environment in which the Group operates. Fnac Darty makes no commitment to update or revise the objectives, projections, prospects and forward-looking information contained in this release except pursuant to any legal or regulatory obligation that might apply to it. Fnac Darty makes no commitment and gives no assurance that the objectives described in this press release will be achieved.

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