

2022 ESTIMATED PERFORMANCE

Resilient sales in 2022, down by an estimated -1.2% in reported data compared with 2021 and up by +7.0% compared with 2019 pro forma¹

Estimated gross margin of 30.3%, up approximately +80 basis points versus 2021, with operational costs under control

Current operating income estimated at close to €230 million, with a resilient current operating margin of nearly 3%

Slightly negative free cash-flow from operations² impacted by lower sales in December and negative working capital effects; objective of approximately €500 million in cumulative free cash-flow² extended to 2021–2024 period

In a particularly challenging retail climate, with this key year-end for the Group particularly impacted by heightened pressure on household purchasing power, Fnac Darty has announced its estimated sales and results for 2022.

Enrique Martinez, Chief Executive Officer of Fnac Darty, stated: *“The estimated performance for 2022 demonstrates that the commitment of Fnac Darty’s teams has made it resilient amid a particularly tough environment for the retail sector. The Group has proved that it can adapt and has evolved its range to cope with supply difficulties and keep costs under control so that inflationary impacts are reduced. Compared with 2019, our estimated revenue is considerably higher (+7%) and our gross margin rate remains solid. This demonstrates the foresight of our strategic plan which, by putting customer experience and services at the front and center of our strategy, is enabling us to grow and keep creating value.”*

The estimated 2022 key figures are as follows:

Estimated and unaudited 2022 figures and reported and audited 2021 figures

(€ millions)	2022 (estimated data)	2021 (reported data)
Revenue	c.7,945	8,043
Gross margin	c.2,410	2,374
<i>As a % of revenue</i>	<i>c.30.3%</i>	<i>29.5%</i>
Current operating income	c.230	271
<i>Current operating margin</i>	<i>c.2.9%</i>	<i>3.4%</i>
Free cash-flow from operations²	c.-30	170

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.

PRELIMINARY ANALYSIS OF 2022 ESTIMATED PERFORMANCE

- For full-year 2022, the Group's **revenue** is expected to total **around €7,945 million**, an estimated decline of -1.2% on a reported basis and -1.9% on a like-for-like basis¹ compared with 2021. This change is mainly due to the approximately -€55 million contraction in sales in December, reflecting lower sales volumes, especially in small domestic appliances and IT equipment – categories which had significantly outperformed in the previous year. Nevertheless, the Group still managed to post annual sales growth of +7.0% compared to 2019 pro forma². Despite an inflationary climate and pressure on purchasing power, the Fnac Darty Group has outperformed its markets since early 2022, a trend that is expected to continue in the fourth quarter³.
- The **gross margin rate** is expected to be **30.3%** in 2022, up by approximately +80 basis points compared with 2021, mainly driven by a positive product/service mix effect, with a particularly strong performance in book sales, services including Darty Max, and ticketing.
- **Current operating income** is estimated at **around €230 million**. In the second half of 2022, the Group continued to control operating costs in a highly inflationary environment. These costs reflect the reduced sales volumes over the period, higher wage costs, and performance plans that helped to offset the impact of inflation as far as possible. The **current operating margin** should be virtually unchanged year on year at **around 3%**.
- **Free cash-flow from operations**⁶ is slightly negative at around **-30 million**. About one third of the variance with the previous year's free cash-flow reflects a decline in EBITDA, including non-current items. This is in line with the current operating income for the year. In addition, this year, working capital includes reduced cash inflows, which are in line with lower-than-expected sales in December, and more cash outflows early in the year, due to especially robust activity in late 2021. Inventory levels remain healthy and under control, rising only about +€40 million compared with the end of 2021. Lastly, operating investments for 2022 are slightly better than expected, at nearly €130 million.

GROUP OBJECTIVES

When the Group launched its strategic plan Everyday in February 2021, it announced its ambition to generate cumulative free cash-flow from operations⁴ of around €500 million over the 2021-2023 period and at least €240 million on an annual basis from 2025.

After generating free cash-flow from operations⁶ of €170 million in 2021 and given the level of free cash-flow from operations⁶ of approximately -€30 million in 2022, the Group considers it unlikely that it will achieve its objective of cumulative free cash-flow from operations⁶ of approximately €500 million over the 2021–2023 period. As a result, the Group is extending this objective to the 2021–2024 period.

Lastly, the Group remains fully mobilized to keep executing its strategic plan and to continue generating cash so as to ensure growth and regular returns to shareholders in accordance with what was set out as part of the

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 Including Nature & Découvertes on a full-year basis and excluding BCC.

³ Banque de France is expected to publish December data for the Group's main markets on January 20, 2023.

⁴ Excluding IFRS 16.

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strategic plan Everyday. For these reasons, Fnac Darty retains its ambition to generate free cash-flow from operations¹ of at least €240 million on an annual basis from 2025.

IMPORTANT INFORMATION

All figures in this press release that relate to the period from January 1 to December 31, 2022 are estimated financial data. These estimated financial data have been prepared using an accounting and consolidation process similar to the process generally used to prepare the consolidated financial statements. The accounting basis used for this forecast is consistent with the accounting policies applied by the issuer and is described in its condensed consolidated half-year financial statements at June 30, 2022. 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 January 17, 2023 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 Board of Directors is expected to sign off the accounts on February 23, 2023. The 2022 results will be published on February 23, 2023, after market close, in accordance with the provisional publications timetable.

WEBCAST TODAY AT 6:30 p.m. (CET)

Enrique Martinez, Chief Executive Officer, and Jean-Brieuc Le Tinier, Group Chief Financial Officer, will host a webcast in French for investors and analysts **today at 6:30 p.m.** (Paris time); 5:30 p.m. (UK time).

The webcast will be available at this link: [here](#).

The presentation slides are available in English on the Group website in the Investors section: [here](#).

Listen to the recording at Fnac's website: <https://www.fnacdarty.com/en/>.

¹ Excluding IFRS 16.

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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.