

FNAC DARTY &  unieuro

# Consolidating our European leadership

in specialized retail

July 16, 2024

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# Transaction rationale

FNAC DARTY &  unieuro a unique opportunity, delivering sustainable value

## Unique opportunity

- Consolidate our European leadership in **specialized retail**
- Key combined figures: **>€10bn revenue**, ~30,000 professionals and > 1,500 stores
- **Leading positions** in our main markets
- **Strong strategic fit** with similar priorities

## Value creation

- Opportunity to **enhance Unieuro profitability** while diversifying the Group
- Strong **>€20m run-rate synergies potential**
- **Double digit EPS accretion** in 2025e, post run-rate synergies
- **Positive contribution** to Fnac Darty current operating income and free cash flow



## A major milestone

towards building a leading player in Western and Southern Europe

# Transaction highlights

## Key transaction terms

- Fnac Darty and Ruby Equity Investment to launch a **mixed public tender offer**<sup>1</sup> for each Unieuro share
  - €9.0 in cash
  - 0.10 newly issued Fnac Darty shares<sup>2</sup>
- **€12.0** per share representing a **premium of 42%** over spot VWAP and a **premium of 34%** over 3m VWAP<sup>3</sup>
- Equity value of ~€249m<sup>4</sup>

## Deal structure

- Acquisition by a **joint investment vehicle** (51% Fnac Darty and 49% Ruby Equity Investment), of up to 100% of Unieuro's share capital
- Consideration offered to all Unieuro's shareholders would be paid **partly in cash** (75%) and **partly in newly issued Fnac Darty's shares** (25%) representing less than 10% of current capital
- **Protection of Fnac Darty's balance sheet and Everyday capital allocation policy**



Expected completion in Q4 2024

Transaction subject to certain conditions, including the regulatory and competition approvals

<sup>1</sup> Through a joint investment vehicle held at 51% by Fnac Darty and 49% by Ruby Equity Investment (an affiliate of Vesa Equity Investment)


<sup>2</sup> Corresponding to 3.02€ based on Fnac Darty latest closing share price of €30.20 as of July 15, 2024

<sup>3</sup> Based on Unieuro spot VWAP of €8.45 and a 3m VWAP of €8.95 as of July 15, 2024

<sup>4</sup> Based on Unieuro common shares of 20.7m and Fnac Darty closing share price of €30.20

# Unieuro: A retail leader in Italy

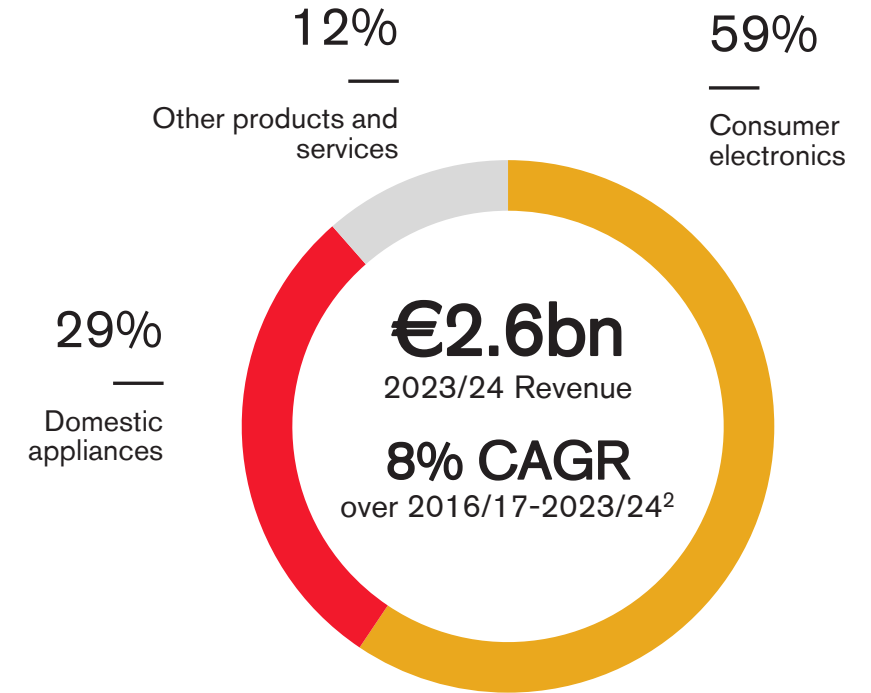
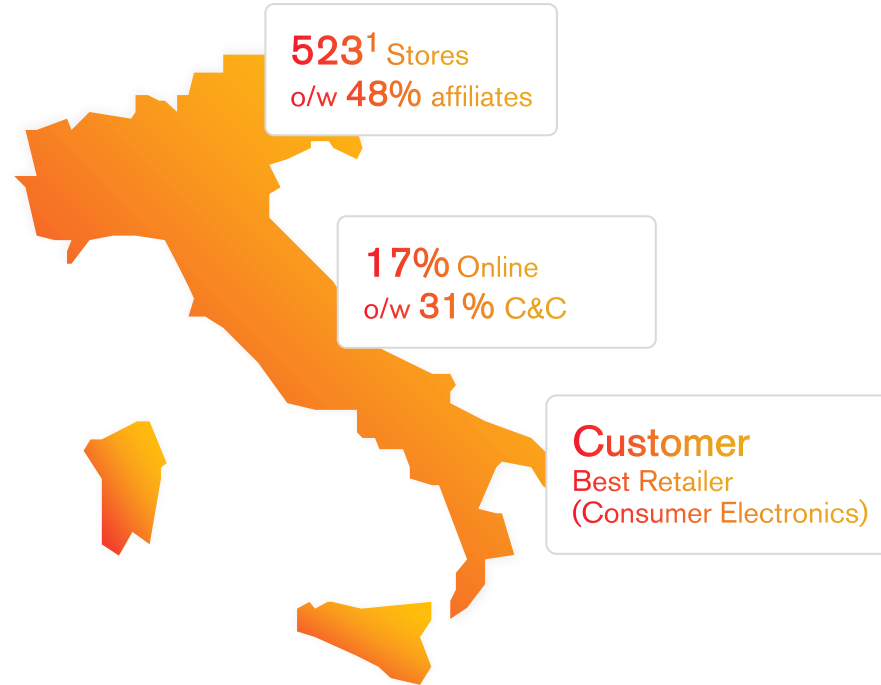
outperforming its market



**#1**

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**17%**  
market share



**€35m**  
Adj. EBIT in 2023/24  
**1.3%** as a % of revenue

**c.€300m**  
FCF generation cumulated  
over the last 5 years

**Net cash<sup>3</sup>**  
Despite recent acquisition of  
Covercare

**~5,000**  
employees

<sup>1</sup> Store network as of July 2024

<sup>2</sup> Unieuro's fiscal year at end-February

<sup>3</sup> Net cash position of c.€0m as of May 2024 and c.€44m as of February 2024

# Perfectly aligned with Fnac Darty's strategy

EVERYDAY

## FNAC DARTY

Build  
a digitized  
**omnichannel** retail

Scale  
the next in-home  
subscription-based  
assistance **service**

Lead  
**durable** behaviors

Omnichannel

Services

Sustainability



Strengthen  
the **omnichannel** trade

Grow  
**beyond trade**  
(services, retail media, private  
label and 2nd Life)

**Responsible**  
Innovation



**>€20m**  
run-rate synergies<sup>1</sup>  
(pre-tax, in 2025)

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**Positive impact**  
on current operating income and free cash flow

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**>10%**  
EPS 2025e accretion post run-rate synergies<sup>2</sup>

<sup>1</sup> Excluding implementation costs

<sup>2</sup> Based on equity value of c.€249m for 20.7m Unieuro shares and on 29.8m Fnac Darty shares post transaction

## FNAC DARTY

Dec. 31, 2023

## unieuro

Feb. 28, 2024

## Combination

Incl. synergies

Revenue

€7.9bn



€2.6bn



€10.5bn

Adj. EBIT<sup>1</sup>

As a % of revenue

€171m  
2.2%



€35m  
1.3%



€226m  
2.2%

Headcount

~25,000



~5,000



~30,000

Store network

>1,000



>500



>1,500

<sup>1</sup> Corresponds to EBIT adjusted for (i) non-recurring expenses/(income), (ii) the effects of adjusting extended warranty service revenues, net of the related estimated future service costs as a result of the change in the business model for directly operated service support services (iii) non-recurring amortization, depreciation and write-downs and (iv) amortization, depreciation and write-downs deriving from the Purchase Price Allocation



# Combined revenue of >€10bn

attractive balance, both by product category and geography

## FNAC DARTY

Dec. 31, 2023

## unieuro

Feb. 28, 2024

## Combination

Revenue

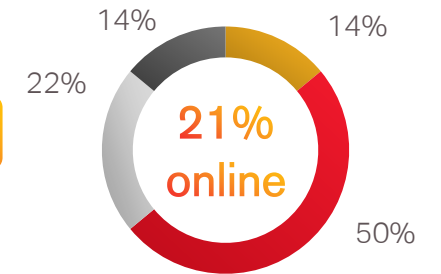
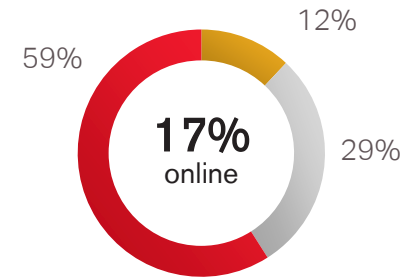
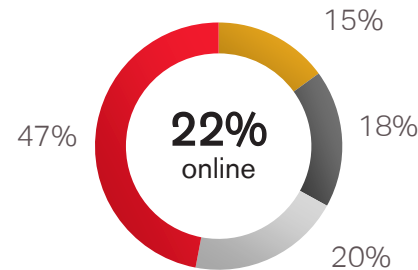
€7.9bn

€2.6bn

€10.5bn

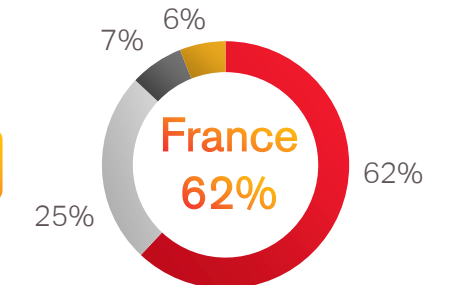
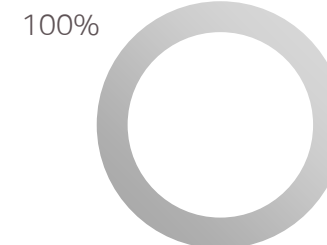
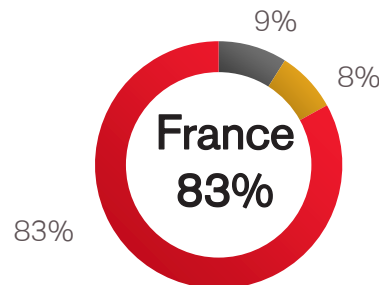
By product category

- Consumer electronics
- Domestic appliances
- Editorial products
- Other products and services

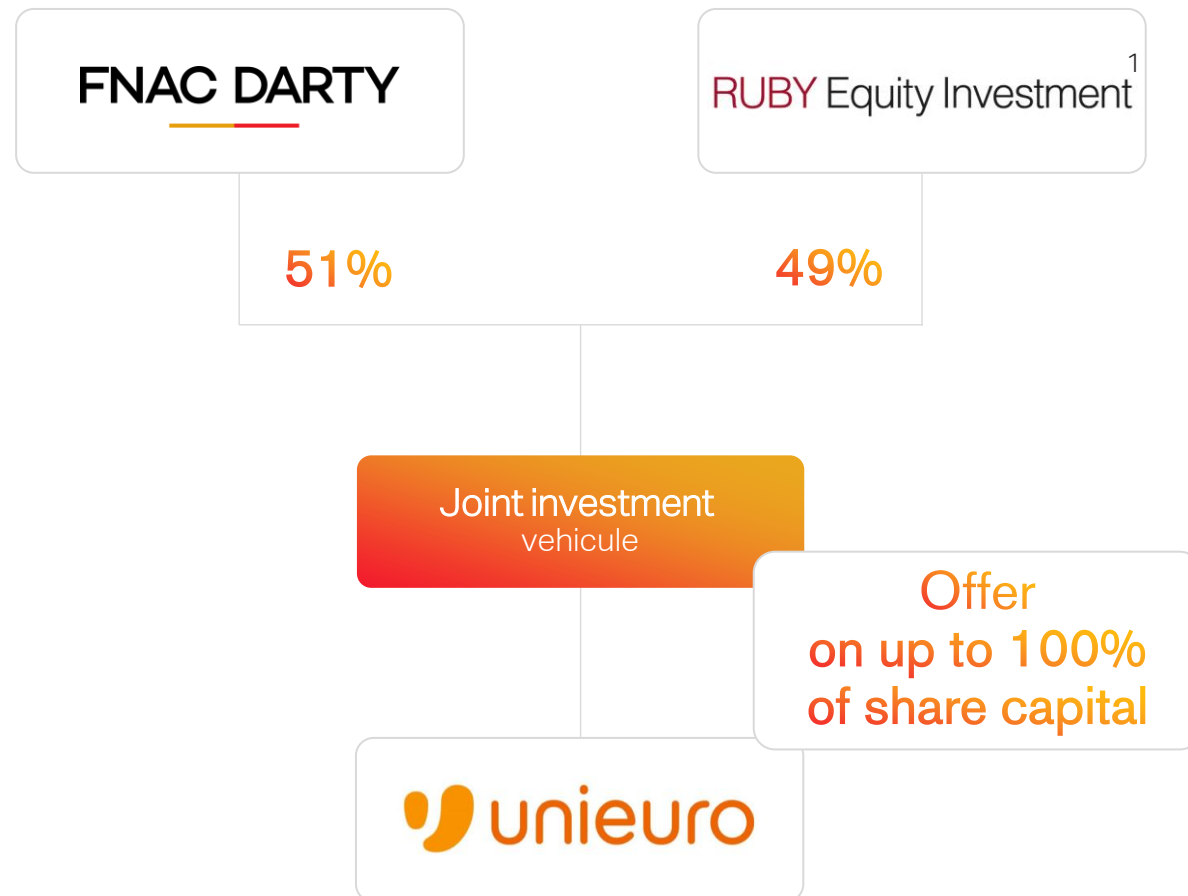


By geography

- France and Switzerland
- Iberian Peninsula
- Italy
- Belgium and Luxembourg



# Deal structure



Unieuro shares owned by a Joint investment vehicle



to be controlled by Fnac Darty at 51% with associated consolidation

Customary liquidity and governance provisions



<sup>1</sup> An affiliate of VESA Equity Investment

# Offer key terms

€9.0

in cash



0.10

newly issued Fnac  
Darty share<sup>1</sup>



€12.0

per Unieuro share

~34%

Premium vs  
3m VWAP<sup>2</sup>



**Expected completion in Q4 2024**

Transaction is subject to certain conditions,  
including the regulatory approvals

~€249m

Equity value<sup>3</sup>

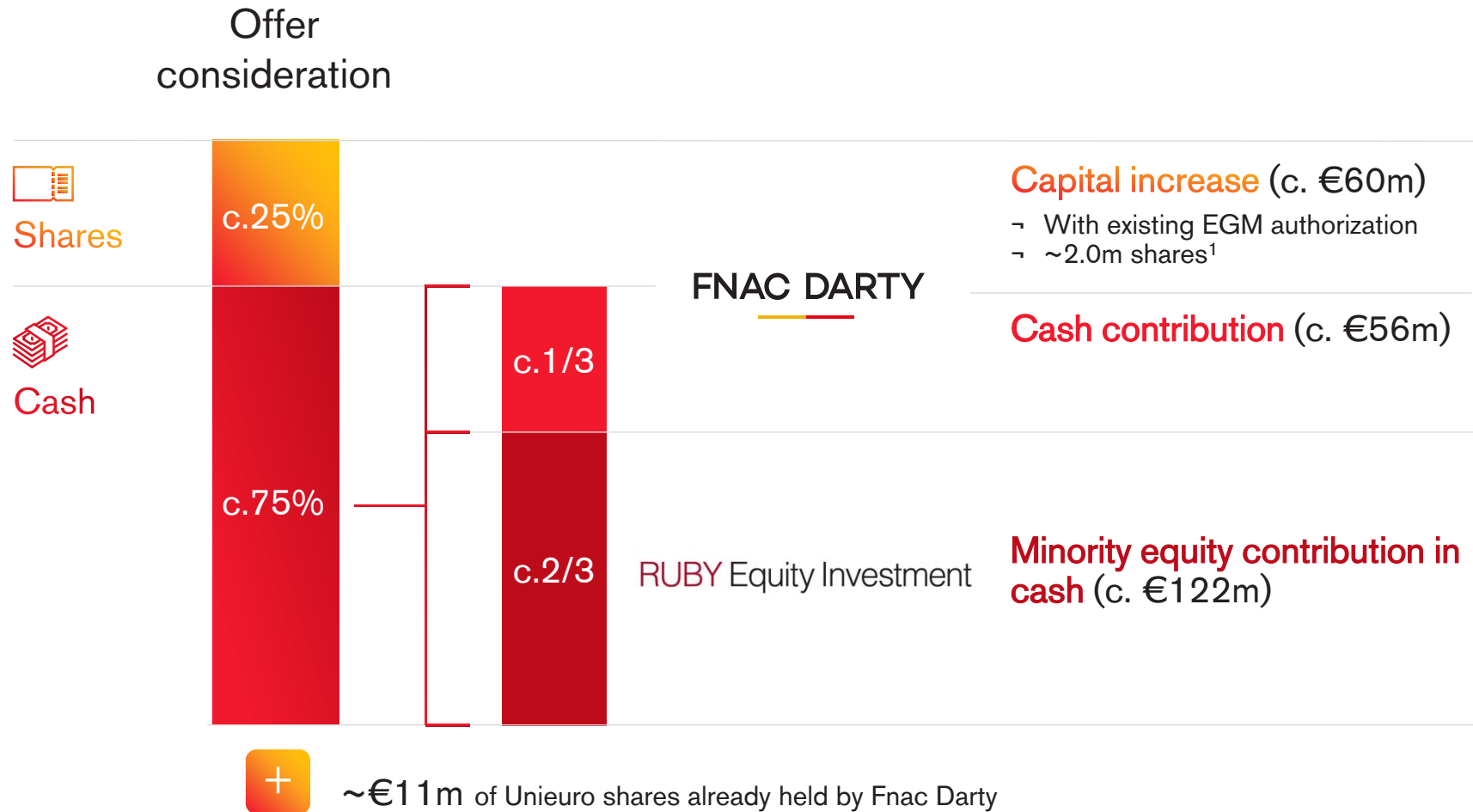
<sup>1</sup> Corresponding to 3.02€ based on Fnac Darty's latest closing share price of €30.20 as of July 15, 2024

<sup>2</sup> Unieuro's 3m VWAP of 8.95€ as of July 15, 2024,

<sup>3</sup> Based on Unieuro's outstanding shares of 20.7m

# Mixed cash and shares offer

protecting Fnac Darty's balance sheet and capital allocation



**~6.6%**  
 Dilution of Fnac Darty shareholders<sup>2</sup>

**€56m**  
 additional debt<sup>3</sup>

**+0.3pt**  
 impact on leverage ratio<sup>4</sup>

**VESA**  
 (through Ruby Equity Investment)  
 Strong commitment to Fnac Darty strategy

Implied amounts for 100% Unieuro issued share capital (20.7m)  
<sup>1</sup> Based on Fnac Darty spot share price of €30.20 as of July 15, 2024  
<sup>2</sup> Based on Fnac Darty number of issued shares post transaction of 29.8m

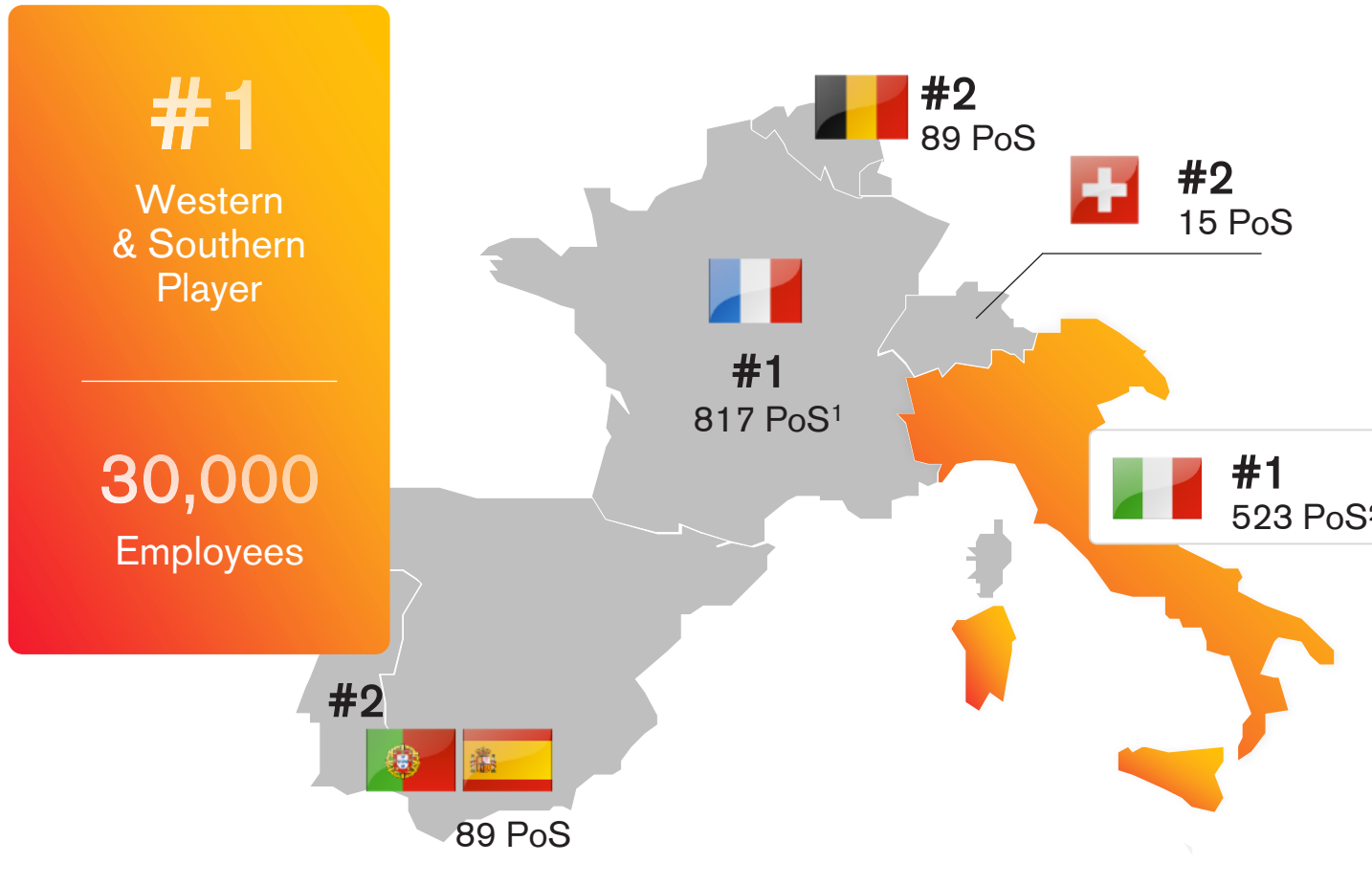
<sup>3</sup> Excluding transaction fees  
<sup>4</sup> Net Debt / EBITDA excl. IFRS 16 and excl. run rate synergies

# Indicative transaction timeline

Expected completion in Q4 2024




# A unique & transforming opportunity



**#1**  
Western & Southern Player  
**30,000**  
Employees


 Build the leading Player  
In specialized retail in Western & Southern Europe with >€10bn revenues and #1/#2 positions in its main markets

 Unlock >€20m of run-rate synergies

 Value creating for all stakeholders

 Envisaged deal structure benefits

- Long term commitment with main shareholder
- Limits financial risks
- Protects Fnac Darty's balance sheet and capital allocation policy

 **FNAC DARTY** 2023 Footprint (Owned stores + Franchises) **#X** Market rank

<sup>1</sup> Including International Franchise  
<sup>2</sup> Store network as of July 2024

# Fnac Darty's Preliminary H1 2024 results

## annual outlook confirmed

### H1 2024 Preliminary results

unaudited, under IFRS  
standards

#### Revenue

€3,390m

+1.4% reported, +0.1% LFL<sup>1</sup>

vs H1 2023

+2.1% reported, +0.8% LFL<sup>1</sup> in Q2 2024

vs Q2 2023

#### Current operating income

-€36m

Stable

vs H1 2023

The Group confirms its objective of achieving

- **Current Operating Income (COI) for 2024 at least equal to that of 2023**
- **Cumulative free cash-flow from operations<sup>2</sup> of approximately €500 million over the period 2021-2024 (i.e. €180 million in 2024)**

<sup>1</sup> Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures

<sup>2</sup> Excluding IFRS 16

FNAC DARTY

# Q&A





**FNAC DARTY**

