



Consumer, Brands & Retail

FNAC DARTY (BUY, FV EUR94) | French competition authorities approve acquisition of Nature et Découvertes

- French competition authorities approved yesterday Fnac Darty's acquisition of Nature et Découvertes without any condition. This statement should allow Fnac Darty to integrate Nature et Découvertes in the days to come. As a reminder, the group initially expected to complete the transaction in the end of H1 2019 or beginning of H2 2019.
- The acquisition could add, without any commercial synergies, EUR126m of sales (i.e. 170bps on growth) in 2019, EUR95m (i.e. 120bps on growth) in 2020 and c.EUR9.5m of EBIT in 2019 given the highly the seasonality of profitability in H2 and c.EUR2.6m of EBIT in 2020.
- Yet, we are still not taking into account this accretive impact, pending further indications from the management on the pace of opening of Natures & Découvertes shop-in-shops within Fnac stores, which will be the key element to assessing the commercial synergies. We expect this topic to be addressed by Fnac Darty's management on 25th July during the presentation of H1 results.

Clément Genelot | cgenelot@bryangarnier.com



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London

Bryan, Garnier & Co Ltd
Beaufort House
15 St. Botolph Street
London EC3A 7BB
United Kingdom
+44 207 332 2500

Paris

Bryan, Garnier & Co Ltd
26 Avenue des Champs-
Elysées
75008 Paris
France
+33 1 56 68 75 20

Munich

Bryan, Garnier & Co.
Widenmayerstrasse 29
80538 Munich
Germany
+49 89 2422 62 11

Zurich

Bryan, Garnier & Co
Theaterstrasse 4
8001 Zurich
Switzerland
+41 44 991 3300

New York

Bryan Garnier Securities
750 Lexington Avenue
16th floor
New York, NY 10022
United States
+1 212 337 7000

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