

CNOVA N.V.

Third Quarter 2017 Activity

AMSTERDAM – October 12, 2017, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV ; ISIN: NL0010949392) (“Cnova” or the “Company”) today announced unaudited 3rd quarter 2017 operating data and provided a progress report on its strategic realignment plan.

- **GMV: €842 million (+15% like-for-like¹)**
 - Marketplace share: 31.2%, down -217 bp y-o-y
- **Net sales: record growth to €539 million (+18% like-for-like¹)**
- **Continued strong market share gains in July and August**
 - GfK market share gains of 1.9 pt in July and 1.0 pt in August
- **Traffic: 222 million visits (+16%)**
 - Mobile share of traffic: 60% (+558 bp)
- **Active customers: 8.6 million (+8%)**
 - CDAV subscribers: +66% y-o-y
- **Orders: 6.2 million (+9%)**
 - CDAV share: 29% (+781 bp)
- **Cdiscount Number 1 in France for visibility and commitment on social media²**
- **Volume-centric strategic realignment plan is well on track**

Emmanuel Grenier, Cnova CEO, commented:

“Cnova posted an outstanding sales performance in the 3rd quarter. Growth of our traffic and GMV continued to run at double-digit rates, and we gained significant market share during the quarter according to GfK.

These results are the fruit of the strategic realignment plan to expand our product range as well as reinforce our delivery offer and technological advantages. Launched earlier this year, it is fair to say that the plan is well on track.

The number of our direct sales references has almost tripled since the end of 2016 while the number of our marketplace SKUs has increased by more than 50%.

We have reinforced our lead in delivery thanks to the opening in September of a 60,000 m² brand-new distribution center in the Paris area.

We have maintained our logistics edge by launching an incubator dedicated to start-ups in logistics and transportation and through our partnership with Chronopost on the extension of Sunday delivery.

We have developed our financial services with the launch of a short-term consumer credit offer (“Coup de pouce”).

With the completion of our websites and app revamp, we have now embarked on providing a series of new features on mobile and desktop to optimize our tailor-made customer experience such as personalized front page and recommendations, geolocation, voice command and augmented reality.

As we move into the 4th quarter 2017 and 2018, Cdiscount plans to reinforce its multispecialist approach by combining a wider product assortment, tailor-made customer experience and value-added services.”

¹ Like-for-like (l-f-l): figures have been adjusted the following way to make them comparable across periods: i) exclusion of operating data related to the specialty sites Comptoir des Parfums, Comptoir Santé et MonCornerDéco due to their sale or closure in 2016, ii) exclusion of B2B operating data due the voluntary pullback of their sales beginning in the 3rd quarter of 2016, iii) adjustment of the impact of one additional week of summer sales in 3Q17 vs 3Q16 (+1.0 pt and +1.1 pt on GMV and net sales growth, respectively) and iv) exclusion of Cdiscount sales made to Casino clients in France which resulted from the multichannel agreement with Casino effective June 19, 2017 (+8.9 pts and +12.2 pts on GMV and net sales growth, respectively).

² According to a Brandwatch Analytics survey published in September, based on the volume of comments, shares, discussions on social media (*social media visibility*) and efficiency to communicate and answer on social media (*social media commitment*) of main e-retailers in France.

3rd Quarter 2017 Highlights

GMV (gross merchandise volume) totaled €842 million, an increase of 14.9% on a like-for-like (l-f-l) basis compared to the same period in 2016. Cdiscount commercial performance benefited from the strongest growth ever achieved in summer sales with an increase of 16% in GMV compared to the same period in 2016.

Mobile share of GMV continued to rise, representing 39.5% in the 3rd quarter 2017, i.e. +814 basis points on a yearly basis.

The **marketplace** share of total GMV reached 31.2% in the 3rd quarter 2017. Marketplace has regained a strong growth rate in the last few weeks with a GMV share of 32% in September. The number of marketplace products available increased by more than 50% year-on-year (y-o-y) and the share of marketplace GMV fulfilled by Cdiscount rose from 7% in September 2016 to 16% in September 2017.

Net sales totaled €539 million in the 3rd quarter 2017, reaching a record growth rate of 18.4% on a l-f-l basis compared to the same period in 2016. The Company's strategic realignment plan to extend the product assortment and make further delivery enhancements boosted 3Q17 sales. Fast-growing product categories included IT goods (+24% in direct sales thanks to upgrading and additional product offerings), home appliances (+18%) and hi-tech (+18%). A positive impact also came from the reinforcement of repeat purchase categories such as pet, childcare and organic. Home furnishings and household appliances accounted for 48% of direct sales, while hi-tech items (AV and smartphones) and IT goods represented 35%.

According to GfK, Cdiscount expanded its market share in Technical Goods (Hi-tech, Computers and Home Appliances) with y-o-y market share gains of respectively 1.9 pt and 1.0 pt in value and 3.5 pts and 2.0 pts in volume in July and August.

Traffic at Cdiscount.com during the 3rd quarter of 2017 grew by 15.6% y-o-y to 222 million visits.

The **mobile share** of traffic increased y-o-y by 558 basis points to 59.8% in the 3rd quarter 2017.

The number of **active customers** amounted to 8.6 million, a y-o-y increase of 8.3%. Membership of **Cdiscount à volonté (CDAV)**, Cdiscount's customer loyalty program, continued to expand, increasing by 66% compared to September 2016.

Cdiscount further reinforced its social media profile with strong commitment in terms of likes, shares and comments and a quick best-in-class response time. According to a Brandwatch Analytics survey published in September, **Cdiscount ranks first** among main e-retailers in France in terms of **social media** visibility and commitment.

Orders totaled 6.2 million during the 3rd quarter of 2017, a y-o-y increase of 9.2%. CDAV customers accounted for 29.2% of the 3rd quarter 2017 orders compared to 21.4% during the same period in 2016.

The **number of items sold** increased to 11.9 million from 11.1 million during the same period in 2016 (up 7.1%).

Strategic Realignment Plan Progress Report

The Group has made rapid progress on its wide ranging growth plan (product catalogue expansion, multichannel and delivery enhancements and technological advantages) launched in the 1st semester of 2017.

Product catalogue expansion:

- Cdiscount's product range extension program (designed to almost quadruple the number of CDAV-eligible direct sale references and increase marketplace references by 50% vs end 2016) is well on track. As of the end of September 2017, Cdiscount essentially tripled the number of its own SKUs and the number of marketplace references already increased by 50% vs end 2016.
- To accommodate the increasing size of its product range, Cdiscount opened in early September a new 60,000 m² DC located in Réau, near Orly airport.

Multichannel offer reinforcement:

As announced in Cnova's 1H17 results release, in addition to Cdiscount's inventory, Cnova is now managing the hi-tech, home furnishing and household appliance inventories of Géant supercenters and Casino integrated supermarkets (collectively, DCF), providing also immediate in-store availability. This new arrangement generated €50 million net sales in 3Q17.

Main enhancements in 3Q17 in multichannel offer included:

- Extension from 1,500 in July 2017 to 5,000 end of September 2017 of the number of SKUs eligible for immediate in-store pick-up.
- Increased synergies with DCF through combined promotions and commercial events.
- Reinforcement of Cdiscount presence in DCF stores: Cdiscount corners in Géant supercenters and Casino supermarkets, tablets presenting Cdiscount product catalogue, recommendations from customers and pre-sales advice service.
- On September 21, 2017, as a first step, opening of a showroom in Géant supercenter in Fenouillet shopping center (near Toulouse): 250 m² dedicated to Cdiscount home product offerings with 4 distinctive styles and around 600 references.

Delivery and logistics enhancements:

- Same-day delivery: in addition to large products (>30 kg), Cdiscount now offers same-day delivery of its small and medium products (<30 kg) catalogue to its customers in Paris. As such, Cdiscount is currently the only player in France offering same-day delivery in Paris on all products. Same-day delivery will be extended to 5 major cities in the upcoming months.
- Sunday delivery: after exclusively testing Sunday delivery with Chronopost for small and medium products in Paris since last year, Cdiscount will be the first to offer this service in 15 major French cities before year end.
- Large product Delivery Express by appointment (selection of a 2 to 4-hour window) is now available in the 12 largest French cities.
- Acceleration of product shipment by one full day for non-CDAV members.
- Innovation: Cdiscount has launched the incubator "The Warehouse" with five selected start-ups to help further its transformation into a 4.0 supply chain. Main logistics and delivery challenges addressed will include further automation of DCs, reduction of drudgery at work, increased flexible in delivery and additional services to the customer.
- Automation: implementation of a second new 3D-packing machine, optimizing DCs productivity.

Technological advantages:

- Personalized front page and offer on sites and application based on browsing history and geolocation.
- Implementation of augmented reality on mobile app, allowing to virtually see products in their actual size.
- Addition of Voice Search on Cdiscount application.

New revenue streams:

- Acceleration of Fulfillment-by-Cdiscount (FBC): GMV share has more than doubled year-on-year while the number of vendors increased by nearly 60% and SKUs more than tripled.
- Launch of a short-term (< 90 days for up to €2,500) instant consumer credit offer ("Coup de pouce") which is enjoying a strong initial commercial performance.

Third Quarter Activity

Cnova N.V.	Third Quarter ⁽¹⁾		Change	
	2017	2016	Reported ⁽¹⁾	L-F-L ⁽²⁾
GMV⁽³⁾ (€ millions)	841.6	680.6	+23.6%	+14.9%
Marketplace share	31.2%	33.4%	-217 bp	
CDAV share	32.2%	24.0%	+816 bp	
Net sales (€ millions)	538.5	413.9	+30.1%	+18.4%
Traffic (visits in millions)	222.3	192.4	+15.6%	
Mobile share	59.8%	54.2%	+558 bp	
Active customers⁽⁴⁾ (millions)	8.6	7.9	+8.3%	
Orders⁽⁵⁾ (millions)	6.2	5.7	+9.2%	
CDAV share	29.2%	21.4%	+781 bp	
Number of items sold (millions)	11.9	11.1	+7.1%	

- 1) All figures are unaudited and have been adjusted for all periods to reflect i) the merger of Cnova Brazil into Via Varejo on October 31, 2016, ii) the sale or closure of Cdiscount international sites, and iii) the sale of the specialty site MonShowroom. These are reported as discontinued activities in accordance with IFRS 5 as of January 1, 2016.
- 2) Like-for-like (l-f-l): figures have been adjusted the following way to make them comparable across periods: i) exclusion of operating data related to the specialty sites Comptoir des Parfums, Comptoir Santé and MonCornerDéco due to their sale or closure in 2016, ii) exclusion of B2B operating data due the voluntary pullback of their sales beginning in the 3rd quarter of 2016, iii) adjustment of the impact of one additional week of summer sales in 3Q17 vs 3Q16 (+1.0 pt and +1.1 pt on GMV and net sales growth, respectively) and iv) exclusion of Cdiscount sales made to Casino clients in France which resulted from the multichannel agreement with Casino effective June 19, 2017 (+8.9 pts and +12.2 pts on GMV and net sales growth, respectively).
- 3) GMV (gross merchandise volume) is defined as product sales + other revenues + marketplace business volumes (calculated based on approved and sent orders) + taxes.
- 4) Active customers at the end of September having purchased at least once through cdiscount.com during the previous 12 months.
- 5) Total placed orders before cancellation due to fraud detection and/or customer non-payment.

About Cnova N.V.

Cnova N.V., one of the leading e-Commerce companies in France, serves 8.6 million active customers via its state-of-the-art website, Cdiscount. Cnova N.V.'s product offering of more than 30 million items provides its clients with a wide variety of very competitively priced goods, several fast and customer-convenient delivery options as well as practical payment solutions. Cnova N.V. is part of Groupe Casino, a global diversified retailer. Cnova N.V.'s news releases are available at www.cnova.com. Information available on, or accessible through, the sites referenced above is not part of this press release.

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