

## CNOVA N.V. Full Year 2018 Activity

AMSTERDAM – January 11, 2019, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter and year ended December 31, 2018.

- **GMV: €3.6 billion euros, strong organic<sup>1</sup> growth: 4Q18 +11.9%; FY18 +9.3%**
  - Organic growth accelerated throughout the year:
    - Q1 +6.1%; Q2 +9.0%; Q3 +9.3%; Q4 +11.9%
  - FY18 E-commerce contribution: +7.7 pts mainly driven by the marketplace and B2C services
  - FY18 Géant showrooms contribution: +1.6 pts
  - Rapid expansion of Europe-wide delivery
- **Marketplace GMV climbed to record high of €1.1 billion (+12.3%)**
  - FY18 Marketplace GMV share: 34.3% (+2.4 pts)
  - **Fulfillment by Cdiscount**: +63% fast-growing GMV; +7 pts marketplace GMV share
- **Dynamic roll-out of new services generating new revenue streams**
  - **Cdiscount Energie** subscribers growing by 29% vs 3Q18 & launch of heating oil offer
  - Successful launch of **Cdiscount Voyages** & **Cdiscount Billeterie** (ticketing)
  - Acquisition of Stootie (personal services platform)
- **Development of Cdiscount à Volonté customer loyalty program**
  - Growing fast: +23% membership at end 2018
  - 2018 GMV share: 34.1% (+3.0 pts)
- **Enhanced customer experience**
  - 4Q18 Mobile GMV share: 47% (+8 pts)
  - 49 showrooms: +13 vs. 3Q18
  - Opening of the first 24/7 digitalized Casino/Cdiscount showroom
- **Strong monetization initiatives growth: +23%**
  - Generated revenue of €64m

<sup>1</sup> Organic growth: figures include showroom sales and services; exclude technical goods and home category sales made in Casino Group's hypermarkets and supermarkets (total exclusion impact of +1.3 pt on GMV growth) and 1001Pneus (tyre company acquired in October 18)

Emmanuel Grenier, Cnova CEO, commented:

*“Cnova confirmed in 2018 its commercial dynamism with 9.3% full-year organic GMV growth, a performance that improved significantly quarter over quarter to reach +11.9% for the fourth quarter. These strong results illustrate the relevance of our strategy, which reinforce our positioning as the leading French e-merchant.*

*Throughout the year, we focused on accelerating this strategic plan, striving to offer the best products & services to our customers at the most competitive prices while enhancing the customer’s experience all along the customer journey, on-line and off-line, both on desktop and mobile. We accelerated the development of our marketplace, launched various B2C services such as travel and ticketing and successfully initiated international sales. Off-line, the roll-out of showrooms in Géant hypermarkets accelerated.*

*In addition, we focus our efforts on generating a profitable growth, as evidenced by the unprecedented acceleration of our monetization’s initiatives through our advertising agency and the development of value-added services both to our vendors and our customers.*

*Building on our 2018 successes, we are now looking forward in 2019 to reinforce our growth and our profitability.”*

#### **4<sup>th</sup> Quarter 2018 Highlights**

**GMV (gross merchandise volume)** experienced a strong +11.9% organic growth, the best quarterly performance since 3Q17, to amount to €1.2 billion. GMV growth was notably driven by the increasing contribution of the marketplace (+3.8 pts), B2C services such as travel, energy, mobile (+1.9 pt) and Géant showrooms (+2.6 pt).

**The marketplace** again posted a positive trend with a GMV increase of 12.7%, bringing its total GMV share to 32.9% (+ 2.2 pts year-on-year).

**Net sales** amounted to €702.5m, posting a 7.9% organic growth.

Regarding **traffic**, the fourth quarter showed an acceleration of **mobile traffic**, which reached 65% of traffic share (+4 points) and a GMV share of 47% (+7.5 points) in the 4<sup>th</sup> quarter. In addition, Cdiscount confirmed its traffic dynamics with the market highest mobile progression on October and November<sup>2</sup>.

The 4<sup>th</sup> quarter was marked by two major events for Cdiscount: its **20-year Anniversary** and **Black Friday**. The latter posted a record-breaking performance with €57 million GMV in one day, i.e. a two-digit growth compared to 2017 and a peak of 23,000 visits per minute. Vertical offerings also benefited from this success, in particular *Cdiscount Voyages* (Travel) and international sales.

#### **Full Year 2018 Highlights**

**GMV** posted an organic growth of 9.3% in 2018 versus 2017, to reach €3.6 billion, supported by a strong 4Q18 performance of +11.9% organic growth. GMV growth was notably driven by the increasing contribution of the marketplace (+3.8 pts), B2C services (+1.5 pt) and Géant showrooms (+1.6 pt). The 4<sup>th</sup> quarter also benefited from multiple successful promotional events, in particular Cdiscount’s 20-year Anniversary and Black Friday.

**The marketplace development** is at the heart of the profitable growth strategy. Marketplace GMV increased by 12.3% during the year, with a GMV share 2.4 points higher than 2017 and a 37% growth of the number of SKUs available, which reached 48 million at the end of December 2018. In addition, the products fulfilled by Cdiscount experienced a high +63% GMV growth, gaining 7 points of marketplace GMV share.

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<sup>2</sup> Source: Médiamétrie

**Net sales** amounted to €2.2 billion in 2018, thanks to a 5.1% organic growth, driven by the development of showroom revenues.

Cdiscount's Technical Goods (Hi-tech, Computers and Home Appliances) **market share** value increased by 0.3 point on total retail, to reach 6.3%<sup>3</sup>.

Regarding **traffic**, Cdiscount consolidated its number #2 status in terms of unique monthly visitors ("UMV") on both desktop and mobile, widening the gap compared to the nearest competitor<sup>4</sup>. 2018 highlighted the growing prominence of **mobile traffic**, which reached 63% of traffic share (+4 points) and a GMV share of 44% (+6 points) in 2018.

Cdiscount's loyalty program, **Cdiscount à Volonté** ("CDAV"): a new enriched package at 29€ per year was launched in the first semester and enjoyed great success for its first year with a +23% growth of its membership.

### Key Business Highlights

#### Development of the marketplace and its related services

- Full year marketplace GMV increased by 12.3%, bringing its total GMV share to 34.3%, and included a +24% GMV in Hi-Tech and +23% in large Home products.
- The number of SKUs available grew by 37% to reach 48 million at the end of December 2018.
- The **Fulfillment by Cdiscount** service continued to expand at a fast pace: GMV fulfilled by Cdiscount increased by 63% and gained 7 points in marketplace GMV share. In addition, the launch of **Cdiscount Transport** offers a complementary service for sellers wanting only transport.
- **Marketplace vendor value added services** rapidly expanding: Premium Packs (bundled offers of services) and sponsored products more than doubled in 2018 and now covers more than 25% of Cdiscount's vendor base.

#### Growing services offering satisfying even more customer needs

- **Cdiscount Energie** continued to expand with the **launch of domestic heating oil offer** and a 30% subscriber base increase in 4Q18 compared to 3Q18.
- **Cdiscount Voyages** (travel) posted a strong GMV growth of 51% in the fourth quarter compared to the previous one, with a very promising performance during Black Friday. The catalog continued to increase and accelerated during the last quarter with the launch of tailor-made trips and ski equipment rentals.
- **Cdiscount Billeterie** (ticketing), launched at the end of 3Q18, showed a promising start for its first full quarter.
- Cdiscount acquired **Stootie**, a French leading peer-to-peer platform of personal services (house removal, plumbing, wall painting, ...) at the end of November. Stootie and Cdiscount entered into a commercial partnership in 2017, with Cdiscount offering its clients Stootie installation and assembly services, covering 90,000 references. This acquisition strengthens Cdiscount's strategy to widen the range of services offered to its customers.

<sup>3</sup> Source: GfK market share for the period January - October

<sup>4</sup> Source: Médiamétrie

### Developing in the automotive industry

- Cdiscount acquired **1001pneus** in October 2018, a major player in the French on-line tire industry, with an assortment covering more than 25,000 SKUs and 140 brands, associated with a partnership network of over 4,500 assembly centers across all French territories. This acquisition will enable Cdiscount to accelerate on the automotive category.

### Enhanced customer experience and multichannel strategy

- CDAV experienced a 23% membership growth, driven by the enrichment of its program (unlimited press offer, sharing CDAV benefits with other people, ...) and the focus on the expansion of its CDAV-eligible express delivery product offerings. CDAV-eligible SKUs increased by 14% to reach 281k SKUs at the end of December, boosted by the addition of the *Cdiscount Transport* marketplace SKUs and the expansion of Fulfillment by Cdiscount.
- **45 new Cdiscount showrooms** opened in Géant hypermarkets in 2018, bringing the total network to 49 at the end of December, to be again extended in 2019.
- Opening of a **24/7 Casino/Cdiscount showroom** on the Champs-Élysées in Paris in early October.
- **Continued delivery edges:** roll-out of real time geolocation on large parcels delivery now covering 97% of orders flow, launch of on-demand delivery in June 2018 and opening of a new 80,000 sqm warehouse at end June 2018.

### Monetization initiatives well advanced

- **Monetization revenues** are another key pillar of Cdiscount profitable growth strategy. They amounted to €64 million in 2018 (+ 23%).
  - **Advertising:** revenues grew by 16% with in particular an acceleration of the marketplace marketing sales by 128%.
  - **Commission-based B2B2C services** (up +30%) such as *Cdiscount Voyages* and *Cdiscount Energie*. Five new services have been successfully launched in 2018: Travel, Heating oil, Ticketing, *Cdiscount Assistance* and long-term leasing.
  - **Financial services** experienced a consistent expansion throughout the year: credit card issuances increased by +82% while *Coup de Pouce* (short-term consumer credit) enjoyed a +67% growth.

### Rapid expansion of Europe-wide deliveries

- Cdiscount expanded in Europe through **direct deliveries** with a solid performance in Belgium and through **European partnership marketplaces**.
- Cdiscount now delivers 19 countries in Europe.

### Dynamic of innovation strengthened

- **Exotec, robotized picking solution**, already successfully implemented in Cestas warehouse, is being rolled-out in Réau warehouse near Paris.
- **The Warehouse:** high success rate for Cdiscount's incubator with 3 out of 5 selected startups currently implementing their solution (autonomous electric wheel of Ez-Wheel, automated arm of

Nomagic.AI and optimized return flows with Shoprunback). The second selection round for 2019 was closed at end November with 5 new startups.

- **Awards:** 2 new prizes for Exotec (David vs Goliath & LSA<sup>5</sup>) and 1 additional FEVAD prize for the launch of on-demand delivery in the Paris area.

### **Commitment to best-in-class Corporate Social Responsibility**

- **100% electric delivery** in Paris and Bordeaux for heavy products started in 4Q18
- Cdiscount becomes the first e-merchant to receive the Governance label delivered by the CNIL (French data protection authority), complying with 25 requirements regarding data protection, confidentiality and information.
- Through 3W Regie, Cdiscount becomes the first e-merchant to receive the “Digital Ad Trust” label, awarding the website with responsible advertising practices regarding brand safety, fraud, user experience and use of personal data.
- Cdiscount is the second largest job creator in Bordeaux region among private companies.
- Cdiscount has engaged in several initiatives related to education and training:
  - MasterClass IT: creation of an IT development program mixing theory courses and professional experience for 20 students.
  - Partnerships with secondary schools near Bordeaux to promote IT development and responsible use of social networks.

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<sup>5</sup> Prize awarded by Bain for the best cooperation between a startup and a big firm

### Fourth Quarter Activity

Cnova N.V.	Fourth Quarter <sup>(1)</sup>		Change	
	2018	2017	Reported <sup>(1)(2)</sup>	Organic <sup>(3)</sup>
<b>GMV<sup>(4)(5)</sup> (€ millions)</b>	<b>1,160.3</b>	<b>1,063.3</b>	+9.1%	+11.9%
Marketplace share	32.9%	30.6%	+220 bp	
Mobile share	46.7%	39.2%	+ 750 bp	
CDAV share	34.9%	32.3%	+257 bp	
<b>Net sales<sup>(5)</sup> (€ millions)</b>	<b>702.5</b>	<b>671.8</b>	+4.6%	+7.9%
<b>Traffic (visits in millions)</b>	<b>288.2</b>	<b>282.2</b>	+2.1%	
Mobile share	65.1%	61.3%	+377 bp	
<b>Active customers<sup>(6)</sup> (millions)</b>	<b>8.9</b>	<b>8.6</b>	+3.2%	
<b>Orders<sup>(7)</sup> (millions)</b>	<b>8.1</b>	<b>8.4</b>	-3.2%	
CDAV share	36.5%	31.4%	+514 bp	
<b>Number of items sold (millions)</b>	<b>17.1</b>	<b>17.3</b>	-1.5%	

### Full Year Activity

Cnova N.V.	Full Year <sup>(1)</sup>		Change	
	2018	2017	Reported <sup>(1)(2)</sup>	Organic <sup>(3)</sup>
<b>GMV<sup>(4)(5)</sup> (€ millions)</b>	<b>3,645.7</b>	<b>3,303.5</b>	+10.4%	+9.3%
Marketplace share	34.3%	32.0%	+236 bp	
Mobile share	44.0%	38.1%	+590 bp	
CDAV share	34.1%	31.1%	+302 bp	
<b>Net sales<sup>(5)</sup> (€ millions)</b>	<b>2,174.2</b>	<b>2,035.0</b>	+6.8%	+5.1%
<b>Traffic (visits in millions)</b>	<b>956.7</b>	<b>921.8</b>	+3.8%	
Mobile share	63.4%	59.8%	+ 361 bp	
<b>Active customers<sup>(6)</sup> (millions)</b>	<b>8.9</b>	<b>8.6</b>	+3.2%	
<b>Orders<sup>(7)</sup> (millions)</b>	<b>26.9</b>	<b>26.9</b>	+0.0%	
CDAV share	34.9%	29.7%	+254 bp	
<b>Number of items sold (millions)</b>	<b>52.4</b>	<b>52.8</b>	-0.9%	

- 1) All figures are unaudited.
- 2) Reported figures present all revenues generated by Cdiscount, including the technical goods sales realized in Casino Group's hypermarkets and supermarkets in relation to the June 2017 multichannel agreement.
- 3) Organic growth: figures exclude (i) sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact of +3.5 pts and +4.3 pts respectively on GMV and net sales in 4Q18; -0.9 pt and -1.3 pt respectively on GMV and net sales in FY18) and (ii) 1001Pneus acquisition in October (total exclusion impact of -0.7 pt and -1.0 pt on GMV and net sales in 4Q18; -0.2 pt and -0.4 pt on GMV and net sales in FY18) but take into account showroom sales.
- 4) GMV (gross merchandise volume) is defined as, all taxes included, product sales + other revenues + marketplace business volumes (calculated based on approved and sent orders) + GMV services
- 5) IFRS 15 (new standard on revenues) came into force on January 1, 2018. The main impact is that some suppliers' contributions are now recognized progressively (in proportion to merchandise being sold) vs. one-shot before. Consequently, GMV and net sales were adjusted in 2017 by respectively -€104 million and -€87 million to present comparable data.
- 6) Active customers at the end of December having purchased at least once through Cdiscount sites and app during the previous 12 months.
- 7) Total placed orders before cancellation due to fraud detection and/or customer non-payment.

*SEC investigation update: On December 14, 2018, the Company received written notification from the SEC staff that they have closed their investigation related to inventory management and accounting issues at Cnova's former Brazilian subsidiary, as first reported in December 2015, and that they will not initiate any enforcement action against Cnova in connection with these issues. Therefore, no penalty, fine or other sanction will be applied in this matter.*

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**About Cnova N.V.**

*Cnova N.V., one of the leading e-Commerce companies in France, serves 8.9 million active customers via its state-of-the-art website, Cdiscount. Cnova N.V.'s product offering provides its clients with a wide variety of very competitively priced goods, fast and customer-convenient delivery options, practical and innovative payment solutions as well as travel, entertainment and domestic energy services. Cnova N.V. is part of Groupe Casino, a global diversified retailer. Cnova N.V.'s news releases are available at [www.cnova.com](http://www.cnova.com). Information available on, or accessible through, the sites referenced above is not part of this press release.*

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