



Cnova First Half 2017 Conference Call

July 25, 2017

Forward-Looking Statements

This presentation contains forward-looking statements. Such forward-looking statements may generally be identified by, but not limited to, words such as “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “future,” “will,” “seek” and similar terms or phrases. The forward-looking statements contained in this presentation are based on management's current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict and many of which are outside of Cnova’s control. Important factors that could cause Cnova’s actual results to differ materially from those indicated in the forward-looking statements include, among others: maintain its operating results and business generally; the outcome of any legal proceedings that may be instituted against the Company; changes in global, national, regional or local economic, business, competitive, market or regulatory conditions; and other factors discussed under the heading “Risk Factors” in the Dutch Annual Report for the year ended December 31, 2016. Any forward-looking statements made in this presentation speak only as of the date hereof. Factors or events that could cause Cnova's actual results to differ from the statements contained herein may emerge from time to time, and it is not possible for Cnova to predict all of them. Except as required by law, Cnova undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.



Strategic Realignment Plan



Pushing the Customer Experience Envelope



1st Half 2017 Commercial & Financial Performance



Outlook

Volume centric 4-step plan

Leverage our excellent traffic growth dynamic into:

- **Sustainable higher GMV and net sales growth rates**
- **Enhanced sources of revenues**

1

*SKU
expansion*

2

*Multichannel
and delivery
enhancements*

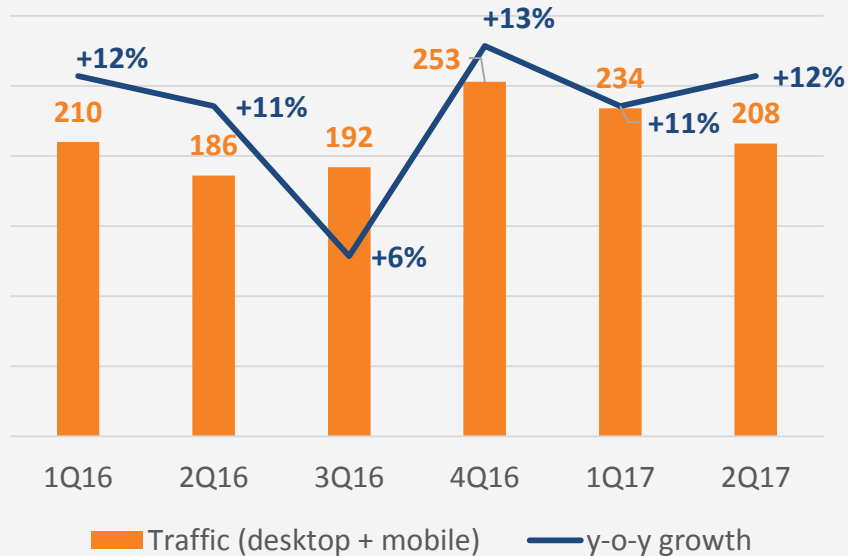
3

*Technological
advantages*

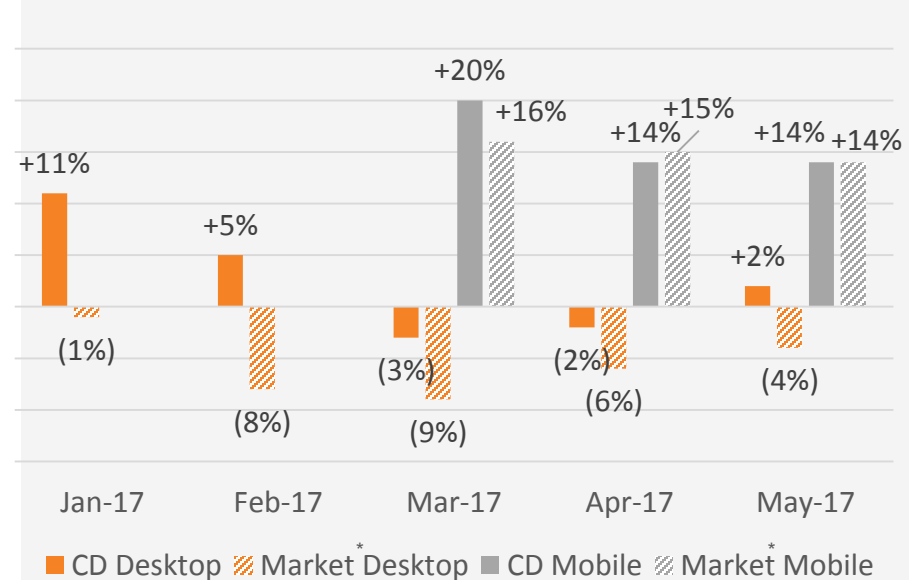
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*New
marketplace
revenue
sources*

Traffic evolution



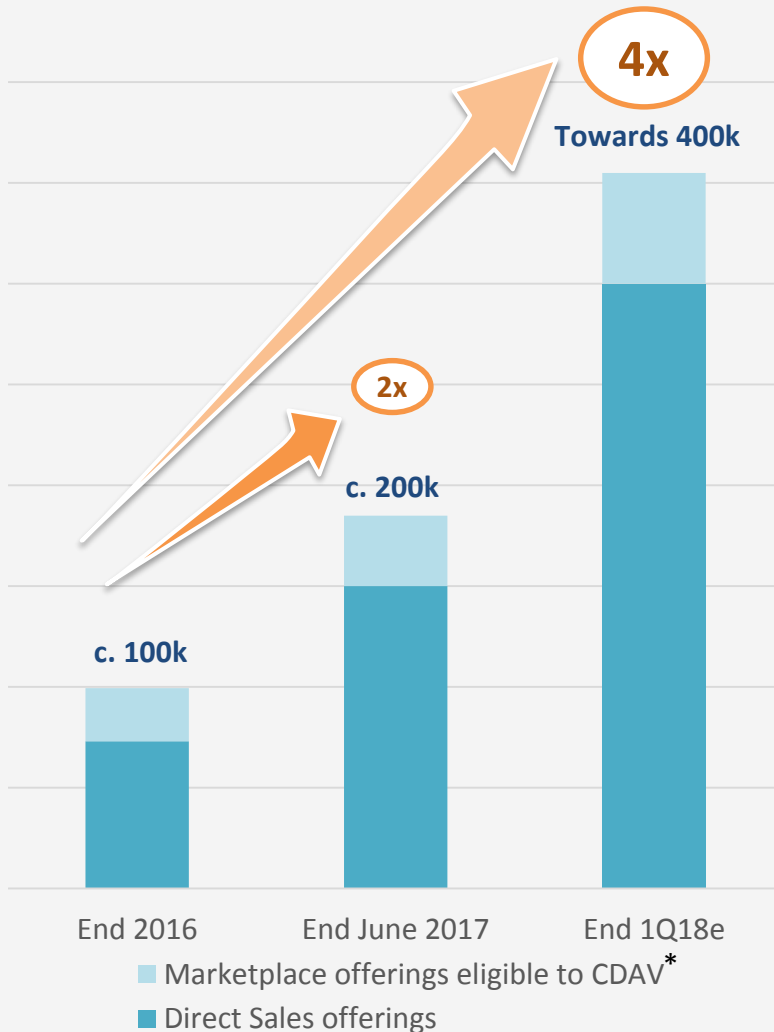
Unique Monthly Visitors ("UMV") y-o-y evolution



Note: * Based on Médiamétrie, represents the weighted average of the UMV of indexed players, namely Amazon, Cdiscount, FNAC Darty, La Redoute, Vente-Privée, Rue du Commerce & Showroomprivé.

- Cdiscount outpaced competition in 1H17
- Free traffic represents over 85% of total traffic volume leveraging on our best-in-class SEO performance – according to Yooda latest study, strongest SEO progression in 1H17
- Traffic growth expected to remain dynamic in the 2nd half of 2017

SKUs eligible to CDAV fast delivery



Note: * Considering marketplace product offerings available in distribution centers for same-day or next day delivery thanks to Fulfillment by Cdiscount

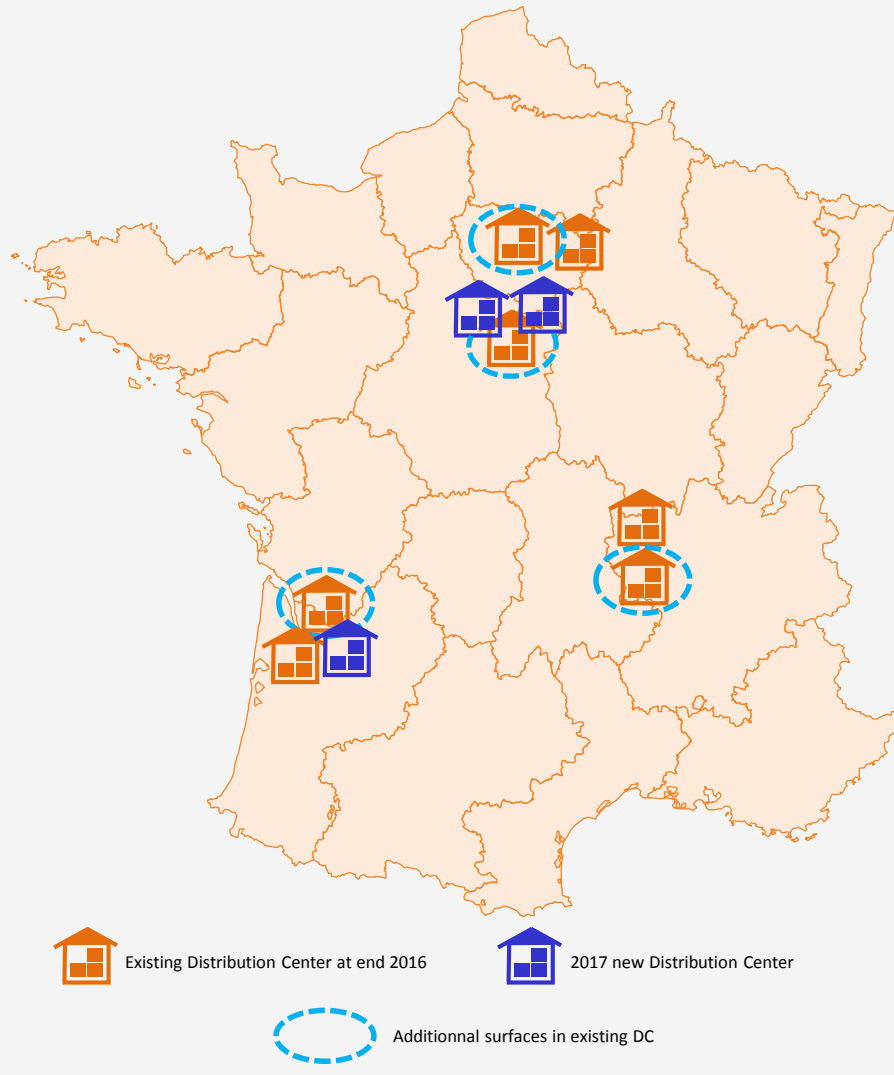
Massive product range extension across all segments...

- 1 Reinforce **Home** market leading position
- 2 Boost recurring **Leisure & Family** categories
- 3 Strengthen diversity and availability of our **Technical Goods**, notably on accessories and premium brands
- 4 Increase **marketplace offerings** eligible for **next-day delivery** due to Fulfillment by CD

...in order to:

- Increase **conversion rate**
- Attract **new clients**
- Promote **repeat business**
- Reinforce **CDAV loyalty**

DC capacity expansion



80% increase in total DC capacity

- **“Light” product (<30kg) DCs – from 126K m² at end 2016 to 230K m² at end 1Q18**
 - 40K m² of warehouse near Orléans (Saran)
 - Planned new 60K m² warehouse near Orly Airport south of Paris (Réau) in 3Q17
 - Planned new 11K m² warehouse for Marketplace fulfillment in Canéjan (near Cestas) in 3Q17
- **“Heavy” product (>30kg) DCs – from 187K m² at end 2016 to 350K m² at end 1Q18**
 - Planned 19K m² extension of warehouse near Orléans (Mer) in 4Q17
 - Planned 24K m² extension of warehouse next to CDG Airport north of Paris (Saint-Mard) in 1Q18
 - Planned 13K m² extension of warehouse near Lyon (Verpillieux) in 1Q18
 - Additional capacity currently under discussion

From packaging in Bordeaux to same-day delivery in Paris in for small parcels (up to 30kg)



3D automatic packaging machines in Cestas DC



Aerial view of Cestas warehouses in the Bordeaux area



New 2hrs Paris-Bordeaux TGV line

Same-day delivery for all categories:

- **Already #1 in Heavy SKUs* same-day delivery :**
 - 4,000 key Home Furnishing & Appliances references available for same-day delivery in the Paris & Lyon regions
- **Becoming a market leader in light & heavy SKUs* same-day delivery:**
 - 130,000 light* SKUs thanks to Paris-Bordeaux TGV and 2 new DCs near Orléans and in the Southern part of Paris
 - Only same-day delivery offer in the market on parcels from 0kg to 30kg

* Heavy: >30 kg ; Light< 30kg

Inventory consolidation



Cdiscount

Géant
Casino

Cdiscount

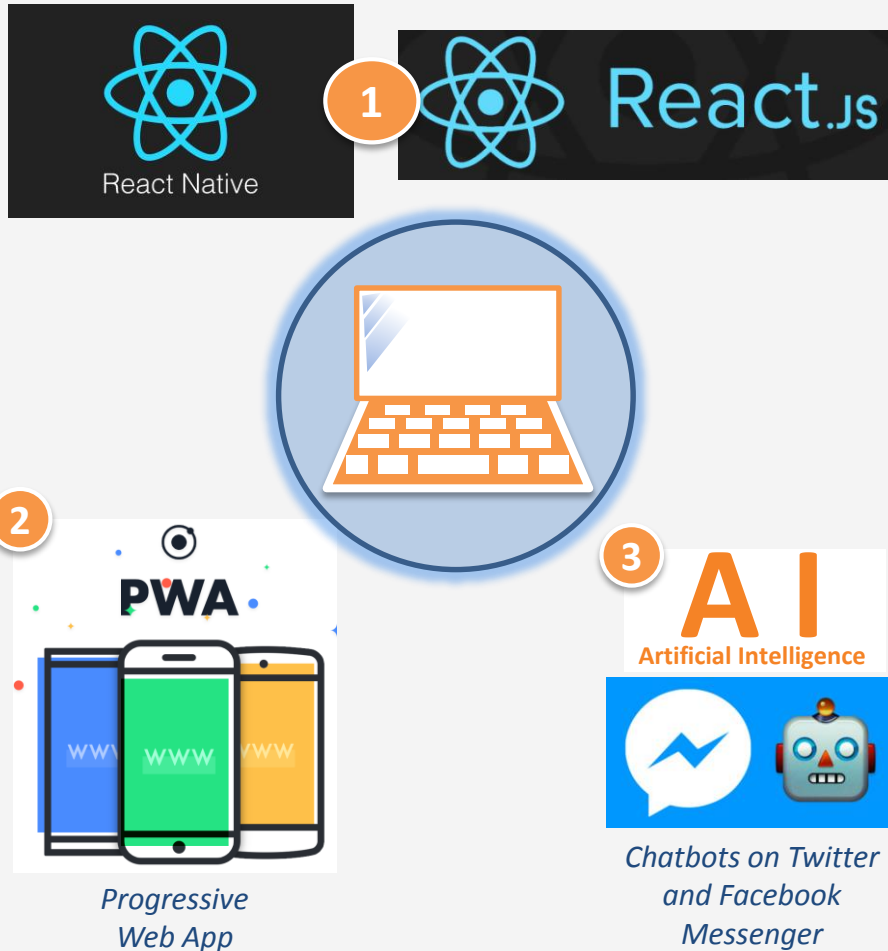
*Our best offers with
immediate in-store
availability*



Cnova managing both Casino's and Cdiscount's home furnishing and household appliance inventory

- Enable immediate in-store availability
 - Already 1,500 SKUs to be quickly rolled out up to 4,000 SKUs
- Click-&-Collect pick-up reinforced on key categories
 - In total, 53% of our orders were delivered through C&C in 1H17 (67% of our Heavy parcels)
- Improve Cdiscount brand image
 - Potential presence in corners through Casino's extensive network of 110 Géant supercenters and 230 directly owned Casino supermarkets

3 main streams of tech development*



* React is a JavaScript library developed by Facebook in 2013, React Native being the version of the library for App interface coding released in Open Source in 2015/2016 and React.JS this same library for mobile websites released in Open Source in 2013

Leveraging on our data scientists, big data engineers and programmers to offer the best experience on our websites and app

- In 2016, app interface has been revamped based on **React Native technology** with an **improvement of 30%** in conversion rate: increase of **loading speed**, **flexibility** & **100% code sharing** for IOS & Apple Apps
- **Mobile websites interface** switched to **React.JS**
- **Progressive Web App**: Developing in 2H17 enabling to use all the App features and displays from a website with an adaptive interface (smartphone, tablet, desktop) with faster download speed
- Development of **Chatbots** capable of **generating sales** and managing the full spectrum of the **customer relationship** before and after sale on instant messaging like **Facebook Messenger** and **Twitter**
- Development of other **customer benefits** from **Artificial Intelligence** (Image, Voice/Language, personalized promotions and merchandising)

Marketplace Ecosystem

Cdiscount
Fulfilment

monex
EUROPE

Google
Shopping
& other marketing
services

Cdiscount
Marketplace

BeezUP

CB4X
La solution
de paiement
en 4 fois

Developing new revenue streams while expanding & improving marketplace ecosystem

- **Fulfillment by Cdiscount** quickly developing with share of GMV fulfilled by Cdiscount nearly tripled by end June 2017 (from 5% at June 2016 to 13%)
- Vendors' **marketing services** are being rolled-out with Cdiscount acting as an agency to manage their marketing campaigns (Google Shopping, etc)
- Launch of a financial service together with **Monex** to provide to our sellers **confidential, direct & same day spot FX conversion** of € into their local currencies
- **Acquisition of BeezUP** in July17 with additional services now proposed to our marketplace sellers to **sell their products on other platforms** than Cdiscount websites through this feed aggregator
- Leverage on our unique know-how to propose Cdiscount's **CB4X financial services to our marketplace sellers** in addition to our existing partnerships (VideDressing, Misterfly, Oscaroo...)



Strategic Realignment Plan



Pushing the Customer Experience Envelope



1st Half 2017 Commercial & Financial Performance



Outlook

Pushing the Customer Experience Envelope

Our loyal customers benefit from enhanced services

CDAV new offers & services

LE WEEK-END À VOLONTÉ
MÊME SUR LES PRODUITS SOLDÉS !

-14% avec le code **VIPCDAV**
UNIQUEMENT POUR LES MEMBRES
Cdiscount · à volonté ou Carte Cdiscount

Cdiscount · à volonté



- Livraison gratuite et illimitée dès 25€ 10€ d'achat sur les produits signalés par le logo Cdiscount à volonté*
- Accès à des offres exceptionnelles
- Stockage illimité de photos, sur tous vos appareils

-14%
Sur une sélection de produits

29€ **19⁰⁰⁰**

J'EN PROFITE

VENTES PRIVÉES
Les vraies Ventes Privées sont chez Cdiscount

- Large choix et stock garanti
- Jusqu'à 40% de remises
- Livraison gratuite^(m) dès le lendemain

Je découvre >

Ne perdez plus jamais vos photos !
avec **Cdiscount · cloud**

- Photos en illimité
- Sur tous mes appareils
- Données sécurisées

Je découvre >

A loyal and growing CDAV customer base...

- CDAV customers **continue to double y-o-y**
- CDAV customers **purchase** on average **4x more frequently** than non-CDAV customers
- Accounted for **32% of 2Q17 GMV** compared to 17% last year

...Benefiting from new services and advantages

- Target: **Multiply by 4 express-delivery product catalogue** by 1Q18
- Exclusive **new 10€ threshold** for **free express delivery**
- Launch in July of a **week with dedicated offers** for our loyal CDAV customers: **"Semaine à Volonté", "Journée à Volonté" and "Week-end à Volonté"**

Social media fans and award



180k fans



1.4M fans

Très réactif aux messages
Taux de réponse : 98 % / Temps de réponse : 12 min.

Our “**very responsive**”
Facebook award



“Le Bazar de Zoé”
Our Home & Decoration
Facebook page with
210k fans



Launching Instagram & Pinterest accounts in May to focus on the “**look and feel**” marketing aspect of the Home category

Become #1 in social network commitments (Twitter, Facebook, Instagram)

- Continue to increase our ever-growing fan base to reach **1.5M fans of Facebook** and **230k fans on Twitter** by year end
- **Response time** to messages on social media **below 20 min** matching best-in-class standards
- On Facebook, Cdiscount obtained the “**very responsive**” badge end of May awarding the pages that have a response rate above 90% and a response time below 15 min
- Milestones in 1H17: launch of Cdiscount gaming on Facebook, close to **800k views** for the promotional **Video “je peux pas j’ai soldes”**, record first day of June sales with **10.9M impressions** and **250k commitments**

Pushing the Customer Experience Envelope Towards a true multi-specialist customer experience

4 product families, 17 categories



Technical goods

Large Appliances
Computer
Phones
AV / TV / Photo
Video Games



Family & leisure

Small Appliances
DIY
Baby
Toys
Sport
Auto Moto



Recurring

Pet
Wine
Beauty / Bio / Diet



à la mode

Deco / Furniture
Bedding
Fashion

Adaptative ergonomy of the websites and targeted promotions

Customer's segments
determined through their **habits**,
customer life cycle and **browsing**
behavior based on our **Big Data**



Strengthening specific customer experience for each major category

- Identifying purchase triggers
- Implementing adaptive website/app interface
 - Product presentation
 - Search filters
 - Description sheets, videos, booklets tailored for multi-specialist merchants
- Developing more targeted promotions for specific customer segments



Strategic Realignment Plan



Pushing the Customer Experience Envelope



1st Half 2017 Commercial & Financial Performance



Outlook

1H17 Commercial Performance

Key performance indicators



Traffic

442

million

(+11.5% vs. 1H16)

- **Highest progression since January**, among the five main e-retailers in France, in terms of **desktop UMV** (Médiamétrie)
- The **mobile share of traffic** increased **+696 bp** to **58.1%** in 1H17

Active customers

8.4

million

(+9.5% vs. end June 2016)

- **CDAV membership** was up by **103%** y-o-y, number of subscribers doubled vs June 16

Orders

12.2

million

(+11.4% vs. 1H16)

- **CDAV customers** accounted for **29% of 1H17 orders** compared to 12% during the same period in 2016.

GMV

€ **1.5**

billion

(+10.5% l-f-l)

- **Growth of 10.5% like-for-like*** ("l-f-l") vs. 1H16
- Positive impact from strong growth in:
 - Marketplace, mobile traffic, orders

Marketplace share

33.4%

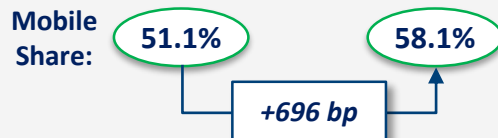
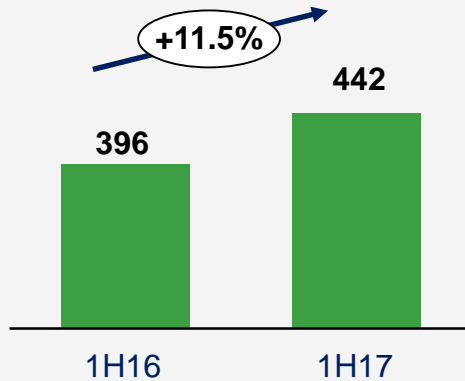
(1H16: 30.5%)

- **Increase of 288 bp** vs. 2016
- Positive impact from:
 - **fulfillment services**, tightened **quality control**
 - **Increased commission rate** on specific categories

*Like-for-like: includes adjustments related to i) the sale or closure in 2016 of the specialty sites Comptoir des Parfums, Comptoir Santé and MonCornerDéco, ii) the voluntary pullback of B2B sales initiated in the 3rd quarter of 2016, iii) the exclusion of TV products, which benefited from the mandatory shift to Digital Terrestrial Television (DTT), and the Euro football championship in the 1st half 2016 (1.7pt and 2.3pt on GMV and net sales growth, respectively), iv) the impact of 2017 summer sales starting one week later than in 2016 (1.0pt and 0.9pt on GMV and net sales growth, respectively), v) Cdiscount sales realized with Casino clients in France resulting from the multichannel agreement with Casino effective June 19, 2017, and vi) the leap year impact of 2016.

Traffic

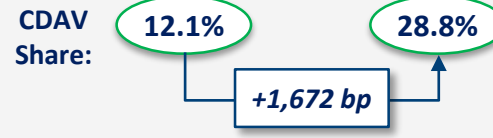
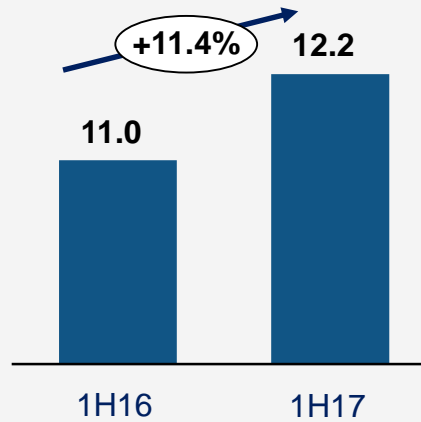
(million visits)



- Growing **mobile share** of **59.5%** in **2Q17**
- **Revamp of mobile site**, increasing mobile share of GMV up to **39%** in **June 2017**
- **Best progression in Desktop UMV** among 5 main French e-retailers in January-May 2017

Orders

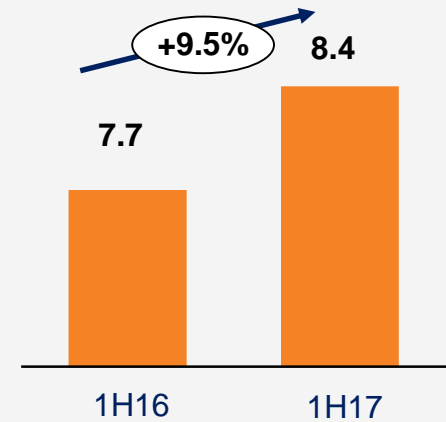
(million)



- **Main categories in marketplace and direct sales**
 - **Home furnishing** as well as **household appliances** and **hi-tech**, especially via the **marketplace** operations
- **Strong growth of CDAV share in orders**

Active customers

(million)

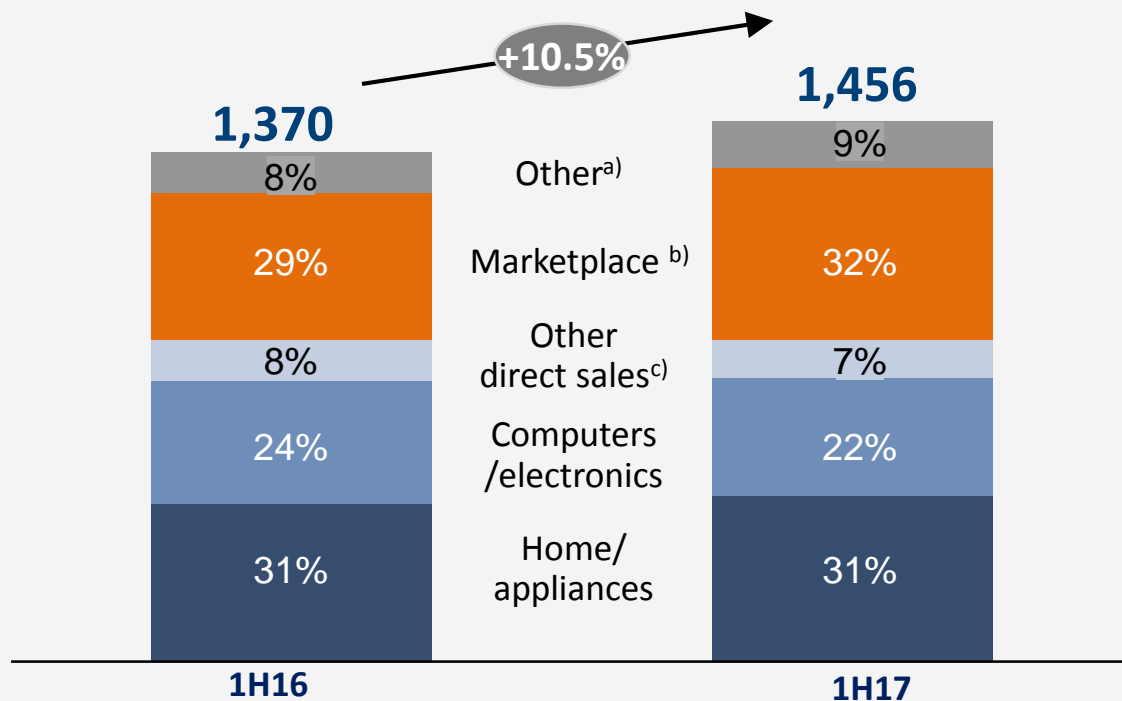


- **Continuous increase** in number of our active customers
- **Acceleration of our loyalty program CDAV memberships**
 - **+103%** members vs June16
 - Number of subscribers more than **doubled**

1H17 Commercial Performance

GMV and marketplace evolution

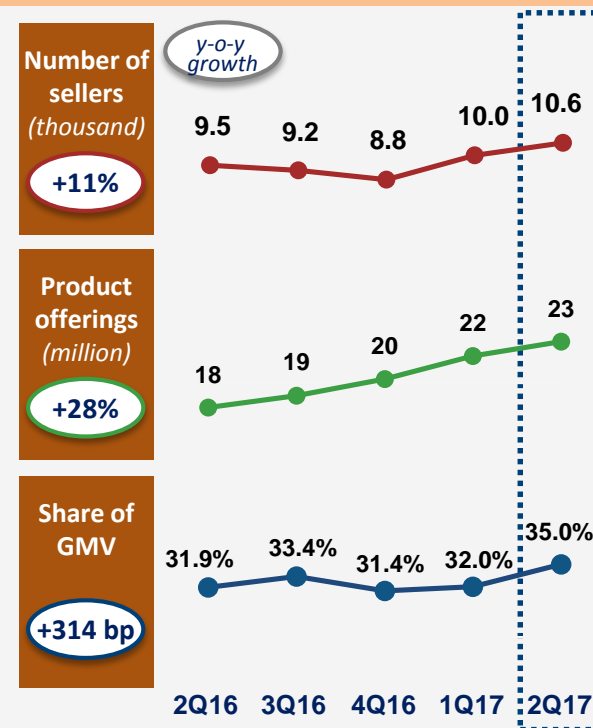
Gross merchandise volume



- **Total GMV grew 10.5%** in 1H17 on a like-for-like basis
 - Strong results of the **summer sales**:
 - +57% of GMV growth in the first day vs last year
 - +17% sales growth up to July 23
 - **Mobile share: 36.7%**, up 874 bp vs 1H16

- a) Others include consumer financing, B2B activity and some supplier contributions.
- b) Published 1H17 marketplace share is 33.4% and is calculated using GMV less businesses not eligible to marketplace (B2B, supplier contribution, etc.). 1H17 marketplace share calculated based on total GMV is 32.0%.
- c) Other products include smaller categories such as leisure and personal goods.

Marketplace evolution



- **Milestones in 1H17**
 - **Share of GMV: 33.4%**, up 288 bp vs. 1H16
 - **10,562 sellers** with **tightened quality control**
 - **Ramp-up of fulfilment services**

Cnova N.V. Key Figures ¹ € in millions	1H17	1H16
Net sales	882	858
Gross profit	123	122
<i>Gross margin²</i>	14.0%	14.2%
SG&A ³	(140)	(125)
Operating EBIT ⁴	(17)	(3)
<i>Cdiscount</i>	(14)	(1)
Net profit/(loss) (Continuing operations)	(43)	(35)
<i>Adjusted EPS⁵ (Continuing operations)</i>	(0.10)	(0.06)
Net profit/(loss) (Discontinued operations)	(4)	(133)
<i>Adjusted EPS⁵ (Discontinued operations)</i>	(0.03)	(0.31)

1. In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), all 2016 figures have been adjusted as of January 1, 2016, to reflect: i) the merger of Cnova Brazil into Via Varejo on October 31, 2016, and ii) the sale or closure in 2016 of Cdiscount international sites. The 2016 results from these activities are reported under net profit/(loss) from discontinued operations.

2. Gross margin: gross profit as a percentage of net sales.

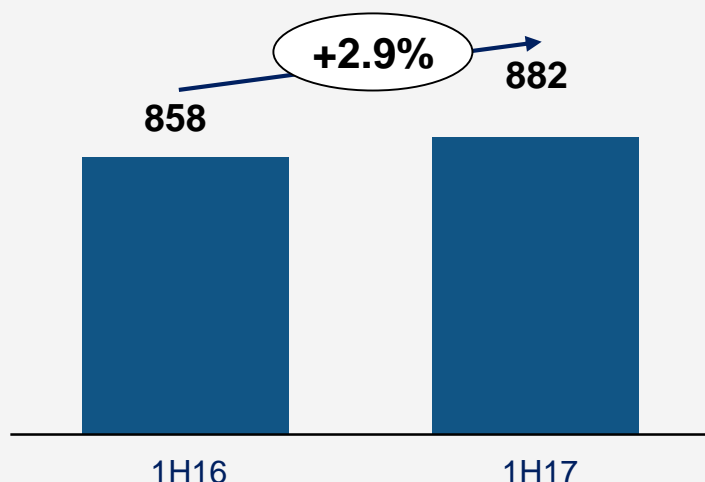
3. SG&A: selling, general and administrative expenses.

4. Operating EBIT: operating profit/(loss) from ordinary activities.

5. Adjusted EPS: earnings per share in euros.

Net sales

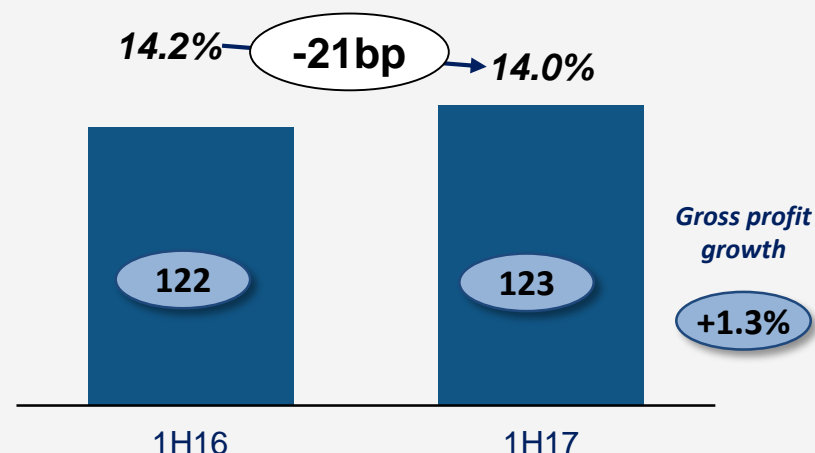
(€ million, y-o-y growth)



- Net sales up +7.6% LFL with Q1 up +4.0% vs Q2 up +8.6%
- Same pattern on a reported basis: +2.9% with Q1 up 1.4% vs Q2 up 4.5%

Gross margin

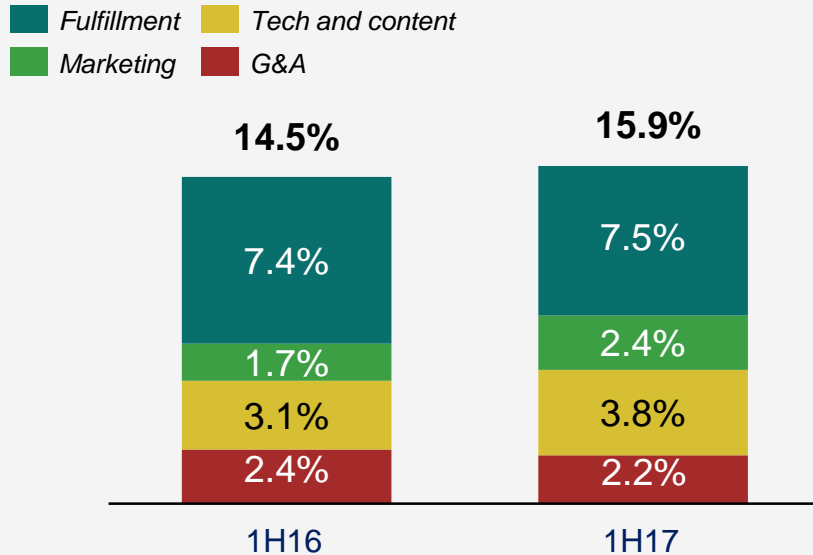
(% of net sales, € million, y-o-y growth)



- Reduction of -21 bp in gross margin:
 - Strategic plan investments weigh on gross margin through delivery enhancements
- Mix trends between Q1 and Q2 :
 - Q1 down -126 bps vs Q2 up +100 bps

SG&A

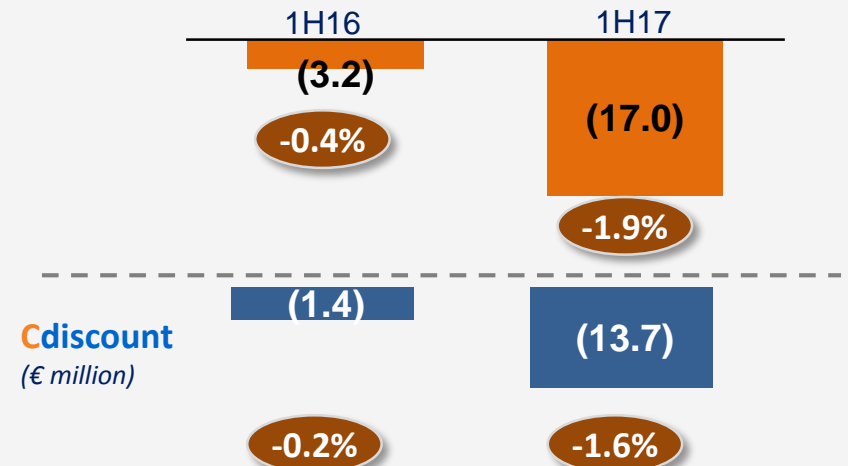
(% of net sales)



- **Higher SG&A: 15.9%** (vs. 14.5% in 2016)
- **Fulfillment** : investment in customer relationship and initial impact of increased DC capacity
- **Marketing**: increased marketing investments in line with new customers' approach strategy
- **Tech & content**: IT team expansion (big data, site revamp)

EBIT

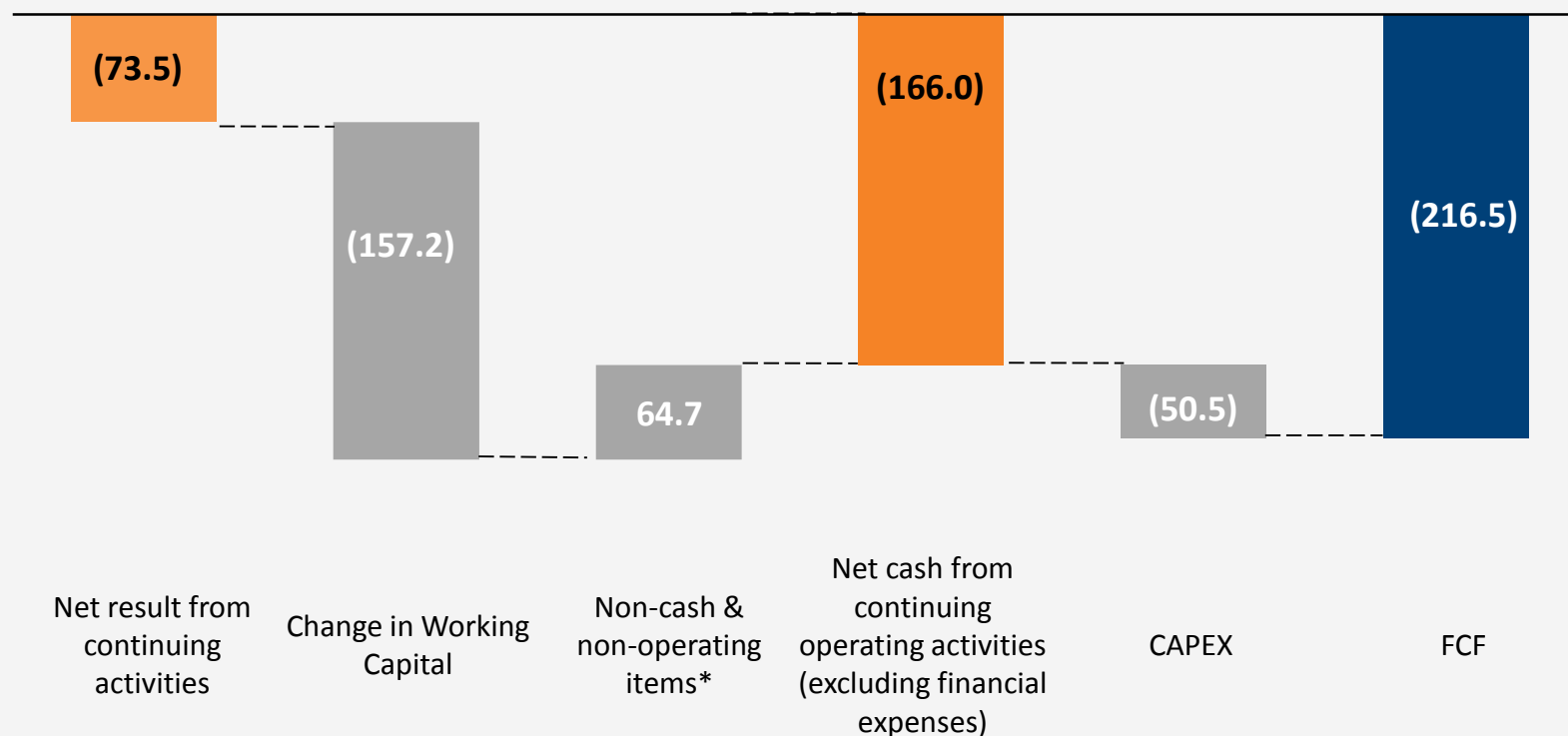
(€ million, % of net sales)



- **Cdiscount France: €(13.7)M, down €(12.3)M vs 1H16**
- **Reduction of costs** at Holdings
 - 1H 2016 Holding EBIT positively impacted by the reversal of a €5.2 M provision

LTM Free cash flow

(€ million, twelve months)



- **Net cash from cont. activities** of € (166) million, including **working capital** reduction of € (157) million impacted by the product range expansion and Casino multichannel transaction
- Capex of € (51) million, mainly IT investment on Cdiscount mobile site, marketplace platform and upgraded logistics systems

* Representing mainly (i) D&A for € 22.4 million, (i) net financing result for € 30.1 million (iii) non-cash tax expenses (current and deferred) for € 10.1 million



Strategic Realignment Plan



Pushing the Customer Experience Envelope



1st Half 2017 Commercial & Financial Performance



Outlook

Cdiscount's current strategic realignment plan is expected to yield the following results by the end of the 1st quarter of 2018:

- Nearly quadruple the size of the direct sales product catalogue (equivalent to an approximate €130 million increase in inventory value by YE 2017)
- Increase the marketplace product catalogue by 50%
- Expand by 80% the distribution center floor space to nearly 580K m²
- Further improve overall customer satisfaction both before and after purchase
- Extend same-day delivery in Paris from heavy products to include light products
- Significant increase in B2B revenues, particularly arising from our marketplace ecosystem



Thank you for your attention!