

CNOVA N.V. Third Quarter 2018 Activity

AMSTERDAM – October 12, 2018, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter ended September 30, 2018.

- **GMV organic growth: +9.3% y-o-y¹**
 - E-commerce contribution: +7.2 pts driven by the marketplace and B2C services (+2.0 pts)
 - Géant showrooms growing contribution: +2.1 pts
- **Success of strategy implemented to accelerate marketplace growth**
 - Strong double-digit 3Q18 growth: +19.5%, best performance since 3Q16
 - Marketplace GMV share: 36.0% (+527 bp y-o-y), a new record level
 - Fulfillment by Cdiscount GMV share: +404 bp y-o-y
- **Monetization initiatives well on-track**
 - €15m revenues over the quarter, growing at a fast pace of +17%
 - Marketplace services GMV more than doubled y-o-y
- **High-quality mobile standards drive growth & customer satisfaction**
 - Best rated app & 2nd fastest e-commerce mobile site²
 - Mobile UMV growth: +12% y-o-y in July above 10m, over 50% of total UMV since April 18
 - 3Q18 traffic share: 64.1% (+271 bp)
- **Broadening further the scope of customer services**
 - *Cdiscount Energie*: number of new customers doubled over the quarter
 - Launch of *Cdiscount Billeterie* (ticketing)
 - *Cdiscount Voyages* now offers cruises and camping
- **Improved & unique digitalized multichannel experience**
 - 35 showrooms (+14 vs. June 18), +26% y-o-y sales growth of showroom categories
 - Opening of a 24/7, 100% digital, Casino/Cdiscount showroom on the Champs-Élysées in Paris
- **Success of European delivery**
 - Expanding the number of SKUs available
 - Extending delivery to 8 additional countries

Emmanuel Grenier, Cnova CEO, commented:

“Cnova posted an accelerating commercial performance over the quarter, especially those of our marketplace and the revived dynamics of our traffic. We look forward to and are well prepared for all the key commercial events of the fourth quarter: we have already had a very successful 2nd edition of the French Days and have just launched a unique promotional event for the whole month of October celebrating Cdiscount’s 20-year anniversary.

Now that we have reached best-in-class standards all along the customer journey, on- and off-line, on desktop and mobile, our primary focus is to drive profitable growth through: one, strategic initiatives to accelerate marketplace expansion which reached a record-high in the 3rd quarter; two, new customer services such as ticketing, entertainment & leisure; and three, the monetization of our traffic, data and logistics assets mainly through our growing advertising agency and logistics services such as Fulfillment by Cdiscount and Cdiscount Transport.”

¹ Organic growth: figures exclude technical goods and home category sales made in Casino Group’s hypermarkets and supermarkets (total exclusion impact of +3.2 pts on GMV growth) but take into account showroom sales and services.

² Latest Fasterize study for the months of July and August 2018.

3rd Quarter 2018 Highlights

Organic GMV (gross merchandise volume) posted an increase of 9.3% in the 3rd quarter 2018 versus the same period in 2017 and included a 2.1 points contribution from Géant showrooms. Taking into account the multichannel revenue streams, primarily related to the June 2017 agreement with Géant (Casino Group), the total reported GMV growth was 6.1%, reflecting the decrease in Géant non-food sales, for which the initial impact of first consolidation is now over. GMV growth remained dynamic for the market as a whole despite receding summer sales performance in July, thanks to strong August and September months, driven by the very dynamic marketplace performance, the expanding B2C services contribution and the roll-out of Géant showrooms.

Strategic initiatives to accelerate marketplace expansion, implemented this year, helped deliver a **record-high performance** in the 3rd quarter 2018: marketplace GMV increased by 19.5%, bringing its total GMV share to 36.0% in the 3rd quarter 2018, an acceleration of 527 basis points compared to the same period in 2017. This high double-digit growth was mainly driven by the revamping of strategic categories now prioritized on the marketplace: Telephony, Home and Computer marketplace GMV all grew very rapidly.

Net sales amounted to €503 million in the 3rd quarter 2018, down 2.9% compared to the same period in 2017, due to the profitable marketplace strategic expansion, implemented this year, and the resulting transfer of direct sales revenues to marketplace sales (net sales include the commissions received on those marketplace sales). Besides, net sales were positively impacted by the dynamism of showroom revenues that have offset most of the decrease in Géant non-food sales, for which the impact of first-time consolidation is now over.

Traffic at Cdiscount totaled 216 million visits in the 3rd quarter 2018 and was **driven by mobile** (especially by the application), with a +11.3% y-o-y growth and 64.1% share of traffic. According to latest Médiamétrie studies³, Cdiscount consolidated its #2 status in terms of unique monthly visitors (“UMV”) on both desktop and mobile, increasing the gap over the #3 and closing in on #1. Main achievements of the year-to-date are: number of app downloads increased y-o-y by 50%, and we observed a strong uplift after the implementation of Progressive Web App.

Cdiscount’s loyalty program, **Cdiscount à Volonté** (“CDAV”) continues to be the key pillar of the marketing strategy and a strong lever driving **customer satisfaction** and **repeat business**. After having enriched the program with numerous dedicated services (private sales, unlimited press offer, Cdiscount Famille, *Pass à Volonté*, 5% discount through Casino Max app, ...), Cdiscount is now focused on expanding its 288k CDAV-eligible⁴ express delivery product offerings. At the end of September, CDAV-eligible SKUs increased by 17% y-o-y. These efforts will be pushed forward in the 4th quarter 2018 thanks to the addition of the *Cdiscount transport* marketplace SKUs to the express delivery eligible assortment.

As part of Cdiscount marketing strategy and true to its bold DNA, the **3rd edition of “le Casse du Siècle”**, a live streamed, now TV broadcasted, promotional event in Cdiscount Cestas warehouse, backed by Fun Radio, M6 and famous youtubers, was an outstanding success and gathered close to 4m views across all social media.

³ June and July Médiamétrie studies.

⁴ Own SKUs & SKUs fulfilled by Cdiscount.

Key Business Highlights

Services & products offering

- **Launch of Automotive parts** on the website in September with a specific tailor-made customer journey.
- **Cdiscount Energie** continued to expand at an accelerating fast pace as new customers doubled compared to the previous quarter. This offer remains the most affordable on the market, with the renewal of the 20% discount offer (in cash) in September.
- **Cdiscount Voyages** confirmed its very promising start with an accelerating commercial performance in the 3rd quarter 2018. The program was enriched with new offers such as cruises, camping and ski rentals.
- **Cdiscount Billeterie** (ticketing) was launched mid-September, offering discounted tickets for concerts, theater, theme parks, sport & cultural events and other leisure activities (escape games, laser games, ...).

Monetization initiatives

- **Monetization revenues** amounted to €15 million in the 3rd quarter 2018 (+ 17% y-o-y) and are another key pillar of Cdiscount profitable growth strategy:
 - **Advertising agency**: the cooperation between 3W and relevanC was strengthened with a new common value proposition. Cdiscount also accelerated the deployment of the digital platform allowing Cdiscount suppliers and Marketplace vendors to bid and buy advertising space on the Cdiscount website.
 - **Commission-based B2B2C services** (up +38% y-o-y) such as Cdiscount Voyages, Cdiscount Energie and Cdiscount Assistance.
 - **Financial services** (2.1x y-o-y). One of the key drivers is the amount of loans granted which increased by +33% on a year to date basis with more than 88,000 new credit card subscribers.

Multichannel strategy

- **14 new Cdiscount showrooms opened** in Géant hypermarkets, building on the success of the first 21 showrooms launched since the 2nd half of 2017, bringing the total network to 35 at the end of September.
- **Opening of a 24/7 Casino/Cdiscount showroom on the Champs-Élysées in Paris** in early October, presenting an innovative 100% digital & connected customer experience: 3 floors with an exclusive pick-up point location, a Cdiscount wine cellar and a small Cdiscount showroom focused on Home category.

Delivery innovations

- Increased agility in large product logistics capability with the **on-going construction of a new 60,000 sqm warehouse** near Andrézieux, in the Lyon region, to be opened in the 2nd quarter 2019.
- Cdiscount's logistic incubator **The Warehouse**, after having successfully backed 6 start-ups including the multi-award-winner Exotec, has just initiated its second selection round to be closed on October 26th. As another proof of the success of this program, the start-up **NoMagic.AI** has launched the production of an automated picking robot arm.

Success of European delivery to include more SKUs and extended to more countries

- **Small products delivery** to Belgium, Germany, Italy and Spain, has been extended to a variety of marketplace SKUs (500 vendors to date).
- **Delivery to additional countries** (Poland, Hungary, Czech Republic, Slovenia, Slovakia, Estonia, Lithuania and Latvia) is now available through **7 local marketplaces**.
- Development of **wine delivery**, expanding beyond France to Belgium and soon to Italy, Germany and Spain.
- **CDAV loyalty program** is now also available to **Belgian client base**.

Marketplace value-added services to vendors

- The **Fulfillment by Cdiscount** service has been increasingly adopted by marketplace sellers, gaining 4.0 points in GMV share compared to September 2017, up to 20.1% of marketplace GMV share.
- **Marketplace vendor services GMV** more than doubled year-on-year with 3 priorities: Cdiscount Transport, Cdiscount Marketing and Cdiscount Fintech (credits & FX). This achievement was mainly supported by the success of **Premium Packs** (bundled offer of value-added services).

Third Quarter Activity

Cnova N.V.	Third Quarter ⁽¹⁾		Change	
	2018	2017	Reported ⁽¹⁾⁽²⁾	Organic ⁽³⁾
GMV⁽⁴⁾⁽⁵⁾ (€ millions)	871.7	821.8	+6.1%	+9.3%
Marketplace share	36.0%	30.7%	+527 bp	
Mobile share	45.3%	39.8%	+551 bp	
CDAV share	32.8%	31.4%	+146 bp	
Net sales⁽⁵⁾ (€ millions)	503.0	517.8	-2.9%	+0.5%
Traffic (visits in millions)	216.0	202.6	+6.6%	
Mobile share	64.1%	61.4%	+271 bp	
Active customers⁽⁶⁾ (millions)	8.8	8.6	+3.0%	
Orders⁽⁷⁾ (millions)	6.4	6.2	+3.9%	
CDAV share	33.4%	30.6%	+276 bp	
Number of items sold (millions)	12.0	11.9	+1.2%	

- 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 sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact of +3.2 pts and +3.4 pts respectively on GMV and net sales) 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) + services GMV which contributed to growth for +2.0 pts in the 3rd quarter 2018 and +0.01 pt in the 3rd quarter 2017.
- 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 -€24 million and -€20 million to present comparable data.
- 6) Active customers at the end of September 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.

About Cnova N.V.

Cnova N.V., one of the leading e-Commerce companies in France, serves 8.8 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 as well as practical and innovative 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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Cnova Investor Relations Contact:
investor@cnovagroup.com

Tel: +31 20 301 22 40

Media contact:
directiondelacommunication@cdiscout.com

Tel: +33 5 56 30 07 14