



Cnova Full Year 2018 Conference Call

February 15, 2019

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, 2017. 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.



Full Year 2018 Business Highlights & Strategic Update



Full Year 2018 Commercial & Financial Performance



Outlook

An acceleration of our strategic plan, proven to be relevant

1

High marketplace performance



2

New revenue streams



3

Enhanced customer experience



4

Strong growth of monetization initiatives



Total GMV

€3.6 billion

+9.3% organic growth

Marketplace GMV

€1.1 billion

+12.3% growth

CDAV membership

+23%

+3 pts GMV share

Monetization revenues

€64m

+23% growth

Full Year 2018 Business Highlights & Strategic Update

Marketplace

B2C offerings & services

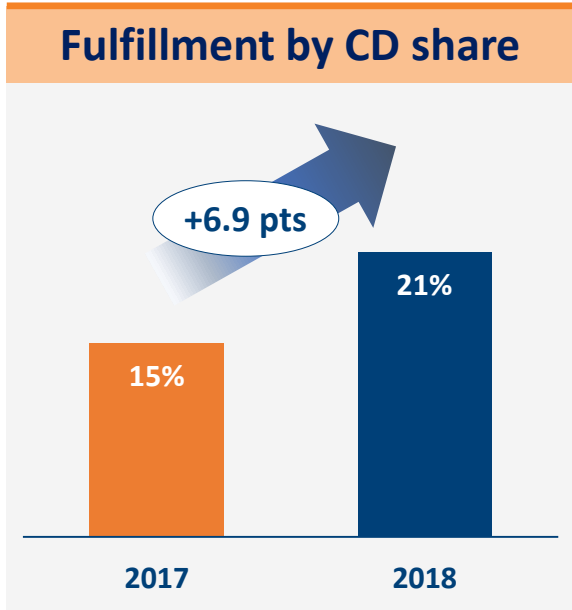
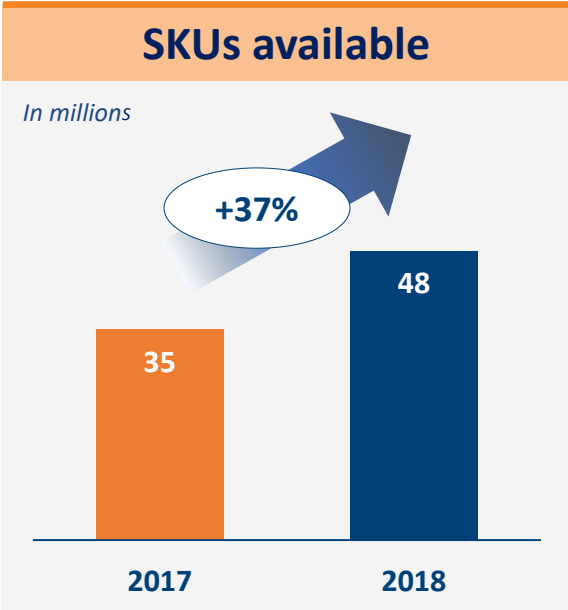
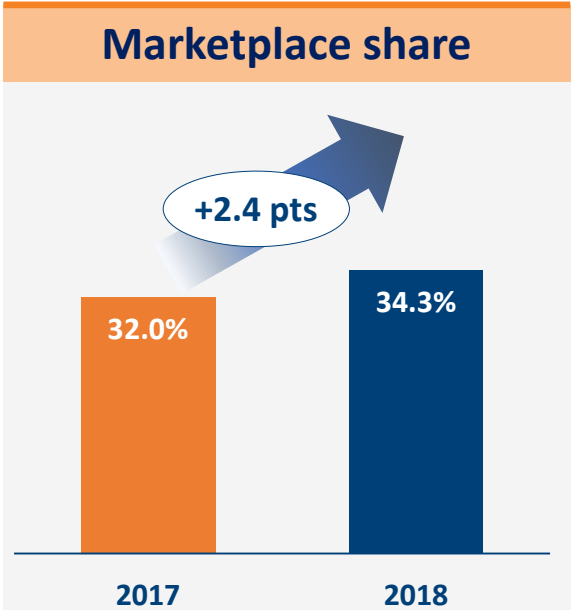
Customer experience

Multichannel strategy

Monetization initiatives

Innovation

Corporate Social Responsibility



- **Dynamic marketplace GMV growth**
 - 1.1 billion euros (+12.3%)
 - Share of total GMV: 34.3% (+ 2.4 pts)
- **Enhanced quality for customers**
 - Number of SKUs available: 48mn (+37%)
- **Enhanced services offer for sellers**
 - *Fulfillment by Cdiscount*: +63% fast-growing GMV; +7 pts marketplace GMV share
 - Accelerating development of marketplace services revenues, multiplied by 2.3

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1 20-year Anniversary



- A two-week event for Cdiscount's 20-year anniversary
- 700 exclusive deals at unbeatable prices supported by an ambitious marketing plan

2 Black Friday



- Outstanding performance: **€57m GMV** in one day (+19%)
- Peak of 23,000 visits and 156 orders per minute
- Success on vertical offerings (*Cdiscount Voyages*, international)



- **30% subscriber base increase** in 4Q18 compared to 3Q18
- Launch of **domestic heating oil** offer



- A French **leading peer-to-peer platform of personal services**
- **Full control** to strengthen Cdiscount's strategy to **broaden the range of services** offered to its customers



- Launched in H1 18, strong **51% growth** in 4Q18 vs 3Q18
- **Expanding catalog** with the addition of tailor-made trips and ski equipment rentals



- Offering discounted tickets for concerts, theme parks, leisure
- Partnerships with famous entertainment companies such as Disneyland Paris
- Showed a **promising start** in 4Q for its first full quarter

Direct delivery



- Small and heavy products now available in **Spain, Germany, Belgium** and **Italy**
- This offer now includes 23mn SKUS from more than 2,400 sellers

European partnership marketplaces



Sales on 36 marketplaces both in direct and through multiple partners

Cdiscount now delivers to **19** countries

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+23% membership

34.1% GMV share: +3 points

- A **new enriched package at 29€** per year enjoying great success
- Enrichment of the program during the first semester with numerous dedicated services: **unlimited press offer**, sharing CDAV benefits with other people...
- In the second semester, focus **on expanding its CDAV eligible SKUs: +14% to reach 281k SKUs** at the end of December

NOUVEAU PRIVILÈGE !
Cdiscount
à volonté

€ 29

LA PRESSE EN LIGNE
EN ACCÈS ILLIMITÉ

LeKiosk



Faites un cadeau
à vos proches avant Noël.

Partagez gratuitement
avec eux tous vos avantages
Cdiscount · À volonté

la livraison express gratuite, les remises exclusives
sur des milliers de produits, la presse en ligne en illimité

Traffic: the mobile acceleration

**#2 in UMV
(mobile and desktop¹)**



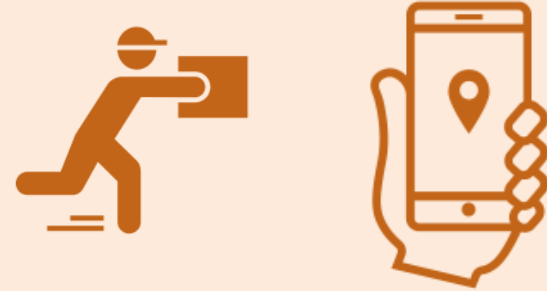
Mobile in 2018

601 mn visits

63% of traffic 44% of GMV

- Highest mobile progression in October and November¹
- 2nd fastest e-commerce mobile site²
- Deployment of best-in-class technologies with the **Progressive Web Application**

Continued delivery edges



- Opening of a **new 80,000 sqm warehouse** to handle more same-day delivery eligible products
- **100% electric delivery** in Paris and Bordeaux for heavy products
- **Real-time geolocation** of large-product deliveries now covers **97% of orders**
- **On-Demand delivery** within a 30-min slot in Paris

¹ Source: Unique Monthly Visitors Mediametrie

² Source : latest Fasterize study

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Showrooms in Géant



- Offering an innovative experience for our customers on **Home category** and **High Tech** goods
- **49 showrooms** opened by end 18 (+ 45 vs 2017). More showrooms to be opened in 2019
- Showrooms **contributed 1.6 pt** to FY18 GMV growth

Le 4



- Le 4:** Opening of a 24/7, 100% digital, Casino / Cdiscount showroom on the Champs-Élysées (Paris)
- exclusive pick-up point location
 - Cdiscount wine cellar
 - Cdiscount showroom focused on Home category

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Monetization revenues: €64m (+23%)

Advertising



+16%¹

- **Acceleration of the premium packs** and sponsored products that more than doubled
- Launch of Cdiscount Marketing Services, a new self-service platform for partner websites

Commissions from B2C Services



+30%¹

- Five new services successfully launched by end 2017 and in 2018, including: **Travel**, **Energy** and **Ticketing**
- **Warranty**: revenues grew by +21%

Financial services



**Coup de Pouce
+67%¹**

- Consistent expansion throughout the year
- Credit card issuances increased by +82%
- Coup de Pouce (short-term consumer credit) enjoyed a +67% growth

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The Warehouse Incubation program

High success rate with 3 out of 5 selected startups currently implementing their solution

The second selection round for 2019 was closed at end November with **5 new startups**

Exotec Robotized picking solution

Already successfully implemented in Cestas warehouse

Being rolled-out in Réau warehouse near Paris



Multiple awards

“David avec Goliath”: Prize awarded by Bain for the best cooperation between a startup (Exotec) and a corporate

LSA supply chain trophy (Exotec)

FEVAD prize for the launch of the on-demand delivery in Paris area

- 1 Enhance customer experience
- 2 Improve working conditions
- 3 Optimize performance

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Environmental initiatives



3D packing, reduces cardboard usage (30% less wasted space) – covering 85% of parcels by mid 19



100% electric delivery
(Paris and Bordeaux - heavy products)

Social involvement

MasterClass IT

IT development program mixing theory courses and professional experience



Partnerships with secondary schools to promote IT development and responsible use of social networks

Advertising and IA ethics



Digital Ad Trust label (CNIL¹ label)

Cdiscount becomes the first e-merchant to receive award for the website with responsible advertising practices regarding brand safety, fraud, user experience and use of personal data

Note ¹: Commission Nationale de l'Informatique et des Libertés – the Data protection French authority



Full Year 2018 Business Highlights & Strategic Update



Full Year 2018 Commercial & Financial Performance



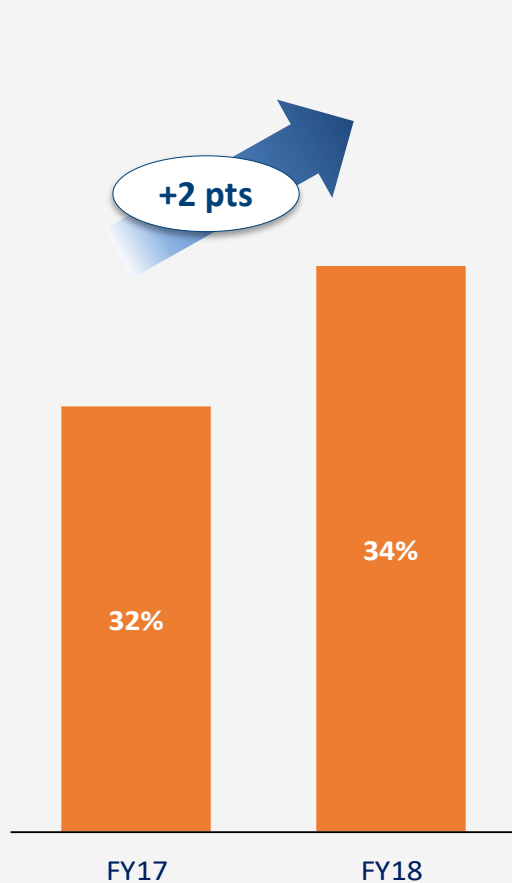
Outlook

FY 2018 Commercial & Financial Performance

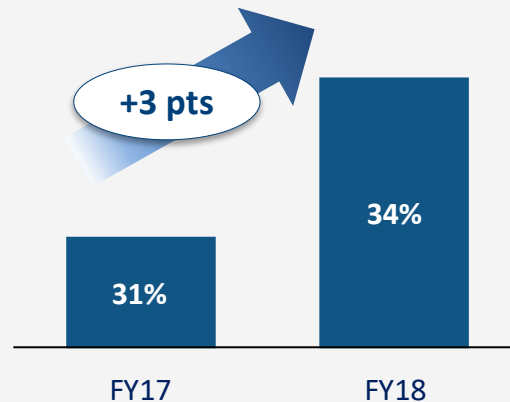
Ecommerce GMV underlying growth drivers

Ecommerce GMV growth supported by Marketplace, CDAV and Mobile

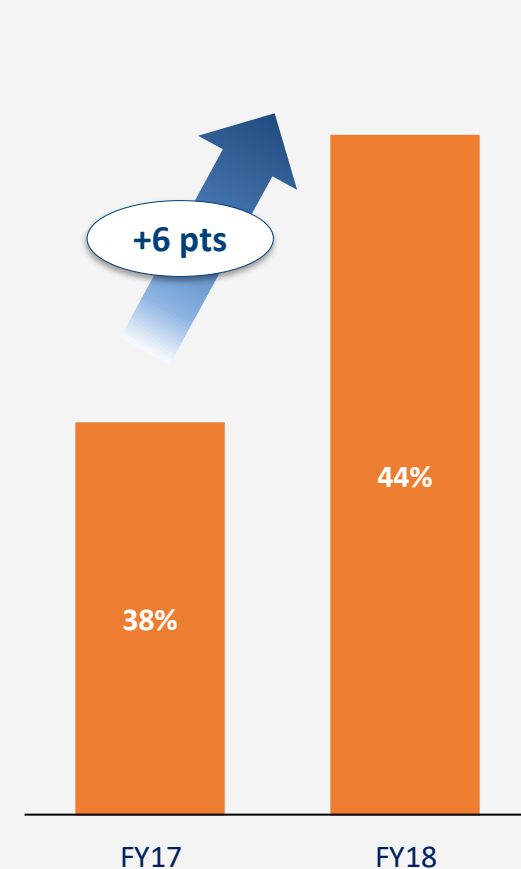
1 Marketplace GMV share¹



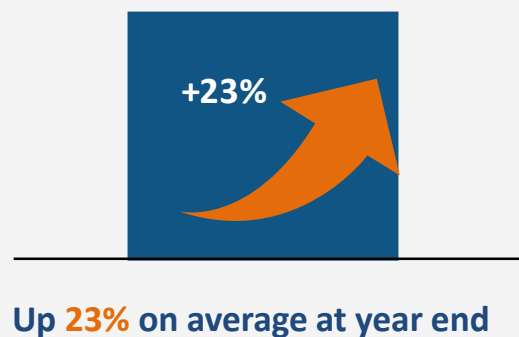
2 CDAV GMV share



3 Mobile GMV share



CDAV membership



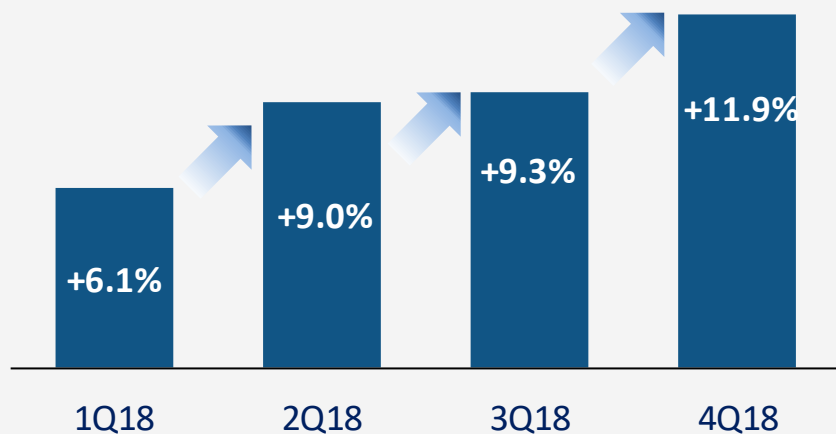
¹ Marketplace share of GMV of Cdiscount.com in France, calculated on total GMV less businesses not eligible to marketplace (B2B, suppliers' contribution, etc.).

FY 2018 Commercial & Financial Performance

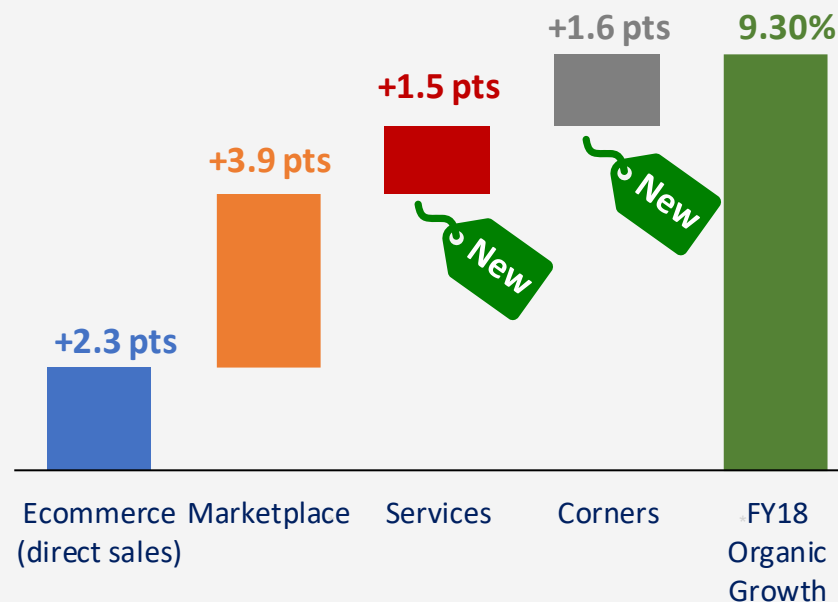
Acceleration of Growth driven by Diversification

Sequential GMV Growth

Sequential organic GMV growth



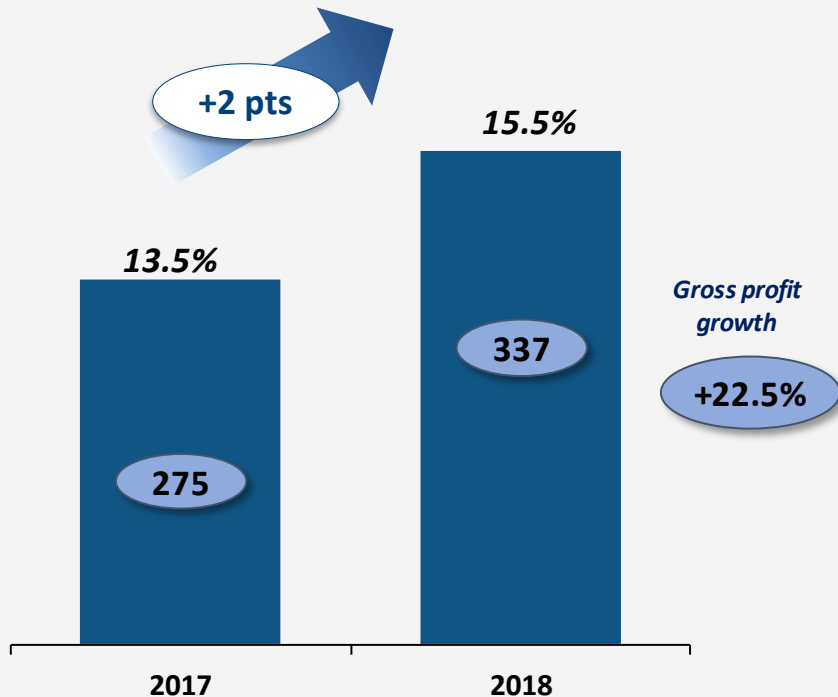
2018 GMV Organic Growth breakdown



- **GMV organic growth** accelerated quarter over quarter, driven by :
 - Growing contribution from **marketplace GMV**, especially in the 2nd half
 - Growing contribution from both services & corners
- **4Q18 GMV organic growth** reached +11.9% driven by Cdiscount's **20-year Anniversary** and **Black Friday** successes

Gross margin

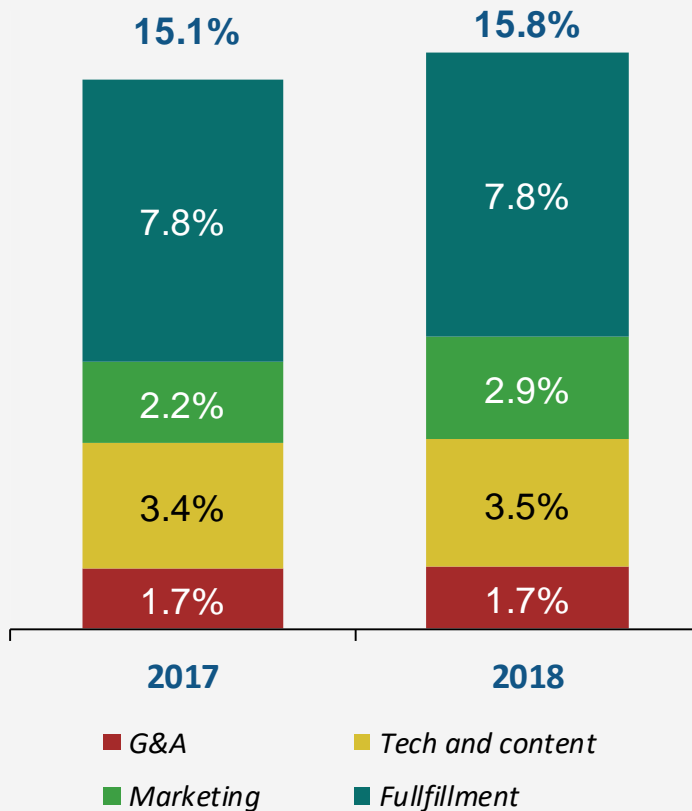
(% of net sales, € million, y-o-y growth)



- Strong acceleration (+2 pts) in **gross margin** as well as high double-digit growth in **gross profit** thanks to:
 - **Marketplace GMV share** reaching high levels in 2H18
 - Continuing growth in **monetization revenues**, especially advertising agency
 - Optimized **pricing & shipping strategy**

SG&A

(% of net sales)

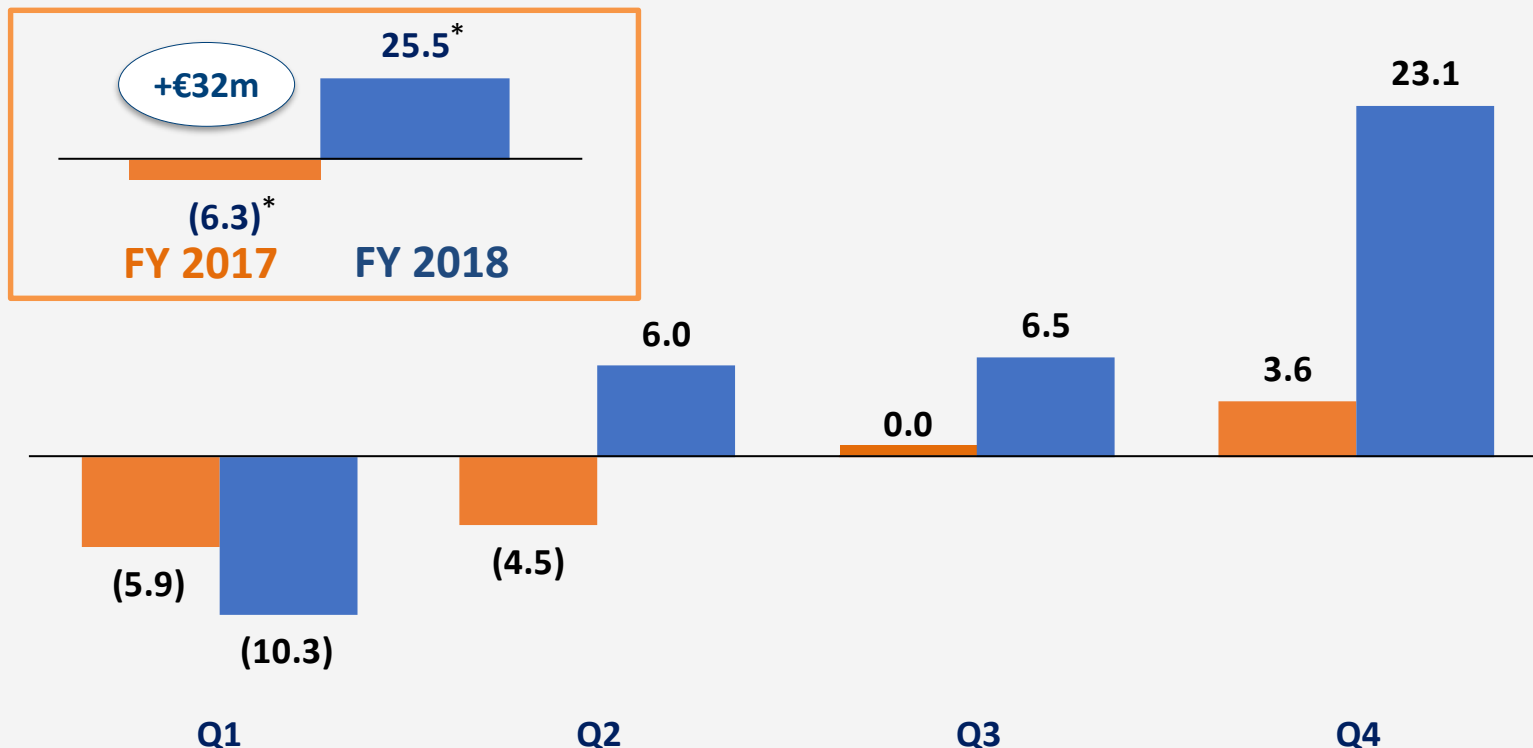


■ **SG&A accounted for 15.8% of net sales in FY18, increasing by +0.7 point vs FY17**

- **Fulfillment (7.8% ; stable):** logistics productivity improvements offsetting the increase in CDAV eligible SKUs
- **Marketing (2.9% ; -0.6 pt):** driven by media campaigns and optimized acquisition expenses
- **Continued discipline on both**
 - **Tech & Content (3.5% ; -0.1 pt)** stable despite increase in IT investment D&A
 - **G&A (1.7% ; stable)**

Quarterly EBITDA y-o-y comparison

(€ million)



- Quarterly improvement vs 2017 to reach **+€19.5m in 4Q18** driven by:
 - Progressive expansion of **monetization initiatives** throughout the year
 - Continued acceleration of the **marketplace** throughout the year

* operating profit/(loss) from ordinary activities (EBIT) adjusted for depreciation & amortization and share based payment expenses

FY 2018 Commercial & Financial Performance

Key Financial Indicators

Cnova N.V. Key Figures € in millions	2018	2017	Change
Net sales	2,174.3	2,035.0	+139.2
Gross profit	336.7	274.7	+62.0
Gross margin	15.5%	13.5%	198bps
SG&A	(344.4)	(308.0)	(36.4)
Operating adj. EBITDA*	25.5	(6.3)	+31.9
Cdiscount	29.7	(0.3)	+30.0
Operating EBIT	(7.7)	(33.3)	+25.5
Cdiscount	(3.6)	(26.7)	+23.1
Net profit/(loss) (Continuing operations)	(35.3)	(102.6)	+67.3
Adjusted EPS (Continuing operations) in €	(0.04)	(0.24)	0.20
Operating Free cash flow - continuing activities**	69.7	(336.2)	+405.9
Net cash/(Net financial debt)	(198.8)	(193.3)	(5.4)

* operating profit/(loss) from ordinary activities (EBIT) adjusted for depreciation & amortization and share based payment expenses

** defined as EBITDA - other cash operating expenses (taxes and exceptional expenses) - change in working capital - net capex

FY 2018 Commercial & Financial Performance

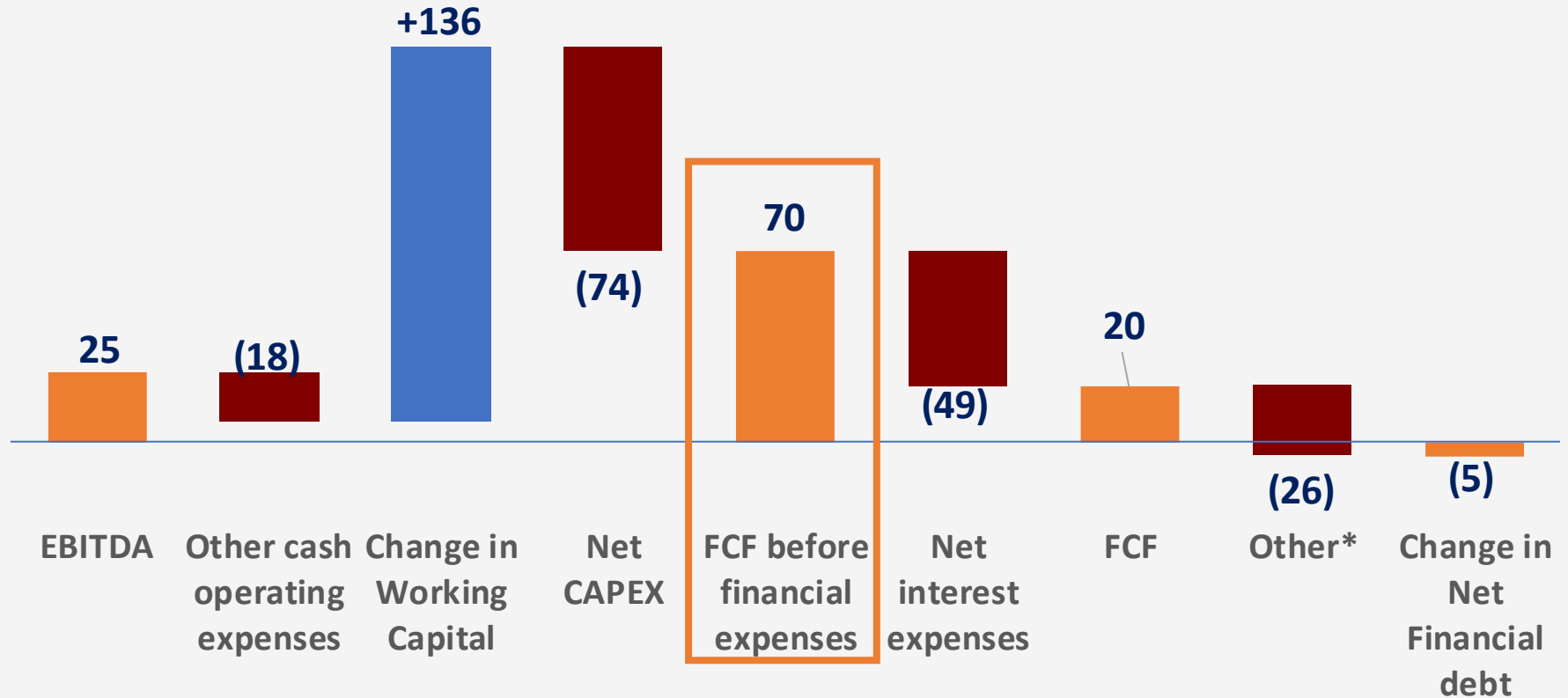
IFRS 15 Restatement Impact

Cnova N.V. simplified P&L € in millions	2017	IFRS15 impact	2017 Restated
Net sales	2,122.0	(87.1)	2,034.9
Cost of sales	(1,833.3)	73.1	(1,760.2)
Gross profit	288.7	(13.9)	274.8
Gross margin	13.6%	16.0%	13.5%
SG&A	(311.6)	3.6	(308.0)
Operating EBIT	(23.0)	(10.3)	(33.3)
Operating margin	(1.1%)	11.9%	(1.6%)
Net profit/(loss) (Continuing operations)	(92.3)	(10.3)	(102.6)

- **IFRS 15 (new standard on revenues) came into force on January 1st 2018 with retroactive application**
- **Main impact: certain suppliers' contributions are now recognized as a reduction of purchase price and deducted from inventories instead of revenues under previous standard**
- **2017 accounts have been restated for comparability purposes**
 - **The 1H17 EBIT impact was €(5.4)m – i.e. a restated 1H17 EBIT of €(22.4)m**
 - **The FY EBIT impact is €(10.3)m – i.e. a restated FY EBIT of €(33.3)m**

LTM Free Cash Flow

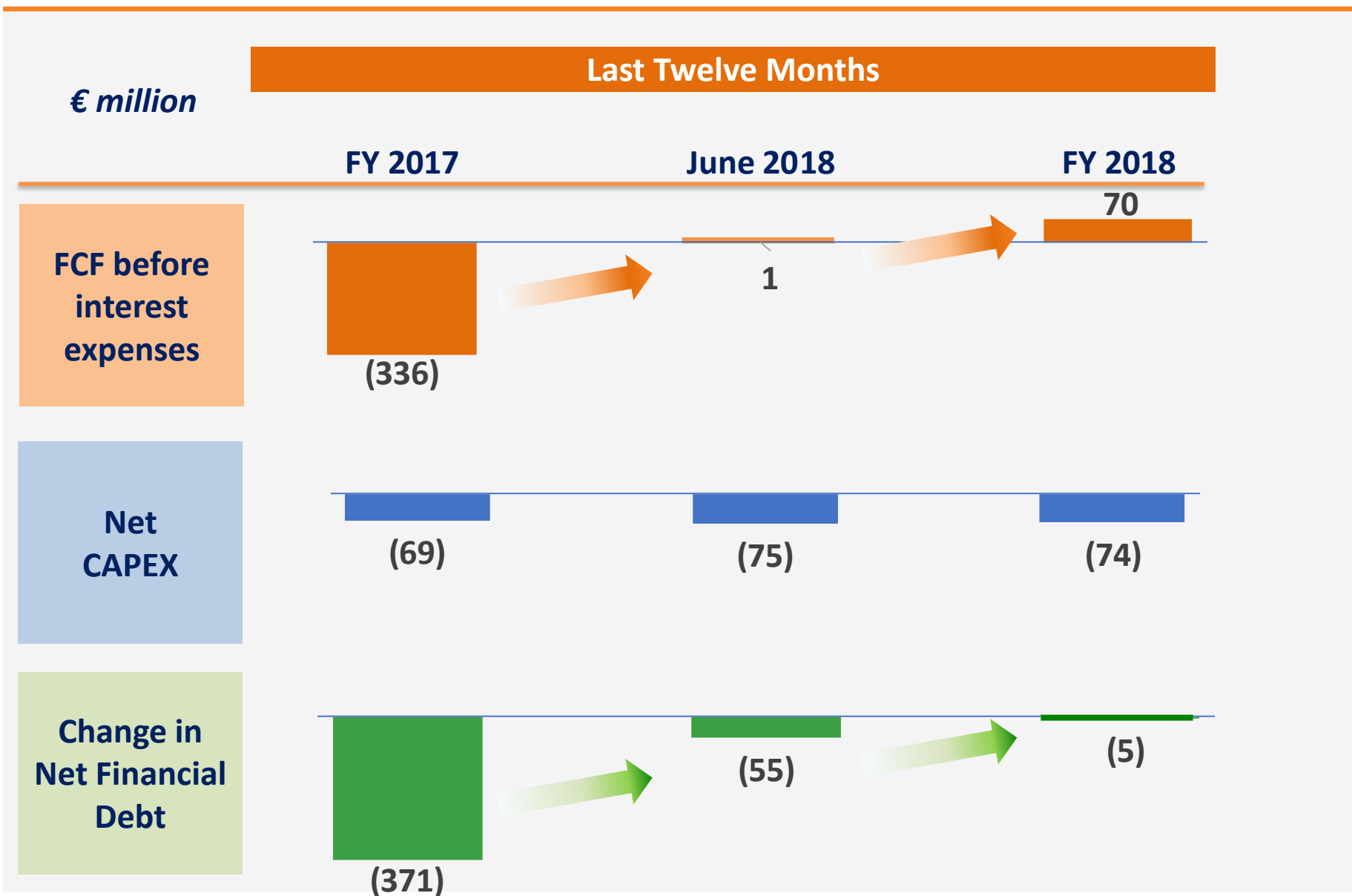
(€ million, twelve months)



- Net cash from cont. activities before financial expenses reached a solid +€70m and remains one of the key achievement of 2018 (+€406 million improvement vs 2017)
- Net capex of €(74) million aligned with last year level with a focus on enhancing the customer experience on- and off-line

FY 2018 Commercial & Financial Performance

Continued Improvement in Cash Flow





Full Year 2018 Business Highlights & Strategic Update



Full Year 2018 Commercial & Financial Performance



Outlook

1
*Pursuing
customer
experience
improvement*

- Significant increase in **CDAV express delivery eligible SKUs**
- Acceleration of **B2B2C services** to cover even more customers needs
- Rolling out of **Cdiscount showrooms** in Géant

2
*Focusing on
profitable
growth*

- Expected increase in the **marketplace** total growth contribution
- Raise in **monetization** revenues
- Expansion of **commission-based B2B2C services** revenues

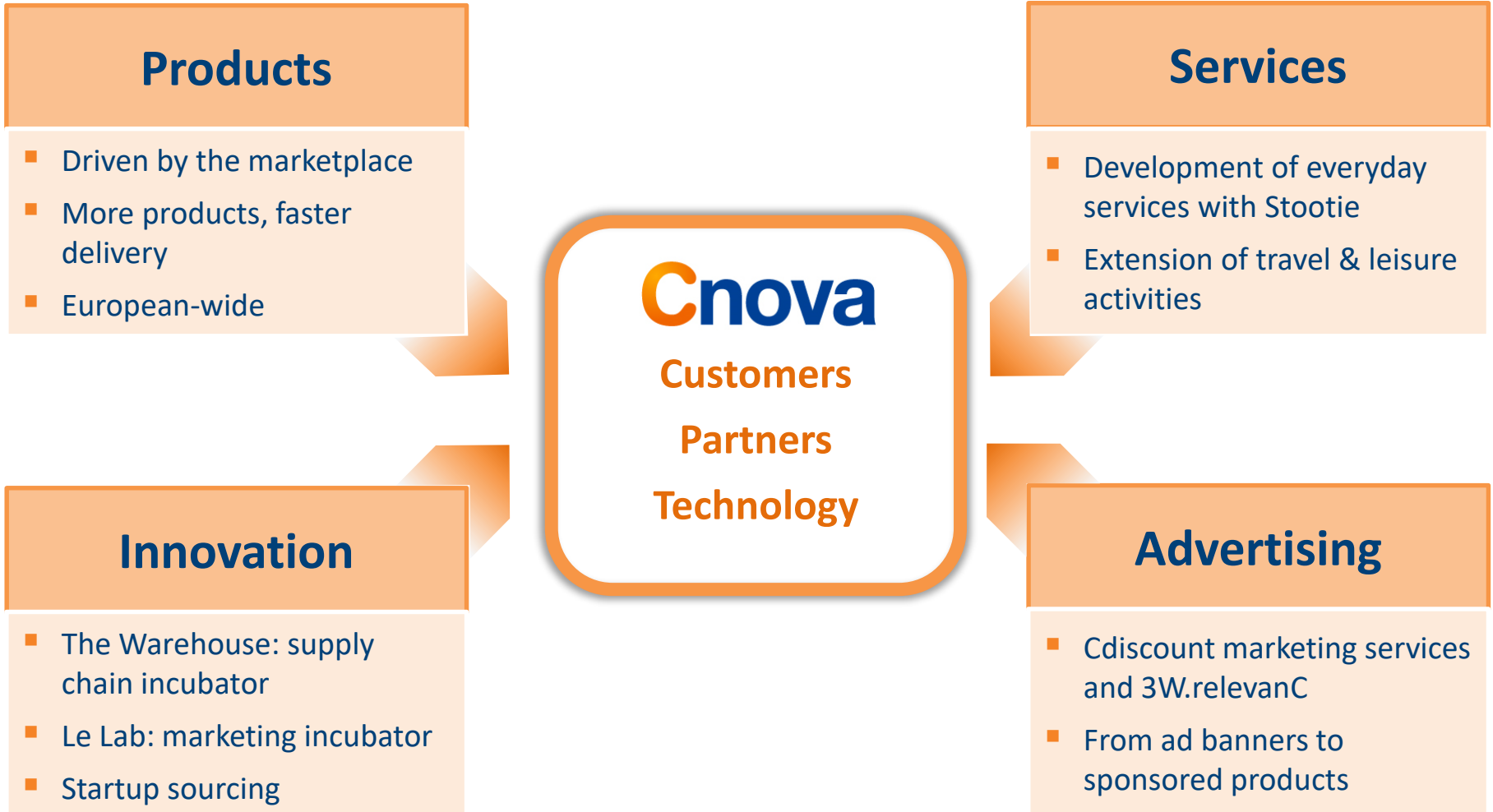
GMV

EBITDA

2019 and coming
years
GUIDANCE

**Accelerated
Growth**

**Strong
improvement**





Thank you for your attention!