

## CNOVA N.V. Full Year 2019 Activity

AMSTERDAM – January 15, 2020, 07:45 CET — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter and year ended December 31, 2019.

- **GMV: 3.9 billion euros, +9.1% organic growth<sup>1</sup>**
  - Driven by marketplace (+3.9 pts), B2C services (+3.4 pts) and showrooms (+2.4 pts)
- **Marketplace of products: 1.3 billion euros growing fast (+12.1%)**
  - Growing FY19 marketplace GMV share: 38.1% (+3.7 pts)<sup>2</sup>
  - *Fulfillment by Cdiscount*: tremendous +63% growth, 31.2% marketplace GMV share (+10 pts)
- **Marketplace of services: x3.4 GMV vs 2018**
  - Travel: x10 GMV y-o-y, launch of a 15k-offer holiday packages marketplace, partnership with Disneyland
  - Strong +86% Cdiscount Energy GMV development
  - Launch of 3 new services
- **Expansion of the international platform**
  - +85% 4<sup>th</sup> quarter y-o-y GMV growth
  - 25 European countries delivered, 47 websites connected (+44 vs end 2018)
  - Launch of IMN, an international network of shared vendors among 4 European marketplaces
- **More traffic and customers driven by mobile and loyalty**
  - Traffic: #2 with more than 20m Unique Monthly Visitors and a 70% mobile share
  - 9.2 million active customers with an increasing mobile share: 50% share of GMV (+5.5 pts)
  - More than 2 million *Cdiscount à Volonté* members: 2019 GMV share reaching 35.8% (+1.7 pts)
- **Profitability improvement expected in line with full-year target**

Emmanuel Grenier, Cnova CEO, commented:

*“In 2019, Cnova maintained a high GMV growth above 9% driven by 3 main pillars: the sustained acceleration of our marketplace business throughout the year, the success of B2C services especially travel, and European expansion.*

*First, and this acts as a key profitability lever, the double-digit growth of our marketplace was driven by the third-party assortment eligible to express delivery, from tens of thousands last year to more than 1 million at year end : Fulfillment by Cdiscount’s fast-expanding share of GMV was indeed completed in 2019 through an Express Seller program allowing our best merchants to access CDAV customers. Those successes in turn acted as an underlying growth driver for our expanding CDAV loyalty program.*

*Second and third, we captured additional growth outside our historical perimeter through the success of our travel offer driven by holiday packages and the acceleration of international sales after its launch in 2018. Both of these pillars are expected to strongly support our 2020 growth.*

*We also invested in our brand to reinforce our position as the leading French e-merchant, scaling up our brand awareness.*

*Lastly, we continued to roll-out our vision as a platform capturing additional value across all our assets (clients, sellers, logistics and technology) enabling us to generate significant and sustainable profitability improvement.”*

<sup>1</sup> Organic growth: figures include showroom sales and services but exclude (i) technical goods and home category sales made in Casino Group’s hypermarkets and supermarkets (total exclusion impact of +3.1 pts on GMV growth) (ii) 1001Pneus for the first 9 months of 2019 (-1.0 pt)

<sup>2</sup> Marketplace GMV shares have been adjusted to take into account coupons and warranties and exclude CDAV subscription fees. 2018 GMV share has therefore been adjusted by +0.1 pt for comparison purposes

#### 4<sup>th</sup> Quarter and Full year 2019 Highlights

<i>GMV</i>	<b>4Q19</b>	<b>FY19</b>
<b>Organic Growth</b>	+6.5%	+9.1%

**Organic GMV** (gross merchandise volume) posted a +9.1% increase in 2019 of which +6.5% in the 4<sup>th</sup> quarter. On a yearly basis, the main contributors to GMV growth were: the marketplace (+3.9 pts contribution), B2C services such as travel and energy (+3.4 pts), and Géant showrooms (+2.4 pts). The 4<sup>th</sup> quarter was marked by a record-breaking Black Friday which brought c. €73m GMV in 1 day (+27% vs 2018) with strong performances of travel and energy offerings but also by a no-hit video games market, which significantly impacted Cdiscount's yearly and quarterly performance (-3.4 pts negative growth impact in the 4<sup>th</sup> quarter and -1.6 pt over the year).

<i>Marketplace</i>	<b>4Q19</b>	<b>FY19</b>
<b>Marketplace total GMV share<sup>3</sup></b>	37.3%	38.1%
<b>Marketplace GMV share evolution</b>	+4.5 pts	+3.7 pts
<b>FFM marketplace GMV share</b>	+12.6 pts	+9.8 pts

**The marketplace of products** accelerated in 2019 and stands as one of Cdiscount's profitable growth main drivers. Marketplace GMV share increased to 38.1% in 2019, +3.7 points year-on-year (37.3% in 4Q19, +4.5 pts). The marketplace GMV fulfilled by Cdiscount experienced a very solid +63% growth and its marketplace GMV share grew by +9.8 points compared to the previous year to reach 31%. *Fulfillment by Cdiscount* is a key factor driving marketplace quality and customer satisfaction and contributes to CDAV expansion by adding express delivery SKUs to the loyalty program.

<i>Net sales</i>	<b>4Q19</b>	<b>FY19</b>
<b>Organic growth</b>	+0.1%	+3.5%

**Net sales** amounted to €2.2 billion in 2019, a +3.5% organic growth compared to the same period in 2018, driven by marketplace commissions, fast-growing travel sales and showrooms. The slow-down of net sales growth pace illustrates the acceleration in 2019 of the shift towards a profitable platform model and commission-based revenues, while GMV continued to post a high growth rate.

<i>Traffic</i>	<b>4Q19</b>	<b>FY19</b>
<b>Mobile traffic growth</b>	+9.2%	+15.9%
<b>Mobile traffic share</b>	+5.2 pts	+6.2 pts
<b>Mobile GMV share</b>	+6.5 pts	+5.5 pts

**Traffic** at Cdiscount totaled 1.0 billion visits in 2019. Mobile traffic grew by +16%, representing 71% share of total traffic (+6.2 points) and 49.5% of the GMV (+5.5 points). In terms of Unique Monthly Visitors (UMV), Cdiscount was #2 in average over the year with around 20m UMV and a +25% growth on mobile, the 2<sup>nd</sup> highest growth among the top 9 players<sup>4</sup> in France.

<sup>3</sup> Marketplace GMV shares have been adjusted to take into account coupons and warranties and exclude CDAV subscription fees. 2018 GMV share has therefore been adjusted by +0.1pt for comparison purposes and 4Q18 by -0.1 pt.

<sup>4</sup> Latest Mediametrie Study (September 2019)

CDAV	4Q19	FY19
CDAV subscriber base growth <sup>5</sup>		+10%
CDAV GMV share	+0.7 pts	+1.7 pts

**Cdiscount à Volonté** (“CDAV”)’s subscriber base grew by +10% and reached 35.8% of GMV in 2019. Its more than 2 million member base now has access to more than 1.2 million express delivery eligible SKUs, x3 compared to last year.

### 2019 Key Business Highlights

#### Acceleration in the marketplace of products

- The marketplace gained **+3.7 points in total GMV share** to reach 38.1% in 2019.
- The number of available SKUs strongly increased by +34% to reach 64 million at the end of the year.
- **Expansion of express delivery eligible marketplace SKUs** is a key driver of growth, customer satisfaction and CDAV development, making it a priority throughout 2019.
  - **Fulfillment by Cdiscount** kept growing fast with a +63% GMV increase, now representing close to a third of marketplace GMV, +10 points compared to last year.
  - A new marketplace service was launched in 2019, **Express Seller**, for sellers able to offer express delivery to access CDAV customers. This option added more than 850k SKUs to the express delivery offer in 2019.
- **Marketplace vendor value-added services** revenues experienced a strong +56% growth, driven by Premium Packs and the Marketing services offer’ solid performance.

#### B2C services: growing fast and widening its offer

- **Cdiscount Voyages** (travel) significantly contributed to Cdiscount growth for its first full year of activity, supported by a strong GMV acceleration with a +49% growth between the two semesters ending with a full year GMV 10 times higher than in 2018. This achievement was supported by the launch mid-May of a marketplace of holiday packages which already encompasses more than 15,000 offers and in particular a very successful partnership with Disneyland Paris and many prominent tour operators.
- **Cdiscount Energie** (home energy) showed a strong +86% GMV performance in 2019, supported by a +63% subscriber base increase. In addition, a new gas offer was launched in December, experiencing a promising start.
- **Cdiscount Billetterie** (ticketing) performed well for its first full year of activity, with strong partnerships signed such as Billetrédu, Ticketmaster and Funbooker, pushing forward the offer expansion. It accelerated throughout the year with a 4<sup>th</sup> quarter peak, x3.4 GMV vs the previous quarter (Q3, 2019).
- **Cdiscount Mobile** (cell phone plans) reached a record-high in 2019, ending with x2 customers compared to end 2018.
- Launch of **Cdiscount Immobilier** (real estate) in November, a 20k new property offer platform.

#### CDAV loyalty program enhancement

- **CDAV customer loyalty program** is a key driver of Cdiscount growth, representing around 36% of its GMV in 2019, +1.7 pt compared to the year before. It experienced a 10% growth to go over 2 million members. Efforts were primarily focused on expanding CDAV-eligible products, now encompassing more than 1.2 million SKUs, driven by the fast delivery options proposed to marketplace sellers: *Fulfillment by Cdiscount* and the *Express Seller* program launched in the 3<sup>rd</sup> quarter.

<sup>5</sup> Subscriber base on 31/12/2019

### Brand reinforcement

- Cdiscount strengthened its efforts on reinforcing its brand, leading to a **+7 pts unaided awareness** gain over the year, reducing the gap with the leader in France<sup>6</sup>.
- 2019 was marked by a 17-days TV campaign in partnership with Disney on the Aladdin movie in May, which campaign was seen by 29m people, following another strong media campaign for Cdiscount Voyages in April. Moreover, an advertising with Lenovo was broadcasted on TV (and replay) during 2 weeks on 15 channels, boosting November computer sales.
- Brand reinforcement along with optimized online marketing acquisition led to growing Unique Monthly Visitors traffic (+25% on mobile) and a **#2 position** according to Médiamétrie studies.

### Multichannel strategy

- Cdiscount continued to develop **synergies with Casino Group**, with the opening of 5 showrooms in Franprix stores around Paris. Franprix started to display monthly discounts on a selection of Cdiscount non-food and wine offers in its stores.
- Opening of **La Nouvelle Cave**, a 130 sqm wine cellar innovative concept store in Paris, combining proximity and technology with human and digital advice. Added to the 650 in-store SKUs, 7,000 Cdiscount SKUs are available through tablets. This store is a joint-venture between Group Casino and Cdiscount.

### International platform acceleration driven by new initiatives

- 47 websites are directly connected as of the end December 2019, +44 compared to end of 2018, enabling delivery in 25 countries with more than 670k products published.
- In its first full year, international sales showed promising performances and strongly accelerated throughout the year, with a 4<sup>th</sup> quarter 2019 GMV 85% higher than the year before.
- Creation of the **International Marketplace Network** (IMN) in September 2019, an alliance of 4 marketplaces leaders in Europe (Cdiscount, real.de, eMAG and ePrice). Addressing a potential +230 million consumers, IMN offers sellers a single, simplified European seller interface and is expected to contribute to significantly increase SKUs available for Cdiscount customers with the potential of doubling the number of sellers registered on its marketplace. The technology behind IMN was developed by Beezup, a startup acquired by Cdiscount in 2018. Hundreds of sellers already joined the alliance.

### Commitment to responsible logistics innovation

- **Agrikolis**, Cdiscount's rural farming pickup points exclusive partnership, extended its network by 28 farms compared to the previous quarter to reach 83, with more scheduled to roll-out in 2020. In addition to better delivering in isolated areas, Agrikolis generates complementary revenues for farmers and strongly contributes to improve customer satisfaction by fostering genuine social bonds.
- Introduction of 80 assisted trolleys in Cdiscount's warehouses, built by **EzWheel**, a startup part of The Warehouse, Cdiscount's logistics incubator along with Agrikolis. EzWheel's autonomous electric wheels enable employees to push trolleys without any effort, contributing to significantly reduce work drudgery.
- Cdiscount is the first player in France to roll-out a new generation **3D packing machine**, twice as fast as the previous one. It brings the number of 3D packing machine used by Cdiscount to 5. 80% of light parcels were packed without any void in 2019.
- Cdiscount's supply chain won the **LSA magazine award** in the category "development of the distributor environmental responsibility" and the 2<sup>nd</sup> place of the FEVAD's CSR trophy, for its actions aiming at reducing carbon emissions via packaging reduction and supply chain optimizations.

<sup>6</sup> According to the latest ResponDi study

## Fourth Quarter Activity

Cnova N.V.	Fourth Quarter <sup>(1)</sup>		Change	
	2019	2018	Reported <sup>(1)(2)</sup>	Organic <sup>(3)</sup>
<b>GMV<sup>(4)</sup> (€ millions)</b>	<b>1,201.6</b>	<b>1,160.3</b>	+3.6%	+6.5%
Marketplace share <sup>(5)</sup>	37.3%	32.8%	+4.5 pts	
Mobile share	52.4%	45.9%	+6.5 pts	
CDAV share	35.6%	34.9%	+0.7 pts	
<b>Net sales (€ millions)</b>	<b>677.2</b>	<b>702.5</b>	-3.6%	+0.1%
<b>Traffic (visits in millions)</b>	<b>285.1</b>	<b>281.2</b>	+1.4%	
Mobile share	72.1%	66.9%	+5.2 pts	
<b>Active customers<sup>(6)</sup> (millions)</b>	<b>9.2</b>	<b>8.9</b>	+3.1%	
<b>Orders<sup>(7)</sup> (millions)</b>	<b>7.8</b>	<b>8.1</b>	-4.7%	

## Full Year Activity

Cnova N.V.	Full year <sup>(1)</sup>		Change	
	2019	2018	Reported <sup>(1)(2)</sup>	Organic <sup>(3)</sup>
<b>GMV<sup>(4)</sup> (€ millions)</b>	<b>3,899.2</b>	<b>3,645.7</b>	+7.0%	+9.1%
Marketplace share <sup>(5)</sup>	38.1%	34.4%	+3.7 pts	
Mobile share	49.5%	44.0%	+5.5 pts	
CDAV share	35.8%	34.1%	+1.7 pts	
<b>Net sales (€ millions)</b>	<b>2,194.9</b>	<b>2,174.3</b>	+0.9%	+3.5%
<b>Traffic (visits in millions)</b>	<b>1,021.2</b>	<b>964.4</b>	+5.9%	
Mobile share	71.3%	65.1%	+6.2 pts	
<b>Active customers<sup>(6)</sup> (millions)</b>	<b>9.2</b>	<b>8.9</b>	+3.1%	
<b>Orders<sup>(7)</sup> (millions)</b>	<b>26.6</b>	<b>26.9</b>	-1.2%	

- 1) All figures are unaudited
- 2) Reported figures present all revenue generated by Cdiscount, including the technical goods sales realized in Casino Group's hypermarkets and supermarkets
- 3) Organic growth: figures exclude (i) sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact in 2019: +3.1 pts and +4.0 pts, respectively, on GMV and net sales growth ; in 4Q19: +2.9 pts and +3.7 pts, respectively, on GMV and net sales growth), and (ii) first 9 months of 1001Pneus acquired at the beginning of 4Q18 (total exclusion impact in 2019: -1.0 pt and -1.4 pt on GMV and net sales growth ; included in 4Q19 organic growth) but take into account showroom sales
- 4) GMV (gross merchandise volume) is defined as: all taxes included, product sales + other revenue + marketplace business volumes (calculated based on approved and sent orders) + GMV services
- 5) Marketplace GMV shares have been adjusted to take into account coupons and warranties and exclude CDAV subscription fees. 2018 GMV share has therefore been adjusted by +0.1pt for comparison purposes and 4Q18 by -0.1 pt
- 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

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**About Cnova N.V.**

*Cnova N.V., one of the leading e-Commerce companies in France, serves 9.2 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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**Cnova Investor Relations Contact:**

[investor@cnovagroup.com](mailto:investor@cnovagroup.com)

**Media contact:**

[directiondelacommunication@cdiscout.com](mailto:directiondelacommunication@cdiscout.com)

Tel: +33 5 56 30 07 14