

## CNOVA N.V. First quarter 2020 Activity

AMSTERDAM – April 17, 2020, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter ended March 31, 2020.

### Company is fully secured and operational with a solid current trading

- **Company is fully operational while ensuring utmost safety for all employees**
  - Fully operational and secured: 100% of headquarters homeworking and all 10 warehouses are running
  - Strict sanitary measures in all warehouses: social distancing, masks, disinfection, temperature check
- **Swift initiatives to meet new client needs in terms of delivery and product offerings**
  - Product offer focused on essentials: teleworking equipment, home leisure, personal care and daily shop<sup>1</sup>
  - Priority to home delivery: free shipping for all clients from €50 basket, for CDAV clients from €10 basket
- **Solid current trading: fast-growing GMV & a more profitable model through a strong growth of the marketplace and categories with better margins**
  - Over the last 4 weeks: +25% GMV growth driven by direct sales (+14%) and marketplace (+40%)<sup>2</sup>
    - Increasing marketplace GMV share: 47.5% (+5.1 pts vs LY)<sup>3</sup>
    - Direct sales margin increase: +5.5 pts vs LY<sup>4</sup>
    - Items sold growth: +44.4% vs LY<sup>2</sup>
  - All KPIs are accelerating since beginning of April confirming the trend
  - April to date: +35% GMV growth driven by direct sales (+15%) and marketplace (+63%)<sup>2</sup>
    - Increasing marketplace GMV share: 51.4% (+8.6 pts vs LY)<sup>3</sup>
    - Direct sales margin increase: +9.5 pts vs LY<sup>4</sup>
    - Items sold growth: +49.7% vs LY<sup>2</sup>
- **Solidarity: lead supplier for masks and helping proximity stores through marketplace**
  - Supplying masks to public institutions and SMEs: planned delivery of 10m, dedicated website launched
  - Donation of 60,000 masks to medical institutions, tablets and PCs for confined patients
  - Helping French SMEs: simplified marketplace enrolment and 6-month free subscription

### First quarter 2020 highlights

- **GMV: 900 million euros, back to growth in early March, stable over the quarter<sup>5</sup>**
  - Growth rebound in early March after a challenging start with weak winter sales (2 weeks shorter)
- **Fast growing marketplace share in GMV driven by Fulfillment by Cdiscount**
  - Growing marketplace GMV share: 38.3% (+2.4 pts)
  - Fulfillment by Cdiscount: +30% growth, +6.3 pts marketplace GMV share
- **Marketplace of services: x2.4 GMV the first 2 months**
  - Very dynamic travel before Covid-19 impacts: x3.3 GMV for the first 2 months
  - Strong +50% Cdiscount Energy GMV growth in 1Q20, with now more than 100,000 clients
- **Expansion of international sales: +57% GMV growth**
  - 73 websites connected (+26 vs end 2019), 25 European countries delivered

<sup>1</sup> Daily shop categories encompass non-perishable grocery items, personal & beauty care, childcare, home cleaning and pet products

<sup>2</sup> Based on placed products GMV (direct sales + marketplace): over the last 4 weeks and since April start as of 15/04/2020

<sup>3</sup> Over last 4 weeks and since April start as of 15/04/2020, based on placed orders reflecting latest trend unlike 1Q20 figures based on shipped orders

<sup>4</sup> Over last 4 weeks and since April start as of 15/04/2020, direct sales margin based on placed merchandise volume after purchasing costs

<sup>5</sup> +0.0% organic growth: figures include showroom sales and services but exclude technical goods and home category sales made in Casino Group's hypermarkets and supermarkets (total exclusion impact of +0.7 pts on GMV growth)

Emmanuel Grenier, Cnova CEO, commented:

*“In the face of the Covid-19 outbreak, our focus was to keep the activity going and to serve our clients guaranteeing a high service quality while respecting the strictest measures to ensure maximum safety for our employees.*

*First, our employee’s safety was indeed our top priority: all our headquarters’ staff is working from home from day one and our 10 warehouses are still running under strict sanitary measures of distancing, disinfecting and protecting. The company is therefore both secured and fully operational.*

*Second, we implemented an effective action plan to serve the French population. Regarding delivery, we switched 95% of our orders to home delivery and made it free for all our clients<sup>6</sup> from day one. Regarding products, we prioritized our offer on essential products to meet our customers’ soaring demand: teleworking equipment, home leisure, personal care and daily shop. In addition, we strived to maintain by all means our customer service to continuously inform and satisfy our clients.*

*Third, we are strongly committed to helping our partners and French SMEs. Our marketplace has been offering free subscription and storage for the first 6 months as well as simplified enrolment for our new sellers, to sustain growth and maintain our quality standard. In addition, as a lead provider, we already planned to deliver 10 million masks to public institutions and SMEs and launched a dedicated website for that matter.*

*To conclude, in the short term, we are confident in our capacity to successfully handle this outbreak in a socially responsible manner and are comforted by our well oriented key indicators in the long term: acceleration of new clients recruitment, margin improvement as marketplace GMV share keeps increasing, and expansion of international sales.”*

### **Focus on Covid-19 business impacts and action plan**

The 1<sup>st</sup> quarter of 2020 was marked by the worldwide **Covid-19 pandemic** with France being among the most affected countries. It led to strong measures from the French government: physical stores were shut down from March 15, followed by strict containment measures for the population from March 16. Cnova quickly reacted with an action plan across human resources, business segments, logistics and customer service.

Regarding **human resources**, Cnova activated its Business Continuity Plan on March 16 putting employees’ safety first:

- Headquarter employees are fully secured and operational thanks to their anticipated equipment for remote work: they now all work from home and all offices have been closed from day one.
- All 10 warehouses are still running, under very strict sanitary measures of distancing (1-meter distance between employees, floor marks), disinfecting (mandatory disinfection of trolleys after each shift) and protection (mandatory use of gloves, hydroalcoholic gel and masks), in addition to regular temperature checks. A dedicated team was put in charge of ensuring all these measures are complied with in all warehouses.

Regarding **business segments**, Cnova experienced an overall growth acceleration following Covid-19 measures, with significant changes in its revenue streams mix quickly followed by effective actions to provide the population with essential products:

- **Products:** Over the last 4 weeks, placed merchandise GMV showed a strong +25% acceleration and +35% in April to date<sup>7</sup>, with significant evolution in the product mix, in favor of teleworking equipment, home leisure, personal care and daily shop.
- **Marketplace:** Strong acceleration of the marketplace share with 51.4% GMV share in April to date<sup>8</sup>, +8.6 pts vs last year. To ensure a sustained level of service for our customers, dedicated teams have been closely monitoring each seller’s KPIs. To help proximity sales, for closed physical shops, a simplified enrolment and product integration was implemented in addition to free subscription and fulfillment storage for the first 6 months.

<sup>6</sup> From €50 basket for non-CDAV clients and from €10 for CDAV customers

<sup>7</sup> Based on placed products GMV (direct sales + marketplace): over the last 4 weeks and since April start as of 15/04/2020

<sup>8</sup> Since April start as of 15/04/2020, based on placed orders reflecting latest trend unlike 1Q20 figures based on shipped orders

- **Services:** after a very strong growth during the first two months, Covid-19 put a stop on travel and ticketing sales as a consequence of borders closing and containment measures. A dedicated customer relation team was tasked with supporting our partners to handle the increase in customer requests.

Regarding **Logistics and customer service**, Cnova had to adapt to a constantly evolving situation to keep providing the best customer experience possible:

- **Free home delivery<sup>9</sup>** to keep delivering our customers for free despite containment and the closing of 83% of pickup points. Home delivery currently represents close to 95% of all deliveries, +47 points compared to usual average.
- Massive **transfer of orders to express carriers** to deliver faster to our clients, who might have a quick need for essential products. In addition to its 2 historical express carriers, Chronopost and TNT, Cnova increased its capacity by adding a new standard delivery carrier, DPD.
- Customer service remained a priority concern during the crisis. **Cnova reinforced its dedicated staff by +30%** to bring quick answers to increasing customer questions. In addition, Cnova took strong measures to face an unprecedented situation and give complete satisfaction to its customers: immediate reimbursement of products blocked in pickup points, a large extension of the return period and increased communication at each customer journey step.

Finally, as a responsible and socially committed company, Cnova was willing to contribute to the **actions against COVID**

- **Solidarity:** by donating 60,000 masks to hospitals as well as computers and tablets for confined patients and isolated people.
- **Support to SMEs:** first, by helping physical stores to sell online on our marketplace at preferential conditions with a focus on local sales and second, by being at the forefront of providing them with masks through a dedicated website.
- **Support to public institutions:** by using our supply chain and logistics expertise to deliver more than 6 million masks to public servants (police, garbage collectors, ...).

Overall, Cnova presents **a more profitable model** supported by a strong growth of direct sales and marketplace and categories with better margins:

- Over the last 4 weeks: +25% GMV growth driven by direct sales (+14%) and marketplace (+40%)<sup>10</sup>
  - Increasing marketplace GMV share: 47.5% (+5.1 pts vs LY)<sup>11</sup>
  - Direct sales margin increase: +5.5 pts vs LY<sup>12</sup>
  - Items sold increase: +44.4% growth vs LY<sup>10</sup>
- All KPIs are accelerating since beginning of April confirming the trend
- April to date: +35% GMV growth driven by direct sales (+15%) and marketplace (+63%)<sup>10</sup>
  - Increasing marketplace GMV share: 51.4% (+8.6 pts vs LY)<sup>11</sup>
  - Direct sales margin increase: +9.5 pts vs LY<sup>12</sup>
  - Items sold increase: +49.7% growth vs LY<sup>10</sup>

<sup>9</sup> From €50 basket for non-CDAV clients and from €10 for CDAV clients

<sup>10</sup> Based on placed products GMV (direct sales + marketplace): over the last 4 weeks and since April start as of 15/04/2020

<sup>11</sup> Over last 4 weeks and since April start as of 15/04/2020, based on placed orders reflecting latest trend unlike 1Q20 figures based on shipped orders

<sup>12</sup> Over last 4 weeks and since April start as of 15/04/2020, direct sales margin based on placed merchandise volume after purchasing costs

**1<sup>st</sup> Quarter 2020 Highlights**

<i>GMV</i>	<b>1Q20</b>
<b>Organic Growth</b>	+0.0%

**Organic GMV** (gross merchandise volume) was stable in the 1<sup>st</sup> quarter of 2020, with three distinct phases.

First phase. The beginning of the quarter was affected by sluggish winter sales on the market, reduced by two weeks. In addition, Covid-19 pandemic started impacting Asia, putting many of our Chinese sellers out of business, impacting our marketplace.

Second phase. Cnova reacted by implementing an effective commercial action plan with reinforced media campaigns, daily deals and dedicated operations for our CDAV members as well as personalized offers for our currently inactive customers. Those efforts bore fruits with a growth restart from the beginning of March.

Third phase. Acceleration of product sales from mid-march : strong +25% GMV growth during containment<sup>13</sup> along with with +44% items sold, with particularly good performance of teleworking equipment (IT: +92% growth), home leisure (video games at +176% growth, toys at +114%) and dailyshop (+105% growth). On the other hand, our B2C services were negatively impacted with travel and ticketing sales gradually reaching 0 in March.

<i>Marketplace</i>	<b>1Q20</b>
<b>Marketplace total GMV share</b>	38.3%
<b>Marketplace GMV share evolution</b>	+2.4 pts
<b>FFM marketplace GMV share</b>	+6.3 pts

**The marketplace of products** key indicators were again well-oriented in the 1<sup>st</sup> quarter of 2020. Marketplace GMV share increased to 38.3%, +2.4 points year-on-year. The marketplace GMV fulfilled by Cdiscount increased by 30% and its marketplace GMV share grew by +6.3 points.

During the first two months, the marketplace was impacted by the multiplied number of sellers going on vacation mode or delaying their expeditions following Covid-19 containment measures, first in China as soon as January and then in Europe. But since the beginning of March, the marketplace experienced a strong rebound both in terms of growth and GMV share.

<i>Net sales</i>	<b>1Q20</b>
<b>Organic growth</b>	-5.7%

**Net sales** amounted to €493 million in the first quarter of 2020, a -5.7% decline compared to the same period in 2019. It was widely affected by structural market factors such as anticipated purchases during Black Friday and reduced winter sales period, as well as our continued profitable strategy regarding the shift of product sales towards commission-based revenues.

<sup>13</sup> Based on placed products GMV (direct sales + marketplace): over the last 4 weeks as of 15/04/2020

Traffic	1Q20
<b>Mobile traffic growth</b>	+2.1%
<b>Mobile traffic share</b>	+3.8 pts
<b>Mobile GMV share</b>	+5.8 pts

**Traffic** at Cdiscount totaled 247 million visits in the 1<sup>st</sup> quarter of 2020. Mobile traffic grew by +2.1%, representing 72% share of total traffic (+3.8 points) and 51.3% of the GMV (+5.8 points). In terms of Unique Monthly Visitors (UMV), Cdiscount was #2 in average over the quarter with around 21m UMV and a +13% growth on mobile<sup>14</sup>. The end of March showed a strong boost with +9.2% overall traffic<sup>15</sup>.

CDAV	1Q20
<b>CDAV subscriber base growth<sup>16</sup></b>	+12%
<b>CDAV GMV share<sup>17</sup></b>	+0.3 pt

**Cdiscount à Volonté** (“CDAV”)’s subscriber base grew by +12% and reached 40.9% of GMV in the 1<sup>st</sup> quarter of 2020 (+0.3 pt). Its more than 2-million-member base now has access to 1.4 million express delivery SKUs, x5 compared to last year.

**Other Business Highlights**

**Marketplace of products indicators well-oriented**

- The marketplace gained **+2.4 points in total GMV share** to reach 38.3% in the 1<sup>st</sup> quarter of 2020.
- The number of available SKUs strongly increased by +41% to reach 73 million at the end of March 2020.
- **Expansion of express delivery eligible marketplace SKUs** is a key driver of growth, customer satisfaction and CDAV development.
  - **Fulfillment by Cdiscount** kept growing fast with a +30% GMV increase, +6.3 points compared to last year.
  - **Express Seller**, launched in 2019 for sellers able to offer express delivery to access CDAV customers, extended its offering by 33% compared to the previous quarter, to reach 1.1 million SKUs.
- **Marketplace vendor value-added services** revenues experienced a strong +88% growth, driven by Premium Packs and Marketing services solid performances.

**B2C services: growing fast despite a heavy Covid-19 slow-down at the end of the quarter**

- **Cdiscount Voyages (travel)** kept growing fast, achieving a strong x3.3 GMV growth before Covid-19 impacts (January and February). These performances were then widely affected by Covid-19 following containment measures spreading all around the World, with a close to 0 GMV in the last week of March. Overall, it managed to reach a solid x2.2 GMV growth.
- **Cdiscount Energie** (home energy) grew by +50% in the 1<sup>st</sup> quarter of 2020, supported by a subscription pace that more than doubled compared to last year, to reach more than 100,000 customers at the end of March.
- **Cdiscount Billetterie** (ticketing) experienced a significant acceleration, with a x11 GMV growth despite an important Covid-19 negative impact on March’s activity with all French events cancelled from 16<sup>th</sup> March.

<sup>14</sup> Latest Mediametrie study (February)

<sup>15</sup> From 16/03 to 29/03

<sup>16</sup> Subscriber base on 31/03/2020

<sup>17</sup> CDAV GMV share calculation changed compared to last publication. Formula is now calculated as (CDAV GMV – CDAV renewal GMV) / (Global GMV - CDAV renewal GMV)

- **Cdiscount Mobile** (cell phone plans) activity performed well this quarter with a doubling GMV and a +70% customer base growth.

#### **CDAV loyalty program enhancement**

- **CDAV customer loyalty program** is a key driver of Cnova's growth, representing around 40.9% of its GMV in the 1<sup>st</sup> quarter of 2020, +0.3 pt compared to last year. It also experienced a solid 12% growth of its subscribers compared to last year.
- The number of CDAV-eligible products soared, multiplied by 5 and now encompassing 1.4 million SKUs, driven by the strong growth of fast delivery options proposed to marketplace sellers: *Fulfillment by Cdiscount* and the *Express Seller* program launched in the 3<sup>rd</sup> quarter 2019.
- CDAV increased its customer added value with the addition to the press offer of *L'Equipe*, the leading French sport magazine (3 million readers everyday), mid-March 2020.

#### **Brand reinforcement**

- In the 1<sup>st</sup> quarter of 2020, Cdiscount extended its efforts to reinforce its brand with two new media advertising campaign on priority segments. The first one, focused on travel, was broadcast on 3 channels during 2 months. The second one, focused on Home & Garden, was broadcast as a sponsoring of two most viewed French TV shows during one month.
- It showed great results with respectively +4 points and +2 points brand awareness for Cdiscount Voyages and Cdiscount Home compared to the previous quarter, in addition to boosting traffic.

#### **International platform acceleration**

- International GMV experienced a strong +57% growth, primarily driven by a more than doubling of GMV from our international platform.
- This international platform comprised 73 directly connected websites as of March 31 2020, +26 compared to end of 2019, enabling delivery in 25 countries.

## First Quarter Activity

Cnova N.V.	First Quarter <sup>(1)</sup>		Change	
	2020	2019	Reported <sup>(1)(2)</sup>	Organic <sup>(3)</sup>
<b>GMV<sup>(4)</sup> (€ millions)</b>	<b>899.7</b>	<b>906.3</b>	-0.7%	+0.0%
Marketplace share	38.3%	35.9%	+2.4 pts	
Mobile share	51.3%	45.5%	+5.8 pts	
CDAV share	40.9%	40.6%	+0.3 pts	
<b>Net sales (€ millions)</b>	<b>493.1</b>	<b>527.0</b>	-6.4%	-5.7%
<b>Traffic (visits in millions)</b>	<b>247.2</b>	<b>255.3</b>	-3.2%	
Mobile share	72.2%	68.4%	+3.8 pts	
<b>Active customers<sup>(5)</sup> (millions)</b>	<b>9.1</b>	<b>9.1</b>	+0.9%	
<b>Orders<sup>(6)</sup> (millions)</b>	<b>6.3</b>	<b>6.6</b>	-3.9%	

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

3) Organic growth: figures include showroom sales and services but exclude technical goods and home category sales made in Casino Group's hypermarkets and supermarkets (total exclusion impact of +0.7 pts on GMV growth)

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) Active customers at the end of March having purchased at least once through Cdiscount sites and app during the previous 12 months

6) 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 9.1 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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