

Cnova First Half 2020 Activity & Financial Performance

July 23, 2020

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, 2019. 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.



2Q20 Business Highlights & Strategic Update



1H20 Commercial & Financial Performance



Outlook

Covid-19:
Cnova remained fully operational and successfully reacted to handle an increasing demand

1
Strong GMV growth

2
Accelerating marketplace

3
Dynamic client recruitment

2Q20 Total GMV
+25% growth
€1bn

2Q20 Marketplace GMV
+39% growth
+6.2 pts GMV share

2Q20 Customer base
+25% clients
25m UMV¹

1H20 EBITDA: +€30.3m² vs N-1

¹ Unique Monthly Visitors, according to latest Mediametrie study (May)
² Under IFRS16 accounting standards

Company maintained fully operational**Cnova remained fully operational, keeping employees' safety first**

- All headquarter employees have been working from home from 16/03
- All 10 warehouses have been fully operational under strict sanitary measures (temperature check)

Safety policy will be maintained as long as needed**Headquarter:
very
progressive
return**

- Gradually reopening for employees on a voluntary basis under strict measures
 - Only a fraction of overall staff can be in the offices at the same time
 - Limited access to shared areas (meetings, coffee), masks, disinfection

**Warehouses:
sanitary
measures
maintained**

- Distancing: floor marks and guidance to respect 1m space, break staggering, ...
- Disinfecting: mandatory disinfection of trolleys after each shift, ...
- Protecting: gloves, hydroalcoholic gel and masks

Cnova quickly reacted to successfully face pandemic impact

3 axes to successfully face Covid-19 impacts on the business activity

1

**Delivery
adaptation**

- Reduced the minimum basket for free home delivery to 25€
- Transferred orders to express carriers to offset the reduction of national services



2

**Customer
service quality**

- Extension of return duration
- Staff reinforcement to handle the peak in inbound calls



3

**Marketplace
enrolment**

- Implemented simplified enrolment procedures for new sellers
- Offered first 6 months of subscription & Fulfilment service for free to new sellers



2nd Quarter 2020 Strategic Update

Expanding B2C Products & Services

- Booming Product Sales
- Marketplace Acceleration
- Services Expansion

Fast-growing customer base driven by enhanced UX

- Strong Customer Growth
- Delivery Time Reduction

Developing profitable businesses

- Ramping Up B2B Offers
- International Development

Solidarity actions

- Supporting the French economy and citizens

+25% GMV growth in 2Q20 driven by accelerating product sales

Marketplace and Direct Sales contributed for 20 pts to GMV growth over the quarter

Product mix evolution towards more recurring and high margin categories

2Q20 GMV growth acceleration



Toys

+72%



Garden

+54%



DIY

+30%



Sport

+35%



IT

+29%



Small Appliance

+30%

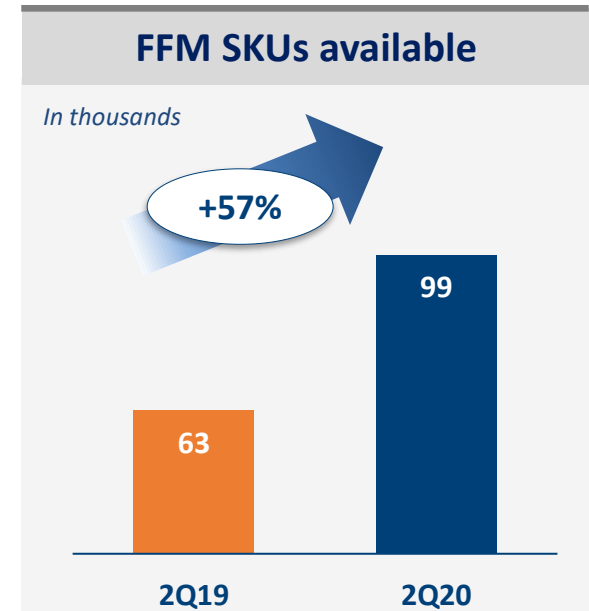
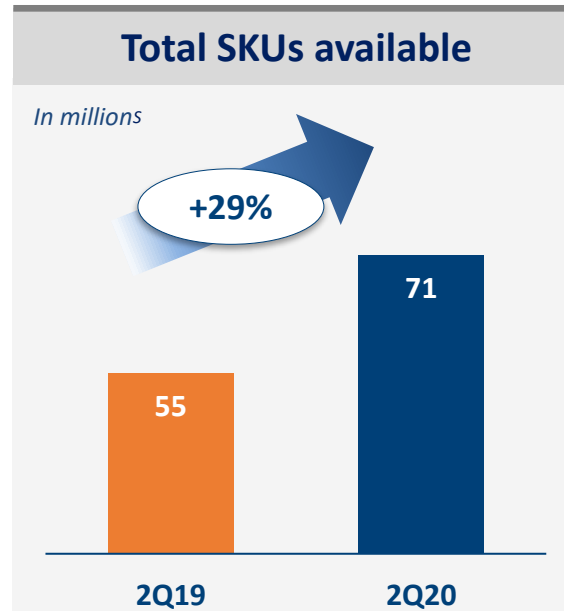
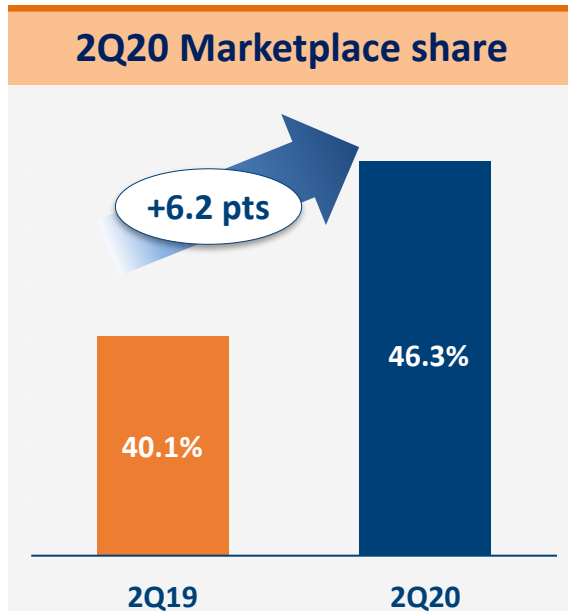
Offering expansion to meet new client's expectations

- **Circular economy: x2.5 SKUs¹** vs 1Q20
 - Launch of a dedicated refurbished tab end 2019
 - Launch of secondhand in 2Q20: clothes, gaming with EasyCash, books
- **Made in France:** creation of 6k SKUs category
- **Daily shop:** +2k SKUs from top Casino's references



1. Refurbished and second-hand products

Acceleration of the marketplace



- Dynamic marketplace GMV growth: **+39%** growth during the 2nd quarter, to reach **€393 million**
 - GMV share at **46.3%**, a strong progression of **+6.2 pts**
 - **+29%** increase in total marketplace assortment to reach **71m** SKUs
- Fulfillment by Cdiscount: **+41%** GMV growth to reach **28.1%** of GMV share
 - **100k** SKUs are now fulfilled by Cdiscount
 - Record-high sellers recruitment in June

Service expansion still dynamic in a challenging context

A fast-growing energy offer



- Launch of a 100% French and renewable energy offer
- Strong **+79%** subscriber base growth and **+57%** GMV over the quarter

Strongly impacted by Covid, travel is bouncing thanks to increased France offer




- **Strong rebound in last weeks:** x3 GMV for France trips¹ vs n-1
- Several major tour operators specialized in **French domestic** trips were added:
 - Locatour (**+380** offers), Lagrange (**+215**), VVF (**+109**), Belambra (**+85**),
 - Success of our camping offering, **+62%** in July
- Diversifying the offerings, with a new ferry offer (to Corsica)

New services launched this semester



*Exclusive online seller for
Disney+ launch in France*



*Local fresh food
delivery services*

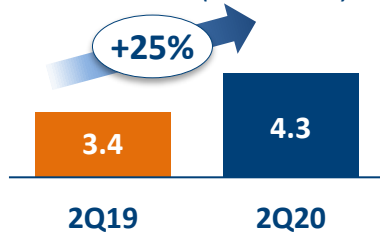


*Driving licence
with Le Permis Libre*

Customer growth driven by new, loyal clients and traffic dynamism

Strong customer growth driven by new clients

Total clients (in millions)

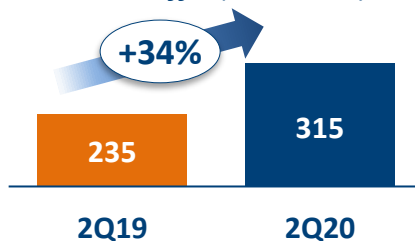


- **4.3m** clients in 2Q20: **+25%** growth
 - Of which close to **1m** new clients: **+41%** growth
- Strong re-purchase trend: **+2.6 pts** in 2Q20¹



Dynamic traffic, enhanced by SEO

Total traffic (in millions)

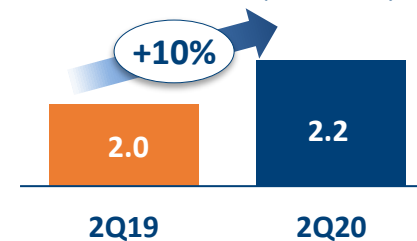


- **25m** UMV in May, **+25%** vs n-1
- **+34%** traffic in 2Q20
- **+47%** free traffic due to SEO optimization



CDAV expansion

CDAV members (in million)



- **+10%** members to reach 2.2m
- **1.3m** express delivery SKUs at end June, **+19%**
- Addition of L'*Equipe* to the press offer

Best-positioned to answer new delivery environment

Best-in class
delivery

8

large cities delivered same-day

1.3m

SKUs eligible to express delivery

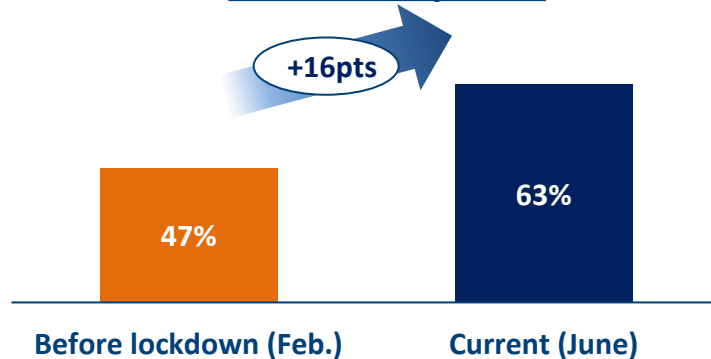
55%

of small parcels express delivered

24k

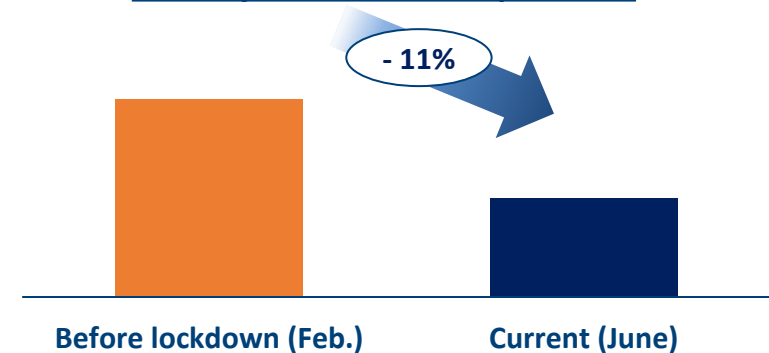
pickup points network¹

1 Shifting to home delivery

Home delivery share

- Record-high shares during lockdown
- **Free home delivery for orders >25€**
- Home delivery share at **63%** in June 2020

2 Reducing delivery times

Delivery times on small products

- **-11% delivery time** in June vs February
 - **+12 pts** of express delivery shares²
 - Reduced packing time

1. Of which 21k are now running after Covid lockdown

2. Figures only include direct and Fulfilled by Cdiscount sales

Developing our B2B monetization

B2B monetization platform: +23% in 1H20
Growing our suppliers and marketplace sellers's business

2 specialized teams



For our 1,500 suppliers



For our 12,000 sellers

An efficient digital marketing offer



Product sponsoring

- More products visibility for sellers and suppliers

Display

- Targeted ads for suppliers



Cdiscount Ads Retail Solution (CARS) launched in 1H20

- **New platform for suppliers and sellers:**
 - 100% self-managed
 - Bid to promote their products in the search engine
- Comprehensive campaigns dashboards and ROI



Acceleration of international development

A fast-growing asset-light model generating increasing revenues

Existing partnerships with European players



25 countries

88 websites connected

x2.5 vs *n-1*

x2 GMV growth in 2Q20

Supporting the French economy and citizens through COVID



Supporting the French economy

- **Maintaining French SMEs activity:** simplified marketplace enrollment and new local delivery feature
- **Lead B2B masks supplier:** **40m masks** distributed to SMEs, professionals and public institutions

The screenshot shows the Cdiscount Pro website interface. At the top, there's a navigation bar with 'Cdiscount Pro', a search bar containing 'Qu'est-ce qui vous ferait plaisir?', and links for 'Cdiscount à volonté', 'Mon compte Identifier vous', and 'Panier Pro 0 article'. Below this is a large banner for 'OPÉRATION MASQUES CHIRURGICAUX' with the text 'STOCK LIMITÉ RÉSERVÉ AUX COMMERCES ALIMENTAIRES INDÉPENDANTS (DÉTAIL ET GROS)' and a link 'voir la liste des codes NAF éligibles >'. Below the banner is a product listing for 'MASQUE CHIRURGICAL' with a price of '37€^{SOHT} le lot de 50' and a 'Commander ici' button. The product details include: '- Usage unique 3 plis à fixation auriculaire', '- 175 x 95 mm', '- ≥ 95 % d'efficacité bactérienne', and '- EN14683 type I ou norme et type équivalent selon les autorisations gouvernementales stipulées dans la circulaire du 31 mars 2020 (annexe 2)'.



Solidarity with impacted people

- **Donations:** > **60k masks** and appliances for nursing staff, **1k tablets** for hospitals and nursing homes
- **Logistic and supply support** for the shipment of close to **10k tablets** to isolated people

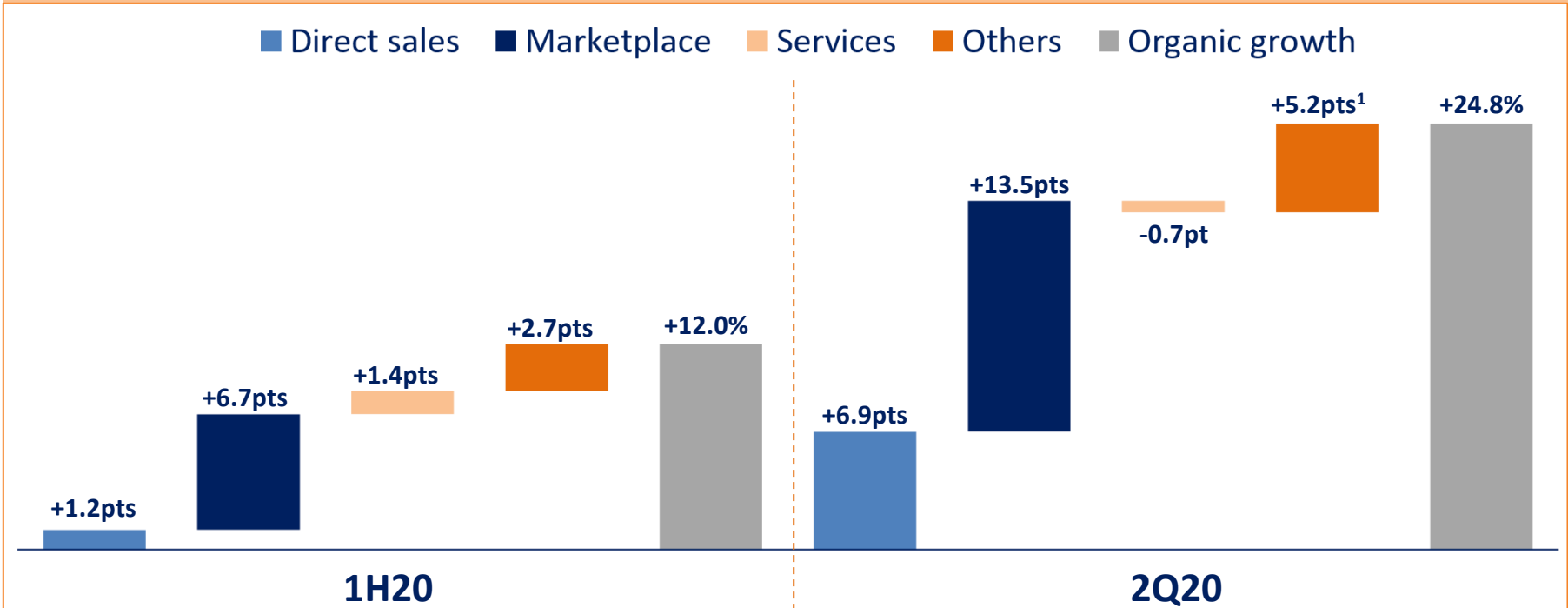


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1H20 Commercial & Financial Performance

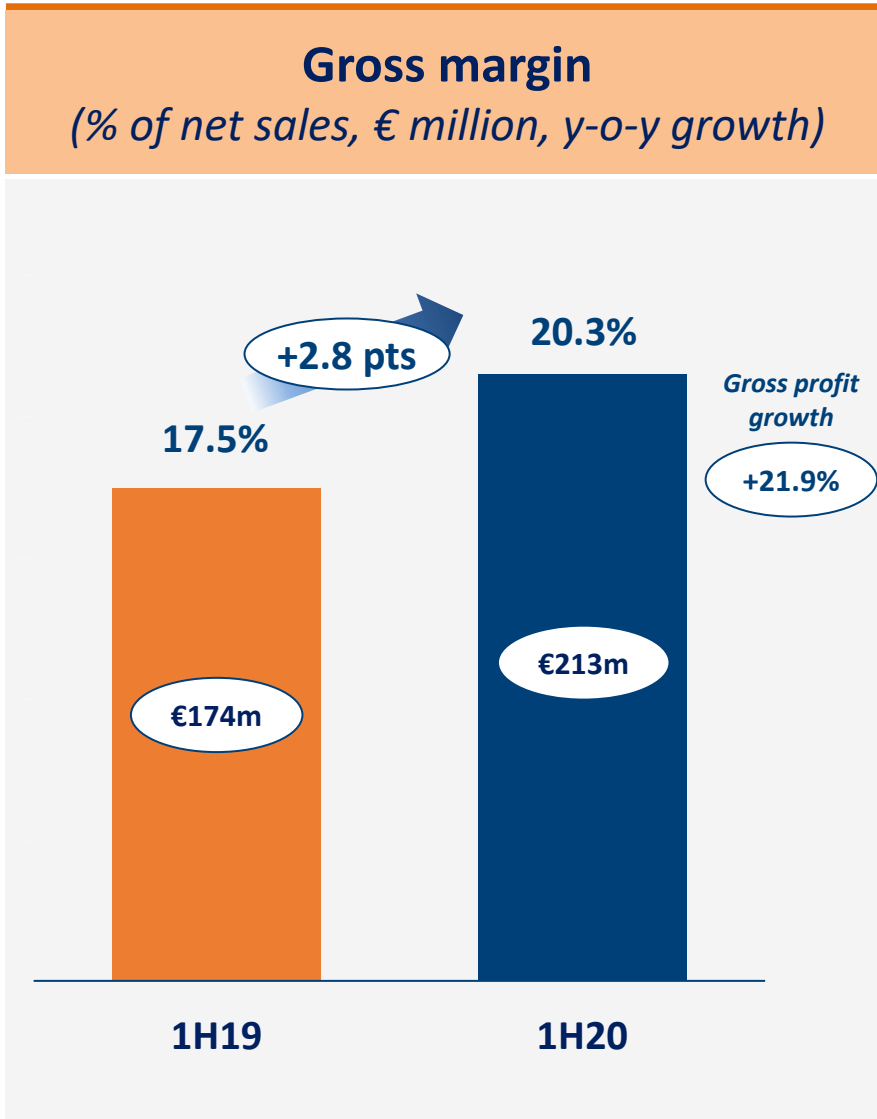
Outlook

Solid organic growth driven by an accelerating marketplace



- **Marketplace:** the driving force of 1H20 growth, with a +20% growth and +39% in 2Q20
- **Direct sales:** accelerated in the 2nd quarter driven by more recurring and high margin categories
- **Services:** a doubling GMV in Q1, slowed down in Q2 by lockdown impacts on travel
- **Others:** increasing contribution of international sales and Cdiscount Pro in particular

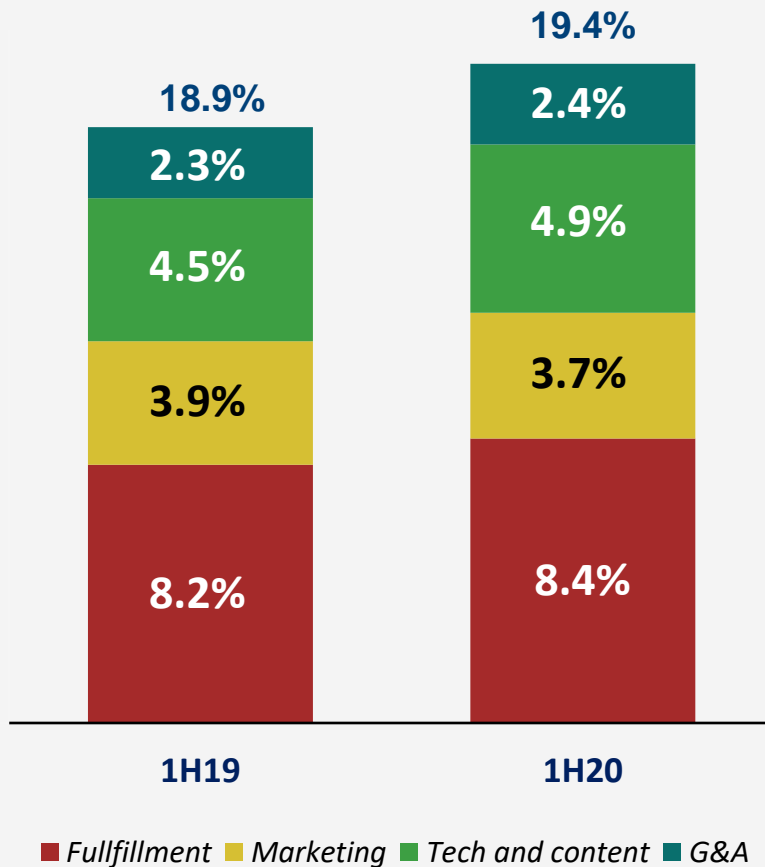
1. Of which +3.7 pts Covid-19 hygienic masks impact (40m masks provided to SMEs, professionnals and public institutions)



- Strong **+2.8 pts** acceleration in gross margin as well as strong **double-digit** growth in gross profit thanks to:
 - **Marketplace GMV share** reaching high levels: 42.6% in 1H20 (+4.7 pts)
 - **Product mix evolution**: more recurring and high margins products (Garden, DIY, Sport, Leisure)
 - Development of **B2C and B2B monetization revenues**

SG&A

(% of net sales)

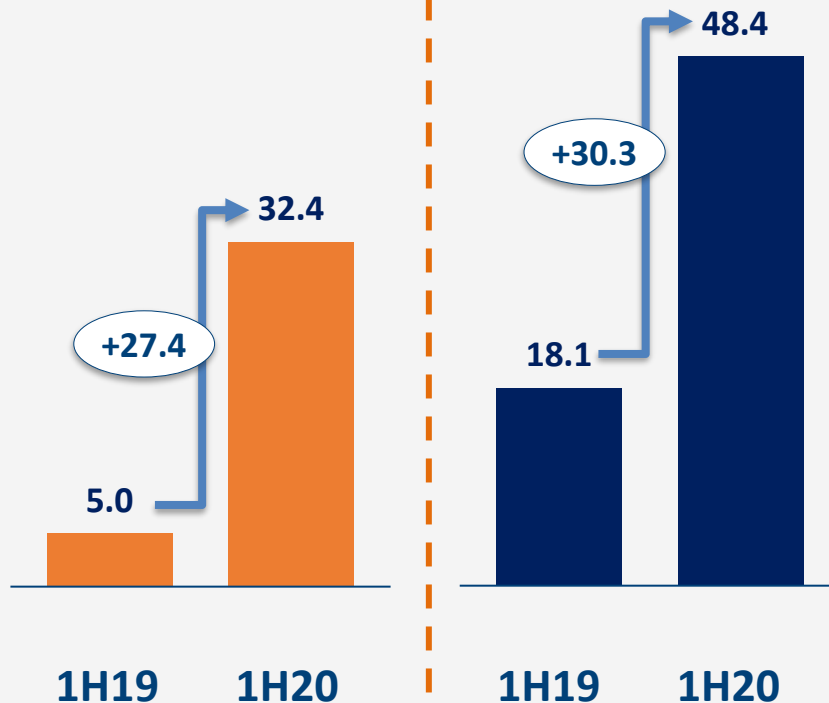


- **SG&A accounted for 19.4% of net sales in 1H20, increasing by +0.5 points y-o-y**
- **Fulfillment (8.4%; +0.2 pt):** full year impact of the new 60,000 sqm warehouse
- **Marketing (3.7%; -0.2 pt):** increased free traffic and limited off-line campaigns during lockdown
- **Tech & Content (4.9%; +0.4 pt):** investment acceleration in B2C and B2B monetization initiatives
- **G&A (2.4%; +0.1 pt)**

EBITDA¹ (€ million)

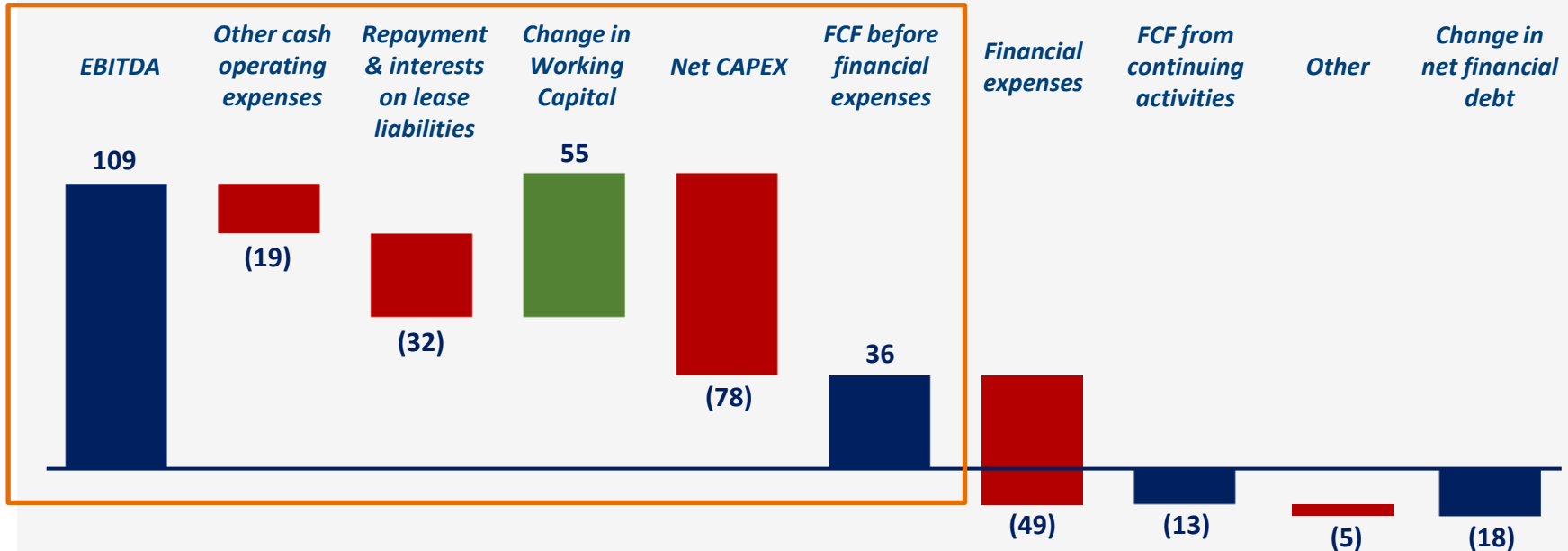
*Before IFRS 16
restatement*

*After IFRS 16
restatement*



- **EBITDA +€30m** increase to reach **€48m**
 - Outstanding marketplace growth
 - Direct sales margin improvements
 - Increased monetization revenues

LTM Free Cash Flow
 (€ million, twelve months)



- **FCF before financial expenses benefited from strong fundamentals to reach +€36m**
 - Strong EBITDA improvement: €109m (+€49m vs. 2019)
 - Positive working capital: +€55m notably driven by inventory optimization
- Other cash operating expenses & taxes: €(19)m, including a €(4)m COVID impact
- **Net capex amounted to €(78) million** supporting the strategic shift towards the platform model and monetization initiatives



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Outlook

- ① **Fast expanding marketplace** supported by the strong growth of **Fulfilment by Cdiscount**
- ② **Increased B2B revenues** driven by **digital marketing platform** and new **B2B offers**
- ③ **International expansion** leveraging our **products catalog** and **technology**



Growth & Profitability