



**Full Year 2020**  
**Activity & Financial Performance**

**February 18<sup>th</sup>, 2021**

A decorative abstract graphic at the bottom of the slide, consisting of overlapping, wavy shapes in shades of dark blue and reddish-brown.

## **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.*



## **Full Year 2020 Business Highlights and Strategic Achievements**



Full Year 2020 Commercial & Financial Performance



Outlook

## Marketplace expansion driving sustained growth and strong profitability increase



### Financial results

EBITDA <sup>1</sup>	EBIT
€133m	€53m
+62.5%	x3.6

### Marketplace

MKP growth	Revenues
€1.5bn	€182m
+21.6%	+23.1%

### Platform

Digital marketing	International
+31% revenues	x2 GMV

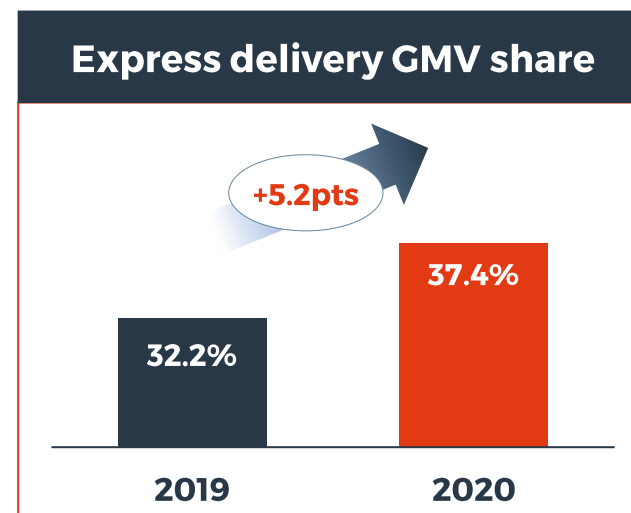
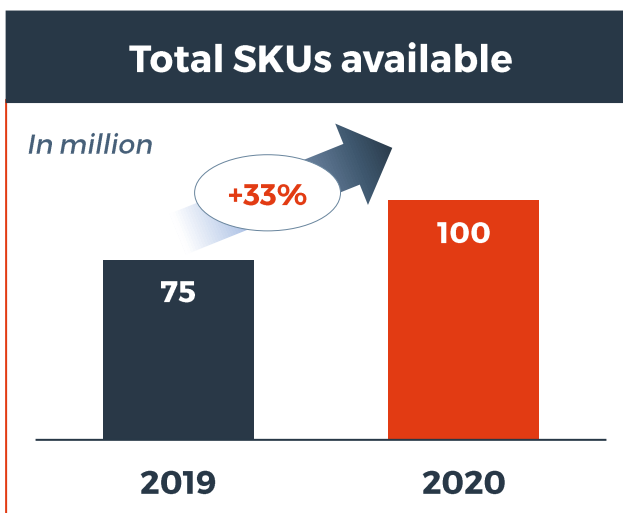
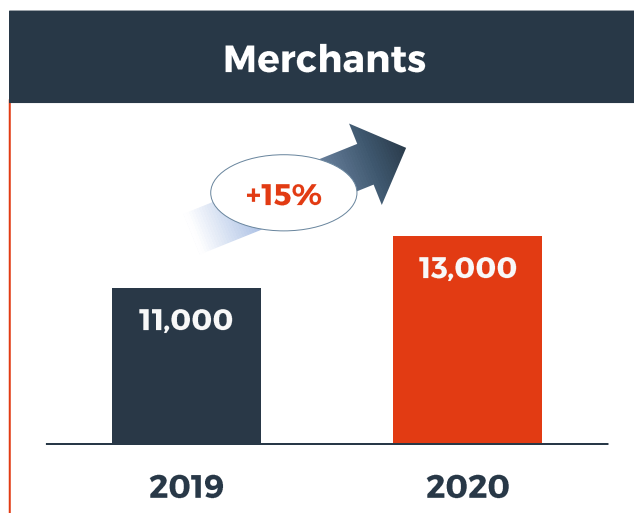
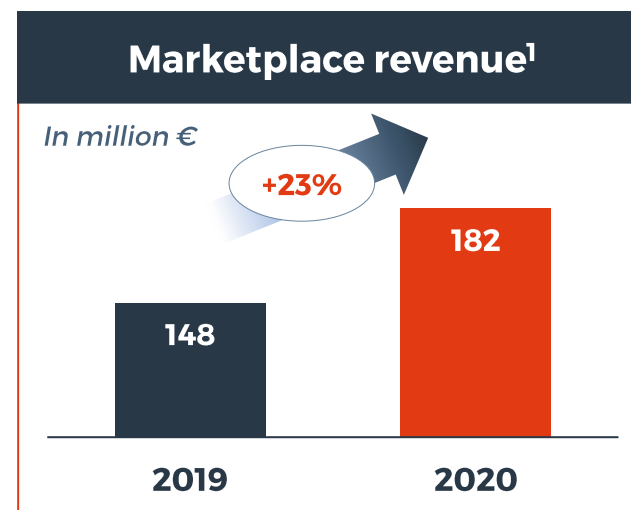
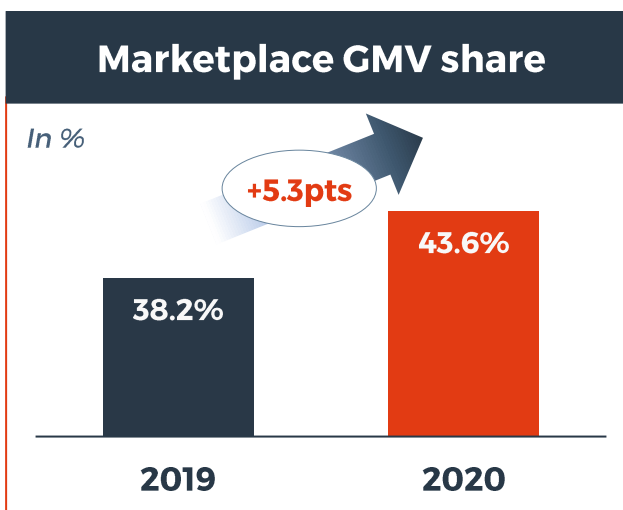
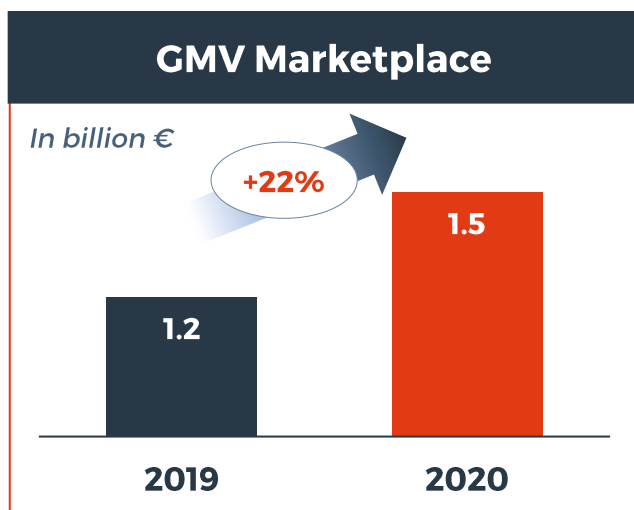
1. Unless stated otherwise, all figures include IFRS16. EBITDA before IFRS16 restatements = €101m, x2 vs 2019



## Full Year 2020 Business Highlights and Strategic Achievements

- 1 Marketplace expansion reaching record-high
- 2 Product mix evolution to boost repurchase and marketplace
- 3 Improved customer experience & satisfaction
- 4 Digital marketing acceleration
- 5 Launch of a turnkey marketplace solution
- 6 Promoting Corporate Social Responsibility

# Marketplace expansion reaching record-high +22% marketplace growth leading to €182m revenues



A strong +22% marketplace expansion accelerating in the 2nd half of the year

1. Includes marketplace commissions after price discounts, marketplace subscription fee, as well as revenues from services to sellers (marketing services, financial services, ...)

# Product mix evolution to boost repurchase and marketplace Acceleration on DIY & Garden, Home & Deco, Sport and Beauty

## High-Tech and Appliances



Electrical  
goods



IT  
hardware



Household  
appliances

**Stable GMV**

-6 pts GMV share

1

Equipment products

2

High pricing competition

Average marketplace share

c.40%

Low contribution margin<sup>1</sup>

-2 pts  
vs average

Low purchase rates and loyalty

=

## Home, Leisure & Beauty



Garden  
& DIY



Home  
& Deco



Sport



Food  
& Beauty

**+18% GMV**

+6 pts GMV share

1

Every day life products

2

Moderate pricing competition

High marketplace share

c.60%

High contribution margin<sup>1</sup>

+4 pts  
vs average

High purchase rates and loyalty

+++



**Better product mix bringing (i) higher repeat purchase rate & loyalty (ii) more profitability**

1. Definition : Direct sales product Margin + marketplace commissions - net shipping costs - discounts - returns - variable fulfilment costs - net financing costs (CB4X).

# Improved customer experience & satisfaction

## Enhanced customer experience and record-high NPS

### Faster delivery time

In days<sup>1</sup>

2019

2020

-0.3

### 2.3m CDAV members driving repurchase

In million members

2.1

+10%

2.3

2019

2020

### “Say yes to the customer” policy

**80%** of CDAV claims get an immediate and positive answer



SERVICE CLIENT DÉDIÉ  
**Cdiscount** à volonté



Convert your loyalty points into vouchers



### Fast improving NPS: + 8 pts over 3 years

+8pts

2017

2018

2019

2020

1. Excluding first lockdown period ; on < 30kg parcels



# Digital marketing acceleration

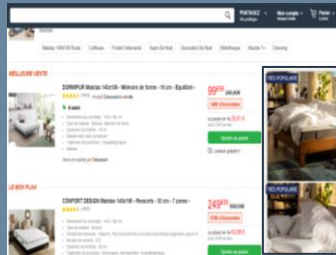
## Digital marketing is the 2<sup>nd</sup> most important profitability driver for Cnova

### Sponsored Products



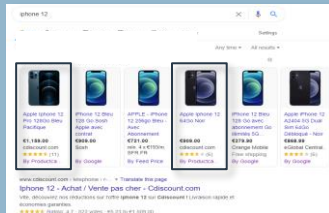
Increasing product visibility to a targeted and relevant audience

### Sponsored Brands



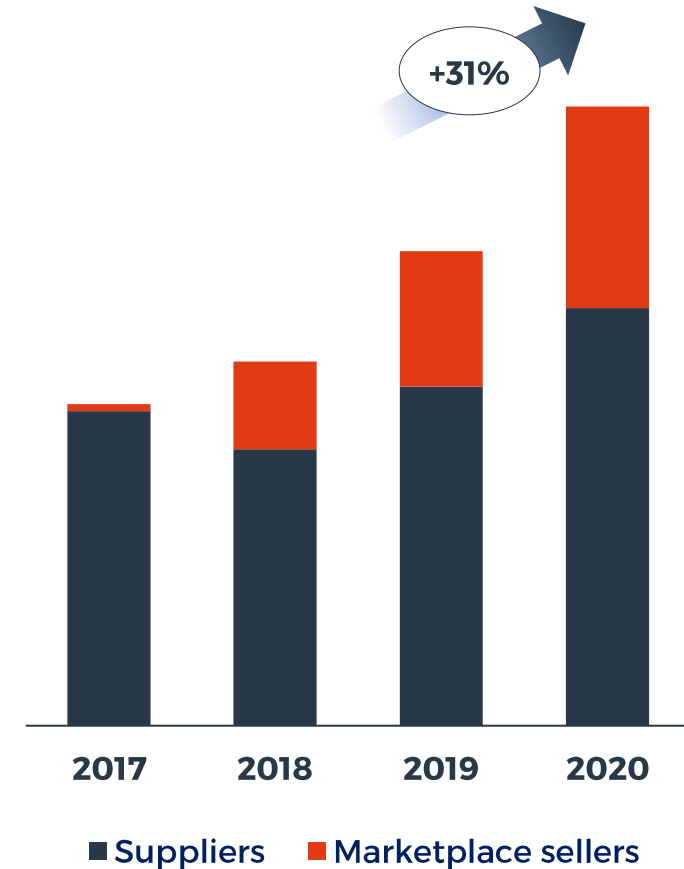
Premium ads on strategic visibility spots to promote products & brands

### Google Shopping



Optimize marketing expenses in Google by leveraging in-house experience to drive traffic to Cdiscount's site

### Digital marketing revenues



Traffic monetization and increased profitability through a complete Ad Tech offering

# Launch of a turnkey marketplace solution

## Cdiscount enables European ecommerce ecosystem to boost their revenues

### Powerful marketplace assets

- 10 years of expertise and investments
- A €1.5bn GMV marketplace recognized as a leading platform in Europe
- 13,000 qualitative merchants base of which 2,500 fulfilled by Cdiscount

### Comprehensive & unique solution

#### Access to Products and Merchants

- ✓ 100m SKUs
- ✓ 13k merchants

#### Access to Technology

- ✓ Front to back marketplace platform
- ✓ 200 engineers

#### Access to Fulfilment

- ✓ Multi-marketplace
- ✓ Cross-border

#### Access to Easy set-up

- ✓ Plugins for major CMS (Shopify, PrestaShop, WooCommerce)

### Network bringing added value to websites & merchants

#### For WEBSITES



Thousands of websites and retailers can boost their online GMV

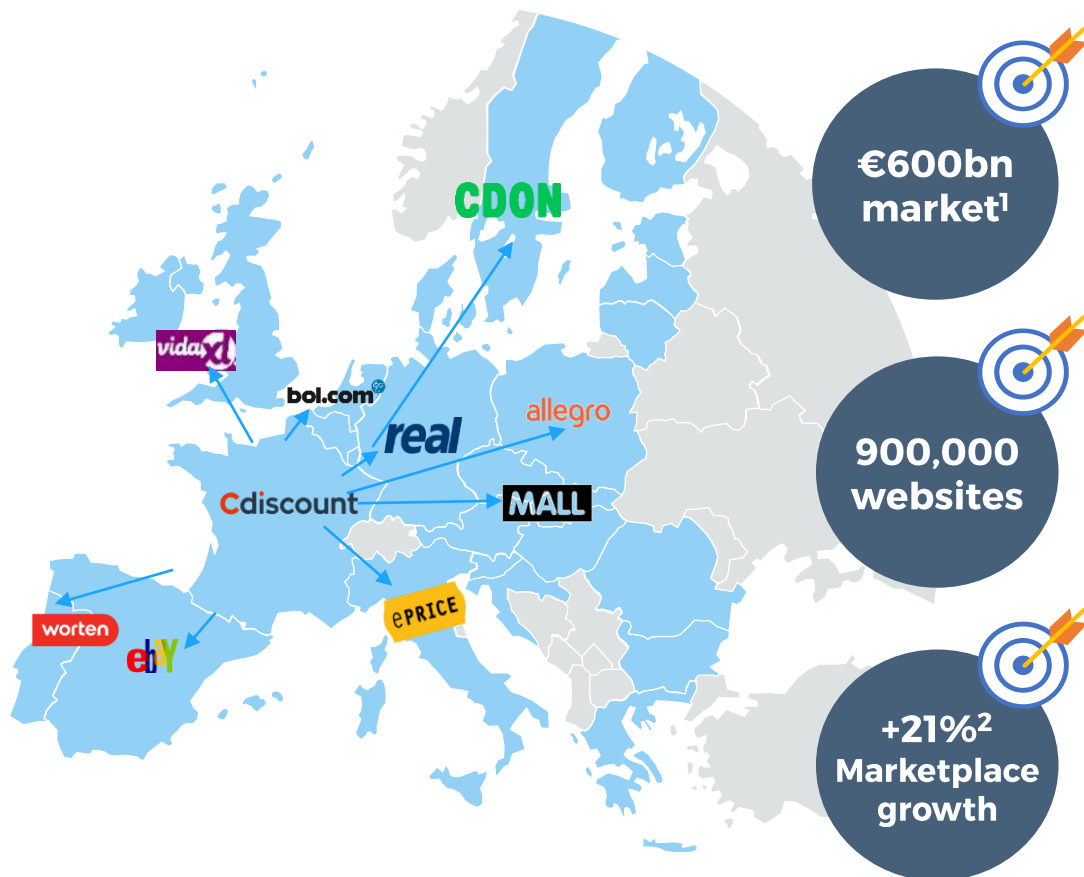
#### For MERCHANTS



Thousands of merchants can boost their sales on third-party websites in 1 click

# Launch of a turnkey marketplace solution Set to become a major growth & profitability driver for Cdiscount

## Huge EMEA market potential



## A clear path of profitable growth ahead

### A very promising start

- More than **200 live distribution channels**
- Delivering **27 countries**
- Dynamic start of external fulfilment solution **600k parcels** and **900 merchants** in 2020
- Full marketplace solution: **first major EMEA client** signed beginning of 2021

### Our ambition for the next 3 years

- **New growth driver for Cdiscount with strong ambition (thousands of clients)**
- Become a **European leader in fulfilment solutions for merchants**
- Strong **profitability driver**



**A unique open & responsible model to accelerate European ecommerce**

1. 2019 figures  
2. Since 2014, Compounded Annual Growth rate, Digital Commerce 360 for worldwide marketplace

# Promoting Corporate Social Responsibility

## Being a responsible, inclusive and open e-commerce platform

### Supporting SMEs during COVID

- Opening our platform to all retailers impacted by COVID lockdowns, with 6-month free
- **3,000** SMEs applied
- Distribution of **70m** masks to SMEs, professionals and public institutions



### Limiting our environmental impact

- **85%** parcels packed without any empty space
- Launch of a C2C second-hand platform in collaboration with Place2Swap
- Launch of a second-life hub on Cdiscount.com front page (reparation, donation, second-hand,...)



### Promoting solidarity and inclusion

- Fighting violence against women:
  - Products donation to equip 3 shelters
  - Product-sharing operation in November
  - Promoting basket donation



# Agenda



Full Year 2020 Business Highlights and Strategic Achievements

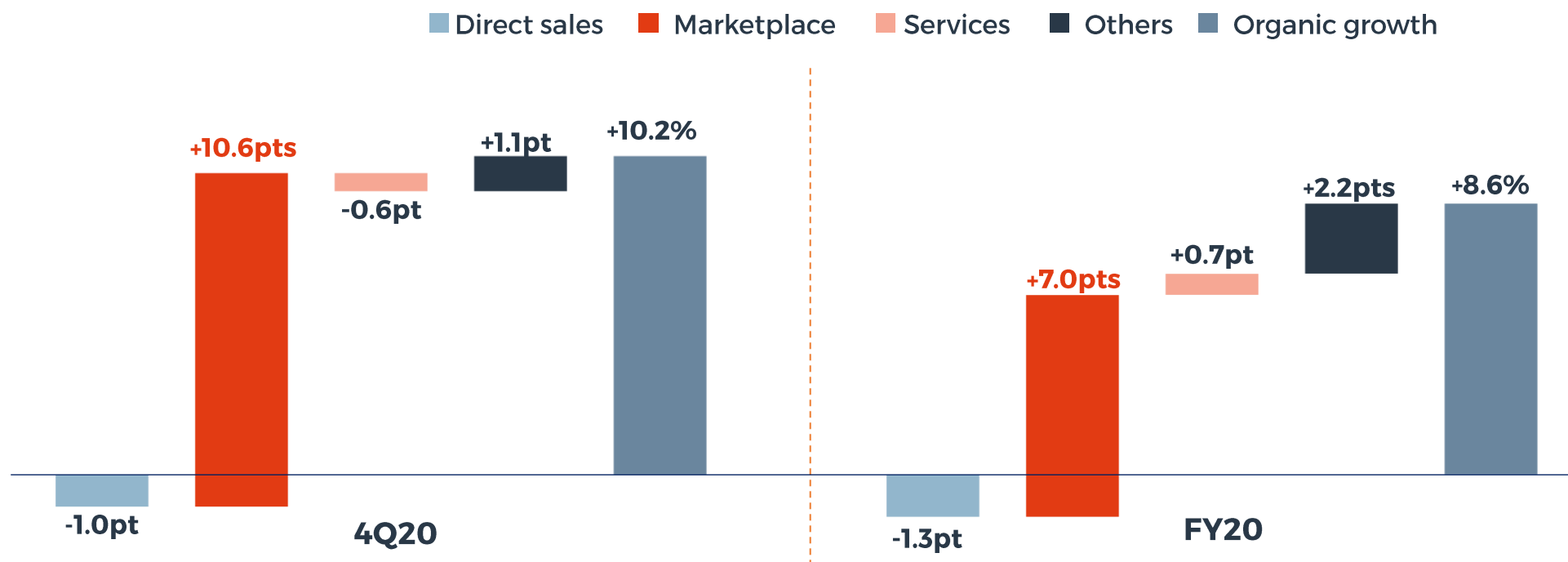


**Full Year 2020 Commercial & Financial Performance**

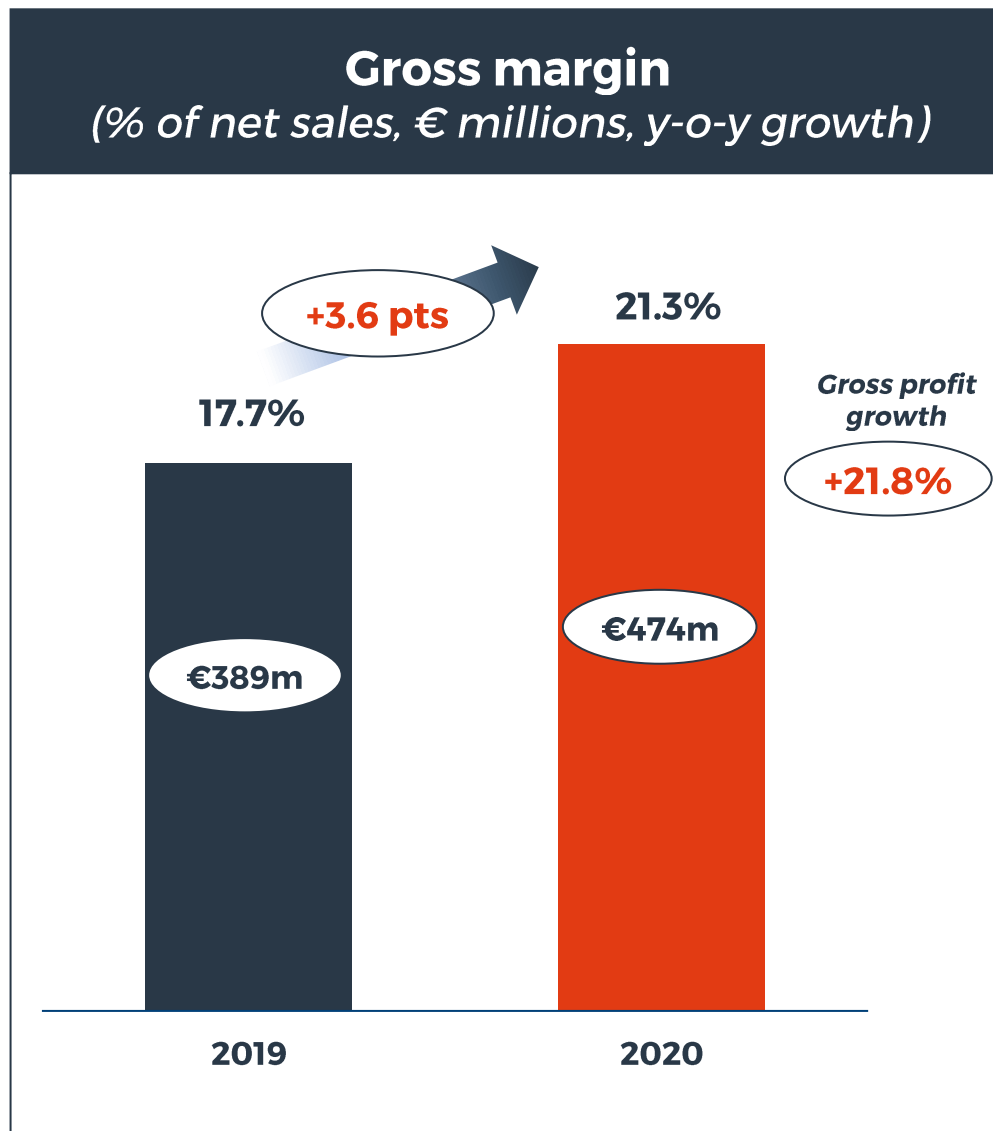


Outlook

Solid organic growth driven by an accelerating marketplace



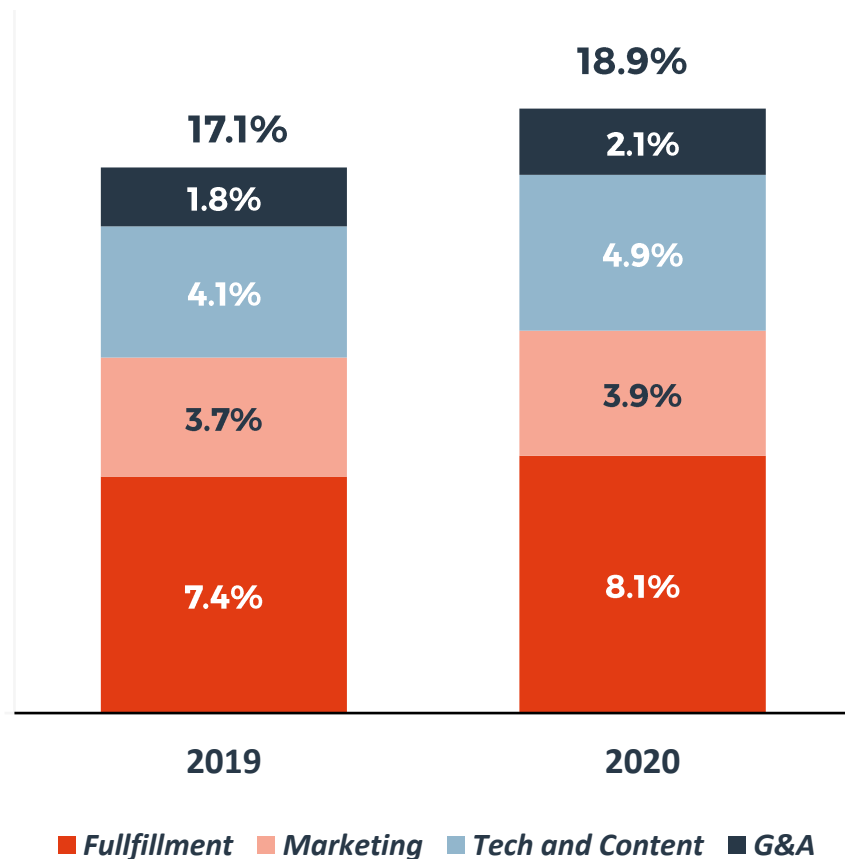
- **Marketplace:** the driving force of 4Q20 increase with a +34% growth, and +22% in FY2020
- **Direct sales:** slightly decreasing GMV following the strategic focus on the more profitable marketplace
- **Services:** +15% growth - solid Energy performance offsets sluggish Travel market
- **Others:** increasing contribution of international sales and Cdiscount Pro in particular



■ **Significant +3.6 pts acceleration in gross margin** as well as strong **double-digit** growth in gross profit thanks to:

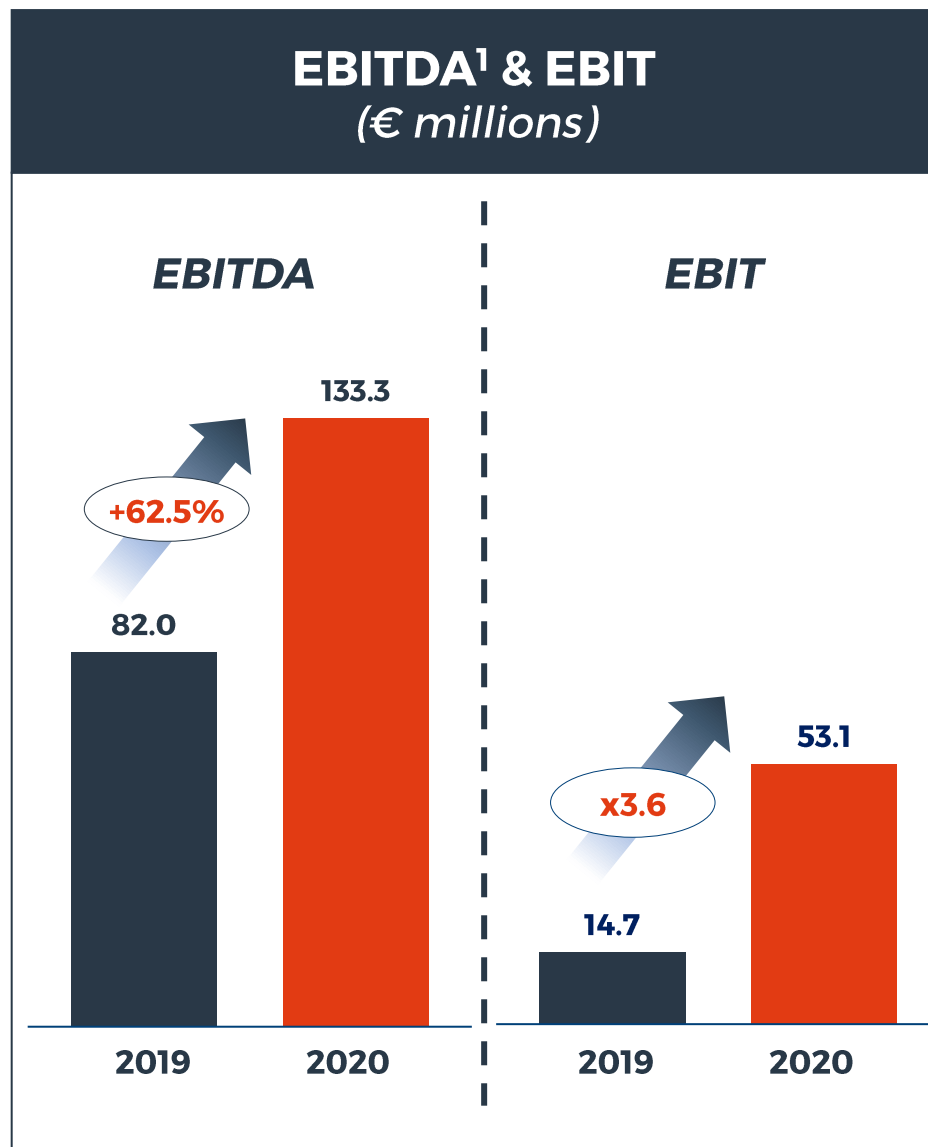
- **Marketplace GMV share** reaching high levels: **43.6% (+5.3 pts)**
- **Product mix evolution:** more recurring and high margins products (Home, Leisure and Beauty)
- Development of **B2C and B2B monetization revenues**, in particular digital marketing

**SG&A**  
(% of net sales)



- **SG&A accounted for 18.9% of net sales, increasing by +1.9 points y-o-y**
- **Fulfillment (8.1%; +0.6 pt):** strong *Cdiscount Fulfilment* growth and acceleration of delivery time
- **Marketing (3.9%; +0.2 pt):** limited evolution thanks to increase in free traffic
- **Tech & Content (4.9%; +0.8 pt):** investment acceleration in B2C and B2B monetization initiatives
- **G&A (2.1%; +0.3 pt)**





■ **EBITDA +€51m increase to reach €133m**

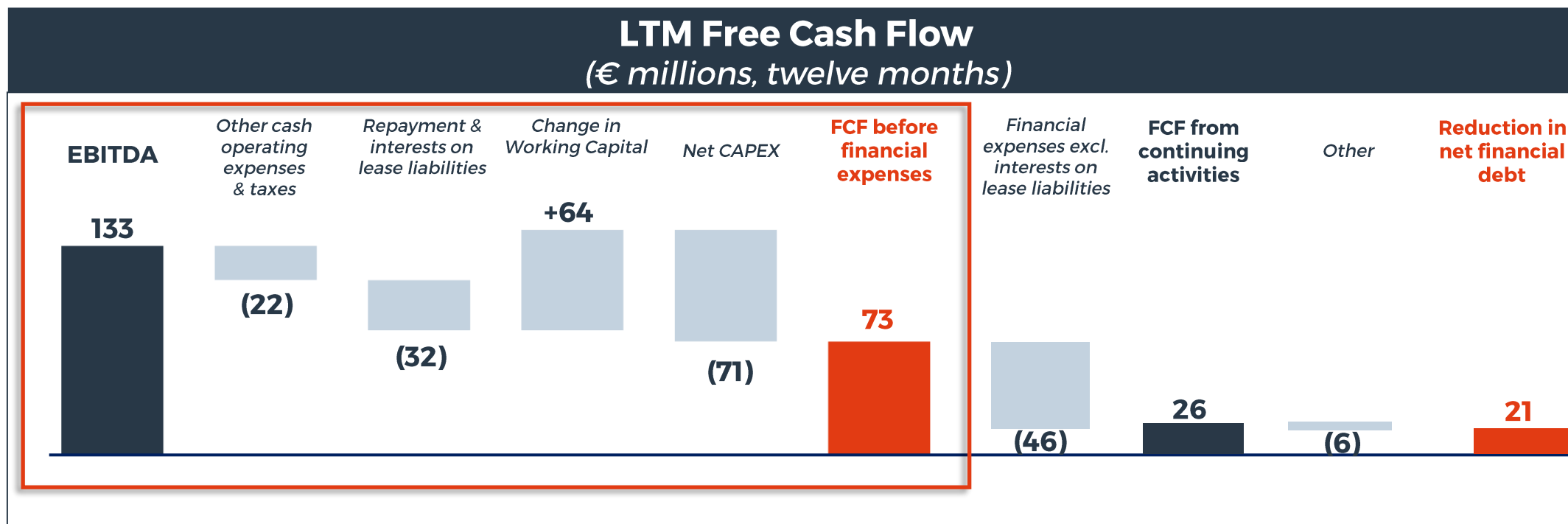
- 6.0% of net sales (+2.3 pts)
- Outstanding marketplace growth
- Direct sales margin improvements
- Increased monetization revenues

■ **Before IFRS16, EBITDA nearly doubled to €101m**

- 4.6% of net sales (x2)

■ **EBIT was multiplied by 3.6x to reach €53m**

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



- **FCF before financial expenses benefited from strong fundamentals to reach €73m:**
  - Strong EBITDA improvement: **€133m, +€51m** vs. 2019
  - Positive working capital: **+€64m** notably driven by inventory optimization
  - Other cash operating expenses & taxes: **€(22)m**, including a €(4)m COVID impact
  - Net capex amounted to **€(71) million** supporting the strategic shift towards the platform model and monetization initiatives

# Agenda



Full Year 2020 Business Highlights and Strategic Achievements



Full Year 2020 Commercial & Financial Performance



**Outlook**

In 2021, Cnova plans to accelerate its investments in order to continue its strategic evolution towards an open platform model leading to:  
Sustained growth, Enhanced profitability and Cash generation, with 4 clear pillars

1

Growing the marketplace

2

Pursuing the product mix evolution

3

Accelerating digital marketing revenues

4

Rolling-out Cdiscount unique turnkey marketplace solution