

**INVESTISSEZ
DANS DE BONS
DÉPLACEMENTS**



499€

Vélo Électrique 26"
SURPASS

© 2022 Cdiscount

Cdiscount

**POUR
UNE VIE
PAS
DISCOUNT.**

**PLUS
FRAÎCHE
LA VIE**



249€

Climatiseur réversible mobile
OCEANIC

1200W | 1000 BTU | Classe énergétique A

Cdiscount

**POUR
UNE VIE
PAS
DISCOUNT.**

Cnova

Activity & Financial Performance

First Half 2022

July 28th, 2022

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, 2021 and the semi-annual report for the first half ended June 30, 2022. 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.

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BUSINESS HIGHLIGHTS & KEY FIGURES



Resilient performance in a challenging & uncertain market

Challenging & uncertain market

- Consumption was very high during the pandemic
- Lockdowns in China disrupting supply chains
- War in Ukraine
- Lower demand
- Strong inflation impacting purchasing power
- High uncertainty

Resilient performance of the B2C platform and accelerating B2B activities in the 1st half

Overall financial results

GMV	EBITDA ¹	1H22 FCF ²
€1,793m	€17m	-€101m
-9.9% vs. 2021	-€33m vs. 2021	+€103m vs. 2021
+2.3% vs. 2019	-€1m vs. 2019	n/r

B2C platform monetization

Marketplace revenue	Advertising services
€90m	€33m
-7% vs. 2021	+15% vs. 2021
+25% vs. 2019	x2 vs. 2019

B2B acceleration

Octopia
+11 clients signed
C-Logistics ³
+31 clients signed

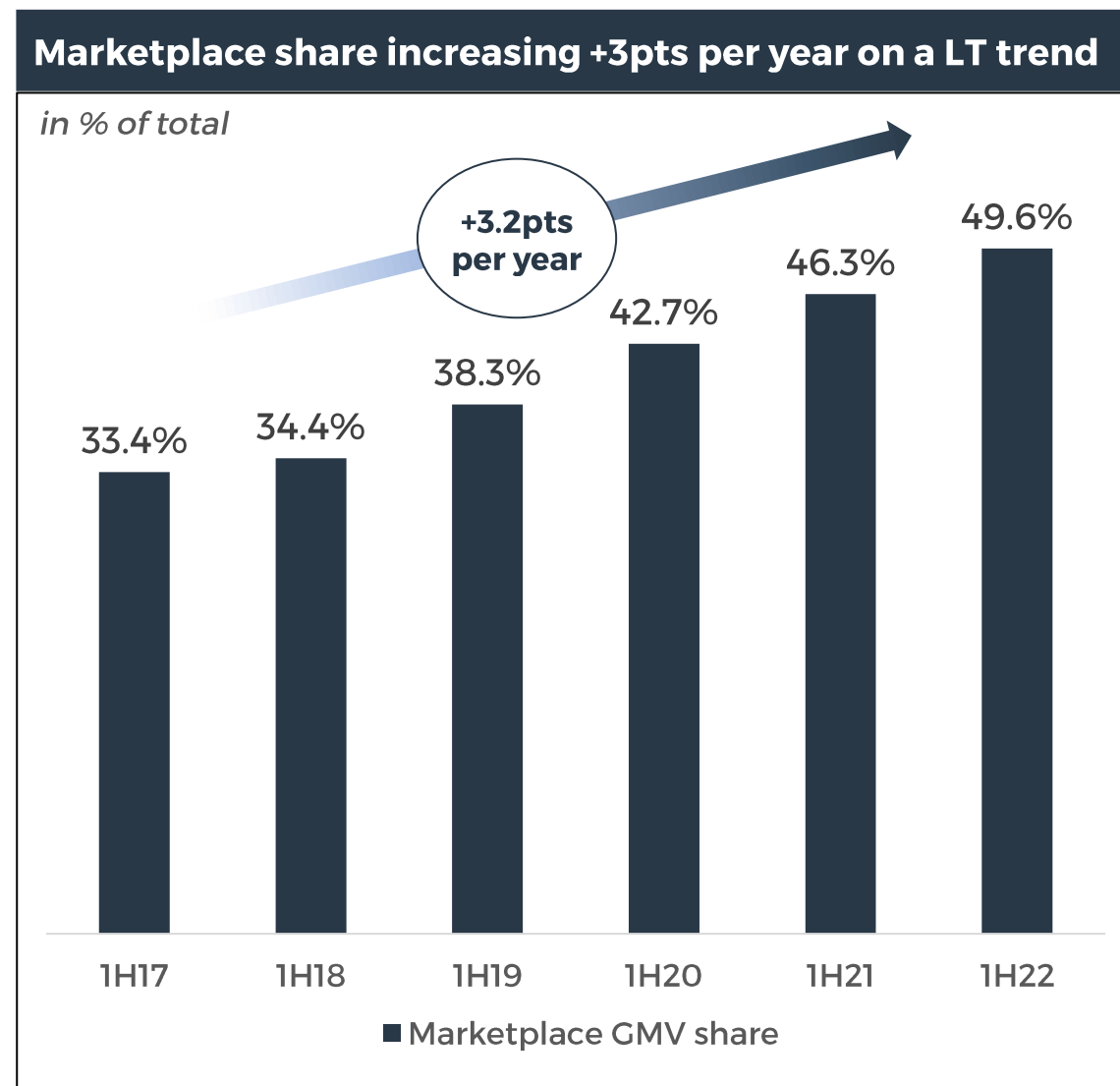
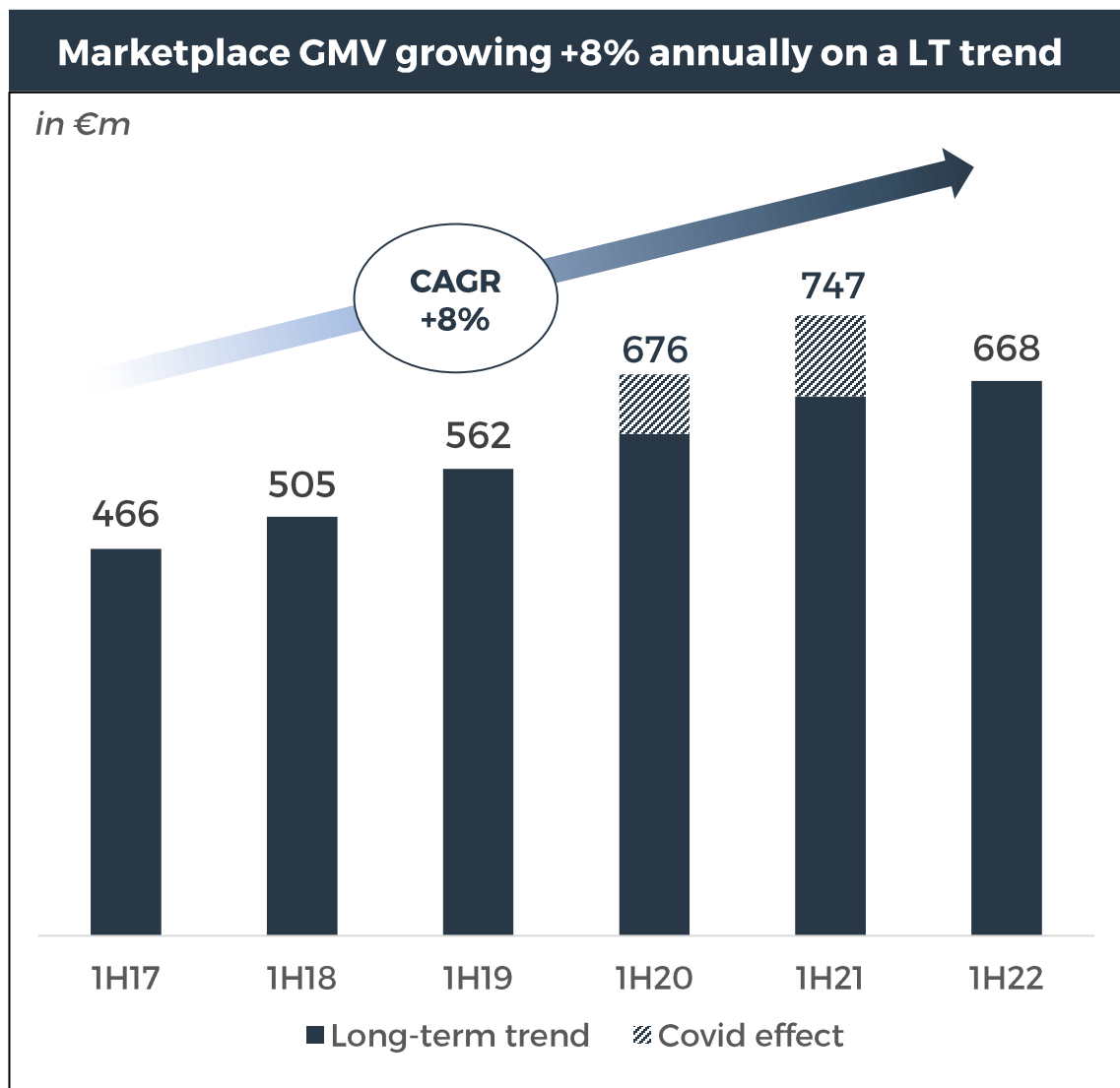
€75m Efficiency Plan launched to adapt SG&A and CAPEX to current level of activity

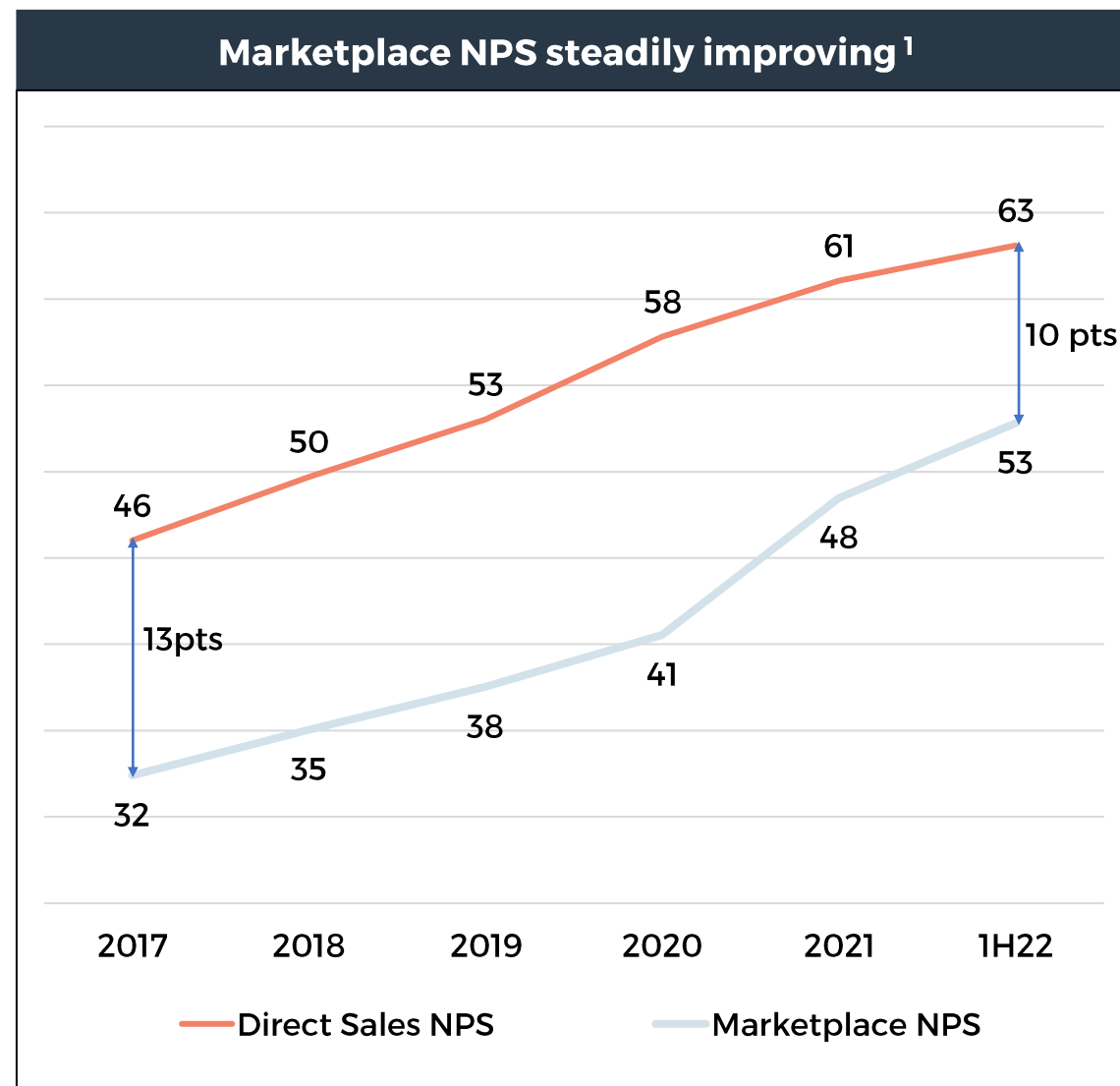
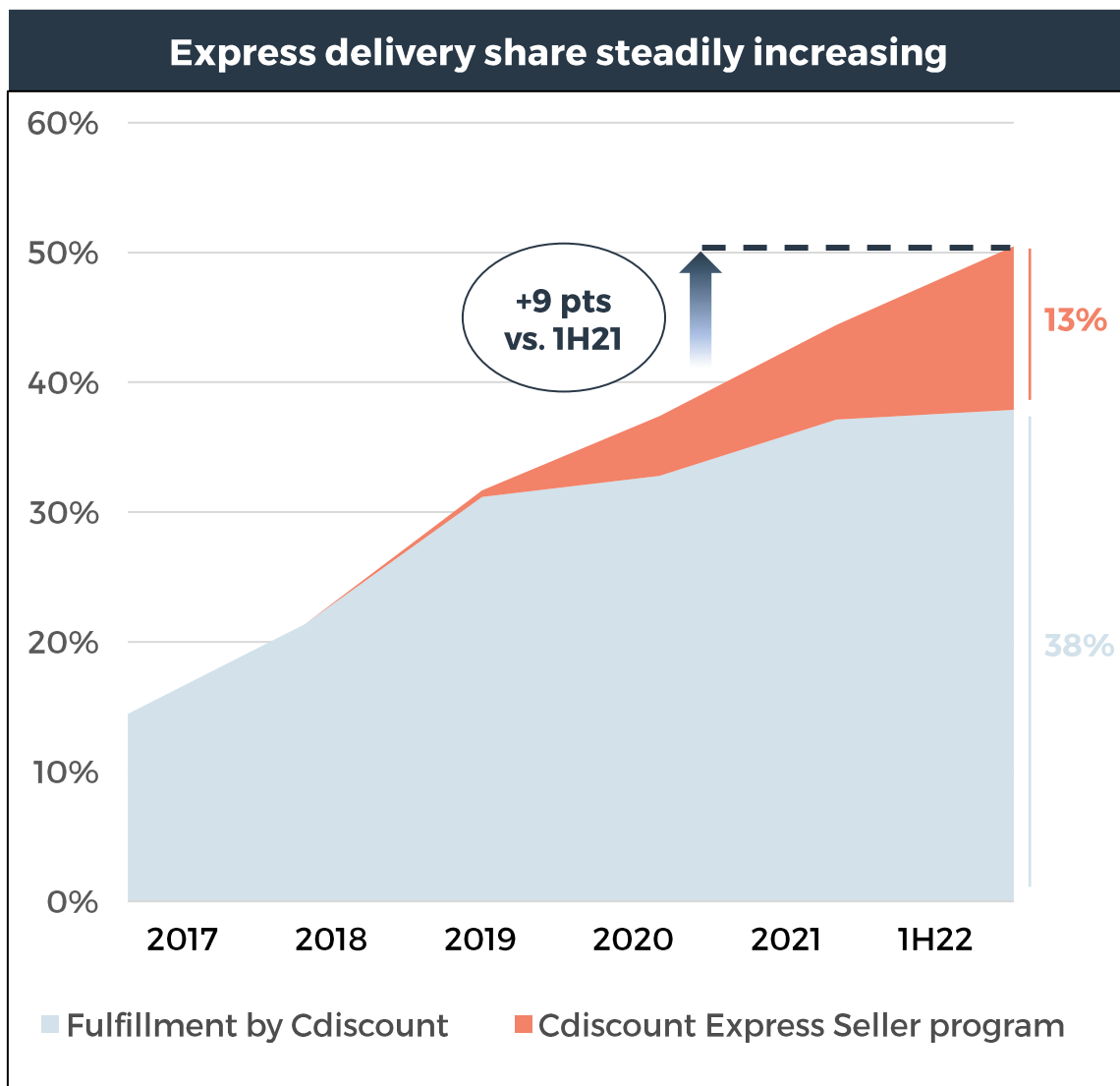
2

RESILIENT ECOMMERCE PLATFORM



Marketplace long-term trends remain dynamic despite last semester headwinds





Reinforced relationship with Top brands

- **TOP 10 brands: €250m GMV in 1H22 (-9% vs. 1H21) +10pts vs electronics market evolution in 1Q22¹**
- **Scorecard to monitor the brands' UX**
- **Optimize visibility:**
 - **cobranding communication**
 - **dedicated live shopping events**



Building a win-win partnership

For Cdiscount

For the brands

Exclusive offers

Better awareness

Marketing contribution

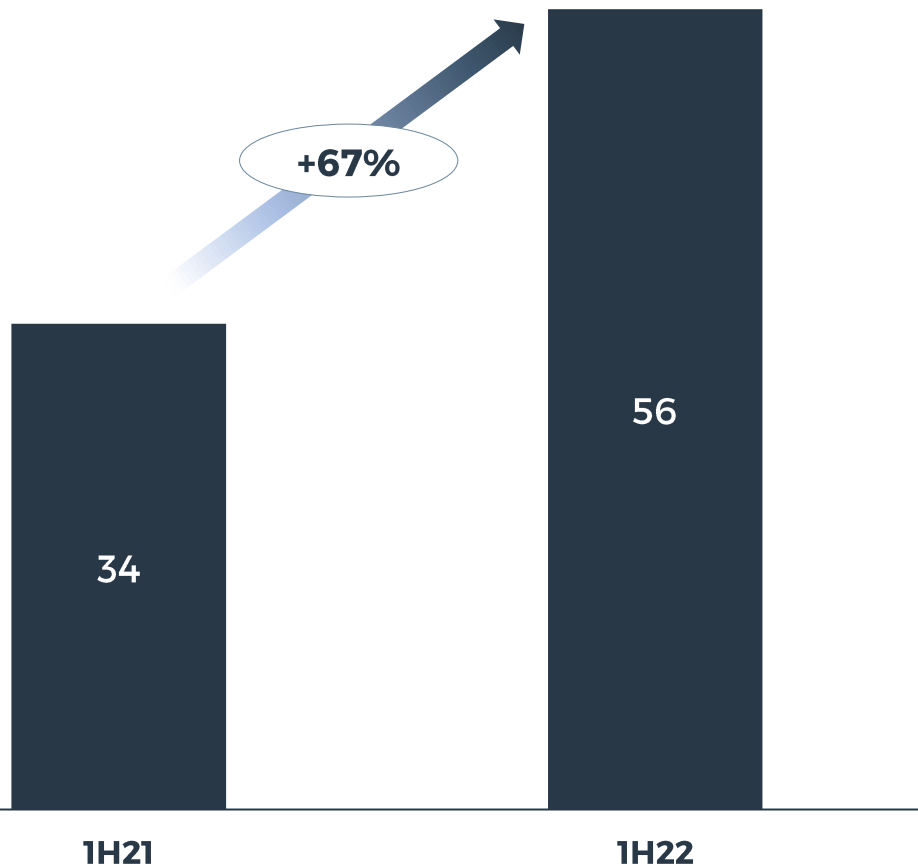
UX enhancement

Co-branding

Strong rebound of Travel activity

Travel GMV evolution

In €m



Travel activity grew by 67% YTD



Flights (+51% vs. 1H21)

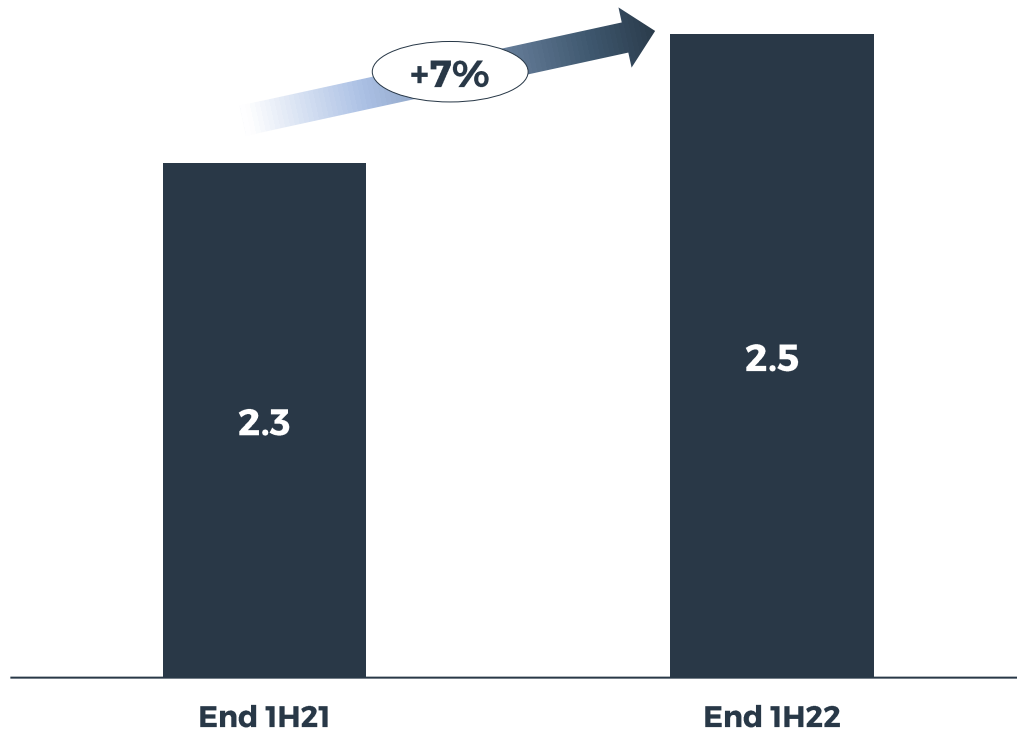
- Borders reopening of Northern African countries
- Fewer COVID constraints
- Top 6 destinations contributed to 70% of GMV

Holidays Packages (+146% vs. 1H21)

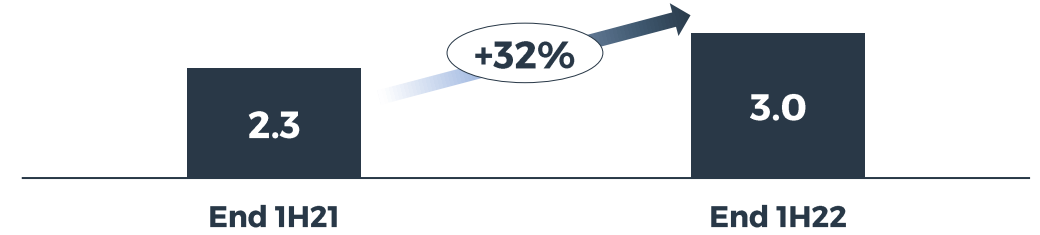
- New partnerships with Totemia (summer camps) and Smily (seasonal rentals)
- Early bookings in May

of *Cdiscount à Volonté* loyal customers

In million



SKUs eligible to express delivery



Dedicated promotions to CDAV members

<input checked="" type="radio"/>	Prix standard	149€99
<input type="radio"/>	Prix <i>Cdiscount à volonté</i>	119€99
30€ d'économie sur ce produit		

LES BONS PLANS DU JOUR
RIEN QUE POUR LES MEMBRES *Cdiscount à volonté*

Piscine hors sol tubulaire 4572 x 12192 cm ★★★★★	Lot de 6 chaises Simili Blanc - Pieds en Hêtre ★★★★★
	

Enhancing after sales



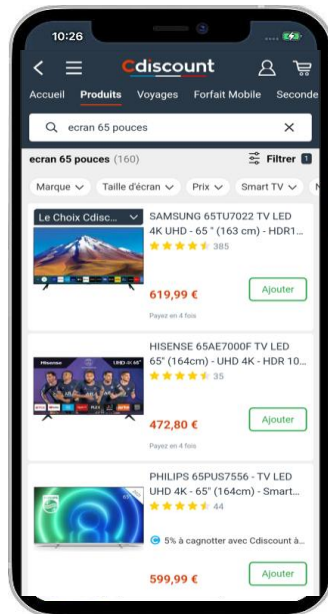
SERVICE CLIENT DÉDIÉ
Cdiscount à volonté

“Yes, to the client” policy
All clients’ claims
get an immediate and
positive answer

Search engine powered by AI

Y-o-y evolution of share of Cdiscount.com search engine in GMV

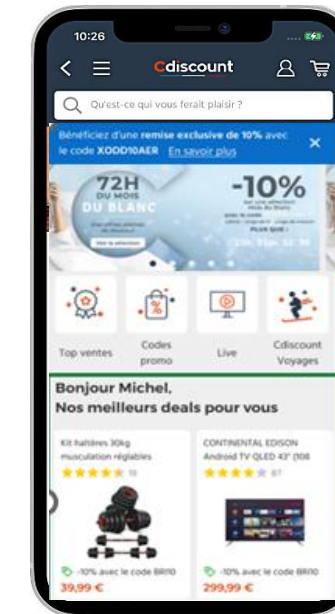
+4pts



Greater UX personalization powered by AI

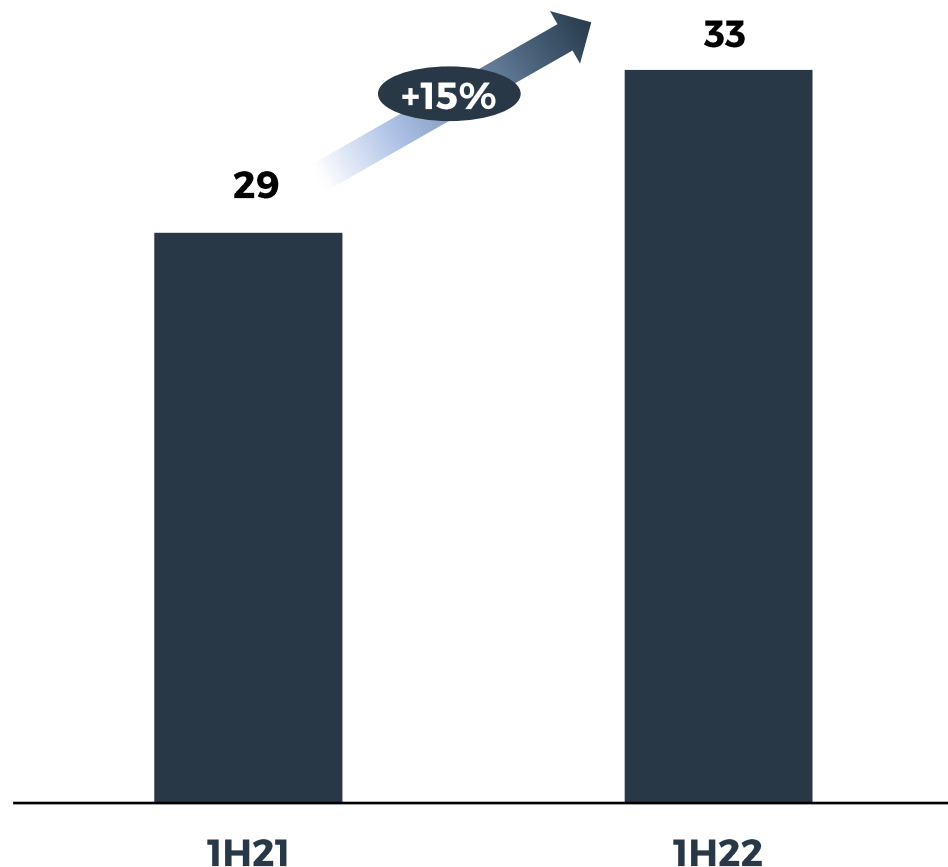
Y-o-y evolution of share of personalized recommendations in GMV

+2pts



Advertising services revenue growth

In €m



A success for Cdiscount and for our merchants

- Advertising services growing fast: **+15%** vs 1H21, driven by sponsored products

C.A.R.S¹
Cdiscount Ads Retail Solution

Growing
+73% y-o-y

- Improvement of sponsored products performance
 - Better bidding algorithms powered by AI
 - More powerful search engine powered by AI

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B2B ACTIVITIES



C-Logistics leader in e-commerce supply chain

C-Logistics

Full service of supply
e-commerce operations



Turnkey transport solution
for large parcels

4 clients signed (+1 vs. 2021 year-end)



A differentiating end-to-end proposition



49 clients signed (+30 vs. 2021 year-end)



La Sommelière

Emma®

Record-high customer ratings (4.8/5)¹



53 clients overall with a fast-accelerating commercial ramp-up in the 1st half (+31)

Octopia accelerated with 23 clients signed since its launch

Octopia's Marketplace-as-a-Service and Fulfillment-as-a-Service solutions are accelerating



→ Access to marketplace tech solution

→ Access to merchants

→ Access to fulfilment solutions

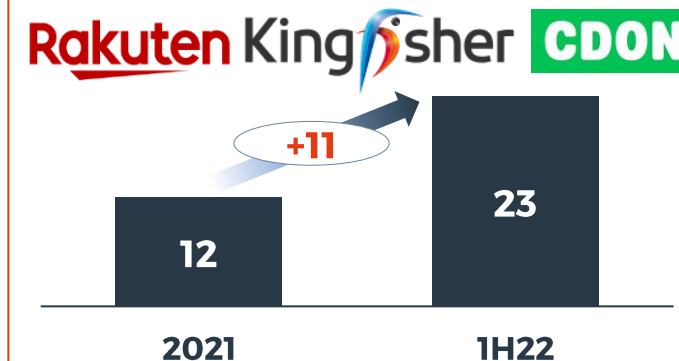
● Marketplace powered by **Octopia**

- ❑ Develop marketplaces and bring merchants to existing marketplaces
- ❑ **11 new contracts** signed in 1H22 to reach 23 contracts

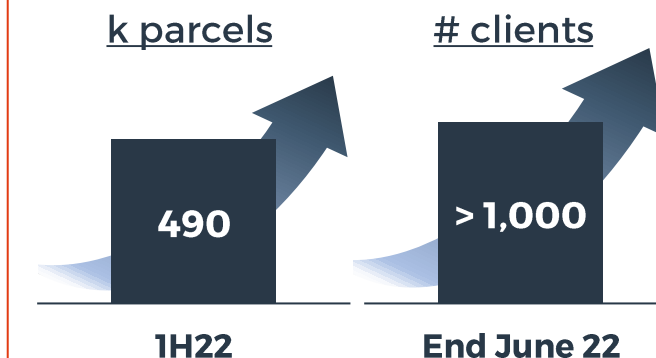
● Fulfillment powered by **Octopia**

- ❑ Multi-marketplace fulfilment
- ❑ **GMV grew by +18% in 1H22**
- ❑ **+20% month over month on external clients since Jan. 22**

of clients signed



of parcel shipped and customers



4

ESG



Cnova acting for initiatives towards environmental responsibility



Stay a
pioneer in
responsible
logistics

Delivery &
Packaging

- **GHG emissions** decreased by **-7% per parcel** in 2021 vs. 2020
- **Deliveries and returns already carbon neutral** on Cdiscount.com
- **Unique fleet** of six **3D packing machines** to wrap parcels without any void



Accelerate
on
sustainable
consumption

Eco-products &
refurbishment

- Launched a “**more sustainable**” label on **Cdiscount.com** (38k eligible SKUs so far)
- **Leading actor on 2nd-hand and refurbishment** → Cdiscount.com sales on this segment grew by +7% vs 1H21

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HALF-YEAR 2022 FINANCIAL PERFORMANCE



10% GMV decrease in a receding market but very well-oriented strategic pillars vs. pre-pandemic level

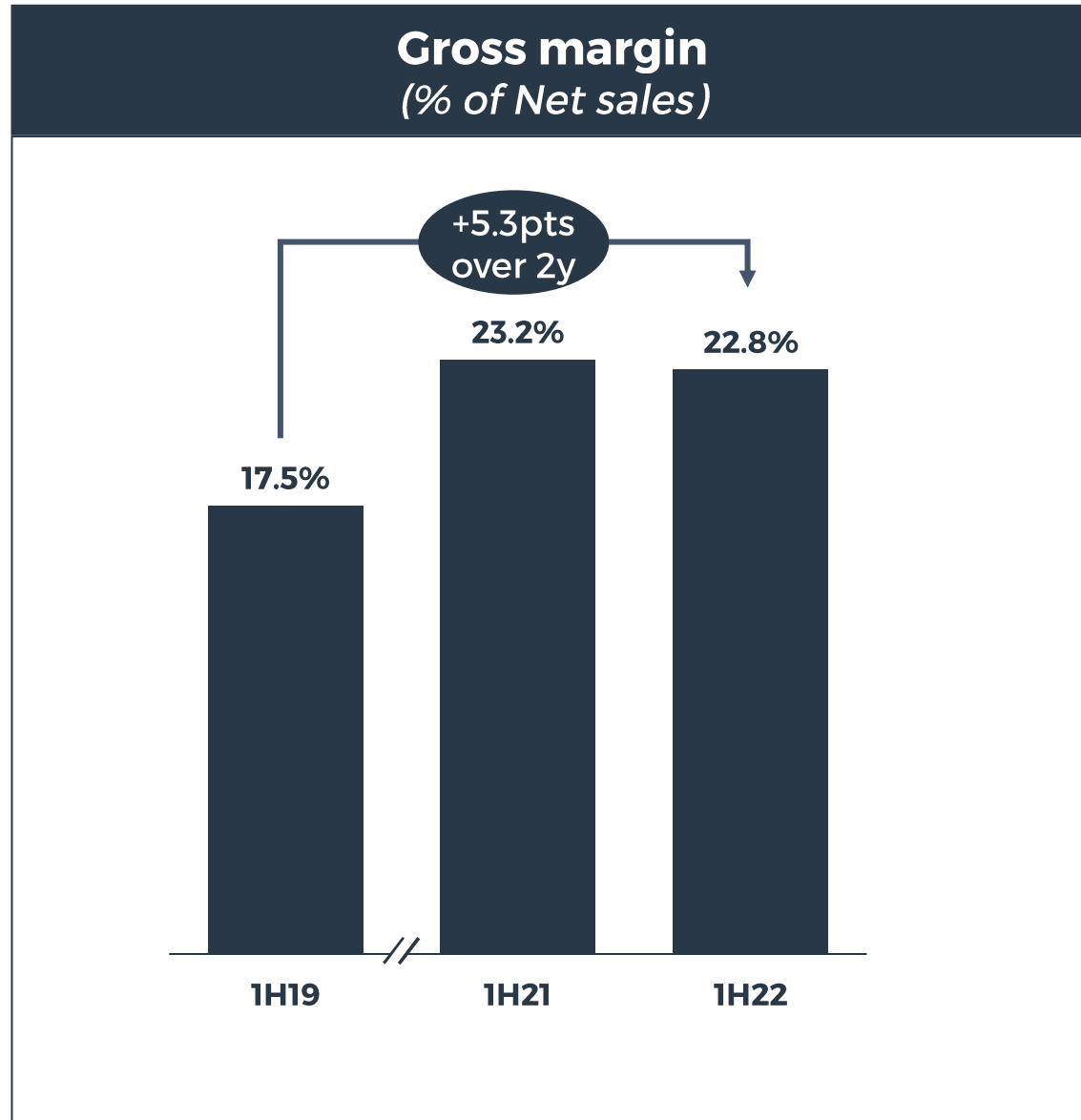
1H22 GMV performance		€m	1H21	1H22	Reported	LfL ¹	vs. pre-pandemic ²	
	B2C	Direct sales		865	679	-21%		-25%
		Marketplace		747	668	-11%		+19%
		B2C Services		128	150	+17%	+62%	x2
		Advertising services		35	40	+15%		x2
		Other		162	197	+22%	+0%	+6%
	B2C ecommerce Platform			1,936	1,734	-10%	-13%	-0%
	B2B	C-Logistics		1	9	x7		-
		Octopia		54	49	-8%		x7
	B2B Activities			55	59	+7%		x7
TOTAL			1,991	1,793	-10%	-12%	+2%	

- **€1.8bn GMV in the 1st half 2022: GMV decrease in Q2 in line with Q1 (-10% in 1H22) with a strong mix improvement towards the marketplace and a sharp rebound of travel activity**

 - ✓ **Marketplace:** -11% vs. 1H21 but +19% vs. pre-pandemic (1H19), reaching €668m
 - ✓ **Advertising services:** growing +15% vs. 1H21 driven by Cdiscount Ads Retail Solution (+73% vs. 1H21)
 - ✓ **B2C Services:** +62% on a like-for-like basis (excl. Energy) supported by the +67% rebound of travel
 - ✓ **B2B activities:** Octopia clients' ramp-up (+11 clients vs. YE 21) and C-logistics with 53 clients at end 1H22 (+31 vs. YE 21)

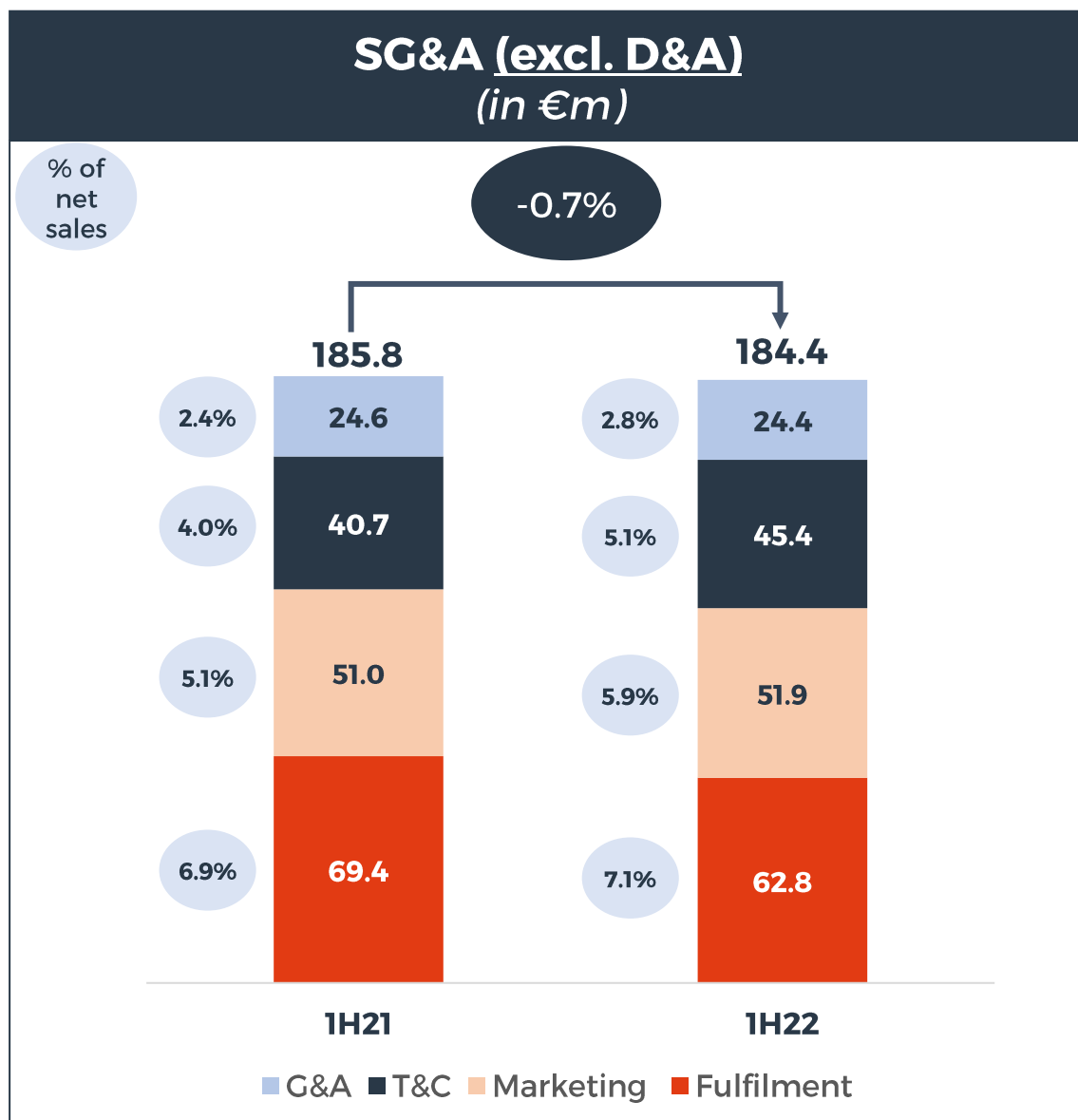
Note 1: Like-for-like figures exclude cross-canal sales and Cdiscount Energy GMV for 1H21 and 1H22
 Note 2: or versus the six months ended June 2019

Gross margin improvement year after year driven by marketplace and Advertising services



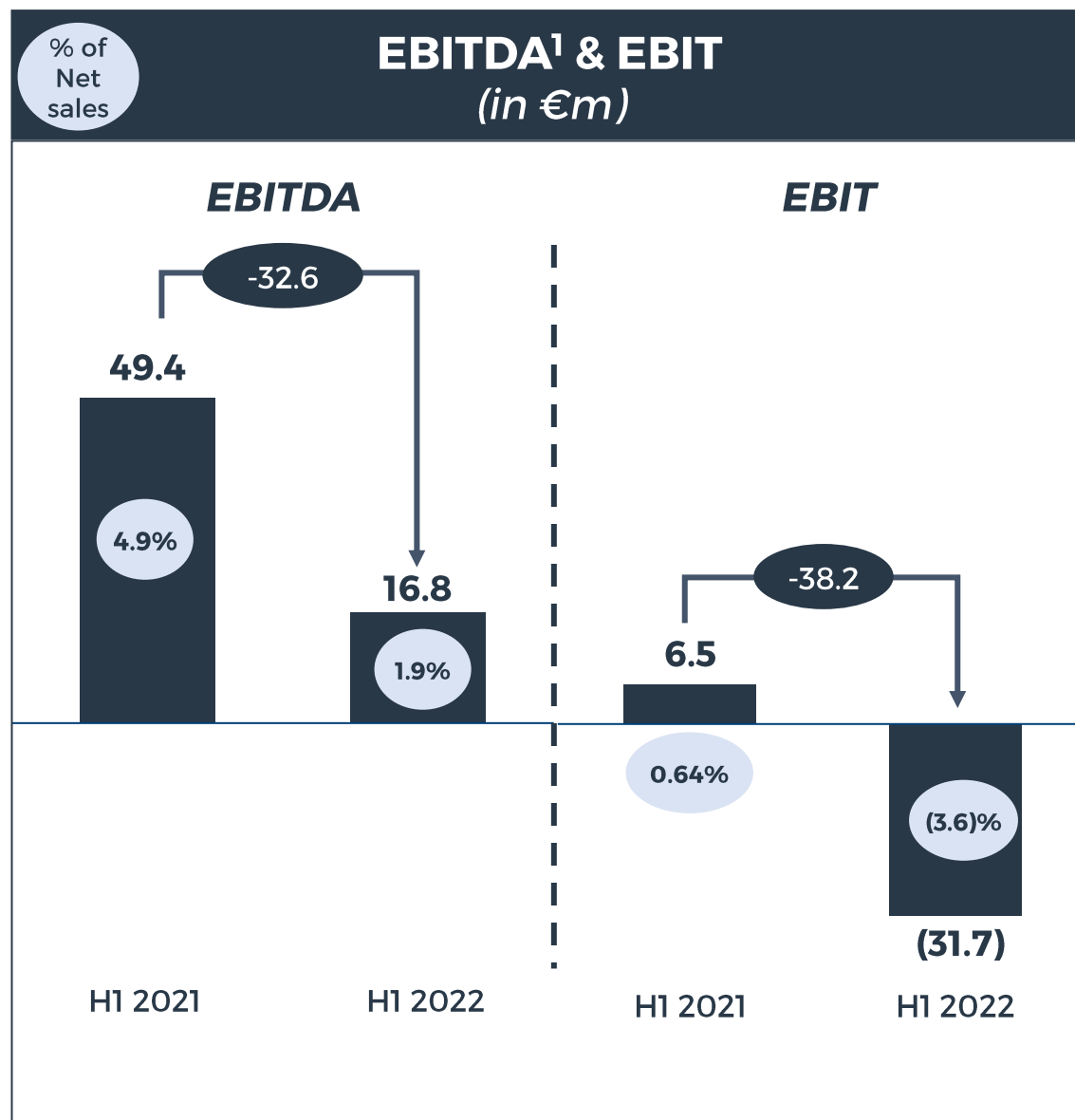
- A slight decrease of -0.4pt in gross margin vs. 2021 but a +5.3 pts vs pre-pandemic 1H19 :
 - ✓ Gross margin increase over the past three years demonstrates the **success of the implementation of the strategic plan**, with a **marketplace growing +19% compared to the 1st half of 2019**
 - ✓ **Advertising services nearly doubling** vs. the same pre-pandemic level of 2019
 - ✓ **Compared to 2021, direct sales margin negatively impacted by destocking operations** in a context of Efficiency Plan to **optimize working capital needs and inventory levels** to current level of activity

SG&A stabilized in 1H22 thanks to first results from the Efficiency Plan



- **SG&A accounted for €184.4m in H1 2022, decreasing by -1% vs. 2021**
- ✓ **Fulfilment (€63m; -10% vs. 2021):** positively impacted by lower volume in H1 for its variable part and first benefits from the Efficiency Plan for its fixed part
- ✓ **Marketing (€52m; +2% vs. 2021):** decrease in variable marketing costs compensated by media campaign in May & June
- ✓ **Tech & Content (€45m; +11% vs. 2021):** mainly due to Octopia commercial and Tech ramp up
- ✓ **G&A (€24m; -1% vs. 2021):** slightly decreasing in value as head office costs increase to support the acceleration of the new B2B activities was compensated by first quick wins from the Efficiency Plan

EBITDA & EBIT impacted by significant market headwinds



■ EBITDA decreased to +€17m compared to last year (1.9% of Net sales; -3.0 pts vs. 1H21)

- ✓ Facing adverse market conditions
- ✓ Destocking initiatives

Offset by

- ✓ Increased advertising services
- ✓ Marketplace resilient performance
- ✓ First Efficiency plan results on SG&A

■ Operating EBIT decreased to -€32m, due to the increase of D&A following strong investment in new B2B activities

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

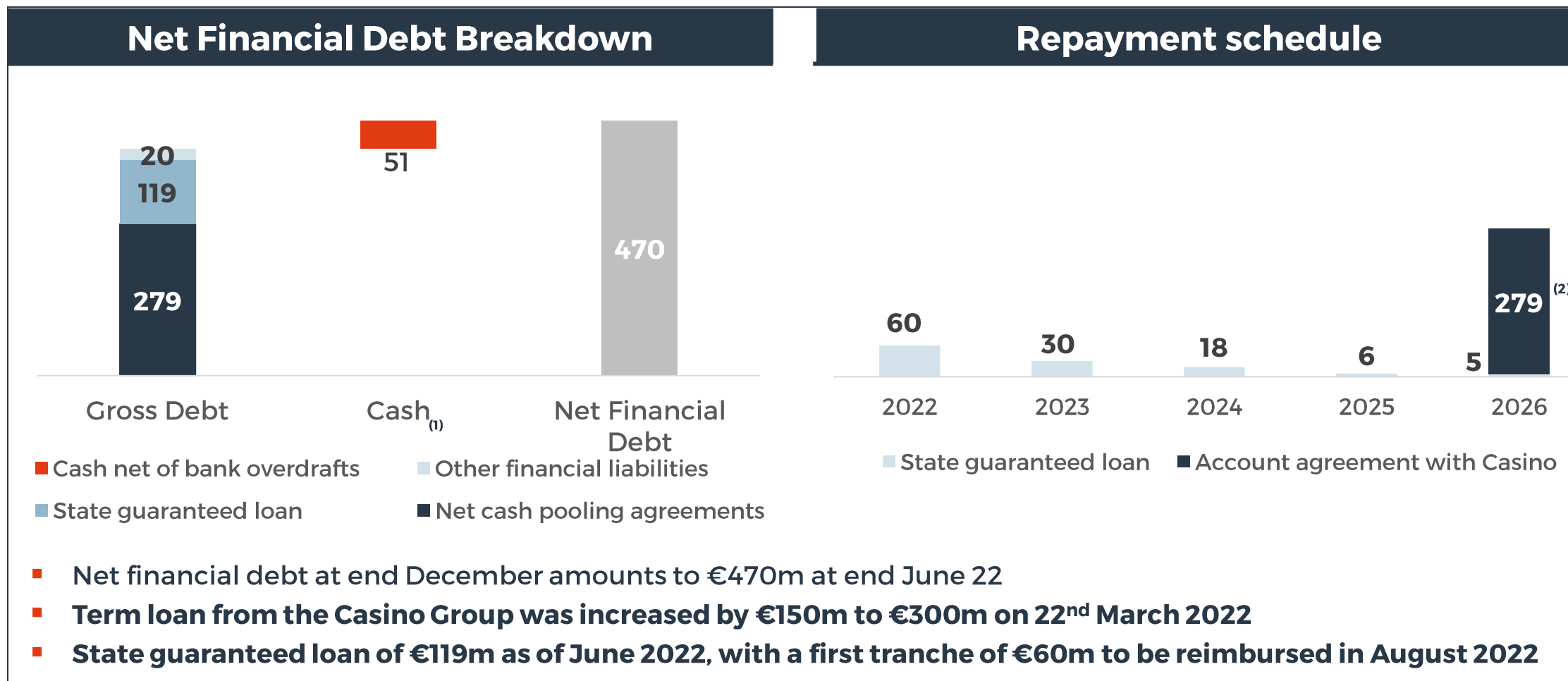
Free Cash Flow over the last twelve months period

1H22 Free Cash Flow (€ millions, six months)

In €m, over a six-months period	1H22	1H21	Change vs LY
EBITDA	+17	+49	(32)
Cash rents	(18)	(17)	(1)
Other operating expenses cash	(6)	(3)	(3)
FCF from operating activities inc. Rents	(7)	+30	(37)
Change in working capital	(65)	(180)	+114
<i>o/w inventories impact</i>	+86	(26)	+112
Net CAPEX	(27)	(54)	+26
Taxes paid	(2)	(1)	(1)
FCF before net financial expenses	(101)	(204)	+103
Cash financing expenses	(41)	(20)	(21)
FCF after net financial expenses	(142)	(224)	+82

- **EBITDA close to 0** after cash rents decreasing by €32m in a context where Cnova faced significant market headwinds
- **Change in working capital of €(65)m, an improvement of +€114m** compared to LY thanks to **+€86m decrease in inventories** :
 - ✓ **Structural decrease of c. €40m** supported the strategy to shift to marketplace together with inventory reduction initiatives
 - ✓ **Positive one-off impact of c. €45m** from the sale of hypermarket Géant inventories to the Casino Group in June 2022.
- **Net CAPEX slightly decreased** (excluding €20m one-off Floa transaction impact) in the first 6 months, thanks to a rationalization of investments to adapt to current level of activity

Net financial debt breakdown & maturity



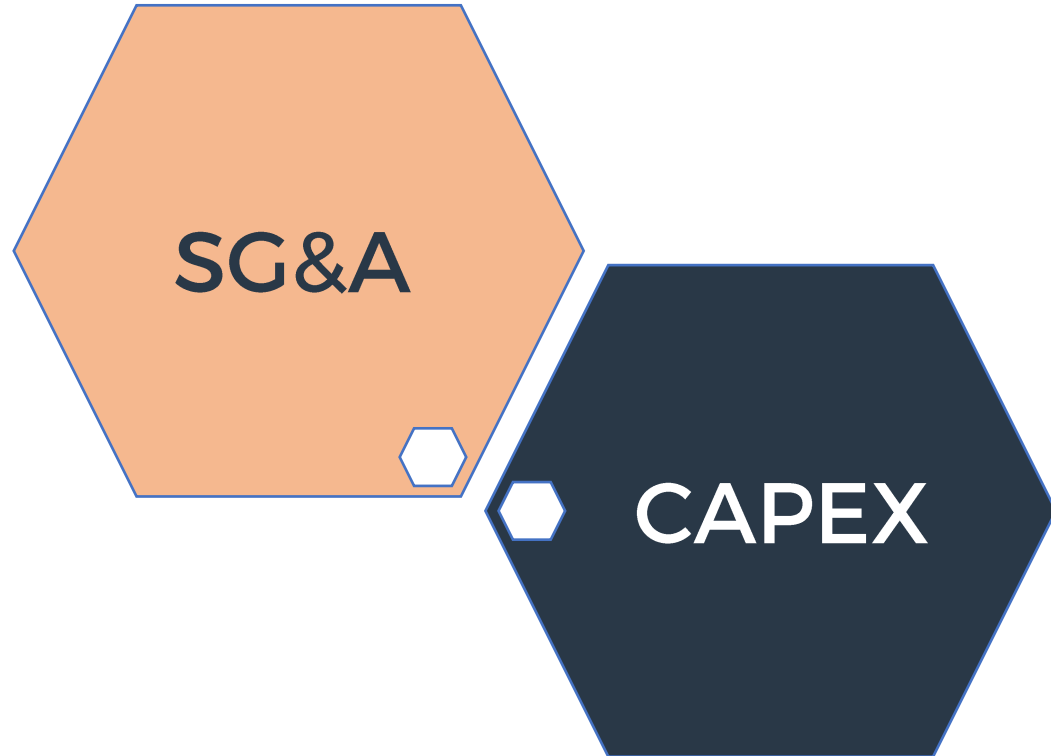
Notes: 1. Cash net of bank overdrafts; 2. Account agreement with the Casino Group works as a revolving credit facility with a potential contractual repayment by mid 2026

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STRATEGIC OUTLOOK: EFFICIENCY PLAN



€75m Efficiency Plan



€75m full-year savings by 2023 year-end
Already €30m savings expected in 2H22

While being committed to our 3 strategic pillars

Grow the Marketplace

more sellers, more fulfilment, better customer satisfaction

Boost Advertising Services

leveraging on Cnova unique in-house self-service platform

Develop B2B Activities

Octopia & C-Logistics