

## CNOVA N.V. First quarter 2023 activity

**In a still challenging market where Cnova accelerated its shift towards marketplace, GMV stands at -15% like-for-like<sup>1</sup>, improving compared to Q4 (-16%). April current trading<sup>2</sup> shows significant improvements compared to 1Q23: Marketplace back to growth at +5% (+9pts vs. 1Q23 y-o-y evolution) and Product GMV standing at -10% (+10pts vs. 1Q23 y-o-y evolution).**

**In this context, Cnova accelerated the pace of the transformation towards a profitable model with Gross Margin increasing by +6pts vs. 1Q22:**

- **GMV & Marketplace share:** all-time highest marketplace share in Q1 at 57% (+9pts vs. 22, +21pts vs. 19)
- **Rationalization of direct sales assortment** with improving profitability and cash profile, supporting the overall Gross Margin increase
- **Marketplace revenues** at €45m (+2% vs. 22, +29% vs. 19), with an increase in GMV take rate standing at 16.6% (+0.9pt vs. 22, +1.6pt vs. 19)
- **Advertising services revenues** reaching €17m (+9% vs. 22, x2.1 vs. 19), with an increase in GMV take rate standing at 3.5% for Q1 (+0.9pt vs. 22, +2.2pts vs. 19)
- **Record B2C Services GMV<sup>1</sup>** at €36m (+37% vs. 22, x2.6 vs. 19) driven by Travel (+38% vs. 22, x2.2 vs. 19) and Mobile activities (+36% vs. 22, x7.2 vs. 19)
- **Octopia B2B revenues** reaching €5m (+42% vs. 22) with the successful launches of 2 marketplaces (Bébéboutik and an international retailer) and outperformed revenues on Fulfilment-as-a-Service, with an increase in shipped parcels (+38% vs. 22)
- **C-Logistics B2B revenues** at €2m (x6 vs. 22), with its third party-logistic solution successfully launched for a European sportswear company

**Q1 monthly performance and current trading confirming the acceleration of profitable growth drivers** with sequential improvement of growth in Q1 and April current trading:

- Product GMV: -23% in Jan., -20% in Feb., -16% in March, -10% in April to date<sup>2</sup>
- Marketplace GMV: -9% in Jan., -5% in Feb., -2% in March, +5% in April to date<sup>2</sup>

**Efficiency plan to swiftly recalibrate SG&A & CAPEX level by end 2023 is on track to reach the July 2022 guidance of +€75m savings on a full-year basis** by the end of the year, leading to significant and continuous improvement of profitability and operational cash in the 1<sup>st</sup> quarter.

Over Q1, the **Transformation Plan has been reinforced** with a dedicated steering team and specific projects aiming at accelerating the pace of the plan **with a €15m additional savings objective on a full-year basis**, despite inflation headwinds.

**Continuous development of Cnova's ESG policy:**

- "More sustainable products" SKUs: 15.2% of Cdiscount's Product GMV (+3.8pts vs. 22)
- C-Logistics greenhouse gas emissions: -19.2% on the 22 vs. 21 reporting period
- Gender parity: increase in Cnova's gender equality index by +0.2pts vs. 21

AMSTERDAM – April 26, 2023, 18:00 CET Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) ("Cnova") today announced its first quarter 2023 activity.

Thomas Métivier, Cnova's CEO, commented:

*"In the 1<sup>st</sup> quarter of 2023, Cnova has accelerated the pace of its transformation, on all its strategic pillars: marketplace, advertising services and B2B development with the commercial success of Octopia and C-Logistic's solutions.*

*The relevance of Cnova's platform model is confirmed by an all-time high marketplace share and record high quarter for marketplace revenues, advertising services and B2B, thanks to the strength of the technological platform, the efficiency of our artificial intelligence algorithms and our network of 15,000 sellers and suppliers.*

*All those actions, combined with the efficiency plan and strong efforts to improve direct sales margins, have already delivered significant impact on profitability and free cash flow.*

*The transformation continues to accelerate with improving trends since the beginning of April."*

<sup>1</sup> Like-for-like figures exclude cross-canal sales and Cdiscount Energy GMV for 1Q22; <sup>2</sup> as of April 25<sup>th</sup>, 2023

**First Quarter 2023 Key Figures**

Financial performance (€ millions, GMV figures incl. VAT)	1Q23	1Q22 <sup>2</sup>	Change vs. 22	
			Reported	L-f-L <sup>3</sup>
<b>Total GMV</b>	<b>712.4</b>	<b>909.2</b>	<b>(21.6)%</b>	<b>(15.0)%</b>
<b>Ecommerce platform</b>	<b>692.6</b>	<b>883.0</b>	<b>(21.6)%</b>	<b>(14.7)%</b>
o/w Direct sales	251.6	372.8	(32.5)%	
o/w Marketplace	328.9	341.5	(3.7)%	
<i>Marketplace share</i>	<i>56.7%</i>	<i>47.8%</i>		<i>+8.9pts</i>
o/w B2C Services	36.2	73.2	(50.5)%	+37.2%
o/w Other Revenues	75.8	95.5	(20.6)%	+5.8%
<b>B2B activities</b>	<b>19.8</b>	<b>26.1</b>	<b>(24.2)%</b>	
o/w Octopia B2B revenues	5.4	3.8	+42.4%	
o/w Octopia Retail & Others	12.5	21.9	(42.9)%	
o/w C-Logistics	2.0	0.4	x5.5	
<b>Total Net sales</b>	<b>323.5</b>	<b>446.6</b>	<b>(27.6)%</b>	<b>(24.2)%</b>

**First Quarter 2023 Highlights**

GMV	1Q23
Total like-for-like <sup>2</sup> growth	-15.0%
Marketplace growth	-3.7%
Travel growth	+37.6%
Octopia B2B revenue growth	+42.4%

GMV posted a -15.0% like-for-like decrease in the 1<sup>st</sup> quarter 2023, confirming Cnova's strategic choice to accelerate its platform revenues with the development of its marketplace, advertising services and B2B businesses with Octopia and C-Logistics. This year-on-year change was driven by:

- **Direct Sales** contributing -13.3pts (-32.5% y-o-y), as a result of **the on-going voluntary strategic shift to marketplace, mostly for low contribution margin non-technical goods**, but preserving and still benefiting from strengthened relationships with top international brands
- **Marketplace** contributing -1.4pt (-3.7% y-o-y) while delivering +9pts in GMV share. Cnova raised quality standards through better delivery services with 50.3% free express delivery share in the 1<sup>st</sup> quarter
- **B2C Services** contributing +1.1pt (+37.2% y-o-y), among which Travel alone brought +0.9pt to Cnova growth (+37.6% y-o-y)
- **Octopia B2B revenues** contributing positively to growth (+42% y-o-y) driven by Merchant-as-a-Service and Marketplace-as-a-Service revenue growth (x2 vs. 22), with the successful launches of 2 marketplaces (Bébéboutik and an international retailer) and

<sup>2</sup> 2022 figures have been restated to take into account CCherVous disposal (discontinued operations)

<sup>3</sup> Like-for-like figures exclude cross-canal sales and Cdiscount Energy GMV for Q122

accelerating Fulfilment-as-a-Service revenues with an increase in shipped parcels (+38% vs. 22)

- **Octopia retail GMV** contributed negatively for -1.0pt (-43% y-o-y) with Products-as-a-Service offer now focused on profitability as part of the transformation plan to drive profitable retail growth

Marketplace	1Q23	Change vs. 1Q22
Marketplace product GMV share	56.7%	+8.9pts
Marketplace Fulfilment + Express sellers GMV share	50.3%	+0.2pt
Marketplace revenues	€45.5m	+1.9%
Advertising services Product GMV take rate <sup>4</sup>	3.5%	+0.9pt

**Marketplace** posting a 29pts y-o-y growth differential against first party sales, decreasing overall by -3.7%. Strong and regular customer satisfaction measured by the NPS at 55 (+11pts vs. 19 and steady vs. 22) led to a fast-increasing marketplace GMV share this quarter up to 56.7% (+8.9pts vs. last year). As part of this strategy, Fulfilment by Cdiscount and Express seller program continued to be very dynamic representing 50.3% of marketplace GMV in the 1<sup>st</sup> quarter 2023, an increase of 0.2pt vs. last year.

Clients	1Q23
Active clients over the last 12 months	8.1
CDAV GMV share	38.5%

**The loyalty program Cdiscount à Volonté (CDAV)** represented 38.5% of total GMV in the 1<sup>st</sup> quarter 2023.

Net Sales	1Q23
Total like-for-like <sup>2</sup> growth	-24.2%

**Net Sales<sup>5</sup>** amounted to €323m (-24.2% like-for-like decrease vs. 22). This decrease is primarily driven by the voluntary mix improvement towards marketplace especially for non-technical goods categories with negative contribution margin.

<sup>4</sup> Calculated as advertising services revenues divided by total product GMV excluding VAT (Marketplace GMV excl. VAT + Direct sales GMV excl. VAT)

<sup>5</sup> Like-for-like figures exclude cross-canal sales and Cdiscount Energy GMV for Q122

## **Business Highlights**

### **A record high marketplace GMV share with accelerated positive trends compared to pre-pandemic level:**

- Marketplace reached all-time highest marketplace share in Q1 at 57% for the 1<sup>st</sup> quarter 2023 (+9pts vs. 22, +21pts vs. 19), mainly driven by home categories and new strategic partnerships, confirming the mix evolution towards more marketplace revenues. During the 1<sup>st</sup> quarter 2023, marketplace GMV was nearly stable (-4% vs. 22), in a context of strong inflation headwinds and macro-economic uncertainties
- New marketplace strategic partnerships were formed, including with a childcare specialist and a leading company specialized in consumer goods
- A new dedicated team of 20 collaborators was assembled to accelerate the recruitment and sales of the new Top sellers of the French, European and other international markets

Cnova continues the **rationalization of its direct sales assortment** with improving profitability and cash profile, supporting the overall Gross Margin increase.

**This resilient performance for both direct sales and marketplace has been supported by disruptive offers launched this quarter**, such as the new payment installment solution provided by Floa Bank for Apple products (including the possibility to trade an old device), and a **strong and increasing customer satisfaction** measured by the NPS at 55 (+11pts vs. 19, steady vs. 22).

**Expansion of marketplace SKUs eligible to express delivery** is a key driver of growth and customer satisfaction. It is also determinant to support the product mix re-orientation towards the marketplace:

- **Cdiscount Express Seller**, launched in 2019 for sellers able to offer express delivery to CDAV customers, reached a 15.4% marketplace GMV share for the 1<sup>st</sup> quarter 2023 (+4.1pts vs. 22)
- **Fulfilment by Cdiscount** marketplace GMV share stands at 34.9% for the 1<sup>st</sup> quarter 2023. A consequent effort is made to provide always more quality by recruiting top sellers with now a wider assortment than traditional retail sales

### **B2C Services showed a record performance:**

- **B2C Services** GMV, excluding Energy, amounted to €36m in the 1<sup>st</sup> quarter 2023, reaching again a solid growth (+37% vs. 22, x2.6 vs. 19)
- **Cdiscount Voyages** (travel) experienced a significant acceleration with a GMV growth of +38% vs. 22 (x2.2 vs. 19)
- **Cdiscount Mobile** (cell phone plan) activity performed very well during the 1<sup>st</sup> quarter 2023 with a GMV growth of +36% vs. 22 (x7.2 vs. 19) and a strong increase in the subscriber base

**Dynamic Advertising Services driven by Retail Media dynamics:**

- Advertising services revenues reached €17m for Q1 (+9% vs. 22), with growing GMV take rate standing at 3.5% (+0.9pt vs. 22)
  - Advertising services growth is mainly supported by Retail Media, which accounts for €13m of revenues for Q1 (+19% vs. 22) and allows both sellers and suppliers to reinforce their visibility and increase their sales
  - Growth is also driven by a dynamic offer expansion, with the creation of new formats, such as the launch of “premium” shops for sellers (12 signed sellers)

**Octopia’s B2B revenues know a strong commercial dynamic, driven by its turnkey marketplace solution for EMEA retailers and e-merchants:**

- Successful launches of 2 marketplaces (Bébéboutik and an international retailer)
- Outperformed revenues on Fulfilment-as-a-Service, with an increase in shipped parcels (+38% vs. 22) and the development of the activity in Spain
- Acceleration of the selling volume on its sales channels (x21 GMV y-o-y) and acceleration of the number of sellers deployed
- Successful launch of the drop-shipping offer for sellers, with 38 active sellers at end of the quarter on Products-as-a-Service

**C-Logistics is developing its B2B activities** through the successful launch of its third party-logistic solution for a European sportswear company, a service quality above customers’ expectations and knows a strong ramp-up with an increase in the number of shipped parcels for external clients (x3 vs. 22), representing an increase of 2.2pts in C-Logistics total number of shipped parcels. New strategic transportation flows have been implemented, enabling products delivery in Europe, with Chronopost for Express Delivery and BPost for Standard Delivery.

**C-Logistics is also optimizing its costs and adapting its structure** with the rationalization of transportation offers and the increase in warehouses productivity.

**C-Logistics ESG approach has been pursued** with significant efforts to decrease its energy consumption (-21% vs. 22).

**Environmental, social and societal stakes such as human capital, climate, business ethics and societal commitment are at the heart of Cnova’s B2B and B2C strategic development:**

- Cnova is committed to **promoting a more responsible consumption** through its direct sales and marketplace product offer. Actions carried out by Cdiscount and Octopia aiming to develop “more sustainable products” (e.g., increasing the visibility of these products and guaranteeing affordable prices) enable a continuous acceleration of this offer. “More sustainable products” account for 15.2% of Cdiscount’s Product GMV at 1Q (+3.8pts vs. 22)

- Cnova is also taking action to **reduce the impact of its operations**:
  - Thanks to actions undertaken with carriers, greenhouse gas emissions related to delivery of products sold by Cdiscount and shipped by C-Logistics have decreased by -19.2% on the 22 vs. 21 reporting period
  - Cdiscount and C-Logistics have joined the study group dedicated to the writing of an AFNOR SPEC “*E-commerce: information to consumers on the environmental impact of their delivery choice*”, aiming to define a reference framework for environmental display when the consumer chooses its delivery method on Cdiscount’s website
  - Cnova’s electricity and gas consumption has decreased by -25% in 22 vs. 19 (-15.9% vs. 21), overperforming objectives announced by Cnova in early Q4 as an answer to the national mobilization initiated by the government
- As a **trustworthy partner**, Cnova is committed to protect its clients. Cdiscount, which had already signed the Product Safety Pledge in 2020, has recommitted to consumer protection and signed the new version of the Product Safety Pledge at the European Consumer Summit organized by the European Commission
- Cnova pursues its **social and societal commitment** in favor of gender parity. Thanks to its Human Resources policy, Cnova’s consolidated gender equality index has increased by +0.2pt vs. 21

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#### ***About Cnova N.V.***

*Cnova N.V., the French ecommerce leader, serves 8.1 million active customers via its state-of-the-art website, Cdiscount. Cnova N.V.’s product offering provides its B2C 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. also serves B2B clients internationally through Octopia (Marketplace-as-a-Service solutions), Cdiscount Advertising (advertising services for sellers and brands) and C-logistics (end-to-end logistic ecommerce solution). 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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