Business Plan update

Septembre 20, 2023

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Introduction

- This document presents an **update of the 2024-2028 Business Plan, prepared on the basis of**:
  - the Business Plan published on June 26, 2023 and reviewed by Accuracy and Advancy
  - the 2023 reforecast published on July 27, 2023 and reviewed by Accuracy and Advancy
  - a review of the 2024-2028 trajectory of the Business Units by Accuracy and Advancy based on their best estimates to date, including in particular the effects of the 2023 reforecast (unchanged) and the update of the 2024 energy budget which has been secured over the last few months

- The forecasts also take into account the **latest known changes in operating financings** (reverse factoring, receivables mobilization, leasing, postponing of social charges) and **credit insurance envelopes**, as well as the **key projects launched** (planned store disposals to Groupement les Mousquetaires - hereinafter “ITM” - and the franchisee conversion plan)

- Forecasts are based on action plans launched on a **"standalone" basis**, without prejudging actions and latency effects, if any, linked to the ongoing financial restructuring

- **Forecasts do not take into account:**
  - financial elements linked to the **partnership project with Prosol**
  - changes in the scope of perimeter linked to the **subsequent disposals of additional stores to Groupement les Mousquetaires (ITM)**

- **They remain subject to the usual contingencies linked to the business, notably the volume effect, and to the implementation of various commercial action plans**

1. Summary of Business Plan update

Key assumptions updated (1/4)

H2 2023 forecast

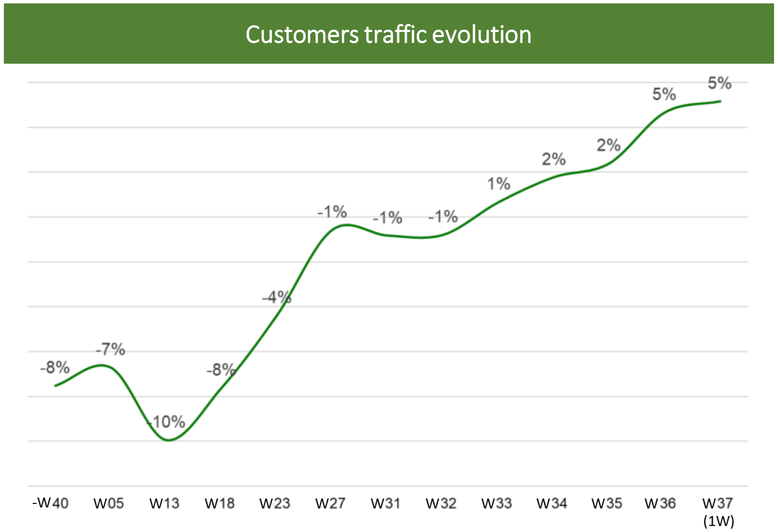
	H1 2022	H1 2023	H2 2022	H2 2023	FY 2022	FY 2023
Net sales	7,730	7,193	8,095	7,730	15,825	14,923
% of growth		(6.9)%		(4.5)%		(5.7)%
EBITDA	219	(170)	467	384	686	214
% of sales	2.8%	(2.4)%	5.8%	5.0%	4.3%	1.4%
FCF excl. W/C	(163)	(698)	23	(19)	(140)	(718)
FCF	(324)	(1,607)	(200)	108	(524)	(1,499)
o/w W/C + Capex operational financings		*(853)*		*(54)*		*(907)*
o/w tax & social charges		*192*		*104*		*296*
After ITM disposals	***(324)***	***(1,607)***	***(200)***	***368***	***(524)***	***(1,239)***
FCF excl. financings and tax & social charges	(324)	(946)	(200)	57	(524)	(889)
After ITM disposals	*(324)*	*(946)*	*(200)*	*317*	*(524)*	*(629)*

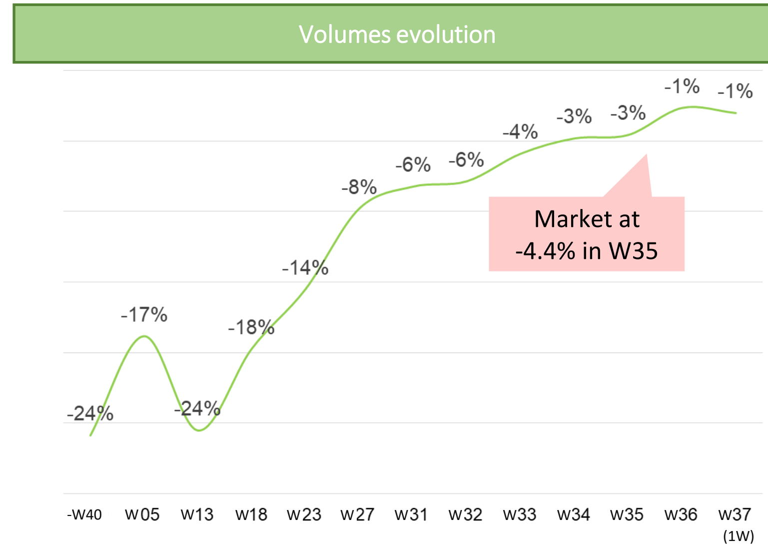
- H1 2023 was impacted by price cuts in Supermarkets (SM) and Hypermarkets (HM) and almost all operating financing losses on W/C, with EBITDA down sharply to €-170m (€-389m vs H1 2022, mainly on DCF) and FCF down to €-1.6bn, of which €-0.9bn on operating financings

- The H2 2023 forecast has been updated mainly due to the more gradual recovery trajectory of Hypermarkets than initially estimated:
  - EBITDA should thus be €384m (vs. €467m in H2 2022), with DCF down ~€120m
  - FCF should be positive at ~€110m before proceeds from disposals to Intermarché (vs. -€200m in H2 2022), including the €104m tax and social liabilities to be repaid on closing of the restructuring, and by the end of April 2024 at the latest

Key assumptions updated (2/4)

Historical Supermarkets[1] traffic / volume





- **Inflexion from W13** and implementation of SM price readjustment measures
- To date, **key indicators (customers' traffic and volumes) confirm the Supermarkets' recovery trajectory** and are in line with our forecasts:
  - Historic SM have returned to a positive customer traffic at +4.7% in 4W (W36: +8.2%);
  - Volumes stand at -0.6% in 4W (W36: +2.2%), outperforming the market (-4.4% according to Circana)
- For **H2 2023 and 2024, forecasts are based on a continued recovery**, with a 5% volume growth assumption in 2024 (price index 115, i.e. 105 after subscription), vs. +2.2% in W36. Supermarket volumes would therefore return to their 2022 level by the end of 2024

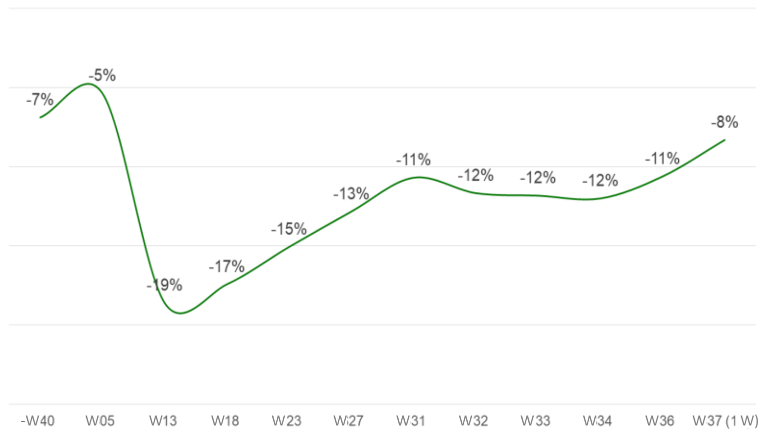
Market Source: Circana L'Hebdo W35

(1) Historical SM (excl. ex-HM), incl. SM in Corsica

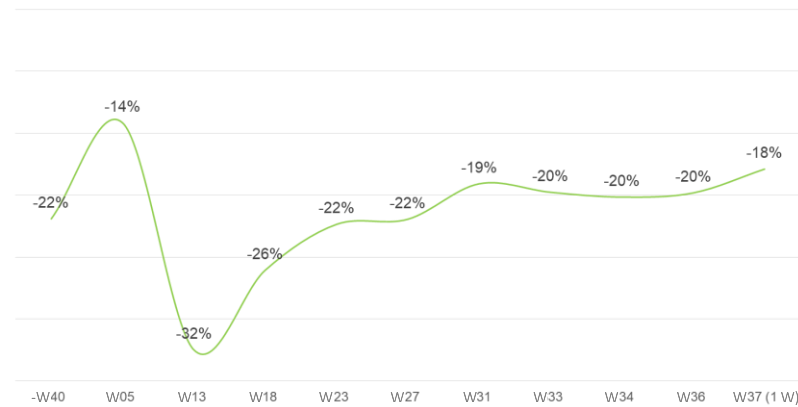
Key assumptions updated (3/4)

Hypermarkets traffic / volume

Customers traffic evolution



Volumes evolution



- **Inflexion** following the price repositioning measures is **more gradual** than in Supermarkets (SM), with Hypermarkets (HM) requiring more time and advertising effort

- To date, **Hypermarkets have improved gradually, but less than Supermarkets**:
  - Customers' traffic is improving, with a 4W level at -10.6% (W36: -5.7%);
  - Volumes remain below market at -19.8% in 4W (W36: -13.0%)

- **For H2 2023 and 2024, forecasts are based on a gradual recovery**, with volumes assumed to be +2% in 2024 (price index 110, i.e. 100 after subscription), with a positioning remaining below the 2022 level

Market Source: Circana L'Hebdo W35

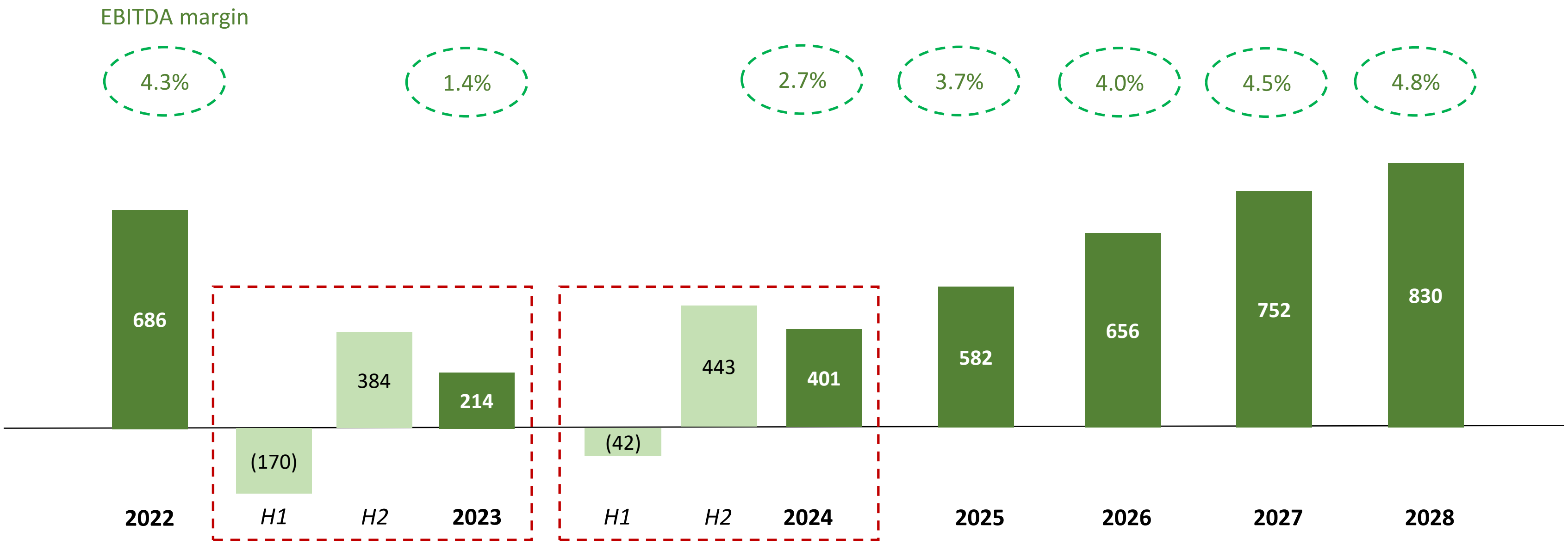
Key assumptions updated (4/4)

2024->2028 Update

24->28 BP update mainly relies on:

- Update of **energy budget assumptions, with improvements** to be partially reinvested in Monoprix and DCF
  - Lower energy cost of €113m vs 2023 (+€88m on initial budget assumption)
  - €88m savings will finance DCF and Monoprix through capex investments and in-store reinforcements (checkouts, increased services, marketing) in both BUs
- Impact from 2024 onwards of the **structural projects launched by the Group** (store-opening plan, store disposals to ITM, franchisee conversion plan).
  - Store-opening Plan: Confirmation of store-opening targets
  - Impact of HM/SM disposals to ITM
  - Continuation of the SM franchisee conversion plan launched in 2023 and acceleration of the Convenience stores franchisee conversion plan
  - As Prosol partnership is currently being implemented, expected benefits have not been included in EBITDA at this stage, pending the results of tests currently underway
- **Stabilization of the coverage of credit insurers and of the operational financing** (loss of envelopes have already been factored on H1 2023) excluding tax and social charges postponed during the conciliation, with such liabilities to be repaid at closing of the restructuring, and by April 2024 at the latest
- **Continuation of HM/SM turnaround plan** as well as the savings & efficiency plans:
  - Carried effect of efficiency plans. In 2024, savings & efficiency plan will notably focus on adapting DCF's structure to the change in its scope (store disposals, acceleration of franchisee model for SM and convenience stores)
  - Restoring historical SM to their 2022 level by the end of 2024 and continuing the gradual recovery of HM

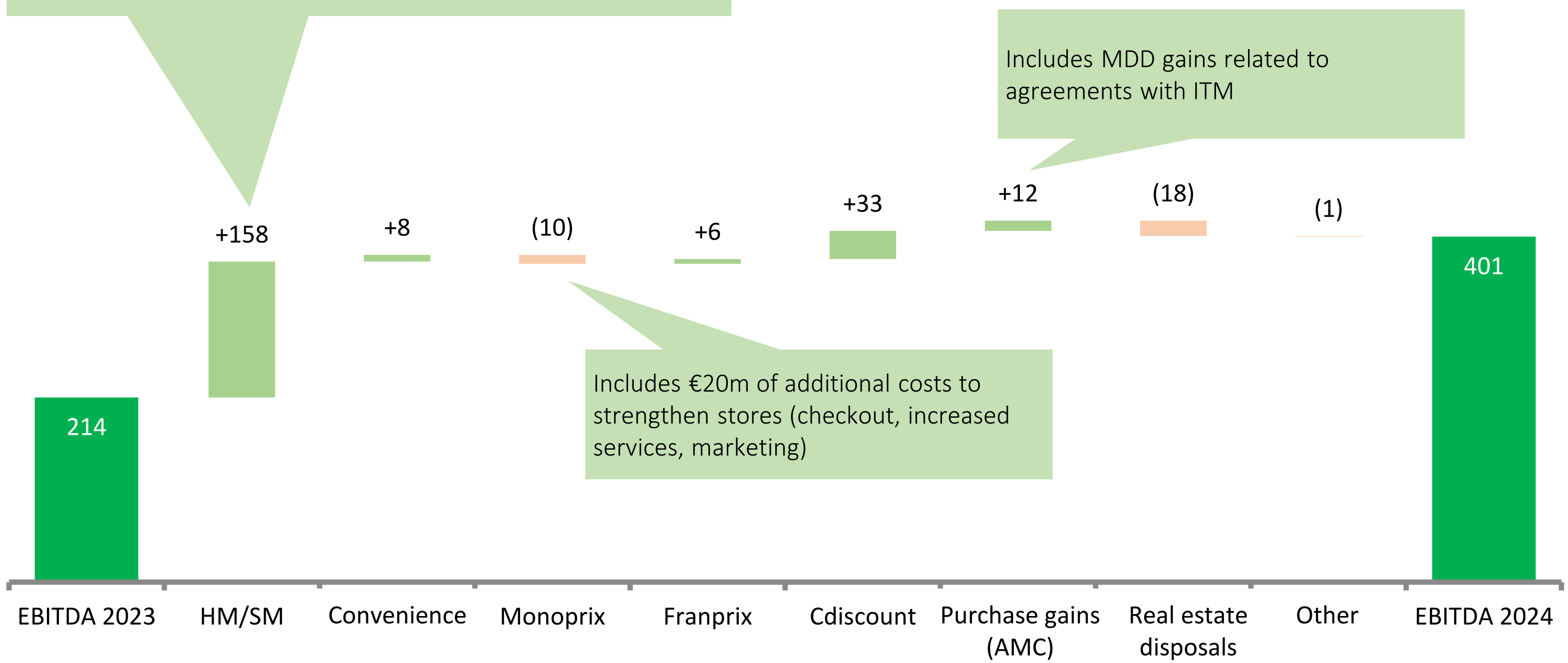
EBITDA 2022 -> 2028



- **2024 EBITDA should be €401m**, due to the gradual recovery of HM/SM, the disposal of ITM stores (+€65m full-year EBITDA) and an improvement in the energy budget of ~€113m vs. 2023, of which a portion can be reinvested in Monoprix and DCF services
- The Group in France would recover an **EBITDA level similar to 2022 between 2026 and 2027**

EBITDA bridge 2023 -> 2024

- Ongoing improvement in HM/SM activity: €50m
- Energy (HM/SM share): €55m
- Effect of disposal of stores to ITM in Oct-23 (A1 list): €51m
- SM franchisee conversion plan: €45m
- Savings, inflation, other: €(43)m



2. Breakdown of 2023 Sales / EBITDA / FCF

Reforecast 2023 (1/2)

Sales (in €m)	H1 2022	H1 2023	Var.	H2 2022	H2 2023	Var.	FY 2022	FY 2023	Var.
Monoprix excl. Sarenza	2,125	2,158	2%	2,196	2,296	3%	4,321	4,454	3%
Franprix	743	777	4%	733	772	5%	1,476	1,549	5%
Other activities	195	209	7%	210	168	(20)%	405	377	(7)%
Retail excl. DCF*	**3,113**	**3,143**	**1%**	**3,162**	**3,237**	**2%**	**6,275**	**6,380**	**2%**
DCF	3,822	3,447	(10)%	4,108	3,769	(8)%	7,930	7,182	(9)%
Retail	**6,935**	**6,590**	**(5)%**	**7,270**	**7,006**	**(4)%**	**14,205**	**13,563**	**(4)%**
Cdiscount	795	603	(24)%	825	757	(8)%	1,620	1,360	(16)%
France	**7,730**	**7,193**	**(7)%**	**8,095**	**7,763**	**(4)%**	**15,825**	**14,923**	**(5)%**

EBITDA (in €m)	H1 2022	H1 2023	Var.	H2 2022	H2 2023	Var.	FY 2022	FY 2023	Var.
Monoprix excl. Sarenza	62	65	3	163	160	(3)	225	225	0
Franprix	35	31	(3)	66	79	12	101	110	9
Other activities	84	42	(42)	70	86	16	155	128	(27)
Retail excl. DCF	**181**	**139**	**(43)**	**300**	**324**	**24**	**481**	**463**	**(18)**
DCF	39	(325)	(364)	145	27	(117)	184	(297)	(481)
Retail	**220**	**(186)**	**(406)**	**444**	**352**	**(93)**	**665**	**166**	**(499)**
Cdiscount	(2)	16	18	23	33	10	21	48	28
France	**218**	**(170)**	**(388)**	**467**	**384**	**(83)**	**686**	**214**	**(472)**

- The trajectory is in line with the reforecast from July, as the **H2 2023 forecast had been updated mainly due to the Hypermarkets recovery trajectory being more gradual than initially estimated**, with the other BUs broadly in line with the sensitized scenarios
- **EBITDA should thus be €384m** (vs. €467m in H2 2022), with DCF declining by ~€117m vs. an EBITDA decline of €364m in the first half

*Retail excluding DCF and including Sarenza in 2022

Reforecast 2023 (2/2)

Group's FCF (in €m)	H1 2022	H1 2023	Var.	H2 2022	H2 2023	Var.	FY 2022	FY 2023	Var.
EBITDA after lease payments	219	(170)	(389)	467	384	(83)	686	214	(472)
(-) other items & APCO	(168)	(251)	(83)	(246)	(240)	6	(414)	(491)	(77)
Operating cash flow	51	(421)	(472)	221	144	(77)	272	(277)	(549)
Tax	(16)	(9)	7	(17)	(14)	3	(33)	(23)	10
Net Capex	(198)	(268)	(70)	(171)	(150)	20	(368)	(418)	(50)
FCF before change in WC	(163)	(698)	(535)	34	(19)	(54)	(129)	(718)	(589)
Change in WC	(161)	(909)	(748)	(234)	127	361	(395)	(782)	(682)
FCF before disposal plan	(324)	(1,607)	(1,283)	(200)	108	308	(524)	(1,499)	(1,271)
o/w FCF excl. operating financing and social charges losses	(324)	(946)	(622)	(200)	58	258	(524)	(889)	(364)
o/w social charges conciliation		192			104			296	
o/w WC and capex operating financing losses		(853)			(54)			(907)	

- **Expected decrease in cash generation for the year, primarily impacted by a weakened performance in the first half**
- **The Group's FCF was negative by more than €1.6bn in the first half**, mainly due to a deterioration in the change in WC of nearly €750m, of which €853m on operational financings
- **Gradual recovery of the Group's cash generation capacity in the second half**, notably due to the gradual improvement in the WC position (var. WC in H2 2023 at €77m excluding financing losses and the deferral of social charges during the conciliation period, thanks to the inventory reduction plan)

Compared to the July presentation, the 2023 FCF includes the tax and social liability of €296m, which is expected to be repaid upon the closing of the restructuring, and no later than by the end of April 2024

3. Savings & efficiency plan

Savings & efficiency plan

1	Energy budget	€113m EBITDA gains vs. 2023
2	Efficiency plan	€136m effect of the 2023 savings and efficiency plan in 2024. 2024 savings & efficiency plan will notably focus on adapting DCF's structure to the change in its scope
3	New store-opening and franchisee conversion plan	Confirmation of store-opening targets for 2024-2028 and franchisee conversion plan for integrated SM and convenience stores
4	Disposal of stores to ITM	€65m estimated full-year EBITDA gains following first stores disposals ITM in October 2023 (“A1” list). Disposal of other A list stores (“A2 list”) have not been included in the BP, as the timetable has yet to be finalized (potential upside of €16m)
-	Prosol partnership	€87m estimated EBITDA gains over time arising from Prosol partnership, which aims to install corners of their subsidiary *“Fresh”* in a number of HM and SM (tests underway)

Upside not included in the BP

4. Revised Business Plan

Distribution Casino France

Key financial indicators

In €m	2023	2024	2025	//	2028
Hypermarkets	2,470	2,159	2,258		2,369
Supermarkets	3,203	2,987	3,123		3,325
Convenience	1,510	1,554	1,706		2,038
Net sales	**7,182**	**6,700**	**7,087**		**7,732**
Hypermarkets	368	439	464		490
Supermarkets	591	558	570		628
Convenience	216	225	247		285
Retail margin	**1,175**	**1,222**	**1,281**		**1,403**
EBITDA Hypermarkets/Supermarkets	(331)	(183)	(79)		(9)
o/w stores contributions	*(185)*	*(64)*	*33*		*102*
EBITDA Convenience	34	52	82		118
o/w stores contributions	*82*	*93*	*122*		*158*
EBITDA	**(297)**	**(131)**	**3**		**109**
Margin (%)	*(4.1)%*	*(1.9)%*	*0.0%*		*1.4%*
APCO	(177)	(112)	(71)		(20)
Other items	(77)	(50)	(50)		(50)
Operating cash flow	**(551)**	**(293)**	**(118)**		**39**
Tax	(6)	(5)	(5)		(1)
Change in WC	(340)	(70)	20		3
o/w postponed social charges	*162*	*(162)*	-		-
Capex	(182)	(189)	(187)		(182)
Capex / Net sales	*(2.5)%*	*(2.8)%*	*(2.6)%*		*(2.3)%*
Free cash flow before allocation of AMC gains	(1,080)	(557)	(290)		(141)
Allocation of AMC gains(1)	43	37	43		43
Free cash flow after allocation of AMC gains	(1,037)	(520)	(247)		(98)
Estimated impact of Prosol's partnership (2)		*10*	*44*		*87*
Estimated impact ITM disposals A2 list (2)			*16*		*16*
Pro forma free cash flow	(1,037)	(510)	(187)		5

(1) Gains being analytically tracked at the AMC level and will be allocated to DCF – see page 21

(2) Estimated upside will depend on the completion dates of ongoing projects

Monoprix
Key financial indicators

In €m	2023	2024	2025	//	2028
Net sales	**4,454**	**4,655**	**4,865**		**5,426**
Retail margin	**1,451**	**1,520**	**1,575**		**1,715**
EBITDA	**225**	**215**	**225**		**295**
Margin (%)	*5.1%*	*4.6%*	*4.6%*		*5.4%*
APCO	(45)	(40)	(35)		(20)
Other items	(34)	(30)	(21)		(17)
Operating cash flow	**146**	**145**	**169**		**258**
Tax	(5)	(5)	(5)		(0)
Change in WC	(95)	(37)	13		3
o/w postponed social charges	*95*	*(95)*	*-*		*-*
Capex	(90)	(129)	(147)		(180)
Gross capex / Net sales	*(2.6)%*	*(3.2)%*	*(3.4)%*		*(3.5)%*
Free cash flow before allocation of AMC gains	**(44)**	**(26)**	**29**		**81**
Allocation of AMC gains[1]	32	30	36		36
Free cash flow after allocation of AMC gains	**(12)**	**4**	**65**		**116**

(1) Gains being analytically tracked at the AMC level and will be allocated to Monoprix – see page 21

Franprix
Key financial indicators

In €m	2023	2024	2025	//	2028
Net sales	**1,549**	**1,699**	**1,831**		**2,078**
Retail margin	**420**	**446**	**458**		**498**
EBITDA	**110**	**116**	**124**		**159**
Margin (%)	*7.1%*	*6.8%*	*6.8%*		*7.7%*
APCO	(17)	(10)	(10)		(5)
Other items	(10)	(10)	(10)		(10)
Operating cash flow	**83**	**96**	**104**		**144**
Tax	(3)	(3)	(3)		(2)
Change in WC	(110)	(9)	(0)		(1)
o/w postponed social charges	*20*	*(20)*	*-*		*-*
Capex	(58)	(55)	(64)		(73)
Gross capex / Net sales	*(3.7%)*	*(3.2%)*	*(3.5%)*		*(3.5%)*
Free cash flow before allocation of AMC gains	**(88)**	**29**	**37**		**69**
Allocation of AMC gains[1]	12	12	15		15
Free cash flow after allocation of AMC gains	**(76)**	**41**	**52**		**84**

(1) Gains being analytically tracked at the AMC level and will be allocated to Franprix – see page 21

Cdiscount
Key financial indicators

In €m	2023	2024	2025	//	2028
GMV	**2,400**	**2,267**	**2,293**		**2,552**
o/w 1P	*973*	*814*	*749*		*690*
o/w 3 P	*1,427*	*1,453*	*1,545*		*1,862*
% marketplace	*61%*	*65%*	*69%*		*74%*
Net sales	**1,360**	**1,310**	**1,276**		**1,302**
EBITDA	**48**	**81**	**99**		**131**
APCO	(13)	(8)	(3)		(3)
Operating cash flow	**36**	**73**	**96**		**128**
Tax	(4)	(3)	(3)		(3)
Change in WC	(124)	47	8		4
Capex	(56)	(52)	(53)		(56)
CB4X	(26)	(24)	(23)		(26)
Free cash flow	(173)	41	25		47

- The 2024-2028 trajectory, reviewed by Groupe Casino and its advisors, includes a degree of prudence versus Cnova's business plan
- In particular, the BP does not include Octopia development as a precaution

Other activities
Key financial indicators

In €m	2023	2024	2025	//	2028
DCF	43	37	43		43
Monoprix	32	30	36		36
Franprix	12	12	15		15
AMC	*87*	*79*	*94*		*94*
Others (RelevanC, ExtenC, Bao)	*17*	*22*	*32*		*35*
Purchase & others	104	101	126		129
LP	(13)	(4)	(4)		-
IGC	27	12	4		1
Holdings	10	10	5		5
EBITDA	**128**	**119**	**131**		**135**

- The AMC line (structure in charge of negotiating prices with suppliers) records purchasing gains that will eventually be allocated to the distribution subsidiaries

Consolidated French perimeter

Key financial indicators

In €m	2023	2024	2025	//	2028
Sales	**14,923**	**14,799**	**15,682**		**17,297**
EBITDA after lease payments	214	401	582		830
% of sales	*1.4%*	*2.7%*	*3.7%*		*4.8%*
APCO	(302)	(185)	(129)		(58)
Other operating cash flow items	(189)	(120)	(91)		(87)
Operating cash flow	**(277)**	**96**	**362**		**685**
Capex	(418)	(452)	(477)		(513)
Operating cash flow after capex	**(695)**	**(356)**	**(115)**		**172**
Tax	(23)	(18)	(17)		(6)
Change in WC	(782)	(88)	47		9
o/w WC financings	*(837)*	-	-		-
o/w postponed social charges	*296*	*(296)*	-		-
Free cash flow	**(1,499)**	**(461)**	**(85)**		**175**
FCF excl. operating financings and social charges	(889)	(165)	(85)		175
Estimated impact of Prosol's partnership [1]		*10*	*44*		*87*
Estimated impact ITM disposals A2 list [1]			*16*		*16*
Pro forma FCF excl. operating financings and social charges	**(889)**	**(155)**	**(25)**		**278**

(1) Gains being analytically tracked at the AMC level and will be allocated to DCF – see page 21