



Carrefour aims to be a global leader in Digital Retail

GMV of €10bn and €600m additional recurring operating income from digital expected in 2026

In the course of its Digital Day to be held today in Paris, Carrefour is presenting the key drivers of its 2026 digital strategy and the related value creation objectives.

This strategy is based on Carrefour Group's unique and decisive assets, resulting from the deep transformation carried out since 2018. It is built on a "data-centric, digital first" approach and will be implemented based on four key drivers:

- Acceleration of e-commerce
- Ramp-up of Data & Retail Media activities
- Digitization of financial services
- Transformation, through digital, of traditional retail operations

Objectives

Carrefour aims to triple its e-commerce **GMV** (Gross Merchandise Value) by 2026, to reach **€10bn**.

The Group also expects that digital will contribute an **additional €600m to recurring operating income (ROI)** in 2026 vs 2021.

To this end, Carrefour will increase by around 50% its investments in digital, with a **€3bn dedicated plan between 2022 and 2026**. As a result, the Group is raising its annual investment objective to around €1.7bn, at the higher end of the €1.5bn-1.7bn range communicated at the beginning of 2021.

Finally, in line with its social and environmental responsibility policy, the Group is announcing the goal of reaching carbon neutrality in its e-commerce activities by 2030 – 10 years ahead of the overall Group objective for 2040.

Alexandre Bompard, Chairman and CEO, declared: *"As a successful first transformation plan comes to its end, we now want to transform Carrefour, a traditional retailer with e-commerce capabilities, into a Digital Retail Company, which places digital and data at the heart of all its operations and its value creation model. This profound change, which we intend to carry out by 2026, will unleash the full potential of omnichannel, which is today the DNA of Carrefour and a unique asset in the industry. Our digital advances will allow us to develop new revenue and profit streams, as well as improve the operational performance of all our formats. They will be supported by leading international partners, an additional investment budget and digital training for all the Group's employees. It is my conviction that this new "digital first" course will be a powerful vector of leadership in a rapidly-changing market."*

The successful transformation carried out since 2018 puts Carrefour in a position of strength

After four years and more than €2bn committed to technology and digital, Carrefour has built many assets providing decisive competitive advantages:

- **Digital assets** already representing significant firepower: 33 million downloads of the Carrefour App; 800 million annual visits on digital platforms; 80 million customers in databases; and a track record of 8 billion transactions in its data lake, the biggest in Europe
- A **unique logistics platform**, with more than 3,700 e-commerce-ready points of sale, and 45 warehouses and fulfillment centers exclusively dedicated to e-commerce
- Upgraded information technology systems, unified and more agile, of which **30% already migrated to the Cloud**
- A network of **leading partners** (Google, Meta (Facebook), Uber, Criteo, LiveRamp, etc.)

In the space of four years, Carrefour has thereby **tripled food e-commerce activity**, outperforming the market's growth by 15 points per year on average. The Group has notably become the leader in home delivery in Continental Europe. In 2021, Carrefour anticipates e-commerce GMV of around €3.3bn. This rapid development was combined with rigorous cost optimization, resulting in an 11-point operating margin improvement since 2019 in e-commerce, now **trending towards breakeven**.

With digital at the heart of its strategy, Carrefour is transforming its model and stepping into the era of **Digital Retail** in a position of strength, **with the ambition to become a global leader**. This new model, driven by innovation and data, is a powerful accelerator of growth, market share and financial performance for the Group.

The Group's digital strategy will be based on a "data-centric, digital first" approach and will hinge on four priority drivers.

1) Acceleration of e-commerce

Capitalizing on these assets and reinforced by the powerful acceleration of e-commerce during the pandemic, the Group plans to triple its **e-commerce GMV to €10bn in 2026 vs 2021**.

To achieve this, Carrefour will accelerate the development of all forms of food e-commerce. Beyond **Drives**, the dominant model in France in which Carrefour regularly gains market share, the Group intends to establish its leadership in higher-growth formats:

- **Express delivery** (less than 3 hours), and **quick commerce** (less than 15 minutes), reinforcing its **leadership in home delivery** in its key markets. In quick commerce, the Group recently announced the launch of *Carrefour Sprint* in France, in partnership with Uber Eats and Cajoo
- Innovative services such as **personal shopper**, which is very successful in several Group countries (through Bringo) and which has been launched in France under the OK Market ! brand
- B2B, thanks to the strong potential of Atacadão in Brazil

The threefold increase of e-commerce GMV to €10bn will also be driven by the Group's targeted development in non-food, notably through its marketplaces, social commerce and live-shopping. The product offering will be developed in growth segments such as the second-hand market, major brand products in dropshipment, and non-food products of the Group's private labels, which offer an excellent quality/price ratio.

Thanks to this strong growth and the continued transformation of its e-commerce operating model, Carrefour anticipates generating **an additional €200m of recurring operating income in e-commerce in 2026 vs 2021**.

The development of e-commerce will contribute to the Group's overall performance, through **the increasing number of omnichannel customers**. Those customers buy more at Carrefour (+27% in revenue after 2 years¹) and their retention rate² is higher (97%) than that of store-only customers. Omnichannel customers are expected to account for **30% of the Group's customers in 2026**, compared to 11% today, thanks to the conversion of existing customers to omnichannel, as well as the recruitment of new customers.

2) Ramp-up of Data & Retail Media

Carrefour aims to be the **European leader in Data & Retail Media**, a rapidly growing market that should reach €30bn globally in 2024³.

The Carrefour Links platform enables Carrefour's industrial partners to carry out marketing campaigns across all Group assets (websites, applications, stores) and to measure their real end-to-end impact, from visibility to sales transactions.

Carrefour Links is now the best Data & Retail Media offer in Europe, thanks to its **first-party data, unique in volume and in quality**, representing 8 billion transactions and 80 million customers in the world. This data, qualified and granular, is gathered in a unique data lake, fueled in real-time by in-store and digital transactions, and by information from financial services⁴. Carrefour Links also stands out for its **partnerships with global tech leaders** (Criteo, Google and LiveRamp), allowing to extract maximum value from available data.

The Group anticipates very rapid growth of this activity and expects **Carrefour Links to generate an additional €200m of ROI in 2026 vs 2021**.

3) Digitization of financial services

The Group has built a **strong presence in financial and insurance services** notably through its five banks (France, Brazil, Spain, Belgium and Argentina) and commercial agreements.

These activities currently represent:

- More than 10 million credit cards
- More than €6bn of outstanding consumer and revolving credit
- 3.5 million insurance contracts sold annually

These activities have already been partially digitized, with 30% of cardholders recruited through digital channels and 38% of credit production originating with digital.

The Group will leverage on its bank in Brazil, a **center of expertise and innovation** in the digitization of financial services activities, to develop new financing and insurance products and services in every country where the Group is operating for its B2C and B2B customers (Buy Now Pay Later, micro-credit, affinity insurance, etc.). They will be fully integrated in the customer path of physical and digital retail activities in order to develop their visibility and their commercialization and thus encourage multi-equipment.

¹ Result of behavioral analyses of 2019, 2020 and 2021 cohorts for France, Spain and Brazil

² Proportion of active customers retained from one year to the next

³ Source: McKinsey for Criteo, scope excluding China and Amazon. Expected annual growth rate of +30% between 2019 (€14bn) and 2024 (€30bn)

⁴ In full compliance with regulations related to the protection of personal data

Digitization of financial services activities and the use of customer data will also enable the **optimization of financial services operations** (digital marketing campaigns, qualified granting of credit, upgraded scoring) and better **manage the cost of risk**.

The financial services digital strategy should generate **additional ROI of €200m in 2026 vs 2021**.

In addition, data from financial services and insurance activities will enrich the Carrefour data lake.

4) Deep transformation of traditional retail through digital

Since 2018, Carrefour has pursued a strategy of **migrating information technology systems to the Cloud**: 30% of Group applications have already been migrated and the Group has set the objective to be **a fully Cloud-based company in 2026**. The Cloud allows Carrefour to increase its systems agility and the **time-to-market** in the development of new services and applications. The value extracted from the operational data is reinforced, thanks to the use of artificial intelligence solutions.

The ramp-up of Carrefour in digital will **accelerate the transformation of all the Group's operations**. By adopting a **"data-centric, digital first"** culture, Carrefour will drive profound changes to traditional business processes including: pricing, assortment strategy, activity forecasts, logistics and supply flows and administrative processes. This digitization will contribute to the improvement of the customer experience, with greater personalization, and of operational efficiency at headquarters as well as in stores. It will also have **positive effects on the Group's NPS, revenue and operating income beyond the previously identified €600m**.

Significant resources dedicated to the digital strategy

In support of its digital strategy, the Group is mobilizing human and financial resources to match its ambitions.

By 2024, all the Group's employees will receive **digital training** (around 100,000 people per year) in its Digital Retail University, in partnership with Google.

In order to streamline interactions and support innovation, Carrefour will also provide the *Workplace from Meta (Facebook)* **communication platform** to all employees.

These internal resources will be underpinned by an **open innovation ecosystem** including collaboration with startups. Carrefour will establish:

- A dedicated **Venture Capital Fund**, allowing the Group to stay close to innovations and emerging technologies through the acquisition of minority stakes. This fund will be run by a leading venture capital company, in line with Carrefour's strategic guidelines
- An **innovation studio** to accelerate the emergence and the development of start-ups in areas related to the Group's business lines

Carrefour will **significantly step up its digital investments**, with a **€3bn dedicated plan between 2022 and 2026, i.e. a +50% increase compared to investments in digital in recent years** (€600m per year vs. €400m per year on average since 2018). As a result, the Group is raising its annual investment objective to around €1.7bn, at the higher end of the €1.5bn-1.7bn range communicated at the beginning of 2021.

Towards e-commerce carbon neutrality by 2030

The Group's digital strategy is embedded within its social and environmental responsibility approach. Carrefour is announcing an objective of making its **e-commerce activities carbon neutral by 2030**, 10 years ahead of the overall Group objective for 2040. This implies that the impact of the complete act of purchasing, from click to delivery, will be neutral in terms of CO₂ emissions.

USEFUL INFORMATION

The Group will provide further detail on its digital strategy's main drivers during the Digital Day held today from 9:30AM in Paris.

The event will be broadcasted live via www.carrefour.com. A replay will be available from November 10, 2021.

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