

# DIGITAL DAY

DIGITAL ACCELERATION  
FOR RETAIL & ECOMMERCE  
November 9, 2021



# ALEXANDRE BOMPARD

*Chairman and CEO,  
Carrefour*

# Carrefour: a **winning position** built in only 3 years

**x3**

**e-Commerce food  
GMV since 2018**

+15pp growth/year  
vs. market

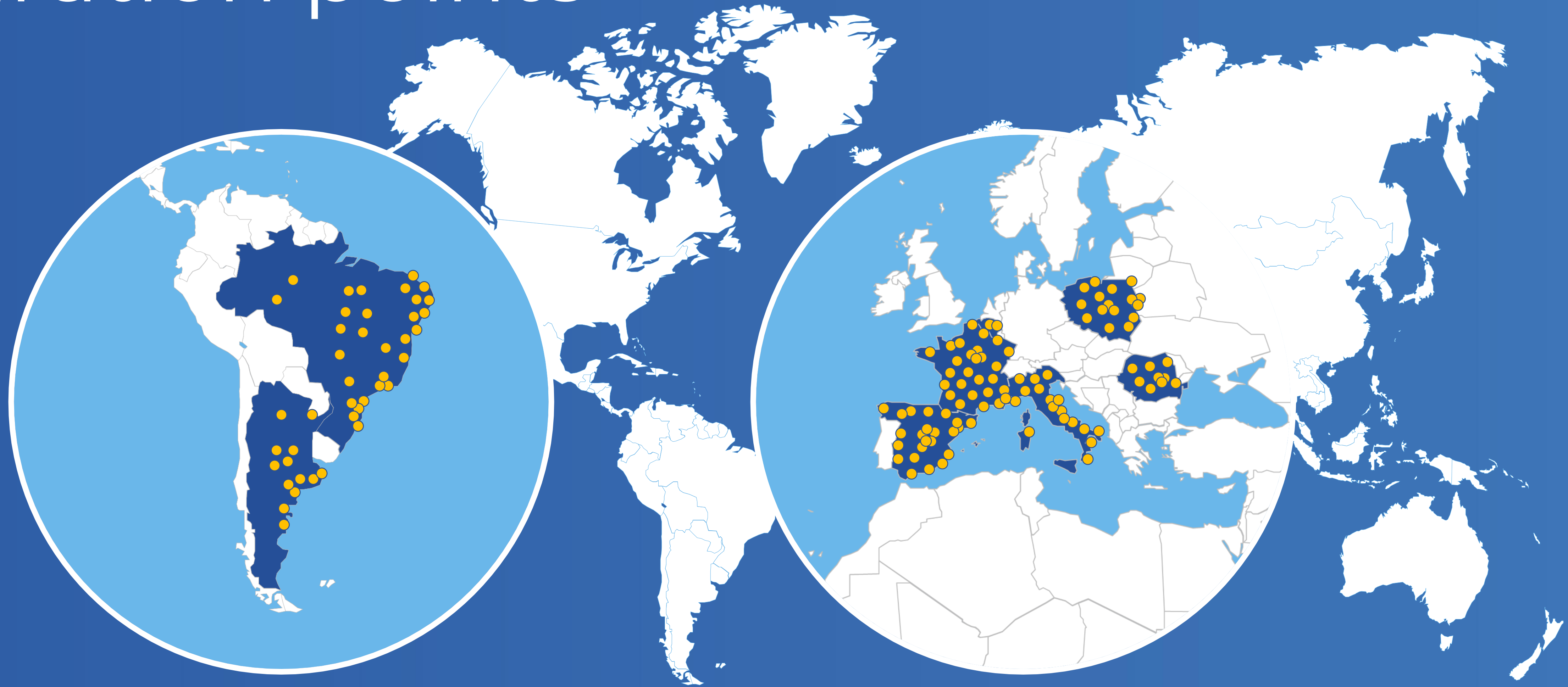
**+3m**

**Online customers  
during COVID**

**+11pts**

**Profitability  
increase in 2 years**

# A unique **dual network** of e-commerce preparation points



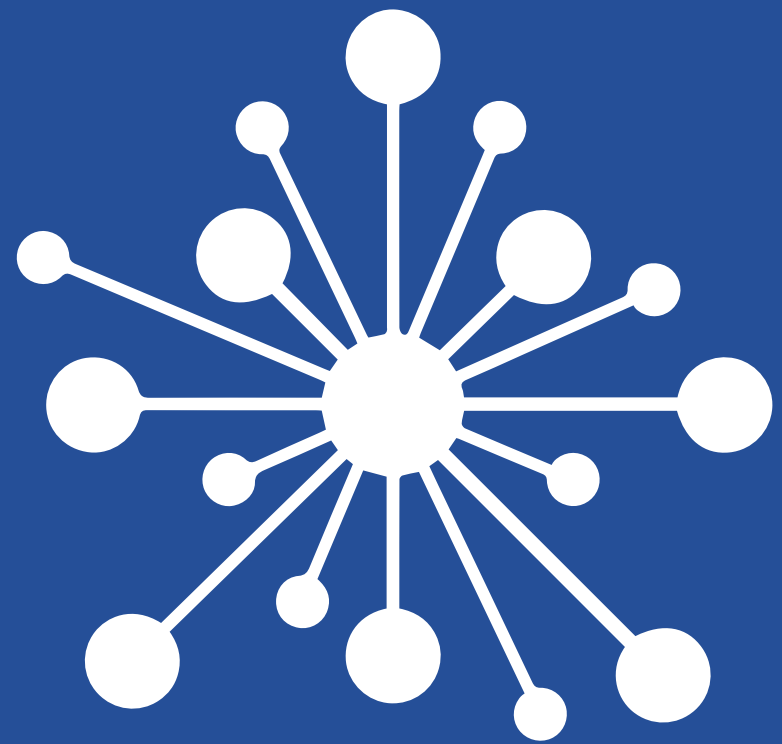
**3,700+** **45**

e-commerce-enabled stores

e-commerce fulfillment centers

# State-of-the-art tech foundations

## Omnichannel capabilities



Digital platforms  
and services

**800m** visits  
per year

## Next-gen infrastructure

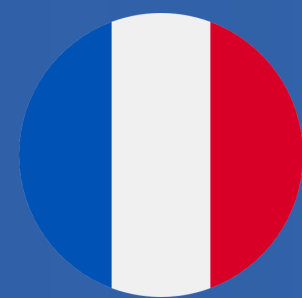


30%  
public  
cloud

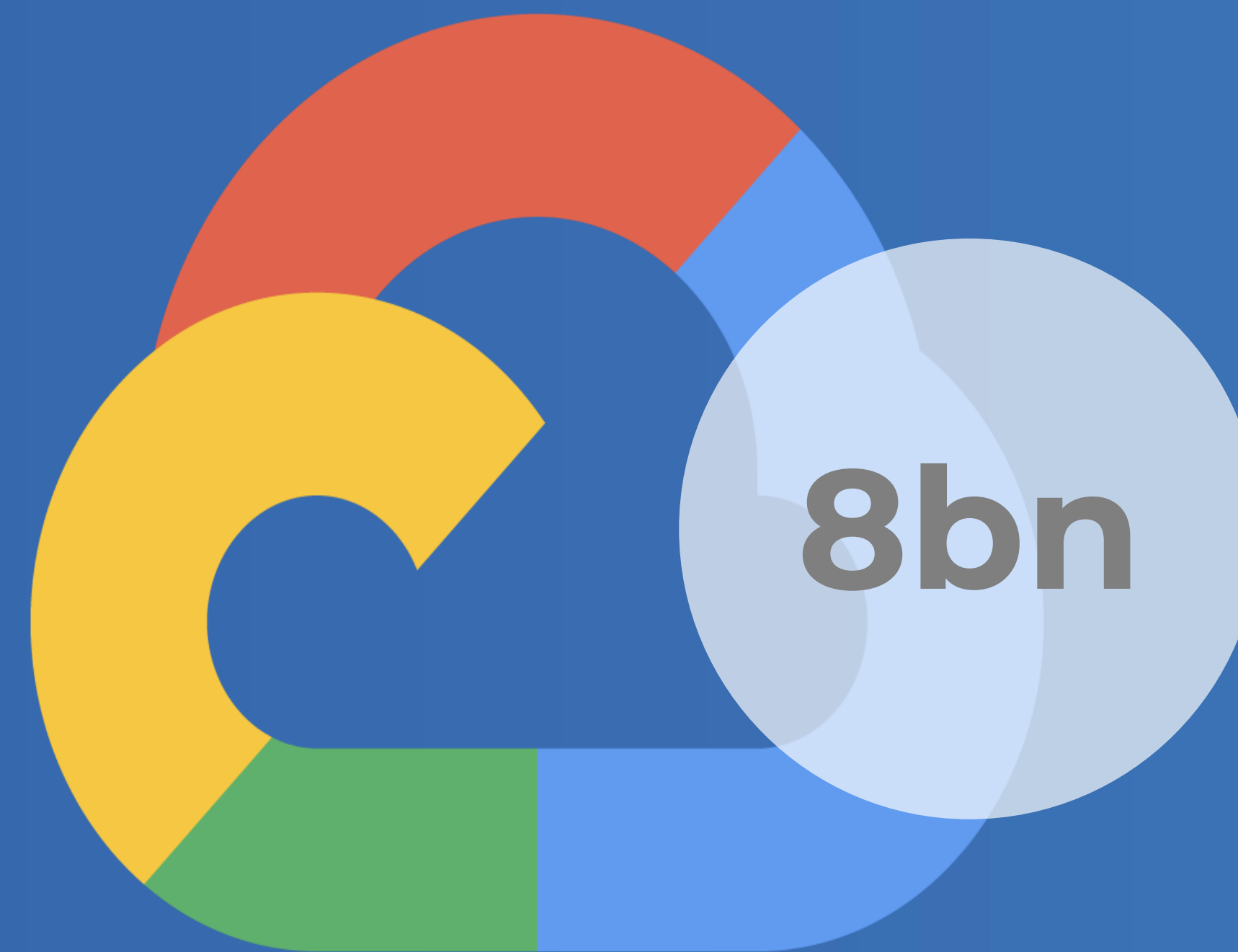
**Full cloud**  
by 2026

# The **largest data lake** in Europe

Unified country  
data platforms



Global data lake



transactions  
(3 years)

# A proven track record for our digital future

---

**x3**

e-Commerce  
food GMV  
since 2018

**+3m**

Online customers  
during COVID

**+11pts**

Profitability  
increase in 2 years

**800m**

Digital visits  
per year

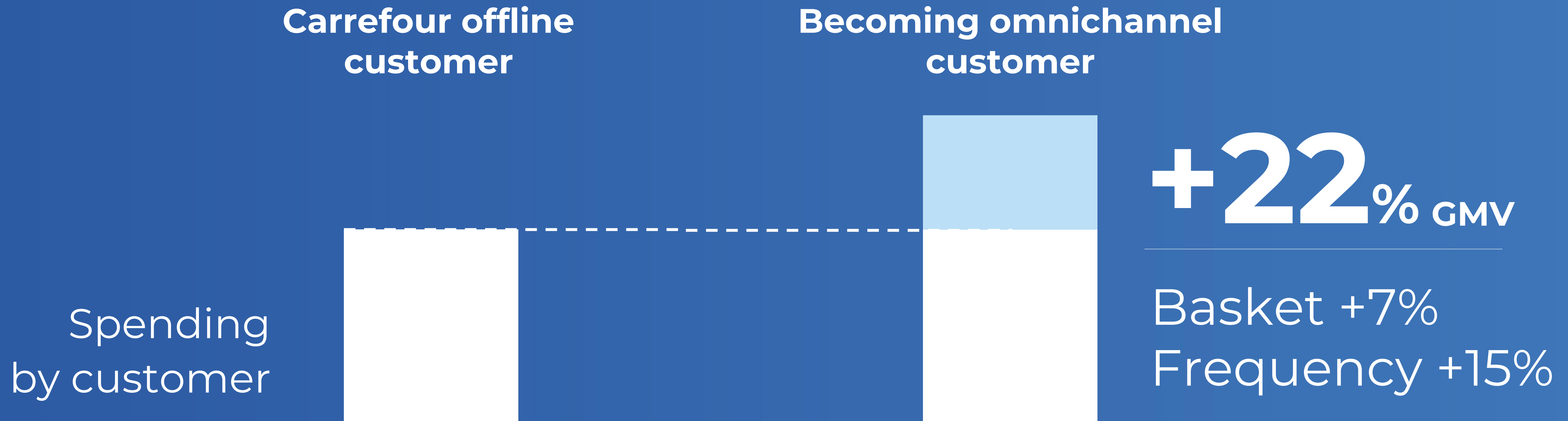
**30%**

Public  
cloud

**8bn**

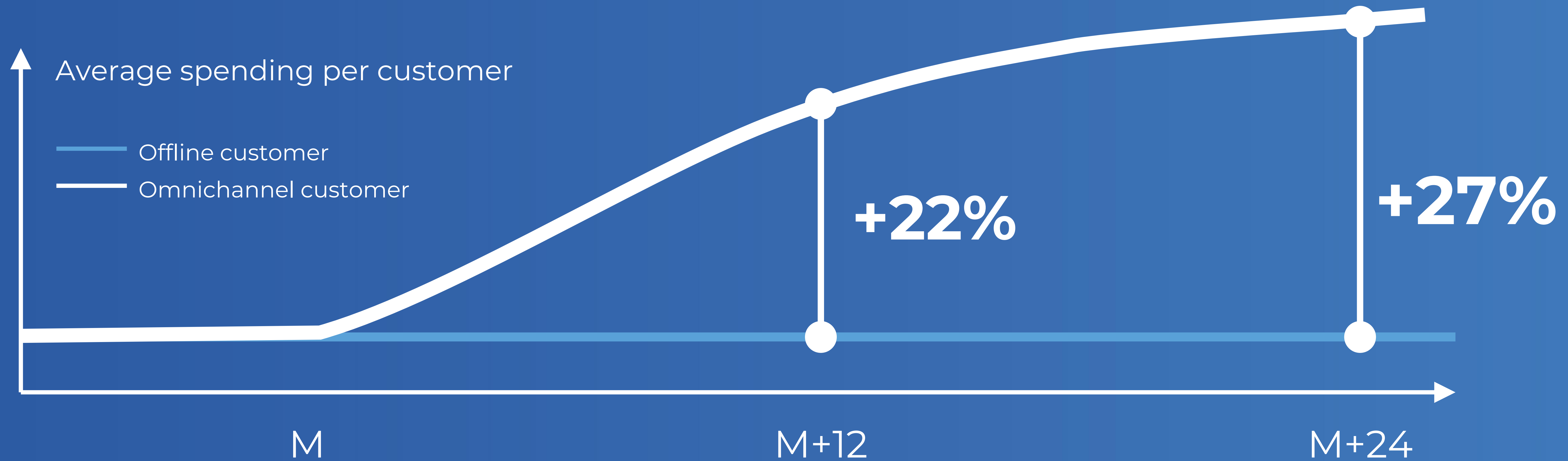
Transactions  
in our global  
data lake

# When customers turn to omnichannel they create **additional value**



Carrefour figures based on our operations in France, Spain and Brazil, 2019-2021

# Omnichannel customers create additional value for Carrefour



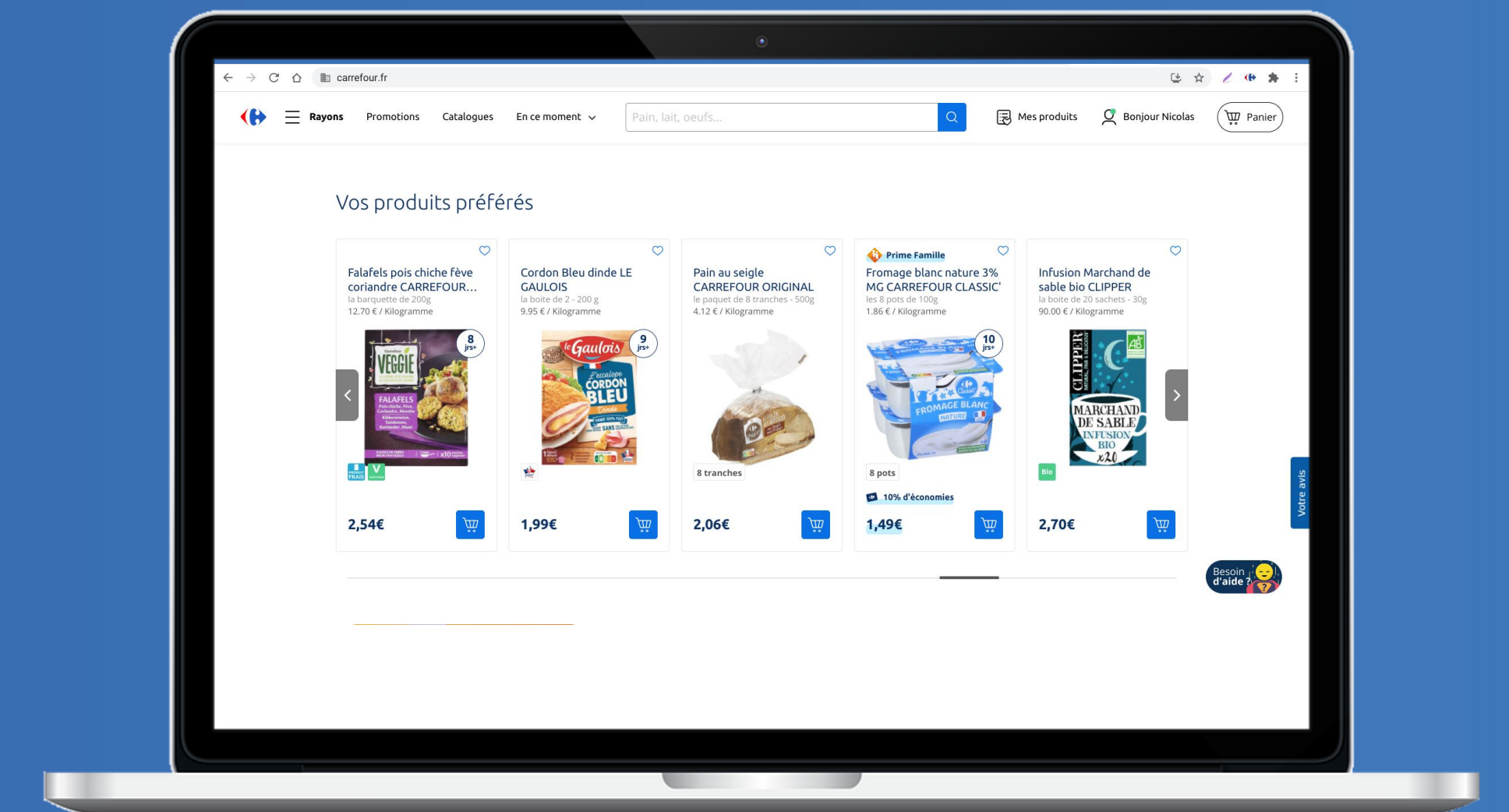
# 3 trends reshaping the market



Speed



Digital convenience



Customization

# Taking the lead on emerging trends

# #1

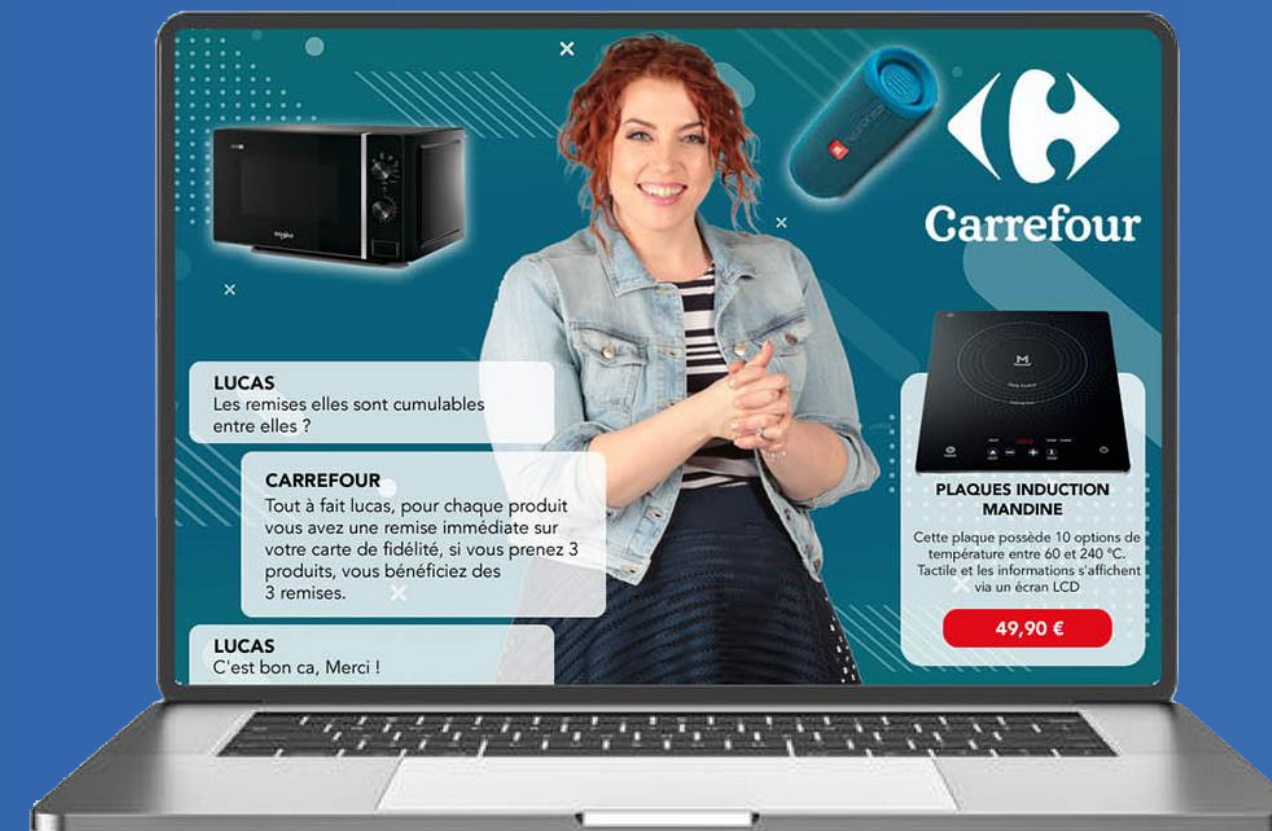
in Home Delivery in  
Continental Europe

#1 retailer to jump  
on quick  
commerce

**cajoo**

+

First mover on  
social commerce



+

Already successful  
personal shopper  
model

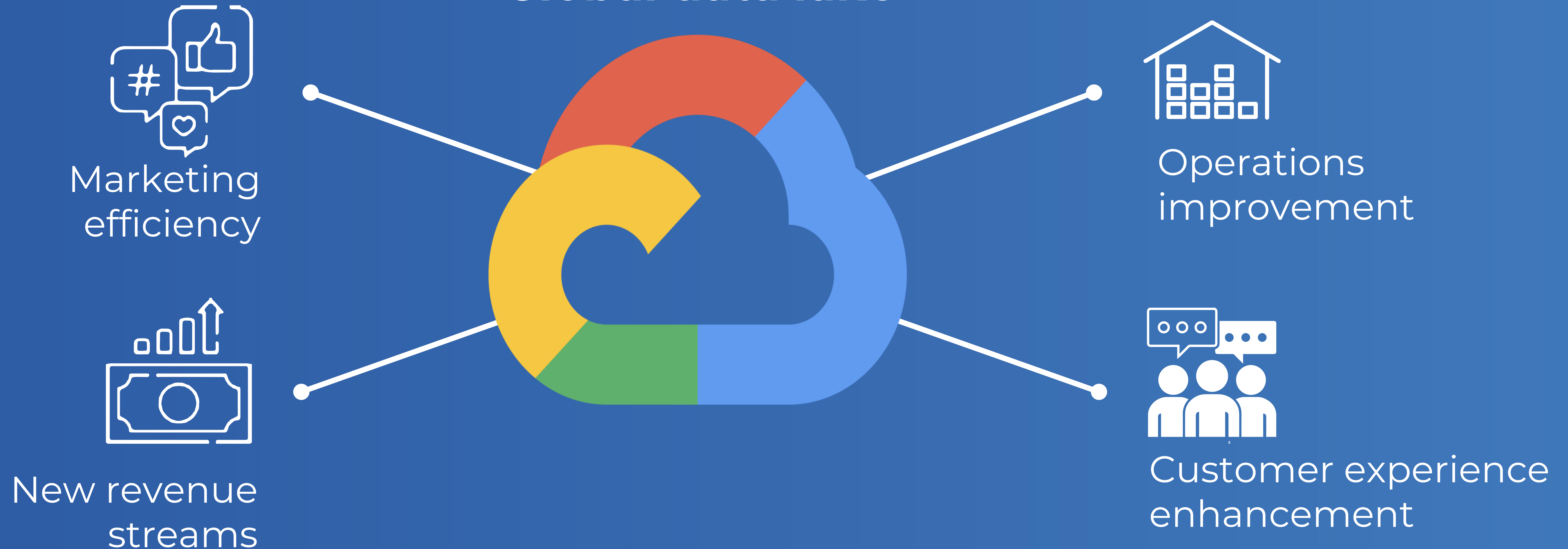
**OK market!**  
**BRINGO**

# €10bn

e-commerce GMV  
by 2026

# Generating **new sources of value** through data

## Global data lake



Stepping stone to becoming  
the **European leader** in retail media



**Carrefour** Links

# Digitization of financial services, **embedded in retail**



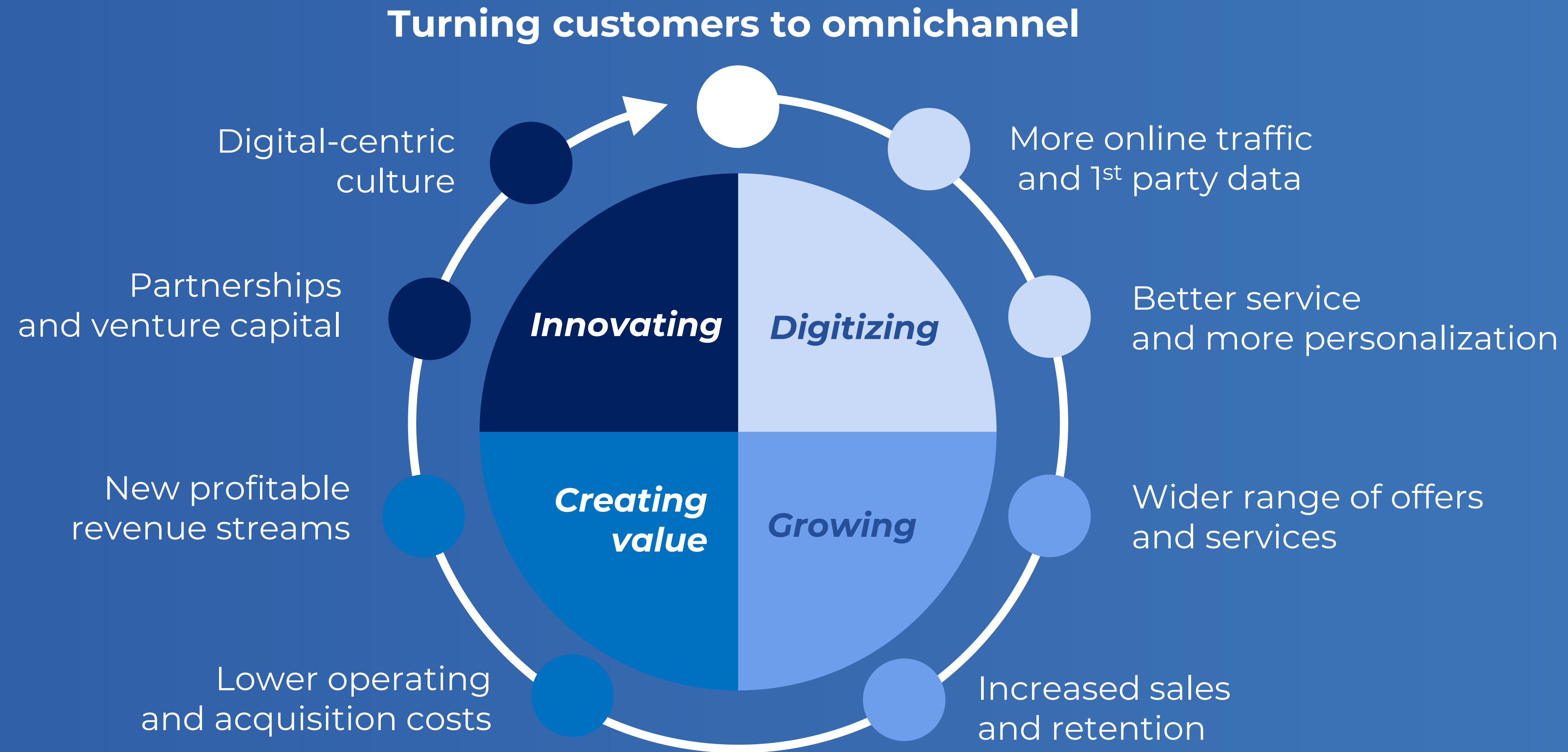
Digital ROI to increase  
by

---

**+€600m**

**by 2026**

# Building a **better business model**



powered by **digital**

# The **future of retail** belongs to those who **offer a seamless ecosystem**

Carrefour 

Pure online  
retailers

Local  
retailers





# ELODIE PERTHUISOT

*Executive Director E-commerce,  
Data and Digital Transformation,  
Carrefour*

# What you **will hear from me** today



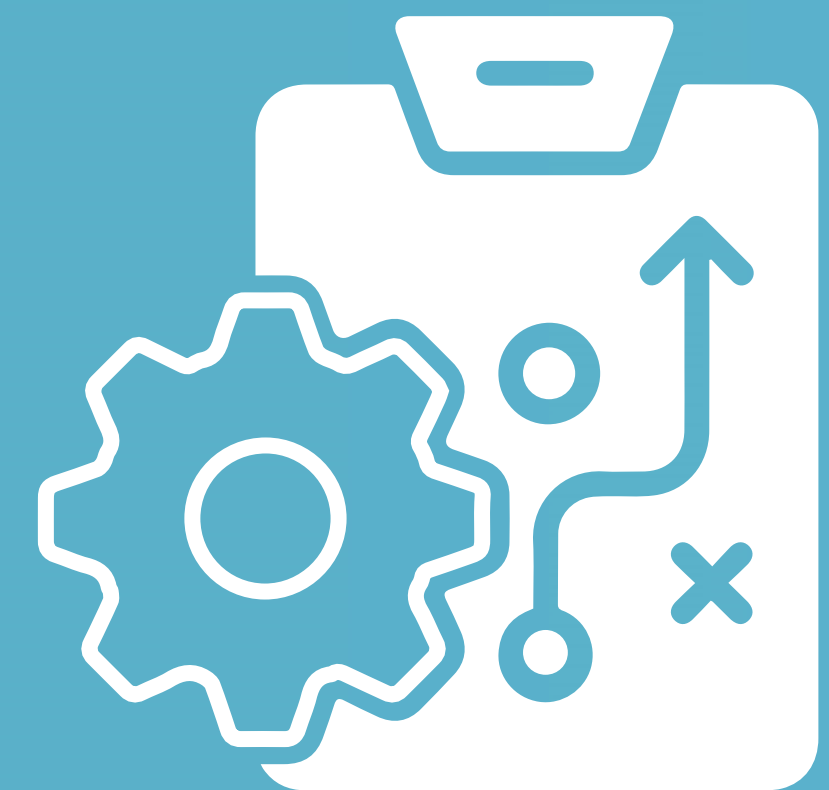
## **Proof**

**Facts** demonstrating  
our strategy



## **Granular figures**

**A transparent deep dive**  
into our digital businesses



## **Action plans**

**A concrete strategy**  
to reach our ambitious goals

# €10bn

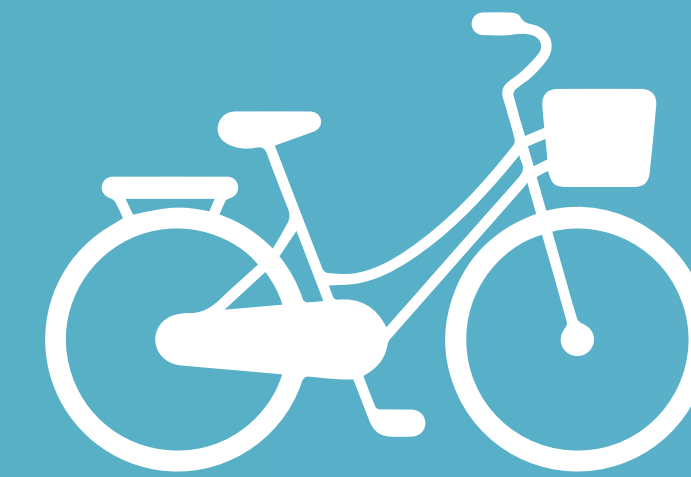
e-commerce GMV  
by 2026



# The e-grocery market is **reshaping fast**



Attraction



Convenience

Click  
& Collect

Home delivery  
D+1

Same-day  
delivery

Express delivery  
< 3h

Quick commerce  
< 15 min

**2021 market**

**Fast-growing market segments**

New fulfillment centers

+70



Same-day delivery

>30%

of orders by 2023<sub>23</sub>

# Exponential growth in the new French **express delivery service**

# €100m

**Run rate GMV in one year**

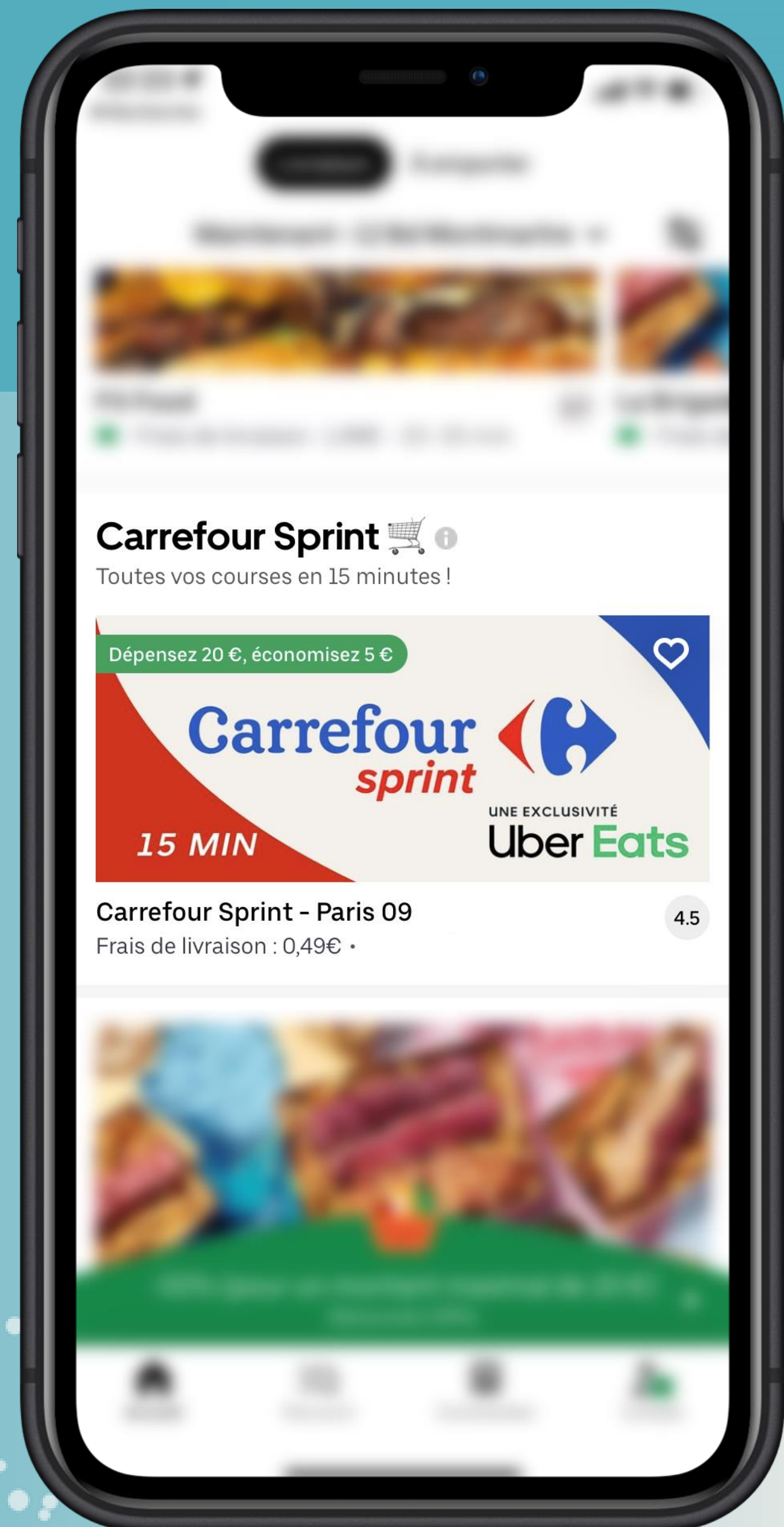


**Uniquely positioned**  
for quick commerce and express delivery

**1,000**  
**e-commerce enabled**  
**convenience stores** **+** **Urban**  
**micro-fulfillment centers**

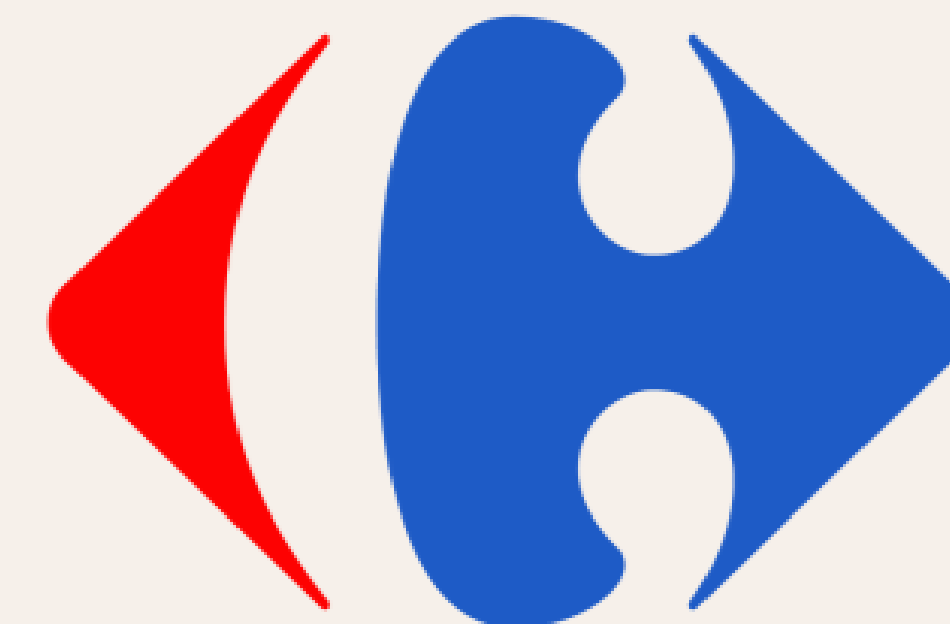
**cajoo**

# We will keep accelerating with Uber



**15 MIN**

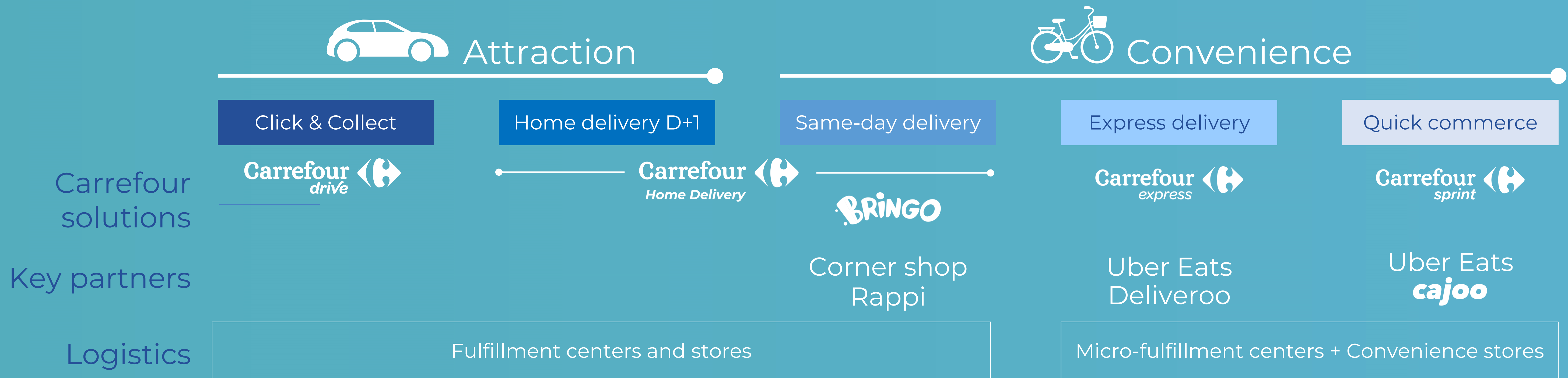
**Carrefour**  
**sprint**



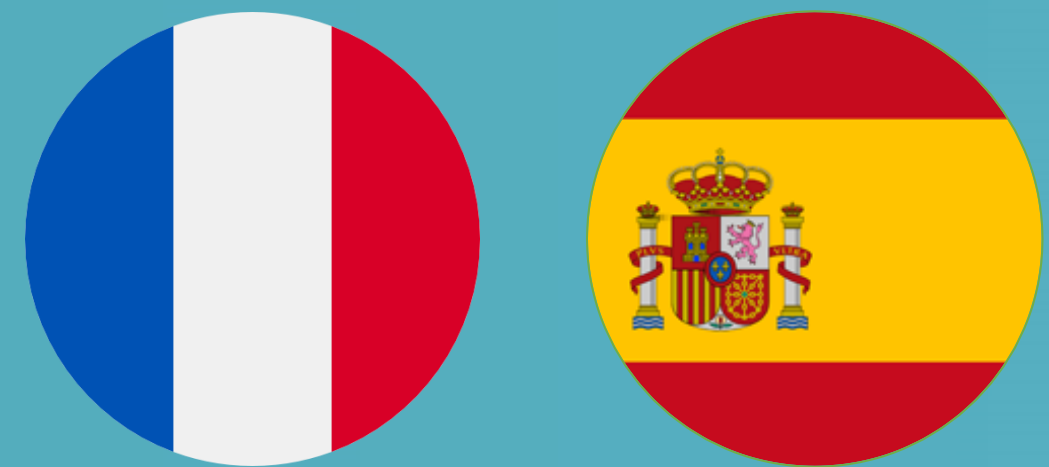
EXCLUSIVELY WITH

**Uber Eats**

# The e-grocery market is **reshaping fast**



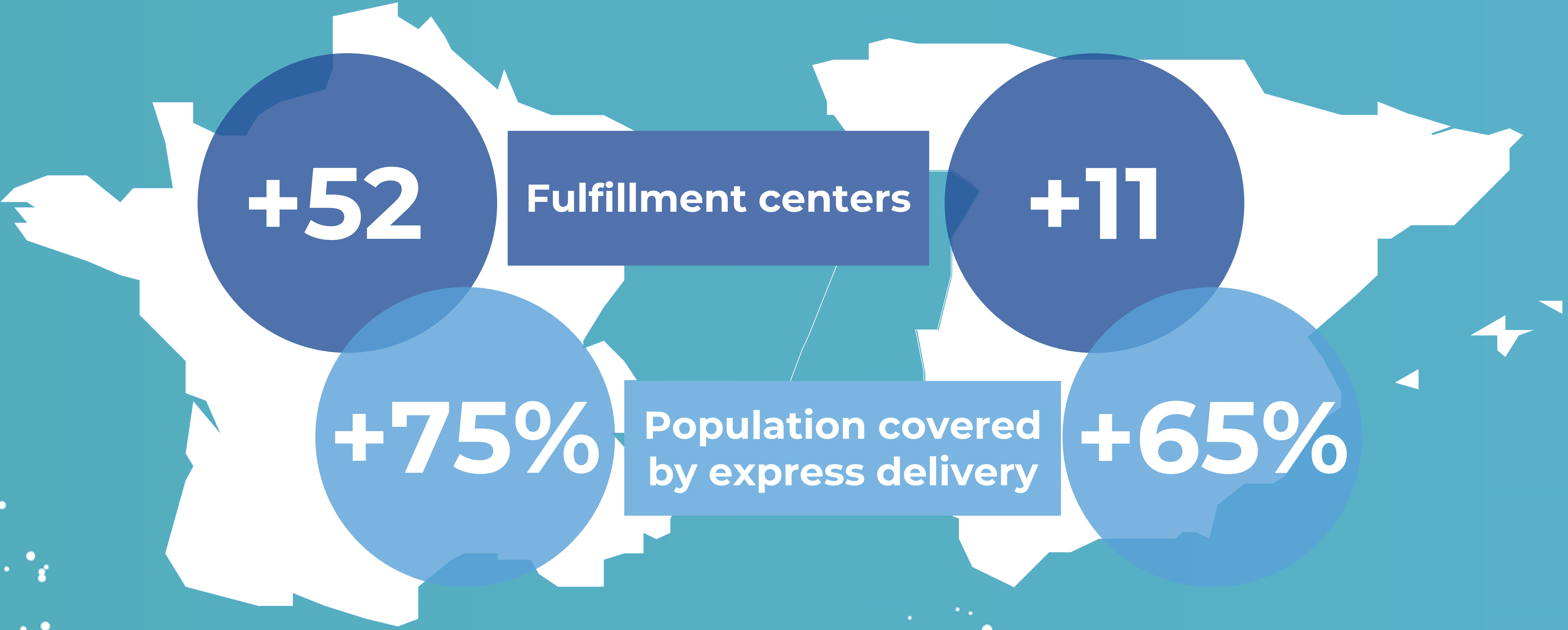
# Our battle plan



2026

>20%

market share in e-grocery  
by 2026 in both countries



# Market leader

in B2B e-commerce in Brazil by 2026

**1st**

B2B network  
B2B marketplace

**New app**

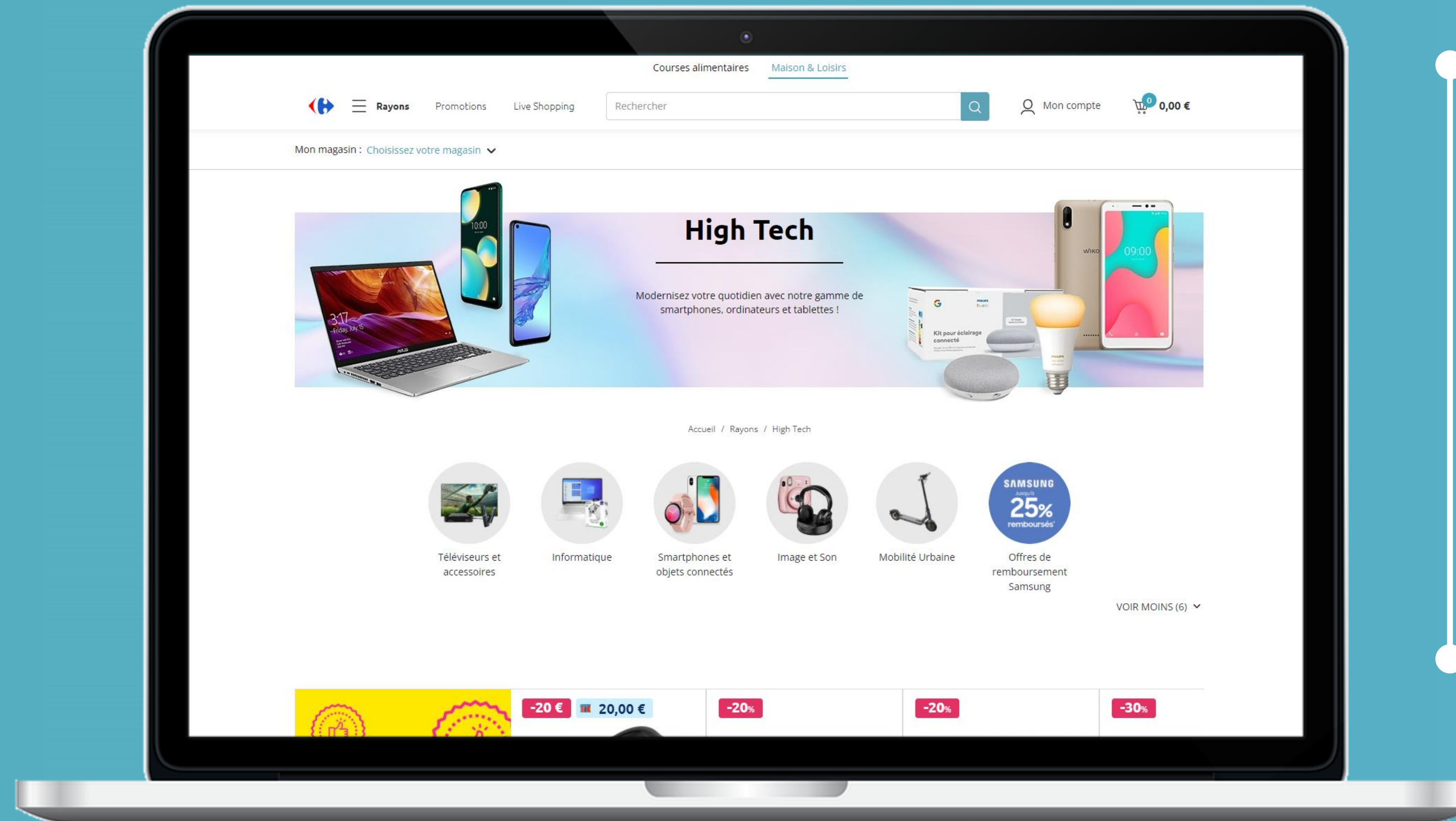
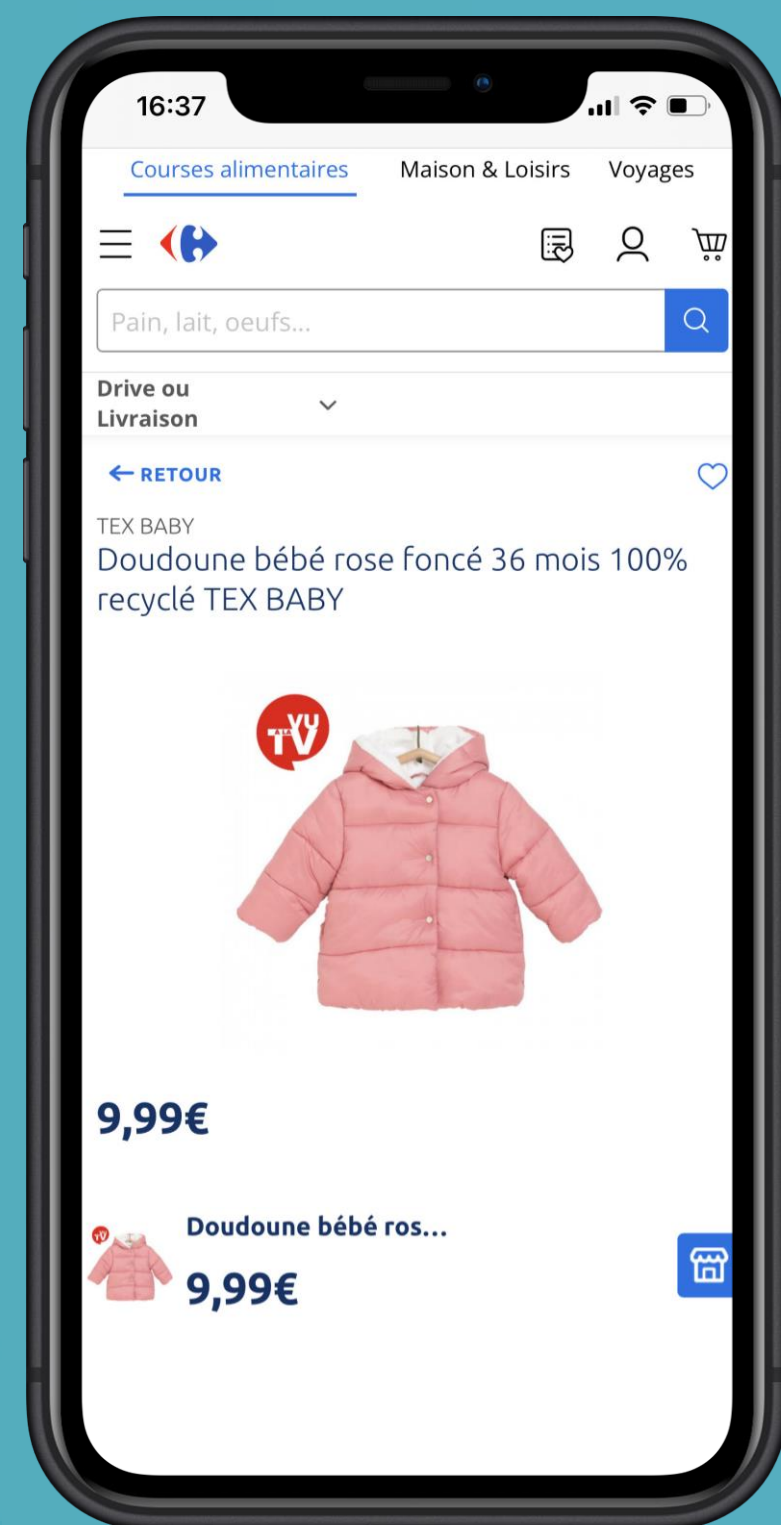
Financial services for **B2B**



# Making smart moves in **non-food e-commerce**

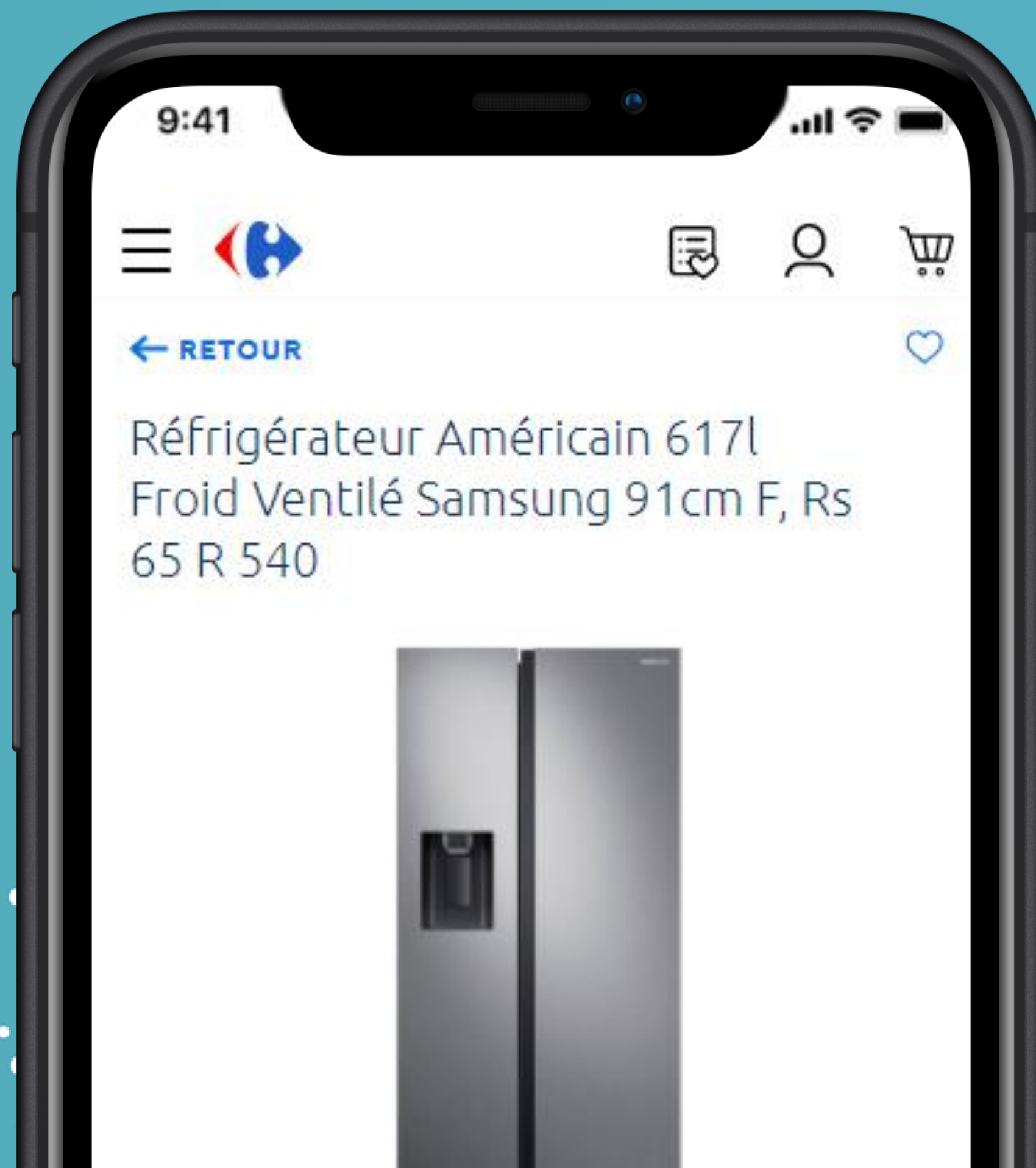
Key verticals

Marketplaces



1.5m  
SKUs in France in 2022

# Key trends in non-food e-commerce



**Drop  
shipment**



**Second-  
hand**

# Social commerce

Becoming the **retail market leader**

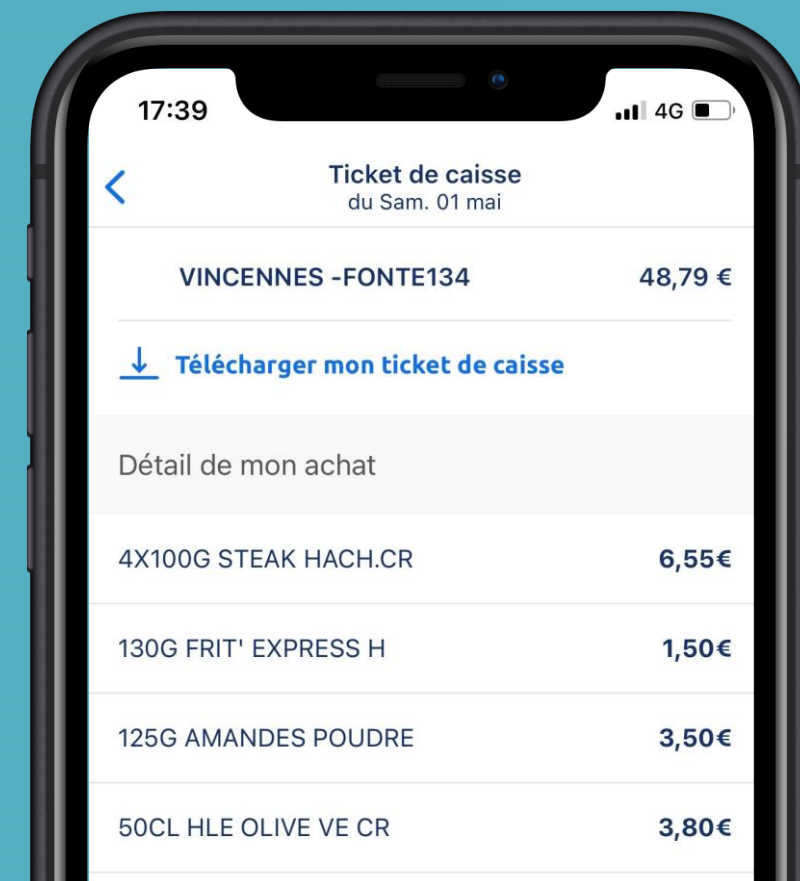
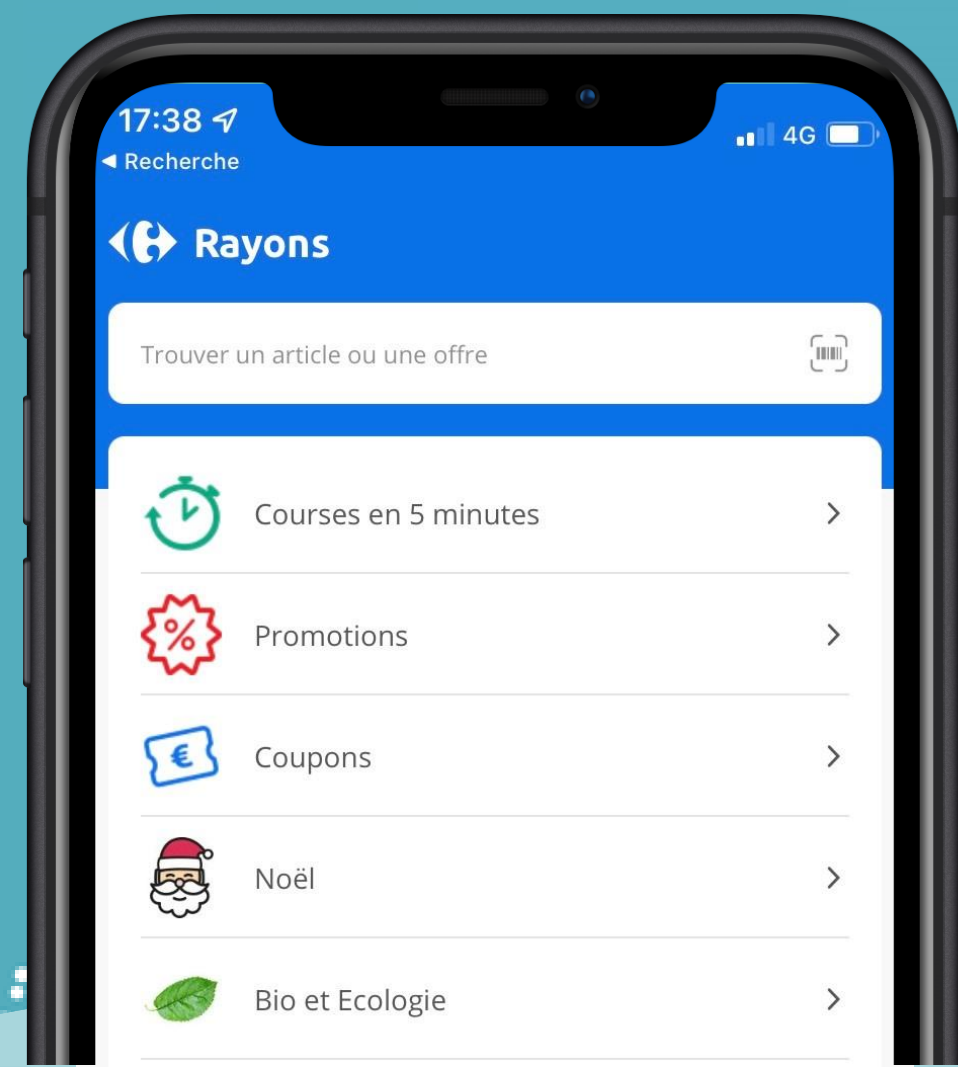


**1 million**  
viewers in 2021

# Seamless customer experiences will accelerate omnichannel

# +27%

average spending per  
omnichannel customer



Digital receipts



Social



Digital catalogues

e-commerce

# A digital factory with an established track record

x2

Conversion rate in 2 years in France

60%

Digital credit production in Brazil

30%

Baskets personalized in France



**By 2026**

---

**2.5 billion**

**yearly visits on our digital assets**

**30%**

**of omnichannel customers**

# Unique **AI-driven prediction** capabilities for our grocery business

Recurring purchases



Look-alike customers



**58%**  
of basket predicted

# Our growth opportunities

---

**€10bn**

e-Commerce  
GMV by 2026

**+70**

New fulfillment  
centers by 2026

**#1**

Retailer in  
express delivery  
and quick  
commerce

**>20%**

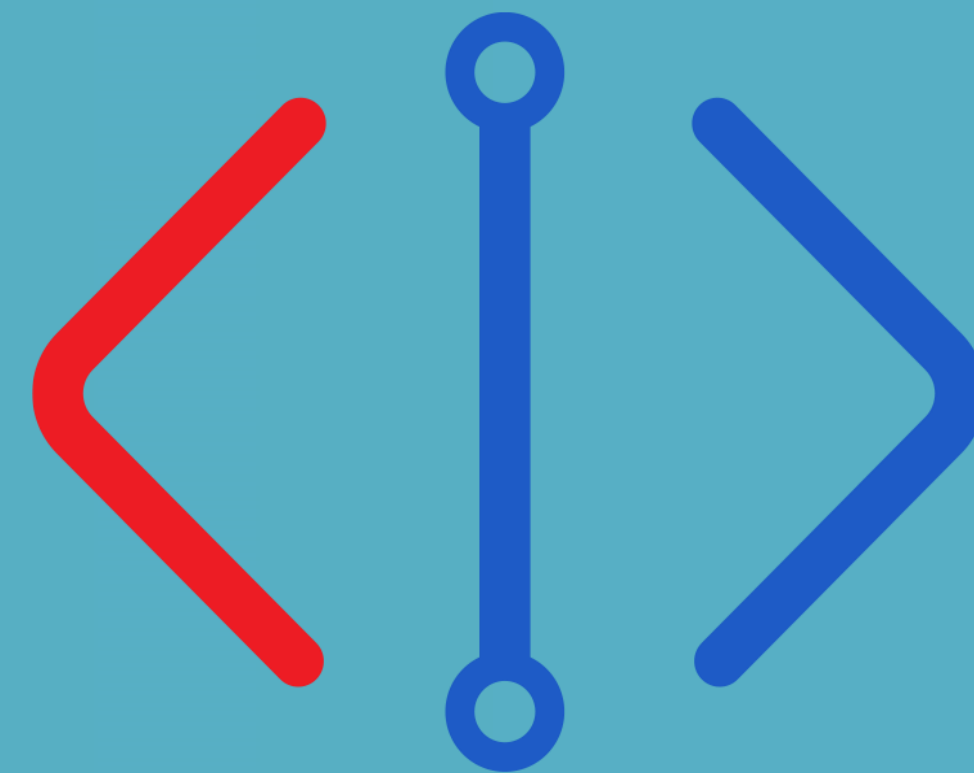
Market share food  
e-commerce  
in France and  
Spain by 2026

**2.5bn**

Yearly visits  
on digital assets  
by 2026

# Carrefour Links

addressing the **fast-growing retail media market**



**Carrefour**  
LINKS

**€14bn**

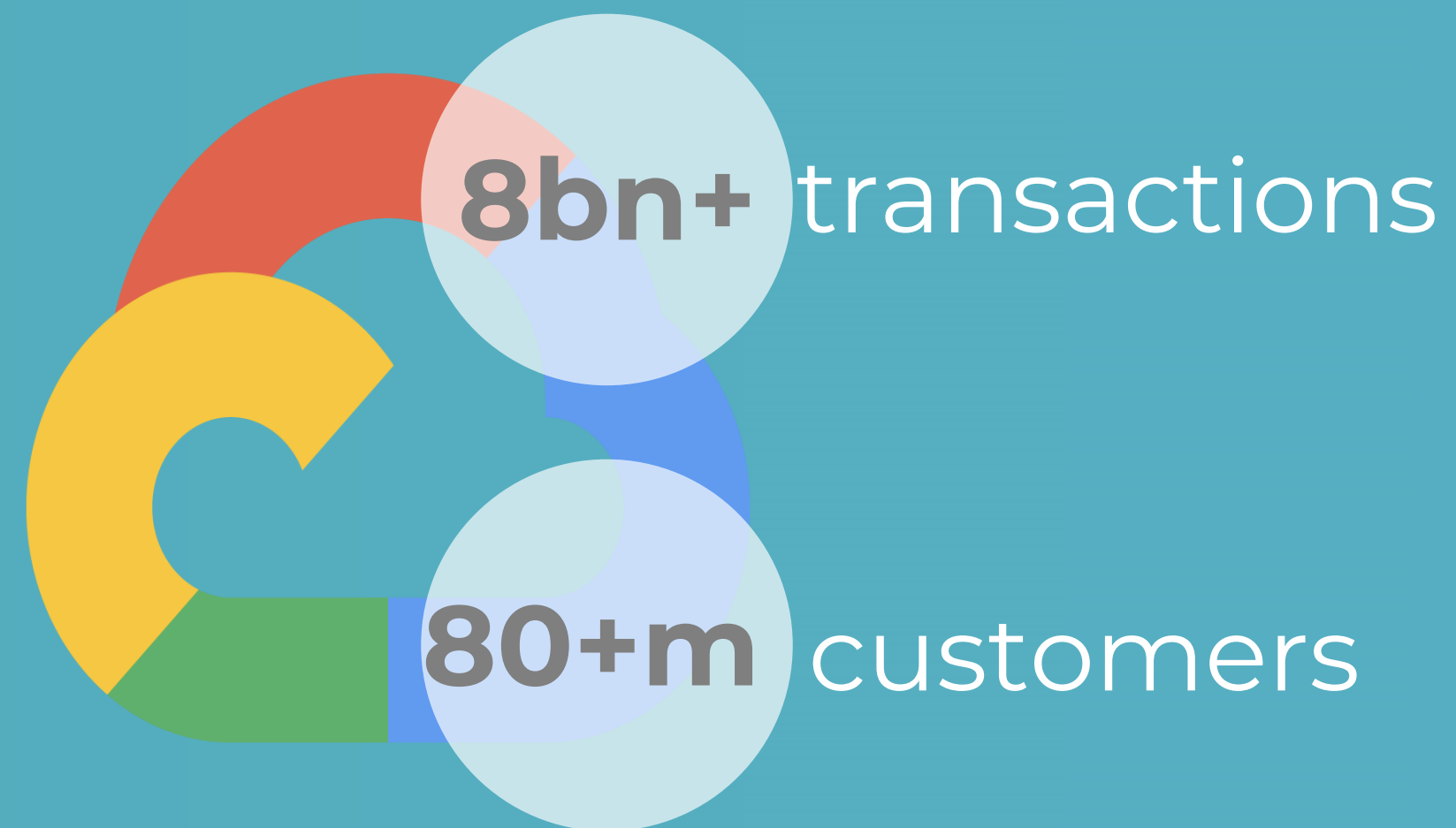
**WW retail media today**  
excluding Amazon and China

**€30bn**

**WW retail media by 2024**  
excluding Amazon and China

# A groundbreaking approach

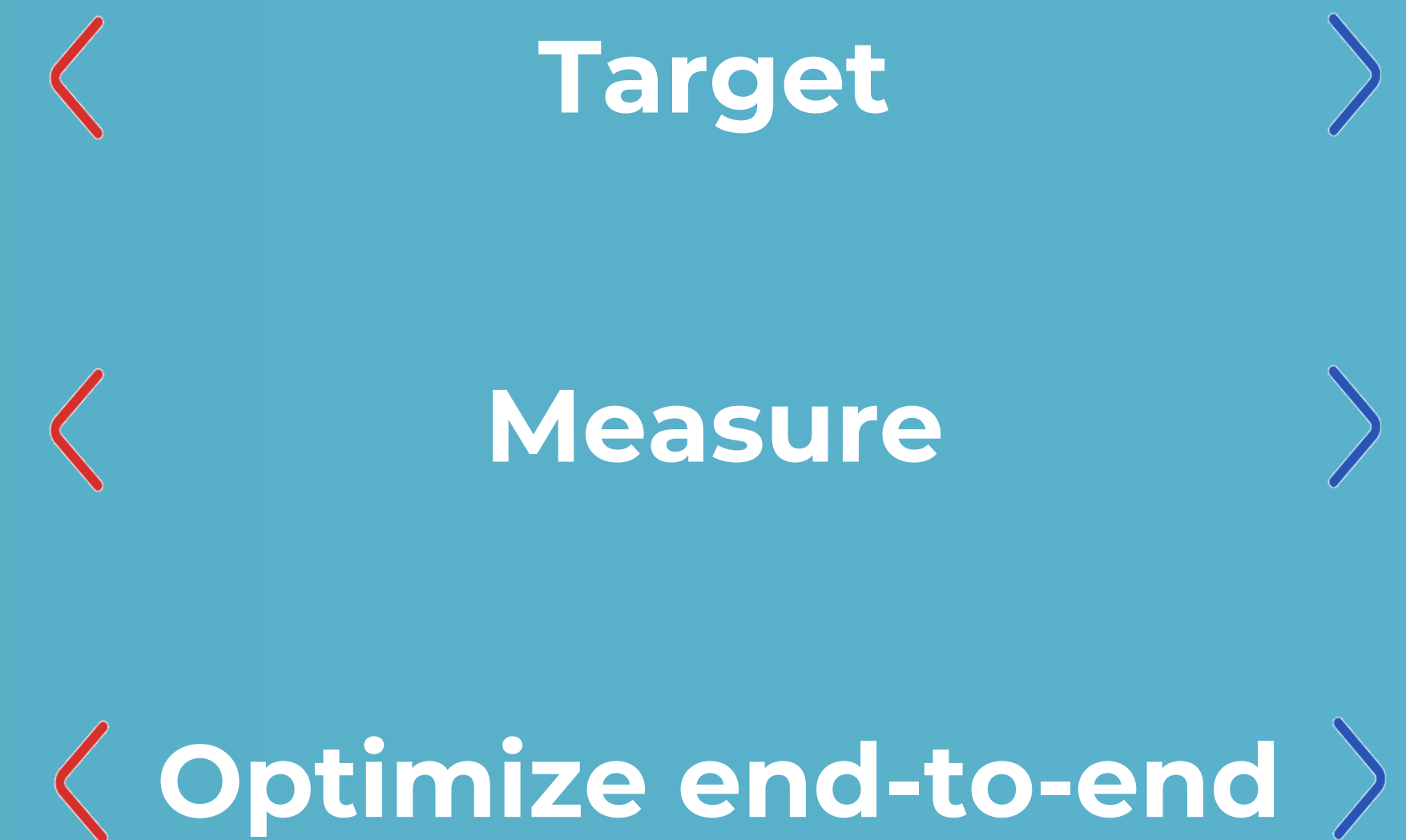
Unique 1<sup>st</sup> party data



Collaboration platform



The industry of tomorrow



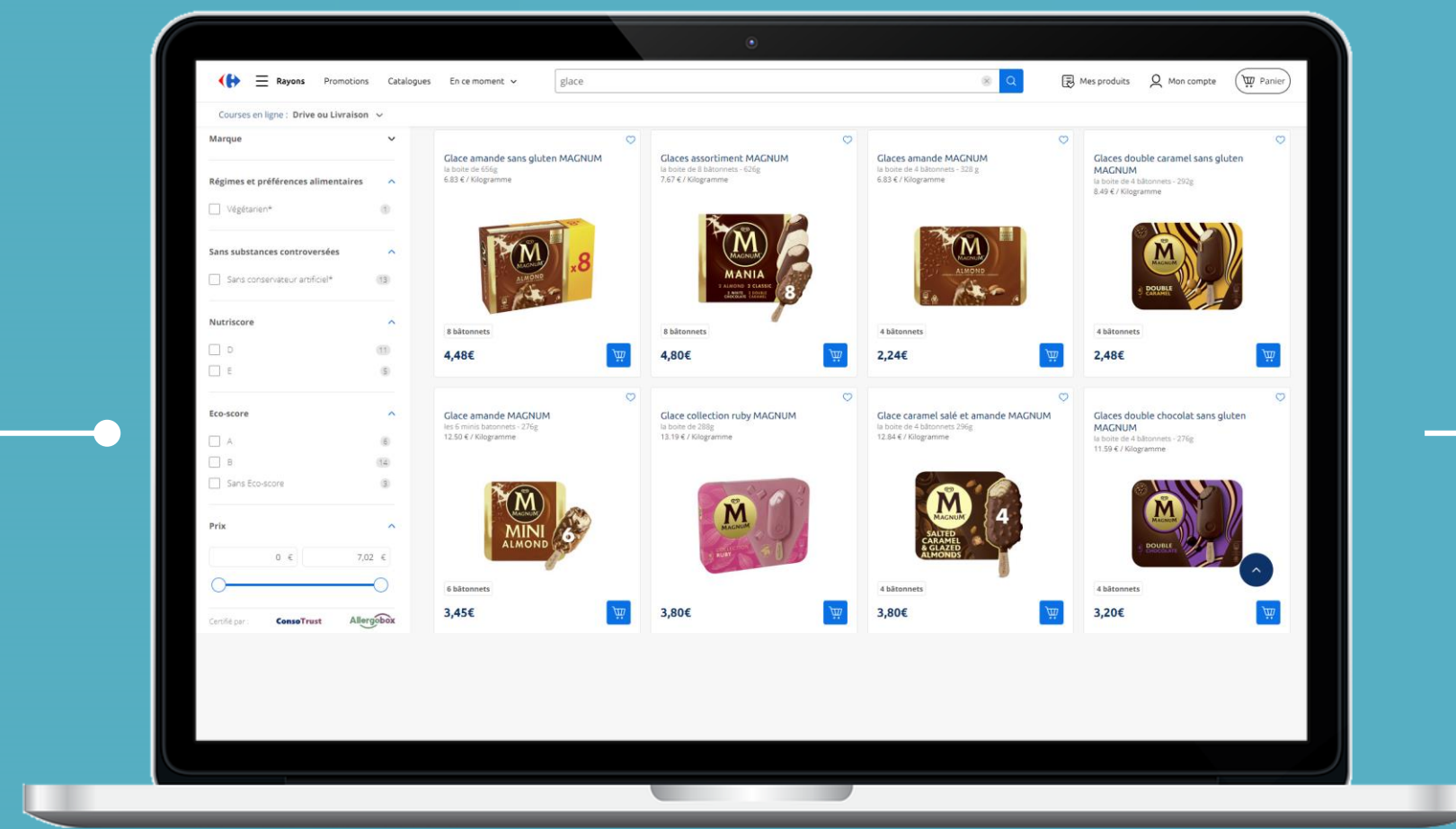
# Meet Adrien



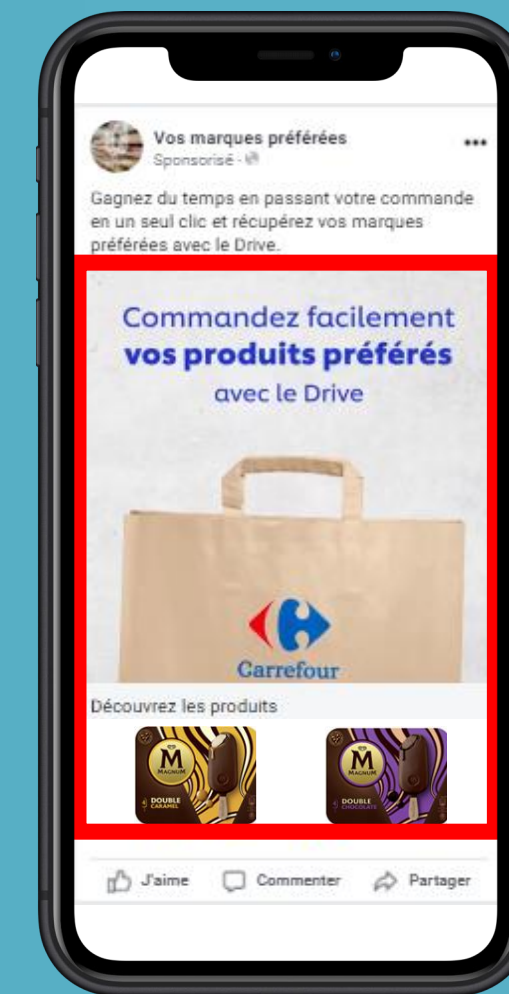
# Adrien's customer journey



Adrien, a loyalty card customer, gives his consent for personalized offers



On the Carrefour website, we push him a personalized offer for ice cream



On Facebook, we push him a collaborative Facebook ad



When Adrien buys the ice cream in store, we compute the sales uplift from the digital ads he was exposed to



Alan Jope  
CEO Unilever

*"The use of Carrefour Links has really helped us step change the way we work with Carrefour, enabling us to better uncover shopper insights and create demand through targeted activities. It allowed us to jointly grow our business. We recently completed a first successful data-driven media campaign in France which resulted in a **+18% revenue for our Magnum brand within Carrefour**. We look forward to continue this unique journey together as we have many more opportunities waiting to be seized."*

*"Carrefour's tools, world-class data governance and media capability is enabling Kellogg's to **understand shoppers and consumers in our category better**, in order to meet their needs and deliver the right messaging, at the right time, to drive repeat purchases and grow the cereal category."*

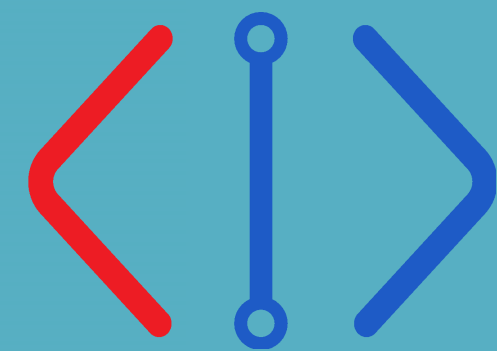


Dave Lawlor  
President Kellogg's Europe

# Carrefour Links is uniquely positioned for impact



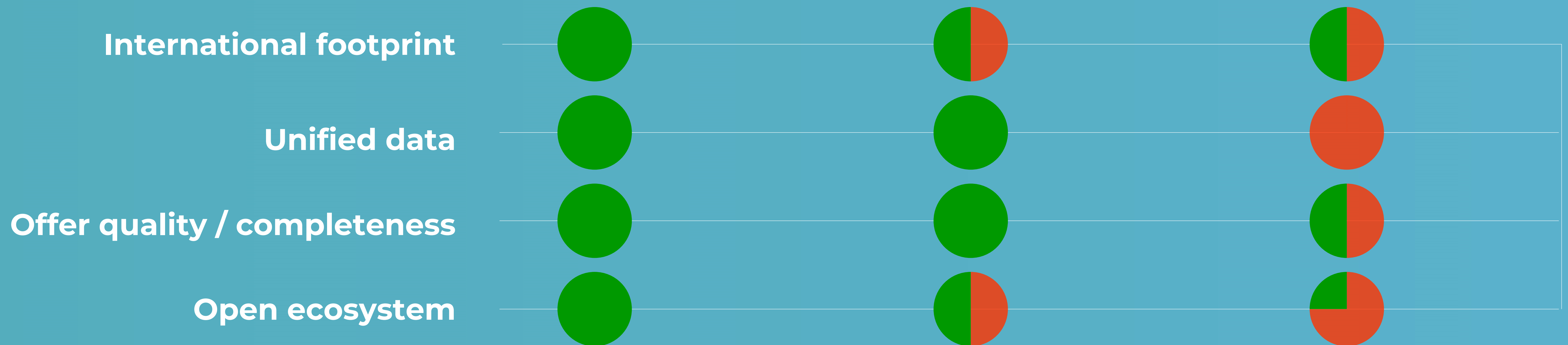
# Carrefour Links is ahead of the competition



**Carrefour Links**

**US retailers**

**French alliance**



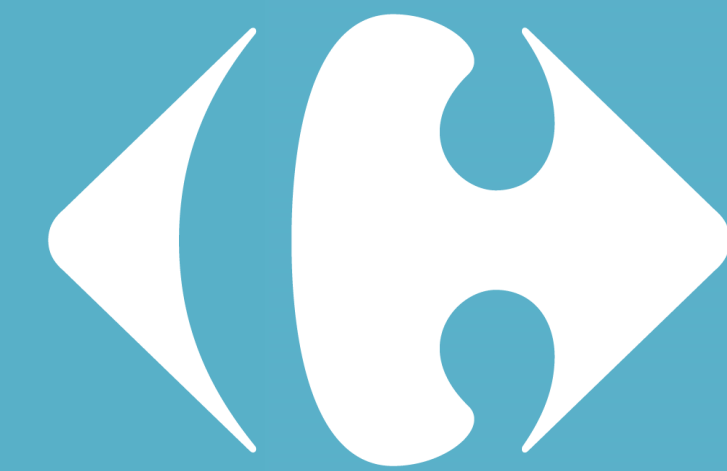
Best-in-class

Gaps vs. competition



# WARREN JENSON

*President,  
LiveRamp*





**BENJAMIN DUBERTRET**

*Group Financial  
and Merchant Services Director,  
Carrefour*

# Financial services: a solid digital base on which to build

Global impact of digital  
on our topline

**30%**  
of card  
clients acquired  
on digital

**66%**  
of customers  
active on  
digital

**38%**  
share of digital  
in credit  
production

A powerhouse  
in **Brazil**



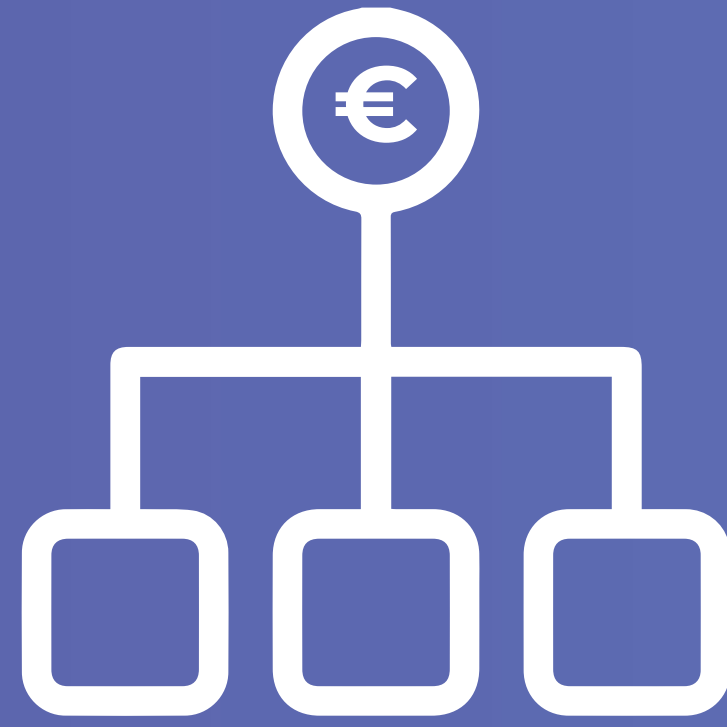
A proven ability to  
develop **valuable**  
**new assets**



# Digital and data will accelerate our strategy



**Full integration  
into retail**



**Product  
diversification**



**Optimization of  
current operations**

# Deep into retail: Brazil is our locomotive for retail integration



Digital acquisition with first purchase in real-time on Carrefour e-commerce



Digital account and "Minhas Recompensas" loyalty program



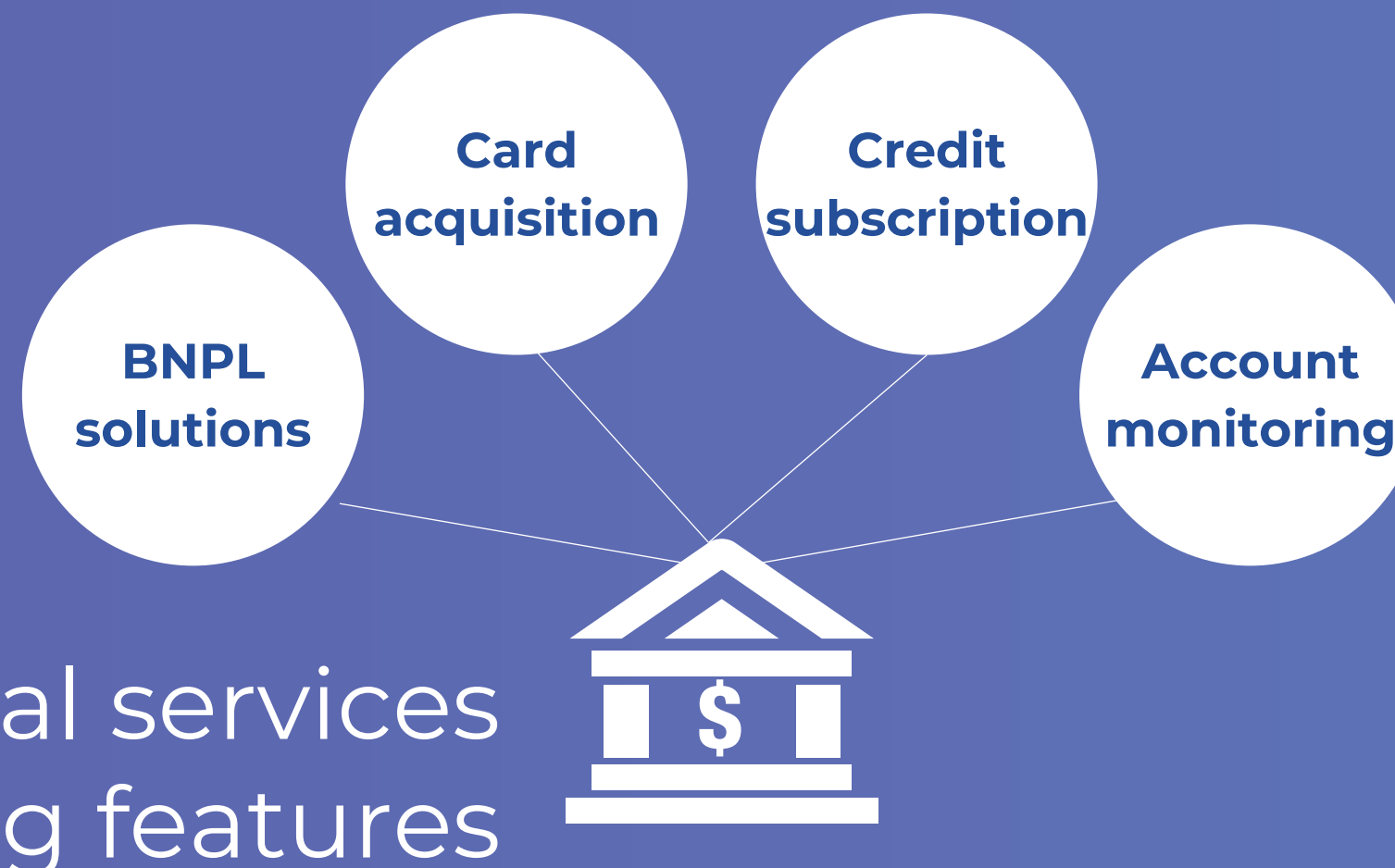
Financial services integration on WhatsApp assistant "Carina"

# Deep into retail: financial services will be embedded in the Carrefour SuperApp

“Everything under one roof”



Retail features



**X4** app users  
for the financial services

# Deep into retail: seizing a largely untapped opportunity by combining retail and banking data

## Broader set of data



Retail data

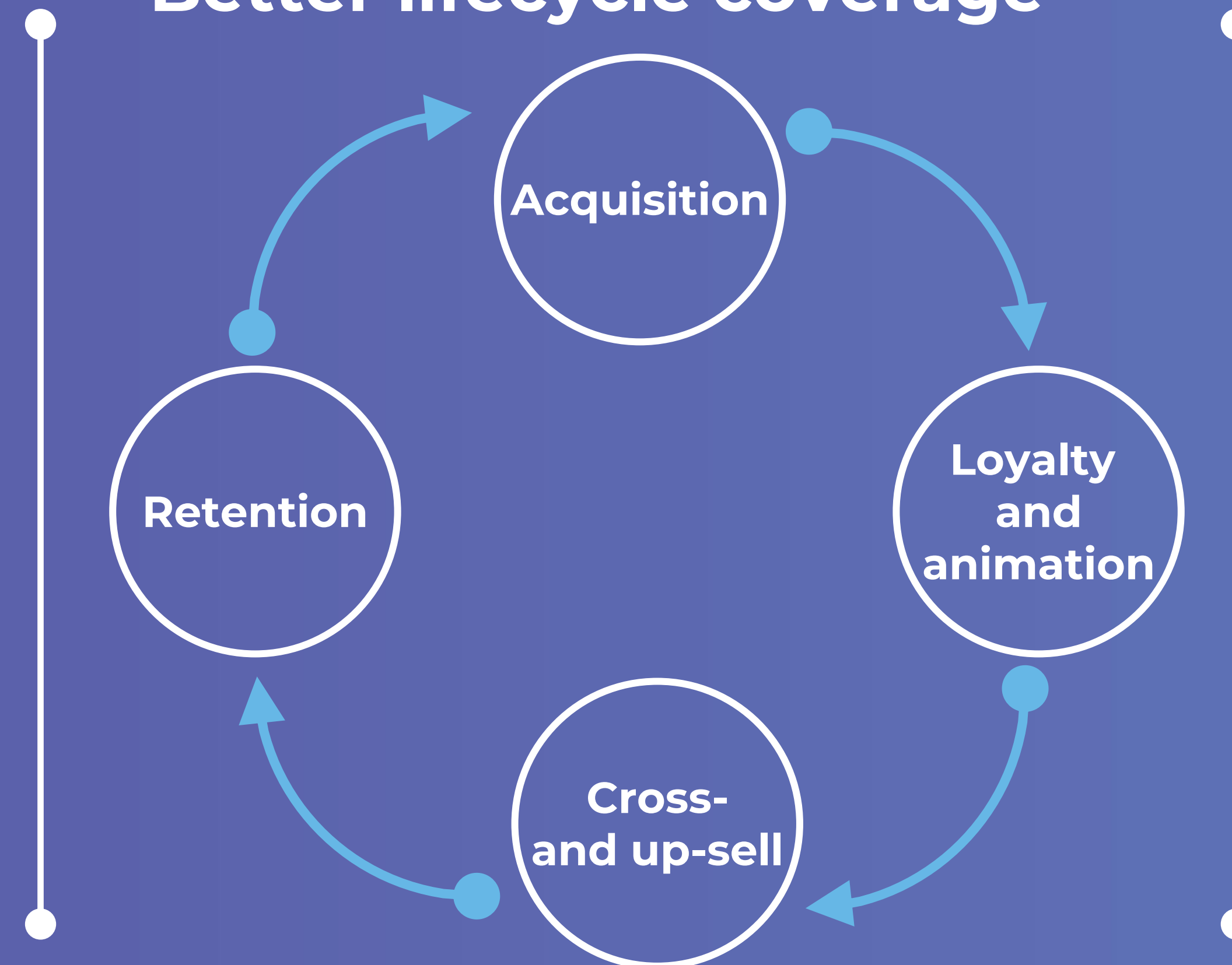


Banking data

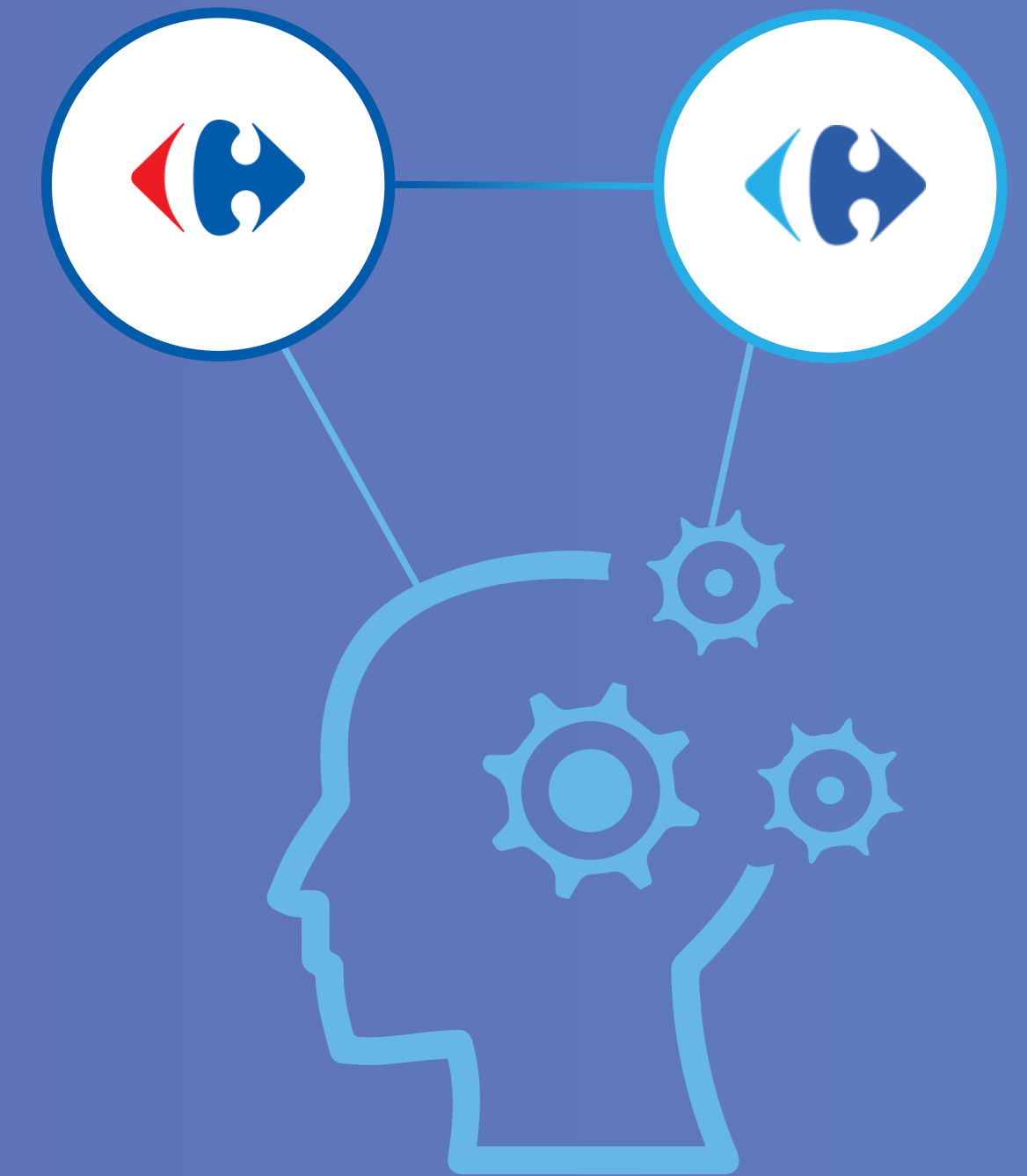


Open-banking data

## Better lifecycle coverage



## Machine learning models

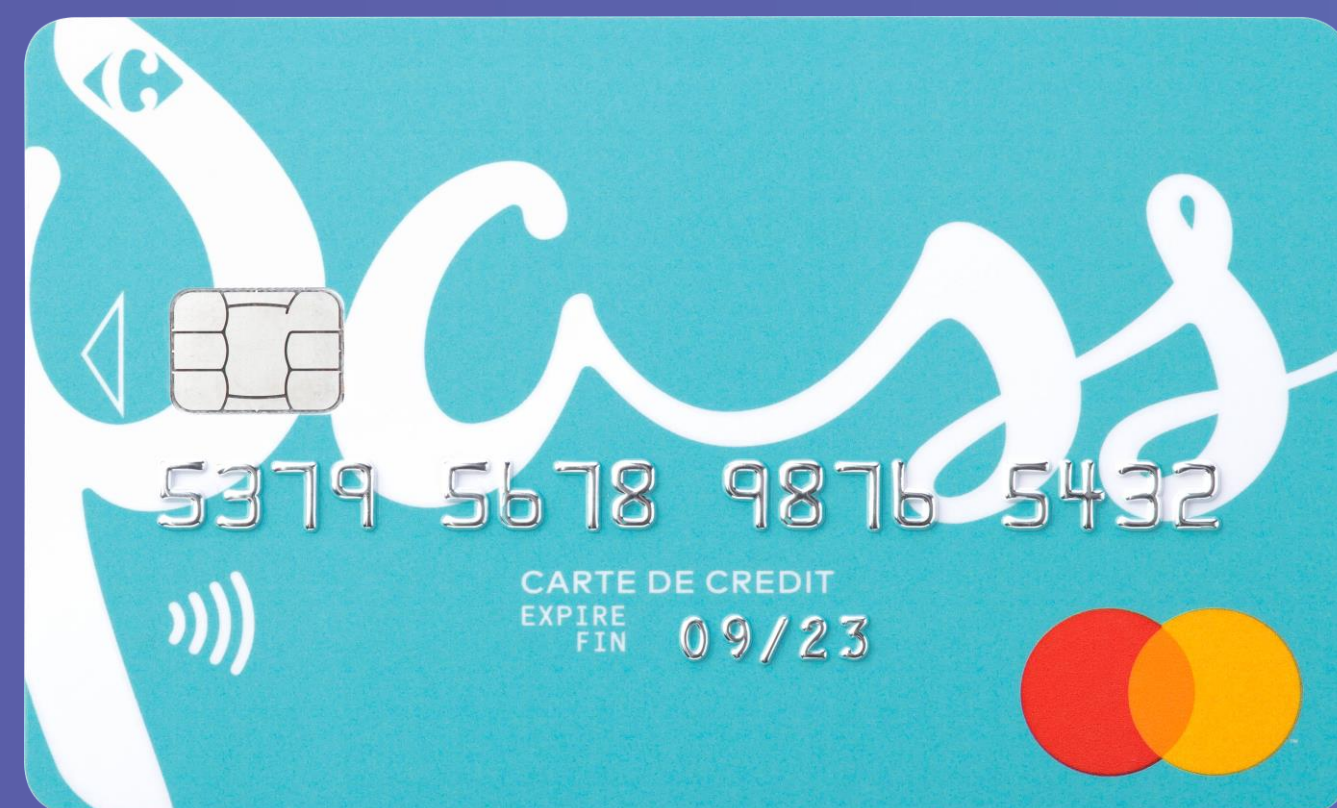


# Buy Now Pay Later (BNPL): a major opportunity for Carrefour

\$52bn **x13** \$693bn

Source: Deutsche Bank, JP Morgan

**From a card-based approach...**



**...to full in-app BNPL solutions for all customers**

Installments in B2C

A broader range of product options

Pre & post-purchase use cases

Real-time

# Deriving incremental revenue from **further diversification**



Digital Account and  
Acquiring Platform (APAG)



Full digital insurance  
brokerage platform



**Micro-credit**

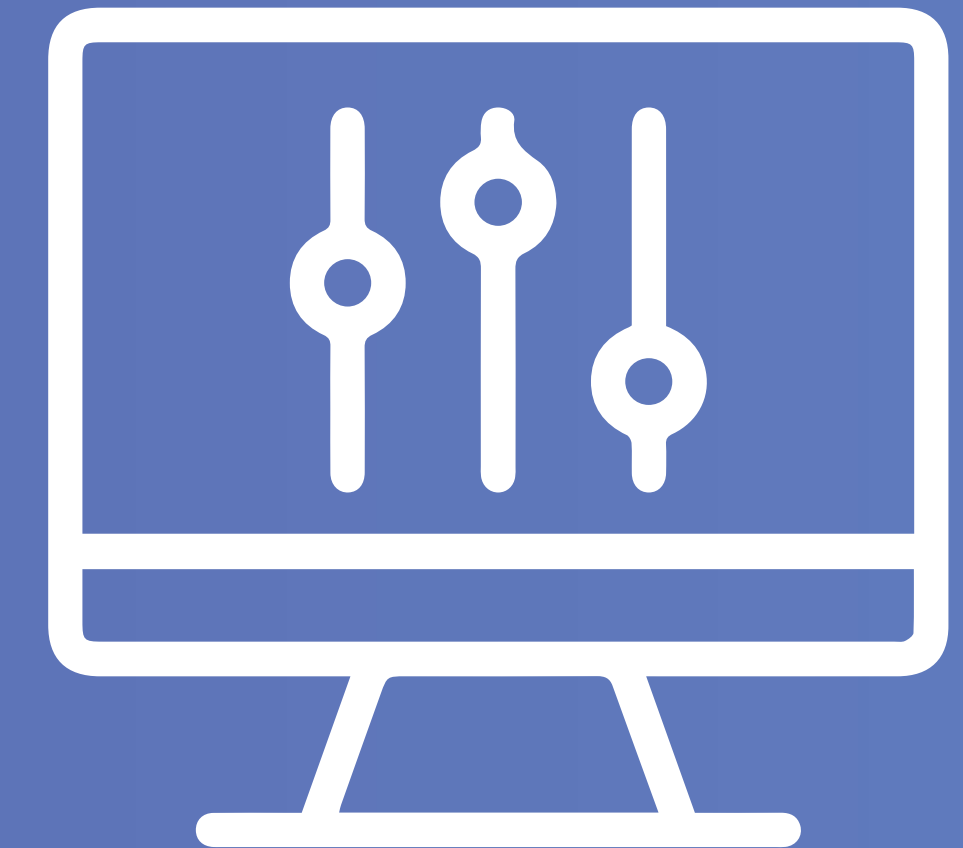
# Financial services: **Key ambitions 2021-2026**



Growth in digital  
customers



Growth in the Net Banking  
Income per customer



Optimize the cost of risk  
and the cost-to-income  
ratio



# ELODIE PERTHUISOT

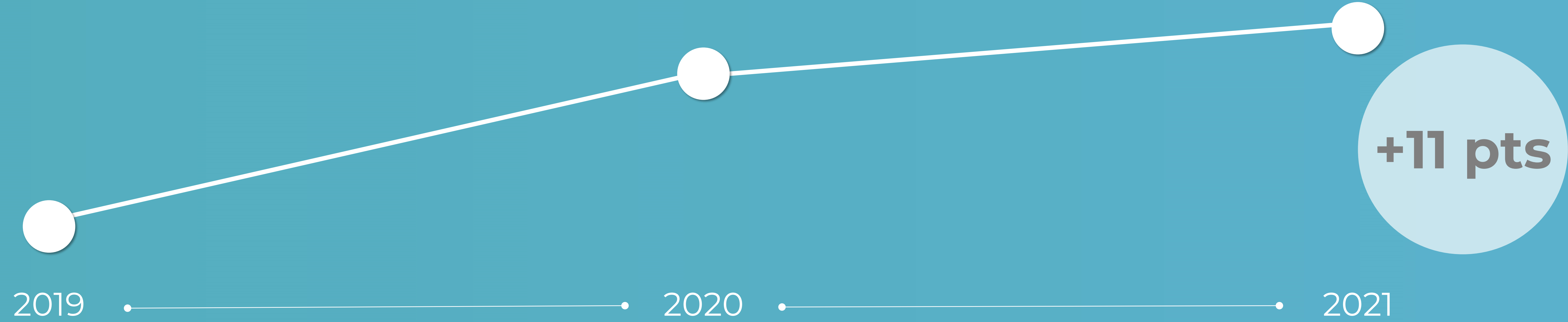
*Executive Director E-commerce,  
Data and Digital Transformation,  
Carrefour*

# Solid achievements on **cost improvement**

Granular management of €/item

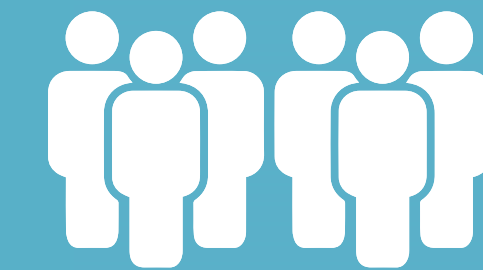
Efficient network choices

e-Commerce ROI, % of net sales



# Adapting **preparation models** to population density

Population / density of a catchment area



**Pick-in-store**

**Micro-fulfillment center**  
(manual or automated)

**Fulfillment center**  
(manual or automated)

Relative items picked per hour

# The equation of order profitability



# Equation of **last mile costs**

$$\max_{f \in \mathcal{F}(c, B^{\text{partial}})} \mathbb{E} \left[ \underbrace{\alpha R(B^{\text{final}})}_{\text{final revenue}} + \underbrace{F(B^{\text{final}})}_{\text{final delivery fees}} - \underbrace{C(B^{\text{final}})}_{\text{final delivery cost}} \mid \underbrace{f}_{\text{selected fees for current client}}, \underbrace{c}_{\text{current client}}, \underbrace{B^{\text{partial}}}_{\text{bookings already accepted}} \right]$$

Final delivery cost

Driver cost  
of route P

Distance cost  
of route P

Fixed cost  
of route P

Route selection  
variable

where

$$\underbrace{C(B^{\text{final}})}_{\text{Final delivery cost}} = \min_x \sum_{p \in \mathcal{P}} \left( \underbrace{c^T(P)}_{\text{Driver cost of route P}} + \underbrace{c^D(P)}_{\text{Distance cost of route P}} + \underbrace{c^F(P)}_{\text{Fixed cost of route P}} \right) \underbrace{x_P}_{\text{Route selection variable}}$$

Subject to

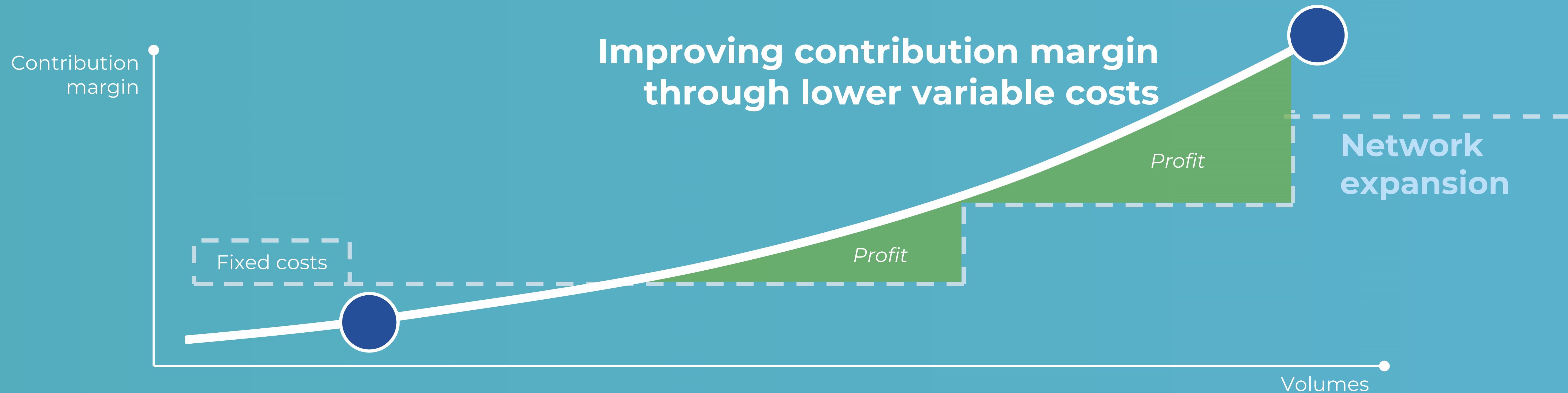
$$\sum_{P \ni v} x_P = 1, \quad \text{for all } v \in B^{\text{final}}$$

Every client is served by a route

**-15%**

**cost of delivery with AI-powered yield model**

# Our **operating model** for profitable e-commerce growth



We will **constantly improve** our  
e-commerce operating profit

**+€200m**

---

• **ROI by 2026**

# MIGUEL ÁNGEL GONZÁLEZ GISBERT

*Global Chief Technology  
and Data Officer,  
Carrefour*

We will revolutionize **67k cash desks** around the world with an in-house, open source solution



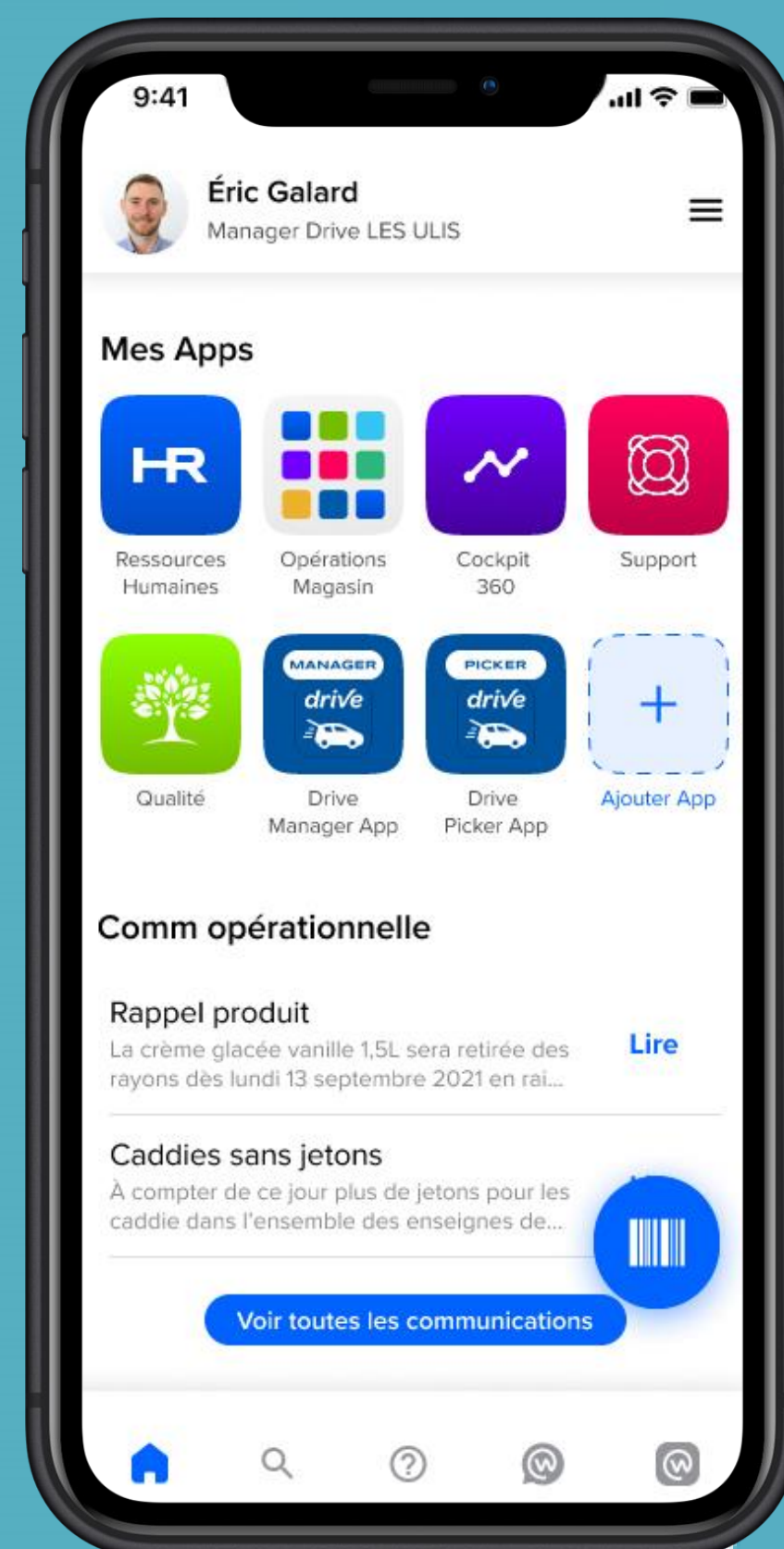
FOR

customers  
associates  
business



Our app  
to **BETTER SERVE**  
our customers in the store

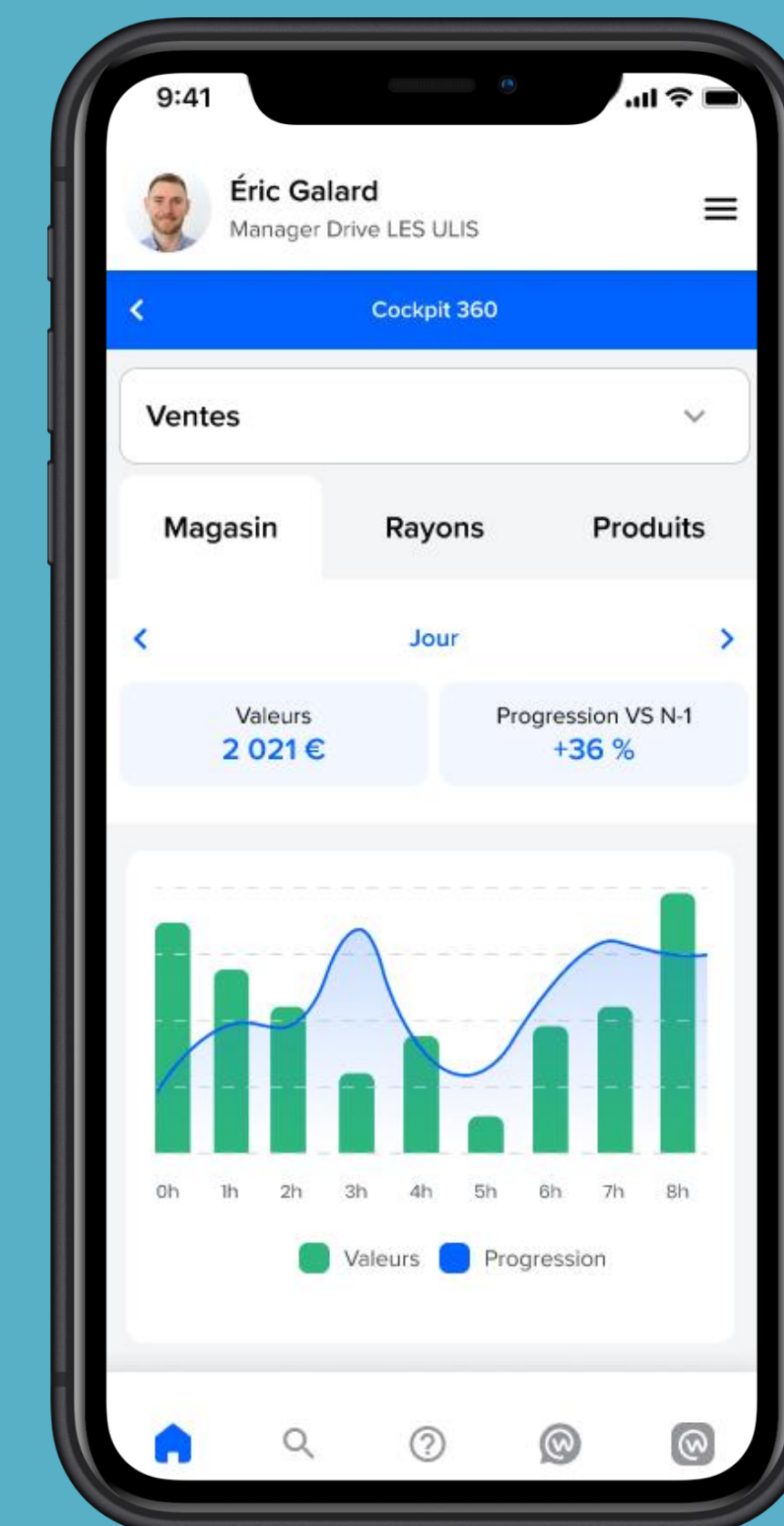
One stop shop



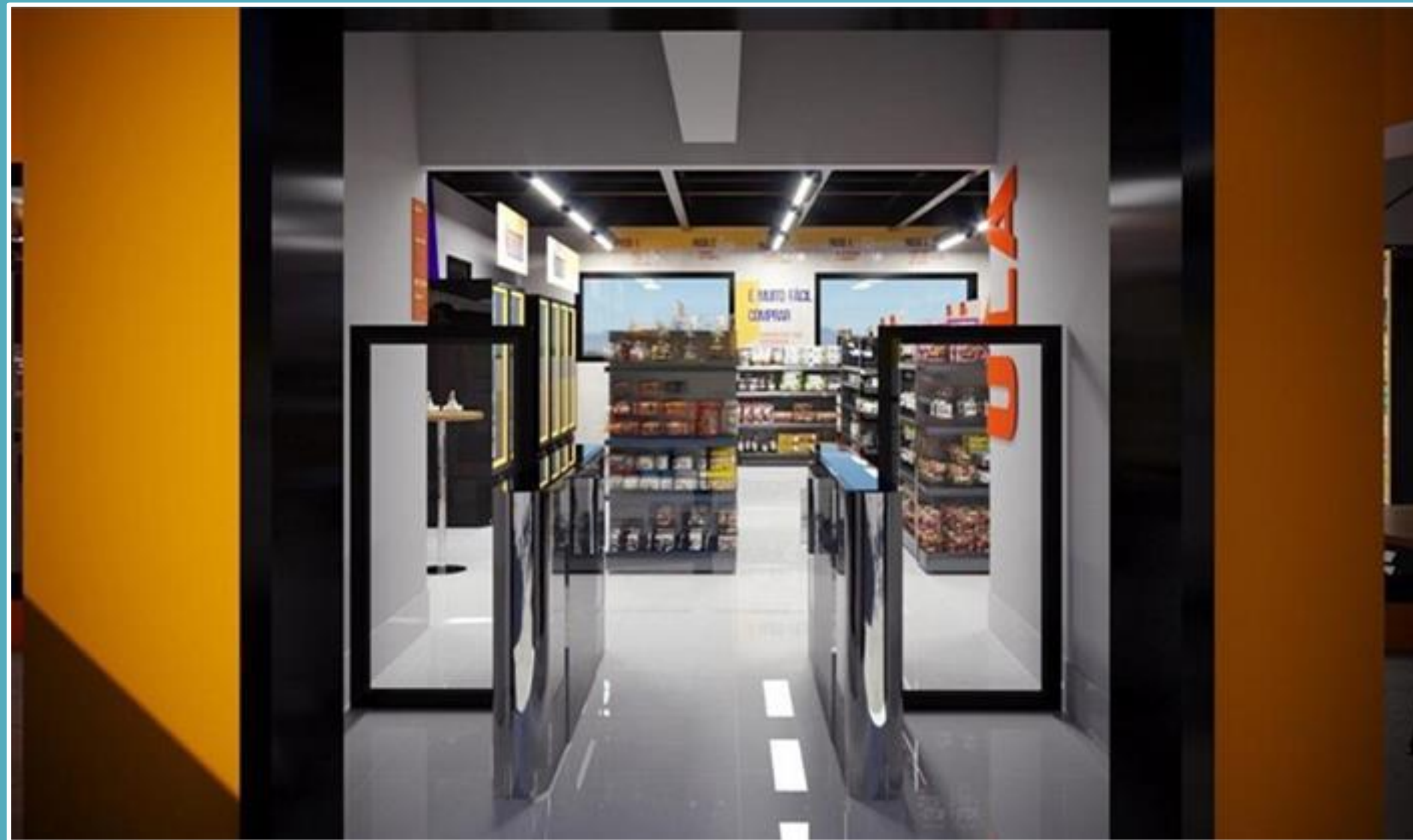
Automated  
store processes



Data-powered

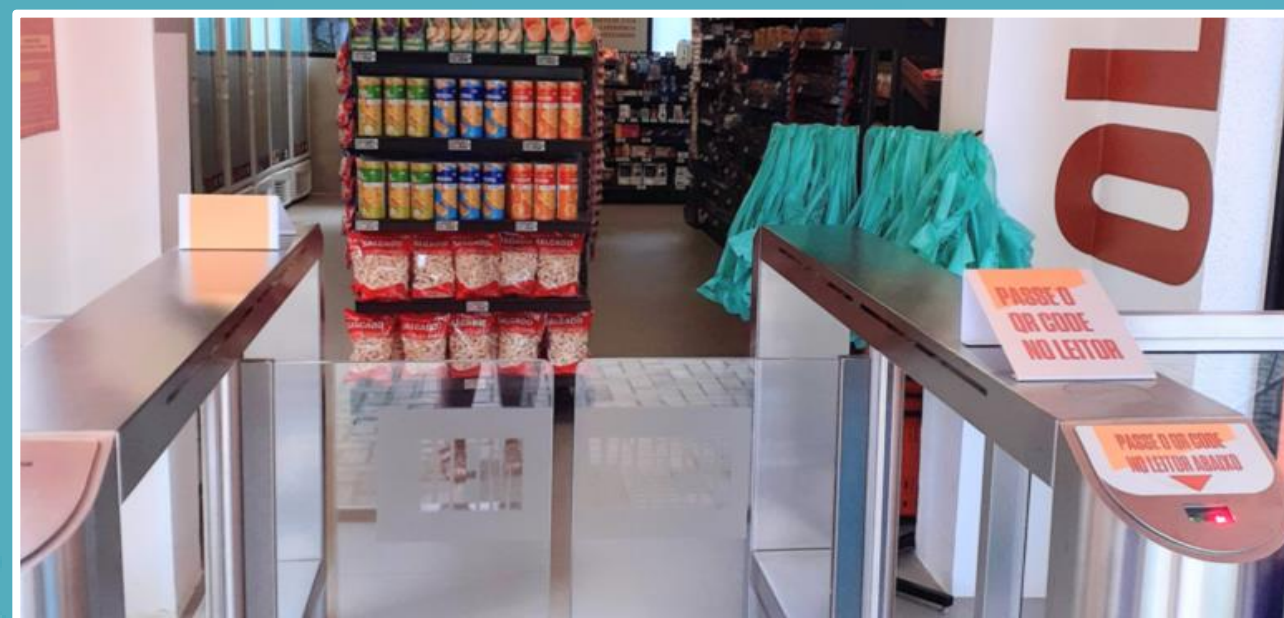


# “Flash Scan&go” at full speed in Brazil...



Carrefour   
*flash*

Autonomous  
CapEx-light



The store IN my home

...and “**Flash 10-10**” to prepare for the  
future

Carrefour  
*flash* 



*Coming soon  
in Paris...*



# ELODIE PERTHUISOT

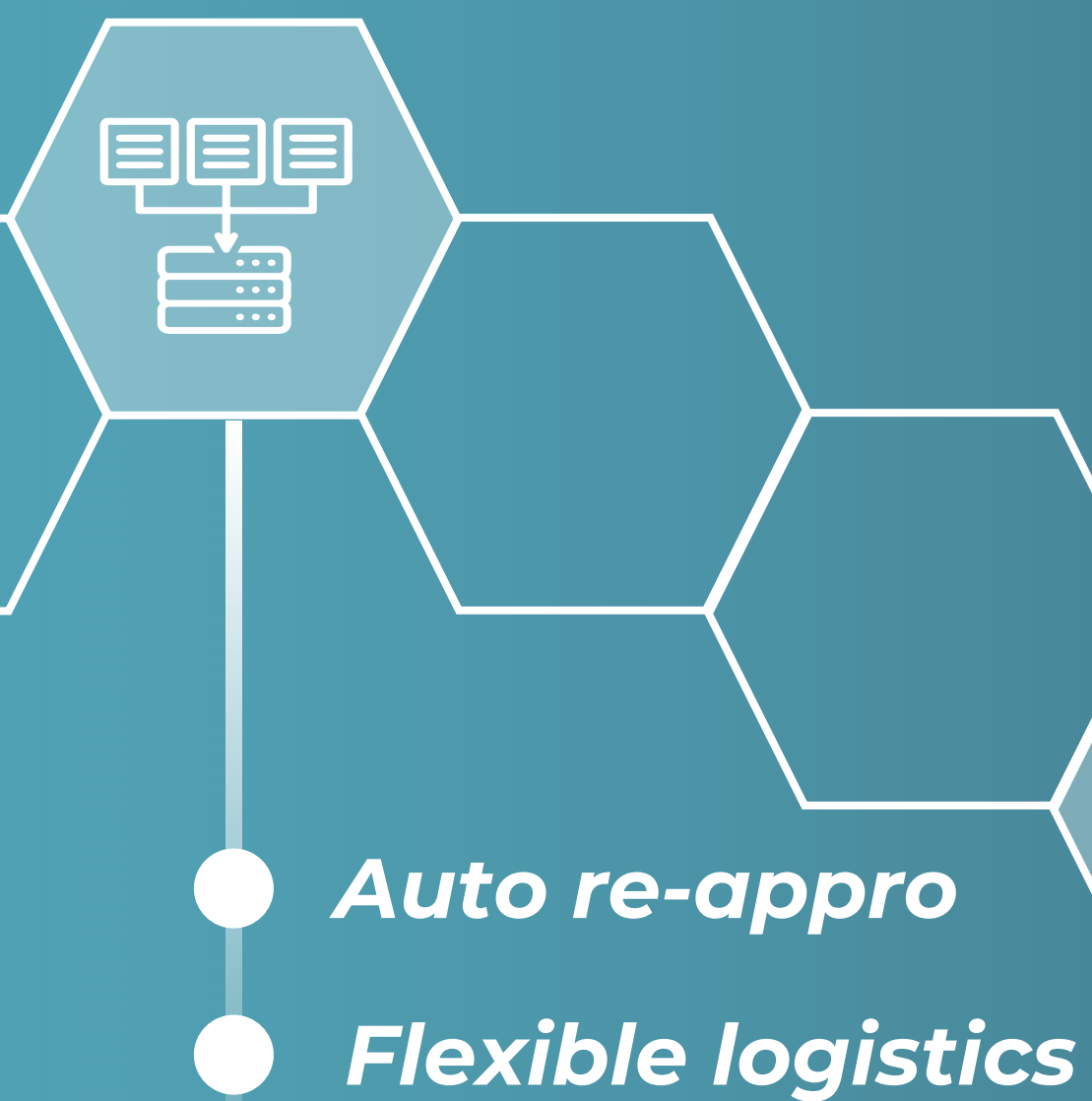
*Executive Director E-commerce,  
Data and Digital Transformation,  
Carrefour*

# Tech and AI will help us revolutionize our operations

## Sourcing



## Supply Chain



## Assortment



## Promotion



# Automated assortment builder

# 80%

of the assortment automatically defined



# “Netflix for assortment”

## ≡ Carrefour assortment

Best sellers recommended for your store

**Galettes bio riz complet**  
CARREFOUR BIO



**0.65€**

6.50 € / Kilogram

**Bio**

**Jus d'orange 1L**  
CARREFOUR BIO



**2.85€**

2.85 € / Liter

**PRODUIT FRAIS**

**Jambon Le Supérieur sel réduit**  
CARREFOUR EXTRA



**2.11€**

13.19 € / Kilogram

**NUTRI-SCORE**  
**A B C D E**

**Yaourt nature**  
CARREFOUR CLASSIC'



**1.78€**

0.89 € / Kilogram

**NUTRI-SCORE**  
**A B C D E**

**Quinoa blanc, rouge & noir**  
CARREFOUR

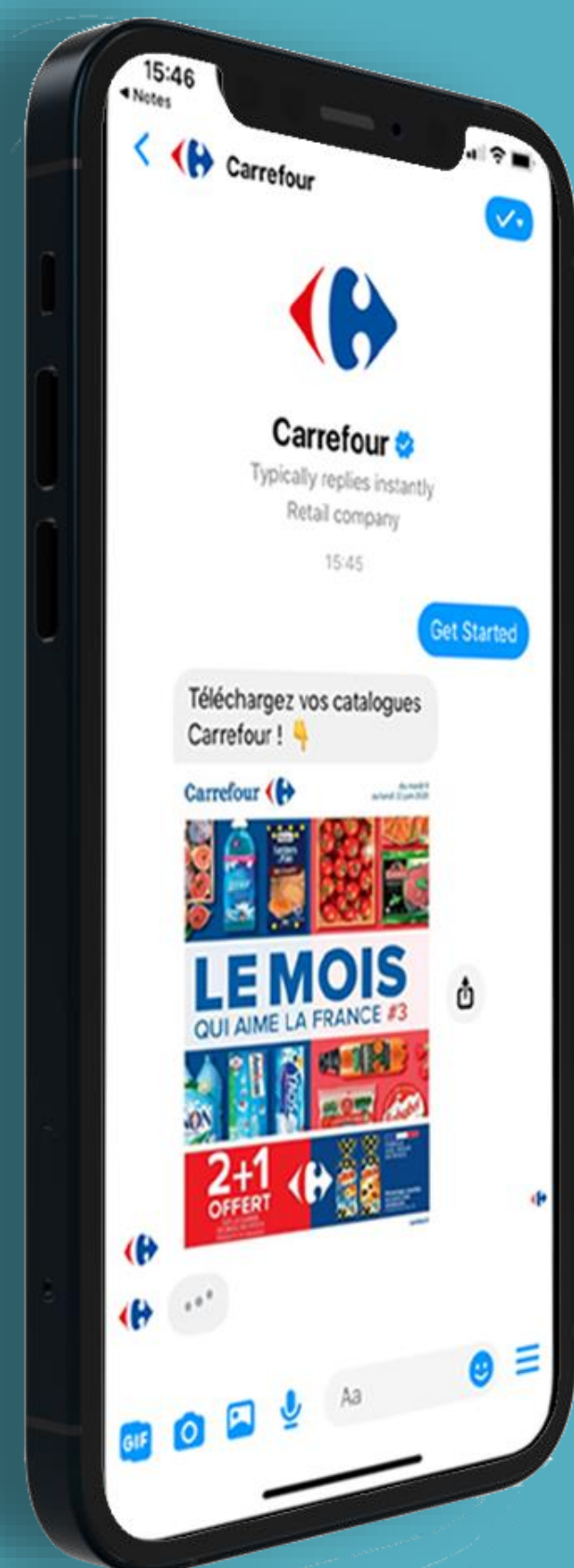


**3.12€**

7.80 € / Kilogram

**NUTRI-SCORE**  
**A B C D E**

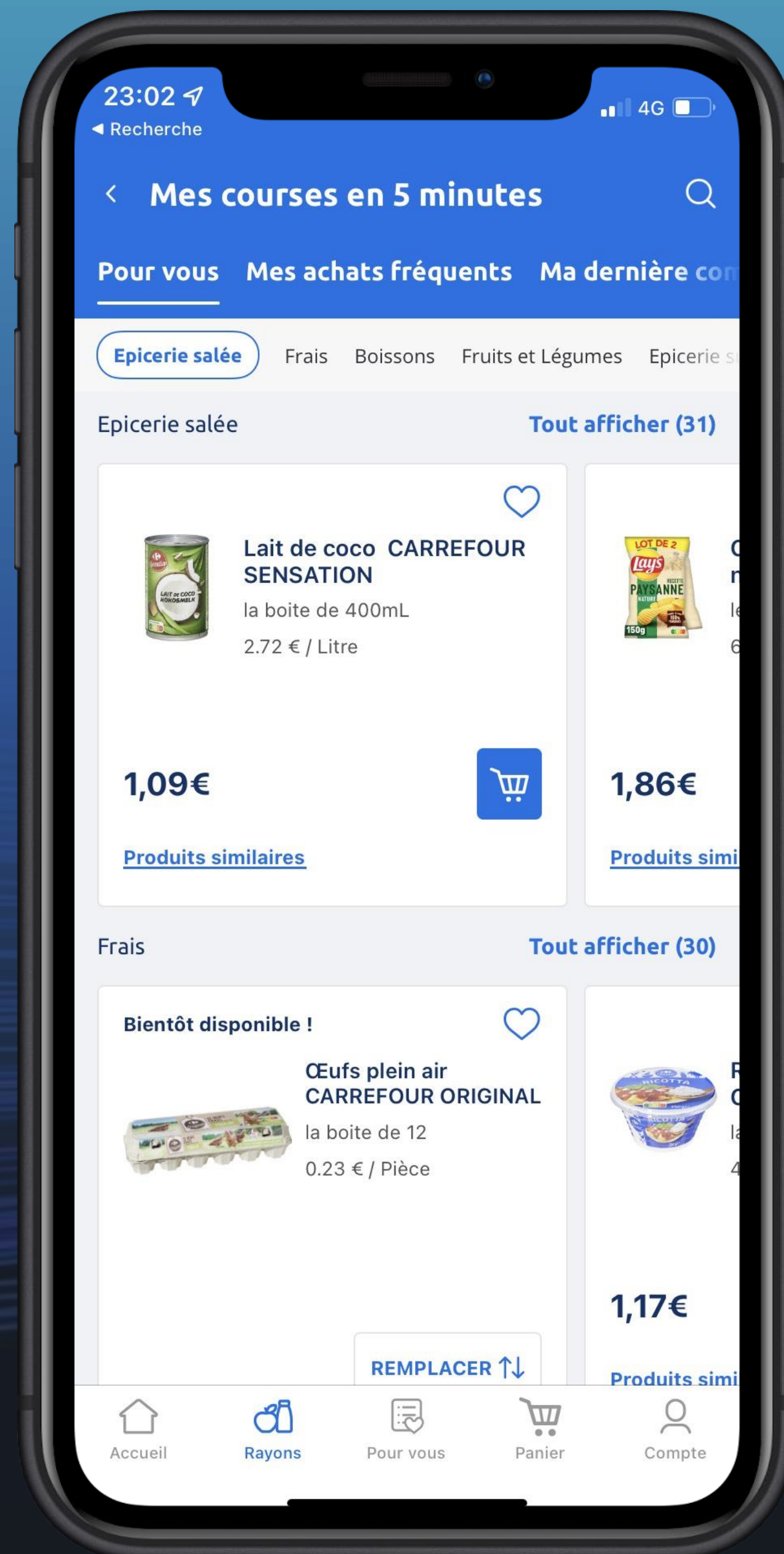
# We are quickly digitizing our catalogues



## 2,000 stores

with fully digitized catalogues  
by the end of 2022

# Promotions will be **targeted** and **personalized**



# x2

Promotion efficiency

---

with better-targeted  
and personalized offers

# How **data** increases chocolate sales

**5%** of customers

---

buy 50% of chocolate

**45k** customers

---

bought a new chocolate  
brand since September

**1:10** min

---

the time it takes to get  
these numbers...

# Digital will have a strong impact on ROI

through e-commerce operations but  
also by improving retail operations

---

**+€200m**

e-Commerce ROI  
by 2026

**80%**

Automated  
assortment

**2,000**

Stores with fully  
digitized catalogs  
by the end of 2022

**100%**

Augmented  
employees  
with U-Care

**+3,000**

Data experts  
by 2026



# MATTHIEU MALIGE

*Chief Financial Officer,  
Carrefour*

# Strategy at work

## Since 2018

---

Digital as a **key priority**  
of Carrefour 2022 plan

**x3** food e-commerce GMV  
since 2018

**€2bn+** spent since 2018  
to digitalize Carrefour  
Backbone in place for acceleration

Incremental e-commerce now  
**accretive** to earnings

# €10bn

e-commerce GMV by 2026

€3.3bn

2021

x3

€10bn

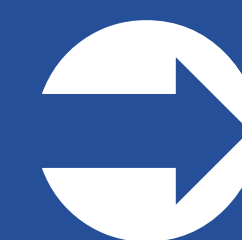
2026

**Accelerate core e-grocery sales**

**Seize express delivery opportunity**

**Raise ambition on non-food e-commerce**

**Lead the way in B2B e-commerce**

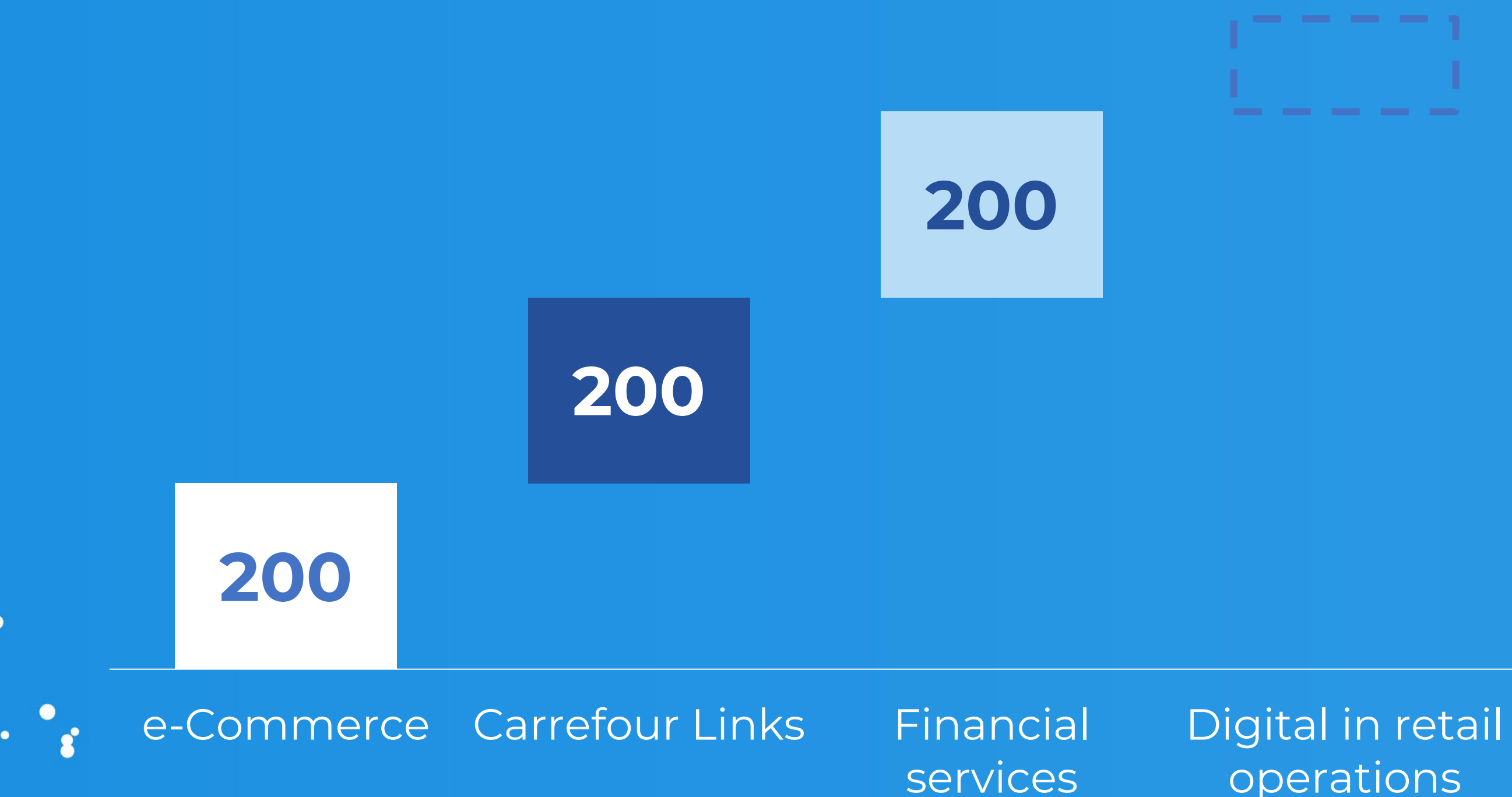


**Improving Group's  
growth profile**

# Digital ROI to increase by

# +€600m

## by 2026



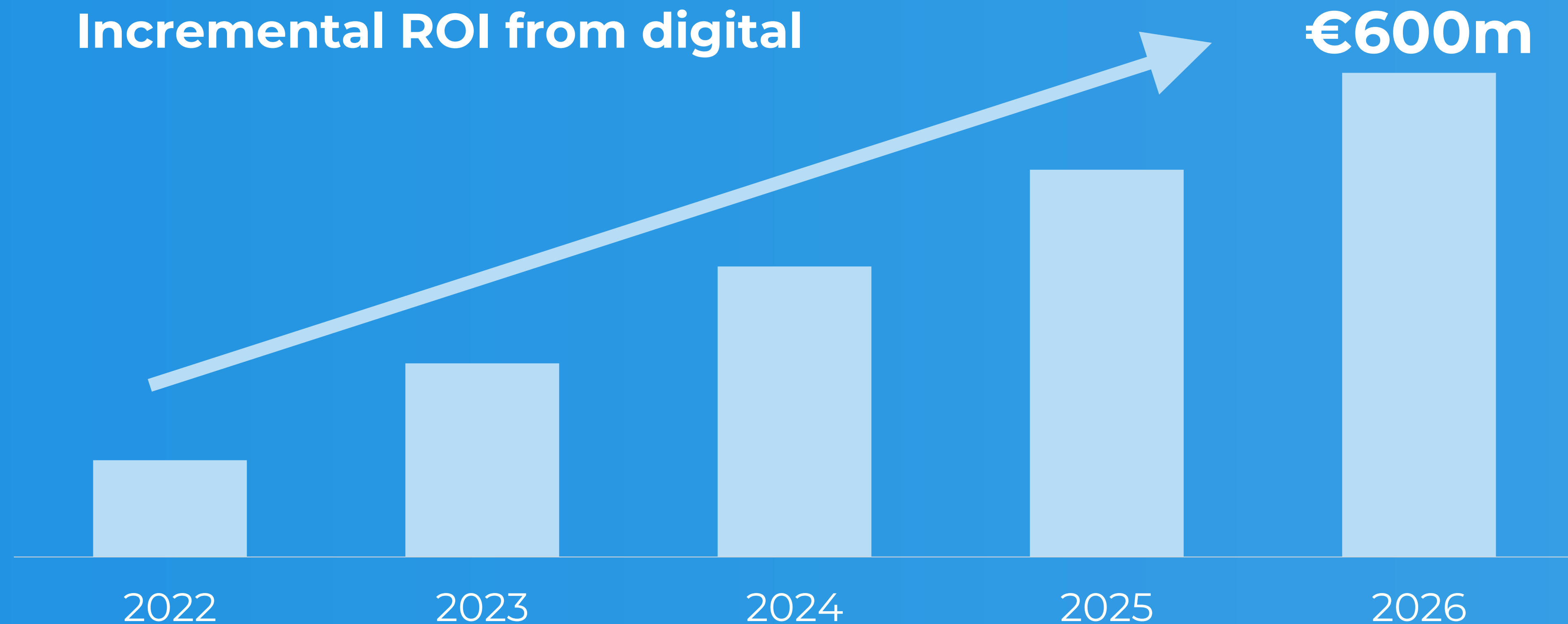
**Strong operating leverage in food e-commerce**

**Fast growth and high margin at Carrefour Links**

**Financial services acceleration with digital**

**Benefits of “digital first” approach in operations**

# Steady ramp-up in ROI growth



Digital strategy

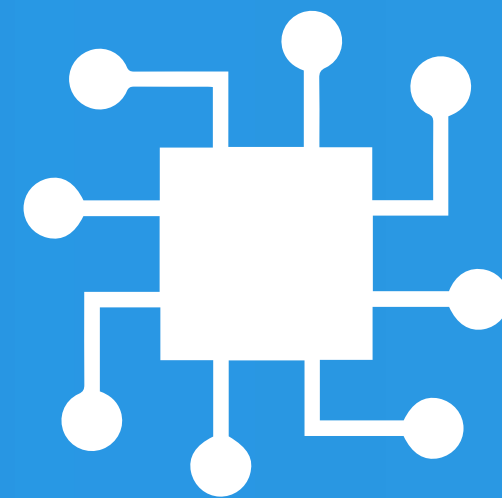
**accretive to ROI margin**

# €3 billion digital Capex between 2022 and 2026



## e-Commerce

Network expansion  
Robotization  
Warehouses and MFCs



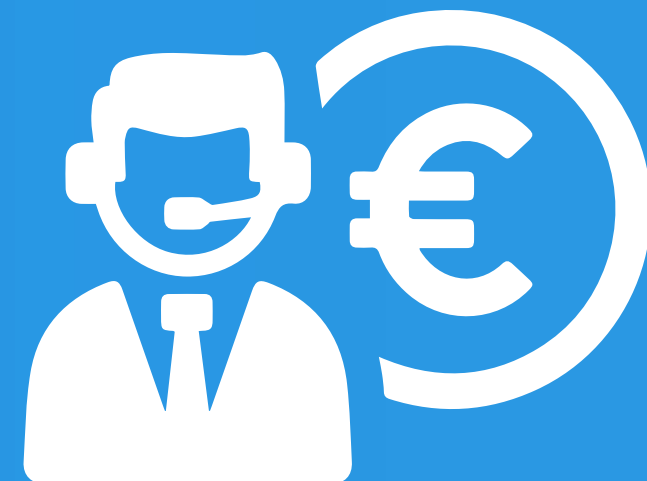
## IT

Cloud strategy  
Digital factory  
Tech for stores  
Digital workplace



## Data

Scale our teams  
Data factory  
Data projects



## Financial Services

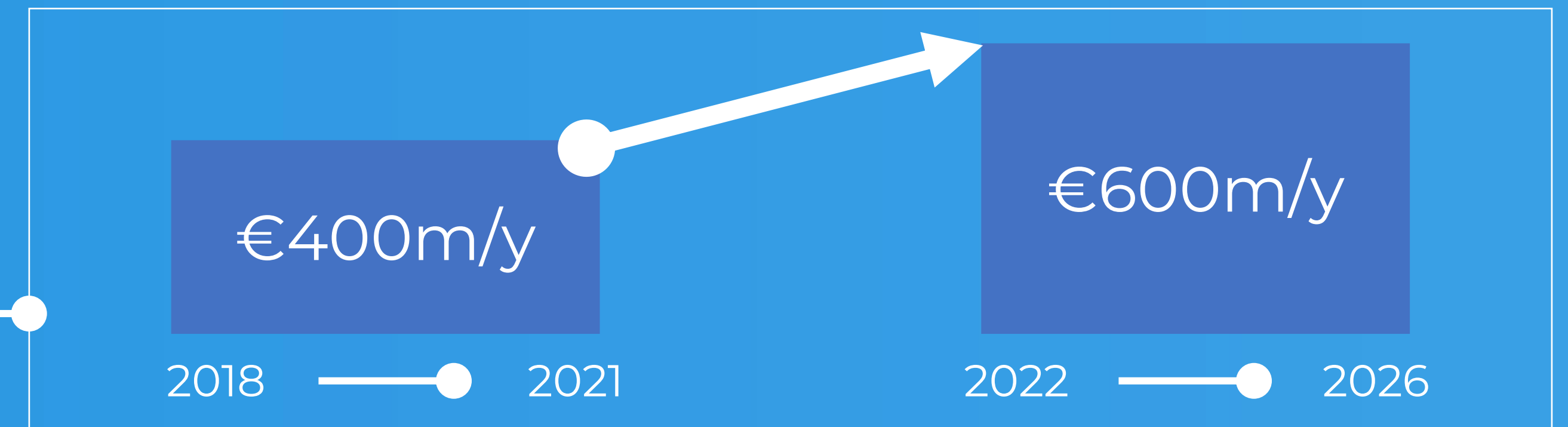
SuperApp  
Acquisition journey  
Home banking  
Process automation

# €3bn

# Capital allocation

## Driving high financial and strategic returns

**+50%** Digital Capex **increase**



Group Capex to be in the **high end of the €1.5-1.7bn annual range**

Digital strategy **positive on net free cash flow** as of 2023

# Digital winners **will drive Retail leadership**

Be the frontrunner on Digital in all our core markets

Explore all options in a fast-changing digital world

Keep constant focus on **value creation for shareholders**



# ALEXANDRE BOMPARD

*Chairman and CEO,  
Carrefour*

# The “Carrefour way” of executing our **digital transformation**



**Promote a  
digital first culture**



**Operate a  
green and responsible  
digital transformation**



Create an **open  
ecosystem** to foster  
**innovation**

# The “Carrefour way” of executing our **digital transformation**



**Promote a  
digital first culture**



# Invest in **people** and change the way **every associate** works at Carrefour

## DigitalRetail Academy

100% of our staff trained on digital by 2024

## Workplace by Facebook

connecting our 320k employees



# The “Carrefour way” of executing our **digital transformation**



Operate a  
**green and responsible  
digital transformation**



We want **green and responsible**  
**e-commerce** operations

2040  
Group-wide

2030  
e-Commerce

0  
CO<sub>2</sub>

# The “Carrefour way” of executing our **digital transformation**

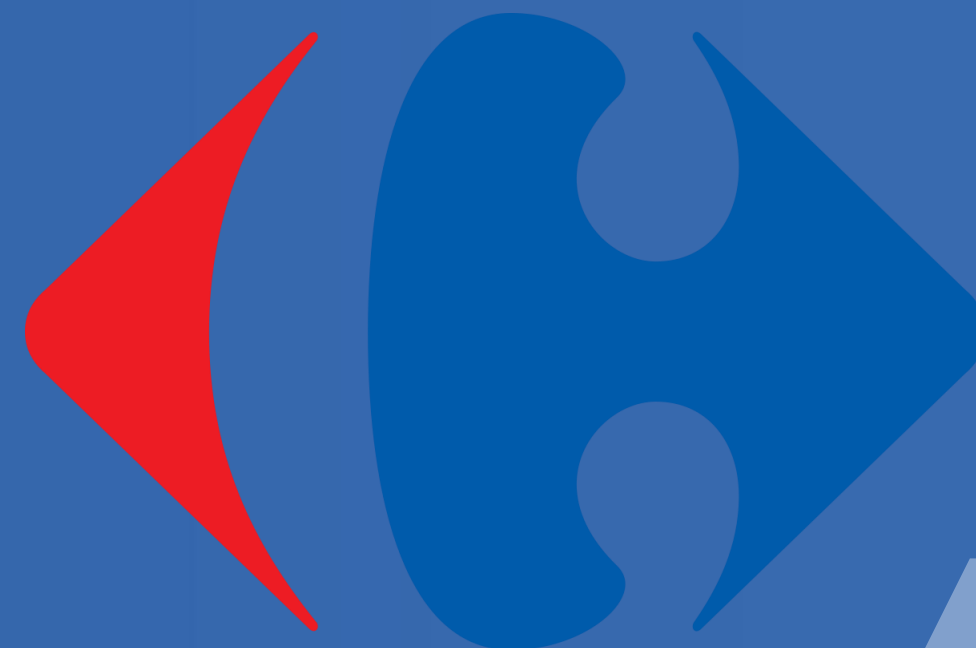


Create an **open ecosystem** to foster **innovation**

# We will create an **open ecosystem** to help us to **innovate**



EXOTEC  
SOLUTIONS



cajoo

QUITOQUE





# Carrefour

A world-leading Digital Retail company