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SECTOR	Consumer Staples	SHAREHOLDERS (30 Sept. 2020)	Rallye (52.31%)
INDUSTRY	Retail and Wholesale - Staples		Vesa Equity Investment (7.15%)
SUB-INDUSTRY	Retail - Consumer Staples		Groupe Fimalac (2.65%)
SUPPLIERS STORES	66,000+ (Sept. 2020) 10,717 (Sept. 2020)	MARKET CAP FINANCIAL CALENDAR	Employee Mutual Fund (1.12%)
EMPLOYEES (Dec. 2019)	219,132 (50% Brazil, 29% France, 16% Colombia, 5% Argentina/Uruguay)		Treasury Shares (0.72%)
			Public (36.05%)
			EUR3.03bn (02/22/2021)
			FY20 Results (02/25/2021)

For more info:  
[www.promoscore.it](http://www.promoscore.it)

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**OVERVIEW**

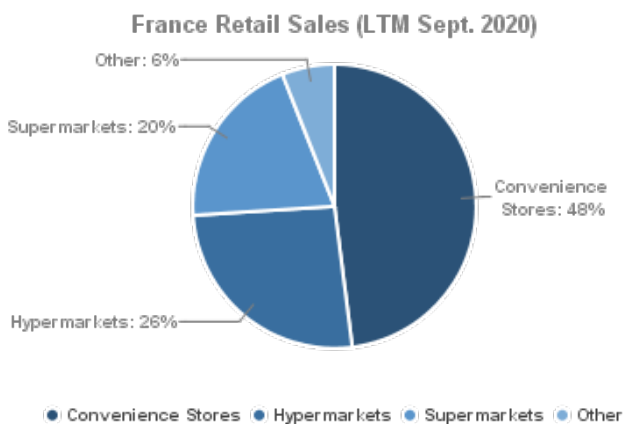
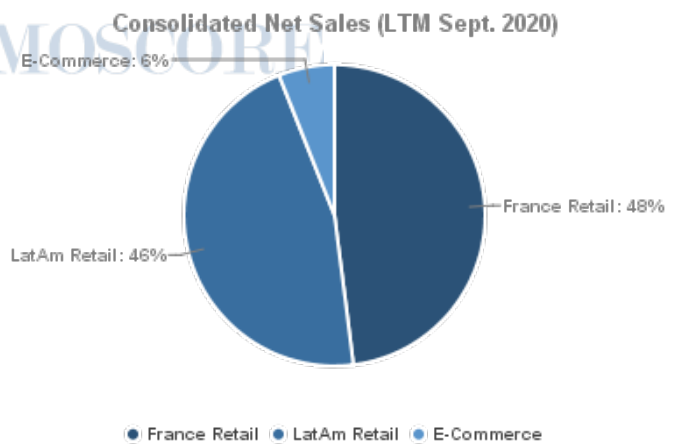
Casino Guichard-Perrachon SA is a French company mainly active in the **food retail sector**. Founded in 1898 by Geoffroy Guichard, Casino operates in **France** (with brands including Monoprix, Franprix, Casino Supermarche and Geant Casino) and in **Latin America**, through its subsidiaries **GPA** (Brazil) and **Grupo Exito** (Colombia, Uruguay, Argentina). Alongside brick-and-mortar stores, Casino owns the **Cdiscount e-commerce platform** and has set up partnerships with US-based **Amazon** and UK-based **Ocado** to provide grocery delivery services to its customers in France.

**COMPANY PROFILE**

- OWNERSHIP** - Listed on **Euronext Paris**, Casino Guichard-Perrachon is **52.31%** owned by the France-based holding company **Rallye**. French entrepreneur **Jean-Charles Naouri** (1949), Casino's **CEO and Chairman** since 2005, chairs and controls Euris, a company which (through two intermediate vehicles, Finatis and Foncier Euris) in turn controls Rallye. Rallye's main asset is its shareholding in Casino, almost entirely pledged to guarantee its own debt and that of its subsidiaries. **Vesa Equity Investment**, controlled by Czech billionaire **Daniel Kretinsky** (1975), and **Groupe Fimalac**, owned by French magnate **Marc Ladreit de Lacharriere** (1940), hold **7.15%** and **2.65%** of Casino's capital, respectively.

- RALLYE** - In May 2019, Rallye (together with its subsidiaries Cobivia, HMB and Alpetrol and its parent companies Fonciere Euris, Finatis and Euris) entered a **Procedure de Sauvegarde** due to its financial difficulties. As highlighted by rating agency S&P, as a result of the procedure, Rallye has been able to push back some of its debt maturities (up until 2030), but it hasn't obtained a material reduction in the overall gross debt due (about EUR3.3bn, of which EUR1.2bn due in 2023). Rallye's ability to repay its debt depends on Casino's ability to pay **dividends**. However, Casino cannot pay dividends (beyond a specifically calculated envelope that still allows the payment of an 'ordinary' dividend) if its **gross debt/EBITDA ratio** is higher than **3.5x** (calculated at Group level, for France Retail and E-Commerce businesses). As of 30 September 2020, this ratio was 6.46x.

- STRUCTURE** - Casino's business is divided into three segments: (1) **France Retail**, which includes retail brands in France and online sales associated with these banners; (2) **E-Commerce**, which consists of online retail sales through Cdiscount, an e-commerce platform owned through the Dutch company Cnova (79% owned directly and indirectly by Casino); (3) **LatAm Retail**, which includes the retail brands of Grupo Pao de Acucar (indirectly controlled by Casino at 41%) and Grupo Exito (in turn controlled by GPA at 97%). The Group as a whole is characterized by a **complex ownership structure**, both with reference to the South American subsidiaries and with regard to the French parent companies, which has only recently been targeted by simplification efforts.



## FINANCIALS

## INCOME STATEMENT

(in EURm)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
<b>Revenue</b>	<b>34645,00</b>	<b>34329,00</b>	<b>37490,00</b>	<b>36030,00</b>	<b>35312,00</b>
- Cost of Revenue	26547,00	25899,00	28555,00	27364,00	26814,00
<b>Gross Profit</b>	<b>8098,00</b>	<b>8430,00</b>	<b>8935,00</b>	<b>8666,00</b>	<b>8498,00</b>
+ Other Operating Income	665,00	533,00	555,00	542,00	526,00
- Operating Expenses	7293,00	7428,00	8025,00	8174,00	8021,00
<b>Operating Income (Loss)</b>	<b>1470,00</b>	<b>1535,00</b>	<b>1465,00</b>	<b>1034,00</b>	<b>1003,00</b>
- Non-Operating (Income) Loss	750,00	676,00	446,00	359,00	581,00
<b>Pretax Income (Loss), Adjusted</b>	<b>720,00</b>	<b>859,00</b>	<b>1019,00</b>	<b>675,00</b>	<b>422,00</b>
- Abnormal Losses (Gains)	896,00	573,00	733,00	625,00	355,00
<b>Pretax Income (Loss), GAAP</b>	<b>-176,00</b>	<b>286,00</b>	<b>286,00</b>	<b>50,00</b>	<b>67,00</b>
- Income Tax Expense (Benefit)	138,00	187,00	48,00	34,00	13,00
- (Income) Loss from Affiliates	-46,00	-60,00	-13,00	-20,00	-57,00
<b>Income (Loss) from Cont Ops</b>	<b>-268,00</b>	<b>159,00</b>	<b>251,00</b>	<b>36,00</b>	<b>111,00</b>
- Net Extraordinary Losses (Gains)	1054,00	32,00	-48,00	-2161,00	-47,00
<b>Income (Loss) Incl. MI</b>	<b>-1322,00</b>	<b>127,00</b>	<b>299,00</b>	<b>2197,00</b>	<b>158,00</b>
- Minority Interest	110,00	244,00	198,00	-482,00	201,00
<b>NET INCOME, GAAP</b>	<b>-1432,00</b>	<b>-117,00</b>	<b>101,00</b>	<b>2679,00</b>	<b>-43,00</b>

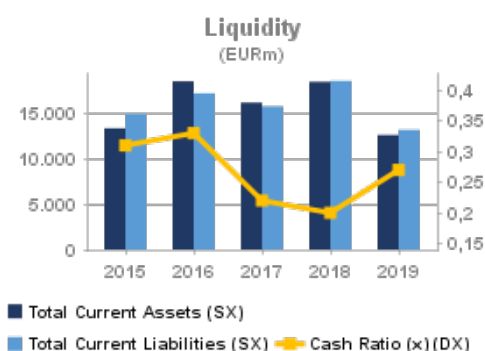
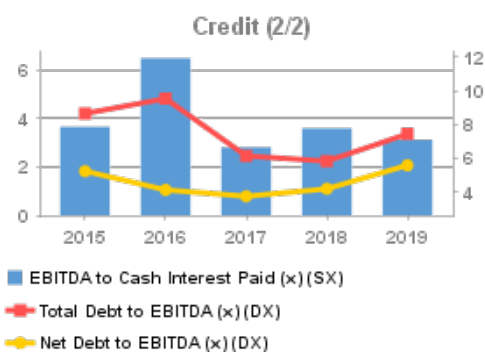
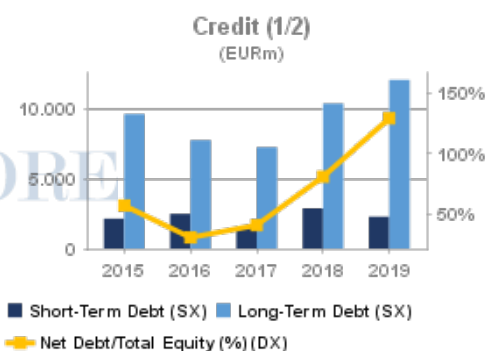
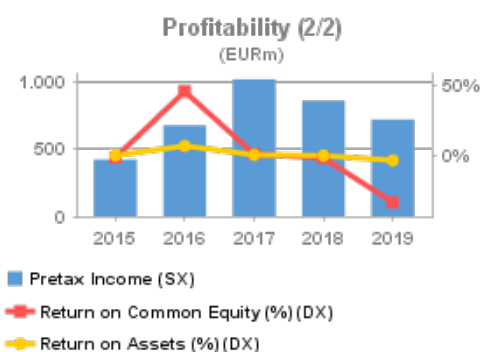
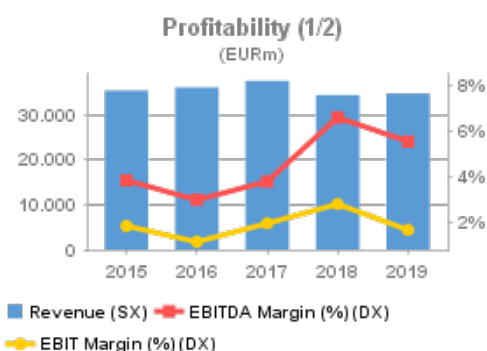
## BALANCE SHEET

(in EURm)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
<b>ASSETS</b>					
+ Cash, Cash Equivalents & STI	3572,00	3730,00	3391,00	5750,00	4588,00
+ Accounts & Notes Receiv	836,00	905,00	937,00	880,00	1287,00
+ Inventories	3775,00	3834,00	3815,00	3990,00	4884,00
+ Other ST Assets	4420,00	9981,00	8018,00	7883,00	2584,00
<b>Total Current Assets</b>	<b>12603,00</b>	<b>18450,00</b>	<b>16161,00</b>	<b>18503,00</b>	<b>13343,00</b>
+ Property, Plant & Equip, Net	9950,00	10435,00	7289,00	8123,00	8769,00
+ LT Investments & Receivables	567,00	536,00	500,00	448,00	811,00
+ Other LT Assets	12007,00	13226,00	14166,00	14968,00	16910,00
<b>Total Noncurrent Assets</b>	<b>22524,00</b>	<b>24197,00</b>	<b>21955,00</b>	<b>23539,00</b>	<b>26490,00</b>
<b>TOTAL ASSETS</b>	<b>35127,00</b>	<b>42647,00</b>	<b>38116,00</b>	<b>42042,00</b>	<b>39833,00</b>
<b>LIABILITIES + EQUITY</b>					
+ Payables & Accruals	6628,00	8175,00	8111,00	8436,00	9752,00
+ ST Debt	2281,00	2876,00	1493,00	2482,00	2140,00
+ Other ST Liabilities	4266,00	7503,00	6146,00	6271,00	3022,00
<b>Total Current Liabilities</b>	<b>13175,00</b>	<b>18554,00</b>	<b>15750,00</b>	<b>17189,00</b>	<b>14914,00</b>
+ LT Debt	12027,00	10342,00	7229,00	7733,00	9594,00
+ Other LT Liabilities	1634,00	2042,00	2114,00	2680,00	2906,00
<b>Total Noncurrent Liabilities</b>	<b>13661,00</b>	<b>12384,00</b>	<b>9343,00</b>	<b>10413,00</b>	<b>12500,00</b>
<b>TOTAL LIABILITIES</b>	<b>26836,00</b>	<b>30938,00</b>	<b>25093,00</b>	<b>27602,00</b>	<b>27414,00</b>
+ Preferred Equity and Hybrid Capital	1350,00	1350,00	1350,00	1350,00	1350,00
+ Share Capital & APIC	4067,00	4107,00	4162,00	4162,00	4266,00
- Treasury Stock	28,00	33,00	5,00	5,00	80,00
+ Retained Earnings	1918,00	3524,00	4144,00	4412,00	2469,00
+ Other Equity	-2539,00	-2447,00	-2096,00	-1469,00	-2122,00
+ Minority/Non Controlling Interest	3523,00	5208,00	5468,00	5990,00	6536,00
<b>TOTAL EQUITY</b>	<b>8291,00</b>	<b>11709,00</b>	<b>13023,00</b>	<b>14440,00</b>	<b>12419,00</b>

## CASH FLOW STATEMENT

(in EURm)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Cash from Operating Activities	503,00	1972,00	1001,00	1500,00	2550,00
Cash from Investing Activities	-32,00	-99,00	-1202,00	2601,00	-1545,00
Cash from Financing Activities	-1471,00	-1168,00	-1969,00	-2610,00	-2621,00
Effect of Foreign Exchange Rates	16,00	-328,00	-481,00	762,00	-1047,00
<b>NET CHANGES IN CASH</b>	<b>-984,00</b>	<b>377,00</b>	<b>-2651,00</b>	<b>2253,00</b>	<b>-2663,00</b>

Source: Bloomberg -- Note: Financials audited by Deloitte, EY; Decimal separator ","



Revenue (FY15=100)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	98,11	97,22	106,17	102,03	100,00
Carrefour SA	94,31	94,19	102,05	99,94	100,00
Tesco PLC	112,27	101,00	98,23	94,74	100,00
Esselunga SpA	111,26	107,49	105,63	104,42	100,00

EBITDA Margin (%)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	5,55	6,60	3,79	2,98	3,84
Carrefour SA	4,52	3,00	3,18	4,44	4,74
Tesco PLC	7,35	5,45	4,15	4,46	-7,37
Esselunga SpA	8,67	9,12	8,66	8,77	8,79

Return on Assets (%)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	-3,68	-0,29	0,25	6,54	-0,10
Carrefour SA	2,30	-1,18	-1,10	1,59	2,16
Tesco PLC	2,50	2,66	-0,09	0,31	-12,17
Esselunga SpA	3,52	4,06	5,42	5,58	6,49

Net Debt to EBITDA (x)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	5,59	4,19	3,75	4,13	5,24
Carrefour SA	3,78	4,18	1,46	1,30	1,25
Tesco PLC	3,04	1,11	2,22	2,88	n.a.
Esselunga SpA	0,82	1,18	1,39	0,18	0,29

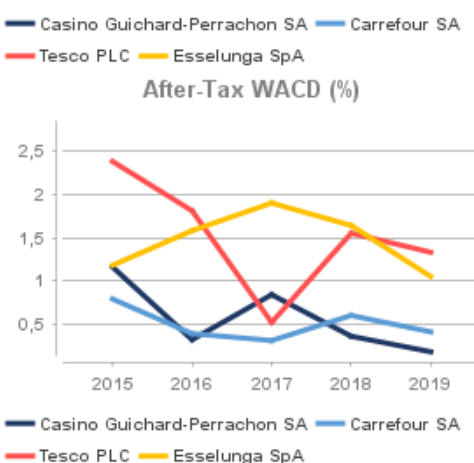
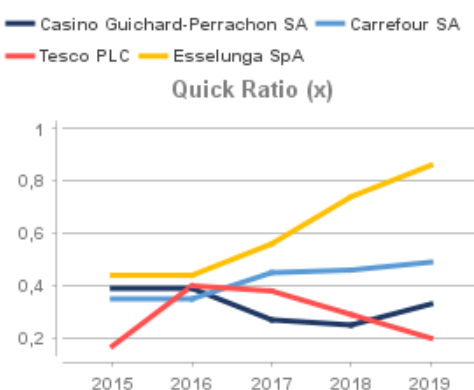
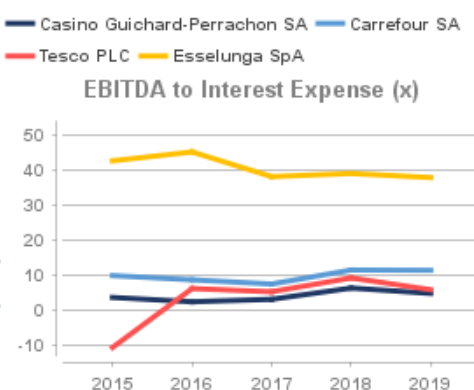
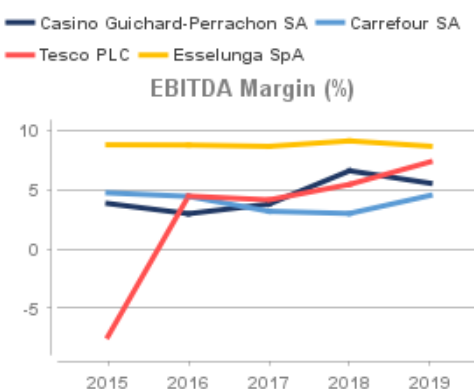
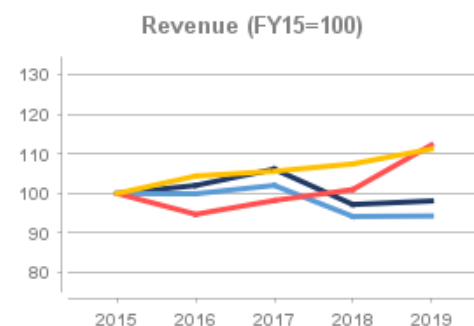
EBITDA to Interest Expense (x)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	4,85	6,37	3,16	2,46	3,69
Carrefour SA	11,44	11,52	7,53	8,73	9,93
Tesco PLC	5,89	9,27	5,32	6,22	-10,60
Esselunga SpA	37,92	39,09	38,19	45,24	42,70

Free Cash Flow to Total Debt (x)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	-0,04	0,06	-0,03	0,03	0,11
Carrefour SA	0,07	0,02	0,01	0,01	0,01
Tesco PLC	0,09	0,16	0,07	0,10	-0,10
Esselunga SpA	0,19	0,24	0,05	0,09	n.a.

LT Debt to Total Assets (%)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	34,24	24,25	18,97	18,39	24,09
Carrefour SA	23,19	18,72	19,01	16,65	19,03
Tesco PLC	27,13	15,91	20,57	24,40	24,09
Esselunga SpA	23,09	24,46	22,51	8,30	9,21

Quick Ratio (x)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	0,33	0,25	0,27	0,39	0,39
Carrefour SA	0,49	0,46	0,45	0,35	0,35
Tesco PLC	0,20	0,29	0,38	0,40	0,17
Esselunga SpA	0,86	0,74	0,56	0,44	0,44

After-Tax WACD (%)					
Company	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Casino Guichard-Perrachon SA	0,18	0,36	0,84	0,32	1,16
Carrefour SA	0,41	0,60	0,31	0,39	0,79
Tesco PLC	1,33	1,55	0,52	1,81	2,38
Esselunga SpA	1,05	1,64	1,90	1,58	1,18



Source: Bloomberg -- Note: Decimal separator ","

## INDUSTRY

According to data compiled by Kantar (as of 9 February 2021), **Casino is 6th in the French grocery market**, with a **7.5%** share. The Group is preceded by **E. Leclerc** (22.4%), **Carrefour** (19.7%), **Intermarche** (15.5%), **Systeme U** (11.1%) and **Auchan** (9.7%) and trailed by **Lidl** (6.7%), **Delhaize** (2.8%) and **Aldi** (2.5%). In 2019, Cdiscount was 2nd in France among e-commerce websites, with a market share of 8.1%, behind Amazon's 22.2%, Kantar data show. According to Euromonitor International, in 2019 Casino Group was leader in the modern grocery retail segment both in Brazil (via GPA) and Colombia (via Grupo Exito).

## DEBT PROFILE

Casino Guichard-Perrachon SA (COFP) - Sr Unsecured - EUR - Fixed 6.625% - 15 Jan. 2026 - XS2276596538 (RegS)			
YIELD TO WORST	5.807%	COUNTRY RATINGS (France, Last Review Date)	S&P: AA/Stable (10/02/2020) Moody's: Aa2/Stable (02/21/2020) Fitch: AA/Negative (11/13/2020) DBRS: AAh/Stable (10/16/2020)
MODIFIED DURATION	3.276	BOND RATINGS (Last Review Date)	S&P: B/Negative (12/02/2020) Moody's: Caa1/Stable (08/06/2020) Fitch: Withdrawn (01/12/2018)
COUPON FREQUENCY	Semi-Annual (15 Jan./15 Jul.)	S&P RECOVERY RATING	4(30%)
DAY COUNT	30/360	ALTMAN'S Z-SCORE	1.7597
AMT ISSUED / OUTST	EUR400m / EUR400m	1Y DEFAULT PROB	0.3826%
MIN PIECE / INCREMENT	EUR100k / EUR1k	5Y MARKET CDS	592bps
EXCHANGES	LuxSE, EuroTLX, etc.	G-SPREAD	636.7bps (vs. EUR France Sovereign Curve)
CLEARING HOUSES	Euroclear, Clearstream	I-SPREAD	622.4bps (vs. Euro Swaps Curve)
LQA LIQUIDITY SCORE	75/100	Z-SPREAD	614.9bps
STANDARD CALL (on and after)	01/15/2023 @ 103.3125 01/15/2024 @ 101.6563 01/15/2025 @ 100.0000	ASW SPREAD	617.1bps
MAKE WHOLE CALL	B+50 until 01/15/2023	GRACE PERIOD	30 days
COC CALL	@ 101	GOVERNING LAW	New York law
TAX CHANGES CALL	@ 100	ECB ELIGIBLE	No
EQUITY CLAWBACK	@ 106.6250 until 01/15/2023 (Percentage: 40%)	MiFID II TGT MKT	Eligible counterparties and professional clients only

### KEY DOWNSIDE / UPSIDE RISKS

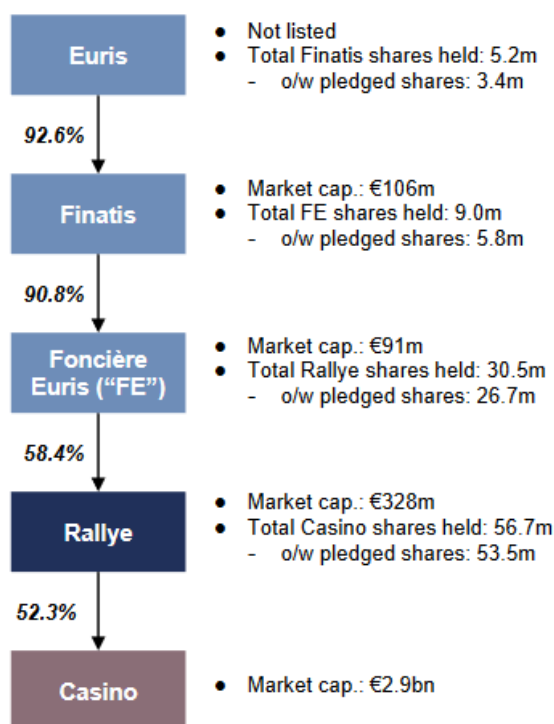
Covid-19 pandemic	↓	RCF covenant headroom	↓
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Source: Bloomberg, Casino Guichard-Perrachon, Banca Promos

- LIABILITY MANAGEMENT** - In December 2020, Casino has completed a transaction aimed at strengthening its financial structure, reducing the size of its bond debt and extending its average maturity. The deal consisted of: (1) The launch of a **senior unsecured bond** maturing in **January 2026** for **EUR400m** (from initial EUR300m), Casino's first unsecured bond issuance since January 2018 (see table); (2) The reopening (tap) of a **EUR1bn secured Term Loan B** due in **January 2024** (signed in November 2019) for **EUR225m** (from initial EUR200m); (3) A **tender offer** on Casino's outstanding **senior unsecured notes**, with maturities **from 2021 to 2025**, up to **EUR1.35bn** (initially EUR1.2bn), financed through the cash raised from (1) and (2), the proceeds from the disposal of Leader Price (EUR648m), and the liquidity available in a **segregated account** dedicated to debt repayment (EUR87m). The offer has resulted in the **early cancellation** of bonds for **EUR822m** (about 61% of the target set by the company) and has brought the nominal amount of **bonds repurchased** by Casino in 2020 to **EUR1.4bn**. The balance of the segregated account has risen to EUR487m (the sum may be used for future debt repayment transactions).

- LEADER PRICE** - In November 2020, Casino Guichard has completed the sale to Germany's **Aldi** of **545 Leader Price stores**, 2 Casino supermarkets and 3 warehouses, for a total consideration of **EUR683m** (of which EUR648m at the closing and up to EUR35m in earn-outs). Under the agreement, Casino may sell additional Leader Price stores to Aldi France for a maximum value of EUR11m. Throughout 2021, Casino will keep managing the stores' day-to-day operations, in view of their progressive conversion into Aldi stores. The **Leader Price brand** will remain property of Casino which will continue to operate it in France and abroad. The deal brought the total value of **non-strategic assets** sold by Casino since July 2018 to **EUR2.8bn**.

### Simplified group ownership structure



Source: Rallye (Jan. 22, 2021)

- **RCF COVENANT** - The EUR2bn senior secured Revolving Credit Facility signed in November 2019 requires Casino to keep its **gross debt/EBITDA ratio** (relating to France Retail and E-Commerce segments) below the following thresholds: 7.25x in 3Q20, 5.75x in 4Q20, 6.50x in 1Q21, 6.00x in 2Q21 and 3Q21, and 4.75x from 4Q21 onwards. According to **S&P**, Casino should be able to **comply with the covenant** in both **2020 and 2021**, even assuming large discounts on the asset sales under its EUR4.5bn Disposal Plan aimed at reducing debt. The rating agency forecasts a ratio of 5.00x in 2020 and of about 4.00x-4.50x in 2021.

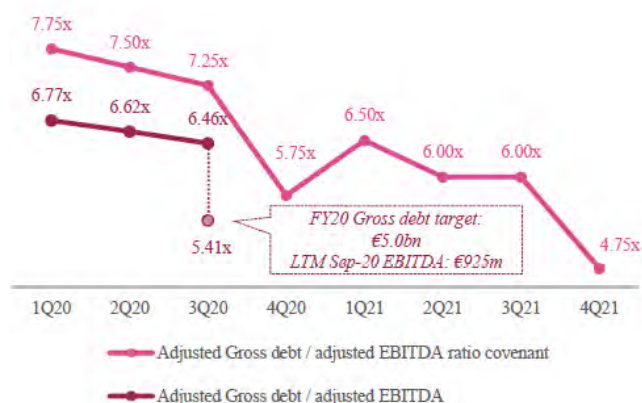
## RATING

- **S&P** - On 2 December 2020, S&P confirmed Casino Guichard-Perrachon's **B** rating. The **Negative outlook** reflects the **event risk** arising from Casino's parent companies' **high debt levels**.
- Casino continued its deleveraging efforts in 2020, yet the company's leverage remained high and its **free operating cash flow modest**.
- S&P still sees material event risk related to the high levels of debt at Rallye, Euris and Finatis, which may rely on Casino's **distribution capacities** for its service.
- Even if the parent companies' **debt maturities** have been pushed back to **2023-2030**, the overall amount of debt due following the Procedure de Sauvegarde remains broadly unchanged, including a **large debt redemption due in 2023**.
- **MOODY'S** - On 6 August 2020, Moody's cut Casino's long-term corporate family rating to **B3** with a **Stable outlook**.
- According to the agency, the Group's **leverage** will remain sustainably higher than the 6x level commensurate with the previous B2 rating, owing to **additional exceptional cost** resulting from the coronavirus pandemic.
- Despite its **good market positions**, in proximity and online, Casino has failed to reduce its leverage over the past 5 years and to generate meaningful cash flows in France.
- The Stable outlook reflects Moody's view that Casino's leverage will gradually trend towards 6x over the 12 months following the rating action, on the back of debt repayments and **moderate earnings growth**. This scenario assumes that Casino will successfully pursue its **asset disposal programme** and will not post additional charges related to the Covid-19 pandemic.

## COVID-19

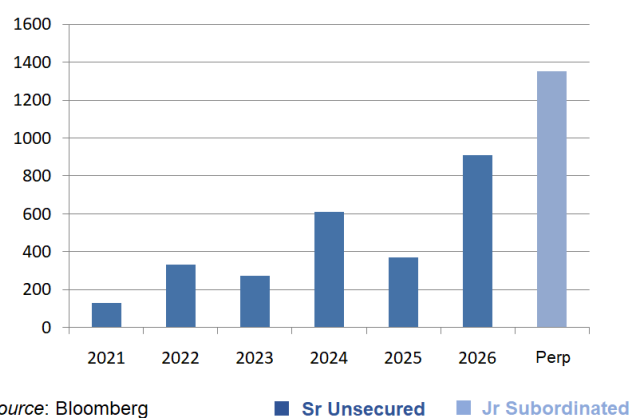
- **9M20** - As highlighted by the Financial Times and Reuters after the release of Casino's 1H20 results, the Group has benefited in terms of **higher revenues** from the strong demand for foodstuffs due to the **closures of bars and restaurants** aimed at curbing the coronavirus pandemic. However, Covid-19 also led to a significant **increase in the Group's costs** over the six months, with a consequent contraction in profit margins. As reported by Bloomberg, Casino's revenues in 3Q20 missed analysts' estimates due to the Group's strong geographical exposure to tourist areas such as **Paris** and **southeast France** which were affected by the **halt in international travel** caused by the pandemic.

## RCF covenant levels



Source: Casino (Jan. 11, 2021)

## COFP: Bond maturity profile (EURm)



Source: Bloomberg



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