S&P Global Ratings

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Auchan Holding

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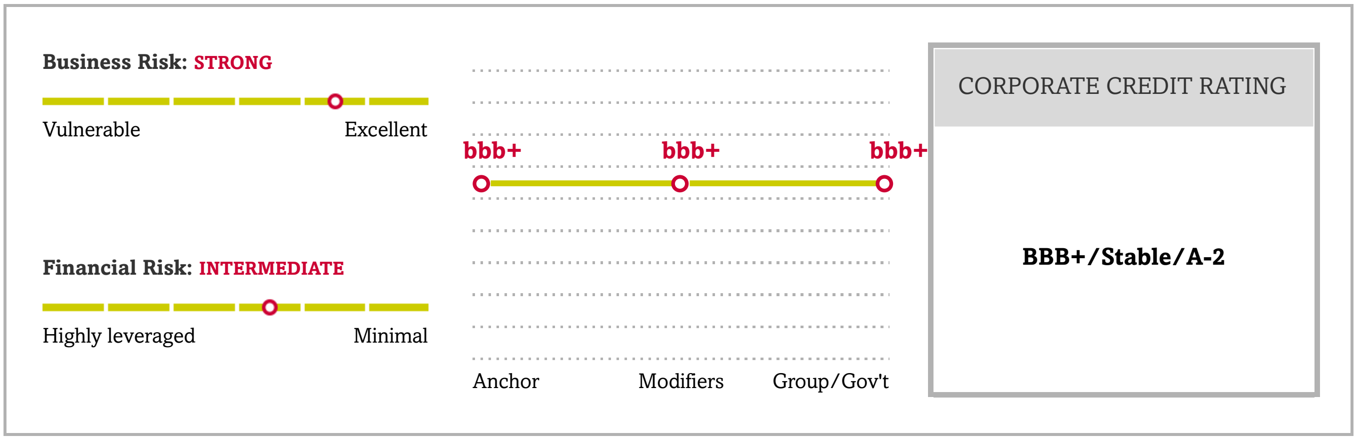
Auchan Holding



Rationale

Business Risk: Strong	Financial Risk: Intermediate
• Established market position in France (No. 5), China (No. 2), and Russia (No. 3), complemented by a leading share in the Eastern European market. • Some geographic diversification, with about one-third of retail sales and profits generated outside Europe. • Resilient and well-positioned property management portfolio with a market value of €8.4 billion. • Reliance on hypermarket store format while consumer preference is shifting to convenience stores in mature economies.	• Supportive financial policy. • A capital-intensive business model that constrains free operating cash flow generation. • Substantial real estate ownership, providing financial flexibility.

Outlook: Stable

The stable outlook on France-based international retailer Auchan Holding factors in S&P Global Ratings' expectation that Auchan will maintain its positions in key markets and sustain a profitability margin of about 6%. We anticipate that moderately positive operating trends at group level, combined with a prudent financial policy, will enable the group to maintain a ratio of S&P Global Ratings-adjusted funds from operations (FFO) to debt of more than 30% and an adjusted debt-to-EBITDA ratio of about 2.5x, as per our forecasts.

Downside scenario

We could lower our rating if Auchan's operating performance and market position weakened in the competitive food retail markets of France, China, or Russia, with the profitability margin approaching 5%. Such a scenario could prompt us to revise our assessment of the group's business risk profile downward.

Although unlikely at this stage, we could also consider a negative rating action if the group's financial policy became more aggressive, possibly with large debt-financed acquisitions or materially increased cash shareholder remuneration, such that the adjusted debt-to-EBITDA ratio approached 3x.

Upside scenario

Rating upside appears limited for now, considering the highly competitive market conditions in France and other Western European countries. Furthermore, we do not see meaningful upside without substantial improvement in the group's discretionary cash flow generation, which is presently heavily constrained by high capital expenditure (capex).

Our Base-Case Scenario

Assumptions

- Modest support from a moderate improvement in the overall economy and consumer spending outlook in key markets. The macroeconomic outlook should support the top line, although in our view competitive conditions in the food retail market and potential for cost inflation could depress the group's margins.
- Reported revenue growth of 2%-3% in 2017 and 2018, at constant currencies, essentially driven by store openings in Eastern Europe and China, and to a lesser extent convenience store development in Western Europe.
- An increase in capex to 4.0%-4.5% of revenues in 2017 and 2018 from 3.2% in 2016.
- Modest increase in shareholder returns.

Key Metrics

	2016a	2017f	2018f
EBITDA margin (%)[1]	6.4	6.3	6.6
EBITDA margin (%)[2]	5.8	5.7	6.0
Debt/EBITDA (x)[2]	2.3	2.4-2.6	2.3-2.5
FFO/debt (%)[2]	35.9	29.5-34.5	30.0-35.0

[1]100% consolidation of the Chinese subsidiary.

[2]36.4% consolidation of the Chinese subsidiary.

a--Actual. f--Forecast.

Company Description

With about €52.8 billion in reported revenues in 2016, France-based Auchan is the eleventh largest food retailer in the world. It operates hypermarkets and convenience stores in 16 countries. It is the fifth largest retailer in France and has sizable operations in both Eastern and Western Europe, with a notable presence in Russia, Ukraine, and China. Auchan operates China's largest food retailer through a 36.4%-owned joint venture called Sun Art. Auchan owns and operates shopping centers through its real estate subsidiary, Immochan, in 12 countries, and also has a captive finance subsidiary Oney Bank that serves more than eight million customers in 11 countries.

The Mulliez family owns about 90% of Auchan through Association Familiale Mulliez, while the rest is owned by eligible employees.

Business Risk: Strong

In our view, Auchan has strong market positions internationally, albeit with a lower market position in its home country than other large retailers like Carrefour S.A. and Tesco PLC, which we also assess as having strong business risk profiles. Auchan's business risk profile also reflects the group's resilient and well-positioned property management portfolio through its 97% controlled subsidiary Immochan. The assets in this portfolio have a market value of €8.4 billion and lend the group substantial operational and financial flexibility.

Our assessment takes account of competitive pressures in the French food retail sector and Auchan's high dependence on the highly competitive hypermarket store format. Auchan's reported 2016 revenues fell by 1.1% in France, against a background of increased promotions in the hypermarket segment.

We view as positive Auchan's new commercial strategy to expand its network of convenience stores in all big cities where it is present, given the structural shifts in the retail space in favor of convenience stores, and the challenges posed by the hypermarket format due to the need to maintain competitive pricing. That said, we believe that Auchan might find it difficult to significantly increase its share of proximity formats, given the strong positions of some competitors in that segment, in particular in France.

As part of this strategy, Auchan will also merge the business units in charge of its hypermarkets, supermarkets, and proximity stores. Notwithstanding some execution risks, we also anticipate that the logistics investment needs associated with this transformation plan, together with the restructuring costs, will weigh on Auchan's profitability in 2017, but that the group will start to see the benefits in 2018, although these gains might be partly offset by continued price-focused competition in France.

Our Base-Case Operating Scenario

- Generally stable GDP growth in Western Europe in 2017 (1.4% in France, 2.5% in Spain, and 0.9% in Italy), with a pick-up in inflation to 1.2%-1.4%. We expect private consumption will be under pressure from higher inflation, but that a progressive recovery in employment will help offset this. We expect a moderate improvement in Russia, with GDP growth of 1.5% compared with a 0.2% contraction in 2016, and inflation of 4.5% after 7.0% in 2016. We continue to forecast a slowdown in China, with GDP growth of 6.4% in 2017 compared with 6.7% in 2016.
- Limited revenue growth in France and Western Europe, aided by improving economic conditions and a generally benign consumer outlook, but constrained by continued competitive pressures from traditional brick-and-mortar retailers as well as e-commerce players.
- Strong organic growth in China, offset by difficult market conditions, slowing GDP growth, and declining like-for-like sales.
- Stabilization of like-for-like growth in Russia on moderate growth in consumer spending.
- Reported revenue growth of 2%-3% in 2017 and 2018, essentially driven by store openings in Eastern Europe and China and to a lesser extent convenience store development in Western Europe.
- We anticipate like-for-like growth to be close to zero, supported by stabilization in Russia and e-commerce growth in China, but constrained by price pressure in France.
- Cost inflation offset by continued benefits of purchasing partnerships with Systeme U in France, Sisa in Italy, and Metro Group internationally.
- A moderate decrease in the EBITDA margin in 2017 on the back of logistics investments and restructuring costs, followed by an improvement in profitability in 2018 through efficiency gains from the new organization and supply chain optimization.
- Stable margins at Immochan, which contributes about 12% of group EBITDA.

Peer comparison

Table 1

Auchan Holding--Peer Comparison (100% Consolidation Of Chinese Subsidiary)

Industry Sector: Supermarkets

	Auchan Holding	Carrefour S.A.	Casino Guichard - Perrachon & Cie S.A.	Tesco PLC
Rating as of May 22, 2017	BBB+/Stable/A-2	BBB+/Stable/A-2	BB+/Stable/B	BB+/Stable/B
(Mil. €)	**--Fiscal year ended Dec. 31, 2016--**			Fiscal year ended Feb. 29, 2016
Revenues	52,360	77,401	42,581	68,569
EBITDA	3,334	4,304	2,399	4,552
Funds from operations (FFO)	2,709	3,289	1,618	3,095
Net income from continuing operations	611	786	34	288
Cash flow from operations	2,588	3,599	2,075	3,763
Capital expenditures	1,703	2,749	1,197	1,280
Free operating cash flow	885	850	878	2,483
Discretionary cash flow	534	643	302	2,483
Cash and short-term investments	2,381	3,204	5,750	7,682
Debt	7,407	9,295	9,073	21,429
Equity	12,349	11,065	13,765	8,003
Adjusted ratios				
EBITDA margin (%)	6.4	5.6	5.6	6.6
Return on capital (%)	6.5	9.0	4.6	4.3
EBITDA interest coverage (x)	9.5	6.8	3.4	2.7
FFO cash int. cov. (x)	19.9	10.4	11.5	8.6
Debt/EBITDA (x)	2.2	2.2	3.8	4.7
FFO/debt (%)	36.6	35.4	17.8	14.4
Cash flow from operations/debt (%)	34.9	38.7	22.9	17.6
Free operating cash flow/debt (%)	11.9	9.1	9.7	11.6
Discretionary cash flow/debt (%)	7.2	6.9	3.3	11.6

Table 2

Auchan Holding--Peer Comparison (36.4% Consolidation Of Chinese Subsidiary)

Industry Sector: Supermarkets

	Auchan Holding	Carrefour S.A.	Casino Guichard - Perrachon & Cie S.A.	Tesco PLC
Rating as of May 22, 2017	BBB+/Stable/A-2	BBB+/Stable/A-2	BB+/Stable/B	BB+/Stable/B
(Mil. €)	**--Fiscal year ended Dec. 31, 2016--**			**Fiscal year ended Feb. 29, 2016**
Revenues	43,668	77,401	42,581	68,569
EBITDA	2,551	4,304	2,399	4,552
Funds from operations (FFO)	2,114	3,289	1,618	3,095

Table 2

Auchan Holding--Peer Comparison (36.4% Consolidation Of Chinese Subsidiary) (cont.)				
Net income from cont. oper.	611	786	34	288
Cash flow from operations	1,859	3,599	2,075	3,763
Capital expenditures	1,389	2,749	1,197	1,280
Free operating cash flow	469	850	878	2,483
Discretionary cash flow	250	643	302	2,483
Cash and short-term investments	1,680	3,204	5,750	7,682
Debt	5,889	9,295	9,073	21,429
Equity	10,375	11,065	13,765	8,003
Adjusted ratios				
EBITDA margin (%)	5.8	5.6	5.6	6.6
Return on capital (%)	5.3	9.0	4.6	4.3
EBITDA interest coverage (x)	9.3	6.8	3.4	2.7
FFO cash int. cov. (x)	15.7	10.4	11.5	8.6
Debt/EBITDA (x)	2.3	2.2	3.8	4.7
FFO/debt (%)	35.9	35.4	17.8	14.4
Cash flow from operations/debt (%)	31.6	38.7	22.9	17.6
Free operating cash flow/debt (%)	8.0	9.1	9.7	11.6
Discretionary cash flow/debt (%)	4.2	6.9	3.3	11.6

Financial Risk: Intermediate

Auchan's financial risk profile is characterized by adjusted debt-to-EBITDA and FFO-to-debt ratios of 2.3x and 35.9%, respectively, in 2016 (2.2x and 37.5% in 2015). We continue to analyze Auchan's financial risk profile on a proportional basis to better reflect our view of the company's limited access to cash originating from China, even though the group changed its reporting under International Financial Reporting Standards in 2014 to include 100% of its Chinese operations.

In our analysis, we do not consider 100% of revenues, EBITDA, and debt from Auchan's Chinese joint venture Sun Art. We include only 36.4%, since we understand that the group currently owns 36.4% of the Chinese subsidiary, even though it has full control and majority voting rights. Furthermore, we do not include the put liability that Auchan's partner in the joint venture, Ruentex, can exercise from January 2016 because we believe that Ruentex is unlikely to exercise it in the current environment. Our view stems from the belief that Sun Art holds a No. 2 market position in China. Sun Art's performance is well above the market average and the joint venture has recently launched e-commerce operations. Therefore, in our opinion, Ruentex would not have a strong economic incentive to exercise the put option.

However, in the future, if we were to see it as likely that the put option could be exercised, we would consolidate 51% of the Chinese business in Auchan's figures. If the put option were exercised, we understand from management that

Auchan would have some flexibility to offset the cash impact through lower capex. In such a scenario, we believe there will not be a material negative impact on Auchan's financial ratios. As an illustration, Auchan's debt-to-EBITDA ratio, including the 51% consolidation and any potential incremental cash outflow relating to the put option, would be 2.5x, only 0.2x higher than currently.

Furthermore, Auchan owns 97% of its property management portfolio, which is worth about €8.4 billion according to management. This gives the group the flexibility to sell assets to alleviate pressure on ratios if the need arises.

In our view, Auchan's Western and Eastern European operations are critical to our assessment of the group's financial risk profile and credit quality, because Auchan has much greater and more immediate access to cash and cash flows generated in these regions than to those in Russia and China. Auchan has more access to cash at its Russian subsidiary because it fully owns it. However, we think Auchan's ability to upstream cash from Russia would depend on the amount of dividends its subsidiary could pay in any given year, along with capex that the group undertakes in Russia and China.

Under our base case, we forecast that Auchan will continue to report credit ratios commensurate with the current rating: that is, adjusted FFO to debt greater than 30% and adjusted debt to EBITDA of about 2.5x.

Auchan's relatively weak free operating cash flow (FOCF) and discretionary cash-flow-to-debt ratios continue to constrain its financial risk profile as the group pursues the remodelling of its stores, strengthens its logistics platforms, and expands its network in China and Russia.

Our Base-Case Cash Flow And Capital Structure Scenario

- We expect that Auchan's financial policy will continue to support credit metrics at current levels.
- We anticipate an increase in capex over the next two years to 4.0%-4.5% of sales, driven by network expansion, store remodeling, and strengthening of the logistics platforms. We anticipate capex will be evenly split among France, Europe and Russia, and China.
- We expect a limited increase in dividends such that it would remain at around €370 million.
- Consequently, we expect discretionary cash flow will remain negative over the next two years.

Financial summary

Table 3

Auchan Holding--Financial Summary (100% Consolidation Of Chinese Subsidiary)

Industry Sector: Supermarkets

	--Fiscal year ended Dec. 31--				
(Mil. €)	**2016**	**2015**	**2014**	**2013**	**2012**
Revenues	52,360	53,794	53,010	47,636	46,506
EBITDA	3,334	3,362	3,188	3,102	2,970
Funds from operations (FFO)	2,709	2,692	2,535	2,425	2,302
Net income from continuing operations	611	518	574	767	656
Cash flow from operations	2,588	2,741	2,766	2,153	2,158
Capital expenditures	1,703	2,054	2,034	1,831	1,754

Table 3

Auchan Holding--Financial Summary (100% Consolidation Of Chinese Subsidiary) (cont.)

Industry Sector: Supermarkets

	--Fiscal year ended Dec. 31--				
(Mil. €)	**2016**	**2015**	**2014**	**2013**	**2012**
Free operating cash flow	885	687	732	322	404
Discretionary cash flow	534	489	358	96	184
Cash and short-term investments	2,381	2,671	2,673	2,028	2,561
Debt	7,407	7,322	7,676	6,255	6,113
Equity	12,349	12,116	11,230	9,905	9,496
Adjusted ratios					
EBITDA margin (%)	6.4	6.2	6.0	6.5	6.4
Return on capital (%)	6.5	6.7	7.1	7.6	8.9
EBITDA interest coverage (x)	9.5	9.4	8.3	10.9	10.8
FFO cash int. cov. (x)	19.9	17.0	13.7	12.7	12.6
Debt/EBITDA (x)	2.2	2.2	2.4	2.0	2.1
FFO/debt (%)	36.6	36.8	33.0	38.8	37.7
Cash flow from operations/debt (%)	34.9	37.4	36.0	34.4	35.3
Free operating cash flow/debt (%)	11.9	9.4	9.5	5.2	6.6
Discretionary cash flow/debt (%)	7.2	6.7	4.7	1.5	3.0

Prior to 2014, the Chinese subsidiary was consolidated at 51% as per the audited accounts of Auchan.

Table 4

Auchan Holding--Financial Summary (36.4% Consolidation Of Chinese Subsidiary)

Industry Sector: Supermarkets

	--Fiscal year ended Dec. 31--				
(Mil. €)	**2016**	**2015**	**2014**	**2013**	**2012**
Revenues	43,668	45,132	45,175	47,636	46,506
EBITDA	2,551	2,595	2,528	3,102	2,970
Funds from operations (FFO)	2,114	2,098	2,022	2,425	2,302
Net income from continuing operations	611	518	574	767	656
Cash flow from operations	1,859	2,019	2,194	2,153	2,158
Capital expenditures	1,389	1,616	1,564	1,831	1,754
Free operating cash flow	469	403	629	322	404
Discretionary cash flow	250	315	437	96	184
Cash and short-term investments	1,680	2,080	2,138	2,028	2,561
Debt	5,889	5,590	5,719	6,255	6,113
Equity	10,375	10,252	9,551	9,905	9,496
Adjusted ratios					
EBITDA margin (%)	5.8	5.8	5.6	6.5	6.4
Return on capital (%)	5.3	5.7	5.4	7.6	8.9
EBITDA interest coverage (x)	9.3	8.9	7.2	10.9	10.8

Table 4

Auchan Holding--Financial Summary (36.4% Consolidation Of Chinese Subsidiary) (cont.)					
Industry Sector: Supermarkets					
	--Fiscal year ended Dec. 31--				
(Mil. €)	**2016**	**2015**	**2014**	**2013**	**2012**
FFO cash int. cov. (x)	15.7	13.5	11.2	12.7	12.6
Debt/EBITDA (x)	2.3	2.2	2.3	2.0	2.1
FFO/debt (%)	35.9	37.5	35.4	38.8	37.7
Cash flow from operations/debt (%)	31.6	36.1	38.4	34.4	35.3
Free operating cash flow/debt (%)	8.0	7.2	11.0	5.2	6.6
Discretionary cash flow/debt (%)	4.2	5.6	7.6	1.5	3.0

The consolidation of 36.4% of the Chinese subsidiary has been initiated from financial year 2014 only. Prior to 2014, the Chinese subsidiary was consolidated at 51% as per the audited accounts of Auchan.

Liquidity: Adequate

We view Auchan's liquidity as adequate and calculate that liquidity sources will likely exceed liquidity needs by more than 1.2x over the next 12 months. Since our liquidity calculations are based on reported accounts (which consolidate 100% of Sun Art), we take into account the liquidity impact of the potential exercise of the put option relating to Sun Art. We believe our assessment broadly reflects actual cash flows, since we estimate that operations in China and Russia, where the group has limited access to cash and cash flows, do not generate a meaningful amount of FOCF.

Principal Liquidity Sources	Principal Liquidity Uses
As of Dec. 31, 2016, approximately €7.2 billion, including: • €2.4 billion of cash; • €2.5 billion of undrawn credit lines expiring in more than 12 months; and • €2.3 billion of reported FFO forecast over the next 12 months.	About €4.4 billion over the next 12 months, comprising: • €1.1 billion of short-term debt, excluding debt related to banking activities; • €1.2 billion of working capital seasonality; • €1.4 billion of maintenance and remodelling capex; • €0.4 billion of dividends; and • €0.3 billion related to the exercise of put options relating to Sun Art.

Debt maturities

As of Dec. 31, 2016, and excluding debt related to banking activities:

- 2017: €1,102 million
- 2018: €634 million
- Thereafter: €3,079 million

Ratings Score Snapshot

Corporate Credit Rating

BBB+/Stable/A-2

Business risk: Strong

- **Country risk:** Intermediate
- **Industry risk:** Intermediate
- **Competitive position:** Strong

Financial risk: Intermediate

- **Cash flow/Leverage:** Intermediate

Anchor: bbb+

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Reconciliation

Table 5

Reconciliation Of Auchan Holding Reported Amounts With S&P Global Ratings' Adjusted Amounts (100% Consolidation of Chinese Subsidiary)

	--Fiscal year ended Dec. 31, 2016--							
Auchan Holding reported amounts								
(Mil. €)	**Debt**	**Shareholders' equity**	**Revenues**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**
Reported	7,098	10,044	52,820	2,707	1,082	95	2,707	2,009
S&P Global Ratings' adjustments								
Interest expense (reported)	--	--	--	--	--	--	(95)	--
Interest income (reported)	--	--	--	--	--	--	50	--
Current tax expense (reported)	--	--	--	--	--	--	(333)	--
Operating leases	3,568	--	--	690	250	250	440	440

Table 5

Reconciliation Of Auchan Holding Reported Amounts With S&P Global Ratings' Adjusted Amounts (100% Consolidation of Chinese Subsidiary) (cont.)

Postretirement benefit obligations/deferred compensation	131	--	--	2	2	5	(6)	6
Surplus cash	(2,008)	--	--	--	--	--	--	--
Dividends received from equity investments	--	--	--	7	--	--	7	--
Captive finance operations	(2,283)	(553)	(460)	(79)	(71)	--	(68)	126
Non-operating income (expense)	--	--	--	--	48	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	7
Non-controlling interest/Minority interest	--	2,858	--	--	--	--	--	--
Debt - Derivatives	(211)	--	--	--	--	--	--	--
Debt - Put options on minority stakes	1,112	--	--	--	--	--	--	--
EBITDA - Gain/(Loss) on disposals of PP&E	--	--	--	(60)	(60)	--	(60)	--
EBITDA - Other	--	--	--	67	67	--	67	--
Total adjustments	309	2,305	(460)	627	236	255	2	579
S&P Global Ratings' adjusted amounts								
(Mil. €)	**Debt**	**Equity**	**Revenues**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**
Adjusted	7,407	12,349	52,360	3,334	1,318	350	2,709	2,588

PP&E--Property, plant, and equipment.

Table 6

Reconciliation Of Auchan Holding Reported Amounts With S&P Global Ratings' Adjusted Amounts (36.4% Consolidation of Chinese Subsidiary)

	--Fiscal year ended Dec. 31, 2016--									
Auchan Holding reported amounts										
(Mil. €)	**Debt**	**Shareholders' equity**	**Revenues**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**	**Dividends paid**	**Capital expenditures**
Reported	7,098	10,044	52,820	2,707	1,082	95	2,707	2,009	351	1,703
S&P Global Ratings' adjustments										
Interest expense (reported)	--	--	--	--	--	--	(95)	--	--	--
Interest income (reported)	--	--	--	--	--	--	50	--	--	--
Current tax expense (reported)	--	--	--	--	--	--	(333)	--	--	--
Operating leases	2,454	--	--	509	177	177	333	333	--	--

Table 6

Reconciliation Of Auchan Holding Reported Amounts With S&P Global Ratings' Adjusted Amounts (36.4% Consolidation of Chinese Subsidiary) (cont.)

Postretirement benefit obligations/deferred compensation	131	--	--	2	2	5	(6)	6	--	--
Surplus cash	(1,412)	--	--	--	--	--	--	--	--	--
Dividends received from equity investments	--	--	--	7	--	--	7	--	--	--
Captive finance operations	(2,283)	(553)	(460)	(79)	(71)	--	(68)	126	--	--
Deconsolidation / consolidation	(7)	(1,974)	(8,692)	(602)	(350)	(2)	(487)	(622)	(132)	(314)
Non-operating income (expense)	--	--	--	--	48	--	--	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	7	--	--
Non-controlling interest/Minority interest	--	2,858	--	--	--	--	--	--	--	--
Debt - Derivatives	(211)	--	--	--	--	--	--	--	--	--
Debt - Put options on minority stakes	118	--	--	--	--	--	--	--	--	--
EBITDA - Gain/(Loss) on disposals of PP&E	--	--	--	(60)	(60)	--	(60)	--	--	--
EBITDA - Other	--	--	--	67	67	--	67	--	--	--
Total adjustments	(1,209)	331	(9,152)	(156)	(187)	180	(593)	(150)	(132)	(314)

S&P Global Ratings' adjusted amounts

	Debt	Equity	Revenues	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations	Dividends paid	Capital expenditures
Adjusted	5,889	10,375	43,668	2,551	895	275	2,114	1,859	219	1,389

PP&E--Property, plant, and equipment.

Related Criteria And Research

Related Criteria

- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Corporate Methodology, Nov. 19, 2013
- Group Rating Methodology, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Key Credit Factors For The Retail And Restaurants Industry, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012

- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	**a-/bbb+**	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of May 22, 2017)

Auchan Holding	
Corporate Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Senior Unsecured	BBB+
Corporate Credit Ratings History	
28-Apr-2016	BBB+/Stable/A-2
30-Apr-2015	A-/Negative/A-2
02-Apr-2014	A-/Stable/A-2
04-Dec-2012	A/Negative/A-1
Related Entities	
Auchan Coordination Services S.A.	
Issuer Credit Rating	--/--/A-2
Oney Bank	
Issuer Credit Rating	BBB+/Stable/A-2
Certificate Of Deposit	
Local Currency	A-2
Senior Unsecured	BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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