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Ratings

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Research Update:

ELO Downgraded To 'BB+/B' On Higher Leverage And Structural Challenges In French Retail; Outlook Stable

March 11, 2024

Rating Action Overview

- ELO (Auchan Holding), owner of Auchan Retail and New Immo Holding (NIH), reported weak results in 2023, due to ongoing structural challenges in the French retail market, driving S&P Global Ratings-adjusted debt to EBITDA (excluding Russian operations) to 3.4x from 2.7x a year prior.
- We estimate the planned acquisition of 98 loss-making stores from Casino Guichard Perrachon will bring ELO's leverage close to 4.0x in 2024, despite the announced €300 million capital injection from shareholders, while entailing significant execution risks considering the very competitive environment.
- Structural deterioration in France, headwinds from the Russia-Ukraine war, inflationary pressure, and high interest rates have cut into ELO's profitability, cash flow, and business prospects over the past two years, extinguishing rating headroom.
- ELO has a strong balance sheet, including NIH's €7.3 billion real estate portfolio, and a track record of reducing leverage through asset disposals, but high interest rates and declining real estate valuations could complicate asset sales over the next 12-18 months.
- We therefore lowered to 'BB+/B' from 'BBB-/A-3' our ratings on ELO and the group's senior unsecured notes. We assigned the notes a '3' recovery rating (65% recovery prospects).
- The stable outlook reflects our expectation that the uncertain prospects of retail business in France, alongside the challenges and costs of integrating Casino's stores, will keep ELO's profitability below 5.0%, free operating cash flow negative, and leverage (excluding Russian operations) at 3.5x-4.0x in 2024-2025, before a progressive improvement.

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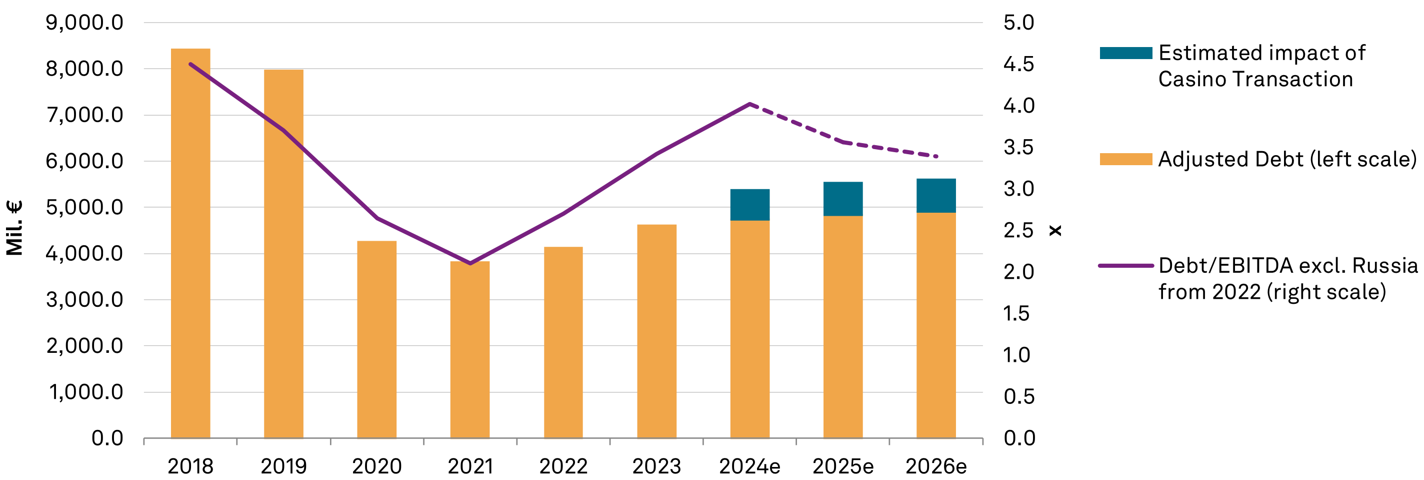
Rating Action Rationale

Auchan Retail's underperformance drove ELO's leverage (excluding Russia) to S&P Global Ratings-adjusted 3.4x in 2023, from 2.7x in 2022. Last year ELO reported sales of €32.9 billion, about 1.7% lower than in 2022 because of lower fuel prices and unfavorable foreign currency movements. S&P Global Ratings-adjusted EBITDA declined to €1.4 billion, about 15% lower than in 2022 and 20% lower than in 2021. The group's EBITDA margin, adjusted by S&P Global Ratings, was 4.4%, versus 5.1% in 2022 and 5.8% in 2021. The decline was driven by Auchan Retail France, whose EBITDA contracted €175 million, and Auchan Retail Russia and Ukraine, whose EBITDA contracted €82 million at constant exchange rates, according to the company's year-end results. This was partially hedged by the group's diversification and good performance in its other businesses and geographies. Auchan Retail's EBITDA in other geographies rose €92 million on the back of the successful integration of 217 DIA stores in Spain and healthy like-for-like expansion in Eastern Europe, while NIH's EBITDA increased €23 million.

The acquisition of 98 Casino stores will increase leverage to 4.0x in 2024 and entail substantial execution risk, in our view. The deal, announced on January 24, includes 70 supermarkets, 26 hypermarkets, and two drive-thrus. ELO also shared its plan to build, together with Les Mousquetaires (Intermarché), the biggest purchasing alliance in France. The acquisition will strengthen Auchan's market share in France to 10.0% from 8.5% in 2023, with a presence in complementary regions, such as the south and Ile-de-France, and increase its exposure to the supermarket format. In our base case, we assume ELO will face a material outflow in 2024 related to the transaction, including the acquisition price and the investments needed to transform and re-open the stores. ELO's shareholders will finance a portion of it through a €300 million capital increase. Additionally, we estimate the acquired stores will add a significant amount of lease debt and annual lease payments, while their EBITDA contribution (pre-leases) will be negative in 2024 and only moderately positive in 2025-2026. Overall, we expect the transaction will increase S&P Global Ratings-adjusted debt by €600 million-€700 million in 2024. Consequently, we expect adjusted leverage will spike to 4.0x in 2024, before stabilizing at 3.5x-4.0x in 2025. Furthermore, we think the transaction entails significant execution risks, because of the deteriorated performance of Casino's super and hypermarkets in 2022-2023 and Auchan's poor track record of turning around the profitability of its own network. Although the 10-year purchasing alliance with Les Mousquetaires should provide some tangible effects on the group's buying conditions from 2025, the impact on profitability is untested in a very competitive landscape.

Chart 1

ELO's leverage* surpasses the 3.5x trigger in 2024-2025



*Adjusted, excluding Russia. F--Forecast.

Continuous weakening in the core French retail market poses long-term challenges to the group's profitability and cash flow. Excluding Russia and Ukraine, the main drag on ELO's profitability and cash generation remains its core French retail operations. These activities represent about half of the group's revenue and their EBITDA has declined three years in a row. We estimate Auchan Retail's reported EBITDA margin in France dropped to about 1.0% in 2023, from about 2.0% in 2022 and about 3% in 2021. This level of profitability is significantly below the global industry average, which we estimate at 5%-10%. This translates in structurally negative free operating cash flow (FOCF), despite the limited amount of financial debt displayed by retail operations. Auchan Retail France has also faced years of progressive erosion of its market share, which dropped to 8.5% in 2023 from 10.5% in 2018, according to Kantar. We think this is the result of the group's dependence on large hypermarkets, which we estimate represent over two-thirds of its revenue, and particularly by its significant nonfood exposure, as well as fierce competition in France. This comes from discounters and market-leader Leclerc, as well as fast-growing specialized players such as Grand Frais in the fresh food segment or Action in the non-food segment. Management is confident it can improve the profitability and attractiveness of its French retail operations in the medium term by leveraging on the new purchasing alliance with Intermarché, investing in prices and in the attractiveness of its hypermarkets, by reducing surface and reshaping the offering. However, we assume the turnaround will be tricky, gradual, and eventually require additional sizable one-off investments. We consider that Auchan's structural weakness in its core French market poses a long-term challenge to the group's cash flow and its credit quality. This prompted us to revise down the group's business risk profile assessment to fair, from satisfactory previously, and it ultimately drove the downgrade. This revision also reflects the pronounced reduction in the group's scale and geographic diversification over 2018-2020, following the disposal of various activities.

Real estate subsidiary NIH helps ELO's profitability amid unfavorable macroeconomic conditions. NIH reported solid growth in 2023, with EBITDA reaching €392 million, up 9.5% from 2022 and 33% above 2021, as the company bounced back from COVID-19-related setbacks. We forecast NIH's rental income and adjusted EBITDA will rise another 2%-5% per year on a like-for-like basis in 2024-2025, supporting ELO's performance and business diversity. Despite the material rise in interest rates, NIH's reported portfolio value in 2023 only showed a 1.5% decline on a like-for-like basis. This was below our expectation and below that of main peers. This is because the rise in yields was partly compensated by robust cash flow, and NIH's yields are already slightly higher than those of some peers in the office or residential sectors (7.82% discount rate in France, 9.01% in Western Europe, and 11.79% in Eastern Europe). That said, higher interest rates could still pose additional challenges over the next 12-24 months, including lowered debt service coverage capacity and complicating the execution of asset disposals. We expect NIH will continue investing about €300 million per year in its development pipeline, that will be self-financed through its cash-flow generation and asset disposals of around €100 million per year. As such, we do not expect NIH's investment strategy to drive any significant reduction or increase in ELO's net debt.

ELO's shareholder support and asset-rich balance sheet enable the group to partially cushion the impact of operational weaknesses on the metrics. Over 2018-2020, ELO deleveraged substantially, by using proceeds from disposals to reduce S&P Global Ratings-adjusted debt to €3.8 billion in 2021, from €8.4 billion in 2018. This was before a partial reversal due to weak operating performance and some strategic acquisitions in 2022-2023. Shareholders have historically prioritized credit quality over dividends during difficult trading conditions. For example, ELO cancelled dividend payments during the pandemic and committed not to pay dividends in 2024 to partly counterbalance the negative impact of Casino's stores acquisition. Similarly, shareholders contributed €100 million in 2023 and will contribute another €300 million in 2024. Given its strong asset base, including NIH's €7.3 billion portfolio and Auchan Retail's ownership of a considerable portion of its stores, we assume the group may execute additional disposals to reduce its financial debt over the coming two to three years. However, the cautious financial policy did not fully compensate for the deterioration of operating performance, which has materially weakened the metrics over the past 24 months. In our view, Auchan Retail France needs sizable investments in the short term to restore its long-term competitive position and ultimately its cash flow. We think that a return to an investment-grade rating would hinge on reduced net debt on the back of positive FOCF and the restoration of a sound retail business in France--not only from asset disposals since these transactions often entail a reduction in EBITDA and business diversification, or imply higher lease payments.

Cash flow will remain negative in 2024-2025, due to subdued profitability, high investments, and increasing fixed charges hampering financial flexibility. In 2023, ELO's reported net financial debt increased about €330 million, despite a €220 million working capital inflow and €220 million of proceeds from disposals. This follows an increase of about €400 million in 2022. The main drivers of cash absorption in 2023 were €1,081 million of investments, including the acquisition of DIA's 217 stores in Spain, about €330 million of cash interests (versus €240 million in 2022), about €330 million lease payment, as well as a €100 million dividend and an equivalent amount of cash taxes. We expect net debt will continue increasing in 2024-2025, as the group will integrate Casino's loss-making stores, while keeping investments high to turnaround its core French operations. We expect ELO's fixed charges will increase markedly over 2024-2025, due to an estimated €80 million increase in lease payments following the acquisition of Casino's stores and an €40 million increase in interest expenses, given the higher adjusted debt and higher interest rates. In this context, ELO will likely need to reimburse or refinance about €850 million of debt per year in 2024-2025, and about €1,250 million in 2026 (including NIH's bond). The 2024 maturity has been mostly covered with a €750 million bond issuance at 6% in September 2023. Higher fixed charges will translate in a deterioration of the group's financial flexibility, as indicated by the EBITDAR coverage ratio, which we estimate will fall to 2.1x-2.4x in 2024-2025, from 2.6x in 2023 and 3.8x in 2022, despite the group's ownership of a sizable portion of its store footprint.

ELO's financial debt mostly benefits NIH, while Auchan Retail has limited financial debt but struggles to generate FOCF. In 2023, NIH accounted for about 27% of ELO's consolidated adjusted EBITDA, but for about 76% of its €4.6 billion adjusted debt. Consequently, in 2023 NIH had an adjusted leverage of 8.6x, while the holding company and Auchan Retail had a leverage of 1.0x, mostly constituted of lease obligations and a net cash position. This gives Auchan Retail some flexibility to absorb the Casino acquisition and invest in the turnaround of its core French operations. In 2024, we expect Auchan Retail's leverage will increase toward 2.0x, while NIH's leverage will decline to 8.4x. From a financial standpoint, and in line with our rating approach for real estate companies, NIH can bear a much more leveraged capital structure relative to its EBITDA than regular corporate entities. This high leverage is offset by the large amount of real estate assets on the books and the predictability of the related rental income mostly generated through fixed and indexed leases--a characteristic we reflect in our methodology for real estate companies, which have less stringent financial triggers compared with other corporates. Under our financial matrix framework for real estate entities, NIH's weighted-average credit metrics correspond to an intermediate financial risk profile. Therefore, we believe that ELO's credit quality is stronger than what its consolidated credit metrics suggest under our corporate rating methodology, justifying a one-notch uplift from the 'bb' anchor. Considering its hybrid nature, combining both retail and real estate businesses, we will monitor the consolidated group and the creditworthiness of its two core businesses on a stand-alone basis under each methodology.

We consider leverage excluding Russia as more representative of the group's ability to repay its debt under the current circumstances. Although the group does not intend to leave Russia for now, we consider ELO's adjusted leverage excluding EBITDA from Russia as a metric that better reflects the group's current creditworthiness. This is because, given the sanctions and the geopolitical tensions, we assume the group cannot rely on the cash flows generated in Russia to service its debt. Without our estimate of Russian EBITDA and Russian lease debt for 2023, our calculation of adjusted leverage increases about 0.2x.

Outlook

The stable outlook reflects our expectation that the uncertain prospects of French retail business, combined with the challenges and costs of integrating Casino's stores, will keep ELO's profitability below 5.0%, FOCF negative, and leverage (excluding the Russia operations) at 3.5x-4.0x in 2024-2025, before a progressive improvement.

Downside scenario

We could lower the ratings if, over the next 12-24 months, ELO underperforms our base case due to continuous deterioration of operating conditions in France or higher-than-expected costs from the integration of Casino's stores. In particular, we could lower the rating if ELO's:

- Leverage exceeds S&P Global Ratings-adjusted 4.0x (excluding Russia) on a sustainable basis;
- French retail operations EBITDA turns negative; or
- Cash flow deteriorates further, causing material, unexpected increases in net debt and hampering the liquidity profile.

Upside scenario

We could raise the ratings if ELO materially overperforms our base case, such that ELO's:

- Leverage remains well below 3.5x (excluding Russia); and
- EBITDA margin structurally increases above 5.0%, driven by a fundamental improvement of the profitability and competitive position of its French retail operations.

Company Description

ELO is the sole owner of Auchan Retail and NIH, and it reported €32.9 billion of sales and about €1.5 billion of EBITDA in 2023. ELO also holds an unconsolidated 49.9% stake in Oney Bank, with the remaining 50.1% being owned by BPCE.

Auchan Retail operates hypermarkets and supermarkets in 11 countries. It is the fifth-largest retailer in France, which accounts for about half of the group's revenue, but it also has sizable operations in both Eastern and Western Europe, notably in Spain, Russia, Poland, Portugal, and Romania.

NIH is a real estate property owner, owning and managing a portfolio of about €7.3 billion of shopping centers in 11 countries. The issuer credit rating on NIH is aligned with that on ELO, even though we assess NIH's stand-alone credit profile at 'bbb'.

The Mulliez family owns about 98% of ELO through Association Familiale Mulliez (AFM) and other structures, while the remainder is owned by eligible employees. In the retail market, AFM is also the owner, among others, of Decathlon (sportswear and equipment), Boulanger, and Adeo (DIY and home improvement).

Our Base-Case Scenario

Assumptions

- French and eurozone real GDP to grow 0.8%-0.9% in 2024 and about 1.5% in 2025. French and Eurozone inflation to progressively slow down to 2.7%-2.9% in 2024 and 1.9%-2.0% in 2025, from 5.5%-5.6% in 2023.
- Lower food inflation and energy costs, combined with high employment rate, should constitute a more mitigated trading environment for food retailers in Europe in 2024-2025, compared to 2022-2023. That said, high interest rates, geopolitical uncertainties, and raising labor costs may still weigh on consumers' sentiment and retailers' profitability. In this context, we expect the fragmented French food retail market to remain extremely competitive on prices, keeping Auchan's margins and market shares under pressure, given its exposure on the price-sensitive hypermarkets.

- ELO's revenue to increase 4.0%-5.0% in 2024 and 3.0%-4.0% in 2025, driven by the progressive integration of Casino's 98 stores in France and of DIA's stores in Spain and Portugal.
- Auchan Retail's gross margin to stabilize at about 23.0%-23.5% in 2024-2025, in line with 2023. We expect the new purchasing alliance with Intermarché will bring benefits from 2025, but we think the group will balance profitability with investment in prices to improve the attractiveness of its brand in France. We expect Auchan Retail's EBITDA margin will remain at 3.0%-3.5% in 2024-2025, in line with 2023, as the group integrates Casino's loss-making stores.
- NIH's EBITDA margin, as adjusted by S&P Global Ratings, of about 62.0% in 2024-2025, versus 60.0% in 2023.
- ELO's EBITDA margin, as adjusted by S&P Global Ratings, to decline to 4.2% in 2024, from 4.4% in 2023, before gradually recovering in 2025-2026.
- Neutral working capital variations in 2024-2025.
- Annual gross capital expenditure (capex) of €1.0 billion-€1.1 billion per year, including about €200 million annual capex for NIH.
- Total acquisition-related outflows of €650 million-€700 million in 2024, including Casino's acquisition price and investments needed to rebrand and reopen the stores, as well as the acquisition of DIA's network in Portugal.
- We assume €100 million-€150 million of disposals per year in 2024-2025, including some real estate assets and the sale of Hungarian operations. Although we acknowledge the group has an asset-rich balance sheet and could dispose significantly more assets, the high interest rate environment and declining real estate valuations could make asset sales more challenging over the next 24 months. We also believe that some disposals will drive a reduction in EBITDA, resulting in a mixed effect on adjusted leverage.
- No dividend in 2024 and €100 million in 2025.
- Buybacks related to employee shareholdings of up to €30 million each year.
- We assume the group will refinance upcoming debt maturities at an interest rate of 6.0%-7.0% over 2024-2025.

Key metrics

ELO--Forecast summary

Mil. €	2020a	2021a	2022a	2023a	2024f	2025f	2026f
Revenues	32,117	31,088	33,485	32,902	34,305	35,471	35,759
EBITDA	1,608	1,809	1,703	1,441	1,439	1,648	1,750
EBITDA margin	5.0	5.8	5.1	4.4	4.2	4.6	4.9
Capital expenditure	685	814	1,127	1,081	1,008	1,035	1,042
Reported FOCF, after finance lease payments	1,351	321	(391)	(84)	(182)	(90)	(36)
Debt/EBITDA (x)	2.6	2.1	2.4	3.2	3.7	3.4	3.2
FFO/debt (%)	22.7	35.7	31.5	21.7	19.9	21.7	22.6
DCF/debt (%)	7.1	(7.8)	(9.1)	0.6	2.2	1.9	2.9

ELO--Forecast summary (cont.)

Mil. €	2020a	2021a	2022a	2023a	2024f	2025f	2026f
EBITDAR coverage	--	--	3.8	2.5	2.1	2.4	2.5
New Immo Holding - debt/EBITDA (x)	11.2	10.9	9.2	8.6	8.4	7.9	7.7
Auchan Retail* - debt/EBITDA (x)	0.7	0.4	0.5	1.0	1.9	1.8	1.7
EBITDA - excluding Russia	--	--	1,400-1,500	1,250-1,350	1,250-1,350	1,450-1,550	1,550-1,650
Debt/EBITDA - excluding Russia	--	--	~2.7	~3.4	~4.0	~3.6	~3.4

Note: Adjusted figures by S&P Global Ratings. A--Actual. f--Forecast. *Retail adjusted leverage is estimated by netting NIH's debt and EBITDA from ELO's consolidated figures

Liquidity

We assess ELO's liquidity as adequate based on our expectation that its sources of liquidity will exceed its uses by over 1.2x over 2024.

Principal liquidity sources for 2024:

- €2.7 billion cash and cash equivalents;
- €1.6 billion of available committed credit lines;
- About €800 million of FFO forecast over the next 12 months (net of lease depreciation); and
- €300 million of equity increase from shareholders.

Principal liquidity uses for the same period:

- Current financial debt as of Dec. 31, 2023, of €1,070 million (assuming no refinancing);
- Total annual capex of about €1 billion (including growth and maintenance);
- Seasonal working capital requirement of up to €850 million;
- Total outflows for acquisitions and relating investment of €650 million–€700 million; and
- About €30 million of share repurchases as part of the employee incentive program.

Covenants

Some of ELO's credit lines bear a maintenance financial covenant of debt to EBITDA at a maximum of 3.5x, as defined in the debt documentation (which differs from S&P Global Ratings' methodology), at the end of each fiscal year. We understand the limit can be increased in case of material acquisitions.

NIH's bond includes limitation to total indebtedness (maximum LTV ratio of 50% and maximum senior secured debt ratio of 20%) and a minimum interest coverage ratio of 2x. We expect ELO and NIH will maintain sufficient headroom under its covenants.

Environmental, Social and Governance

Environmental, social, and governance (ESG) factors have had no material influence on our credit rating analysis of ELO.

The group's exposure to environmental and social risk is similar to that of the broader industry. For ELO, as a privately owned company, governance factors are significant to the credit profile, as the group is subject to less-stringent reporting and disclosure requirements than publicly listed companies.

As part of its corporate strategy, Auchan Retail put a large focus on improving its environmental impact, making it a key aspect of the strengthening of its competitive position. The group's environmental ambitions include reducing plastic packaging, food waste, and its carbon footprint. With respect to the latter, ELO's target is reducing Scope 1 and Scope 2 carbon dioxide emissions by 46% by 2030 (compared with 2019). Regarding Scope 3 emissions, where most of the greenhouse gas emissions are generated for the industry, the group's target is reducing them by 25% by 2030 (compared with 2020). As part of its efforts to differentiate its product offering, ELO aims to rely more on local sourcing of products and food traceability through, among other initiatives, more partnerships with farmers.

In November 2021, Auchan signed its first sustainability-linked loan, with terms conditional on achieving several climate change and sustainable agricultural production targets, while in September 2023 it issued a €750 million sustainability-linked bond.

Issue Ratings--Recovery Analysis

Key analytical factors

- We rate ELO's and NIH's senior unsecured bonds at 'BB+' with a recovery rating of '3', indicating our expectation of meaningful (50%-70%; rounded estimated 65%) recovery to creditors in the event of a payment default.
- ELO's consolidated capital structure includes €6.0 billion of debt, of which €0.3 billion is senior secured and the rest--including the rated bonds--is senior unsecured. ELO also has €1.66 billion of revolving credit lines, currently undrawn, which we understand rank pari-passu with the rest of its senior unsecured debt. Out of ELO's consolidated €6.0 billion of debt, about €0.7 billion is issued by NIH, and the rest by ELO itself.
- The capital structure of NIH--which is fully controlled and consolidated by ELO--includes €3.5 billion of debt, of which €0.7 million of external debt and €2.8 billion is constituted by ELO's intercompany loans. We understand the intercompany loans rank pari-passu with NIH's senior unsecured debt, including its €300 million rated notes.
- Our default scenario assumes fierce competition in the French retail market, resulting in additional revenue decline, margin pressure and negative FOCF generation, putting ELO's liquidity at risk, while pressuring real-estate valuation and ability to execute timely disposals.
- We value Auchan Retail operations using a multiple of EBITDA at emergence, while we value NIH's real-estate assets using a discrete asset valuation approach, based on the third-party appraisal of its portfolio and a discount rate to reflect the uncertainty of that value in 2029 (assumed year of default).

- We assume that NIH's real estate value is available to ELO and its creditors via the reimbursement of intercompanys loans and dividends.
- Although the numerical recovery outcome is higher than 65%, we apply an unsecured debt rating cap of '3' due to the unsecured nature of the rated debt, both to ELO and NIH's bonds. This is because, in line with our criteria, we expect the group may pledge security to raise additional debt or refinance the existing one as its credit quality deteriorates. Additionally, we assume that, on the path to default, NIH would sell its best and most liquid assets to provide liquidity to ELO.
- We understand there are not cross-default or cross-guarantee clauses between ELO and NIH, including in the intercompany loans.

Simulated default assumptions

- Year of default: 2029
- Jurisdiction: France

Simplified waterfall

- Auchan Retail emergence EBITDA: €489 million
- Multiple: 5.0x
- Gross recovery value of Auchan Retail: €2.4 billion
- Discounted value of NIH's real estate assets: €4.4 billion
- Gross recovery value of the group: €6.8 billion
- Net recovery value for waterfall after admin. expenses (5%): €6.5 billion
- Estimated NIH's external debt, including the €300 million rated bond: €0.7 billion

--Recovery range: more than 100% (capped at 65%)

- Estimated ELO's priority and secured debt: €0.3 billion
- Remaining value for ELO's senior unsecured creditors: €5.4 billion
- Estimate ELO's senior unsecured debt at default (excluding NIH): €6.5 billion*

--Recovery range: 80% (capped at 65%)

*All debt amounts include six month prepetition interest. We assume that 8%% of all RCFs will be drawn at the point of default.

Ratings Score Snapshot

Issuer Credit Rating	BB+/Stable/B
Business risk:	Fair
Country risk	Intermediate
Industry risk	Intermediate
Competitive position	Fair
Financial risk:	Significant

Cash flow/leverage	Significant
Anchor	bb
Modifiers:	
Diversification/Portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)

Related Criteria

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Industry Credit Outlook 2024: Consumer Products, Jan. 9, 2024
- Industry Credit Outlook 2024: Retail and Restaurants, Jan. 9, 2024

Ratings List

Downgraded

	To	From
ELO		
Issuer Credit Rating	BB+/Stable/B	BBB-/Negative/A-3
Senior Unsecured	BB+	BBB-
Recovery Rating	3(65%)	--
Commercial Paper	B	A-3

Not Rated Action

	To	From
Auchan Coordination Services S.A.		
Issuer Credit Rating	--/--/NR	A-3